# BUILDING A BETTER TOMORROW.

Strengthening the Foundation of Tomorrow

adani
Cement

ACC

Integrated Report 2022-23

# Contents



# 2022-23 Highlights

**₹22,210** crore
Revenue from operations

**33.08** Mn tonnes
Cement production volume

**₹2,256** crore
EBITDA

**56.8** %
Clinker factor

**₹870** crore
Profit after tax

**6.3** %
Green power utilised for Cement production

**₹46**
Earnings per share

**₹45** crore
CSR spend

**₹14,043** crore
Networth

**3.5** million
Total no. of beneficiaries reached through CSR

**₹31,308** crore
Market capitalisation

**67,235**
Total hours of training

**Note:** All figures are on standalone basis.

**Note:** The Company has changed its financial year end from April to March. Previous reporting year was from January to December. The current report is for the period between January 01, 2022 - March 31, 2023.

Therefore, the data for the current year is for 15 months and not comparable with the figures for the previous 12 months year ended December 31, 2021.

# BUILDING A BETTER TOMORROW.

## Strengthening the Foundation of Tomorrow

In today's ever-evolving world, the quest for progress goes beyond mere accomplishments; it extends to building a better tomorrow for generations to come. As a responsible and forward-thinking organisation, we embrace this noble endeavour wholeheartedly.

We are resolute in our mission to minimise our ecological footprint and make a positive impact on the environment. As a proud part of the Adani Group, we have harnessed synergies to drive substantial progress in our ESG performance. We are reducing our carbon footprint and making significant strides towards a low-carbon future.

We understand the importance of optimising our resource utilisation. Through higher proportions of blended cement and the reduction of clinker factor, we are actively conserving resources and minimising environmental impact. Embracing the circular economy, we are significantly increasing our consumption of alternative fuels.

We are deeply invested in the well-being and social inclusion of the communities we serve. Through initiatives focused on sustainable livelihood and social inclusion, we are empowering communities to thrive and contribute to their development.

ACC is not just building structures; we are building a future that is resilient, inclusive, and environmentally conscious. Together, we are shaping a better tomorrow, one where progress is measured not only by financial success but also by the positive change we bring to people's lives and the planet we call home.

# About the Report

At ACC, we believe in an integrated approach that prioritises growth, sustainability, innovation, and inclusive development. Our Integrated Report 2022-23 provides important information to all our stakeholders, including our performance, governance, material risks and opportunities, strategy, and future prospects.

This report covers both financial and non-financial performance, risk management, and material information related to our strategy and business model, operating context, stakeholder interests, and governance. Our goal is to create long-term value for our stakeholders in an ethical manner, using various forms of capital available to us and pursuing value-accretive activities.

## Scope

### Reporting Period

The Company has changed its financial year end from April to March. Previous reporting year was from January to December. The current report is from the period between January 01, 2022 - March 31, 2023.

Therefore, the data for the current year is for 15 months and not comparable with the figures for the previous 12 months year ended December 31, 2021.

### Reporting Boundary

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

Read more details on_**Pg 15.**

## Target Readers

Our primary aim with this report is to provide investors, both current and potential, with the information they require. However, we have also endeavoured to present this information in a manner that is relevant to other key stakeholders, including our customers, regulators, employees, and society at large.

## Frameworks, Guidelines and Standards

We have prepared this report following the International <IR> Framework published by the Value Reporting Foundation, formerly known as International Integrated Reporting Council (IIRC). Additionally, we have also prepared the report according to the Comprehensive option of GRI Standards. The GRI Content Index can be found on our website.

### This report also aligns with

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

## Materiality

Our material issues as those that are most significant to our key stakeholders and have a direct impact on our ability to create value. We acknowledge that these issues are influenced by the economic, social, and environmental context in which we operate.

Read more details on_**Pg 36.**



## Financial and Non-Financial Reporting

We aim to provide information that goes beyond financial aspects and includes non-financial performance, opportunities, risks and outcomes that are associated with our key stakeholders and have a significant impact on our ability to create value.

**The report presents contribution to:**

- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact (UNGC) Principles

## Data Integrity

Our goal is to ensure the accuracy, reliability, comparability, and comprehensibility of the information we provide. To achieve this, we use internal software to collect and analyse financial and non-financial data for inclusion in the report. We maintain strict internal controls during the data collection and analysis process, which is then internally verified and externally audited before being presented in the Report.

## Independent Assurance

We have engaged TUV India Private Limited to conduct external assurance of this report. The assurance process is conducted in accordance with the 'Type 2, Moderate Level' criteria of AA1000AS Version 3 and AA1000AP (2018). The Independent Assurance Statement, which is included in this report, provides details of the assurance approach, methodology, and observations made. The financial performance information included in this Report is derived from our audited financial statements for the period between January 01, 2022 - March 31, 2023.

## Feedback

We value feedback on our report and strive to provide information that is relevant and useful for stakeholder decision-making. If you have any queries or suggestions, please do not hesitate to reach out to us at acc.secretarial@adani.com

## ESG rating 2023

| | | |
|---|---|---|
| Dow Jones Sustainability Indexes | **73** DJSI | |
| CDP | **A-** CDP climate | **B** CDP water |

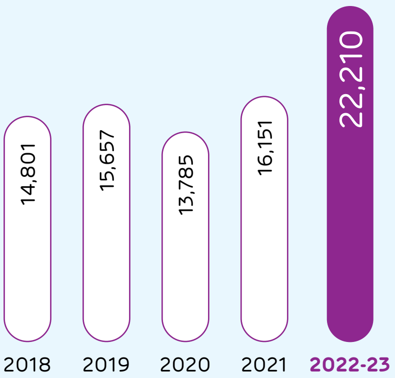
Performance FY23

# Creating Consistent Value

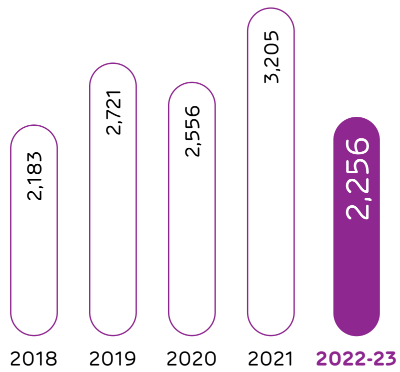
## Financial Performance (standalone)

Our cost rationalisation during the year and our ability to balance our capital and debt positions every year ensure sustainable returns to investors.

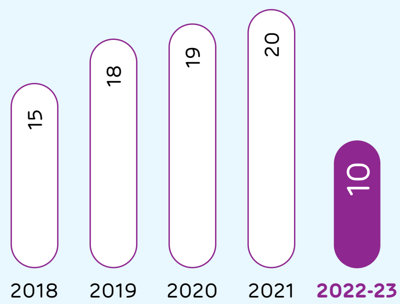
**Revenue from Operations**
(₹ crore)



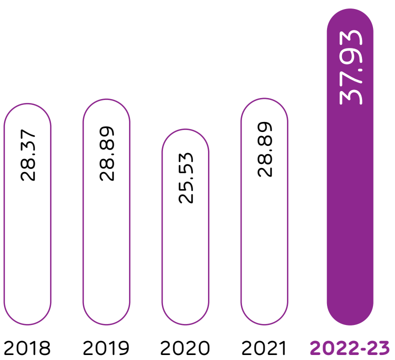

**EBITDA**
(₹ crore)




**EBITDA Margin**
(%)

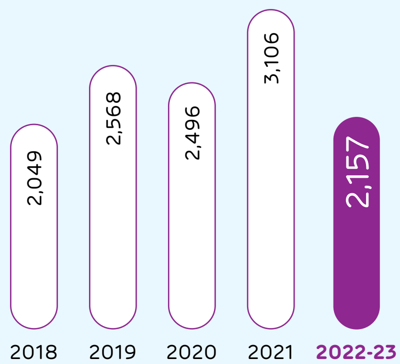



**Cement Sales Volume***
(MT)

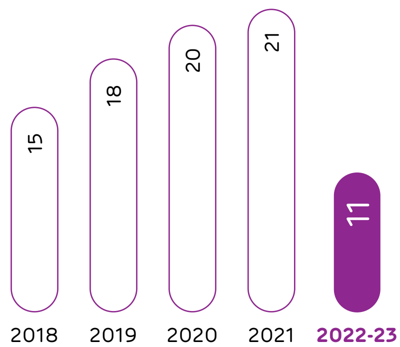



*including MSA

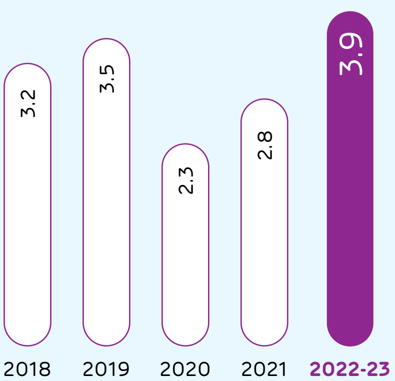
**Cement EBITDA**
(₹ crore)



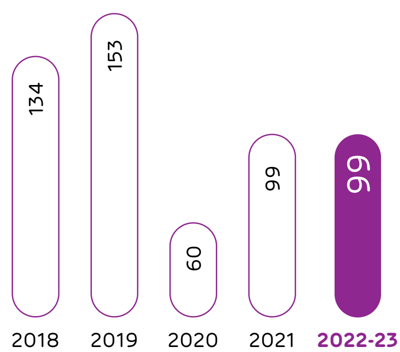

**Cement EBITDA Margin**
(%)



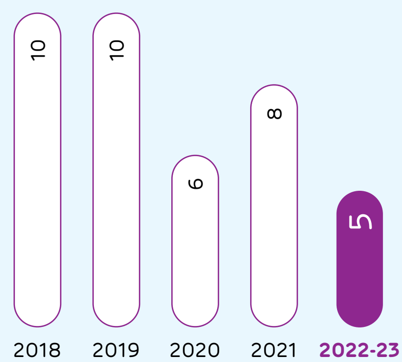

**Ready Mix Concrete Volume** (cubic metre)



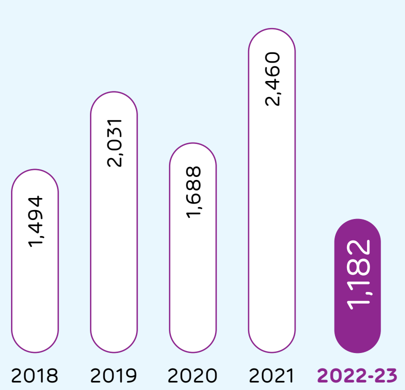

**Ready Mix Concrete EBITDA** (₹ crore)



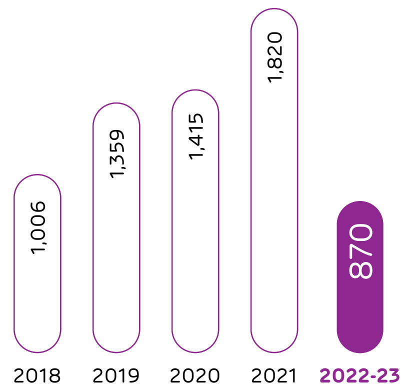

**Ready Mix Concrete EBITDA Margin** (%)



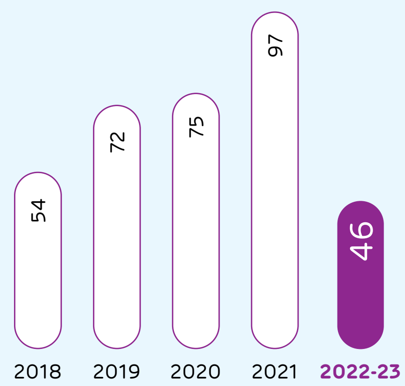
**Profit Before Tax**
(₹ crore)



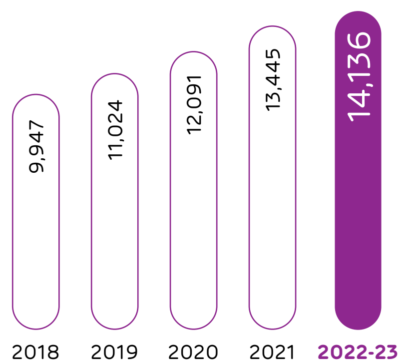

**Profit After Tax**
(₹ crore)




**Earnings per share**
(₹)

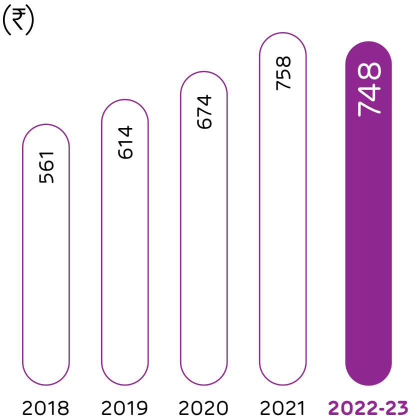



**Average Capital Employed** (₹ crore)

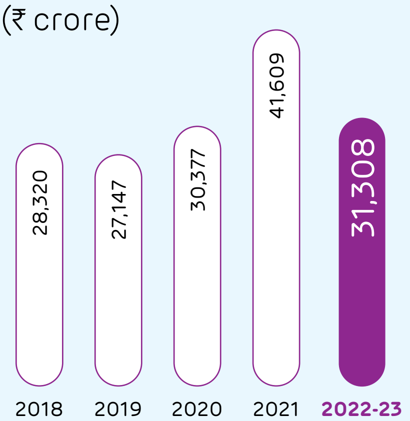



**Asset Turnover Ratio**
(times)

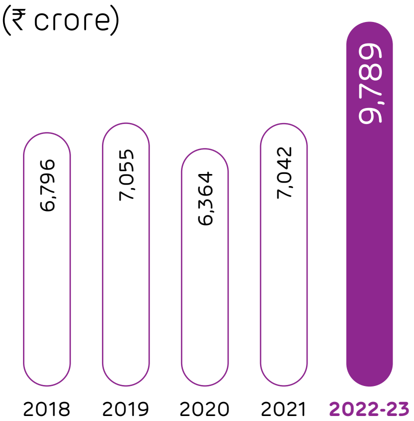

**Book Value per Share**
(₹)




**Market Capitalisation**
(₹ crore)




**Contribution to Exchequer**
(₹ crore)




**CSR Expenditure**
(₹ crore)

Performance FY23

## Cost and profit as a percentage of revenue from operations

### 2022-23

| Particulars | Amount (₹ crore) | (%) of Revenue from Operations |
|---|---|---|
| Profit before tax | 1,182 | 5% |
| Cost of materials consumed | 3,347 | 15% |
| Power and fuel | 5,738 | 26% |
| Employee cost | 1,036 | 5% |
| Freight and forwarding expense | 5,168 | 23% |
| Manufacturing and other costs | 5,001 | 22% |
| Depreciation | 835 | 4% |
| Finance costs | 77 | 1% |
| Other income | (337) | (2%) |

### 2021

| Particulars | Amount (₹ crore) | (%) of Revenue from Operations |
|---|---|---|
| Profit before tax | 2,460 | 16% |
| Cost of materials consumed | 2,120 | 13% |
| Power and fuel | 3,361 | 21% |
| Employee cost | 834 | 5% |
| Freight and forwarding expense | 3,845 | 24% |
| Manufacturing and other costs | 2,991 | 18% |
| Depreciation | 597 | 4% |
| Finance costs | 55 | 1% |
| Other income | (205) | (2%) |

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## Sustainability Performance


### Environment

**92.4 %**
Share of sustainable products

**56.8 %**
Clinker factor

**43 %**
Reduction in net $CO_2$ per tonne of cementitious product (Scope 1) relative to year 1990

**6.3 %**
Green power utilised for cement production

**0.82 MT**
Of alternative fuels and raw materials

Read more details on_Pg 60.

### Social

**₹45 Crore**
CSR spend

**3.5 million**
Total no. of beneficiaries reached through CSR

**100 %**
Of permanent employees undergone risk-based health assessment

**67,235**
Total hours of training

**5,472**
Total number of employees

Read more details on_Pg 64.

### Governance

**50 %**
Independent Directors on the Board

**12.5 %**
Diversity on the Board

**85+ years**
Of legacy

**100 %**
Committees headed by Independent Directors

**97.3 %**
Proportion of spending on local suppliers

Read more details on_Pg 86.

Chairman's Statement

# Towards a Sustainable Future for All

Entering the cement business was a natural choice that complemented our plans and our fundamental beliefs about the growth prospects of India."

## Dear Shareholders,

It gives me immense pleasure to write to you for the first time since ACC became part of the Adani Group.

### Making the Choice

Over the past few years, I have stated numerous times about the strong position India has created for itself. Investments are a matter of belief, and I believe that the next three decades will belong to India as it makes its way to becoming a 30 trillion dollar economy by 2050. This is increasingly evident from the growth India is already witnessing. In this journey, a key catalyst for India's growth story will continue to remain the massive capital investments that will go into building infrastructure. Investment in infrastructure typically has over twice the multiplier impact as compared to tax cuts or other forms of fiscal stimulus and thereby has a larger all round development impact on society. At a very basic principle level, almost every physical infrastructure project requires cement. Therefore, entering the cement business was a natural choice that complemented our plans and our fundamental beliefs about the growth prospects of India.

Also, much of our strategic expansion objectives have almost always been based on entering adjacent spaces that complement our existing businesses. Given that cement margins have significant dependence on the cost of energy (increasingly green energy) and logistics costs, our very strong presence in both these adjacent sectors helped drive our investment decision.

### Adani and the Legacy of the ACC Brand

Over the past decade, we have increasingly gravitated from being a pure B2B player to a B2B2C player that builds on much greater brand awareness. Some examples of these have been our Airports business, Electricity Distribution business, Real Estate business, Edible Oil and Foods business, and Gas Distribution business. Our entry into the cement business was yet another step towards capitalising on our market presence and building branded businesses that allow us to move closer towards the end consumer and lend greater credibility to the Adani brand name.

In this context, I must say that I have always been a big admirer of ACC's pioneering legacy. I admire the way ACC has historically prioritised inclusive growth, trust and relationships above all. With its wide range of innovative and premium products, ACC has always raised the bar in offering low-carbon, durable, sustainable solutions, and continues to do so, enhancing its bouquet of environment-friendly, value-added cement and concrete offerings. Leveraging synergies within the Group, we are further enhancing ACC's competitive edge. ACC AEROMaxX and ACC ECOMaxX are the latest need-based innovations in the concrete space.

I admire the way ACC has historically prioritised inclusive growth, trust and relationships above all. With its wide range of innovative and premium products, ACC has always raised the bar in offering low-carbon, durable, sustainable solutions, and continues to do so, enhancing its bouquet of environment-friendly, value-added cement and concrete offerings."

Today, ACC is one of the fastest-growing concrete brands in India with ACC Concrete, popularly known as RMX. This continuing legacy of the brand was recently further validated when TRA research recognised ACC among India's "Most Trusted Cement Brands" in its 2023 Brand Trust Report.

## Path Forward

The philosophy of the Adani Group has been one about growth. Our growth statistics and expansion into multiple adjacent sectors speak for themselves. In this context, we are adopting a three-pronged approach to the growth of our cement business. The first is to double our plant capacity with an emphasis on green cement. Our significant presence in the green energy business and utilisation of our fly ash, where possible, from our power generation business, aligns well with this approach. The second is to drive much greater operational efficiency to grow margins. Here again, our understanding and presence in the ports and logistics business, as well as the power generation business gives us a significant advantage. The third and final approach will see us investing in the branding and marketing strategy to take advantage of the existing legacy of the ACC brand and focus on strengthening the distributor and dealer network.

Not surprisingly, we have also embarked on an ambitious digital strategy and making investments where value, and not just volume, drive the next phase of growth. Plants that leverage digitisation and advanced analytics to enable real-time decision-making by using techniques like digital twinning, optimisation and operations research, and dynamic price discovery processes are just some of the math-based advanced techniques that we have started deploying as we build out one of the world's most advanced industry clouds to manage our distributed cement manufacturing. We expect digitisation to be a significant multiplier to our cement growth strategy.

Also, when it comes to sustainability, cement companies have a dual challenge in the future – pushing towards a low-emission future while preventing price escalation. Investments in new capital infrastructure, Carbon Capture, Utilisation and Storage (CCUS) technologies and alternative fuel sources can enable decarbonisation but also drive up the costs. Therefore, continued innovation will be key to finding the path to sustainability in cement production. Hence, our focus will not be limited to just making greener cement but also addressing the issue of R&D, operations excellence, economies of scale, and sustainability across the entire cement supply chain.

In this context, I must compliment ACC as the first Indian Cement Company to sign the Net Zero Pledge with Science Based Targets.

## Ethos Help Cements Values

The ethos of a Company speaks of a Company's character, its beliefs, and its values. In the case of the Adani Group, its ethos is rooted in three core values that define our character, Courage, Trust, and Commitment. These values collectively lay the foundation of our belief in 'Nation Building'. Courage is our ability to dream bigger – every single day, Trust is our ability to empower our employees – every single day and Commitment is our ability to deliver on our promises – every single day.

Our mission is to do our part to build the new India, just as was the dream of ACC. We further cemented this collective dream the day we made the 5000+ proud ACC employees a part of the Adani Parivar.

Regards,

**Karan Adani**

**Chairman**

CEO's Message

# A Concrete Progress Towards a Better Tomorrow

We have implemented a blueprint of improvements through synergies, capex for efficiency and decarbonisation whilst creating opportunities which will redefine the cement industry landscape."

## Dear Shareholders,

This reporting period is a unique and exciting phase in the history of ACC Limited. We accomplished two milestones – one by becoming a part of the diversified Adani Group and the second by transforming the business through professionals of the highest calibre and experts in various fields for several decades. However, the journey of transformation is ever evolving which is laid on a solid foundation of strengths. As India's infrastructure growth driver, our strengths emanate from our Pan-India presence, diversified geographical presence, strong and wide dealer and retailer network, long-term source of raw materials and mines, robust balance sheet with AAA rating and above all the strong iconic brand – ACC.

### Strong Performance Amid Headwinds

We have implemented a blueprint of improvements through Group synergies and capex for efficiency and decarbonisation whilst creating opportunities, which will redefine the cement industry landscape. We are making remarkable strides in our ambitious endeavour to double our capacities. As a debt-free Company, we have been able to advance confidently in our growth plan. Recently, ACC along with its parent – Ambuja, have won 7 Coal & Limestone blocks with notified resources of over 1000 million tonnes spread across Karnataka, Maharashtra, Rajasthan and Odisha.

One of the major challenges faced by the sector was the unprecedented surge in the prices of coal, gypsum and other raw material. While we actively sought alternative materials to reduce gypsum usage, the soaring price of coal remained a persistent challenge. We mitigated this by changing our fuel basket and reducing our import dependency. This was accomplished by ramping up captive coal block production as well as using the Group's expertise to source low-cost coal. These initiatives through captive coal have been instrumental in mitigating the impact of escalating coal prices and ensuring operational efficiency in the face of adversity, which helped in the consistent improvement of EBITDA over the last six months.

While the reporting period was propelled with growth and transformation, we also witnessed a multitude of challenges. Firstly the geo-political conflict causing global disruptions along with the stubborn inflation witnessed across the world, led central banks to increase policy rates. The cement industry in India, too was impacted owing to spiralling raw material and fuel prices. However, despite these challenges, ACC reported spirited performance, thanks to its continued focus on its efficiencies, cost, growth strategies and synergies with Ambuja and the Adani Group.

Revenue for the reporting period (January 2022 – March 2023) stood at ₹22,210 crore, while EBITDA stood at ₹2,267 crore and PAT stood at ₹885 crore. The revenue growth was achieved despite a prolonged shutdown at our Himachal Pradesh unit.

We also demonstrated resolute determination in curbing our freight expenses throughout the year. Around 20% optimisation of warehouse network and efficiency has led to estimated ₹12 crore savings in rent. Further, we achieved substantial reductions in the lead distance, resulting in an improvement in cost competitiveness. RMX & Construction Chemicals business is stable showing a positive uptrend due to improved market demand. We use the Group's strength not only to strategise our railroad operations but also to explore sea transportation alternatives.

## Sustainability

Being in the hard-to-abate sector, we work relentlessly towards reducing our environmental footprint. During the year, we installed additional capacities for the waste heat recovery system, increased the use of waste materials in the system, reduced the clinker factor and continued to remain water-positive.

Enhancing profitability remains a pivotal objective for our business and a key avenue for achieving this goal is by reducing other costs. The Master Supply Agreement (MSA) with Ambuja Cements has proven instrumental in boosting both our volume and profitability. Additionally, it has played a crucial role in facilitating synergies and economies of scale, leading to improved operational and logistics efficiencies. Furthermore, the partnership has reinforced our commitment to sustainability by promoting the efficient use of fuel and other resources, as well as the conservation of natural resources.

We will continue our proactive approach to developing low-carbon products and sustainable solutions. With the launch of ACC ECOMaxX, customers now have the option to choose concrete based on their desired level of CO2 reductions and sustainability objectives. Our emphasis is on expanding the range of sustainable solutions to accelerate the transition towards low-carbon and circular buildings. Our product range expanded with the introduction of multiple new items, enhancing our selection of environment-friendly and value-added cement and concrete options for specific and customised uses such as ACC AEROMaxX and ACC ECOMaxX, along with ACC Coolcrete and ACC Bagcrete.

ACC ranks amongst 'India's Most Sustainable Companies' by BW Businessworld and features amongst the 'Best Companies to Work For' in Construction and Infrastructure sector by Business Today. It has also been felicitated and recognised for its Customer Engagement, Safety, Sustainability Focus, Financial Reporting, CSR and Corporate Sustainability by leading awards and industry forums.

## Sales and Marketing Strategy

Our sales and marketing strategy is aligned to drive growth and capture market opportunities. We are prioritising high-growth states with targeted efforts to expand our presence and meet customer demand in these markets. We aim to increase our share in the B2B segment by offering focused solutions. Focusing on premium products allows us to tap into higher-value markets and widen our margins. We plan to appoint new retailers to widen our market coverage. Our technical services team is being empowered to convert IHB leads. To amplify our brand presence, we invest in differentiated regional positioning and digital initiatives, and partner with leading advertising agencies. We maintain local outdoor visibility and leverage the Ambuja Knowledge Centre to engage influencers. Additionally, construction apps play a crucial role in improving brand visibility and customer experience.

## Embarking on a Transformation Journey

Over the past few years, we have faced formidable challenges, including intensified competition, a shifting market landscape, and evolving processes. However, we have embarked on bold business transformation initiatives, not just for near-term gains, but to ensure the long-term sustainability of our business. Our objective is to fundamentally restructure our organisation, positioning it for long-term success.

At the core of this transformation lies our steadfast commitment to customer-centricity. We recognise that to thrive in today's dynamic business environment, we must place the needs and aspirations of our customers at the forefront of every decision. To accomplish this, we are revamping our technological infrastructure, implementing state-of-the-art systems and processes that enable us to better understand and respond to customer requirements. We are actively reconfiguring our teams and workflows, dismantling silos, and fostering an agile and collaborative culture.

Despite our impressive recent achievements, we acknowledge the need to remain vigilant, embrace agility and adaptability, and perpetually seek innovative approaches to maintain our competitive edge. The transformational journey continues, driven by a clear destination: a thriving and enduring business that revolves around our valued customers.

## Outlook

We are making remarkable strides in our ambitious endeavour to double our capacities. Furthermore, securing reliable raw material linkages for our upcoming units has positioned us advantageously in the market. We are also focused on margin expansion to become the most profitable cement manufacturer in the country. The aim is to realise cost savings of close to ₹500 per tonne on EBITDA across our operations. Our cutting-edge R&D centre is enabling the development of several value-added goods and solutions to anticipate client needs. Through innovative applications in design and construction, the adaptability and inherent advantages of concrete are still well suited to handle the problems facing the building sector.

I would like to thank all stakeholders, particularly our dedicated employees, for their resilience. It is through our collective efforts that we will undoubtedly achieve resounding success in the years to come. Together, we will forge ahead, surmounting challenges, and realising our shared vision of excellence.

Regards,

**Ajay Kapur**

**Chief Executive Officer**

# COMPANY OVERVIEW

With over 86 years of legacy, ACC has emerged as more than just a mere cement manufacturing Company. With an unwavering commitment to quality, innovation and sustainability, we shape landscapes, fulfil dreams and strive to make this planet a better home for future generations.

**85+**
**Ready-Mix concrete plants across 17 states**

**36.05** MTPA
**Cement capacity**

**100%**
**Independent Directors heading our key committees**

## About ACC

# Partnering Nation's Prosperity

ACC Limited is a part of the diversified Adani Group and one of India's leading producers of cement and ready-mix concrete. We have been known as the go-to brand for cement in India for more than 86 years. With a world-class R&D centre, the quality of ACC's products and services, as well as its commitment to technological development, make it a preferred brand in building materials.

ACC has been recognised amongst India's Most Trusted Cement Brand by TRA Research in its Brand Trust Report, 2023. ACC is also amongst the country's 'Most Sustainable Companies' and is recognised for its best practices in environmental management and corporate citizenship. With sustainability at the core of its strategy, ACC is the first Indian Cement Company to sign the Net Zero Pledge with Science Based Targets. Additionally, our wide-ranging portfolio of products and solutions serves the diverse building needs of our country as we march forward, contributing to its inclusive development goals.

## Vision

To be a world class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.

## Purpose

Committed to building nations with goodness.

## Mission

To be the largest, most innovative efficient, sustainable cement & building materials company in the world, creating value & enriching lives of people and employees.

- Accelerated growth by significant capacity ramp up as well as inorganic growth.
- Market leadership and premium product offering to achieve customer delight.
- Operational excellence through best-in-class production facilities and most cost-efficient operations.
- Efficient supply chain network and digitisation to reach the last mile.
- Be as world class talent platform and a preferred, diverse, and inclusive place to work for.
- Sustainable value enhancement for stakeholders on group values and strong principles of ESG.
- Develop sustainable future for community and society at large.
- Safety, innovation and agility at the core and a world class talent pool to drive excellence.

## Values

**Courage**

We shall embrace new ideas and business

**Trust**

We shall believe in our employee and other stakeholders

**Commitment**

We shall stand by our promises and adhere to high standards of business

## Culture

**P** assion
**R** esults
**I** ntegration
**D** edication
**E** ntrepreneurship

## National Presence

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

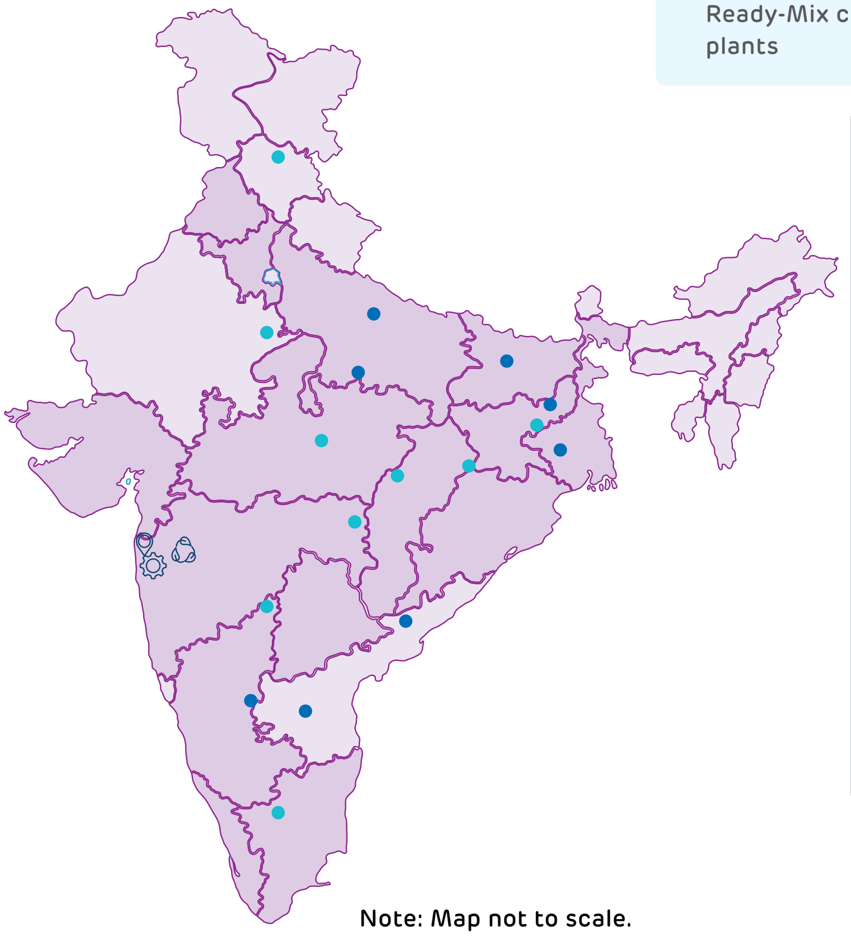
### Key Facts

**16**
Cement plants

**36.05 MTPA**
Installed cement manufacturing capacity

**85+**
Ready-Mix concrete plants

**56,943**
Channel partners



Note: Map not to scale.

- Ready-Mix concrete plants: 85+ across 17 states

**Cement plants across 12 states**

- Grinding unit
- Integrated plant

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

**Corporate office**
Mumbai, Maharashtra

# Our Strengths

## Enriching Product Portfolio

Our portfolio is extensive, covering various categories of cement and concrete. We offer more than 92% of blended cements tailored to different climatic conditions, enabling us to meet diverse customer needs.

**92.4%**

Share of sustainable products

## Sustainability Strategy Embedded

We integrate sustainability principles in all aspects of our business model and strategy.

**8.2** lakh tonnes

Of waste managed sustainably, leaving zero residue

## Experienced Leadership

Our BOD and leadership team, known for their exceptional performance delivery, continually emphasises talent development and succession planning.

**85+** years

Of legacy

## Long-Term Revenue Growth

There is a natural demand for our products driven by population and economic growth and the need to continually build and maintain the environment.

**₹22,210 crore**

Net revenue from operations

## SBTi Approved Climate Target

We are committed to reducing our $CO_2$ emissions by Science Based Targets Initiative (SBTi) approved reduction in absolute group-wide Scope 1 and Scope 2 emissions and aim to become carbon neutral by 2050.

**43%**

Reduction in net $CO_2$ per tonne of cementitious product (Scope 1) relative to year 1990

Product Portfolio

# Pioneering Category-First Innovations

ACC is at the forefront of innovation, creating high-performance products and services that cater to the unique needs of different consumer segments. Our focus on premium brand positioning and deep understanding of customer needs has enabled us to reshape the construction industry in India with offerings that prioritise durability, strength, and performance.

## Cement

Our Gold and Silver cement ranges are not only perfect for general construction but they also offer superior quality for specialised applications and environments.

### Gold Range

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

#### ACC Gold Water Shield Cement

Premium cement with a unique water repellent formula, which acts as a shield against water seepage

#### ACC F2R Superfast

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

#### ACC Concrete+ Xtra Strong

Specially formulated cement with unique binding properties, designed to provide higher strength

## Silver Range

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

### ACC Suraksha Power+

Developed with engineered Particle Size Distributor (PSD) technology, its advanced formula along with tamper-proof packaging, enhances the construction quality

### ACC Super Shaktiman

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

### ACC Suraksha Power

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

### ACC HPC Long Life

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

## Ready-Mix Concrete (RMX)

Customised range of ready-mix concrete to meet specific requirements of diverse clientele, from small homes to mega projects. ACC ready-mix concrete has a vast portfolio of 25 value-added solutions designed to meet different stages of construction requirements from the foundation to the roof.

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

### RMX Innovative Solutions (Product Range)

**ACC ECOMaxX**
Low carbon footprint with the use of $CO_2$ reduced binders, offering superior durability and finish

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

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

**ACC AEROMaxX**
State of the art, sustainable future ready ultralight filler and insulation concrete

# Solutions and Products

## Construction Chemicals

Our Solutions and Products portfolio has been successful in delivering superior quality construction to individual home builders and project customers through a range of innovative and sustainable products in the domain of construction chemicals, waterproofing solutions, dry mortars, ready-mix plasters, tile adhesives, and specialised concrete mixtures for RMX business. We have over 5,500 retail counters and more than 12,000 contractors across the country who sold or used these innovative products.

**ACC LeakBlock cement mix**
LB 202

**ACC LeakBlock cement coat**
LB 303

## Dry-Mix Range for Retail Customers

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

**ACC LeakBlock Waterproof Plaster**
LB 101

**ACC Xtra Strong Tile Adhesive**
XT 111

**ACC Xtra Strong Tile On Tile Adhesive**
XT 222

**ACC Xtra Strong Exterior Tile Adhesive**
XT 333

**ACC Xtra Strong Premium White Adhesive**
XT 444

**Self Curing**
Plaster 200

ACC ADMIX

## ACC ADMIX – range of concrete admixtures

# ACC ADMIX

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

| |
|---|
| ACC ADMIX LP-4300 |
| ACC ADMIX MP-5400 |
| ACC ADMIX HP-6500 |
| ACC ADMIX HVF-7900 |

## Dry-Mix Range for Institutional Customers

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

**Ready Use** Plaster 101

**Self Curing** Plaster 200

**Waterproof** Plaster 201

**Thin Bed Jointing** Mortar 105

**Grout** 250

**Grout** 275

**Tile** Fix 111

**Tile** Fix 222

**Tile** Fix 333

**Fibre reinforced** Mortar PMM 340

**Premium White Adhesive**

# ACC Green Building Centre (GBC)

GBC provides alternative building solutions, including eco-friendly cement bricks, blocks, and roofing solutions for rural and urban communities.

### ACC Green Bricks

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

### ACC Green Concrete Precast Wall Panels

Provides high strength and fast construction along with economy, making them ideal for large boundary walls.

### ACC Green Concrete Hollow and Solid Blocks

Faster construction, economical and high thermal insulation. Hollow Blocks are ideal for hilly regions with seismicity.

### ACC+ Green AAC Blocks

Provides superior thermal and sound insulation, prevents seepage; high strength, low weight, they are ideal for homes.

### ACC Green AAC Blocks

Superior light weight walling product for institution & large commercial projects, having the USPs of good thermal insulation, fast construction with savings in steel and cement.

## Pavement and Floor Construction (Manufactured by Advanced Mechanised System Using Colour Batching System)

### ACC Green Interlocking and Designer Paver Blocks and Slabs

Easy to install, maintain and repair and can be used for various traffic conditions. Designer blocks enhance aesthetics of landscapes.

### ACC Green Concrete Plain and Chequered Tiles

Anti-skid tiles available in several aesthetically pleasing colours and designs, easy to install, maintain and repair.

### ACC Kerb Stone & Drain

ACC Kerb stone is used with or without channel cover.

### ACC Green Drains and Manhole Covers

Various designs and sizes to facilitate road and pavement construction.

## ACC User-Friendly Green Concrete Products

### ACC Garden Swiss Benches

Superior quality, multiple designs and easy to install.

### ACC Green Concrete Cover Blocks

Technically superior solution to prevent corrosion of steel rebars and facilitates a uniform concrete cover during construction.

### ACC Prestressed CycleTrack Tile

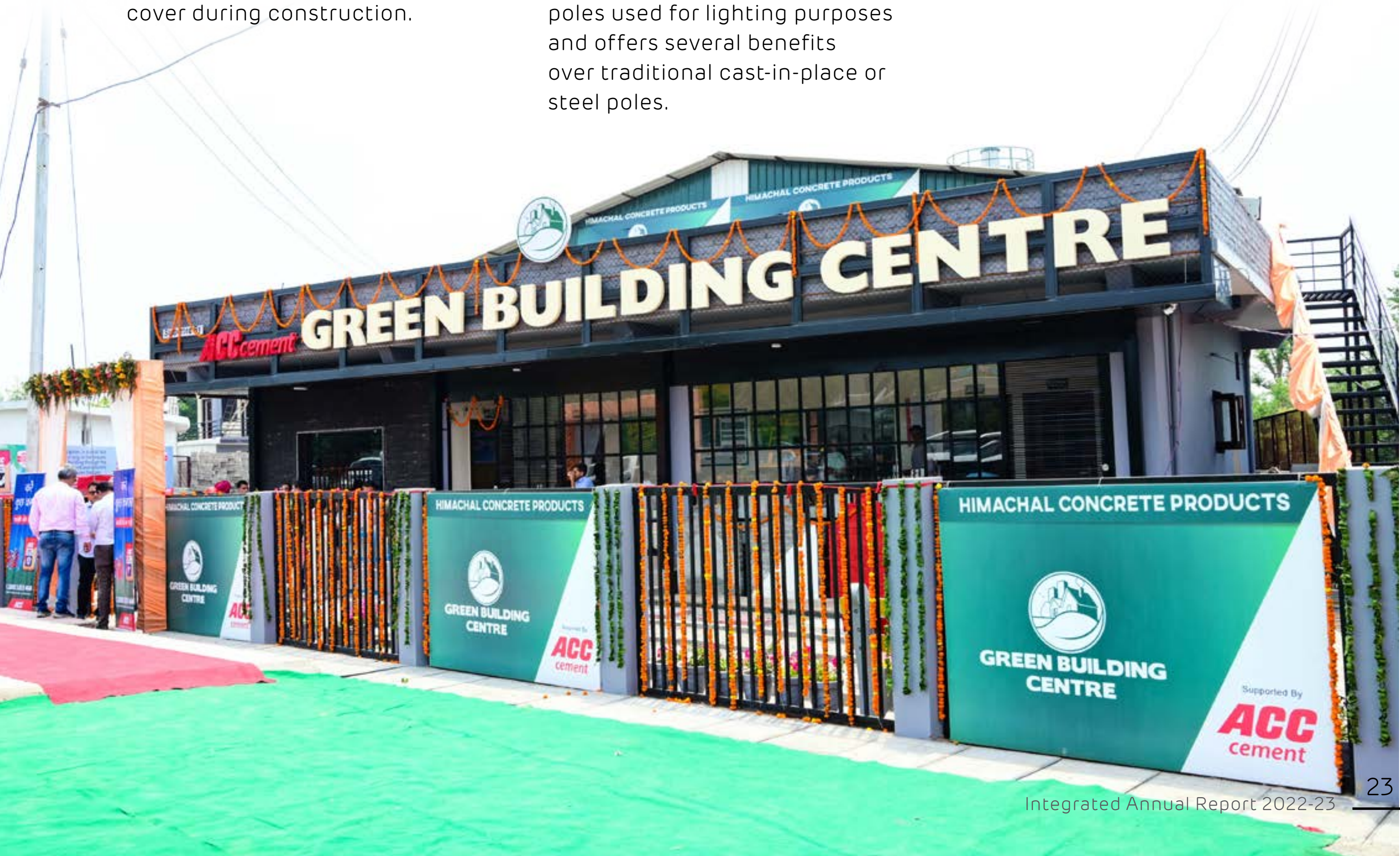
Red Coloured precast concrete tile (for Cycle Tracks) size 7ft.x2ft. layed down to enhance the durability, robustness and longevity.

### ACC Precast LightPole

A pre-manufactured concrete poles used for lighting purposes and offers several benefits over traditional cast-in-place or steel poles.

### ACC Concrete tactile

Concrete tactile paving are designed to assist individuals with visual impairments or mobility challenges.



## Board of Directors

# Leading the Journey for Long-Term Success

**Mr. Karan Adani**

Chairman, Non-Executive,
Non-Independent Director

SR RR MA

**Mr. Vinay Prakash**

Non-Executive,
Non-Independent Director

CSR RM LRT IT CPR

**Mr. Ajay Kapur**

Whole-Time Director, CEO

RM SR IT MA CPR

**Mr. Sandeep Singhi**

Non-Executive,
Independent Director

A LRT MA CPR NR RM SR PC
RR CR

Chairman    Member

A Audit Committee

CSR Corporate Social Responsibility Committee

NR Nomination and Remuneration Committee

RM Risk Management Committee

SR Stakeholders' Relationship Committee

CR Corporate Responsibility Committee

## Mr. Nitin Shukla

Non-Executive,
Independent Director

NR CSR RM CR CPR A PC LRT IT MA

## Mr. Rajeev Agarwal

Non-Executive,
Independent Director

SR PC IT RR A NR CSR LRT CR

## Mr. Arun Kumar Anand

Non-Executive,
Non-Independent Director

## Ms. Ameera Shah

Non-Executive,
Independent Director

PC Public Consumer Committee

IT Information Technology & Data Security Committee

MA Mergers and Acquisitions Committee

LRT Legal, Regulatory & Tax Committee

RR Reputation Risk Committee

CPR Commodity Price Risk Committee

## Leadership Team

# Strengthened by Effective Management

**Mr. Ajay Kapur**
Chief Executive Officer

**Mr. Vinod Bahety**
Chief Financial Officer

**Mr. Sukuru Ramarao**
Chief Operating Officer

**Mr. Diwakar Payal**
Chief Sales & Marketing Officer

**Mr. Sanjay Kumar Gupta**
Chief Procurement Officer

**Mr. Praveen Kumar Garg**
Chief Logistics Officer

**Mr. Jayant Kumar**

Chief Human Resources Officer

**Mr. K A Chowdary**

Chief Projects Officer

**Mr. Bhimsi Kachhot**

Chief - Strategy & Business Development

**Mr. Hemal Shah**

Chief Digital Officer

**Mr. Vineet Bose**

Chief Legal Officer

# CREATING LONG-TERM VALUE AT ACC

We recognise the importance of long-term value creation, beyond financial performance. This focus on sustainable value creation involves considering economic, social, and environmental factors to ensure the longevity and success of our business.

## Business Model

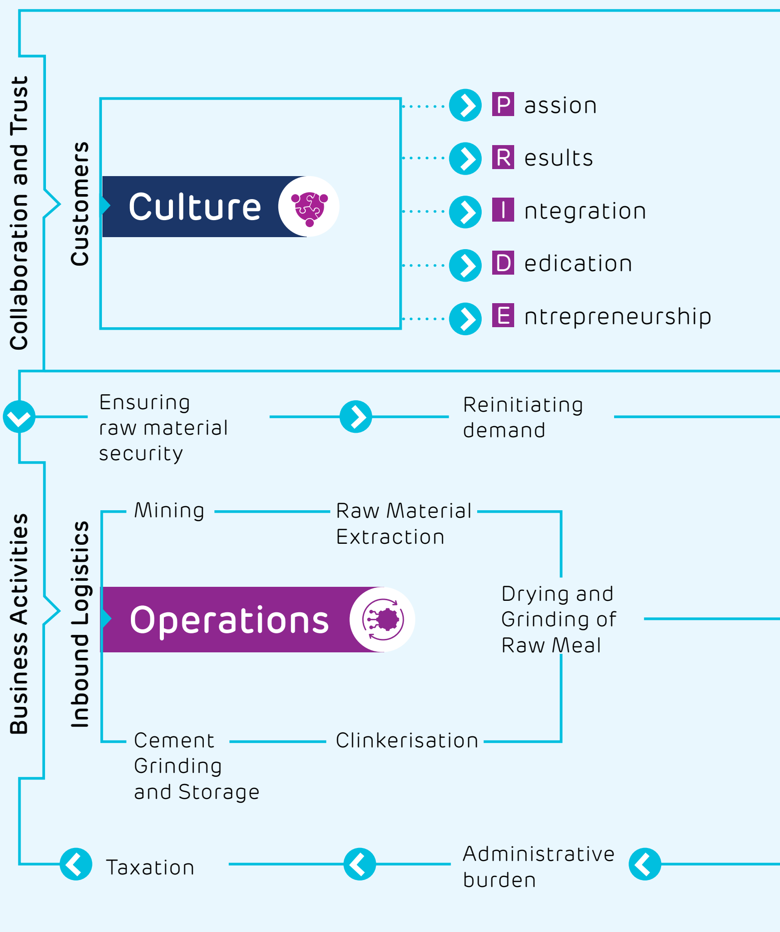
# Striving for Excellence in Every Outcome

| Capitals | Input |
|---|---|
| **Financial Capital**<br>Financial resources that we already have or obtain through financing<br>Read more **Pg 44** | • **₹14,043 crore** Net worth |
| **Manufactured Capital**<br>Tangible assets used by us to conduct our business initiatives<br>Read more **Pg 48** | • **16 Cement** Manufacturing facilities<br>• **10** Integrated units<br>• **6** Grinding units<br>• **85+** Ready-Mix concrete (RMX) plants<br>• **36.05 MTPA** Cement Capacity |
| **Intellectual Capital**<br>Intangible, knowledge-based assets<br>Read more **Pg 56** | • **₹1.01 crore** Total R&D expenditure |
| **Natural Capital**<br>Natural resources impacted by our activities<br>Read more **Pg 60** | • **4.1 million $m^3$** Total water withdrawal in cement operations<br>• **168.7 million units** Total renewable energy generation<br>• **14.62 MT** consumption of waste derived resources<br>• **₹28.59 crore** total investment for environmental management<br>• **14.83%** Water treated and reused in cement operations |
| **Human Capital**<br>Employee knowledge, skills, experience and motivation<br>Read more **Pg 64** | • **5,472** Employees<br>• **3,700 People** completing >5 years |
| **Social and relationship Capital**<br>Ability to share, relate and collaborate with stakeholders, promoting community development and well-being<br>Read more **Pg 70** | • **56,943** Channel partners<br>• **3,067** New dealers<br>• **12,764** New retailers<br>• **₹45 crore** CSR expenditure |

## Process

**Vision**
To be a world class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.

**Purpose**
Committed to building nations with goodness.




**Long-term strategic objectives**

- Accelerating growth
- Expanding solutions and products
- Delivering superior performance

| Outcomes | Value generated | SDGs |
|---|---|---|
| **₹22,210 crore** Revenue from operations<br>**₹2,256 crore** EBITDA<br>**₹31,308 crore** Market capitalisation<br>**₹870 crore** Profit after tax<br>Note: All above figures are on standalone basis. | **For customers**<br>Value to customers by providing high quality and sustainable products. | 8, 9 |
| **9.15%** Thermal substitution rate<br>**92.4%** Share of blended cement<br>**56.8%** Clinker factor | **For our people**<br>We strive to provide equal opportunities to all our employees, ensuring capacity building, training, and a safe work environment. | 6, 7, 9, 12, 13, 3 |
| **0.5%** Revenue of solutions and products business segment from new products | **For communities around us**<br>We contribute towards improving the living conditions of communities around us through our CSR activities; at the same time, we ensure that our production processes do not have any adverse impact on the environment around us | 9, 11, 15 |
| **43%** Reduction in net $CO_2$ per tonne of cementitious product (Scope 1) relative to year 1990<br>**5.36x** Plastic negative<br>**3.4%** increase in share of green energy<br>**52.4%** contribution of harvested water<br>**466 kg/t** Net specific $CO_2$ emissions per cementitious materials (excluding CPP) | **For suppliers**<br>We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications.<br>**For providers of financial capital**<br>We deliver consistent, profitable and responsible growth. | 6, 7, 9, 11, 12, 13, 3 |
| **6,476** Productivity per employee tonnes/Full-Time Employees (FTE)<br>**0.25** Lost Time Injury Frequency Rate (LTIFR)<br>**817** New joinees during the year<br>**3,500+** Number of employees trained | | 1, 3, 5, 8, 10 |
| **3.5 million** Total lives impacted | | 1, 2, 3, 4, 5, 6, 8, 10, 17 |

Agility and simplicity

Empowerment accountability, and transparency

Outbound Logistics

Marketing and Sales

Services

Leading in sustainability

Read more Page 40

Operating Environment

# Evolving with Trends and Leading the Way

As one of the leading players, we are well-positioned to capitalise on the potential boost in cement demand due to increased nationwide construction and infrastructure activities and government policy support. However, we also acknowledge the impact of environmental regulations and sustainability concerns on the industry and are committed to creating new benchmarks for building materials that promote greener structures of tomorrow.


## GDP Growth

The Indian economy grew by 7.2% in FY23. Despite the global economic slowdown, India's growth rate surpasses that of many comparable economies, indicating resilient domestic consumption and reduced reliance on global demand. The Indian economy has risen from being 10$^{th}$ to the 5$^{th}$ largest globally, the per capita income has doubled and increased to ₹1.97 lakh in 9 years. Domestic consumption and infrastructure spending contributed to growth, and government initiatives such as Gati Shakti will boost industrial competitiveness and future growth.

## CAPEX-led Growth

The Government has declared a significant rise in capital expenditure for infrastructure development in the FY 2023-24, with a 33% increase amounting to ₹10 lakh crore. Furthermore, this expenditure is expected to account for approximately 3.3% of the GDP.

**₹10 lakh crore**

Capital expenditure in FY24 for infrastructure development

## Housing and Infrastructure Push

The cement industry is driven by the rapid execution of infrastructure projects and strong traction in housing, commercial and industrial segments. The industry also receives steady support from government policies and spending. Moreover, the government's increased budget allocation for highway/road and infrastructure projects has further boosted demand. Housing for All with the PM Awas Yojana and the extended Credit-linked Subsidy Scheme (CLSS) is expected to further boost the real estate sector.

- Increased the outlay for PM Awas Yojana by 66% to ₹ 79,000 crore
- Extended the Credit-linked Subsidy Scheme until 2027

## Digitalisation and Sustainability

Rapid technology advancement is one of the biggest disrupting forces today, radically affecting all areas of industry around the world. We need to continue to embrace its potential for driving innovation, modernisation and improving processes and long-established methods. Technology has been the major driver of the industrial revolution. The new trends are oriented towards automation and efficiency in production as well as increased scale in advanced material, robotics, nanotechnology, Artificial Intelligence (AI) and the Internet of Things (IoT).

## Demand from Growing Urbanisation

The demand for cement has been fueled by the growth in urbanisation and the rise in construction activities for houses and buildings in metropolitan, semi-urban, and urban areas, along with the large-scale residential projects initiated through the PMAY programme.

By significantly increasing the allocation to capital expenditure and encouraging taxpayers to choose new tax regimes that offer comparatively lower taxes, there will be a notable rise in disposable income for individuals. This, in turn, will lead to increased consumption and spending, generating higher demand for housing and subsequently providing a boost to the residential real estate sector.

## Better Product Innovation/Customer Engagement

We operate in a dynamic environment and the way we interact with customers is evolving. Through advanced analytics, using real-time data, leading companies can also address unique customer needs by differentiating their service offering capabilities into multiple, value-chain-specific segments. More sustainable production can therefore significantly contribute to more sustainable economies. When it comes to improving sustainability, data science and recycling technologies have the strongest potential.

**Our Response**

### Group Synergies to Help Achieve Vision

ACC Limited, as a part of the Adani Group, have earned a reputation as one of the most trusted cement brands in India, according to TRA Research. The Group's synergies, along with ACC, are driving us towards becoming the most efficient domestic cement manufacturer. We have recently commissioned Tikaria (1.6 MT) in Uttar Pradesh, with several other projects in the pipeline, such as Ametha, etc. Our expansion plans to double our capacity are well on track through brownfield and de-bottlenecking.

### Climate Change

We have reduced specific net carbon emissions to 466 kg/t of cementitious materials during Jan'22 to Mar'23 period excluding CPP.

# Fostering Deep and Wide Partnership Capital

We prioritise building strong relationships with our stakeholders and actively seek to understand their interests and evolving needs. These engagements guide our decision-making processes and influence the way we create value. To ensure effective communication, we have established a structured engagement mechanism that allows for timely and consistent sharing of relevant information with each stakeholder group.

## Stakeholder Identification

We regularly conduct a stakeholder analysis to identify relevant and important stakeholders, map their interface and influence, and prioritise them accordingly. We have created a priority matrix and engagement mechanisms for this purpose.

| Engagement, Influence and Co-operation | Importance, Influence and Threat: Low | Importance, Influence and Threat: High |
|---|---|---|
| High | Channel Partners Suppliers, Industry/Trade Associations | Leadership/Senior Management, Employees, Governmental/Regulatory Authorities, Local Communities, Waste Generators, Shareholders/ Investors, Suppliers/ Contractors, ESG Credit Rating Agencies, Media, Labour Unions, Transporters Customers, Construction Professionals, Channel Partners/Distributors |
| Low | NGOs, Consultants/ Advisors, Competitors, Academic institutions | |

**Stakeholder Groups**

- Employees
- Government/ Regulators/ Local Authorities
- Channel Partners – Dealers and Retailers
- Consumers (Trade) – Individual Home Builders and Contractors
- Consumers (Institutional)
- Communities
- Investors
- Vendors and Suppliers
- Waste Generators
- Trade Associations and Industrial Bodies
- Media

| Role/Importance | Mode of Engagement | |
|---|---|---|
| Our employees underpin our operational performance and strategic objectives | • Town Hall meetings and webcasts<br>• Intranet portal, Newsletter<br>• Cultural events<br>• Safety committees and toolbox talks | • Trainings and performance management system<br>• Reporting mechanisms |
| Key for ensuring compliance, interpretation of regulations and key to uninterrupted operations | • Meetings, presentation, reports and networking in different forums organised by regulatory authorities | • Regular visits and applications<br>• Presentations from the management |
| They are a key influence on how we operate our business; we seek a relationship of mutual benefit while expecting high standards of conduct | • Sales calls<br>• Loyalty programme 'Lakshya'<br>• Dealer meets<br>• Annual dealer conference<br>• Sambandh, a quarterly newsletter | • Relationship-building activities such as meets, events and engagements<br>• Net Promoter Score (NPS) surveys |
| Consumers are key stakeholders as they are direct users of our products. Consumer feedback, or as we call it, the Voice of Consumer, is key to maintaining brand reputation and steady cash flows | • Calls/visits by customer service<br>• Engineers<br>• Consumer meets and exhibitions | • Information on ACC products<br>• Complaint and feedback mechanism<br>• Advice on good construction practices |
| Our institutional consumers sustain revenue generation and growth | • One-to-one sales calls<br>• Technical after sales service | • Key account management system |
| A harmonious relation with the communities where we have our assets is essential to our social licence to operate. They are partners in our progress and are crucial to our operations | • CSR interventions and volunteering initiatives<br>• Community events and functions | • Stakeholder engagement surveys and community advisory panel meetings<br>• Social audits |
| As providers of capital, they are key stakeholders in our growth and expansion plans | • Stakeholders' Relationship Committee to address grievances of investors and shareholders | • Annual General Meetings<br>• Email ID and toll-free number for investors |
| Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process | • By phone, Video Conference (VC), e-mail or in-person<br>• Suppliers' meet | • Capacity building on supplier code of conduct<br>• Surveys |
| Help in reducing the environmental impact of our operations and products, minimising our ecological footprint and, in turn, decreasing our operational cost | • Participation in various forums, release of case studies and articles in reputed publications | • Regular visits, e-mails and telephonic conversations<br>• Customer events |
| We develop constructive relationships with policymakers and regulators. We respond and engage with the government during public consultations on issues that are relevant to our business | • Sharing best practices and benchmarks | • Participating in regional and national events/ conclaves of industry bodies |
| Improving understanding of the industry's positive impact on sustainability and climate change and the drivers for further development | • Press releases<br>• Publishing articles and news | • Meetings and interviews |

Materiality Assessment

# Issues that Determine our Value Creation Strategy

To achieve long-term success as a responsible and sustainable business, it is important to understand the most important matters that can influence our value creation.

Conducting a materiality assessment allows us to prioritise and incorporate the views of our stakeholders on key issues that affect our business. This assessment enables us to analyse our business operations, manage risks, and identify growth opportunities through a sustainability lens.

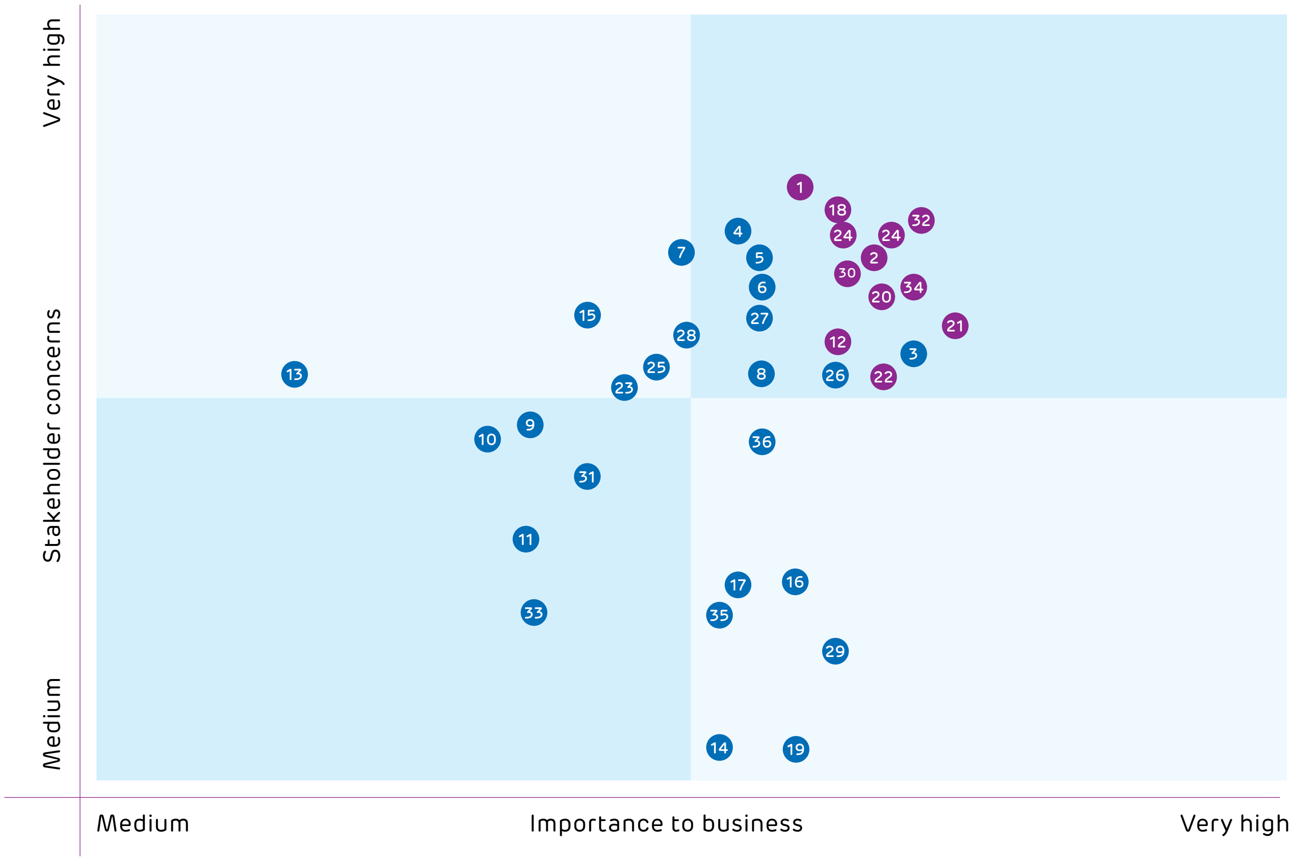
## Approach to Materiality

Our key material matters have remained consistent over the years, with changes only in response to external factors. We use these material matters to guide our strategy development, governance, and disclosures, and we manage these issues in the short, medium, and long term. The targets of our SD 2030 Plan are based on these material matters.

We have identified our material topics through extensive engagement with diverse stakeholder groups. These groups include employees, senior management, government and regulatory authorities, shareholders and investors, suppliers and contractors, local communities, customers, industry and trade associations, media, dealers and distributors, construction professionals, ESG credit rating agencies, labour unions, transporters, and waste generators. By actively seeking input from these groups, we were able to prioritise the issues that are most important to them and to our business.

## Materiality Matrix

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




### Internal

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

### Internal and External

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

### External

30. Regulatory compliance
31. Transportation and logistics
32. Occupational health & safety
33. Public policy and advocacy
34. Corporate Social Responsibility
35. Relocation and rehabilitation
36. Labour management

Most critical issues    Less critical issues

# Strengthening Resilience through Proactive Risk Management

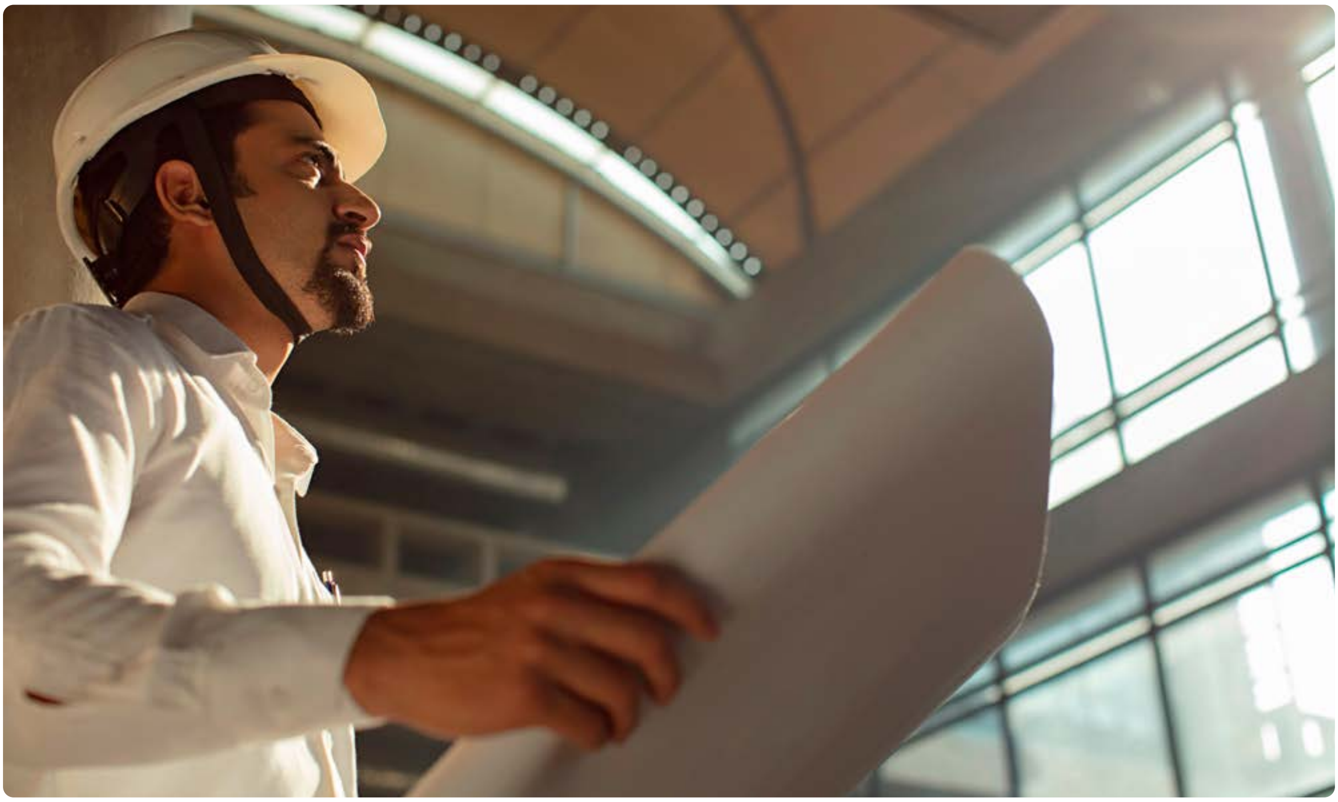
At ACC, we have implemented a robust Business Risk Management (BRM) framework that enables us to identify and manage risks and opportunities. This framework helps us anticipate and address challenges in a constantly evolving business landscape, ensuring that we stay ahead of the curve. We regularly evaluate the efficacy of our risk management strategies to ensure that we are always prepared to mitigate potential risks.

## Board Risk Management (BRM) Committee

We have a comprehensive risk management framework in place that covers strategic, operational, compliance, financial, and sustainability-related risks through our BRM process. We understand the importance of effective risk and crisis management in planning, and as such, we have a formal Risk Management Policy that identifies and assesses key risk areas, monitors and reports compliance, and evaluates the effectiveness of policies and procedures in line with regulatory requirements.

To oversee the risk management process, we have constituted a Risk Management Committee chaired by Mr. Nitin Shukla, an Independent Director. The BRM exercise is an integral part of our management reporting cycle and supports strategic decision-making. We have laid down a well-defined risk management mechanism covering risk analysis, exposure, potential impact, and risk mitigation processes.

We use a 3x3 matrix of severity and probability (High, Medium, and Low) to identify potential risks. We assess the overall risk exposure from both top-down and bottom-up perspectives, which are then consolidated to provide a bird's eye view of our risk profile.



## Transition Phase Risks

### Change Management

As we have become part of the Adani Group, we have had to implement and align new policies and practices, which comes with moderate risk. These changes may temporarily disrupt our business, operations, and people, but we understand that they are necessary for us to continue to grow and succeed in the long term.

**Our Endeavours**

We addressed the risk of change management with utmost care and expertise, which resulted in minimal impact on our business and operations.

### IT and Cyber security

As a responsible organisation, we understand the significance of information technology and cyber security in our daily operations. It is our responsibility to safeguard vital information in the cyber world to ensure the security of our business, particularly during our transition to the Adani Group. As we continue to digitise and automate, we recognise the importance of using cyber tools and utilities to fuel our growth and expansion.

**Our Endeavours**

We have implemented effective measures to safeguard both our hardware and software from misuse, interference, loss, unauthorised access, modification, and disclosure. Our proactive approach towards cyber security has enabled us to design a robust control mechanism that ensures we are protected from cyber threats.

## High Growth Phase Risks

### Regulatory Changes

We recognise the importance of adhering to environmental regulations for growth and protection. Non-compliance can result in severe financial and reputational consequences, while compliance requires investment in innovation and transformation.

**Our Endeavours**

We are undertaking several projects in our operations to ensure compliance with the latest environmental regulations pertaining to dust emission, as well as SOx and NOx emissions.

### Risk of Natural Resources

We are highly reliant on natural resources like limestone, coal, minerals, etc. and ensuring their continuous supply and quality is essential for uninterrupted operations. However, depletion of reserves and procurement complexities are making it challenging. Securing a minimum of 50 years reserve of limestone and the volatility of coal prices are our major concerns.

**Our Endeavours**

We are investing in the development of products that emit less $CO_2$. We are also exploring various options to reduce emissions by increasing the share of Green Power, through alternative fuel and waste heat recovery systems.

### Energy Security

Our energy-intensive cement production processes heavily rely on the availability and cost of fuel and electricity. Fluctuations in energy prices due to market forces and regulatory changes pose a significant risk to our operations and production costs. To mitigate this risk, we are exploring alternative fuels and energy-efficient practices.

**Our Endeavours**

We aim to mitigate the risk of energy price inflation by diversifying our fuel sources and exploring the use of alternative fuels.

Sustainability Strategy

# Charting a Course Towards Positive Change

Our SD 2030 plan sets out our sustainability goals for the next decade, focusing on four key pillars: climate and energy, circular economy, environment, and people and community. We are committed to responsible resource use, minimising our impact on the environment, and creating innovative solutions for better construction. Sustainability is integral to our strategy, risk management, and core offerings. Our efforts have led to industry-leading standards in areas such as green product development, fossil fuel substitution, and process optimisation.

## Sustainable Development 2030 (SD 2030) plan

| Pillars | Objective | Lead Metrics | Target | FY 2023 Performance | SDGs Impacted |
|---|---|---|---|---|---|
| **Climate and energy** | We aim to reduce our $CO_2$ emissions and build a low-carbon nation. | $CO_2$ emitted | 400 kg/t cementitious material | 466 kg/t cementitious material | 7 Affordable and clean energy; 11 Sustainable cities and communities; 13 Climate action |
| **Circular economy** | We are replacing natural resources with alternative materials and renewable energy. | Waste reused | 30 million tonnes | ~15 million tonnes | 11 Sustainable cities and communities; 12 Responsible consumption and production; 13 Climate action; 17 Partnerships for the goals |
| **Environment** | We strive for operational excellence to reduce our environmental footprint. This pillar primarily focuses on two aspects: water and biodiversity. | Water positivity index | 5 (no. of times) | 1.1 (no. of times) | 6 Clean water and sanitation; 12 Responsible consumption and production; 15 Life on land |
| **People and community** | Our rich legacy of community development and caring for our people, path breaking leadership and corporate empathy contributes to societal progress | No. of beneficiaries | 3.5 million total beneficiaries | 1.2 million people directly benefited through community development projects | 1 No poverty; 2 Zero hunger; 3 Good health and well-being; 4 Quality education; 8 Decent work and economic growth; 10 Reduced inequalities; 11 Sustainable cities and communities; 16 Peace, justice and strong institutions |

## Board's Role in Driving Sustainability

We have a Board-level Corporate Social Responsibility (CSR) and Sustainability Committee chaired by an Independent Director and consisting of four Board members including our WTD & CEO. This Committee oversees our sustainability and CSR priorities, including climate action activities. It plays a crucial role in developing our SD 2030 Plan, aligning with a 1.5°C Business Ambition, and providing guidance on ESG and climate-related risks, opportunities, and impacts. The Committee conducts periodic performance reviews.

## Senior Leadership Oversight

At ACC, we adopt a target-driven approach to achieve the goals defined under each pillar of our SD 2030 Plan. The Board and our senior leadership team are fully committed to achieving these goals and periodically review our progress against the targets set under each pillar. Based on the progress made, we provide the necessary guidance to ensure we stay on track. To ensure effective monitoring of progress, we break down the broader objectives into functional levels and regularly review progress scorecards at the plant and corporate levels. The respective functional heads are responsible for monthly reviews of progress scorecards.

At the higher, we review progress during monthly Senior Management Committee (MANCOM) meetings. This allows us to make timely interventions and provide the necessary guidance to ensure we achieve our targets.

## Target-Driven Performance

At ACC, we strongly believe in the importance of achieving our sustainability targets, which is why we link the performance evaluation and pay of our senior management and Board members to meeting these targets. We consider climate to be the most material issue for our Company and therefore, a significant proportion of management employees have at least one Key Performance Indicator (KPI) linked to climate-related objectives, which forms a part of their performance evaluation. Additionally, we have a reward and recognition programme for all employees, and our management compensation includes targets for achieving synergies, including energy savings.

# CAPITAL-WISE PERFORMANCE

In this section, we delve into the capital-wise performance of our organisation, examining the utilisation, growth, and impacts of different forms of capital on our business. By analysing and reporting on these capital categories, we aim to provide a holistic view of our Company's performance, demonstrating our commitment to sustainable and responsible business practices.

**Financial Capital**

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**Manufactured Capital**

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**Intellectual Capital**

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**Natural Capital**

Pg 60

**Human Capital**

Pg 64

**Social and Relationship Capital**

Pg 70

# 1.9%
**Improvement in TSR**

# 3.5 million
**Total no. of people benefitted through CSR initiatives**

Financial Capital

# Charting a Course Towards Positive Change

Effective financial capital management enables us to attain business goals, preserve stakeholder value and maintain seamless business operations. We always strive to ensure healthy returns for the providers of our financial capital. Significant progress has been achieved in business metrics as a result of diverse efforts focused on enhancing operational efficiencies, synergies, and overall business excellence.

## Material issues addressed

- Economic performance
- Climate and energy
- Indirect economic impacts

## SDGs impacted

## Adding Economic Value to Stakeholders

We are committed to doing business the right way, by adopting best practices and continuously assessing our performance on financial as well as non-financial parameters.

### Economic Value Contribution

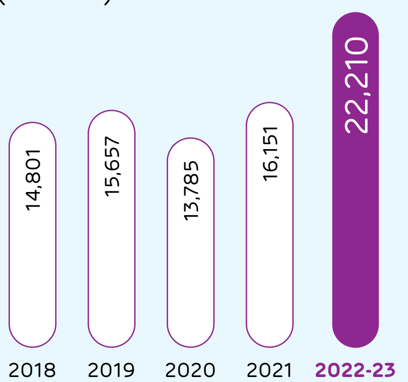
(₹ in crore)

| Economic Value Generated and Distributed (EVG&D) | 2022-23 | 2021 |
|---|---|---|
| **Economic Value Generated** | | |
| a) Revenue[1] | 31,531 | 22,752 |
| **Economic Value Distributed** | | |
| b) Operating costs[2] | 19,047 | 12,067 |
| c) Employee wages and benefits | 1,036 | 834 |
| d) Payments to providers of capital | 1,089 | 263 |
| e) Payments to Government[3] | 9,789 | 7,042 |
| f) Community investments | 45 | 36 |
| Economic Value Retained (calculated as economic value generated less economic value distributed) | 525 | 2,510 |

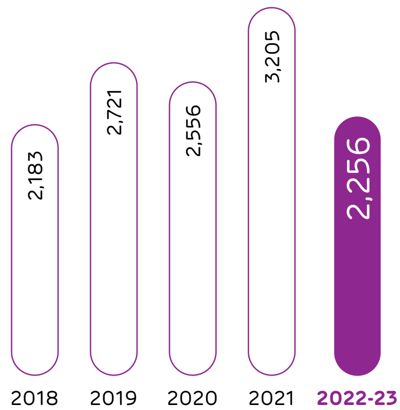
Notes:
1. Inclusive of goods and service tax (GST).
2. Operating cost consists of total cost excluding CSR, Employee benefits expense, Depreciation and rate and taxes.
3. Contribution to Government include goods and service tax (GST), income tax paid (net of refund) and rate and taxes.

## 2022-23 Performance (Standalone)

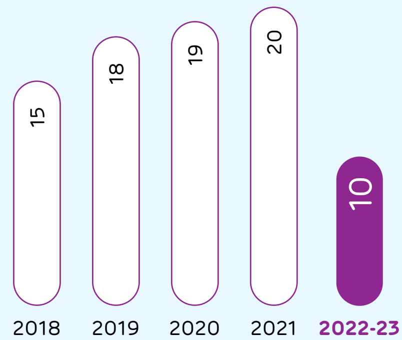
**Revenue from Operations** (₹ crore)



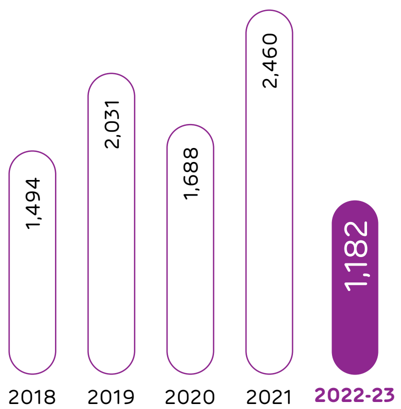

**EBITDA** (₹ crore)




**EBITDA Margin** (%)




**Profit Before Tax** (₹ crore)




**Profit After Tax** (₹ crore)


**Note:** The Company has changed its financial year end from December to March. Therefore, the figure for the current year is for 15 months and not comparable with the figures for the previous 12 months year ended December 31, 2021.

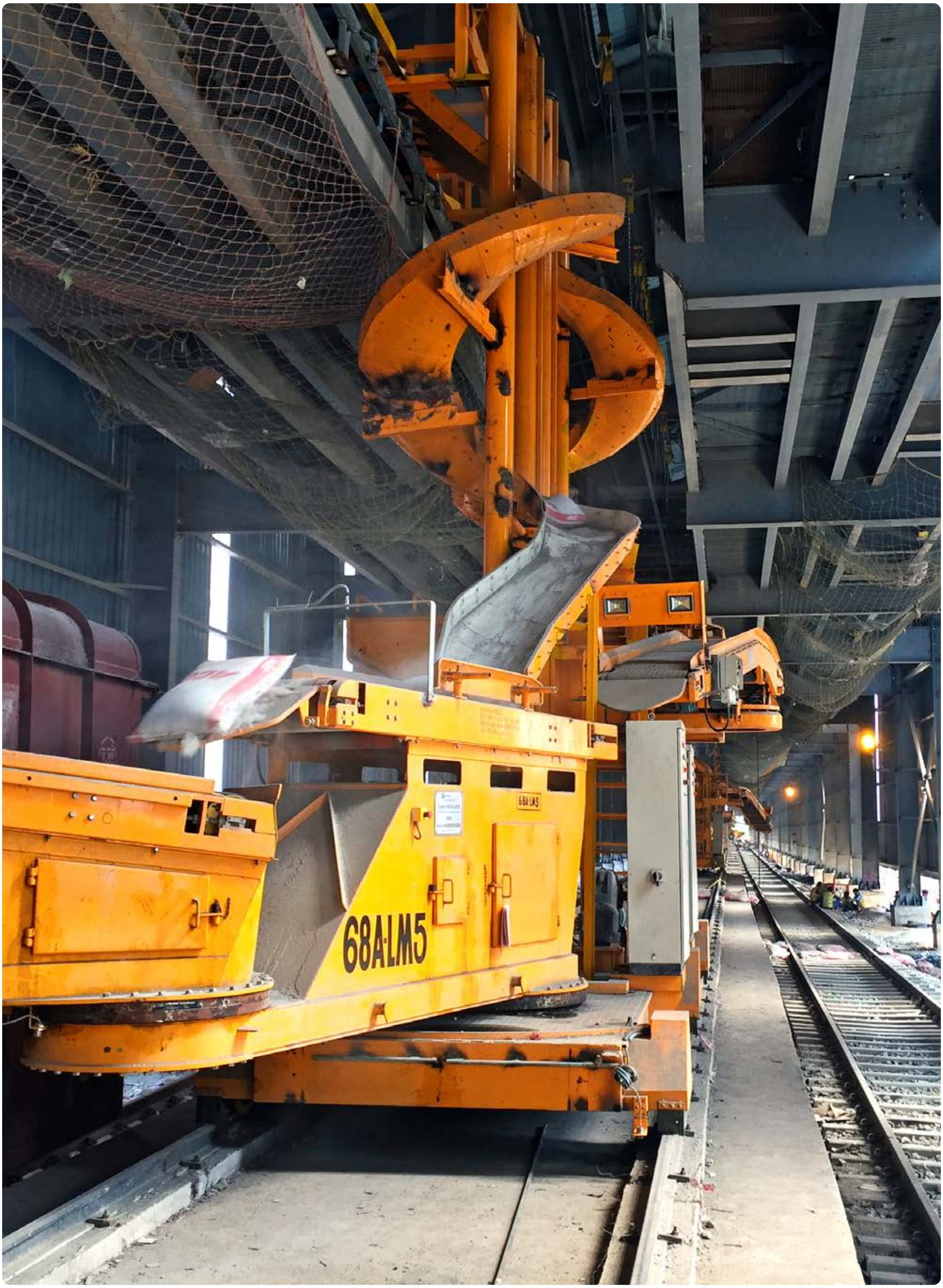
## Capacity Expansion

In 2022, the expansion of Tikaria in Uttar Pradesh was successfully concluded, resulting in an additional cement capacity of 1.6 MTPA. The ongoing Ametha project in Madhya Pradesh is currently being executed and is scheduled to be commissioned by the second quarter of FY 2023-24. This project will contribute to an addition of a clinker capacity of 3.1 MTPA and a cement capacity of 1 MTPA. However, the project's progress was partially affected by the COVID-19 pandemic.

To increase cement production and optimise the cost of production, we direct our capex projects towards de-bottlenecking existing plants, driving process efficiency, increasing the co-processing of Alternative Fuels and Raw Materials (AFRs), and installing Waste Heat Recovery Systems (WHRS) in other locations. These projects are advancing smoothly and are on schedule for timely completion.

## Cost Optimisation Measures

1. From January 2022 to March 2023, we successfully commissioned two Waste Heat Recovery Systems (WHRS) with a combined capacity of 22.4 MW. As a part of our ongoing commitment towards achieving Net Zero $CO_2$ emissions, we will continue to expand our portfolio of renewable and green energy sources. This includes the installation of systems to increase the co-processing of Alternative Fuels and Raw Materials (AFRs).
2. The upcoming projects include installation of WHRS system at our Karnataka, Madhya Pradesh and Maharashtra units contributing to additional power generation of 55.8 MW
3. Additionally, updgradation of AFR pre- and co-processing system at various plant would help us to achieve 18% TSR by 2024 (after complete realisation of projects).
4. Fly ash dryer projects at Kymore, Gagal and Wadi are installed and commissioning is in progress.
5. Planning is in place for utilisation of additional 100 MW solar energy at various locations.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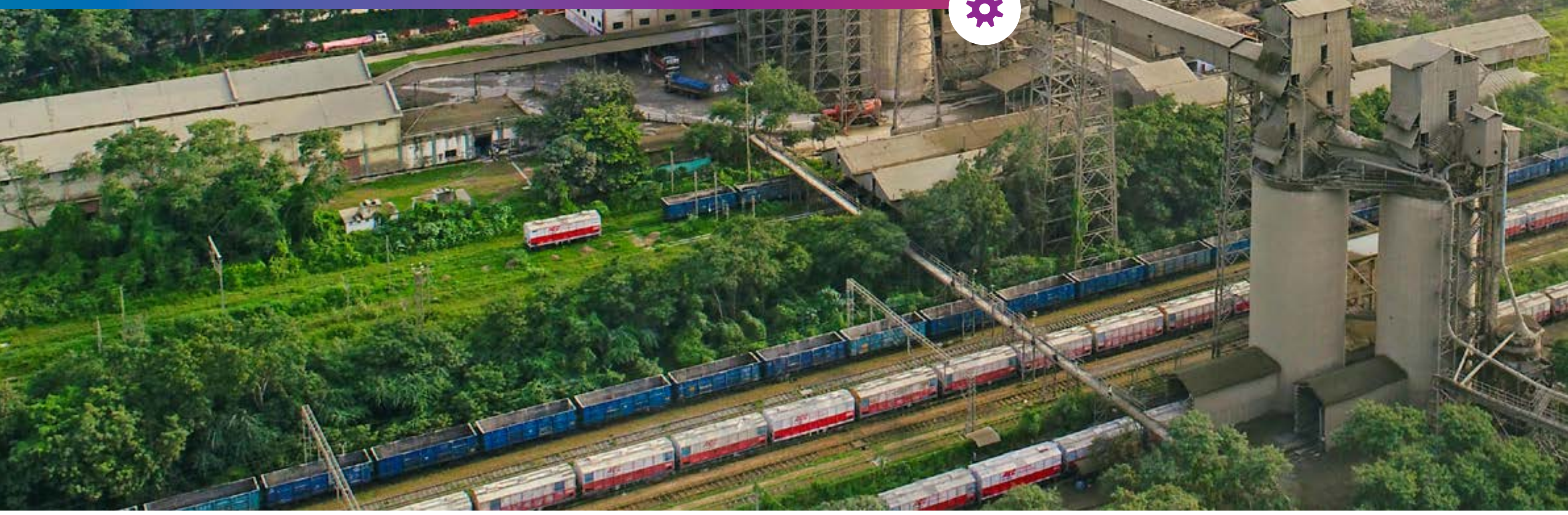
Manufactured Capital

# Strong Foundation, Stronger Structures

Competent management of our manufacturing assets is crucial for operational efficiency, profitability, and growth. Simultaneously, we remain dedicated to responsible manufacturing by reducing resource and energy consumption, embracing cutting-edge technology and safe practices, and consistently adhering to environmental regulations.

**₹1,514** crore

CAPEX spend on development and efficiency



## Material issues addressed

- Land acquisition for mines and new plants
- Operational efficiency
- Sustainable construction

## SDGs impacted

## Key Highlights

**Freight and Forwarding Expense (FFE) maintained at the same level of last year (₹1257/t in Jan'22 to Mar'23 vs. ₹1262/t in 2021) despite headwinds of HSD price increase ~4% and railway busy season surcharge (+15%) from October 2022**

**PAN India warehouse network optimisation increased direct dispatch to customer by 2%**

**Initiated UDAAAN Project for logistics cost rationalisation to unlock group synergies and leverage technology**

**Commissioned brownfield grinding unit at Tikaria in February 2022 and scaled up dispatch to highest ever volume of 346 kMT in March 2023**

## Development and Efficiency

At ACC, we are committed to continuously investing in strengthening our market position and evolving into a more efficient, cost-competitive, and environmentally sustainable organisation. Some of our key initiatives this year include:

### Capacity Expansion

Commissioned Tikaria Plant-2 of 1.6 MTPA capacity

Ametha Integrated Unit is in advanced stages and will be commissioned in FY24

### Raw Material Security

Kannur Wadi Limestone Block in Karnataka

Kurai Limestone Block in Maharashtra

Gothra West Limestone Block in Rajasthan

Behera-Banjipali Limestone Block In Odisha

Mudhvay Sub Block-C Limestone Block

### Energy

Installation of WHRS of total 22.4 MW capacity at Jamul and Kymore of over ₹300 crore

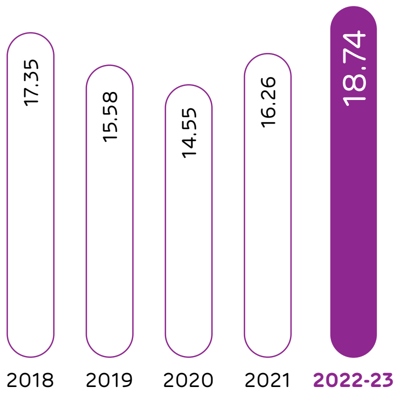
Further installation of WHRS is planned in Ametha, Wadi & Chanda with total capacity of 55.8 MW.

100 MW solar energy for various locations of ACC

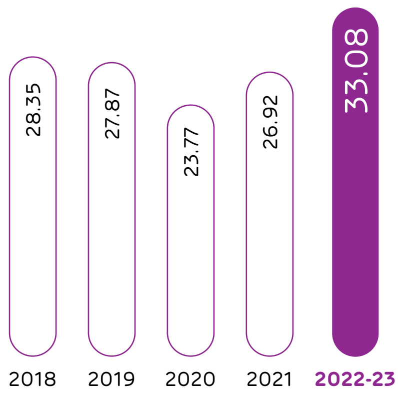
## Manufacturing Performance

We achieved several notable accomplishments this year, which have resulted in better operational efficiencies like a decrease in clinker factor by 1.5% and a reduction in electrical energy consumption by 2.16 kw/t cement (total).

**Clinker Production Volume**
(million tonnes)




**Cement Production Volume**
(million tonnes)




## Efficiency Improvement

We strive to be one of the most cost-competitive cement manufacturers in the country and to achieve this goal, we consistently invest in various areas of our operations. These include several initiatives, such as reducing our clinker factor, enhancing energy efficiency, optimising our raw material and fuel blends, improving our power sources, and expanding the utilisation of alternative fuels and raw materials in our manufacturing processes. We have incorporated approximately 14.62 million tonnes of waste-derived resources, including 0.82 million tonnes from Geoclean, into our manufacturing operations. This aligns with our commitment to reduce our reliance on natural resources and promote sustainability.

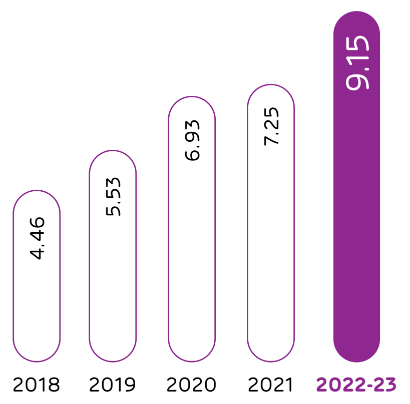
### Plant Efficiency

- Reduction in electrical power consumption achieved through optimisation of grinding media charging and optimisation of grinding aid consumption, resulting in reduction of energy requirement by 1%.
- Installation of VFD's in clinker cooler, new high momentum burner and optimised product production distribution has helped us to reduce the energy required for clinker by 2%
- Computational Fluid Dynamics ('CFD') studies and implementation of findings by in-house modification also help to improve efficiencies

### Cost Rationalisation

- Maximisation of Wet Fly Ash (WFA) and Conditioned Fly Ash (CFA) usage to reduce overall fly ash cost
- Replacement of 50% traditional High Speed Diesel usage with Pyrolytic Oil at the time of cold kiln startup
- Maximisation of alternative fuels and raw materials to reduce fuel cost
- Optimisation of raw mix in fuel to reduce overall cost of cement
- Use of molecule-based grinding aid to reduce procurement from vendors
- Maximum utilisation of fly ash to reduce clinker factor
- Kiln Master and Mill Master (Advanced Process Control) commissioned for better mill performance

**Thermal Substitution Rate** (%)




## Product Quality Management

Our quality parameters are stringent, and we closely monitor them to continually improve our overall Product Quality Index (PQI). Our product quality monitoring strategy involves daily testing of defined quality parameters, measurement of coefficient of variations at three-day and 28-day intervals, clinker quality assessments, customer satisfaction surveys, bi-monthly product benchmarking, bi-monthly application-oriented product testing, monthly testing of random market samples, and monthly assessments of bag quality index.

We comply with all statutory requirements as mandated by the Bureau of Indian Standards (BIS) as well as all weights and measures norms. As part of our statutory compliance, our bags display our contact details to enable customers to communicate any complaints, observations, or queries.

### Key Initiatives To Improve Overall Process/Product Quality

- Cross Belt Analyser installed for real-time quality check of limestone from mines
- Technical Information System (TIS) implemented for production and lab data information
- Molecule-based grinding aid used to improve cement strength
- SO3 optimised across locations to improve strength
- X-ray Diffraction Meter (XRD) used for qualitative and quantitative identification of clinker phases for strength optimisation
- Robotic lab is planned for real-time quality monitoring and control of cement manufacturing at Ametha

## Supply Chain and Logistics

We leveraged digitalisation initiatives across the supply chain to optimise costs. We also used best-in-class tools for network optimisation, sales & operations planning, and e-platforms for freight procurement. All our logistics excellence projects are managed through automated dashboards.

### Freight Reduction

We are taking various initiatives to improve efficiency and negotiate contracted rates. We use the latest e-procurement platforms to get real-time freight rates, and closely monitor vendor performance to improve their value proposition.

### Safety and Sustainability

We have re-opened our Driver Management Centres (DMCs) to engage with the driver community and promote safety-oriented behaviour. Transport Analytics Centre (TAC) has helped us develop more meaningful safety dashboards for use by the DMC. Additionally, we are developing a Carbon Reduction tracker and working on bio-fuel trials, e-vehicles, lead reduction, and mode mix to reduce our carbon footprint. In-plant automation through RFID has helped to augment efficient and safe fleet movement inside the plant as well.

## Captive Power Generation

We have taken strategic initiatives in our value chain to ensure efficient energy sourcing and have developed in-house capacity to meet our energy requirements. We are utilising alternative fuels/biomass, waste heat recovery (WHR), and renewable energy sources such as wind and solar. Additionally, we have implemented an energy management system (ISO 50001:2011) to improve our energy efficiency. A significant portion of our power consumption is generated through our captive power plants.

We have successfully increased our in-house power generation by 3%, which includes a 1% reduction from CPP and a 139% increase in WHRS. We have also approved further investment in WHRS, and the progress is well on track.

## Mining

We have ensured that all our integrated cement plants are associated with captive limestone mines to secure our major raw material.

### Ensuring Optimum Utilisation of Mineral Resources at Captive Mines

- Maximise the use of alternative and waste derived materials in the process
- Achieve ZERO waste mining
- Properly blend low-grade and high-grade material to optimise resources and maximise mine life
- Using eco-friendly mining techniques such as application of surface miners for Coastal areas, with no use of blasting
- Conserve mineral, water, and other natural resources
- Practice safe development and operation in each mine
- Employ environmentally friendly mining equipment with minimal exposure of workers to health and occupational hazards
- Maintain effective and efficient mining and extraction processes while preserving ecological balance
- Utilise limestone screening and extraction methods.

Our Company policy strictly prohibits operations in the immediate vicinity of specific biodiversity zones, world heritage sites or International Union for Conservation of Nature (IUCN) category I-IV protected areas. We have a Biodiversity Action Plan (BAP) for sensitive sites. Additionally, we undertake a biodiversity indicator reporting system (BIRS) assessment every three years, as per IUCN guidelines, and prepare an improvement/action plan.

We always aim to resolve any issues with the local community through dialogue and negotiations. We are proud to report that there were no strikes or lockouts at our mines during the reporting period.

## Key Initiatives Undertaken in the Mines

### Kymore

- Diverted the Garland Drain along the mine boundary to have a permanent solution to every year shifting within the mine. This has maximised resources and improved the quality of limestone for plant requirements and systematic mine operations
- Increased the lifespan of our dumpers' tires by converting failed tubeless tires into tubed tires, thereby optimising costs
- Optimised lead and lift, and used fuel-efficient equipment, along with proper planning of excavation to reduce diesel consumption and save costs

### Wadi

- Optimised our mining cost and conserve fuel by using FE Oil in HEMM up to 30%, which replaces fossil fuel
- Conserved mineral and utilised waste by utilising intercalation of clay in interburden without beneficiation
- Reduced diesel usage and effectively utilised waste oil in explosive preparation by using BMD vehicle

### Chanda

- Optimised the cost and improved systematic mining at Gowari mine by reducing the lead for overburden handling by 1 kilometre
- Optimised mining cost and conserved fuel by using FE Oil in HEMM up to 30% as a replacement for fossil fuel
- Started a new pit in Sindola Mine with a lower Strip Ratio from 1.78 to 0.8 of higher LSF, which resulted in a reduced cost of mining

### Jamul

- Initiated trials to use FE Oil for HEMM, and have reached up to 50% usage, resulting in a reduction of fossil fuel consumption and optimisation of cost
- Reduced drill diameter of T-40 from 115 mm to 89 mm, resulting in an increased drill output from 31m/hr. to 34m/hr
- Using diesel additives, such as Thermol-D in fuel, resulting in a 3-5% reduction in diesel consumption in HEMM

### Gagal

- Usage of diesel additive Thermol-D in HEMM fuel has resulted in a 3-5% reduction in diesel consumption

## Safety

Regular awareness by safety talks and display of safety slogans at all prominent places

Fatigue monitoring system for operators

Proximity sensor in heavy earth-moving machinery with 20 meter alert system

Haul road maintained with compactors and graders

Dust suppression on haul roads, crawler-mounted equipment

In-built water sprinklers and dust extractors in drilling machines

Reverse cameras and alarms in dumpers

Better illumination within mines and hauls roads

## Ecosystem Protection

Excavated soil used for cultivation/pasture land development

Dump slopes designed for stability

Waste disposal as per approved mining plan

Operating sites do not encroach into territories of habitation

Approved mine closure and rehabilitation plans

Re-grassing of worked out benches and ultimate pit slope

**Resposible mining strategy at ACC**

## Efficient Techniques

Eco-friendly mining techniques

Replaces blasting and drilling

Eliminates ground vibration

Noise minimisation

Controlled blasting

Minimal fly rocks and vibration

Safe extraneous electric environment

High-precision electronic detonators

## Constant Monitoring

Blast monitoring

Vibration measurement after each blast

Vibration measurement as per approved standards

Technology-based mining and demand mapping

GIS-GPS based blasting and production

Prompt Gamma Neutron Activation Analysis (PGNAA)-based crushed Rom analysis

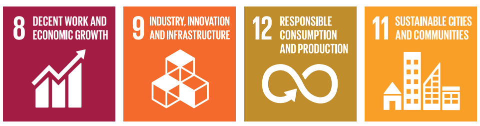
# Efficiency of Processes and Technology

Our intellectual capital comprises a vast array of intangibles, including our wealth of ideas, technical expertise, process knowledge, and innovation capabilities, as well as our strong brand value and corporate culture. We have been at the forefront in terms of leveraging technology for product innovation, creating new efficiencies and driving business growth sustainably. We leveraged our innovation strength to create sustainable products and construction solutions that align with a low-carbon future.

### Material issues addressed

- Product quality and innovation
- Digitisation

### SDGs impacted



## Key Highlights

**Recognised as a Consumer SuperBrand**

**Tech-enabled operations across value chain**

## Overview

We take pride in being at the forefront of technology and innovation. Our reputation as pioneers in product development is built on our strong commitment to research and development. We constantly strive to bring new and sustainable solutions to the market, while also optimising resource use and reducing carbon emissions. We are focused on digitalisation across our organisation to maintain our competitive edge in the market.

## Delivering Quality with Innovation

We are proud to be India's pioneering brand in Portland Cement and Ready Mix Concrete. Our commitment to innovative research and product development has earned us a reputation as one of the most trusted names in the country. We are honoured to be recognised as a Consumer Superbrand, delivering quality and durability in Cement and Ready-Mix Concrete.

Our mission is to provide homes and infrastructure for the masses of India in its cities, towns, and villages with enduring structures that last. Our Gold and Silver Range of Cement assures superior quality for specialised applications and the environment, making it a perfect choice for general construction.

## Sustainable Construction Practices

We have introduced on-site sustainable construction solutions with the goal of addressing customer concerns, enhancing construction quality, and promoting sustainable construction practices. These solutions are as follows:

### Instant Concrete Mix Proportion

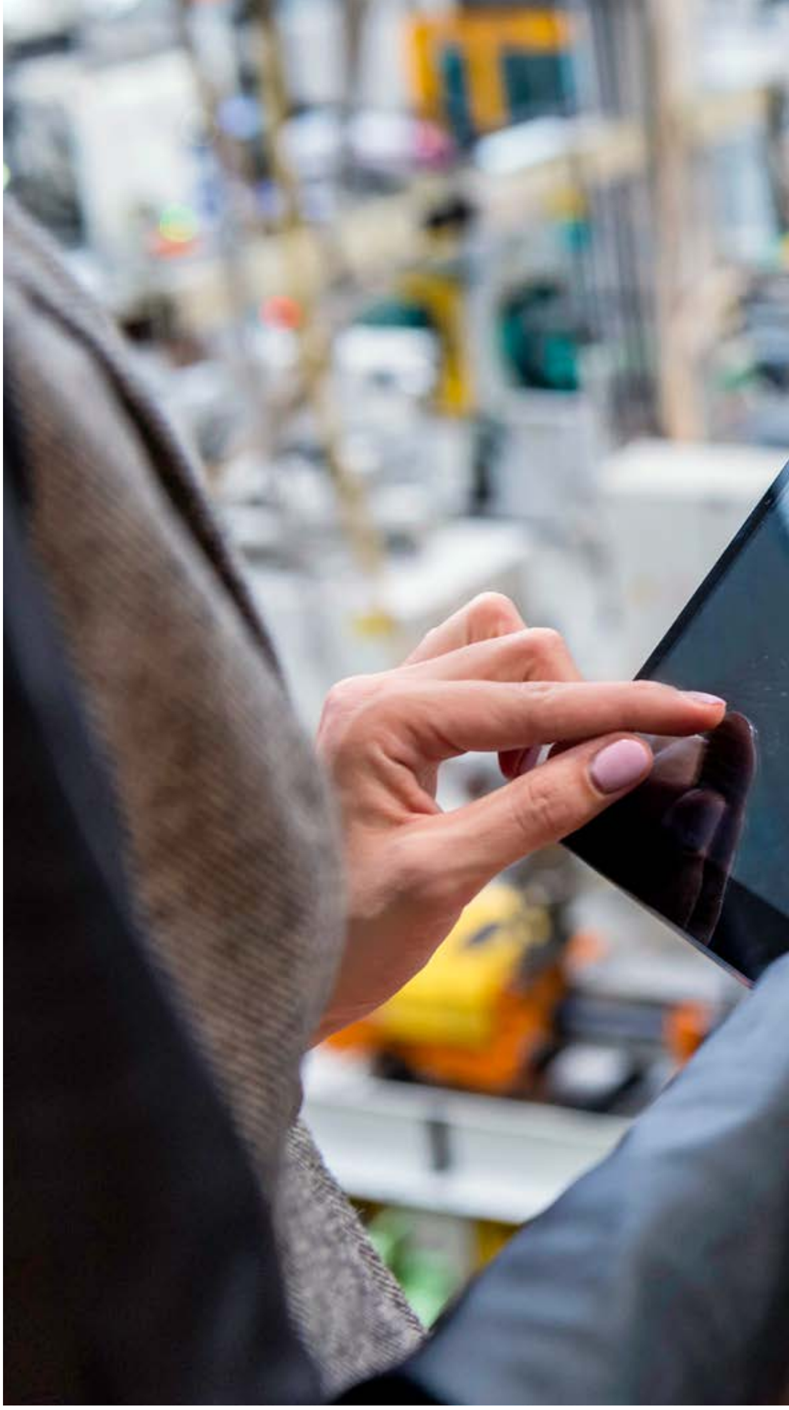
Our on-site solution optimises the usage of natural resources by optimising the use of aggregates, sand, and water in the concrete mix based on their properties. Our Instant Mix Proportioning Solution helps in creating strong and durable concrete, which is essential for sustainable construction practices.

### Modular Curing Solution

Our Modular Curing Solution is based on the IS provision and practice of membrane curing, which offers effective and efficient curing of concrete slabs without using water. This solution helps us save around 12,000 litres of precious water per 1,000 square feet of concrete slab.

## Digitalisation

We strongly believe that digitalisation is essential for sustainable business growth. We have been adopting digital techniques in our core business processes, including sales, logistics, material management, manufacturing, control systems, and technology operations for the past few years. Our primary objective is to transform our business processes and optimise resources while complying with various regulatory requirements.



### Digital initiatives

#### Cyber Risk Management

We have a comprehensive cyber risk posture management programme aimed at ensuring the confidentiality, integrity, and availability of our critical business assets. Our in-house 24x7 centrally operated cyber defence centre governs all security operations. Our Security Operations Centre (SOC) has best-in-class cybersecurity solutions covering brand protection, endpoint security, cloud workload protection, perimeter security, multi-factor authentication, data protection & encryption, application security, Security information and event management (SIEM) for OT & IT system monitoring, and cyber incident management.

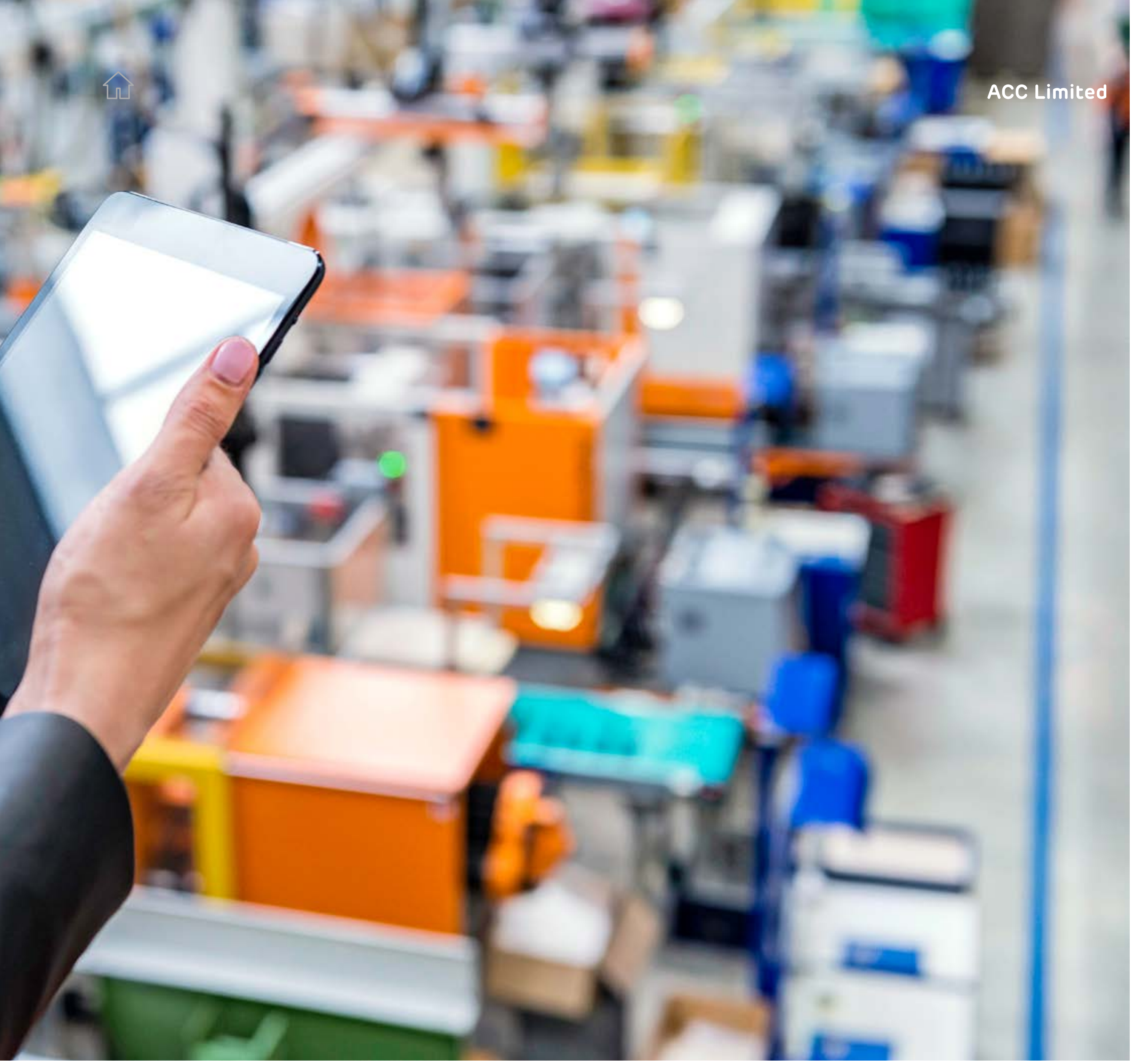
#### Cloud First Strategy

We have strategically adopted a cloud-first policy and migrated all our digital assets to a hybrid public cloud platform to achieve high availability, agility, and operational efficiency. This strategy has provided the desired speed and agility to the business for sustainable growth.

#### Centralised Command & Control on Adani's Industry Cloud

The migration of technology from Holcim to Adani servers, including the transition to cloud infrastructure, was accomplished within a timeframe of just 4 months.

We are setting up a comprehensive digital command & control centre to enable end-to-end visibility of our business processes and systems. This will enable a real-time view of production, demand, sales, and logistics under one umbrella. The Centralised Command & Control (C&C) is a long-term strategic digital initiative to enable remote 'exception-based interventions' in decision-making based on real-time market scenarios.





## Advanced Mobile Platform

We have a comprehensive mobile application platform. We have also launched multiple applications to boost sales and marketing. Through mobile applications, our dealers, warehouse operators, and customers can track the real-time status of their orders and shipments.

## AI/ML for Predictive Analysis

We have adopted Artificial Intelligence (AI) and Machine Learning (ML) based tools to predict demand, optimise production, and control distribution. The diligent use of AI and ML-based logistics platforms has given us a competitive advantage over other players in the market.

## Natural Capital

# Integrating Sustainability, Preserving Nature

We have a long-standing commitment to sustainability, which is deeply ingrained in our strategy, risk management, and core offerings. We have set industry-leading standards in several sustainability and circularity initiatives, including the development of green products and solutions, fossil fuel substitution, and process and logistical optimisation.

### Material issues addressed

- Climate and energy
- Circular economy
- Biodiversity
- Emissions Water

### SDGs impacted

## Key Highlights

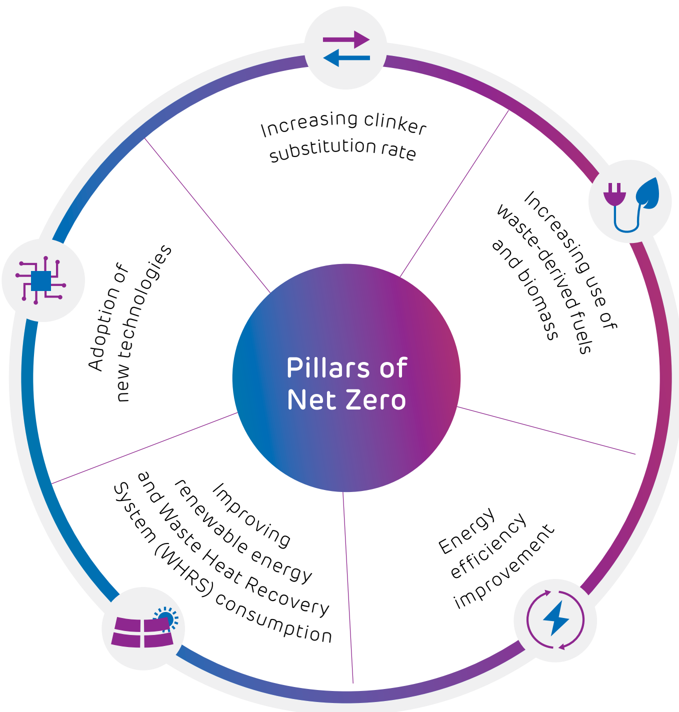
**Thermal Substitution Rate (TSR) has increased to 9.15% by maximising the usage of alternative fuels and launching of 'Geoclean'**

**22.4 Megawatt (MW) of WHRS commissioned and 55.8 MW WHRS under commissioning**

**Launched ACC ECOMaxX an eco-friendly range of ready-mix concrete for high performing, sustainable and circular construction**

## Net Zero Pathway

We have pledged to achieve Net Zero emissions and have set ambitious targets for reducing our carbon footprint. These targets have been validated by the Science Based Target initiative (SBTi). Our goal is to reduce our Scope 1 emissions by 21.3% and Scope 2 emissions by 48.4% by 2030, taking 2018 as the baseline year. We are committed to achieving these targets through the adoption of sustainable and innovative practices across our operations.




## Climate and Energy

We made significant progress in our climate-related efforts. We have reduced specific net carbon emissions to 466 kg/t of cementitious materials during Jan'22 to Mar'23 period excluding CPP. This reduction is due to improvements in levers affecting $CO_2$ emissions, such as the clinker factor and Thermal Substitution Rate (TSR). As a result, we have been able to reduce our carbon footprint in the same period.

### Clinker Factor

We have improved our clinker factor by 1.5% during the period of Jan'22 to Mar'23, despite a marginal decrease in blended cement volume.

### Thermal Energy

We have made strides in enhancing thermal energy efficiency, resulting in a slight increase of 72 units (3,107 MJ/tonne clinker in 2021 compared to 3,179 MJ/tonne clinker from January 2022 to March 2023) primarily due to reduced operations at our Maharashtra plant. Additionally, we have strategically allocated investments to enhance thermal energy efficiency, and these initiatives are advancing positively. These endeavours will contribute to a decrease in carbon emissions.

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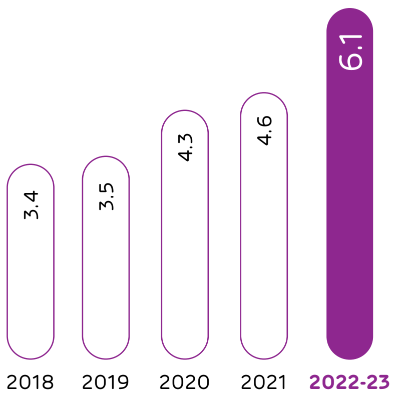
Natural Capital

## Renewable Energy and Waste Heat Recovery System (WHRS)

At ACC, we remain committed to our focus on green energy. We have invested in Waste Heat Recovery Systems (WHRS) installations at our plants in Himachal Pradesh, Madhya Pradesh and Chhattisgarh which are capable of generating 30.2 MW. Currently, we are in the advanced stages of investment for producing an additional 55.8 MW in Madhya Pradesh, Karnataka and Maharashtra. Moreover, we have planned to invest in solar energy for sourcing an additional 100 MW. With these initiatives, we aim to utilise green energy for approximately around 50% of our total energy requirements.

### Renewable energy in total power consumption (%)




### Score and ratings

| | DJSI | CDP climate | CDP water |
|---|---|---|---|
| ACC | 73 | A- | B |
| Industry max score | 89 | A | A |
| Best possible score | 100 | A | A |

## Alternative Fuels and Raw Materials

We have established two pre-processing facilities and enhanced co-processing at seven plants to promote efficient disposal of hazardous and non-hazardous waste. We also co-process Refuse Derived Fuel (RDF) from municipal solid waste and biomass (non-cattle feed) in our kilns.

Our waste management arm, Geoclean, helps us to provide safe waste management solutions to various industries and municipalities, while supplying us with alternative fuels for utilisation in cement kilns. Co-processing in cement kiln recovers energy and recycles minerals inherent in waste, thus contributing towards a circular economy. In the past year, we have continued to grow in the use of alternative fuels, with a total consumption of 0.56 MT tonnes.

**9.15 %**

TSR for the period of Jan'22 to Mar'23

## Circular Economy

At ACC, we are committed to adopting and promoting the circular economy concept by utilising Waste Derived Resources (WDR) from various industries in our cement manufacturing process. To achieve this, we have been incorporating waste materials from power and steel industries, such as fly ash and slag, as substitutes for clinker in our cement. This approach enables us to co-process waste and support a circular economy. In the reporting period, we consumed 8.52 MT of fly ash, 3.98 MT of slag, 1.3 MT of synthetic gypsum, including Phosphogypsum, and 0.82 MT of alternative fuels and raw materials in our cement manufacturing process.

**14.62** MT

Waste derived resources consumption

## Water

We have taken several measures to promote water conservation and harvesting. These measures include closely monitoring our water consumption and withdrawal, enhancing water harvesting structures in communities, and optimising our processes.

As a result, we have reduced our specific freshwater consumption in cement operations from 74 litres/tonne of cementitious material to 60 litres/tonne. We have also managed to reduce our specific water consumption to 126 litres/tonne of cementitious material, down from 136 litres/tonne in 2021. In addition, we have increased our contribution of harvested water used in our cement operations to 52.4% of our total water consumption.

## Biodiversity

We continued with our efforts towards nature conservation and biodiversity preservation during the period of Jan'22 to Mar'23. We have been taking measures to conserve specific flora and fauna, as well as setting up plantations at many of our plant locations and colonies.

## Emissions

We understand that emissions are an inherent part of cement production, and we are aware of our responsibility to limit carbon emissions. We have made it mandatory for all our sites to measure and manage air emissions as much as possible. During the past year, we focused on improving our emissions and the surrounding environment.

### Dust Emission Control

We conducted maintenance activities through both in-house and third-party teams for the upgradation of Electrostatic Precipitators (ESP), as well as the replacement of damaged bags and other necessary measures. Through these efforts, we were able to achieve reduced stack dust emissions in our cement plants with levels consistently maintained below 30mg/$Nm^3$.

### NOx Emission Control

We have undertaken primary and secondary measures to control NOx emissions and implemented Selective Non-Catalytic Reduction (SNCR) systems in our integrated cement plants.

### SOx Emission Control

We take our responsibility towards the environment seriously and ensure that our emissions are within the limits prescribed by the pollution control authorities. As a result, we are not required to undertake major emission control measures regarding SOx emissions. Cement plants must report on ambient air quality, effluents, and process emissions on the websites of regulatory authorities, and we comply with this requirement. We monitor our plants' stack emissions, including dust, NOx, and SOx, through the Continuous Emission Monitoring System (CEMS) that has been commissioned at most of our plants.

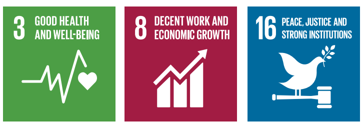
# Fostering a Culture of Growth and Development

Our employees drive our business through their commitment. We provide them with a supportive, empowering, diverse and inclusive workplace. We take pride in being a caring organisation that values the well-being of our employees and their professional growth. We cultivate a progressive work environment that ensures their well-being and deepens their connection and engagement with the Company.


### Material issues addressed

- Employee development
- Mental health and well-being
- Talent attraction and retention
- Diversity and inclusion
- Occupational health and safety

### SDGs impacted



## Key Highlights

| | | | | |
|---|---|---|---|---|
| **7 Plants achieved Zero harm** | **Thondebhavi, Jamul and Tikaria has won the National Safety Council Safety award 2022 under group D manufacturing sector.** | **26.5% reduction in LTIFR against target of 0.34** | **26% gender diversity at the heart of operations in CCR and quality roles** | **67,235 hours of training for employees** |

## Integration of Culture, Process and Policies

One of our significant accomplishments in recent times is the successful integration of culture, processes, and policies. Our efforts towards achieving a unified mindset have resulted in major milestones, including the implementation of a unified top-level structure for operations, sales, manufacturing, logistics, and support functions.

We have also established a unified grade and salary structure, along with unified learning and development programmes. To address employee concerns during this integration process, we conducted employee town halls across all locations. This assimilation into the AAA culture of Adani, Ambuja, and ACC has played a crucial role in driving our Company's growth and success, and we are proud of this achievement.

### Industrial Relations

We take pride in our long-standing tradition of fostering strong industrial relations. Our culture of bonding across generations embodies the very essence of the Indian cement industry. We currently have third and fourth generations working for our Companies, which has played a pivotal role in our integration within the Adani Group.

To create an exemplary workplace, we have implemented several initiatives, including committees, productivity meets at department and plant levels, and clubs. Our open-door policy encourages dialogue and feedback from employees, and our robust grievance redressal mechanism ensures that concerns and complaints are addressed in a fair and timely manner. We organise engaging activities regularly across all locations to promote a sense of unity among employees, their spouses, and children. Additionally, we have established various employee forums and committees to provide a platform for employee voices to be heard. By prioritising employee engagement and addressing their concerns, we foster a culture of collaboration, credibility, trust, inclusivity, and openness.

## Employee strength

| Age group | Female | Male | Total |
|---|---|---|---|
| <30 | 116 | 558 | 674 |
| 30-50 | 123 | 3,592 | 3,715 |
| >50 | 23 | 1,060 | 1,083 |
| Ground Total | 262 | 5,210 | 5,472 |

## All Employees

| Management Category 2 | Female | Male | Grand Total |
|---|---|---|---|
| Junior Management (Assistant Manager and below) | 116 | 2,754 | 2,870 |
| Middle Management (Deputy Manager to General Manager) | 143 | 2,415 | 2,558 |
| Senior Management (Assistant Vice-President and above) | 3 | 41 | 44 |
| **Grand Total** | **262** | **5,210** | **5,472** |

## Diversity and Inclusion

Our people practice across the Group reflects our promise to be an inclusive business. We are an equal-opportunity employer when it comes to attracting, retaining and developing fresh talent.

We are committed to treating all our people with respect, dignity, and fairness, regardless of their background. We believe in creating and maintaining a workplace that is diverse and inclusive, where everyone has equal access to information and opportunities, and where discrimination or harassment of any form is not tolerated.

To promote diversity and inclusion, we have identified four strategic levers that we focus on - attracting diverse talent, promoting education and awareness, engagement and development, and building ecosystems at the workplace. We recognise that building diversity at the workplace is an ongoing journey, and we are constantly working towards achieving our goals.

We are proud to report that over the last few years, we have made significant progress towards achieving gender diversity, with 26% representation of women in the heart of our operations in CCR and quality roles. In addition, we are committed to providing equal employment opportunities for people with disabilities, recognising that diversity has many dimensions.

## Learning and Development

We aim to foster continuous learning and create a culture where individuals are encouraged and supported to acquire knowledge, develop new skills, and enhance their existing abilities. We believe that establishing a learning environment within our organisation is vital to prioritise ongoing learning and development.

### High Impact Leadership Programmes

We designed an internal programme for all Regional Sales Managers which included role plays and case studies. The programme consisted of four modules, covering topics such as Understanding Goals & Objectives, Working with Own Behaviours and Motivation, Challenging with Impact, and Communicating to Influence.

The participants and CSO gave positive feedback, with an overall rating of 9.67 out of 10. Regional Sales Managers shared how they have been using tools such as the SCARF model to strengthen the 'can do' attitudes in their sales teams. Moreover, the concept of 'Who's Got the Monkey' is helping team members move up the initiative ladder to achieve business goals.

### Certification Course

We conducted a one-week certification course on cement application for our Technical Service Engineers. The primary objective of the programme was to upskill and train our customer service officers on product application. The programme was conducted face-to-face, covering 280 Technical Service Engineers. The programme's key highlight was its practical approach, including lab activities and interactions on cement and concrete. Upon completion of the course, participants were assessed through an online post-assessment on Super Assisted Intelligent Learning (SAIL) and awarded completion certificates in the presence of a senior leader.

### Training Programme

We conducted a training programme for our front-line Salesforce of RMX on 'Becoming a Sales Superstar' using the Train The Trainer (TTT) approach. The goal was to improve our sales force's ability to sell on value and develop engagement strategies with key people in the customer's organisation. All Unit Business Managers (UBM's) further trained 170 front-line sales teams within 2 months of TTT. We covered all the front-line officers across various regions and used the available infrastructure of RMX at the plant and regional offices. We received an overall feedback score of 4.8/5, and a total of 11 sessions were conducted by 'Becoming a Sales Superstar' internal trainers to cover all field officers.

### E-learning

We have implemented a digital learning platform called SAIL, which offers various learning opportunities to our employees. We have launched micro-learning series for Leadership, Sales, and Manufacturing and also provided structured on-the-job training initiatives to support employees in their learning journey.

Additionally, we have conducted webinars on various topics to virtually train and support our employees, with a total of 23 webinars covering 3,500+ employees with 5,347 training hours.

## Details of training

| Description | ACC |
|---|---|
| Total Number of sessions | 951 |
| Total Employees covered | 17,246 |
| Total Topics covered | 363 |
| Total no. of Training hours | 67,235 |
| Total Unique Employees covered | 4,037 |


## Talent Development

We prioritise talent development and have implemented various programmes to achieve this goal. One such initiative is Takshshila, which is a talent development programme at the Adani group level. We nominated 7 of our employees for this programme to enhance their skills and potential.

Another programme we have in place is Fulcrum, which is also an Adani Group initiative. Its main aim is to develop a strong pipeline of leaders who are ready to take on challenging roles. We nominated 3 of our employees for this programme to further their leadership abilities and prepare them for future opportunities.

**23**

E-learning webinars conducted

### Workforce engagement

**Voice of Employees**

- Record 94% participation rate at India level across ACC, despite transition time
- High engagement rate of 4.03/5, ahead of the average of manufacturing companies (3.78)
- All questions were answered positively by the majority of respondents

**What Our People Value Most**

- Having the opportunity to perform at their best everyday
- Nurturing high quality relationships at work
- Clarity of contribution towards Company's purpose or mission
- Teamwork emerges as the strongest driver of engagement

**Next Steps**

- Local town halls to communicate financial results to all employees
- Managers to initiate team discussions on direct and roll-up report scores
- Action planning by each team region/location/ function results

## Gallup Survey Results

**54%**
Engaged

**5,574**
People shared their feedback

**Higher focus on employee well-being, conversations around employee progress and providing more opportunities to learn and grow can take the engagement to world-class level**

**Other areas where employees provided high scores include having the right materials and equipment to do quality work, being recognised for good work and co-workers being committed to doing quality work indicating the quality of work is a key strength**

**The employee engagement ratio is 9:1 with 54% engaged employees and 6% actively disengaged employees. This is significantly higher than the ideal norm of 4 engaged employees per one actively disengaged employee from the manufacturing benchmark**

## Ensuring Employee Health and Safety at Our Plants

We, as a leading cement Company with highly evolved practices, have developed a highly effective safety management system that brings together various functions and skill sets to achieve our safety goals. Our commitment to augment our contribution towards safety is rooted in our corporate values and governance enablers. We have built a Health & Safety management system on the strong foundation of our H&S standards, Policy, and robust value system.

### Health, Safety Improvement Plan (HSIP)

Our Health, Safety Improvement Plan (HSIP) serves as the governing tool to drive Safety initiatives and programmes throughout the year. The HSIP plan reinforces our leadership role in Health & Safety and has led to the implementation of specific measures to improve our H&S performance.

To ensure the implementation of safe practices, we employ a range of tools such as Boots on Ground (BoG), a mobile application that enhances leadership visibility at sites and aids in reducing incidents. Additionally, we are utilising Visible Personnel Commitment (VPC) and hazard reporting as part of our safety protocols. We launched the Critical Control Management programme to address the eight critical elements called Priority Unwanted Events (PUE) in our operation.

## Boots on Ground – Digitising Safety on Ground

It is a mobile application helpful in improving leadership visibility at sites and reducing incidents. Through the effective implementation of our HSIP and other safety initiatives, we were able to achieve a 26.5% reduction in lost time injury frequency rate compared to our target for the year. We have a strong EHS governance system in place to ensure periodic review and oversight of our performance against targets.


## H&S Governance Mechanism

We have a robust H&S governance mechanism in place to ensure the diligent implementation of H&S principles across our manufacturing units. Our governance system includes three levels of audits: cross-plant audits, intra-plant audits, and self-assessments, which are conducted as per the scheduled plan for each of our manufacturing plants. We have well-defined audit protocols that elaborate our standards and systems to verify the governance mechanism at our sites.

## EHS Training Programmes

We organise our EHS training programmes through both in-house and external platforms. We conduct structured H&S induction programmes for new employees in manufacturing, sales, and logistics functions to inform them about H&S rules and policies and inculcate safe behaviour. These centralised programmes are conducted at the corporate level by our H&S and HR teams. Additionally, each plant conducts its own H&S induction for new employees, visitors, and contractors. We also conduct an induction programme for senior leadership through our Corporate H&S Team.

## Health and Safety Performance

| Description | Jan 2021 - Dec 2021 | Jan 2022 - Mar 2023 |
|---|---|---|
| Lost Time injury | 13 | 13 |
| Total injury - E+Con (excluding FAI) | 26 | 38 |
| Total injury - E+Con (Including FAI) | 92 | 99 |
| Lost Time injury Frequency rate | 0.25 | 0.25 |
| **Total injury Frequency Rate** | **0.49** | **0.73** |

## Human Rights

Respect for human rights, ethically and environmentally sound business practices as well as fair and safe working conditions and employees' well-being are fundamental parts of our culture and identity. We believe it is important to explicitly identify human rights as a part of our policies, procedures, and ethics training to help us keep the topic top-of-mind and make sure it does not become an issue in the future.

# Strong Relationships, Stronger Future

We value the relationships we have with our business partners, consumers, and external stakeholders, which is why we prioritise building long-lasting ties with them. We recognise that being active contributors to the communities we are part of and have an ongoing commitment to share value where it has been created. Through our extensive distribution network, we ensure that our customers receive high-quality products that meet their diverse needs. We also offer value-added services that help them construct sustainable and resilient structures.

## Material issues addressed

- Branding and reputation
- Supply chain
- Customer relationship management
- Procurement practices
- Community development

## SDGs impacted

## Key Highlights

**₹45 crore**
**CSR spend**

**14,475+ beneficiaries**
**reached through water governance and management projects**

**27,000+ beneficiaries**
**impacted by sustainable livelihoods**

**5,97,795+ beneficiaries**
**impacted through social inclusion**

**Houses of Tomorrow**
**project for building sustainable homes with low $CO_2$ building materials**

### Community Development

We take great pride in the fact that our initiatives through ACC Trust have had a far-reaching impact in 11 states across the country. Our sincere commitment to the communities we operate in has enabled us to make a significant difference in the lives of people. Our unwavering dedication to people is evident in the way we light up their lives.

**Our Goal**
**To transform lives and create a better world for the people.**

Focus areas

- Water Governance and management
- Sustainable livelihoods
- Social inclusion

## Water Governance and Management

**12,852**
Farmers benefitted

**391**
Bore-wells and wells recharged

**19,57,574 cum**
Water harvesting capacity developed

## Social and Relationship Capital

Our focus has been on water and land management, which we see as a catalytic entry point to improve the quality of life in villages across the country. We believe that conserving and managing water and soil resources is key to regenerating degraded landscapes, conserving biodiversity, and enhancing crop production while expanding sustainable livelihood opportunities. To this end, we have been promoting ecosystem-based integrated watershed development and facilitating effective water governance through our water stewardship initiatives.

In our projects, we have implemented various types of soil and water conservation and treatment activities aimed at capturing rainwater and transforming it into benefits for farmers and the community. By doing so, we aim to contribute to building climate-resilient communities in rural India.

| | | |
|---|---|---|
| 1. | Construction and repairing of check dam (No.) | 32 |
| 2. | Excavation and de-siltation of Pond, Nala & River (No.) | 59 |
| 3. | Irrigation channel constructed (Meter) | 1,400 |
| 4. | Rooftop rainwater harvesting system (No.) | 10 |
| 5. | Drip and irrigation system (In No.) | 76 |
| 6. | Construction of recharge pit and ditches (No.) | 2,450 |
| 7. | Earthen Bund (Meter) | 432 |
| 8. | Nala De-siltation (Meter) | 4,221 |

## Sustainable Livelihoods


We are continuously working towards minimising economic vulnerability by promoting sustainable agriculture and encouraging rural entrepreneurship through the promotion of farm and non-farm enterprises. We also focus on enhancing youth employability under our programme DISHA to increase their chances of finding employment. During the year, we have undertaken several major activities in this regard, including

### Youth Employability under DISHA

Our DISHA programme is aimed at reducing unemployment among people in the host communities. In this reporting year, we identified 10 trades based on a detailed analysis of market requirements. We successfully trained 1,942 trainees across 11 plant sites. About 40% of these trainees were able to secure suitable placements, while 4.5% have become self-employed. Our efforts through DISHA have helped in creating more employment opportunities and promoting entrepreneurship in the communities we operate in.


## Details of Youth Employability Programmeme

| Total Target | Total Enrolled Strength | | | Dropouts | Total Trained | Total Placed | |
|---|---|---|---|---|---|---|---|
| | Female | Male | Total | | | Wage | Self Employed |
| 2,295 | 1,319 | 796 | 2,115 | 173 | 1,942 | 777 | 89 |

### Micro-enterprise Development

We placed special emphasis on livelihood training in collaboration with State Rural Livelihood Mission and various agencies to empower the SHG members economically. As a result of our intensive engagement, we were able to develop 85 group micro-enterprises. The Self-Help Groups (SHGs) undertook diverse enterprises ranging from stitching to bakery, mushroom to slipper manufacturing, etc. A total of 828 members were involved in micro-enterprise activities.

| | |
|---|---|
| No. of SHG | 1,672 |
| No. of SHG Members | 18,016 |
| Micro-enterprise | 85 |
| Members in micro-enterprise | 828 |
| Average net income per annum/per enterprise (in ₹) | 14,592 |


**1,672+**
Women SHGs mentored

## Beneficiary Count under Sustainable Livelihood

| SL | Activity Description | Direct Beneficiaries (No.) | Indirect Beneficiaries (No.) |
|---|---|---|---|
| 1. | SHG Empowerment Initiative | 2,341 | 11,577 |
| 2. | Livestock development | 2,964 | 9,515 |
| 3. | Digital and Financial Literacy Programmeme | 656 | |
| 4. | DISHA Youth Employability Training Programme | 1,942 | 7,768 |
| 5. | Agriculture based intervention | 9,866 | 22,348 |
| | **Total Count** | **17,769** | **51,208** |

## Social Inclusion

Our goal is to create a better world for marginalised and economically backward communities. To achieve this, we focus on interventions that directly impact these communities more broadly, serving communities across India. We have a theme of social inclusion, which focuses on areas such as education, health, sanitation, drinking water, malnutrition, digital literacy, infrastructure facilities, and household linkage with social security schemes.


### Beneficiary Count

| SL | Activity Description | Total No. | Direct Beneficiaries | Indirect Beneficiaries |
|---|---|---|---|---|
| 1. | School Repaired (No.) | 406 | 26,513 | 42,834 |
| 2. | Anganwadi renovated (No.) | 187 | 12,549 | 52,392 |
| 3. | Special Health camp/Medical Camp (No.) | 813 | 57,360 | |
| 4. | Observation of National Day celebration (No.) | 128 | 11,590 | |
| 5. | R.O Unit Installed and Repaired (No.) | 11 | 7,797 | 4,924 |
| 6. | Digital Literacy Programme (No.) | 191 | 5,078 | 20,312 |
| 7. | Household Linkage-Social Security Scheme | 276 | 12,270 | 31,619 |
| 8. | CC Road Construction and Repaired (In meter) | 8,769 | 19,174 | 41,340 |
| 2. | Vidyasaarathi Scholarship (In No.) | 371 | 371 | 1,484 |
| | **Total Count** | | **1,52,702** | **1,94,905** |

## Relationship Management

### Engaging and Strengthening

We leverage an ecosystem of digital applications and interfaces to collect information from our diverse range of customers, dealers, and channel partners. By analysing this data, we enhance our ability to effectively engage with them and deliver superior service.

### Key Digital Efforts


Partnered with the Board of Control for Cricket in India (BCCI) and leveraged Indian cricket through on-ground and on-air advertisements during live matches.

We leveraged relevant topical days like India's 75 years of Independence with the #BuildingIndiaSince1936 Campaign, reaching over 16 million relevant audiences to strengthen the Heritage positioning of ACC.


Strengthened our motherbrand positioning of Trust and Heritage through our ACC Suraksha and F2R Cement Campaign, which ran from June to Dec'22 on major national and regional channels.

Gratitude EcoVilla

Launched India's 1st 'Houses of Tomorrow' with Green Products and Smart Practices to strengthen our narrative on sustainability, reaching over 4+ million relevant audiences through offline and online promotion.

## Key Digital Efforts


ACC won the IDMA (Indian Digital Marketing Awards) for the Best Integrated Campaign for a Social Cause with our 'Leave Behind No Waste' sustainability campaign, aiming to dispose of 2 tonnes of single-use plastic waste from cricket stadiums through our cement plants.


We have launched ACC ECOMaxX (Expert Green Concrete) and ACC AEROMaxX (ultra-light filler and insulation concrete), demonstrating our commitment to innovation and sustainability.

## 'Help Bike' Initiative

We launched the 'Help Bike' initiative in South and West India to expand our customer base and brand presence. The Help Bike Service offers on-demand support to customers seeking consultation on scientific and efficient building practices. Our Help Bikes are equipped with a standardised service toolkit and manned by a qualified civil engineer to assist customers with quality checks of materials used and guidance on tasks such as concrete proportion setting. This initiative has been highly successful in enhancing our service levels and customer engagement.

### Together Every Step with Customers

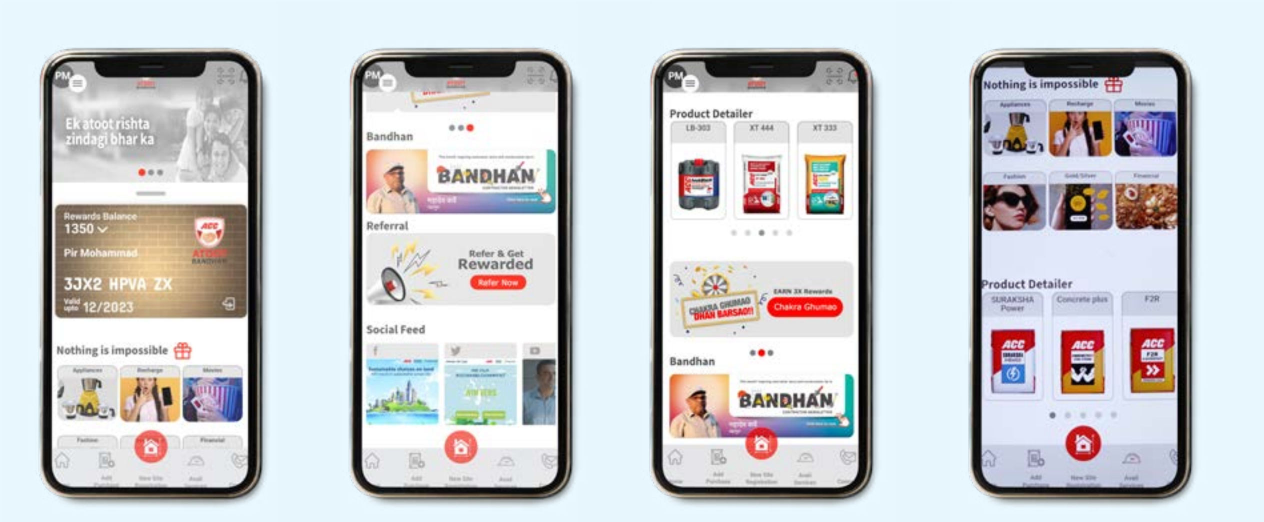
We have implemented various interventions to effectively guide independent home builders, who form a significant portion of our retail customer base, in their building needs. We have developed standardised communications to assist them in tasks such as basic material selection and application checks. Additionally, our expert field agents provide hands-on guidance during critical phases of construction, such as slab casting, to help design scientifically built structures that are durable over time.

### Influencer Engagement and Relationship

We understand that individual home builder (IHB) invests a significant amount of their wealth to fulfil this dream. IHBs are highly dependent on contractors for construction quality and influencing customer choice.

## Atoot Bandhan 2.0

Atoot Bandhan is a point-based loyalty programme that rewards contractors for registering potential leads recommending, or purchasing ACC products, and availing of on-site services from our technical services team. We also offer bonus points to enrolled contractors through games, quizzes, events, and occasions. So far, we have enrolled 43,594 contractors in Atoot Bandhan 2.0 since its launch.




### Key Features of Atoot Bandhan 2.0

| | | | |
|---|---|---|---|
| **Introduction of tiers (Bronze, Silver, Gold, Platinum)** | **User specific Mobile Apps (Contractor, Officer & Dealer/ Retailers)** | **Developed for Android as well iOS in local language** | **Contractor is empowered to register new site and punch transactions** |
| **Technical service engineer is empowered to approve enrollment, site registration and transactions** | **Reward points for registering new site (unique to industry)** | **Redemption through vendor (end-to-end)** | **Product detailer, Bandhan – contractor newsletter, gaming, ACC social feeds etc.** |

Social and Relationship Capital

## Influencer Communication

### Bandhan

Bandhan, our contractor newsletter in ten regional languages, strives to engage with the contractor community by sharing inspiring stories and construction tips.

### Sambandh

Sambandh is our channel partner newsletter, available in six regional languages, and highlights the achievements of ACC's channel partners across India.

## Recognition for Our Customer and Influencer Engagement Initiatives

We recently participated in the CX Transformation Confex 2023, organised by Gainskills Media in Mumbai. It was a great opportunity for us to both learn and showcase the latest trends and advancements in customer experience. The event featured keynotes, enterprise use-cases, exhibitors' showcases, panel discussions, and tech talks to discuss the trends and challenges in technology implementations. We were able to revamp our customer service and experience strategies to drive better business outcomes. We are thrilled to have received the 'Best Customer and Influencer Engagement Initiatives' award under the Customer Experience Organisational category, recognising our customer and influencer initiatives.


## ACC Green Building Centre

We have established a strong presence nationwide through our network of 100 entrepreneurs who serve as manufacturers and distributors of quality green building materials, catering to the needs of our consumers. We experienced robust growth, with a earnings of ₹6.5 crore, resulting in revenue generation for our group and progress on all sustainability parameters. We have also connected with over 1000 direct influencers and specifiers in a year, reflecting our commitment to getting closer to our customers.

### Each Centre Contributes to Creating 30 Livelihoods Directly and 120 Livelihoods Indirectly

| | Particulars | Jan'22 to Mar'23 |
|---|---|---|
| Social | No. of Beneficiaries at GBCs got direct livelihood | 2,010 |
| | No. of Beneficiaries at GBCs got Indirect livelihood | 8,040 |
| Housing | No. of Houses facilitated through GBC Products | 55,711 |
| | No. of Shelters facilitated through GBC Products | 2,22,844 |
| Environment | Saving of Natural Soil (MT)<br>2.6 kg of natural soil saved per brick | 3,23,633 |
| | Waste Utilisation (in MT)<br>1.2 kg of Fly Ash used per brick | 22,779 |
| | Reduction in Carbon Dioxide Emission (in MT)<br>183 MT of $CO_2$ emissions saved per Million Bricks | 127,208 |
| | Saving of Wood (in MT) | 6,224 |
| | No. of Trees Saved | 13,830 |


With strategic precision, ACC Cements' multimedia campaigns engage audiences, showcase innovation, and highlight sustainable practices. Through compelling content and cutting-edge technology, ACC Cements sets new benchmarks, capturing attention and fostering brand loyalty across platforms.

# Optimal Procurement and Supply Chain

We analysed different procurement categories (spares, raw materials, consumables, capex/opex), implemented industry best practices, and enhanced value for external stakeholders while improving internal operational efficiencies. We have successfully implemented initiatives that optimise our procurement processes, strengthen the supply chain, and enhance operational performance to benefit our company and stakeholders.

## Outline of Procurement Strategy

Central Procurement Office (CPO)

1. **Stakeholder Engagement**
   Implemented Fair Trade Practices
2. **Sustainability Strategy**
   Aligning Procurement strategies with UN SDG Goals
3. **Manufactured Capital**
   De-bottlenecking of existing capacities, enhancing output and thereby reducing fixed cost
4. **Digitalisation & Innovations**
   Driving Techno-commercial (TC) through Digital initiatives i.e. SAP, Bill Discounting, cost benchmarking tools, etc.
5. **Capacity Expansion**
   Synergy in Raw Material, Fuel, Plant & Machinery, consumables, etc.
6. **Cost Rationalisation**
   Building synergy through Group Annual Rate Contracts, Total Cost of Ownership, Specs, etc.
7. **Defining Business Model through TC Strategies**
   Bringing Operational/ Transaction Efficiencies through Outsourcing

## Key Highlights

### Effective Resource Utilisation

Utilising group resources, such as fly ash, coal, and gypsum, on fair trade practices.

### Infrastructure Investment

Maximising operational efficiencies by investing in our own railway rakes and necessary infrastructure, giving us a competitive edge in logistics operations and total supply chain fulfilment.

### Transportation

Implementing robust planning for the transportation of clinker, coal, gypsum, and fly ash through a specially designed special purpose vehicle.

### Collaboration

Joining hands with agencies and outsourcing transactional processes and activities to streamline our operations.

### Emphasising Indigenisation

Reducing our dependence on global supplies and enhancing indigenization to have better control over supply chain efficiencies, risk reduction, and minimise outages.

### Optimising Operations

Leveraging the contribution from our group company to improve working efficiencies for our Captive Power Plants.

### Reduced Outbound Consumption

Maximising internal cement and additive consumption for our RMX Business, thereby creating more circular value and enhancing overall sustainability.

### Strategic Contracts

Mitigated supply chain risks by establishing long-term contracts.

# Growing Sustainably with our Partners

### Dinesh Kumar Poonia

Environment, Health, Safety & Sustainability,
Mankind Pharma

Mankind Pharma has a strong focus on sustainability, and we manage and process waste & ETP Sludge in an environmentally safe manner. For co-processing, we have partnered with Geoclean, the waste management arm of ACC and Ambuja Cements. We ensure zero residue for landfilling benefitting through Geoclean's cost-effective technology and experience, perfectly suiting our needs and instilling confidence in our partnership.

### Abhishek Tripathi

Lead- Red Mud Business,
Hindalco Industries Ltd.

At Hindalco, we are proud to be a partner in this path to progress and have aligned our growth with responsible stewardship. Our strategic collaboration with Geoclean has helped to build circular economy through utilisation of Aluminium industry's by-product (Red Mud) as raw material in cement industry in an environmentally sound manner. We are very impressed with the team and the organisation's superb expertise & pro-active approach in handling and utilising red mud. Their state-of-the-art infrastructure allows handling of large by-product volumes, and we hope to extend this partnership in the years to come.

### Pradipta Bastia

Lead Waste Management,
Vedanta Limited

At Vedanta we are proud to be a partner in this path to progress and have aligned our growth with responsible stewardship. Our strategic collaboration with Geoclean has provided us solution for waste disposal in an environmentally sound manner. We are very impressed with the team and the organisation's superb expertise in handling this difficult to handle waste. Their state-of-the-art infrastructure allows handling of large waste volumes, and we hope to extend this partnership in the years to come.

### T. Raghunathan

Site Manufacturing Director,
Dow Chemical International Pvt. Ltd.

At Dow Chemical International Pvt. Ltd, sustainability is at the core of our values, and we found the perfect solution in Geoclean's co-processing technology for our By-product – Latex Polymer Cake. This innovative approach not only ensured sustainability but also significantly reduced consumption of conventional fuel by utilising the Latex Polymer Cake for co-processing. The professional services and state-of-the-art facilities offered by Geoclean exceeded our expectations, making us confident in a long-term partnership with them. Together, we are shaping a greener future.

# Growing Sustainably with our Partners (Contd.)

**Anil Mani Tripathi**
Deoria Building Material Store, Gorakhpur, UP

I have been associated with ACC since 2003 and been a Premium dealer ever since. Over the years, the respect and the sense of belonging that I have experienced alongside the ACC Parivaar has motivated me to grow with the Company.

**Tanveer Singh Chhabra**
Lovely Traders, Bilaspur, Chattisgarh

It is a privilege to be associated with a pioneering cement company that is trusted by generations. The Company not only assures about our profitability but also supports in our growth. Being part of the team has further enhanced my social status.

**Rathi Cement House**
Jalpaiguri, West Bengal

I feel very proud to be associated with one of the leading groups in India. This gives me confidence to work with more zeal, inspiring the newer generation. This association with ACC has improved our social status. I am sure that the consistent support by the company will help us with our business tremendously.

**Panchanan Cement Centre**
Bardhaman, West Bengal

My 1st dealership was with ACC in 2001 when I started my business. It is the only Company that showed trust and supported me throughout. With the help of ACC, I have managed to carve a niche for myself in this demanding sector through determination, hard work, and a passion for excellence.

**Nand Kishor Choudhary**
Shivam Enterprises, Deoghar, Jharkhand

It has been a privilege to be associated with India's 1st cement manufacturing Company for over 25 years. This Company stands for its quality, commitment, and transparency. I feel proud working with this great Company, and I am hopeful to see the brand grow, get stronger now with the Adani Group.

**Rakesh Gupta**
Govind Traders, Solan, Himachal Pradesh

Our customers are absolutely satisfied to have an expert know-how from the Company's technical team. The sessions and interactions on good construction tips certainly helps our customers.

**Ramu Goyal**
Goyal Trading Company, Ghaziabad, Uttar Pradesh

Customers are the core of our business. What impresses them the most is our timely supply of material by ACC when they are building their dream home.

Awards and Recognitions

# Bestowed with honours

1. Ranked amongst 'India's Most Trusted Cement Brand 2023' by TRA
2. Ranked amongst 'Best Companies To Work For' in Construction and infrastructure sector by Business Today
3. Road Safety Gold Award by the Occupational Health, Safety & Sustainability Association of India (OHSSAI)
4. Safety Silver Award by the Occupational Health, Safety & Sustainability Association of India (OHSSAI)
5. National Safety Award at the 10th Global Safety Summit
6. Safety Award by the National Safety Council of India
7. Gold Award at the Occupational Health & Safety (OHS) Awards by National Indian Chamber of Commerce
8. Plaque Award for Excellence in Sustainability Reporting, 2021-22 at the ICAI Awards

9

Platinum Award at the IconSWM-CE Excellence Awards 2022

10

ACC has been recognised among 'India's Top 50 Most Sustainable Companies' Cross-Industry by BW Businessworld

11

The Corporate Sustainability Campaign won Bronze at ABBY Awards 2022 under the Green Award category

12

The Corporate Sustainability Campaign won Gold at Imagexx Awards 2022 under the Environment category

13

The Corporate Sustainability Campaign won Gold at South Asia SABRE Awards 2022

14

The Corporate Sustainability Campaign won Silver at the Fulcrum Awards 2022 for Best use of Integrated Communications

# Guiding with Prudence and Foresight

We uphold the highest ethical standards and remain committed to achieving sustainable and profitable growth. Our efficient risk management framework ensures that we are able to navigate market vagaries smoothly while our strong governance practices guarantee effective internal control over processes and reliable reporting of our performance.

We believe sound corporate governance is the bedrock of a sustainable and commercially successful business. Our culture of corporate governance goes long back, and it is essentially about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders.

### Our core principles of governance

- Trusteeship
- Strategic oversight
- Sustainability
- Reinforcing a risk culture
- Compliance with laws and regulations
- Corporate Social Responsibility
- Accountability

### Ensuring Governance

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

### Internal Control framework

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

### Accountability and Transparency

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

## Board's role in delivering strategic objectives

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

## Memberships and Collaborations

**Various bodies with which ACC is associated are**

- Confederation of Indian Industry (CII)
- National Safety Council
- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Bombay Chamber of Commerce and Industry (BCCI)
- Indian Merchants Chamber (IMC)
- Indian Green Buildings Council (IGBC)
- Swiss India Chambers of Commerce (SICC)

## Supported by Strong Internal Processes and Systems

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

### Related Party Transactions

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

## Strictures and penalties

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

### Whistleblower Policy

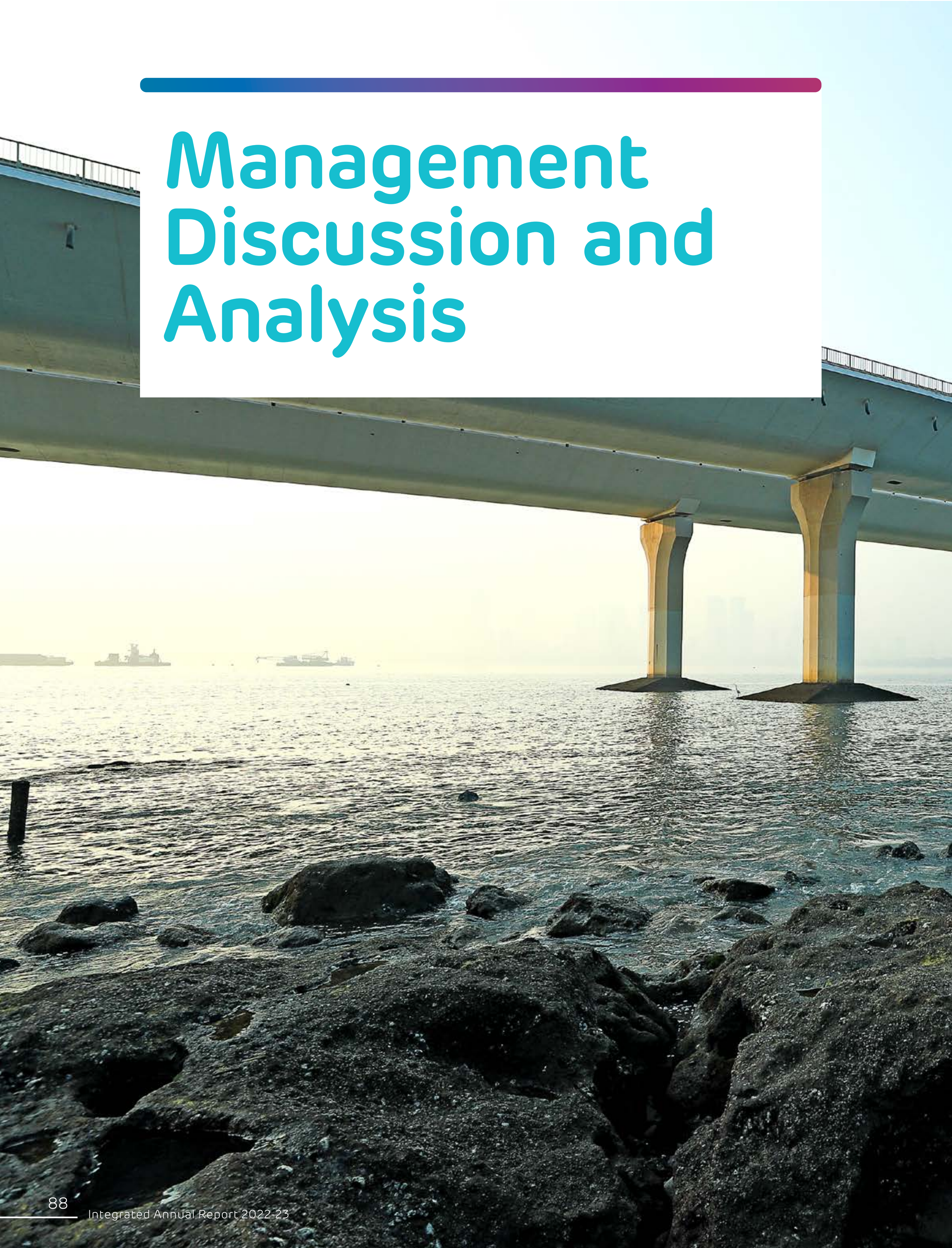
The Board of Directors at ACC has laid down a Whistleblower Policy, which covers the Directors, employees and relevant stakeholders of the Company. Our policy of Zero Tolerance towards corruption fair and transparent business dealings. The Audit and Compliance Committees of the Board keep a stringent watch on the implementation and maintenance of WhistlbBlower Policy.

A more detailed review can be found in the Corporate Governance Report, forming of this Integrated Report on page **132**.

### Donations and Political Contributions

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

# Management Discussion and Analysis



## Prelude

ACC Limited, a part of the diversified Adani Group, has been synonymous with cement in India for more than eight-and-a-half decades. We are India's foremost provider of Portland Cement and Ready-Mix Concrete, assuring superior quality for specialised applications and environments. With a world-class R&D centre, the quality of ACC's products and services, as well as its commitment to technological development, make it a preferred brand in building materials. Brand ACC is a hallmark of quality and durability, setting benchmarks with its relationship-first approach, continuous innovation and commitment to long-term sustainability.

With a long and proven track record in cutting-edge product innovations that benefit home builders and the community of architects, engineers and developers, ACC is one of the largest and fastest-growing concrete brands in India with ACC Concrete, popularly known as RMX. ACC AEROMaxX and ACC ECOMaxX, along with ACC Coolcrete and ACC Bagrete, further strengthen our line-up of need-based innovations.

Established in 1936, ACC has been recognised amongst India's Most Trusted Cement Brands by TRA Research in its Brand Trust Report, 2023. ACC is counted amongst the country's 'Most Sustainable Companies' and is recognised for its best practices in environment management and corporate citizenship. With sustainability at the core of its strategy, ACC is the first Indian Cement Company to sign the Net Zero Pledge with Science Based Targets.

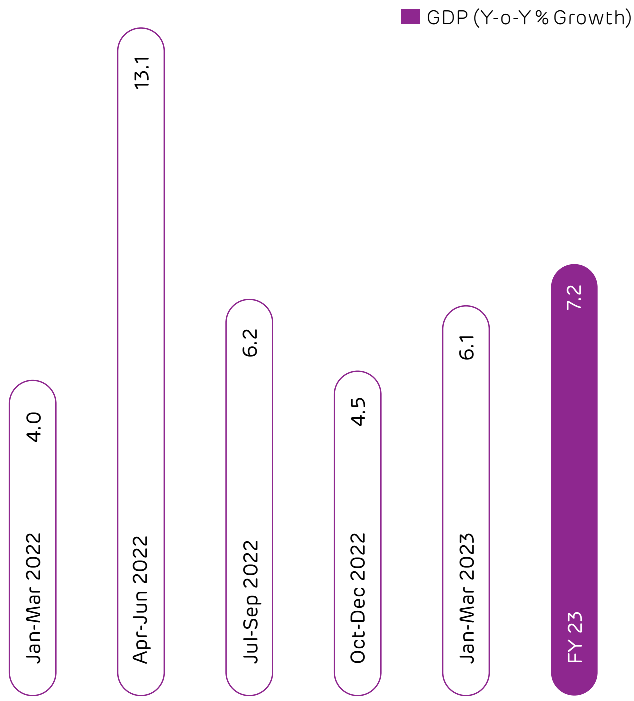
# Economic Scenario and Outlook

The world economy faced multiple headwinds such as escalating geopolitical tensions, constrained supply chains and high inflation. India proved to be an outlier, demonstrating resilience and growing by 7.2% GDP during FY 2023, aided by strong private consumption, growth-supportive policies, continued government spending on infrastructure and logistics, among others. However, inflation stayed high, prompting a series of rate hikes by the Reserve Bank of India, impacting demand.

The Indian Government's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative is likely to contribute significantly towards raising industrial competitiveness. Further, the Production Linked Incentive (PLI) scheme announced by the Government is not only bolstering the country's manufacturing sector, but also creating enormous employment opportunities. Till December 2022, more than 650 applications were approved across 13 sectors under the scheme. The scheme facilitated private sector capex to the tune of ₹3.5 lakh crore over the next 3-4 years. With global businesses looking at diversifying their supply chains from China's dependence, India is in a sweet spot to become a global manufacturing hub.

India is also witnessing massive digital transformation. The mass-scale digital infrastructure is second to none, which is further validated by the creation of the India stack. Digitalisation is accelerating e-commerce growth, changing the retail consumer market landscape and attracting leading multinationals in technology and e-commerce to the Indian market.

### India's GDP Growth Trend



## Outlook

While global economic growth is expected to moderate further in 2023 before marginally increasing in 2024, India is likely to grow 6.0%-6.5% in FY 2024, the fastest among major economies in the world. Higher public sector capex, coupled with fresh capital investments by the private sector, will help drive medium-term growth, while digitalisation and efficiency-enhancing reforms will enhance productivity. Further, India's transition to clean energy and mobility through green hydrogen and electric vehicles provides significant investment opportunities. Semiconductors and IT product manufacturing are expected to position India attractively in global trade.

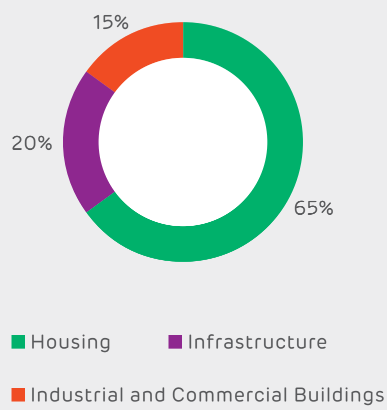
The long-term growth drivers of the economy remain intact coupled with a large and fast-growing middle-class driving consumer spending. The rapidly growing domestic consumer market as well as the large industrial sector have made India an important investment destination for a wide range of multinationals across manufacturing, infrastructure, and services. Further, India is fast becoming the start-up capital of the world, attracting sizeable foreign investments, driven by its young population including a large GenX segment, and technology edge.

However, a complex interplay of geopolitical events including the neighbouring countries, high inflation and consequently elevated interest rates could pose risks to future economic growth.

## Cement Industry

India is the world's second-largest cement producer, accounting for over 7% of the global cement installed capacity. Cement production in India grew at 7.6% for FY 2023 (368 million tonne) driven by strong demand from housing and infrastructure sectors. The housing sector accounts for majority of India's cement consumption, followed by the infrastructure sector, and commercial and industrial building constructions.

### Sector-Wise Share of Cement Consumption



## Key Sectoral Demand Drivers

Rise in rural income

Growing capex by the government to drive infrastructure sector

Consistent rise in the country's urbanisation

Strong demand in the country's real estate sector along with focused investments in the affordable segment

## Outlook

Outlook for cement sectors is favourable on the back of higher growth opportunities in the housing and infrastructure segments. The Government in the Union Budget 2023-24 has allocated $11.4 billion for the creation of safe housing (rural and urban), sanitation and increase road connectivity.

With a busy construction season ahead with the pre-election spending kicking in, the Industry is expected to see a volume growth of 6-8% going forward and is likley to reach ~390-400 million tonnes.

## Business Review

### Sustainable Development

At ACC, sustainability is an integral part of our business strategy, with focus on Circular Economy, Climate and Energy, and Environment. We focus on reducing clinker factor, lowering energy intensity, and utilising waste from other industries in the cement manufacturing process. We are also increasing the share of green energy by enhancing our generating capacity in renewables and WHRS. Our corporate social responsibility efforts are designed to benefit local communities by furthering economic and social progress. We undertake focused interventions through our CSR arm across the broader themes of Water, Sustainable Livelihood and Social Inclusion.

ACC is one of India's Most Trusted Cement Brands, recognised by TRA Research in its Brand Trust Report 2023. Further, we feature among the 'Best Companies to Work For' in the Construction and Infrastructure sector by Business Today and among 'India's Most Sustainable Companies' by BW Businessworld. We have also been recognised at leading awards and industry forums for our Customer Engagement, Safety, Sustainability Focus, Financial Reporting, and Corporate Social Responsibility.

**14.62 million tonnes**
Waste Derived Resources Consumption

**92.4%**
blended cement category during the reporting period

#### A. Circular Economy

ACC contributes to the circular economy by utilising various waste from other industries, termed Waste Derived Resources (WDR), into the cement manufacturing process. We have been using waste materials from power and steel industries, such as fly ash and slag, as replacement for clinker in cement, and making co-processing of waste possible. During the reporting period, we consumed 8.52 million tonnes of fly ash, 3.98 million tonnes of slag, 1.3 million tonnes of synthetic gypsum including phosphogypsum, and 0.82 million tonnes of alternative fuels and raw materials in cement manufacturing.

#### B. Climate and Energy

We have reduced specific net carbon emissions to 466 kg/tonne of cementitious materials during January 2022 to March 2023 period, excluding CPP. Some factors affecting $CO_2$ emissions, such as clinker factor and Thermal Substitution Rate (TSR), have improved over the last year, resulting in a reduced carbon footprint.

- **Clinker Factor**

We have been reducing average clinker factor across our product portfolio. During the reporting period, our portfolio comprised 92% of blended cement and significantly reduced the average clinker factor by 1.5% through various initiatives.

- **Thermal Energy**

The thermal energy intensity during reporting period increased owing to lower production at the Maharashtra plant. However, the increase was < 2.3% and we will continue to focus on reducing our thermal energy intensity.

- **Green Energy and Power Generation through Waste Heat Recovery System**

In addition to captive wind farms in Maharashtra, Tamil Nadu and Rajasthan (capable of generating 31.55 million units annually), we have installed WHRS in the Chhattisgarh and Madhya Pradesh plants with a generation capacity of 22.4 MW. Further investment is proposed for WHRS installation at other plants, to take the total generation capacity to 86 MW and solar power to 100 MW. Thus, our plan to replace ~50% of our power requirements with renewal energy is at an advanced stage.

- **Alternative Fuels and Raw Materials**

The growing volumes of waste around us is a challenge that requires sustainable and economical solutions. ACC has two waste pre-processing and seven waste co-processing facilities to provide sustainable waste management solutions to industrial, municipal and agricultural sectors. Our waste management arm, Geoclean, helps us to provide solutions to waste generators, while supplying us with alternative resources. Co-processing in cement kiln recovers energy and recycles minerals inherent in waste, thus contributing towards a circular economy. In the past year, we have continued to grow the consumption of alternative fuels, with a total consumption of 0.56 MT achieving a Thermal Substitution Rate of 9.15%.

## C. Environment

Several measures were undertaken to promote water conservation and harvesting, including close monitoring of water consumption and withdrawal, augmenting of water harvesting structures in communities, and optimisation of processes. Specific freshwater consumption in cement operations reduced from 60 litres/tonne of cementitious material in January 2021 - December 2021 to 59.75 litres/tonne of cementitious material in January 2022-March 2023. We also reduced specific water consumption to 126 litres/tonne of cementitious material from 136 litres/tonne between January 2021 and December 2021.

### Biodiversity

During the reporting period, we continued with our efforts towards nature conservation and biodiversity preservation. Efforts to conserve specific flora and fauna formed part of the 'B-Buzz' project. In addition,


**52.4%**

of the water used in cement operations was harvested water

plantation activities were carried across various plants and colonies.

### Emissions

We have made it mandatory for all sites to measure and manage air emissions. During the reporting period, we continued to work towards improving our emissions and the surrounding environment.

- **Dust Emission Control**

We conducted maintenance activities through in-house and third-party teams to upgrade Electrostatic Precipitators (ESP) and replace damaged bags, among others. The measures together resulted in reduced stack dust emissions in cement plants at <30mg/Nm3.

- **NOx Emission Control**

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

- **SOx Emission Control**

Given that ACC's emissions are within limits prescribed by the pollution control authorities, we are not required to undertake major emission control measures for SOx emissions. Cement plants are required to report ambient air quality, effluents, and process emissions in real-time on the websites of regulatory authorities. ACC fully complies with this mandatory requirement. We monitor stack emissions (dust, NOx and SOx) through the Technical Information System (TIS) commissioned at most of our plants. This provides information on process and emission parameters to senior management at the plant and the corporate office.

## Sales Volume

In January 2022-March 2023, our cement sales increased to 37.93 million tonnes from 28.89 million tonnes in January 2021-December 2021. Individual home builders and ground plus three-storey (G+3) buildings in the retail segment continue to be ACC's largest customer segments, both in terms of volume and profitability. Demand from these sectors is expected to accelerate on the back of growing urbanisation and rural empowerment.

## Market Development

ACC has a strong PAN India channel network comprising ~13,100 dealers and ~43,000 retailers/sub-dealers, who help the Company cater to India's need for quality cement and building materials. This strong network accounted for ~81% of cement sales in the retail segment in January 2022-March 2023.

## Strong Distribution Network

Our Sales and Marketing teams have garnered a deep understanding of customers' evolving preferences and requirements, enabling us to maximise capacity utilisation through a better product mix and driving efficiency in the supply chain by reinvigorating the dealer network.

As part of our responsible growth and sustainability strategy, we have been reducing the contribution of Ordinary Portland Cement (OPC) in our product portfolio. At the same time, we have been taking measures, such as appointing new channel partners and enhancing wallet share per counter, to manage the dealer channel effectively as part of our growth strategy in key markets. We have also managed to maintain a strong connect with retail customers who are served by the dealer channel.

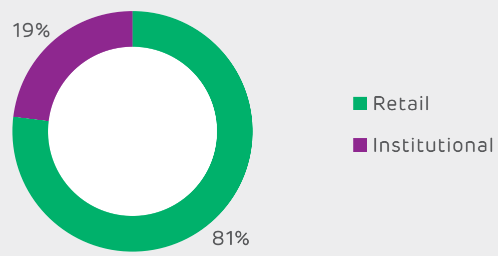
## ACC Gold Water Shield (Water Repellent Cement)

ACC's water-repellent 'Gold Water Shield' cement, launched in 2013, continues to be the market leader in the premium cement category, registering healthy growth. The water-repellent property of the product results from minutely controlled process changes under a sustainable environment, with adjustments in the raw material dosage. Our blended cement products have also received certification from the Confederation of Indian Industry-Greenport and Solar Impulse.

## Beyond Cement and Ready-Mix Concrete

ACC has diversified across cement and concrete and has created new building material categories such as construction chemicals, dry mix products and admixtures for ready-mix concrete solutions. We have focused more on developing and promoting green and


**Segment-Wise Revenue (%)**




sustainable products, lowering the carbon footprint of overall construction.

Our emphasis is on expanding the range of sustainable solutions. ACC AEROMaxX and ACC ECOMaxX, along with ACC Coolcrete and ACC Bagcrete were launched under the Company's RMX vertical.

## Green Building Centres

Green Building Centre (GBC) has created a strong footprint across India with 100 entrepreneurs in the form of manufacturers and distributors addressing the needs of consumers by providing quality green building materials. GBCs contributed ₹6.5 crore in earnings while reporting strong performance across all sustainability parameters.

With more than 1,000 direct influencers and specifiers connect in a year, the Group's ideology of moving closer to customers is being duly addressed. Each centre contributes to creating 30 livelihoods directly and 120 livelihoods indirectly.

GBC Sustainability Report (January 2022-March 2023)

| | Particulars | January 2022 to March 2023 |
|---|---|---|
| Social | Beneficiaries at GBCs got direct livelihood | 2,010 |
| | Beneficiaries at GBCs got Indirect livelihood | 8,040 |
| Housing | Houses facilitated through GBC products | 55,711 |
| | Shelters facilitated through GBC products | 2,22,844 |
| Environment | Natural soil saving (in MT) – 2.6 kg of natural soil saved per brick | 323,633 |
| | Waste utilisation (in MT) – 1.2 kg of Fly Ash used per brick | 22,779 |
| | $CO_2$ emission reduction (in MT) – 183 MT of $CO_2$ emissions avoided per million bricks | 1,27,208 |
| | Wood saved (in MT) | 6,224 |
| | Trees saved | 13,830 |

## Relationship Management

We have launched onsite sustainable construction solutions to address the customer pain points, improve construction quality and promote sustainable construction practices at customer sites.

### Instant Concrete Mix Proportion

Its on-site solution rationalises the usage of natural resources by optimising the use of aggregates, sand, and water in the concrete mix based on their properties. Instant Mix Proportioning Solution helps in making strong and durable concrete.

### Modular Curing Solution

It is based on Indian Standards (IS) provision and the practice of membrane curing to offer effective and efficient curing of concrete slabs without using water for curing. Modular Curing Solution saves around 12,000 litres of precious water per 1,000 square feet of concrete slab.

**~12,000 litres**

of precious water saved through Modular Curing Solution per 1,000 square feet of concrete slab

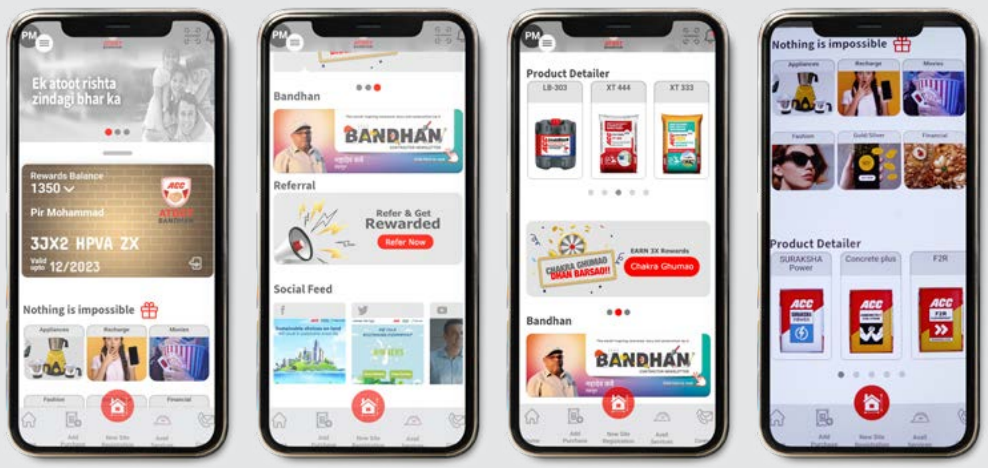
## Influencer Engagement and Relationship

Building a strong and durable house is a dream of every Indian. Individual House Builder (IHB) invests the biggest share of their wealth to fulfil this dream. IHBs are dependent on contractors; without their engagement and involvement, one cannot influence the construction quality or influence the customer choice.

**43,594**

Contractors enrolled in Atoot Bandhan 2.0 since launch of this programme

To engage and empower this important stakeholder, we launched Atoot Bandhan 2.0, a differentiated, point-based loyalty programme, in January 2023. Atoot Bandhan enrols potential contractors and rewards them for registering their sites (potential leads), recommending or purchasing ACC products, and availing on-site services (from ACC Technical Services teams) for their construction sites. The programme awards bonus points to enrolled contractors against gaming, quizzes, occasions, events etc. announced from time to time by the Company.

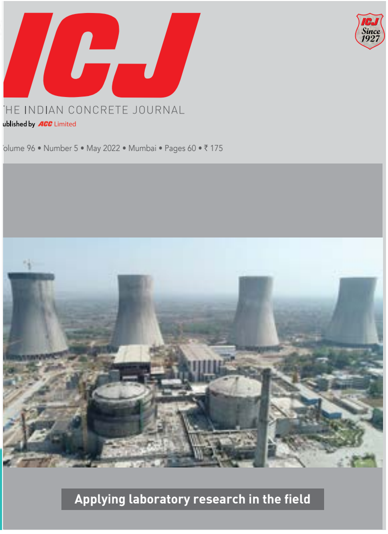



ATOOT BANDHAN

### Key features of Atoot Bandhan 2.0

- Introduction of tiers (Bronze, Silver, Gold, Platinum)
- User-specific mobile apps (Contractor, Officer & Dealer/Retailers)
- Developed on Android as well as iOS in regional languages
- Contractor can register new site and punch transactions
- Technical Services engineer can approve enrolment, site registration and transactions
- Reward points for registering a new site (unique to industry)
- Redemption through vendor (end to end)
- Product detailer, Bandhan contractor newsletter, gaming, ACC social feeds included.

## Recognition of our Customer and Influencer Engagement Initiatives


We participated in the CX Transformation Confex 2023 organised by Gainskills Media in Mumbai. This Confex provided an excellent opportunity to learn as well as showcase the latest trends and advancements in customer experience by engaging keynotes, enterprise use-cases, exhibitors' showcase, panel discussions and tech talks on the challenges in technology implementations. The platform helps to revamp customer service and experience strategies to drive better business outcomes. Our customer and influencer initiatives were awarded the 'Best Customer & Influencer Engagement Initiatives' under the Customer Experience organisational category.

### Creating bonds that sustain

At ACC, we ensure regular communication and collaboration with our stakeholders. We share essential updates and valuable insights through our newsletter, Sambandh. This publication, available in seven regional languages, highlights the achievements of channel partners across India. We also published Bandhan, a contractor newsletter, in ten regional languages, which aims to engage with the contractor community by sharing inspiring stories and construction tips. Further, our monthly publication, the Indian Concrete Journal (ICJ), has been providing academia and industry professionals with pertinent information about the construction sector and its future potential since 1927. These initiatives not only keep ACC's stakeholders well informed but also strengthen relationships with them.


## Digitalisation and Innovation

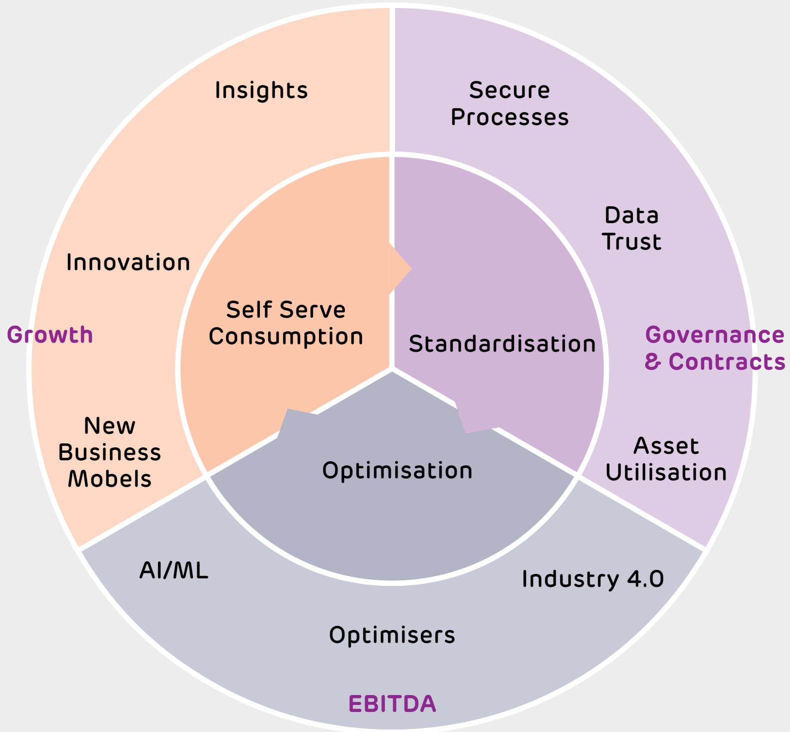
Over the past few years, ACC has continuously adopted digital technologies across its core business processes including sales, logistics, material management, manufacturing, control systems and technology operations to drive efficiency and gain a competitive edge.

ACC has a clear digital transformation strategy with an aim to transform the business processes and optimise resources to achieve sustainable business growth while complying with various regulatory requirements.

Our marquee digital initiatives include:

**Cyber Risk Management –**

We have a comprehensive Cyber Risk posture management programme aimed at ensuring




confidentiality, integrity, and availability of our critical business assets. All security operations are governed from an in-house, 24x7 centrally operated Cyber Defence Centre. ACC Security Operations Centre (SOC) has best-in-class cyber security solutions covering Brand Protection, End Point Security, Cloud workload protection, Perimeter security, Multi-Factor Authentication, Data Protection & Encryption, Application Security, SIEM for OT & IT system monitoring and Cyber Incident Management.

**Cloud First strategy –**

ACC has adopted a cloud-first policy and all its digital assets have been migrated to a hybrid public cloud platform to achieve high availability, agility, and operational efficiency.

**Centralised Command & Control on Adani's Industry Cloud (aligned to Industry 4.0):**

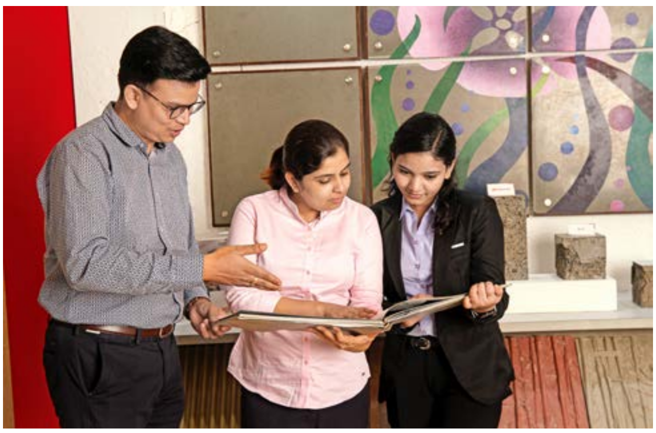
At ACC, a comprehensive Digital Command & Control centre is being set up to enable end-to-end visibility of the business processes and systems. This will enable a real-time view of the Production, Demand, Sales, and Logistics under one umbrella. C&C is a long-term strategic digital initiative to enable remote 'exception-based interventions' in decision-making, based on real-time market scenarios.

**Advanced Mobile Platform –**

ACC has a comprehensive mobile application platform and multiple applications have been launched to boost sales and marketing. These mobile applications help our dealers, warehouse operators and customers track their orders and shipments in real time.

**AI/ML for Predictive Analysis –**

ACC has adopted Artificial Intelligence (AI) and Machine Learning (ML) based tools to predict demand, optimise production to control the distribution. Diligent use of AI and ML-based logistics platforms has given us a competitive edge in the market.



### Cement Business – Performance

| Particulars | 2022-23 | 2021 |
|---|---|---|
| Sales Volume (MT) (cement and clinker) | 38.59 | 29.39 |
| Revenue from Operations (₹ Crore) | 20,659 | 15,105 |
| EBITDA (₹ Crore) | 2,157 | 3,106 |
| EBITDA Margin (%) | 11 | 21 |

Note: Previous year data is not comparable.

### Key Financial Ratios

| Sr. No. | Ratio | January 22 March 23 | January 21 December 21 | % Variance | Reason for variance |
|---|---|---|---|---|---|
| 1. | Current Ratio (in times) | 1.44 | 1.71 | -16% | |
| 2. | Inventory turnover ratio (in times) * | 6.76 | 6.49 | 4% | |
| 3. | Trade Receivables turnover ratio (in times) * | 26.05 | 34.61 | -25% | |
| 4. | Trade Payables turnover ratio (in times) * | 9.57 | 7.93 | 21% | |
| 5. | Debt equity ratio | - | - | - | |
| 6. | Net Profit ratio (%) | 4% | 11% | -65% | Net profit reduced due to fuel cost escalation. |
| 7. | Operating EBITDA Margin (%) | 9% | 19% | -53% | Operating EBITDA Margin reduced due to fuel cost escalation. |
| 8. | Return on Equity ratio (in %)* | 5% | 14% | -64% | Return on equity reduced mainly on account of lower profitability. |
| 9. | Net worth (Crore) | 14,043.00 | 14,228.00 | -1% | |

*Current period ratios have been annualised on a time proportion basis as the financial year is for a fifteen month period

## Cost

During January 2022-March 2023, we implemented various cost management strategies.

- **Cost of Materials Consumed**

During January 2022-March 2023, our raw materials cost was higher by 10% per tonne of cement vis-à-vis 2021. The major contributor to this increase was the cost of raw material required for clinkering (up 16%) along with that of gypsum, fly ash and slag (up 12%). Our focused approach helped reduce clinker factor by 1.5%, as compared to the year earlier period.

- **Power and Fuel**

Power and fuel costs increased by 71% during the reporting period compared to the previous year, driven by external market dynamics. Kiln fuel cost increased by 42%. Captive Power Plant (CPP) fuel cost increased by 48%. We made consistent efforts to reduce the cost of power and fuel by maximising the utilisation of domestic pet-coke, linkage coal and Alternative Fuels (AF), reducing dependency on fuels from the international market.

We continue to use power produced by our onsite and offsite solar plants in Chhattisgarh, Uttar Pradesh, and Karnataka, aggregating to 114 MW of solar and 19 MW of wind power. During January 2022-March 2023, two Waste Heat Recovery Systems (WHRS) with a cumulative capacity of 22.4 MW were commissioned. ACC's Jamul plant is utilising >28% renewable energy (WHRS + Solar) of the total requirement. We will continue to add renewable and green energy (including installation to increase co-processing of AFRs) in our portfolio as part of our Net Zero commitment.

**55.8MW**

Additional WHRS capacity by 2024

**100MW**

Solar Power generation capacity by 2024

**~50%**

Green Power (Renewable+WHRS) contribution in total power consumption by 2024

- **Freight and Forwarding Expenses**

Various cost improvement measures were undertaken to reduce logistics costs. We managed to keep the freight and forwarding expenses flat, despite ~4% increase in diesel prices. We undertook rigorous initiatives to improve efficiency, reduce wasteful expenditure, improve direct dispatches, rationale warehouse footprint through the consolidation of ACC and Ambuja Cements warehouses and C&F rate negotiation, and higher Master Supply Agreement volumes. With the efficient use of technology and network optimisation tools for commercial and operational excellence, we hope to integrate the supply chain and strengthen our competitive edge.

## Master Supply Agreement (MSA)

We have an MSA with Ambuja Cements Limited (Ambuja), which was previously approved by the shareholders in 2021, to leverage larger synergies.

This was further approved in March 2023 for a period of one year. During January 2022-March 2023, we sold 25.32 lakh tonnes to Ambuja under the MSA, which helped increase volume and profitability. It also enabled us to: 1) achieve synergies and economies of scale; 2) bring efficiency in operational and logistics costs; 3) strengthen sustainability in terms of the use of fuel and other resources and conserve natural resources. We will continue to explore the MSA arrangement with Ambuja for higher revenues and profitability.

## Capacity Expansion

In 2022, the expansion of Tikaria (Uttar Pradesh) was completed, adding 1.6 MTPA cement capacity. The Ametha (Madhya Pradesh) project is under execution and will be commissioned by Q2'FY23-24 adding clinker capacity of 3.1 MTPA and cement of 1 MTPA. The project's progress was partially impacted due to COVID-19.

## Ready-Mix Concrete (RMX) Business

ACC has a nationwide network of 92 state-of-the-art RMX plants. Over the past three decades, the RMX business has shaped India's construction sector while producing innovative products, enhancing service standards and delivering value to customers. ACC RMX has both Environmental Product Declaration (EPD) and GreenPro certification. The RMX team is now diligently working on developing carbon-neutral concrete and Ultra High-Performance Concrete (UHPC).

The year 2022 started with the continuation of post-pandemic demand rise in the building materials sector, which led to a 4.4% y-o-y sales growth in January-March 2022. The April-June 2022 quarter recorded steep growth due to the low base from the COVID-19 impact, while the July-September 2022 quarter witnessed 10.7% growth and the October-December 2022 recorded 8.7% growth. Although growth in January-March 2023 was stagnant, sales growth during the 15 months ending March 2023 came in at 8%. This growth is attributable to our emphasis on CQC (Customer, Quality and Cost). The RMX business embraces modern technologies to stay ahead of the curve while strategies are reframed with customer service as the key focus. We also implemented various quality control measures to ensure consistency and reliability across the business.

### RMX Business-performance

| Particulars | Unit | Jan-22 to Mar-23 | FY 2021 |
|---|---|---|---|
| Sales volume | Lakh $m^3$ | 3,951 | 2,809 |
| Net Sale Value | Crore | 1,842 | 1,242 |
| Sales EBITDA | Crore | 99 | 99 |
| EBITDA Margin | % | 5.4% | 7.9% |

Previous year data is not comparable

## Value-added Solutions

ACC's state-of-the-art R&D facility continues to innovate and bring various value-added products and solutions to meet emerging customer demand proactively. Value-added solutions, which account for 38% of our total RMX sales, play an important role in driving the segment's growth. We recorded an 11% Y-o-Y increase in sales of value-added solutions. Our emphasis is on expanding the range of sustainable solutions. ACC AEROMaxX and ACC ECOMaxX, along with ACC Coolcrete and ACC Bagcrete were launched under the Company's RMX vertical.

**38%**

**Contribution of Value-Added Solutions to the Total RMX Sales**

## Green Products

**ACC ECOMaxX:** We launched ACC ECOMaxX – the Expert Green Concrete. ACC ECOMaxX is designed to address sustainable construction needs and helps in $CO_2$ reduction of 30-100%. A GreenPro certified product, ACC ECOMaxX has earned green points from the Indian Green Building Council (IGBC). ACC ECOMaxX sales now account for 15% of total RMX sales. We are focusing on building the capabilities of our sales force, value communication for customers along with partnering nodal agencies and consultants, to further drive sales.

## Discussions on Financial Performance Vis-À-Vis Operational Performance

For details on financial performance vis-à-vis operational performance, please refer to. **186.**

## Internal Control Systems and their Adequacy

The Company has strong internal control systems and best-in-class processes commensurate with its size and scale of operations.

- There are well formulated policies and procedures for all major activities. These procedures facilitate effective business operations with governance.
- Well-defined delegation of power with authority limits are in place for approving revenue as well as capex expenditure at level of organisational hierarchy. This enables ease of decision-making in day-to-day affairs as well as long-term and short-term business plans.
- Financial control is effectively managed through the Annual Budgeting process and its monitoring is conducted through monthly reviews for all operating and service functions.
- The Company has a state-of-the-art ERP system to record data for accounting, consolidation and management of information and connects to various locations for efficient exchange of information. It continues its efforts to align all its processes and controls with global best practices.
- The Company has a well-established online Compliance Management System in which technology is seamlessly integrated with laws. The system provides comprehensive covering across all laws applicable on the business and its compliance update at each of operating units though management dashboard.
- There is a well-established multidisciplinary Management Audit & Assurance Services (MA&AS) that consists of professionally qualified accountants, engineers and SAP experienced executives who carry out extensive audit throughout the year, across all functional areas and submit reports to Management and the Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and key process risks.
- MA&AS follows Risk Based Annual Internal Audit Plan. The audit plan and its scope are reviewed and approved by the Audit Committee of the Board. The entire internal audit processes are web enabled and managed online by Audit Management System (AMS).
- Internal Audit is conducted in accordance with auditing standards to review design effectiveness of internal control system and procedures to manage risks, operation of monitoring control, compliance with relevant policies and procedure, and recommend improvement in processes and procedure.
- The Audit Committee of the Board regularly reviews the execution of Audit Plan, the adequacy and effectiveness of internal audit systems, and monitors the implementation of internal audit recommendations including those relating to strengthening of the Company's risk management policies and systems.
- In terms of governance, there are independent Committees in place for monitoring and governance over efficiency and effective internal controls:

1. Risk Management Committee:

   Our Risk Management Framework provides a process of identifying, assessing, monitoring, reporting, and mitigating various risks at all levels at periodic intervals. Under the framework, the Company has constituted a Risk Management Committee to continuously monitor, report and mitigate various risks faced. The outcome of this monitoring is reported to the Audit Committee and to the Board on a quarterly basis.

2. **Information Technology & Data Security Committee**

   Information technology & data security governance is an integral part of an overarching organisation - wide governance structure. The Company has a matured IT Governance process wherein the Governance Committee periodically reviews, recommends and monitors the Company's IT priorities, projects, major IT investments besides effectiveness of control established for data security.

3. Legal, Regulatory & Tax Committee

   The Committee exercises oversight with respect to the structure, operation, and efficacy of the Company's compliance programme and to review compliance with applicable laws and regulations.

## Corporate Social Responsibility (CSR) Initiatives

ACC has its CSR initiatives spread across 11 states in India and has been able to bring a significant change. At ACC, the goal has been clear – to transform lives and create a better world.

### Water Governance and Management

Transformative yet sustainable pathway needs to be designed and implemented to reduce the vulnerabilities faced by the rural communities owing to climate change. Water and land management provides catalytic entry point to improve the quality of life in India's villages. Conserving and managing water and soil resources regenerates degraded landscapes and conserves biodiversity while enhancing crop production and expanding sustainable livelihood opportunities. This is enabled by promoting ecosystem-based integrated watershed development and facilitating effective water governance through water stewardship initiatives. Diverse types of soil and water conservation and treatment activities have been done in the project to capture the rain and make it beneficial for the farmers and community.

| | | |
|---|---|---|
| 1 | Construction and Repairing of Check Dam (No.) | 32 |
| 2 | Excavation and De-Siltation of Pond, Nala & River (No.) | 59 |
| 3 | Irrigation Channel Constructed (Meter) | 1,400 |
| 4 | Rooftop Rainwater Harvesting System (No.) | 10 |
| 5 | Drip and Irrigation System (No.) | 76 |
| 6 | Construction of Recharge Pit and Ditches (No.) | 17 |
| 7 | Earthen Bund (Meter) | 2450 |
| 8 | Boulder Bunds (Meter) | 432 |
| 9 | Nala De-Siltation (Meter) | 4,221 |

**12,852 farmers** and **41,184 people** benefitted

**19,57,574 $m^3$** water harvesting capacity developed

Outcomes

**391 borewells** and wells recharged

**5,356 Hectares land** came under irrigation

## Sustainable Livelihoods

Through our CSR initiatives, we are continuously working to minimise the economic vulnerability by promoting sustainable agriculture and encouraging farm and non-farm rural entrepreneurship. We also focus on youth employability under DISHA.

1. **Youth Employability under DISHA**

   Focuses on eliminating unemployment among people in host communities. 10 trades were launched based on detailed analysis of market requirements. We successfully trained 1,942 trainees across 11 plant sites; 40% were successfully placed and around 4.5% are self-employed.

### Details of Youth Employability Programme

| Total Target | Total Enrolled Strength | | | Dropouts | Total Trained | Total Placed | |
|---|---|---|---|---|---|---|---|
| | Female | Male | Total | | | Wage | Self Employed |
| 2,295 | 1,319 | 796 | 2,115 | 173 | 1,942 | 777 | 89 |

### 2. Micro Enterprise Development

We focused on livelihood training in collaboration with the State Rural Livelihood Mission and various agencies for the economic empowerment of Self-help Group (SHG ) members. As a result, 85 group micro enterprises were developed. The SHGs took up diverse enterprises from stitching to baking and mushroom to sleeper manufacturing, etc. 828 members are involved in micro enterprise activities.


**1,672**

**Women SHGs mentored**

| | |
|---|---|
| SHGs | 1,672 |
| SHG Members | 18,016 |
| Micro Enterprises | 85 |
| Members in Micro Enterprises | 828 |
| Average net income per annum/per enterprise (in ₹) | 14,592 |

### Beneficiaries under Sustainable Livelihood

| SL | Activity Description | Direct Beneficiaries | Indirect Beneficiaries |
|---|---|---|---|
| 1. | SHG Empowerment Initiative | 2,341 | 11,577 |
| 2. | Livestock Development | 2,964 | 9,515 |
| 3. | Digital and Financial Literacy Programme | 656 | - |
| 4. | DISHA Youth Employability Training Program | 1,942 | 7,768 |
| 5. | Agriculture Base Intervention | 9,866 | 22,348 |
| | **Total** | **17,769** | **51,208** |

### 3. Social Inclusion

To serve communities across India, we focus on interventions that directly impact the marginal. The theme 'social inclusion' focuses on education, health, sanitation, drinking water, malnutrition, digital literacy, infrastructure facilities, household linkage with social security schemes, among others.


**Beneficiaries under Sustainable Livelihood**

| SL | Activity Description | Total | Direct Beneficiaries | Indirect Beneficiaries |
|---|---|---|---|---|
| 1. | Schools Repaired | 406 | 26,513 | 42,834 |
| 2. | Anganwadis Renovated | 187 | 12,549 | 52,392 |
| 3. | Special Health Camps/Medical Camps | 813 | 57,360 | - |
| 4. | Observation of National Day Celebration | 128 | 11,590 | - |
| 5. | R.O. Units Installed and Repaired | 11 | 7,797 | 4,924 |
| 6. | Digital Literacy Programmes | 191 | 5,078 | 20,312 |
| 7. | Household Linkage-Social Security Scheme | 276 | 12,270 | 31,619 |
| 8. | CC Road Construction and Repair (in metres) | 8,769 | 19,174 | 41,340 |
| 9. | Vidyasaarathi Scholarships | 371 | 371 | 1,484 |
| | **Total** | **17,769** | **1,52,702** | **1,94,905** |

## Health and Safety (H&S)

As a leading cement manufacturer with highly evolved practices, we leverage our Safety management system to bring together various functions and skill sets to achieve our safety goals. Our commitment to safety is driven by our corporate values and governance enablers. The Health & Safety management system is built on the strong foundation of our H&S standards, policy, and robust value system. Our Health, Safety Improvement Plan (HSIP) is the governing tool to drive the safety initiatives and programmes. The HSIP plan reinforces leadership role in Health & Safety and has led to the implementation of specific measures to improve our H&S performance.

Our senior leadership has ensured that all the necessary measures are in place to control incidents at site. The 'Boots on Ground' mobile application is one such initiative which has helped us in improving the visibility of leadership at site and thereby reducing incidents. With effective implementation of our HSIP and other safety initiatives, we were able to achieve a 26.5% reduction in the Lost Time Injury Frequency Rate.

**26.5%**
**reduction in LTIFR**

Our robust EHS (Environment, Health & Safety) governance system ensures periodic review and oversight on our performance against targets and ensures diligent implementation of the H&S principles across the manufacturing units. Cross company audits, Intra-company audits and self-assessments audits are conducted as per the scheduled plan for each of our manufacturing plants. We have a well-defined audit protocol which elaborately covers our standards and systems to verify the governance mechanism at our sites.

Our EHS training programs are organised through both in-house and external platforms. We conduct structured H&S induction programme for new employees in manufacturing, sales, and logistics functions to inform them about H&S rules and policies and inculcate safe behaviour. Such centralised programmes are conducted at corporate level by H&S and HR teams. In addition, each plant conducts its own H&S induction for new employees, visitors, and contractors. We also conduct an induction programme for senior leadership through Corporate H&S Team. Safe practices are monitored through different tools such as Boots on Ground (BoG), Visible Personnel Commitment (VPC) and hazard reporting. The Critical Control Management programme was launched to address the eight critical elements called Priority Unwanted Events (PUE) in our operation.

## Recognition on Safety

### NSCI Award, 2022

The NSCI awards were awarded under the Group 'D' Manufacturing Sector (Engineering, Cement, Steel, etc,) in recognition for good performance in OHS during the year 2019-2021.

**Thondebhavi Cement** manufacturing Unit won the prestigious NSCI Safety Award 'Suraksha Purashkar', 2022.

**Jamul Cement Works** won the prestigious NSCI Safety Award 'Prashancha patra', 2022.

**Tikaria Cement Works** won the prestigious NSCI Safety Award-2022 **'Certificate of Appreciation'.**



# Human Resources

As we integrate into the Adani Group's culture, we remain steadfast in our mission to attract and retain top talent, promote a culture of continuous learning and development, encourage high performance, maintain positive industrial relations, and ensure a safe and inclusive workplace. Our employees are our most valuable assets, and we are proud to showcase our human resource initiatives in this new chapter.

## Focused on Learning and Development

We understand the importance of investing in employees' growth and development to ensure their success. We have implemented several initiatives to promote a culture of continuous learning. We have expanded our training programmes, including leadership development, technical training, and cross-functional collaboration.

Our mentoring programme has helped our employees build relationships and receive valuable guidance from experienced leaders. We also encourage our employees to pursue external certifications and educational opportunities to enhance their skills and knowledge.

## High Performance

Promoting high performance and excellence in all aspects of our business is essential during the integration process. We are committed to aligning our goals and objectives with those of the Adani Group to ensure a seamless integration process. Our performance management system is designed to provide regular feedback, goal setting, and performance evaluation, enabling our employees to develop and achieve their full potential in the new organisation.

We are also leveraging digital tools to facilitate performance management, such as online goal setting and progress tracking. We have also implemented a rewards and recognition programme to acknowledge outstanding performance and incentivise our employees to continue striving for excellence. By recognising and rewarding high performers, we foster a culture of excellence.

## Industrial Relations

Maintaining positive industrial relations is crucial during the integration process, and we have established several initiatives to ensure a harmonious and productive workplace. We are committed to maintaining an open-door policy, encouraging dialogue, and feedback from our employees, including those from the Adani Group. Our grievance redressal mechanism ensures that any concerns or complaints are resolved in a fair and timely manner. We also engage with our employees through various employee forums and committees to ensure that their voices are heard. By engaging with our employees and addressing their concerns, we foster engagement and create a culture of collaboration and inclusivity.

## Diversity and Inclusion

Through our commitment to diversity and inclusion, we have been able to build a more engaged and productive workforce, while also improving our ability to attract and retain top talent from a wide range of backgrounds. As we integrate with Adani Group, we remain committed to promoting diversity and inclusion throughout our organisation. By continuing to leverage data to inform our diversity and inclusion initiatives, we are confident about building a stronger, more inclusive workforce that reflects the diversity of the communities in which we operate. We believe that this will help us achieve our business objectives by fostering innovation, creativity, and collaboration, while also improving our ability to serve our diverse customer base.

## Prevention of Sexual Harassment of Women at the Workplace

Creating a safe and inclusive workplace is essential during the integration process. We have implemented a comprehensive Prevention of Sexual Harassment (POSH) policy that provides a safe and confidential reporting mechanism for any incidents of harassment. We conduct regular training and awareness programmes to educate our employees on the importance of maintaining a harassment-free workplace. We are also collaborating with the Adani Group to understand its approach to POSH and aligning our policies and procedures to ensure a consistent and effective approach across the organisation. By creating a safe and inclusive workplace, we foster a culture of trust and respect.

# Business Risks and Opportunities

## Risks and Areas of Concern

ACC has a comprehensive framework for risk management covering Strategic, Operational, Compliance, Financial and Sustainability-related risks through the Business Risk Management (BRM) process. To bring in the best practices, our Risk Management Policy has been formally framed to identify and assess the key risk areas, monitor, and report compliance and effectiveness of the policy and procedure in line with the regulatory requirements.

A Risk Management Committee under the chairmanship of Mr. Ameet Desai, Independent Director, has been constituted to oversee our risk management process.

The BRM exercise supports management in strategic decision-making. Therefore, it is an integral part of the management reporting cycle. We have laid down a well-defined risk management mechanism covering analysis, risk exposure, potential impact and risk mitigation. Potential risks are identified on a 3X3 matrix (High, Medium, and Low) of severity and probability. The overall risk exposure is assessed from both top-down and bottom-up, which is then consolidated/calibrated to get a bird's eye view.

Based on a detailed review and considering the current and future circumstances which may arise due to change in Management, the risks have been broadly classified into phases due to their uniqueness considering:

- Transition Phase Risks
- High Growth Phase Risks

## Transition Phase Risks

### Change Management

ACC is now part of the Adani Group, which is a leading integrated business conglomerate. With change in Management, there comes changes in policies and practices, which needs to be implemented and aligned and all this comes with moderate risk, which may disrupt business, operations, and people temporarily.

The risk of change management was addressed with utmost care and expertise by the organisation and thus, had minimal impact on the business and operations.

### IT and Cyber Security

Today, nearly every aspect of our life revolves around information technology and cyber security. Thus, protecting vital information in the cyber world is not only our responsibility, but also a necessity to secure our business and operations, more so with our ongoing transition to the Adani Group. As we move towards digitisation and automation, we will further explore and exploit cyber tools and utilities, especially from a growth perspective.

Effective cyber security requires protecting both our hardware and software from misuse, interference, loss, unauthorised access, modification and disclosure, and we as a concerned and proactive organisation have taken all effective measures to design our control mechanism and ensure that we are cyber secured.

## High Growth Phase Risks

### Regulatory Changes

As a responsive company, we are aware that changes in regulations are essential for the growth and protection of the environment and nature. Non-compliance to these regulations can lead to serious reputational and financial consequences while compliance too comes at a cost – cost for innovation, alternatives, transformation, upgradation, etc.

The Company is taking up various projects across its operations to comply with the new environmental regulations related to Dust, SOx and NOx emissions.

### Risk of Natural Resources

The cement Industry is highly energy intensive and is largely dependent on natural resources like limestone, coal, minerals, etc. To ensure that there is no disruption in business and operations, there is a need to ensure continuous supply of these materials at optimum cost and quality. However, due to reserve depletion and procurement issues, this is becoming a challenge for industry. For continuous operation, there is need to secure limestone with minimum ~50 years of reserves. Volatility in coal prices is also an area of concern.

To mitigate the risk, we need to invest in developing products that emit less $CO_2$. We are exploring ways to reduce emissions by enhancing the share of green power.

### Energy Security

Energy security largely depends on the availability and cost. Risks associated with energy costs account for a significant part of our production cost. Cement production, in particular, requires a high level of energy consumption, especially for the kilning and grinding processes. The principal elements of these energy costs are fuel expenses and electricity expenses (which include costs for coal, petroleum coke, natural gas, and alternative fuels such as biomass).

Our operations are therefore expected to be significantly affected by volatile energy prices, which may fluctuate due to market forces and other factors, including changes in the regulatory regime. We seek to protect ourselves against the risk of energy price fluctuations by diversifying fuel sources including the use of alternative fuels.

# BOARD'S REPORT

## TO THE MEMBERS

Your Directors are pleased to present 87th Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) of your company for the year ended March 31, 2023 (FY-2022-23).

## 1. STATE OF THE AFFAIRS OF THE COMPANY:

The performance of the Cement and Ready Mix Concrete business are detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

## 2. FINANCIAL PERFORMANCE 2022-2023:

(₹ in crore)

| | Consolidated | | Standalone | |
|---|---|---|---|---|
| Particulars | 2022-23 | 2021 | 2022-23 | 2021 |
| Revenue from Operations | 22,210.18 | 16,151.67 | 22,209.97 | 16,151.35 |
| Other Income | 341.89 | 206.71 | 337.18 | 204.76 |
| **Total Income** | **22,552.07** | **16,358.38** | **22,547.15** | **16,356.11** |
| **Profit before Tax*** | **1,202.60** | **2,506.38** | **1,182.13** | **2,460.39** |
| Tax Expenses | 317.39 | 643.28 | 312.22 | 640.12 |
| **Profit for the year** | **885.21** | **1,863.10** | **869.91** | **1,820.27** |
| **Attributable to** | | | | |
| Owners of the Company | 885.07 | 1,862.99 | 869.91 | 1,820.27 |
| Non-controlling Interest | 0.14 | 0.11 | - | - |
| Other Comprehensive Income (OCI) | 30.96 | 5.43 | 31.05 | 5.44 |
| **Total Comprehensive Income** | **916.17** | **1,868.53** | **900.96** | **1,825.71** |
| **Attributable to** | | | | |
| Owners of the Company | 916.03 | 1,868.42 | 900.96 | 1,825.71 |
| Non-controlling Interest | 0.14 | 0.11 | - | - |
| **Opening Balance in retained earnings** | **10,471,56** | **8,866.04** | **10,396.83** | **8,834.02** |
| Amount available for appropriations | 11,387.59 | 10,734.46 | 11,297.79 | 10,659.73 |
| **Appropriations** | | | | |
| Final Dividend Paid for 2021 | 1,089.17 | 262.90 | 1,089.17 | 262.90 |
| **Closing balance in retained earnings** | **10,298.42** | **10,471.56** | **10,208.62** | **10,396.83** |

*Profit before Tax for 2022 – 23 includes charge of ₹66.42 Crore towards restructuring cost and ₹95.35 crore towards one time transition cost and for 2021 includes charge of ₹54.76 Crore towards restructuring cost and ₹38.10 Crore towards impairment of assets.

The performance of the current year is not comparable to that of the previous year due to change in accounting period, as the current year comprises of a period of 15 months as against 12 months of the previous year.

## CHANGE OF MANAGEMENT – ENTRY OF ADANI GROUP

During FY 2022-23, the Company became a part of the Adani group, as Holcim divested their entire shareholding and control in the company by way of transfer of 100% shareholding of Holderind Investment Limited (Holderind) to Endeavour Trade and Investment Ltd.(Endeavour), a company belonging to Adani Group. In view of the above, Endeavour also became one of the Promoter of the company.

With the change in the promoters, there was a change in the Management of the company. The company also revised its financial year from January- December to April-March to comply with the provisions of the Companies Act, 2013 Accordingly, the financial performance presented is for the period of 15 months i.e. from January 1, 2022 to March 31, 2023.

## 3. OVERVIEW OF COMPANY`S OPERATIONAL AND PERFORMANCE HIGHLIGHTS:

- Consolidated income, comprising Revenue from Operations and other income, for the FY 2022-23 was ₹22,552.07 Crore as compared to ₹16,358.38 Crore in 2021.
- Consolidated Profit before Tax for the year was ₹1,202.60 Crore vis-à-vis ₹2,506.38 Crore in 2021.
- Consolidated Profit after Tax for the FY 2022-23 was ₹885.21 Crore compared to ₹1,863.10 Crore in 2021.

- Cement production increased from 26.92 Million Tonnes in 2021 to 33.08 Million tonnes in 2022-23.
- Cement Sales Volume increased from 28.89 Million Tonnes in 2021 to 37.93 Million tonnes in 2022-23.
- The net revenue from operations in cement increased from 15,105 Crore in 2021 to 20,659 Crore in 2022-23
- RMX Production Volume has increased from 2,809 Million $M^3$ in 2021 to 3,591 $M^3$ in 2022-23.

## 4. DIVIDEND

The company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the strong operational and financial performance during the year under review, the Board of Directors is pleased to recommend a dividend of ₹9.25 per share (95 %) for the period ended March 31, 2023. This represents a pay-out ratio of 20%.

The Dividend payment is in accordance with the Company's Dividend Distribution Policy. In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'), It is also available on the Company's website and can be accessed at www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf

## 5. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the period ended March 31, 2023.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the period under review, as stipulated under the Securities and Exchange Board of India (SEBI Listing Obligations and Disclosure Requirements), Regulations, 2015, ('SEBI Listing Regulations') is presented in a separate section, forming part of this Annual Report.

## 7. CAPITAL STRUCTURE OF THE COMPANY

The Company's paid-up equity share capital continues to stand at ₹187.79 Crore as on March 31, 2023.

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

## 8. FINANCIAL LIQUIDITY

Cash and cash equivalent as on March 31, 2023 was ₹256.63 Crore vis-à-vis ₹7,366.59 Crore in the previous year.

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

## 9. CAPACITY EXPANSION AND NEW PROJECTS

The Company's current installed cement manufacturing capacity is 36.05 MTPA. Detailed information on capacity expansion and new projects is covered in the report on Management Discussion and Analysis, forming part of this Annual Report.

## 10. CREDIT RATING

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

## 11. DEPOSITS

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of the FY 2022- 23 or the previous financial years. Your Company did not accept any deposit during the period under review.

## 12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements (Refer note no. 47)

## 13. INTERNAL CONTROL SYSTEMS

### Internal audit and its adequacy

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

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

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

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

### Internal Controls over Financial Reporting

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

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

## 14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for its employees and Directors to report concerns about any unethical and improper activity, without fear of retaliation. No person has been denied access to the Chairman of the Audit Committee. The Audit Committee monitors and reviews the investigations of the whistle blower complaints. During the FY 2022-23, 41 complaints were received under Whistle Blower Policy and were resolved after investigation.

The Whistle Blower policy is uploaded on the website of the Company at Vigil Mechanism Whistle Blower Policy.pdf (acclimited.com).

## 15. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As of March 31, 2023, the Company has four subsidiaries, five joint ventures and two associate companies.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the Listing Regulations. The Policy has been uploaded on the Company's website.

Pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules made thereunder and Regulation 33 of the SEBI Listing Regulations, your Company has prepared Consolidated Financial Statements of your Company and a separate statement containing the salient features of Financial Statement of subsidiary, joint venture and joint operation entities in Form AOC-1, which forms part of this Annual Report.

The Annual Financial Statements and related detailed information of the subsidiary / joint venture companies shall be made available to the shareholders of the holding and subsidiary / joint venture companies seeking such information on all working days during business hours. The financial statements of the subsidiary / joint venture companies shall also be kept for inspection by any shareholders during working hours at your Company's registered office and that of the respective subsidiary / joint venture companies concerned. In accordance with Section 136 of the Act, the Audited Financial Statements, including Consolidated Financial Statements and related information of your Company and audited accounts of each of its subsidiary joint venture, are available on website of your Company under Investor Section.

Pursuant to Section 134 of the Act read with rules made thereunder, the details of developments of subsidiaries and joint ventures of your Company are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

## 16. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

### 16.1 Directorate

#### A. Appointments/Re-appointments

With effect from September 16, 2022, the Board was re-constituted as under:

Mr. Karan Adani, Non-Executive Chairman, Mr. Vinay Prakash, Non-Executive Director, Mr. Arun Kumar Anand, Non-Executive Director, Mr. Sandeep Singhi, Independent Director, Mr. Rajeev Agarwal, Independent Director, Mr. Nitin Shukla, Independent Director, and Ms. Ameera Shah, Independent Director, were appointed.

Mr. Ajay Kapur was appointed as Whole-time Director and CEO, being liable to retire by rotation, on the Board of Directors of the Company by the Members by way of postal ballot on January 14, 2023 with effect from December 3, 2022 till November 30, 2025.

**Retirement by Rotation**

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of the Company, Mr. Vinay Prakash (DIN: 03634648) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

#### B. Cessation

During the year under review Non-Executive Directors- Mr. Jan Jenisch, Mr. Martin Kriegner, Mr. Vinayak Chatterjee, Mr. Shailesh Hairbhakti, Mr. S.K. Roongta, Ms. Falguni Nayar, Mr. Damodarannair Sundaram, Mr. Sunil Mehta, Mr. M R Kumar, Mr. Neeraj Akhoury and Mr. N.S. Sekhsaria resigned w.e.f September 16, 2022 due to change in management.

The Board placed on record its appreciation for the valuable services rendered by all outgoing Directors.

### 16.2 Key Managerial Personnel Cessation

During the year under review Mr. Rajiv Choubey, Company Secretary resigned w.e.f April 27, 2022, Mr. Yatin Malhotra, Chief Financial Officer resigned w.e.f August 31, 2022, Ms. Rashmi Khandelwal, Company Secretary resigned w.e.f November 15, 2022 and Mr. Sridhar Balakrishnan WTD and CEO resigned w.e.f December 3, 2022 from the Company.

The Board placed on record its appreciation for the valuable services rendered by Mr. Sridhar Balakrishnan, Mr. Rajiv Choubey, Mr. Yatin Malhotra and Ms. Rashmi Khandelwal.

The Company appointed Mr. Vinod Bahety as Chief Financial Officer w.e.f September 16, 2022 and Mr. Ajay Kapur as WTD & CEO w.e.f December 3, 2022.

### 16.3 Independent Directors

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

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

### 16.4 Board effectiveness

#### a. Familiarisation programme for Independent Directors

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

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

b. **Formal annual evaluation**

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

16.5 **Remuneration policy and criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Leadership positions**

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

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel is also available at the website of the Company and can be accessed at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

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

## 17. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

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

During the FY 2022-23, twelve (12) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of this Annual Report.

During the FY 2022-23, with an objective of further strengthening the governance standards so as to match with internationally accepted better practices, the Board had reconstituted certain existing Committees to bring more independence; constituted certain new Committees and Sub-committees; and amended / adopted the terms of reference of the said Committees. All Committees are chaired by an Independent Director. Details of the various Committees constituted by the Board, including the Committees mandated pursuant to the applicable provisions of the Act and SEBI Listing Regulations, are given in the Corporate Governance Report, which forms part of this Annual Report.

## 18. INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on March 23, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of your Company, taking into account the views of Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 19. CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Corporate Social Responsibility (CSR) Committee and framed a CSR Policy. The brief details of CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the statutory disclosures with respect to the CSR Committee and an **Annual Report on CSR Activities** forms part of this Report as **Annexure-2**.

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

Further, the Chief Financial Officer of your Company has certified that CSR spends of your Company for the FY 2022-23 have been utilised for the purpose and in the manner approved by the Board of the Company.

## 20. RISK MANAGEMENT FRAMEWORK

The Company's governance structure has well-defined roles and responsibilities, which enable and empower the Management to identify, assess and leverage business opportunities and manage risks effectively. There is also a comprehensive framework for strategic planning, implementation and performance monitoring of the business plan, which inter alia includes a well-structured Business Risk Management process (BRM).

To systematically identify risks and opportunities and monitor their movement, a heat map has been designed comprising two (2) parameters:

a) likelihood of the event and

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

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

The detailed section on key business risks and opportunities forms part of Management Discussion and Analysis Report, which forms part of this Annual Report.

## 21. TRANSACTIONS WITH RELATED PARTIES

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

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

All transactions with related parties during the year were on arm's length basis and were in the ordinary course of business. The details of the material related-party transactions entered into during the year as per the policy on RPTs approved by the Board have been reported in Form AOC 2, which is given in **Annexure-3** to this Report.

None of the Directors and the Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company.

Your Company did not enter into any related party transactions during the year which could be prejudicial to the interest of minority shareholders. No loans / investments to / in the related party have been written off or classified as doubtful during the year under review.

The policy on RPTs as approved by the Board of Directors has been uploaded on the Company's website and can be accessed at https://www.acclimited.com/assets/new/pdf/Related%20Party%20Transaction%20Policy.pdf

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

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

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

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

As has been reported in detail in the earlier years a penalty of ₹1,147.59 Crore was levied on the company by the Competition Commission of India ('CCI') based on a complaint filed by the Builder's

Association of India for alleged violation of the provisions of the Competition Act, 2002.

By Order dated July 25, 2018, the National Company Law Appellate Tribunal ('NCLAT') dismissed the appeal of the company upholding the levy of penalty of ₹1,147.59 Crore as imposed by the CCI vide its order dated August 31, 2016. The NCLAT on November 7, 2016 initially stayed the operation of the CCI's order subject to deposit of 10% of the penalty amount.

The company preferred an appeal before the Hon'ble Supreme Court against the above order of NCLAT. The Hon'ble Supreme Court vide its order dated October 5, 2018 has admitted the company's Civil Appeal and ordered for continuance of the interim orders passed by NCLAT towards stay of the demand subject to deposit of 10% of the penalty amount. The matter is currently sub-judice and as on March 31, 2023 the penalty amount of ₹1,147.59 Crore and interest thereon has been disclosed as a contingent liability in the Notes to Financial Statements [Refer Note - 40 A(a)].

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

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

An appeal is pending before NCLAT in the said matter against the orders of the CCI. The "Note of Submission" as directed is filed. As on March 31, 2023, the penalty amount of ₹35.32 Crore is disclosed as a contingent liability in the Notes to Financial Statements [Refer Note. - 40 A(b)].

There are no further developments during the year under review in respect of the above cases.

## 24. AUDITORS

### 24.1 Statutory Auditor & Auditors' Report

M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/ E300003) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 86$^{th}$ AGM till the conclusion of the 91$^{st}$ AGM to be held in the year 2027. The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit process. The Auditors attend the Annual General meeting of the Company. The Auditor's Report for FY 2022-23 on the financial statement (standalone and consolidated) of the Company forms part of this Annual Report.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory. The Auditors'Report is enclosed with the financial statements forming part of this Annual Report.

*Explanation to Auditors' Comment*

The Auditors' Qualification has been appropriately dealt with in Note No.58 and 61 of the Notes to the Audited Financial Statements on Standalone and Consolidated basis respectively.

### 24.2 Cost Auditor

The cost accounts and records are required to be maintained under Section 148(1) of the Act. They are duly made and maintained by the Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board has on the recommendation of the Audit Committee appointed M/s. D. C. Dave & Co., Cost Accountants, Mumbai (Firm Registration No 000611), to conduct the cost audit of the Company for the financial year ending March 31, 2023, at a remuneration as mentioned in the Notice convening the 87$^{th}$ AGM.

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

M/s. D. C. Dave & Co. have confirmed the cost records for the financial year ended December 31, 2021 are free from any disqualifications as specified under Section 141 (3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

The cost audit report for the FY 2021 was filed before the due date with Ministry of Corporate Affairs.

### 24.3 Secretarial Auditor and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Mehta & Mehta, Company Secretaries in Practice, Mumbai, as the Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year ended March 31, 2023.

The report of the Secretarial Auditor is given in **Annexure-4.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 25. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of FY 2022-23 and the date of this report.

## 26. CORPORATE GOVERNANCE

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

### BOARD POLICIES

The details of the policies approved and adopted by the Board, as required under the Act and SEBI Listing Regulations, are provided in **Annexure – 1** to this report.

## 27. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Report, describing the initiatives taken by your Company from environment, social and governance perspective, for the FY 2022-23, Business Responsibility and Sustainability forms part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations.

## 28. PARTICULARS OF EMPLOYEES

Your Company had 5,472 employees on standalone basis as on March 31, 2023. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-5** to this Report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of limits set out in the Rules 5(2) and 5(3) of the aforesaid Rules forms part of this Report. However, in terms of the first proviso of Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of your company during business hours. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

## 29. REPORTING OF FRAUDS BY AUDITORS

During the FY 2022-23, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

## 30. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return of the Company for the financial year March 31, 2023 is uploaded on the website of the Company and can be accessed at www.acclimited.com

## 31. COMPLIANCE WITH SECRETARIAL STANDARDS

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

## 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORBTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

## A. Conservation of energy

### A1. Power cost optimisation

During the period Jan'22 – Mar'23, efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid and CPP power through consumption of Renewable energy initiatives power from comparatively cheaper sources. The plants which actively participated in procurement of power were Jamul, Lakheri, Tikaria, Thondebhavi, Kudithini, and Thondebhavi & Madukkarai. Overall purchase of power from OA has resulted in a saving of ~ ₹57.1 Crore. In addition, the Waste Heat Recovery System (WHRS) at Gagal, Kymore & Jamul generated ~103 Million units for internal consumption in place of grid power.

### A2. Renewable power obligation

Your Company is putting all efforts to increase the share of Renewable Energy. The captive wind power generation from Tamil Nadu and Rajasthan wind farms contributed considerably in this front. This has resulted in a saving of ~ ₹0.44 Crore on account of RPO cash outgo.

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

- Energy efficiency improvement through installation of efficient equipment such as fans, blowers, compressors and motors across all ACC plants;
- Conduction of mandatory energy audits and identification of energy conservation projects;
- Implementation of projects identified as part of Mandatory Energy audits;
- Focus on Productivity Rate Index ('PRI') improvement through Computational Fluid Dynamics ('CFD') studies and through other inhouse modification at Wadi, Bargarh & Lakheri.
- Installation of medium voltage variable frequency drives ('MVVFD') and low voltage variable frequency drives ('LVVFD') for process fans across all ACC plants. Some of the additional proposals being implemented for further conservation of energy
- Installation of variable frequency drives and high efficiency fans, across ACC plants;
- Reduction of Preheater pressure drop through enlargement of kiln inlet neck and improving heat exchange within cyclones by checking / installation of new flap damper in kiln feed pipes;
- Installation of water spray system in pre-heater down comer duct& modification of clinker cooler inlet;
- Installation of vacuum pumps &energy efficient screw compressor in CPP

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

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

**The capital investment on energy conservation equipment**

Your Company invested ~₹387.00 Crore on productivity/ efficiency improvement, besides implementation low -cost measures to reduce energy consumption.

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

Besides the use of Renewable Energy (Solar and Non -Solar), your Company utilised 0.56 Million tonnes of Alternative Fuels during the cement manufacture, with an investment for ~₹16.00 Cr.

## B. Technology Absorption Research and Development (R&D)

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

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

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

c) Optimisation of fuel mix for lowering the cost;

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

d) Effective replacement of dry fly ash with wet / conditioned fly ash, by installation of dryers & additional feeding system in cement mills;

e) Productivity research for increased efficiency in use of resources development of application oriented cements with decreased CO 2 emissions;

f) Development of Integral waterproofing Compound;

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

h) Development of Concrete Admixture for ACC RM.

### 2. Benefits derived as result of above R&D

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

b) Reduction in raw material cost– gypsum and fly ash;

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

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

f) Fuel efficiency;

g) Reduction in special power consumption for grinding;

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

### 3. Plan of action

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

b) Development of cement-based niche products;

c) Exploratory research works on the above specified areas;

d) Maximisation of use of waste/ by-products in cement manufacture as alternative materials;

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

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

g) Maximisation of utilisation of renewal power & energy from WHRS system.

### 4. Expenditure on R&D

| | ₹ in Crore |
|---|---|
| a) Capital | NIL |
| b) Recurring (Gross) | 1.05 |
| c) Total | 1.05 |
| Total R&D expenditure as percentage of total turnover | 0.0004 |

### C. Foreign Exchange Earnings and Outgo

| | ₹ in Crore |
|---|---|
| Foreign Exchange earned | 1.50 |
| Foreign exchange outgo | 1,310.00 |

## 33. OTHER DISCLOSURES

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

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

33.3 There was no revision in the Financial Statements.

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

33.5 There are no proceedings, either filed by the company or filed against the company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company

Law Tribunal or other courts during the FY 2022-23.

33.6 The WTD & CEO of your Company is not drawing any remuneration or commission from any of the subsidiary of the Company.

33.7 Your Company has taken appropriate insurance for all assets against foreseeable perils.

### 33.8 Prevention of Sexual Harassment of Women at the Workplace

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committees (ICs) at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external member with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely. During FY 2022-23, there were no complaints pertaining to sexual harassment. All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by the Company.

## 34. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual Financial Statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any

b) that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2023, and of the profit of the Company for the year ended on that date;

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

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

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

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

## 35. INTEGRATED REPORTING

For the 4th year, the Company has drawn up an Integrated Report, which encompasses both financial and non-financial information to enable Members to have a more holistic understanding of the Company's long term perspective.

## 36. ACKNOWLEDGEMENTS

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

**For and on behalf of the Board of Directors**

**For ACC Limited**

**Karan Adani**
Chairman
DIN:03088095

Ahmedabad
April 27, 2023

## ANNEXURE 1
## BOARD POLICIES

| Name of Policies | Legislation | Weblink |
|---|---|---|
| Vigil Mechanism/ Whistle Blower Policy | Regulation 22 of SEBI Listing Regulations and as defined under Section 177 of the Act. | https://www.acclimited.com/assets/new/pdf/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf |
| Policy for procedure of inquiry in case ofleakor suspected leak of Unpublished Price Sensitive Information | Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations,2015. | https://www.acclimited.com/assets/new/pdf/Policy%20for%20procedure%20of%20inquiry%20in%20case%20of%20leak%20or%20suspected%20leak%20of%20UPSI.pdf |
| Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders | Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations,2015. | https://www.acclimited.com/assets/new/pdf/Code%20of%20Internal%20Procedures%20and%20Conduct%20for%20Regulating,%20Monitoring%20and%20Reporting%20of%20Trading%20by%20Insiders.pdf |
| Terms of Appointment of Independent Directors | Regulation 46 of SEBI Listing Regulations and Section 149read with Schedule IV to the Act. | https://www.acclimited.com/source/new/corporate_governance/Terms-and-Conditions-of-Appointment.pdf |
| Familiarisation Program | Regulations 25(7)and 46 of SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Familiarization%20programme%20for%20Independent%20Directors.pdf |
| Related party transactions | Regulation 23 of SEBI Listing Regulations and as defined under the Act. | https://www.acclimited.com/assets/new/pdf/Related%20Party%20Transaction%20Policy.pdf |
| Policy on Material Subsidiaries | Regulation 24 of the SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf |
| Material Events Policy | Regulation 30 of SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Material%20Events%20Policy.pdf |
| Website content Archival Policy | SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Archival%20Policy.pdf |
| Nomination and Remuneration Policy of Directors, KMP and other Employees | Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act. | https://www.acclimited.com/assets/new/pdf/Remuneration-Policy.pdf |
| CSR Policy | Section 135 of the Act. | https://www.acclimited.com/assets/new/pdf/ACC-CSR-policy.pdf |
| Dividend Distribution Policy | Regulation 43A of the SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Dividend%20Distribution%20Policy.pdf |
| Code of Conduct for Board of Directors and Senior Management of the Company | Regulation 17 of the SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20of%20the%20Company.pdf |
| Policy on Board Diversity | Regulation 19 of the SEBI Listing Regulations. | https://www.acclimited.com/assets/new/pdf/Policy%20on%20Board%20Diversity.pdf |

## ANNEXURE 2
## ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. **A brief outline on Corporate Social Responsibility (CSR) Policy of the Company:**

   Our vision is to be one of the most respected companies in India, delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

   Our CSR initiatives focus on the holistic development of our host communities while creating social, environmental and economic value to the society.

   **To pursue these objectives, we will continue to:**

   - Uphold and promote the principles of inclusive growth and equitable development;
   - Devise and implement Community Development Plans based on the needs and priorities of our host communities and measure the effectiveness of such development programs;
   - Work actively in the areas of livelihood advancement, Enhancement employability and Income Generation, Improving Quality and reach of Education, Promoting Health and Sanitation, Conserving the Environment and supporting local Sports, Arts and Culture;
   - Collaborate with the like-minded bodies such as Governments, Civil Society Organisations and Academic Institutions in pursuit of our Goals;
   - Interact regularly with stakeholders, review and publicly report our CSR initiatives.

2. **Composition of the CSR committee:**

| | | | |
|---|---|---|---|
| 1. | Mr. Nitin Shukla | Chairman | Non-Executive, Independent Director |
| 2. | Mr. Rajeev Agarwal | Member | Non-Executive, Independent Director |
| 3. | Mr. Vinay Prakash | Member | Non-Executive Director and Non Independent Director |

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

   https://www.acclimited.com/about/board-committees

   https://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28-Nov-2016-Board-CSR- Committee-meeting.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

   Impact assessment study has been initiated in the month of December 2022 and is currently in progress.

5. (a) Average net profit of the Company as per Section 135(5): ₹**2,132.78 crore**

   (b) Two percent of average net profit of the Company as per section 135(5): ₹**42.66 crore**

   (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**

   (d) Amount required to be set-off for the financial year, if any: **NIL**

   (e) Total CSR obligation for the financial year [(b) +(c)-(d)]: ₹**42.66 crore**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹**43.32 crore**

   (b) Amount spent in Administrative Overheads: ₹**2.15 crore**

   (c) Amount spent on Impact Assessment, if applicable: **NIL**

   (d) Total amount spent for the Financial Year (a +b +c ) : ₹**45.47 crore**

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year 2022-23 (In Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of transfer |
| 45.47 crore | NIL | NIL | NIL | NIL | NIL |

(f) Excess amount for set-off, if any:

| Sl. No. | Particular | Amount (in Rs. crore) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 42.66 |
| (ii) | Total amount spent for the Financial Year | 45.47 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 2.81 |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | Not Applicable |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Not Applicable |

7. Details of Unspent CSR amount for the preceding three financial years: **None**

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.) | Balance Amount in Unspent CSR Account under sub section (6) of section 135 (In Rs.) | Amount spent in the Financial Year (In Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | Amount remaining to be spent in succeeding Financial years. (In Rs.) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount (In Rs). | Date of transfer. | | |
| 1. | FY 2019 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 2. | FY 2020 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| 3. | FY 2021 | NIL | NIL | NIL | NIL | NIL | NIL | NIL |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NIL**

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **NA**

**For and on behalf of ACC Limited**

Sd/-
**(Ajay Kapur)**
WTD & CEO
DIN: 03096416

Sd/-
**(Nitin Shukla)**
Chairman – CSR Committee
DIN: 00041433

# ANNEXURE 3

## FORM NO. AOC-2

### January 2022 to March 2023

### Particulars of contracts/arrangements made with related parties

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

## Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the period ended March 31, 2023, which are not at arm's length basis.

## Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangements or transactions at arm's length basis (net of GST) for the period ended March 31, 2023 are as follows;

| Name of the related party | Nature of Relationship | Duration of Contract | Terms[1] | Amount (in ₹Crs.) |
|---|---|---|---|---|
| Nature of Contract | | | | |
| **Purchase of goods or fixed Assets** | | | | |
| Ambuja Cements Limited | Holding Company | January 01, 2022 - March 31, 2023 | Based on Transfer Pricing Guidelines | 2,158.55 |
| **Sale of goods or fixed assets** | | | | |
| Ambuja Cements Limited | Holding Company | January 01, 2022 - March 31, 2023 | Based on Transfer Pricing Guidelines | 1,153.54 |
| **Rendering of Services** | | | | |
| Ambuja Cements Limited | Holding Company | January 01, 2022 - March 31, 2023 | Based on Transfer Pricing Guidelines | 75.26 |
| **Receiving of Services** | | | | |
| Ambuja Cements Limited | Holding Company | Janaury 01, 2022 -March 31,2023 | Based on Transfer Pricing Guidelines | 54.16 |

1. All related party transactions entered during the year were in Ordinary course of business and at Arm's length basis.
2. Appropriate approvals have been taken from Audit Committee, Board and Shareholders (wherever required) for the related party transactions entered by the Company and advances paid have been adjusted against bills, wherever applicable

# ANNEXURE 4

## FORM MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

**{Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}**

To,
The Members,
**ACC LIMITED**
Cement House
121 Maharshi Karve Road
Mumbai – 400020, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ACC Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct I statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023,complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment,

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(during the period under review not applicable to the company);**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the company);**

(e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 **(during the period under review not applicable to the company);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(during the period under review not applicable to the Company);**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(during the period under review not applicable to the Company);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

We have examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all Directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance to all the directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a. **The Board at its meeting dated February 09, 2022 recommended dividend of ₹58/- (Rupees Fifty Eight only) per Equity Share of ₹10/- each (fully paid-up) for the financial year ended December 31, 2021.**

b. **During the year, the Holcim Group entered into a share purchase agreement to sell its entire shareholding in Holderind Investments Limited, the former promoter of Ambuja Cements Limited and the Company to Endeavour Trade and Investments Limited (Adani Group) on May 15, 2022. The said acquisition was completed on September 15, 2022.**

c. **The Board of Directors of the Company at their meeting held on September 16, 2022, accorded their consent for the extension of the previous financial year till March 31, 2023 and change in the financial year of the Company from January 1, – December 31, every year to April 1, – March 31, every year.**

d. **The members of the Company via Postal Ballot dated December 14, 2022 approved the shifting of the Registered office of the Company from Maharashtra to Gujarat and the consequent alteration of Memorandum of Association.**

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

**Dipti Mehta**
Partner
FCS No: 3667
CP No: 23905
UDIN:F003667E000212436

Place: Mumbai
Date: April 27, 2023

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**

## ANNEXURE A

To,
The Members,
**ACC LIMITED**
Cement House
121 Maharshi Karve Road
Mumbai – 400020, Maharashtra

Our report of even date is to be read along with this letter.

1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred in Secretarial Audit Report in Form MR-3,the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

**Dipti Mehta**
Partner
FCS No: 3667
CP No: 23905
UDIN:F003667E000212436

Place: Mumbai
Date: April 27, 2023

# ANNEXURE 5

to the Directors' Report

## Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### (A) RATIO OF THE REMUNERATION OF EACH DIRECTOR/KMP TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR:

| Name of Director and KMP | | Ratio of remuneration of each Director to median remuneration of employees(a) | % increase in remuneration in the Financial Year 2022-23 |
|---|---|---|---|
| **Non-Executive Directors** | | | |
| Mr. Karan Adani | (from 16.09.2022) | NIL | NIL |
| Mr. Vinay Prakash | (from 16.09.2022) | NIL | NIL |
| Mr. Arun Kumar Anand | (from 16.09.2022) | 2.09 | NA |
| Mr. N. S. Sekhsaria | (upto 16.09.2022) | 2.97 | NA |
| Mr. Jan Jenisch | (upto 16.09.2022) | 2.47 | NA |
| Mr. Martin Kriegner | (upto 16.09.2022) | NIL | NIL |
| Mr. Neeraj Akhoury | (upto 16.09.2022) | NIL | NIL |
| Mr. M.R. Kumar | (upto 16.09.2022) | 2.39 | NA |
| Mr. Sunil Mehta | (upto 16.09.2022) | 3.57 | NA |
| **Independent Directors** | | | |
| Ms. Ameera shah | (from 03.12.2022) | 1.02 | NA |
| Mr. Sandeep Singhi | (from 16.09.2022) | 3.02 | NA |
| Mr. Rajeev Agarwal | (from 16.09.2022) | 2.80 | NA |
| Mr. Nitin Shukla | (from 16.09.2022) | 2.90 | NA |
| Mr. S. V. Haribhakti | (upto 16.09.2022) | 3.44 | NA |
| Ms. Falguni Nayar | (upto 16.09.2022) | 2.81 | NA |
| Mr. S. K. Roongta | (upto 16.09.2022) | 3.79 | NA |
| Mr. D. Sundaram | (upto 16.09.2022) | 3.55 | NA |
| Mr. V. Chatterjee | (upto 16.09.2022) | 3.44 | NA |
| **Executive Director** | | | |
| Mr. Ajay Kapur, WTD& CEO | (from 03.12.2022) | NIL | NA |
| Mr. Sridhar Balakrishnan, WTD & CEO | (upto 03.12.2022) | 265.35 | NA |
| **Other KMPs** | | | |
| Mr. Vinod Bahety, CFO | (from 16.09.2022) | NIL | NA |
| Ms. Rashmi Khandelwal, CS | (upto 15.11.2022) | 13.63 | NA |
| Mr. Rajiv Choubey, CS | (upto 27.04.2022) | 20.68 | NA |
| Mr. Yatin Malhorta, CFO | (upto 31.08.2022) | 43.47 | NA |

(1) (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period January 1, 2022 to March 31, 2023;

(b) The remuneration to Directors includes sitting fees paid for attending Board and Committee Meeting and commission payable to them for the year ended March 31, 2023.

(c) Remuneration to WTD & CEO and KMPs includes salary, performance bonus, allowances & other benefits on payment basis and applicable perquisites and contribution to approved Pension Fund but except for the accrued Gratuity Fund.

(d) Mr. Neeraj Akhoury and Mr. Martin Kriegner have waived their right to receive Director's commission and sitting fees

(2) There were changes in the Director and KMP including the CEO and CFO during the previous year and hence the figures are not comparable and percentage increase in remuneration is not provided.

| | |
|---|---|
| **(B) MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23** | **6,36,306** |
| **(C) PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR** | **0.52** |
| **(D) NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON 31ST MARCH 2023** | **5,472** |

**(E) AVERAGE PERCENTILE INCREASE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF:**

(i) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. WTD&CEO) is 7.8%.

(ii) There is no change in remuneration of the Managerial Personnel (i.e. WTD & CEO)during the year.

(iii) Average increase in the remuneration of the employees other than the Managerial Personnel is in line with the industry practice and is within the normal range.

**(F) Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

The Company affirms remuneration is as per the Remuneration Policy of the Company.

# CORPORATE GOVERNANCE REPORT

## 1. ACC'S PHILOSOPHY ON CORPORATE GOVERNANCE

For over eight (8) decades, we have strengthened our industry leadership on the sturdy pillar of our corporate governance philosophy. We have institutionalised a robust mechanism of corporate governance, long before it became a statutory requirement. Our governance framework enshrines the highest standards of ethical and responsible conduct of business to create lasting stakeholder value.

Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. We emulate the 'best practices' that are adhered to in the realm of corporate governance globally, and these practices are integrated into our growth strategy.

Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests. Our governance framework drives optimal utilisation of resources and accountability for stewardship. The Board remains the custodian of trust and acknowledges its responsibilities towards our growing stakeholder fraternity for sustainable long-term wealth creation.

ACC's Corporate Governance Structure is based on the regulatory and business requirements, and it provides a comprehensive framework to enhance accountability to shareholders and other stakeholders, ensures timely implementations of the plans and accurate disclosures of all material matters.

Courage, Trust and Commitment are the main tenets of our Corporate Governance Philosophy -

- **Courage:** We shall embrace new ideas and businesses.
- **Trust:** We shall believe in our employees and other stakeholders.
- **Commitment:** We shall stand by our promises and adhere to high standard of business.

Further, keeping in line with the provisions of the Act, the Company has aligned its financial year from January- December to April-March. Hence, this report contains data for the period January 1, 2022 to March 31, 2023 (referred as FY 2022-23).

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations"), as applicable.

## 2. BOARD OF DIRECTORS

ACC is a professionally managed Company functioning under the overall supervision of the Board of Directors ('Board'). Its Board comprises the required combination of Independent and Non-Independent Directors, including an Independent Woman Director in line with the provisions of the Act and the SEBI Listing Regulations. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

### Composition of the Board:

The Company has a balanced Board with optimum combination of Executive, Non-Executive and Independent Directors, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance.

The Board currently comprise of 8 (eight) Directors out of which the one Director is Executive Director, 3(three) Directors are non-Executive and remaining 4 (four) are Independent Directors including 1 (one) Woman Independent Director. The Independent Directors are Non-Executive Directors, as defined under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time.

The maximum tenure of the Independent Directors is in compliance with the Act, All Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time and Section 149 of the Act.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

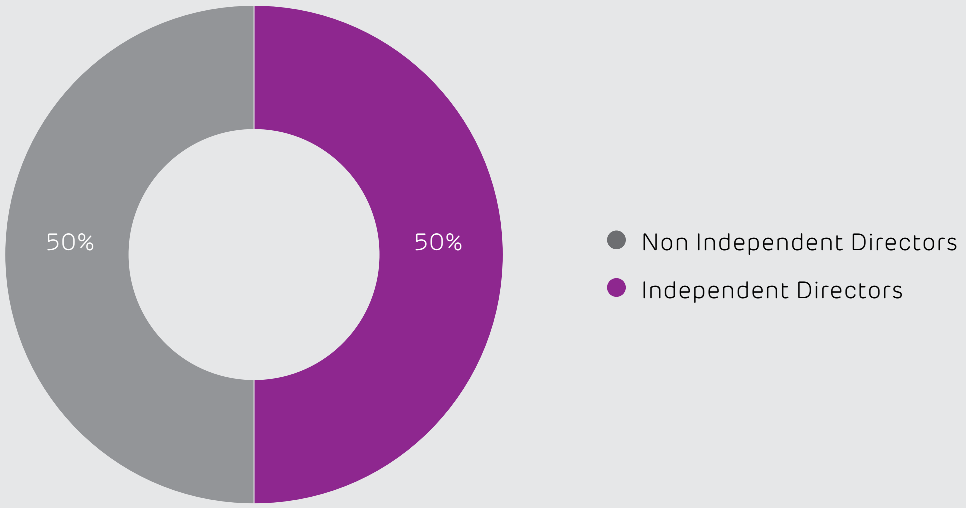
The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment &Qualification of Directors) Rules, 2014.

None of the Directors holds Directorship positions in more than twenty (20) companies (including 10 (ten) public limited companies and seven (7) or acts as an independent director in more than 7 (seven) listed companies. Further, none of the Directors on the Company's Board is a member of more than 10 (ten) committees and chairperson of more than 5 (five) committees (committees being, Audit Committee and stakeholders' relationship committee) across all the companies in which he/ she is a Director.

All the Directors have made necessary disclosures regarding Committee positions held by them in other companies.

None of the Directors have attained the age of Seventy-five (75) years.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations, which requires that for a company with a chairman, who is a promoter, at least half of the board shall consist of independent directors and the board of directors of the top 1,000 listed companies, effective April 1, 2020, shall have at least one independent woman director.




With the transfer of ownership of Holderind Investments Ltd. (Holding company of Promoter Company ) to Endeavour Trade and Investment Ltd., Adani Group on September 16, 2022, pursuant to the share purchase agreement dated May 15, 2022, Holcim Ltd. ceased to have control over the Company.

The Holcim representatives on the Board – Mr. Jan Jenisch, Mr. Martin Kriegner, resigned due to transfer of ownership of Holderind Investments Ltd. to Endeavour Trade and Investment Ltd. Adani Group.

Mr. M. R. Kumar, representative of Life Insurance Corporation had tendered his resignation w.e.f. September 16, 2022 pursuant to the withdrawal of the nomination by Life Insurance Corporation. LIC had requested the appointment of Mr. Arun Kumar Anand as a Director on Board w.e.f. September 16, 2022, representing LIC as replacement of Mr. M. R. Kumar.

The Independent Directors –Mr. Damodarannair Sundaram, Mr. Shailesh Haribhakti, Mr. Sushil Kumar Roongta, Mr. Vinayak Chatterjee, Mr. Sunil Mehta and Ms. Falguni Nayar resigned from the Company w.e.f. September 16, 2022 due to change in management.

Mr. N. S. Sekhsaria, Chairman & Non-Executive, Non-Independent Director tendered his resignation from the position of Chairman and Director of the Company w.e.f. September 16, 2022 in order to focus on other interests and endeavours.

The following directors were appointed by the Board w.e.f. September 16, 2022:

| Sr. No. | Name of the Director and DIN | Category |
|---|---|---|
| 1) | **Mr. Karan Adani** (Din :03088095) | Non-Executive, Non-Independent Director |
| 2) | **Mr. Vinay Prakash** (DIN : 03634648) | Non-Executive, Non-Independent Director |
| 3) | **Mr. Arun Kumar Anand** (DIN :08964078) | Non-Executive, Non-Independent Director |
| 4) | **Mr. Sandeep Singhi** (DIN:01211070) | Non-Executive, Independent Director |
| 5) | **Mr. Nitin Shukla** (DIN :00041433) | Non-Executive, Independent Director |
| 6) | **Mr. Rajeev Agarwal** (DIN :07984221) | Non-Executive, Independent Director |

Mr. Neeraj Akhoury resigned as Non-Executive, Non-Independent Director w.e.f. September 16, 2022, following his resignation as MD & CEO of Ambuja Cements Limited, holding company of ACC Limited.

Pursuant to the approval of the members vide Postal Ballot resolution dated December 14, 2022 the designation of Mr. Sridhar Balakrishnan (DIN 08699523) was changed from "Managing Director and CEO" to "Whole-time Director and CEO" w.e.f. September 17, 2022.

Mr. Sridhar Balakrishnan, WTD & CEO resigned from the position of Whole-time Director and CEO w.e.f. the close of the business hours of December 3, 2022.

Post resignation of Mr. Sridhar Balakrishnan, Mr. Ajay Kapur (DIN 03096416) was appointed as a Whole Time Director and CEO w.e.f December 3, 2022.

Ms. Ameera Shah was appointed as an Independent Women Director w.e.f. December 3, 2022 to hold office for a term of three (3) years up to December 2, 2025 vide Postal Ballot on February 21, 2023.

**The composition of the Board and the number of directorships and committee positions held by the Directors as on March 31, 2023, are as under:**

| Sr. No. | Name of the Director | Category | No. of Director-ships held in Indian Public Companies[1] | Committee Positions[3] | |
|---|---|---|---|---|---|
| | | | | Chairman | Member |
| 1. | **Mr. Karan Adani** (DIN 03088095 ) | Non-Executive, Non-Independent | 3 | NIL | 3 |
| 2. | **Mr. Vinay Prakash** ( DIN: 03634648 ) | Non-Executive, Non-Independent | 5 | NIL | NIL |
| 3. | **Mr. Arun Kumar Anand** (DIN :08964078) | Non-Executive, Non-Independent (LIC Nominee) | NIL | NIL | NIL |
| 4. | **Mr. Sandeep Singhi** (DIN:01211070) | Non-Executive, Independent | 2 | 2 | 5 |
| 5. | **Mr. Nitin Shukla** (DIN :00041433) | Non-Executive, Independent | 3 | NIL | 6 |
| 6. | **Mr. Rajeev Agarwal** (DIN :07984221) | Non-Executive, Independent | 2 | 3 | 4 |
| 7. | **Ms. Ameera Shah** (DIN: 00208095) | Non-Executive, Independent | 3 | 1 | 3 |
| 8. | **Mr. Ajay Kapur** (DIN: 03096416) | Whole-Time Director and CEO | 5 | NIL | 1 |

Note:

1. The number of Directorship includes the Directorship in the unlisted and listed public Company.
2. The Directorship held by the Directors as mentioned above excludes alternate directorship, directorship in foreign companies, Companies under Section 8 of the Act and Private Limited Companies, which are not the subsidiaries of public limited companies.
3. Represents Membership/Chairmanship of two committees' viz. Audit Committee and stakeholders' relationship committee as per Regulation 26 of the SEBI Listing Regulations.
4. As on March 31, 2023, none of the Directors of the Company was related to each other.
5. None of the Directors holds any equity share or any convertible instruments in the company.

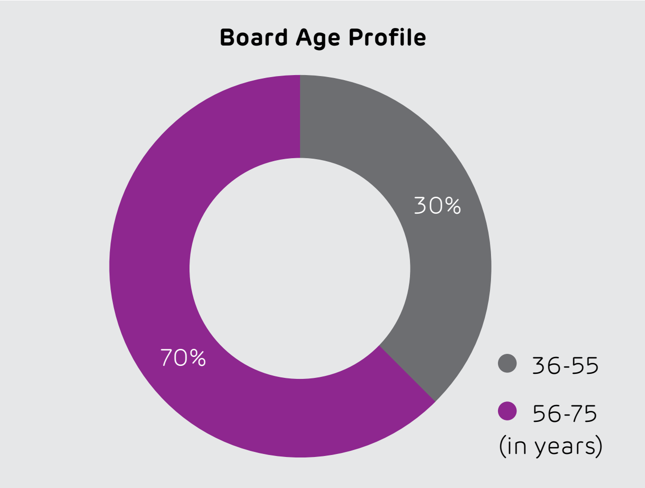
The profile of the Directors is available on the website of the Company at https://www.acclimited.com/about/board-of-directors.

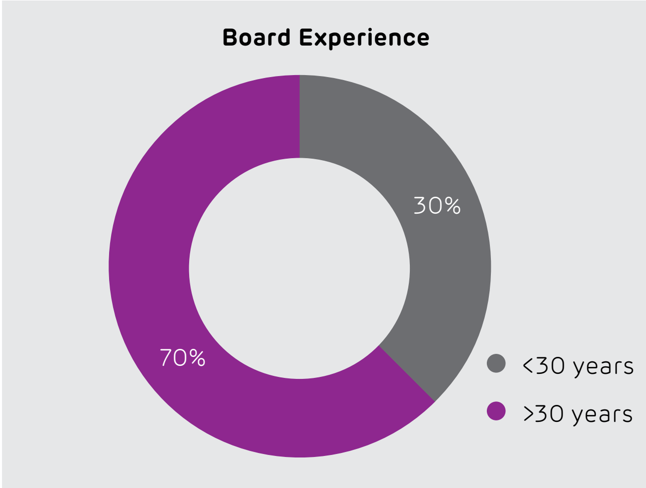
**Details of other listed entities where the Directors of the Company are directors, as on March 31, 2023, are as under:**

| Name of Director | Name of other Listed entities in which the concerned Director is a Director | Category of Directorship |
|---|---|---|
| **Mr. Karan Adani** (DIN: 03088095) | 1. Ambuja Cements Limited | Promoter & Non-Executive |
| | 1. Adani Ports and Special Economic Zone Limited | Executive |
| **Mr. Vinay Prakash** ( DIN: 03634648 ) | 1. Adani Enterprises Limited | Executive Director |
| **Mr. Arun Kumar Anand** (DIN :08964078) | NIL | NIL |
| **Mr. Sandeep Singhi** (DIN:01211070) | 1. Gujarat Ambuja Exports Limited | Independent Director |
| | 2. The Sandesh Limited | Independent Director |
| **Mr. Nitin Shukla** (DIN :00041433) | 1. Gujarat Mineral Development Corporation Ltd. | Independent Director |
| | 2. Gujarat Alkaliles and Chemicals Limited | Independent Director |
| | 3. Gujarat Industries Power Company Limited | Independent Director |

| Name of Director | Name of other Listed entities in which the concerned Director is a Director | Category of Directorship |
|---|---|---|
| **Mr. Rajeev Agarwal** (DIN :07984221) | 1. Star health and Allied Insurance Company Limited | Independent Director |
| | 2. Urgo Capital Limited | Independent Director |
| **Ms. Ameera Shah** (DIN: 00208095) | 1. Torrent Pharmaceuticals Ltd. | Independent Director |
| | 2. Metropolis Healthcare Ltd. | Managing Director |
| **Mr. Ajay Kapur** (DIN: 03096416) | 1. Ambuja Cements Limited | Whole-time Director & CEO |

Board Age profile and Board Experience is as under:




### Board Meetings and Procedure

The internal guidelines for Board / Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

The Company Secretary, in consultation with the Senior Management, prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined agenda format. All material information is circulated along with agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

In order to transact some urgent business, which may come up after circulation of agenda papers, the same is placed before the Board by way of table agenda or Chairman's agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

Detailed presentations are made at the Board / Committee meetings covering finance, major business segments and operations of the Company, terms of reference of the Committees, global business environment, key business areas of the Company including business opportunities, business strategy and the risk management practices, before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board for discussions and consideration at every Board Meeting. The Board periodically reviews compliance reports of all laws applicable to the Company, as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned, promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee, for noting by the Board / Committee.

During the year under review, Board met twelve times i.e. on February 9, 2022, April 19, 2022, April 27, 2022, May 15, 2022, May 24, 2022, July 14, 2022, September 16, 2022 (2 meetings), October 17, 2022, December 3, 2022, January 31, 2023 and March 23, 2023.

The Board meets at least once in every quarter to review the Company's operations and financial performance. The maximum time gap between any two meetings is not more than 120 days.

The necessary quorum was present in all the meetings.

The details of attendance of Directors at the Board Meetings held during the financial year January 1, 2022 to March 31, 2023 and at the last Annual General Meeting, held on April 21, 2022, are as under:

| Name of Director(s) | Number of Board Meetings | | Attended Last AGM | % of attendance at Board Meetings |
|---|---|---|---|---|
| | Held during the tenure of the Director | Attended | | |
| **Mr. Karan Adani**<br>(Chairman w.e.f. 16.09.2022) | 5 | 5 | N.A. | 100 |
| **Mr. Vinay Prakash**<br>(Non-Executive, Non Independent Director w.e.f. 16.09.2022) | 5 | 3 | N.A. | 100 |
| **Mr. Arun Kumar Anand**<br>(Non-Executive, Non-Independent Director w.e.f. 16.09.2022) | 5 | 5 | N.A. | 100 |
| **Mr. Sandeep Singhi**<br>(Non-Executive, Independent Director w.e.f. 16.09.2022) | 5 | 5 | N.A. | 100 |
| **Mr. Nitin Shukla**<br>(Non-Executive, Independent Director w.e.f. 16.09.2022) | 5 | 5 | N.A. | 100 |
| **Mr. Rajeev Agarwal**<br>(Non-Executive, Independent Director w.e.f. 16.09.2022) | 5 | 5 | N.A. | 100 |
| **Ms. Ameera Shah**<br>(Non-Executive, Independent Director from 03.12.2022) | 2 | 0 | N.A. | NIL |
| **Mr. Ajay Kapur**<br>(WTD & CEO w.e.f. 03.12.2022) | 3 | 3 | N.A. | 100 |
| **Mr. N. S. Sekhsaria**<br>(Chairman upto 16.09.2022) | 7 | 7 | No | 100 |
| **Mr. Jan Jenisch**<br>(Deputy Chairman upto 16.09.2022) | 7 | 3 | No | 43 |
| **Mr. Neeraj Akhoury**<br>(Non-Executive, Non Independent Director upto 16.09.2022) | 7 | 7 | Yes | 100 |
| **Mr. Martin Kriegner**<br>( Non-Executive, Non Independent Director upto 16.09.2022 ) | 7 | 7 | Yes | 100 |
| **Mr. Shailesh Haribhakti**<br>(Non-Executive, Independent Director upto 16.09.2022 ) | 7 | 7 | Yes | 100 |
| **Mr. S. K. Roongta**<br>(Non-Executive, Independent Director upto 16.09.2022) | 7 | 7 | Yes | 100 |
| **Ms. Falguni Nayar**<br>(Non-Executive, Independent Director upto 16.09.2022) | 7 | 5 | Yes | 71 |
| **Mr. D Sundaram**<br>( Non-Executive, Independent Director upto 16.09.2022 ) | 7 | 7 | Yes | 100 |
| **Mr. Vinayak Chatterjee**<br>( Non-Executive, Independent Director upto 16.09.2022 ) | 7 | 5 | Yes | 71 |
| **Mr. Sunil Mehta**<br>( Non-Executive, Independent Director upto 16.09.2022 ) | 7 | 7 | Yes | 100 |
| **Mr. M. R. Kumar**<br>( Non-Executive, Non-Independent Director upto 16.09.2022 ) | 7 | 1 | No | 14 |
| **Mr. Sridhar Balakrishnan**<br>( MD & CEO upto 03.12.2022 ) | 10 | 9 | Yes | 90 |

During the year, the Board accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committees and approved by the Board. Hence, the Company is in compliance of condition of clause 10(j) of Schedule V of the SEBI Listing Regulations.

**Skills / expertise competencies of the Board of Directors:**

The following is the list of core skills/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

| | |
|---|---|
| Business Leadership | Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values. |
| Financial Expertise | Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes. |
| Risk Management | Ability to understand and assess the key risks to the organisation, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk. |
| Global Experience | Global mind-set and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks. |
| Merger& Acquisition | Ability to assess 'build or buy' &timing of decisions, analyse the fit of a target with the Company's strategy and evaluate operational integration plans |
| Corporate Governance & ESG | Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the Company and protecting stakeholders' interest. |
| Technology & Innovations | Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc. |

In the table below, the specific areas of focus or expertise of individual board members as on March 31, 2023 have been highlighted.

| | Areas of Skills/ Expertise | | | | | | |
|---|---|---|---|---|---|---|---|
| Name of the Director | Business Leadership | Financial Expertise | Risk Management | Global Experience | Corporate Governance & ESG | Merger & Acquisition | Technology &Innovation |
| Mr. Karan G. Adani | Y | Y | Y | Y | Y | Y | Y |
| Mr. Vinay Prakash | Y | Y | Y | Y | Y | Y | Y |
| Mr. Arun Kumar Anand | Y | Y | Y | Y | Y | Y | Y |
| Mr. Sandeep Singhi | - | - | Y | - | Y | Y | - |
| Mr. Nitin Shukla | Y | - | Y | Y | Y | Y | Y |
| Mr. Rajeev Agarwal | - | Y | Y | Y | Y | Y | Y |
| Ms. Ameera Shah | Y | Y | Y | Y | Y | Y | Y |
| Mr. Ajay Kapur | Y | Y | Y | Y | Y | Y | Y |

Note-Each Director may possess varied combinations of skills/expertise with in the described set of parameters.

**Directors' selection, appointment, induction and familiarisation:**

As per the delegation given by the Board to the Nomination and Remuneration Committee (NRC) of the Company, consisting exclusively of Independent Directors, the NRC screens and selects the suitable candidates, based on the defined criteria and makes recommendations to the Board on the induction of new directors. The Board appoints the director, subject to the shareholders' approval.

During the revised financial year, offsite Meeting of the Director was held on 6 and April 7, 2022 to familiarise the directors with Company's Strategy and Sustainable Development.

All new Directors are taken through a detailed induction and familiarisation program when they join the Board of the Company. The induction program is exhaustive covering the history and culture of Adani Group, background of the Company and its growth, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

Post the takeover of the Company by Adani Group, the new Directors were briefed by the Group CFO in December, 2022. Further, an ESG session was held on March 24, 2023 in Ahmedabad, wherein external experts were invited to update on the key ESG trends and the way forward.

Deep dives and immersion sessions are conducted by senior executives on their respective business units / functions. Key aspects that are covered in the sessions include:

- Industry / market trends
- Company's operations including those of major subsidiaries
- Growth Strategy
- ESG Strategy and performance

**Separate Meeting of Independent Directors:**

The Independent Directors met on March 23, 2023 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, Board and its Committees, and the performance of the Chairman of the Company, taking into account the views of other Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Confirmation as regards independence of Independent Directors

In the opinion of the Board, all the existing Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

### Remuneration Policy:

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-calibre executives and to incentivise them to develop and implement the Group's strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

i) **Remuneration to Non-Executive Directors**

The Members had, at the 84th Annual General Meeting held on April 6, 2020, approved the payment of remuneration by way of commission to the Non-Executive Directors (other than Promoter Directors) of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of 5 years commencing April 1, 2020.

The remuneration by way of commission to the Directors is decided by the Board. The Board had at their meeting held on September 16, 2022 had fixed ₹20 Lakhs as the Annual Commission payable to the Independent Director and LIC Nominee. In addition to the commission, the Non-Executive Independent Directors and the LIC Nominee are paid sitting fees of ₹50,000/- for attending Board and Audit Committee meetings and ₹25,000/- for attending other Committee meetings along with actual reimbursement of expenses, incurred for attending each meeting of the Board and Committees.

The Company has taken a Directors' & Officers' Liability Insurance Policy.

ii) **Performance Evaluation Criteria for Independent Directors:**

Criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement. The details of evaluation are captured in the Directors' Report, which forms part of this Annual Report.

iii) **Remuneration to the Executive Director**

The remuneration of the Executive Director is recommended by the Nomination and Remuneration Committee to the Board based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations. The pay structure of Executive Director has appropriate success and sustainability metrics built in. On the recommendation of the Nomination and Remuneration Committee, the remuneration paid/ payable by way of salary, perquisites and allowances (fixed component), incentive and/ or commission (variable components), to its Executive Directors, within the limits prescribed under the Act, is approved by the Board and by the Members in the General Meeting.

The Executive Director and the Promoter Group Directors are not being paid sitting fees for attending meetings of the Board and its Committees. The Company has not granted stock option to the Executive Director or employees of the Company.

Mr. Sridhar Balakrishnan resigned as Whole Time Director & CEO of the Company w.e.f December 3, 2022 . He was paid remuneration of Rs.16.88 Crore till the date of his relieving.

Mr. Sridhar Balakrishnan was paid one-time incentive of Rs. 5,75,93,000/- (Rupees Five Crores Seventy Five Lakhs and Ninety Three Thousand only) in terms of the incentive plan as approved by the Board on May 15, 2022 and shareholder vide Postal ballot passed on July 1, 2022.

Mr. Ajay Kapur was appointed as WTD & CEO w.e.f 03.12.2022 to 30.11.2025. He is not paid any remuneration in the company. His appointment can be terminated with a prior notice of three months from either side and he is not entitled to any severance fees

### Details of Remuneration to Non-Executive Directors:

The details of remuneration, sitting fees, performance bonus and commission paid to each of the Directors during the revised financial year ended March 31, 2023 are as under:

(₹)

| Name of Directors | Sitting | Commission | Total |
|---|---|---|---|
| **Current Directors** | | | |
| Mr. Karan G. Adani | NIL | NIL | NIL |
| Mr. Vinay Prakash | NIL | NIL | NIL |
| Mr. Arun Kumar Anand | 2,50,000 | 10,79,452 | 13,29,452 |
| Mr. Sandeep Singhi | 8,43,710 | 10,79,452 | 19,23,162 |
| Mr. Nitin Shukla | 7,63,450 | 10,79,452 | 18,42,902 |
| Mr. Rajeev Agarwal | 7,00,000 | 10,79,452 | 17,79,452 |
| Ms. Ameera Shah | NIL | 6,52,055 | 6,52,055 |
| **Past Directors** | | | |
| Mr. N. S. Sekhsaria | 4,70,000 | 14,19,178 | 18,89,178 |
| Mr. Jan Jenisch | 1,50,000 | 14,19,178 | 15,69,178 |
| Mr. Martin Kriegner | NIL | NIL | NIL |
| Mr. Shailesh Haribhakti | 7,70,000 | 14,19,178 | 21,89,178 |
| Mr. S. K. Roongta | 9,90,000 | 14,19,178 | 24,09,178 |
| Ms. Falguni Nayar | 3,70,000 | 14,19,178 | 17,89,178 |
| Mr. D. Sundaram | 8,40,000 | 14,19,178 | 22,59,178 |
| Mr. Vinayak Chatterjee | 7,70,000 | 14,19,178 | 21,89,178 |
| Mr. Sunil Mehta | 8,50,000 | 14,19,178 | 22,69,178 |
| Mr. M. R. Kumar | 1,00,000 | 14,19,178 | 15,19,178 |
| Mr. Neeraj Akhoury | NIL | NIL | NIL |

Note:-

Mr. Martin Kriegner and Mr. Neeraj Akhoury has waived his right to receive any sitting fees and/or commission from October, 2018. Mr. Karan Adani has waived his right to receive sitting fees and/or commission from the Company from the date of his appointment i.e. September 16, 2022.

Other than sitting fees and commission paid to Non-Executive and Independent Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive and Independent Directors of the Company. The Company has not granted stock options to the Non-Executive and Independent Directors.

### Notes on Directors appointment / re-appointment

Mr. Vinay Prakash, (DIN: 03634648) a Non-Executive & Non Independent Director is retiring at the ensuing AGM and being eligible, offers himself for re-appointment.

The brief resume and other information required to be disclosed under this section is provided in the Notice convening the ensuing AGM.

### Code of Conduct:

The Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. The Code is available on the website of the Company.

All Board Members and Senior Management Personnel have affirmed compliance of the Code. A declaration signed by the WTD & CEO to this effect, is attached to this report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors, as per the provisions of the Act.

## 3. COMMITTEES OF THE BOARD

The Board Committees play a vital role in ensuring sound corporate governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board, for review.

During FY 2022-23, the Committees were re-constituted and new Committees were formed to align with the Adani Group, the new promoters of the Company.

As on March 31, 2023, the Board has constituted the following Committees / Sub-committees:

1. **Statutory Committees**
   - A. Audit Committee
   - B. Nomination and Remuneration Committee
   - C. Stakeholders' Relationship Committee
   - D. Corporate Social Responsibility Committee ("CSR")
   - E. Risk Management Committee ("RMC")

2. **Non-Statutory Committees**

With an objective of further strengthen the governance standards, so as to match with internationally accepted better practices, the Board has constituted following additional Committees / Sub-committees -

A. Corporate Responsibility Committee

B. Public Consumer Committee

C. Information Technology & Data Security Committee

D. Mergers & Acquisitions Committee (Sub-committee of RMC)

E. Legal, Regulatory & Tax Committee (Sub-committee of RMC)

F. Reputation Risk Committee (Sub-committee of RMC)

G. Commodity Price Risk Committee (Sub-committee of RMC)

## I. STATUTORY COMMITTEES

### A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report. A detailed charter of the Audit Committee is also available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Audit%20Committee%20Charter.pdf

As on March 31, 2023, the Audit Committee comprise solely of Independent Directors to enable independent and transparent review of financial reporting process and internal control mechanism with an objective to further strengthen the confidence of all stakeholders.

#### Terms of Reference:

The powers, and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations as amended from time to time and Section 177 of the Act. The brief terms of reference of Audit Committee are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible | Q |
| 2. | To recommend for appointment, remuneration and terms of appointment of statutory and internal auditors of the company | P |
| 3. | To approve availing of the permitted non-audit services rendered by the Statutory Auditors and payment of fees thereof | A |
| 4. | To review, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to: | |
| | A. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013 | A |
| | B. Changes, if any, in accounting policies and practices and reasons for the same | Q |
| | C. Major accounting entries involving estimates based on the exercise of judgment by the management | Q |
| | D. Significant adjustments made in the financial statements arising out of audit findings | Q |
| | E. Compliance with listing and other legal requirements relating to financial statements | Q |
| | F. Disclosure of any related party transactions | Q |
| | G. Modified opinion(s) in the draft audit report | A |

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 5. | To review, with the management, the quarterly financial statements before submission to the board for approval | Q |
| 6. | To review, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter | P |
| 7. | To review and monitor the Auditor's independence and performance, and effectiveness of audit process | Q |
| 8. | To approve all related party transaction and subsequent modifications, thereof. | P |
| 9. | To scrutinise inter-corporate loans and investments | Q |
| 10. | To undertake valuation of undertakings or assets of the company, wherever it is necessary | P |
| 11. | To evaluate internal financial controls and risk management systems | Q |
| 12. | To review, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems | Q |
| 13. | To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit | Q |
| 14. | To discuss with internal auditors of any significant findings and follow up there on | Q |
| 15. | To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board | Q |
| 16. | To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern | Q |
| 17. | To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors | Q |
| 18. | To review the functioning of the Vigil Mechanism/ Whistle Blower Policy of the Company. | Q |
| 19. | To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate. | P |
| 20. | To review financial statements, in particular the investments made by the Company's unlisted subsidiaries | Q |
| 21. | To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 atleast once in a financial year and verify that the systems for internal control are adequate and are operation effectively. | Q |
| 22. | To review the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments | Q |
| 23. | To oversee the company's disclosures and compliance risks, including those related to climate | Q |
| 24. | To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders | P |
| 25. | To review key significant issues, tax and regulatory / legal report which is likely to have significant impact on financial statements and management's report on actions taken thereon | P |
| 26. | To discuss with the management regarding pending technical and regulatory matters that could affect the financial statements and updates on management's plans to implement new technical or regulatory guidelines | Q |
| 27. | To review and recommend to the Board for approval – Business plan, Budget for the year and revised estimates | A |
| 28. | To review Company's financial policies, strategies and capital structure, working capital and cash flow management | H |
| 29. | To ensure the Internal Auditor has direct access to the Committee chair, providing independence from the executive and accountability to the committee | Q |

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 30. | To review the treasury policy & performance of the Company, including investment of surplus funds and foreign currency operations | P |
| 31. | To review management discussion and analysis of financial condition and results of operations | A |
| 32. | To review, examine and deliberate on all the concerns raised by an out-going auditors and to provide views to the Management and Auditors | P |
| 33. | To carry out any other function mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable. | P |

Frequency – A Annually Q Quarterly H Half yearly P Periodically

### Composition, Meetings and Attendance of the Audit Committee

During FY 2022-23, nine meetings of the Audit Committee were held i.e. on February 9, 2022, April 19, 2022, June 20, 2022, July 14, 2022, July 26, 2022, September 16, 2022, October 17, 2022, January 31, 2023 and March 16, 2023.

The intervening gap between two meetings did not exceed 120 (one hundred and twenty) days.

The details of the Audit Committee meetings attended by its members during the FY 2022-23 are given below:

| | | | Number of meetings | | |
|---|---|---|---|---|---|
| Sr. No. | Name and Designation | Category | Held during the tenure of the Director | Attended | % of Attendance |
| 1. | **Mr. Sandeep Singhi** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 4 | 4 | 100 |
| 2. | **Mr. Rajeev Agarwal** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 4 | 4 | 100 |
| 3. | **Mr. Nitin Shukla** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 4 | 4 | 100 |
| 4. | **Mr. D. Sundaram** (Ceased to be a Chairman w.e.f 16.09.2022) | Non-Executive, Independent | 5 | 5 | 100 |
| 5. | **Mr. S. K. Roongta** (Ceased to be a member w.e.f 16.09.2022) | Non-Executive, Independent | 5 | 5 | 100 |
| 6. | **Mr. Vinayak Chatterjee** (Ceased to be a member w.e.f 16.09.2022) | Non-Executive, Independent | 5 | 5 | 100 |
| 7. | **Mr. Sunil Mehta** (Ceased to be a member w.e.f 16.09.2022) | Non-Executive, Non-Independent | 5 | 4 | 80 |
| 8. | **Mr. Martin Kriegner** (Ceased to be a member w.e.f 16.09.2022) | Non-Executive, Non-Independent | 5 | 3 | 60 |

All members of the Audit Committee have accounting and financial management knowledge and expertise / exposure. The Audit Committee meetings are attended by the Internal Auditors, Statutory Auditors, Chief Financial Officer.

The minutes of the Audit Committee Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary act as the Secretary of the Committee.

The last AGM held on April 21, 2022 was attended by the then Chairman of Audit Committee, Mr. D Sundaram who answered to the shareholders' queries.

### B. Nomination and Remuneration Committee

As on March 31, 2023, all the members of the Nomination and Remuneration Committee (NRC) were Independent Directors. A detailed charter of the NRC is also available on the website of the Company at -https://www.acclimited.com/assets/new/pdf/Nomination%20&%20Remuneration%20Committee%20Charter.pdf

#### Terms of reference:

The powers, role and terms of reference of NRC covers the areas as contemplated under the SEBI Listing Regulations and Section 178 of the Act.

The brief terms of reference of NRC are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. | A |
| 2. | To evaluate the balance of skills, knowledge and experience on the Board while appointing an Independent Director and based on such evaluation, prepare a description of the roles and capabilities required of an Independent Director.<br>For the purpose of identifying suitable candidates, the Committee may:-<br>a) Use the services of an external agencies, if required.<br>b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and<br>c) Consider the time commitments of the candidates. | P |
| 3. | To formulate criteria for & mechanism of evaluation of Independent Directors and the Board of directors | A |
| 4. | To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. | A |
| 5. | To devise a policy on diversity of Board of Directors. | P |
| 6. | To Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. | P |
| 7. | To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. | A |
| 8. | To review and recommend remuneration of the Managing Director(s) / Whole-time Director(s) based on their performance | A |
| 9. | To recommend to the Board, all remuneration, in whatever form, payable to senior management | A |
| 10. | To review, amend and approve all Human Resources related policies | A |
| 11. | To ensure that the management has in place appropriate programs to achieve maximum leverage from leadership, employee engagement, change management, training & development, performance management and supporting system | A |
| 12. | To oversee workplace safety goals, risks related to workforce and compensation practices | A |
| 13. | To oversee employee diversity programs | A |
| 14. | To oversee HR philosophy, people strategy and efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and Senior Management) | A |
| 15. | To oversee familiarisation programme for Directors | A |
| 16. | To recommend the appointment of one of the Independent Directors of the Company on the Board of its Material Subsidiary | P |
| 17. | To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable | P |

Frequency – A Annually P Periodically

### Composition, Meetings and Attendance of the Nomination & Remuneration Committee

During FY 2022-23, seven meetings of the NRC were held i.e. on March 17, 2022, April 27, 2022, May 15, 2022, September 16, 2022 (2 meetings), December 3, 2022 and January 30, 2023.

The details of the NRC meetings attended by its members during FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings | | % of Attendance |
|---|---|---|---|---|---|
| | | | Held during the tenure of the Director | Attended | |
| 1. | **Mr. Nitin Shukla** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 3 | 3 | 100 |
| 2. | **Mr. Rajeev Agarwal** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 3 | 3 | 100 |
| 3. | **Mr. Sandeep Singhi** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 3 | 3 | 100 |
| 4. | **Mr. Shailesh Haribhakti** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 4 | 4 | 100 |
| 5. | **Mr. N. S. Sekhsaria** (Member upto 16.09.2022) | Non-Executive, Non-Independent | 4 | 2 | 50 |
| 6. | **Mr. Vinayak Chatterjee** (Member upto 16.09.2022) | Non-Executive, Independent | 4 | 4 | 100 |
| 7. | **Mr. Martin Kriegner** (Member upto 16.09.2022) | Non-Executive, Non-Independent | 4 | 4 | 100 |

The minutes of NRC Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the Committee.

### C. Stakeholders' Relationship Committee

The Stakeholders Relationship Committee (SHRC) comprise of four members.

A detailed charter of the SHRC is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Stakeholders'%20Relationship%20Committee%20Charter.pdf

#### Terms of Reference:

The powers, role and terms of reference of SHRC covers the areas as contemplated under the SEBI Listing Regulations and Section 178 of the Act. The brief terms of reference of SHRC are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To look into various aspects of interest of shareholders, debenture holders and other security holders including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. | Q |
| 2. | To review the measures taken for effective exercise of voting rights by shareholders | A |
| 3. | To review adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent | A |
| 4. | To review various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company | Q |
| 5. | To review engagement programs with investors, proxy advisors, etc. and to oversee investors movement (share register) | Q |
| 6. | To review engagement with rating agencies (Financial, ESG etc.) | H |
| 7. | To oversee statutory compliance relating to all the securities issued, including but not limited to dividend payments, transfer of unclaimed dividend amounts / unclaimed shares to the IEPF | A |
| 8. | To suggest and drive implementation of various investor-friendly initiatives | H |
| 9. | To approve and register transfer and / or transmission of securities, issuance of duplicate security certificates, issuance of certificate on rematerialisation and to carry out other related activities. | P |
| 10. | To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable | P |

Frequency : A Annually Q Quarterly H Half yearly P Periodically

### Composition, Meetings and Attendance of the Nomination & Remuneration Committee

During the FY 2022-23, three meetings of SHRC were held i.e. on February 8, 2022, July 11, 2022 and January 30, 2023.

The composition of the SHRC and the meeting attended by its members during FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings: Held during the tenure of the Director | Number of meetings: Attended | % of Attendance |
|---|---|---|---|---|---|
| 1. | **Mr. Rajeev Agarwal** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr. Sandeep Singhi** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Karan Adani** (Member w.e.f. 16.09.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |
| 4. | **Mr. Ajay Kapur** (Member w.e.f. 16.09.2022) | Executive | 1 | 1 | 100 |
| 5. | **Mr. Sunil Mehta** (Chairman upto 16.09.2022) | Non-Executive, Independent | 2 | 2 | 100 |
| 6. | **Mr. Shailesh Haribhakti** (Member upto 16.09.2022) | Non-Executive, Independent | 2 | 2 | 100 |
| 7. | **Mr. Sridhar Balakrishnan** (Member upto 16.09.2022) | Executive/Non- Independent | 2 | 2 | 100 |

The Company Secretary is the Compliance Officer of the Company as per requirements of the SEBI Listing Regulations.

The minutes of the SHRC Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the Committee.

The last AGM held on April 21, 2022 was attended by the then Chairman of Stakeholder Relationship Committee, Mr. Sunil Mehta who answered to the shareholders' queries.

### Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent address all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.

Details of complaints received and redressed during the year:

| Opening Balance | During the year: Received | During the year: Resolved | Pending Complaints |
|---|---|---|---|
| NIL | 40 | 40 | NIL |

All complaints have been resolved to the satisfaction of shareholders.

### D. Corporate Social Responsibility (CSR) Committee

As on March 31, 2023, the CSR Committee comprise of three members, with a majority of Independent Directors.

A detailed charter of the CSR Committee is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Corporate%20Social%20Responsibility%20Committee%20Charter.pdf

#### Terms of reference:

The powers, role and terms of reference of CSR Committee covers the areas as contemplated under Section 135 of the Act. The brief terms of reference of CSR Committee are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To formulate and recommend to the Board, a Corporate Social Responsibility ("CSR") Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under and review thereof | A |
| 2. | To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy | A |
| 3. | To recommend to the Board the amount of expenditure to be incurred on the CSR activities | A |
| 4. | To monitor the implementation of framework of CSR Policy | A |
| 5. | To review the performance of the Company in the areas of CSR | H |
| 6. | To institute a transparent monitoring mechanism for implementation of CSR projects/ activities undertaken by the company | H |
| 7. | To recommend extension of duration of existing project and classify it as on-going project or other than on-going project. | A |
| 8. | To submit annual report of CSR activities to the Board | A |
| 9. | To consider and recommend appointment of agency / consultant for carrying out impact assessment for CSR projects, as applicable, to the Board | A |
| 10. | To review and monitor all CSR projects and impact assessment report | A |
| 11. | To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties | P |

Frequency – A Annually Q Quarterly H Half yearly P Periodically

### Composition, Meetings and Attendance of CSR Committee

During FY 2022-23, three meetings of CSR Committee were held i.e. on March 25, 2022, August 5, 2022 and January 30, 2023.

The composition of the CSR Committee and the meeting attended by its members during FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings | | % of Attendance |
|---|---|---|---|---|---|
| | | | Held during the tenure of the Director | Attended | |
| 1. | **Mr. Nitin Shukla**<br>(Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr. Rajeev Agarwal**<br>(Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Vinay Prakash**<br>(Member w.e.f. 16.09.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |
| 4. | **Mr. Shailesh Haribhakti**<br>(Chairman upto 16.09.2022) | Non- Executive, Non-Independent | 2 | 1 | 50 |
| 5. | **Ms. Falguni Nayar**<br>(Member upto 16.09.2022) | Non- Executive, Non-Independent | 2 | 1 | 50 |
| 6. | **Mr. Neeraj Akhoury**<br>(Member upto 16.09.2022) | Non-Executive, Independent | 2 | 2 | 100 |
| 7. | **Mr. Sridhar Balakrishnan**<br>(Member upto 16.09.2022) | Executive, Non-Independent | 2 | 2 | 100 |

The minutes of the CSR Committee Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary act as the Secretary of the Committee.

### E. Risk Management Committee

As on March 31, 2023, the Risk Management Committee (RMC) comprise of three members.

A detailed charter of the RMC is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Risk%20Management%20Committee%20Charter.pdf

The Board at its meeting held on September 16, 2022 constituted the following committees as Sub-committees of RMC, as a part of good corporate governance practice–

- Mergers & Acquisitions Committee
- Legal, Regulatory & Tax Committee
- Reputation Risk Committee
- Commodity Price Risk Committee

Constitution, meetings and terms of reference and other details of above Sub-committees, are separately included as a part of this report.

#### Terms of reference:

The powers, role and terms of reference of RMC covers the areas as contemplated under Regulation 21 of the SEBI Listing Regulations. The brief terms of reference of RMC are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To review the Company's risk governance structure, risk assessment and risk management policies, practices and guidelines and procedures, including the risk management plan. | A |
| 2. | To review and approve the Enterprise Risk Management ('ERM') framework | A |
| 3. | To formulate a detailed risk management policy which shall include:<br>a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information technology, cyber security risks or any other risk as may be determined by the Committee<br>b. Measures for risk mitigation including systems and processes for internal control of identified risks<br>c. Business continuity plan, Oversee of risks, such as strategic, financial, credit, market, liquidity, technology, security, property, IT, legal, regulatory, reputational, and other risks<br>d. Oversee regulatory and policy risks related to climate change, including review of state and Central policies | A |
| 4. | To ensure that appropriate methodology, processes and systems are in place to identify, monitor, evaluate and mitigate risks associated with the business of the Company | Q |
| 5. | To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems | Q |
| 6. | To review compliance with enterprise risk management policy, monitor breaches / trigger trips of risk tolerance limits and direct action | H |
| 7. | To periodically review the risk management policy, at least once in a year, including by considering the changing industry dynamics and evolving complexity | A |
| 8. | To consider appointment and removal of the Chief Risk Officer, if any, and review his terms of remuneration | P |
| 9. | To review and approve Company's risk appetite and tolerance with respect to line of business | H |
| 10. | To review and monitor the effectiveness and application of credit risk management policies, related standards and procedures to control the environment with respect to business decisions | A |
| 11. | To review and recommend to the Board various business proposals for their corresponding risks and opportunities | P |
| 12. | To obtain reasonable assurance from management that all known and emerging risks has been identified and mitigated and managed | Q |

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 13. | To form and delegate authority to sub-committees, when appropriate, such as:<br>- Mergers & Acquisition Committee;<br>- Legal, Regulatory & Tax Committee;<br>- Commodity Price Risk Committee;<br>- Reputation Risk Committee; and<br>- Other Committee(s) as the committee may think appropriate | P |
| 14. | To oversee suppliers' diversity. | A |
| 15. | To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable. | - |

Frequency - A Annually H Half Yearly P Periodically

### Composition, Meetings and Attendance of RMC

During FY 2022-23, two meetings of RMC were held i.e. on June 6, 2022 and December 1, 2022.

The composition of the RMC and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings | | % of Attendance |
|---|---|---|---|---|---|
| | | | Held during the tenure of the Director | Attended | |
| 1. | **Mr. Nitin Shukla** (Chairman w.e.f 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr. Sandeep Singhi** (Member w.e.f 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Ajay Kapur** (Member w.e.f. 16.09.2022) | WTD & CEO | 1 | 1 | 100 |
| 4. | **Ms. Falguni Nayar** (Chairman upto 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 5. | **Mr. S. K. Roongta** (Member upto 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 6. | **Mr. Sridhar Balakrishnan** (Member upto 16.09.2022) | MD & CEO | 1 | 1 | 100 |
| 7. | **Mr. Shailesh Haribhakti** (Member upto 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 8. | **Mr. D Sundaram** (Member upto 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |

The Company has a risk management framework to identify, monitor and minimise risks. The minutes of the RMC Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the Committee.

## II. NON-STATUTORY COMMITTEES

### A. Corporate Responsibility Committee (CRC)

To align with Adani group policies, the Sustainability Committee was renamed as Corporate Responsibility Committee on September 16, 2022. As on March 31, 2023, all the members of the CRC are Independent Directors.

A detailed charter of the Corporate Responsibility Committee is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Corporate%20Responsibility%20Committee%20Charter.pdf

### Terms of reference:

The brief terms of reference of CRC are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To define the Company's corporate and social obligations as a responsible citizen and oversee its conduct in the context of those obligations | A |
| 2. | To approve a strategy for discharging the Company's corporate and social responsibilities in such a way as to provide an assurance to the Board and stakeholders | Q |
| 3. | To oversee the creation of appropriate policies and supporting measures (including Public disclosure policy, Anti-money Laundering policy, Anti-Bribery, Fraud & Corruption policies etc.) and map them to UNSDG and GRI disclosure standards | A |
| 4. | To identify and monitor those external developments which are likely to have a significant influence on Company's reputation and/or its ability to conduct its business appropriately as a good citizen and review how best to protect that reputation or that ability | Q |
| 5. | To review the Company's stakeholder engagement plan (including vendors / supply chain) | A |
| 6. | To ensure that appropriate communications policies are in place and working effectively to build and protect the Company's reputation both internally and externally | A |
| 7. | To review the Integrated Annual Report of the Company | A |
| 8. | To review and direct for alignment of actions / initiatives of the Company with United Nations Sustainable Development Goals 2030 (UNSDG):<br>1. No poverty<br>2. Zero hunger<br>3. Good health & well being<br>4. Quality education<br>5. Gender equality<br>6. Clean water and sanitation<br>7. Affordance and clean energy<br>8. Decent work and economic growth<br>9. Industry, Innovation and Infrastructure<br>10. Reduced inequalities<br>11. Sustainable cities and communities<br>12. Responsible consumption and production<br>13. Climate action<br>14. Life below water<br>15. Life on land<br>16. Peace and justice strong intuitions<br>17. Partnerships for goals | A |
| 9. | To review sustainability and / or ESG and / or Climate reports or other disclosures such as ethical governance, environmental stewardship, safety performance, water and energy use etc. and similar communications to stakeholders on ESG initiatives and activities by the Company and ensure mapping of the same to GRI disclosure standards | A |
| 10. | To oversee strategies, activities and policies regarding sustainable organisation including environment, social, governance, health and safety, human talent management and related material issue and indicators in the global context and evolving statutory framework | A |
| 11. | To oversee ethical leadership, compliance with the Company's sustainability policy, sustainability actions and proposals and their tie-in with the Strategic Plan, interaction with different stakeholders and compliance with the ethics code. | H |
| 12. | To oversee Company's initiatives to support innovation, technology, and sustainability. | A |
| 13. | To oversee sustainability risks related to supply chain, climate disruption and public policy | H |
| 14. | To monitor Company's ESG ratings / scores from ESG rating agencies and improvement plan | H |
| 15. | To approve appointment of Chief Sustainability Officer after assessing the qualification, experience and background etc. of the candidate | P |
| 16. | To oversee the Company's:<br>a. Vendor development and engagement programs;<br>b. program for ESG guidance (including Climate) to stakeholders and to seek feedback on the same and make further improvement programs | Q |
| 17. | To provide assurance to Board in relation to various responsibilities being discharged by the Committee | H |

Frequency – A Annually Q Quarterly H Half yearly P Periodically

### Composition, Meetings and Attendance of CRC

During FY 2022-23, one meeting of Sustainability Committee and one meeting of CRC was held on March 30, 2022 and January 30, 2023 respectively.

The composition of the CRC and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings | | % of Attendance |
|---|---|---|---|---|---|
| | | | Held during the tenure of the Director | Attended | |
| 1. | **Mr. Nitin Shukla** ( Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr. Rajeev Agarwal** ( Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Sandeep Singhi** ( Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 4. | **Mr. Martin Kriegner** (Chairman upto 16.09.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |
| 5. | **Mr N S Sekhsaria** (Member upto 16.09.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |
| 6. | **Mr. Sunil Mehta** (Member upto 28.04.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |
| 7. | **Mr. Vinayak Chatterjee** (Member upto 16.09.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |
| 8. | **Mr. Sridhar Balakrishnan** (Member upto 16.09.2022) | Non-Executive, Non-Independent | 1 | 1 | 100 |

The minutes of CRC Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the Committee.

### B. Public Consumer Committee (PCC)

The Board, at its meeting held on September 16, 2022 constituted the PCC. As on March 31, 2023, all the members of the PCC are Independent Directors.

A detailed charter of the PCC is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Public%20Consumer%20Committee%20Charter.pdf

#### Terms of reference:

The brief terms of reference of PCC are as under:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To devise a policy on consumer services | A |
| 2. | To oversee consumer relationships management (approach, attitude and fair treatment) including the Company's policies, practices and services offered. | H |
| 3. | To review the actions taken for building and strengthening consumer service orientation and providing suggestion for simplifying processes for improvement in consumer service levels | H |
| 4. | To discuss service updates, ongoing projects specifically targeted towards improvement of consumer service and appropriate actions arising from discussions. | H |
| 5. | To examine the possible methods of leveraging technology for better consumer services with proper safeguards and recommend measures to enhance consumer ease | H |
| 6. | To seek / provide feedback on quality of services rendered by the Company to its consumers | H |
| 7. | To examine the grievance redressal mechanism, its structure, framework, efficacy and recommend changes / improvements required in the system, procedures and processes to make it more effective and responsive | H |
| 8. | To review the status of grievances received, redressed and pending for redressal | H |
| 9. | To review the working of Alternate Dispute Redressal (ADR) Mechanism, if established by the Company | H |
| 10. | To approve appointment of Chief Consumer Officer after assessing the qualifications, experience and background, etc. of the candidate and to oversee his performance | P |
| 11. | To oversee policies and processes relating to advertising and compliance with consumer protection laws | P |
| 12. | To review consumer engagement plan, consumer survey / consumer satisfaction trends and to suggest directives for improvements | H |

Frequency – A Annually H Half yearly P Periodically

### Composition, Meetings and Attendance of PCC

During FY 2022-23, one meeting of PCC was held on January 30, 2023.

The composition of the PCC and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings: Held during the tenure of the Director | Number of meetings: Attended | % of Attendance |
|---|---|---|---|---|---|
| 1. | **Mr. Rajeev Agarwal** ( Chairman w.e.f. 16.09.2022) | Non-Executive & Independent | 1 | 1 | 100 |
| 2. | **Mr. Nitin Shukla** ( Member w.e.f. 16.09.2022) | Non- Executive & Independent | 1 | 1 | 100 |
| 3. | **Mr. Sandeep Singhi** ( Member w.e.f. 16.09.2022) | Non-Executive & Independent | 1 | 1 | 100 |

The minutes of PCC Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the Committee.

### C. Information Technology & Data Security Committee (IT&DS Committee)

The Board, at its meeting held on September 16, 2022, constituted the IT&DS Committee. As on March 31, 2023, IT&DS Committee comprise of four members with majority of Independent Directors.

A detailed charter of the IT&DS Committee is available on the website of the Company at -https://www.acclimited.com/assets/new/pdf/Information%20Technology%20&%20Data%20Security%20Committee%20Charter.pdf

#### Terms of reference:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To review and oversee the function of the Information Technology (IT) within the Company in establishing and implementing various latest IT tools and technologies by which various key functions and processes across various divisions within the group can be automated to the extent possible and thereby to add the value | H |
| 2. | To review and oversee the necessary actions being taken by IT and Cyber team with respect to protection of various important data across the Company and what the policy for data protection and its sustainability | A |
| 3. | To oversee the current cyber risk exposure of the Company and future cyber risk strategy | H |
| 4. | To review at least annually the Company's cyber security breach response and crisis management plan | A |
| 5. | To review reports on any cyber security incidents and the adequacy of proposed action | H |
| 6. | To assess the adequacy of resources and suggest additional measures to be undertaken by the Company | A |
| 7. | To regularly review the cyber risk posed by third parties including outsourced IT and other partners | A |
| 8. | To annually assess the adequacy of the Group's cyber insurance cover. | A |

Frequency – A Annually H Half yearly

### Composition, Meetings and Attendance of IT&DS Committee

During FY 2022-23, one meeting of IT&DS Committee was held on January 30, 2023.

The composition of the IT&DS Committee and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings: Held during the tenure of the Director | Number of meetings: Attended | % of Attendance |
|---|---|---|---|---|---|
| 1. | **Mr. Rajeev Agarwal** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr. Nitin Shukla** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Vinay Prakash** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 4. | **Mr. Ajay Kapur** (Member w.e.f. 16.09.2022) | WTD & CEO | 1 | 1 | 100 |

The minutes of IT&DS Committee Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the Committee.

### D. Mergers & Acquisitions Committee (M&A) Committee

The Board, at its meeting held on September 16, 2022, constituted the M&A Committee as a Sub-committee of Risk Management Committee. As on March 31, 2023, the M&A Committee comprise of four members, with a majority of Independent Directors. A detailed charter of the M&A Committee is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Mergers%20&%20Acquisitions%20Committee%20Committee.pdf

#### Terms of reference:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To review acquisition strategies with the management | P |
| 2. | To review proposals relating to merger, acquisition, investment or divestment ("Transaction/s") that are presented to the Committee (including how such transaction fits with the Company's strategic plans and acquisition strategy, Transaction timing, important Transaction milestones, financing, key risks (including cyber security) and opportunities, , risk appetite, tolerance and the integration plan) and if thought fit, to recommend relevant opportunities to the Audit Committee / Board as appropriate | P |
| 3. | To oversee due diligence process with respect to proposed Transaction(s) and review the reports prepared by internal teams or independent external advisors, if appointed | P |
| 4. | To evaluate execution / completion, integration of Transaction(s) consummated, including information presented by management in correlation with the Transaction approval parameters and the Company's strategic objectives | P |
| 5. | To periodically review the performance of completed Transaction(s) | A |
| 6. | To review the highlights good practices and learnings from Transaction and utilise them for future Transactions | P |
| 7. | To review the tax treatment of Transactions and ascertain their effects upon the financial statements of the Company and seek external advice on the tax treatment of these items, where appropriate | P |

Frequency – A Annually P Periodically

### Composition, Meetings and Attendance of M & A Committee

During FY 2022-23, one meeting of M&A Committee was held on March 1, 2023.

The composition of the M & A Committee and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings: Held during the tenure of the Director | Number of meetings: Attended | % of Attendance |
|---|---|---|---|---|---|
| 1. | **Mr. Sandeep Singhi** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr. Nitin Shukla** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Karan Adani** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 4. | **Mr. Ajay Kapur** (Member w.e.f. 16.09.2022) | WTD & CEO | 1 | 1 | 100 |

The minutes of M&A Committee Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary act as the Secretary of the sub-committee

### E. Legal, Regulatory & Tax Committee (LR&T Committee)

The LR&T Committee is now a Sub-committee of Risk Management Committee. As on March 31, 2023, the LR&T Committee comprise of four members, with a majority of Independent Directors.

A detailed charter of the LR&T Committee is available on the website of the Company at

https://www.acclimited.com/assets/new/pdf/Legal,%20Risk%20&%20Tax%20Committee%20Charter.pdf

### Terms of reference:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To exercise oversight with respect to the structure, operation and efficacy of the Company's compliance program. | A |
| 2. | To review legal, tax and regulatory matters that may have a material impact on the Company's financial statements and disclosures, reputational risk or business continuity risk. | H |
| 3. | To review compliance with applicable laws and regulations. | H |
| 4. | To approve the compliance audit plan for the year and review of such audits to be performed by the internal audit department of the Company. | A |
| 5. | To review significant inquiries received from, and reviews by, regulators or government agencies, including, without limitation, issues pertaining to compliance with various laws or regulations or enforcement or other actions brought or threatened to be brought against the Company by regulators or government authorities / bodies / agencies. | P |
| 6. | To review, oversee and approve the tax strategy and tax governance framework and consider and action tax risk management issues that are brought to the attention of the Committee. | A |

Frequency – A Annually H Half yearly P Periodically

### Composition, Meetings and Attendance of LR&T Committee

During FY 2022-23, one meeting of LR&T Committee was held on March 1, 2023.

The composition of the LR&T Committee and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings: Held during the tenure of the Director | Number of meetings: Attended | % of Attendance |
|---|---|---|---|---|---|
| 1. | **Mr. Sandeep Singhi** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr.Nitin Shukla** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Rajeev Agarwal** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 4. | **Mr. Vinay Prakash** (Member w.e.f. 16.09.2022) | Non-Executive & Non-Independent | 1 | 1 | 100 |

The minutes of LR&T Committee meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the sub-committee.

### F. Reputation Risk Committee

The Board, at its meeting held on September 16, 2022 constituted the Reputation Risk Committee as a Sub-committee of Risk Management Committee.

As on March 31, 2023, the Reputation Risk Committee comprise of three members, with a majority of Independent Directors. A detailed charter of the Reputation Risk Committee is available on the website of the Company at

https://www.acclimited.com/assets/new/pdf/Reputation%20Risk%20Committee%20Charter.pdf

### Terms of reference:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To review reports from management regarding reputation risk, including reporting on the Reputation Risk Management Framework and Reputation Risk Appetite. | H |
| 2. | To provide ongoing oversight of the reputational risk posed by global business scenario, functions, geographies, material legal changes, climate change or high-risk relationships/ programs. | H |
| 3. | To assess and resolve specific issues, potential conflicts of interest and other reputation risk issues that are reported to the Committee. | P |
| 4. | To recommend good practices and measures that would avoid reputational loss. | A |
| 5. | To review specific cases of non-compliances, violations of codes of conduct which may cause loss to reputation the Company. | P |

Frequency – A Annually H Half yearly P Periodically

### Composition, Meetings and Attendance of RRC

During FY 2022-23, one meeting of RRC was held on January 30, 2023.

The composition of the RRC and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings | | % of Attendance |
|---|---|---|---|---|---|
| | | | Held during the tenure of the Director | Attended | |
| 1. | **Mr. Rajeev Agarwal** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Ms. Sandeep Singhi** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Karan Adani** (Member w.e.f. 16.09.2022) | Non-Executive & Non-Independent | 1 | 1 | 100 |

The minutes of Reputation Risk Committee Meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the sub-committee.

### G. Commodity Price Risk Committee

The Board, at its meeting held on September 16, 2022, constituted the Commodity Price Risk Committee as a Sub-committee of Risk Management Committee.

As on March 31, 2023, the Commodity Price Risk Committee comprise of four members, with a majority of Independent Directors. A detailed charter of the Commodity Price Risk Committee is available on the website of the Company at https://www.acclimited.com/assets/new/pdf/Commodity%20Price%20Risk%20Committee%20Charter.pdf

#### Terms of reference:

| Sr. No. | Terms of Reference | Frequency |
|---|---|---|
| 1. | To monitor commodity price exposures of the Company. | H |
| 2. | To oversee procedures for identifying, assessing, monitoring and mitigating commodity price risks. | A |
| 3. | To devise Commodity Price Risk Management (CPRM) Policy and to monitor implementation of the same. | A |
| 4. | To review strategy for hedging in relation to volume, tenure and choice of the hedging instruments and to approve /ratify of any deviations in transactions vis-a-vis the CPRM Policy. | A |
| 5. | To review MIS, documentation, outstanding positions including market to market of transactions and internal control mechanisms. | H |
| 6. | To review internal audit reports in relation to the CPRM Policy. | A |
| 7. | To review and amend the CPRM Policy, if market conditions dictate from time to time. | A |

Frequency – A Annually H Half yearly

### Composition, Meetings and Attendance of CPC

During FY 2022-23, one meeting of CPC was held on January 30, 2023.

The composition of the CPC Committee and the meeting attended by its members during the FY 2022-23 are given below:

| Sr. No. | Name and Designation | Category | Number of meetings: Held during the tenure of the Director | Attended | % of Attendance |
|---|---|---|---|---|---|
| 1. | **Mr. Sandeep Singhi** (Chairman w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 2. | **Mr.Nitin Shukla** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 3. | **Mr. Vinay Prakash** (Member w.e.f. 16.09.2022) | Non-Executive, Independent | 1 | 1 | 100 |
| 4. | **Mr. Ajay Kapur** (Member w.e.f. 16.09.2022) | WTD & CEO | 1 | 1 | 100 |

The minutes of Commodity Price Risk Committee meetings are reviewed by the Board at its subsequent meetings.

The Company Secretary acts as the Secretary of the sub-committee.

## 4. WHISTLE BLOWER POLICY

The company has adopted a Whistle Blower Policy and has established the necessary mechanism for its employees and Directors to report concerns about any unethical and improper activity. No person has been denied access to the Chairman of the Audit Committee. The Whistle Blower policy is uploaded on the website of the Company at https://www.acclimited.com/assets/new/pdf/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf

The Audit Committee monitors and reviews the investigations of the whistle blower complaints. During the year under review, 41 complaints were received and resolved after investigation under Whistle Blower Policy.

## 5. GENERAL BODY MEETINGS

### a) Annual General Meetings

The date, time and location of the Annual General Meetings held during the preceding 3 years and special resolutions passed thereat are as follows:

| Financial Year | Venue of AGM | Date, Day and Time | Special Resolution passed |
|---|---|---|---|
| 2021 86th AGM | Video conferencing (VC) /Other Audio Visual Means(OAVM) | Thursday, 21 April, 2022 at 3:00 p.m. | No special resolutions were passed. |
| 2020 85th AGM | | Wednesday, April 07, 2021 at 03:00 p.m. | No special resolutions were passed. |
| 2019 84th AGM | | Monday, July 06, 2020 at 02:30 p.m. | No special resolutions were passed. |

### b) Whether special resolutions were put through postal ballot last year, details of voting pattern:

During the year under review, 3 postal ballot were conducted by the Company i.e. on July 1, 2022, December 14, 2022 and February 21, 2023.

(a) The following special resolutions were passed through postal ballot process vide Postal Ballot notice dated December 14, 2022 :-

| | |
|---|---|
| 1 | Appointment of Mr. Sandeep Singhi (DIN: 01211070) as an Independent Director. |
| 2 | Appointment of Mr. Rajeev Agarwal (DIN: 07984221) as an Independent Director. |
| 3 | Appointment of Mr. Nitin Shukla (DIN: 00041433) as an Independent Director. |
| 4 | Change of Registered Office from Cement House, Mumbai, Maharashtra to Adani Corporate House, Ahmedabad, Gujarat. |

(b) The following special resolutions were passed through postal ballot process vide Postal Ballot notice dated February 21, 2023:-

| | |
|---|---|
| 1 | Appointment of Ms. Ameera Shah (DIN 00208095) as an Independent Director. |

### c) Whether any resolutions are proposed to be conducted through postal ballot:

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing of a resolution through postal ballot.

### d) Procedure for postal ballot:

Prescribed procedure for postal ballot, as per the provisions contained in this behalf in the Act read with rules made there under as amended from time to time, shall be complied with, whenever necessary.

## 6. MEANS OF COMMUNICATION

### a) Financial Results:

The quarterly/half-yearly and annual results of the Company are normally published in the Financial Express and Loksatta (a regional daily published from Maharashtra).

The quarterly/half-yearly and annual results and other official news releases are displayed on the website of the Company – https://www.acclimited.com/ shortly after its submission to the Stock Exchanges.

### b) Intimation to Stock Exchanges:

The Company regularly intimates to the Stock Exchanges all price sensitive and other information which are material and relevant to the investors.

### c) Earnings Calls and Presentations to Analysts:

At the end of each quarter, the Company organises meetings / conference call with analysts and investors and the presentations made to analysts and transcripts of earnings call are uploaded on the website thereafter.

The Company has maintained consistent communication with investors at various forums organised by investment bankers.

## 7. OTHER DISCLOSURES

### a) Disclosure on materially significant related party transactions:

All related party transactions entered into during the financial year were at arm's length basis and in the ordinary course of business. The details of related party transactions are disclosed in financial section of this Annual Report. The Company has developed a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions (RPT Policy).

The said RPT Policy is uploaded on the website of the Company at https://www.acclimited.com/assets/new/pdf/Related%20Party%20Transaction%20Policy.pdf

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

### b) Details of compliance

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### c) ACC Code of Conduct

The ACC Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company.

A Certificate signed by the Managing Director affirming the compliance with the ACC Code of Conduct by the Board Members and Senior Management Personnel of the Company is attached to this report.

### d) ACC Conduct for Prevention of Insider Trading

ACC Code of Conduct for Prevention of Insider Trading, as approved by the Board, inter alia, prohibits dealing in the securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said code is available on the website of the Company.

### e) CEO / CFO Certificate

The CEO and CFO have certified to the Board with regard to the financial statements and other matters as required by the SEBI Listing Regulations. The certificate is appended as an Annexure to this report.

They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the SEBI Listing Regulations.

### f) Proceeds from public issues, rights issues, preferential issues etc.

The Company discloses to the Audit Committee, the uses / application of proceeds /funds raised from rights issue, preferential issue as part of the quarterly review of financial results, whenever applicable.

g) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

h) The Material Events Policy, Website Content Archival Policy, are uploaded on the website of the Company at - https://www.acclimited.com/assets/new/pdf/Material%20Events%20Policy.pdf https://www.acclimited.com/assets/new/pdf/Archival%20Policy.pdf respectively.

i) As a part of good governance practice, the Company has also constituted several policies from ESG perspective and the same are available on Company's website at as per following details –

- Water Stewardship Policy - Water Stewardship Policy.pdf (acclimited.com)
- Resource Conservation Policy - Resource Conservation Policy.pdf (acclimited.com)
- ESG Policy - ESG Policy.pdf (acclimited.com
- Energy Management Policy - Energy Management Policy.pdf (acclimited.com)
- Climate Change Policy - Climate Change Policy.pdf (acclimited.com)
- Biodiversity Policy - Biodiversity Policy.pdf (acclimited.com)

j) Details of the familiarisation programmes imparted to the Independent Directors are available on the website of the Company.

k) The Company has put in place succession plan for appointment to the Board and to Senior Management.

l) The Company complies with all applicable Secretarial Standards.

m) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from Statutory Auditors and the same is attached to this report.

n) As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the ensuing AGM are given in the Annexure to the Notice of the 87$^{th}$ AGM to be held on July 20, 2023.

o) The Company has obtained certificate from M/s Uma Shankar Hedge, Practising Company Secretary confirming that none of the Directors of the Company is debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority from being appointed or continuing as Director of the Company and the same is also attached to this report.

p) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditor is a part, is given below:

| Payment to Statutory Auditors | January 1, 2022 to March 31, 2023 |
|---|---|
| 1) Statutory Audit fees | ₹426.00 lacs |
| 2) Statutory Audit fees (Subsidiaries) | ₹13.50 lacs |
| 3) Other Services | ₹8.00 lacs |

q) As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has constituted Internal Complaints Committees (ICs) at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external members with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely.

During the year under review, there were no complaints pertaining to sexual harassment.

All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by the Company.

## 8. GENERAL SHAREHOLDER INFORMATION

### A. Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L26940MH1936PLC002515.

### B. 87$^{th}$ Annual General Meeting:

| Day and Date | Time | Mode |
|---|---|---|
| Tuesday, July 20, 2023 | 10.00 a.m. | Through Video Conferencing / Other Audio Visual Means |

**C. Registered Office:**

The registered office of the Company is currently situated at Cement House, 121 Maharshi Karve Road, and Mumbai 400020. Post approval by the shareholder vide Postal Ballot Notice dated November 11, 2022, the Company has filed an application for shifting of the Registered office to "Adani Corporate House", Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382421 and it is still in process.

**D. Financial Calendar for 2023-24: (tentative schedule, subject to change):**

| Period | Approval of Quarterly results |
|---|---|
| Quarter ending June 30, 2023. | Last Week-July, 2023 |
| Quarter and half year ending September 30, 2023. | Last Week-October 2023 |
| Quarter ending December 31, 2023. | Last week-January 2024 |
| The year ending March 31, 2024. | Last week April, 2024 |

**E. Record Date:**

The Company has fixed July 07, 2023, as the 'Record Date' for determining entitlement of Members to receive dividend for the financial year ended March 31, 2023, if approved at the ensuing AGM.

**F. Dividend Payment:**

Dividend shall be paid to all eligible shareholders from on and/or after July 25, 2023, if approved by the Members in the ensuing AGM.

**G. Dividend Distribution Policy**

As per Regulation 43A of the SEBI Listing Regulations, the top 500 listed companies shall formulate a dividend distribution policy. The Board of Directors have framed a Dividend Policy to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The same is posted on the website of the Company at -

https://www.acclimited.com/assets/new/pdf/Dividend%20Distribution%20Policy.pdf

**H. Dividend History for the last five year**

The dividend paid by the Company on the Equity shares for the last five year are as under:-

| Financial year | Interim Dividend Rate (%) | Final Dividend Rate (%) | Total Dividend Rate (%) | Dividend Amount (in crores) |
|---|---|---|---|---|
| 2021 | - | 580 | 580 | 1089.17 |
| 2020 | - | 140 | 140 | 262.90 |
| 2019 | - | 140 | 140 | 262.90 |
| 2018 | - | 140 | 140 | 262.90 |
| 2017 | 110 | 150 | 260 | 488.25 |

**I. Listing of Shares and Other Securities:**

**(a) ISIN Code for the Company's equity share** :INE012A01025

**(b) Equity Shares**

The equity shares of the Company are listed with the following stock exchanges

| | | |
|---|---|---|
| 1. | BSE Limited (BSE)<br>P. J. Towers, Dalal Street, Fort, Mumbai 400001- | (Stock Code:500410) |
| 2. | National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra- Kurla Complex, Bandra (E), Mumbai 400 051. | (Stock Code: ACC) |

**(c) Depositories :**

| | |
|---|---|
| 1. | National Securities Depository Limited (NSDL)<br>Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. |
| 2. | Central Depository Services (India) Limited (CDSL)<br>25th Floor, A Wing, Marathon Futurex, Mafatlal Millis Compound, NM Joshi Marg, Lower Parel (E), Mumbai - 400013 |

Annual Listing fees of BSE & NSE and Annual Custody / Issuer fee of NSDL & CDSL for FY 2023-24 will be paid on receipt of the invoices from respective agencies.

**(d) Debentures :**

There are no outstanding debentures.

**(e) GDRs or any convertible instrument, conversion dates and likely impact on equity:**

NIL

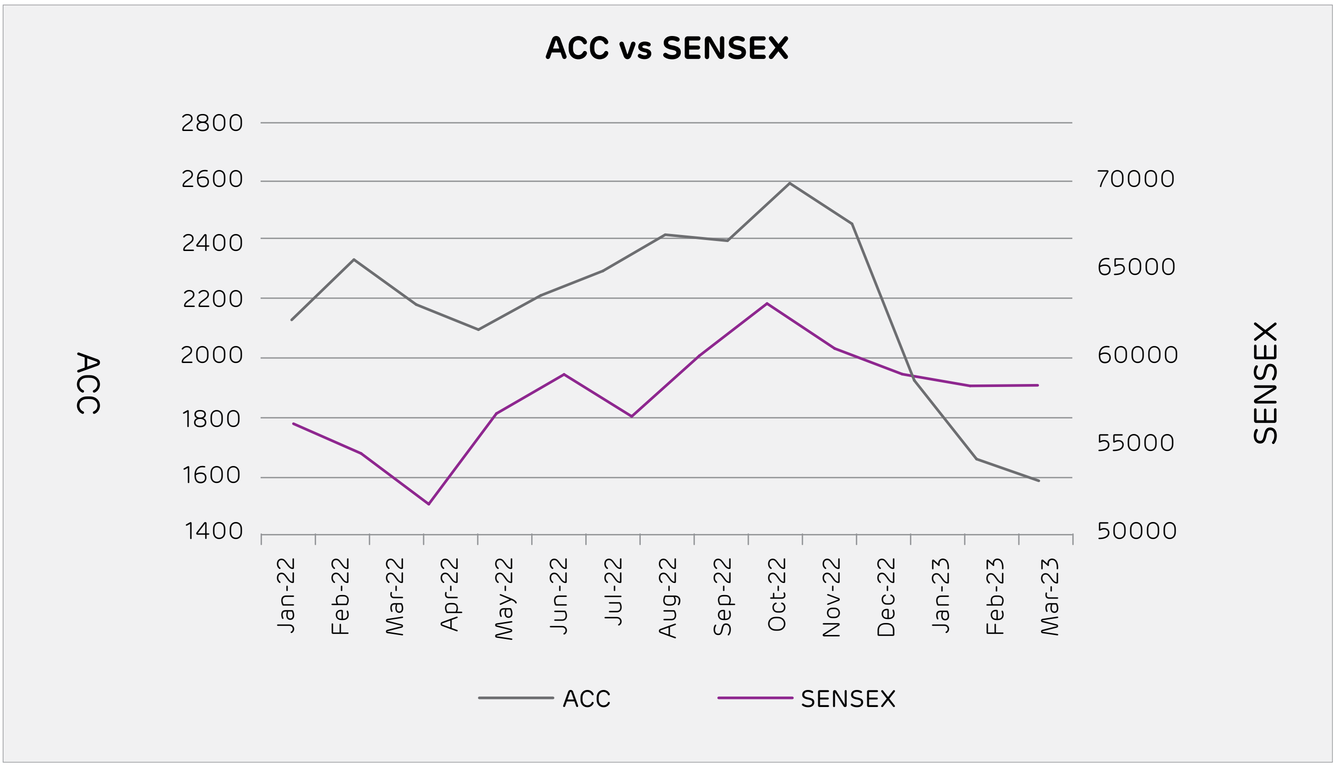
## J. Market Price Data:

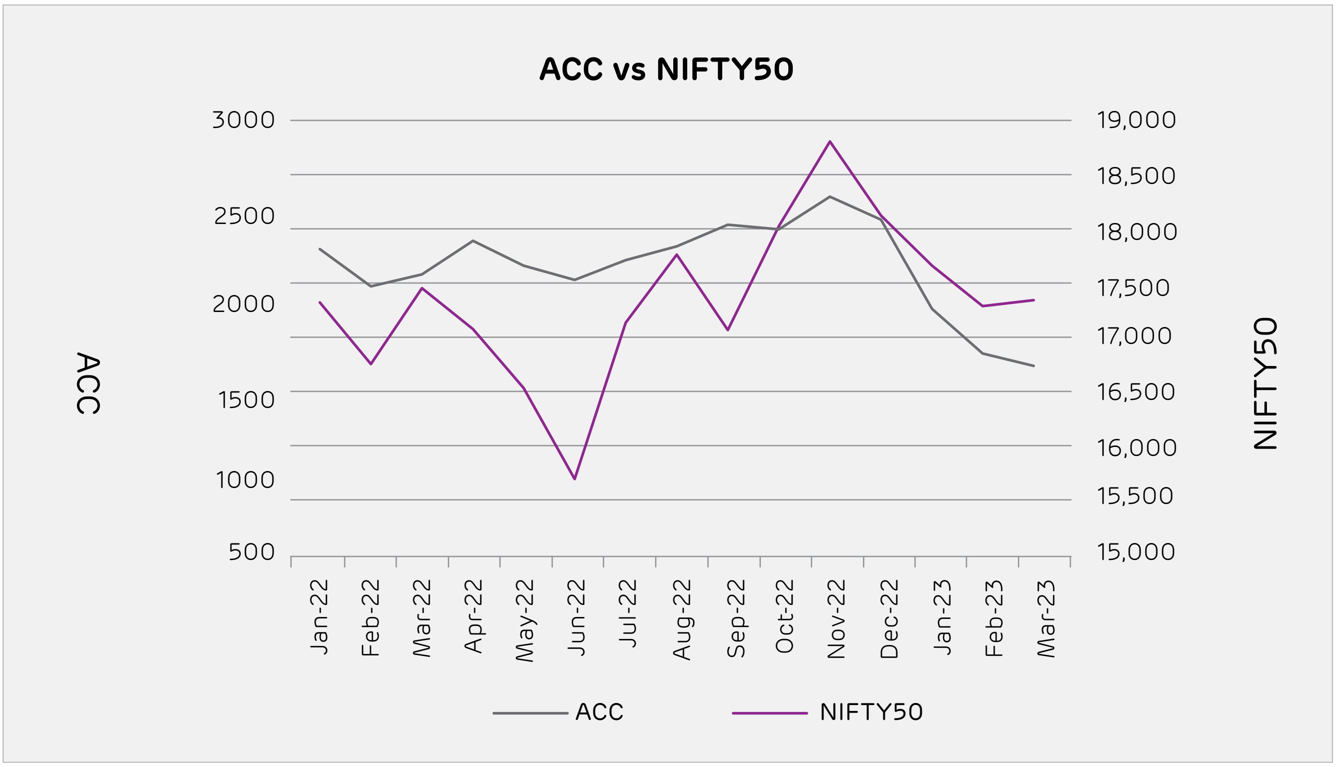
The high / low market price of the shares during the revised financial year from January 1, 2022 to March 31, 2023 at the Bombay Stock Exchange Limited and at National Stock Exchange of India Ltd. were as under:-

| | BSE | | | | NSE | | | |
|---|---|---|---|---|---|---|---|---|
| Month | High (H) | Low (H) | Close | SENSEX | High (H) | Low (H) | Close | Nifty50 |
| January, 2022 | 2,390.00 | 2,121.30 | 2,281.30 | 58,014.17 | 2,392.90 | 2,120.05 | 2,285.75 | 17,339.85 |
| February, 2022 | 2,353.00 | 2,005.00 | 2,088.60 | 56,247.28 | 2,355.00 | 2,002.00 | 2,089.15 | 16,793.90 |
| March, 2022 | 2,174.00 | 1,900.50 | 2,151.75 | 58,568.51 | 2,172.70 | 1,900.00 | 2,151.35 | 17,464.75 |
| April, 2022 | 2,395.25 | 2,028.25 | 2,333.45 | 57,060.87 | 2,397.00 | 2,023.55 | 2,328.90 | 17,102.55 |
| May, 2022 | 2,356.25 | 2,100.00 | 2,198.05 | 55,566.41 | 2,363.35 | 2,099.05 | 2,198.40 | 16,584.55 |
| June, 2022 | 2,215.35 | 2,047.95 | 2,122.40 | 53,018.94 | 2,085.55 | 2,047.10 | 2,121.95 | 15,780.25 |
| July, 2022 | 2,238.20 | 2,111.30 | 2,225.35 | 57,570.25 | 2,238.90 | 2,100.35 | 2,227.40 | 17,158.25 |
| August, 2022 | 2,366.00 | 2,195.30 | 2,299.45 | 59,537.07 | 2,367.75 | 2,194.85 | 2,299.70 | 17,759.30 |
| September, 2022 | 2,784.95 | 2,275.90 | 2,408.55 | 57,426.92 | 2,305.00 | 2,276.20 | 2,415.65 | 17,094.35 |
| October, 2022 | 2,433.95 | 2,206.00 | 2,390.35 | 60,746.59 | 2,434.90 | 2,205.30 | 2,390.30 | 18,012.20 |
| November, 2022 | 2,570.00 | 2,377.55 | 2,563.70 | 63,099.65 | 2,570.00 | 2,378.75 | 2,563.25 | 18,758.35 |
| December, 2022 | 2,674.45 | 2,357.60 | 2,441.40 | 60,840.74 | 2,675.00 | 2,356.40 | 2,441.60 | 18,105.30 |
| January, 2023 | 2,486.35 | 1,733.30 | 1,969.35 | 59,549.9 | 2,488.00 | 1,732.60 | 1,968.30 | 17,662.15 |
| February, 2023 | 2,065.00 | 1,659.25 | 1,732.25 | 58,962.12 | 2,065.65 | 1,659.00 | 1,731.70 | 17,303.95 |
| March, 2023 | 1,930.80 | 1,593.50 | 1,666.75 | 58,991.52 | 1,932.30 | 1,592.35 | 1,667.20 | 17,359.75 |

[Source: This information is compiled from the data available from the websites of BSE and NSE]

K. **Performance in comparison to broad-based indices such as BSE Sensex and Nifty 50**



**L. Registrar and Share Transfer Agents:**

The details of the Registrar and Share Transfer Agents are:-

**M/s. KFin Technologies Limited**

Selenium Building, Plot Nos. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad 500 032, Telangana.

Tel: 91-40-6716 2222/3321 1000

Email: inward.ris@kfintech.com

**M. Transfer to Investor Education and Protection Fund (IEPF)**

In terms of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the Company has transferred the shares to the Demat account of IEPF Authority in respect of which the dividend has not been claimed for a continuous period of seven years or more.

The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at https://www.acclimited.com/investor-relations/corporate-governance

In terms of the Section 125 of the Act, the amount of dividend that remained unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company sends reminders to the relevant shareholders, before transfer of dividend to IEPF.

During the year, your Company has transferred the unclaimed and un-encashed final dividend of FY 2014 amount to ₹3,05,11,929 /- and interim dividend of FY 2015 amounting to ₹1,77,23,849/- to IEPF.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from IEPF Authority after following the procedure (i.e.an application in E-form No. IEPF-5) prescribed in the Rules. Shareholders may refer Rule 7 of the said Rules for Refund of shares / dividend etc.

**N. Share Transfer System:**

The Board-level Stakeholders' Relationship Committee examines and redresses investors' grievances. The status of investors' grievances and share transfers are reported to the Board.

As mandated by SEBI, securities of the Company can be transferred /traded only in dematerialised form. Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e. https://www.acclimited.com

Shareholders holding shares in physical form are advised to avail the facility of dematerialisation.

Shareholders should communicate with KFin Technologies Limited the Company's Registrars & Share Transfer Agent at inward.ris@kfintech.com quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

The average time taken for processing and registration of relodged share transfer requests is less than 15 days.

During the revised financial year under review, the Company obtained following certificate(s) from a Practicing Company Secretary and submitted the same to the stock exchanges within stipulated time

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for year ended March 31, 2023 respectively with the Stock Exchanges; and

2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company at the address given above.

### O. Dematerialisation of Shares and Liquidity:

The equity shares of the Company are tradable in compulsory dematerialised segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2023, 18,53,08,511 number of shares (constituting 98.68%) were in dematerialised form.

### P. The Distribution of Shareholding as on March 31, 2023 is as follows:

| SR. NO | CATEGORY (SHARES) | NO. OF HOLDERS | TOTAL NUMBER OF SHARES | PERCENTAGE |
|---|---|---|---|---|
| 1 | 1 - 50 | 1,33,482 | 17,91,613 | 0.95 |
| 2 | 51 - 100 | 15,623 | 12,73,402 | 0.68 |
| 3 | 101 - 200 | 10,181 | 15,40,701 | 0.82 |
| 4 | 201 - 500 | 8,580 | 28,28,782 | 1.51 |
| 5 | 501 - 1000 | 3,918 | 28,61,044 | 1.52 |
| 6 | 1001 - 5000 | 3,249 | 66,17,526 | 3.52 |
| 7 | 5001 - 10000 | 352 | 24,44,681 | 1.30 |
| 8 | 10001 and above | 455 | 16,84,29,514 | 89.69 |
| | **TOTAL** | **1,75,840** | **18,77,87,263** | **100.00** |

### Q. Shareholding Pattern as on March 31, 2023 is as follows:

| SR. NO | Category | No. of shares held | % of Total |
|---|---|---|---|
| 1 | Promoters and Promoter Group | 106456927 | 56.69 |
| 2 | Foreign Portfolio Investors / Institutional Investors | 20041121 | 10.67 |
| 3 | Mutual Funds, Financial Institutions / Banks | 38343659 | 20.42 |
| 4 | Body Corporates | 4107048 | 2.19 |
| 5 | Others | 18838508 | 10.03 |
| | **Total** | **187787263** | **100.00** |

### R. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The company does not have any exposure hedged through Commodity derivatives.

The company has well defined Forex Exchange Risk Management Policy approved by Board of Directors, forex exposure are duly hedged as per the said policy through plain vanilla forward covers.

### S. Credit Rating:

During the year under review, the Company retained its domestic credit ratings of CRISIL AAA / A1+ from CRISIL for its bank loan facilities. During the year under review, the Company has not issued any debt instrument or any fixed deposit programme.

### T. Plant Location:

The location of the Company's plant are given on page 15 of this Integrated Report. The details of the plants, along with their address are also available on the Company's website.

### U. Address for correspondence:

(a) Registered office: Cement House, 121 Maharshi Karve Road, Mumbai 400020.

(b) Exclusive e-mail id for Investor Grievances: The following e-mail ID has been designated for communicating investors' grievances: - investors.relation@adani.com

### V. Transfer of Unpaid/Unclaimed Dividend Amounts to Investor Education and Protection Fund:

During the year under review, the final dividend amount for the year ended December 31, 2014 and the interim dividend for the year 2015 were transferred to the Investor Education and Protection Fund.

W. **Transfer of Disclosure relating to Demat Suspense Account/Unclaimed Suspense Account:**

In according with the requirement of Regulation 34 (3) and Part F of the Schedule V of the Listing Regulations 2015, the Company report the following details in respect of equity shares lying in the Suspense account:

| Particulars | Number of shareholders | Number of Equity Shares |
|---|---|---|
| Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the Financial Year starting January 1, 2022 | 432 | 56,366 |
| Less: Number of shareholders who approached the Company for transfer of shares and shares transferred from Suspense Account during 2021 | 2 | 550 |
| Less: Number of shares Transferred to Investor Education and Protection Fund (IEPF) | 51 | 7,711 |
| Aggregate number of shareholders and outstanding shares in the suspense account as at the end of the revised Financial Year ended on March 31, 2023 | 379 | 48,105 |

The voting rights on these shares will remain frozen till the rightful owner claims the shares and the shares are re-transferred in their names.

## 9. SUBSIDIARY COMPANIES

The Company does not have any material subsidiary, and hence, the Company is not required to nominate an Independent Director of the Company on the Board of any subsidiary. The subsidiaries of the Company function with an adequately empowered board of directors and sufficient resources.

For more effective governance, the Company monitors performance of subsidiary companies, inter alia, by following means:

1. Financial statements, in particular investments made by subsidiary companies, are reviewed quarterly by the Company's Audit Committee and the Board.
2. Minutes of subsidiary companies are placed before the Board of the Company regularly.
3. A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board at its meetings.
4. Presentations are made to the Company's Board on business performance of subsidiaries of the Company by the Senior Management.

The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at "https://www.acclimited.com/assets/new/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf".

## 10. NON-MANDATORY REQUIREMENTS:

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. **The Board:**

   Your Company has an Non-Executive Chairman and hence, the need for implementing this non-mandatory requirement does not arise.

2. **Modified opinion(s) audit report:**

   The Modified opinion has been appropriately dealt with in Note No.58 and 61 of the Notes to the Audited Financial Statements on Standalone and Consolidated basis respectively.

3. **Shareholder Rights:**

   The quarterly, half-yearly and annual financial results of your Company are published in newspapers and posted on Company's website https://www.acclimited.com. The same are also available on the sites of stock exchanges (BSE & NSE) where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com

4. **Separate posts of Chairperson and CEO:**

   The Chairman's office is separate from that of the Whole-time Director and CEO. Mr. Karan G Adani is the Chairman & Non-Executive Director and Mr. Ajay Kapur is the Whole-time Director and CEO of the company. They both are not related to each other.

5. **Reporting of Internal Auditor:**

   The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meetings for reporting their findings of the internal audit to the Audit Committee Members.

## DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company during the Financial Year* 2022-23.

*The Company followed the Financial Year from January 1, 2022 to December 31, 2022. However, due to change in management the Financial Year of the Company has been extended from December 31, 2022 to March 31, 2023.

**Ajay Kapur**
Whole Time Director & CEO

Ahmedabad, April 27, 2023

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## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

Dear Sirs and Madam,

We, Ajay Kapur, Whole Time Director & Chief Executive Officer and Vinod Bahety, Chief Financial Officer of the Company, do hereby certify that:

a) We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2023 and that to the best of my knowledge and belief:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 are fraudulent, illegal or violate the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

   i. There has not been any significant change in internal control over financial reporting during the year under reference;

   ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

   iii. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in company's internal control system over financial reporting.

For and on behalf of ACC Limited

Sd/-
**Ajay Kapur**
Whole Time Director & CEO
DIN-03096416

Sd/-
**Vinod Bahety**
Chief Financial Officer

Place: Ahmedabad
Date: April 27, 2023

# CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
**ACC Limited**

We have examined the compliance of conditions of Corporate Governance by **ACC Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2023 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For **Mehta & Mehta,**
**Company Secretaries**
(ICSI Unique Code P1996MH007500)

**Dipti Mehta**
Partner
FCS No: 3667
UDIN:F003667E000212458
CP No.: 23905

Place: Mumbai
Date: April 27, 2023

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
**ACC Limited**
Cement House, 121,
Maharshi Karve Road, Mumbai- 400020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ACC Limited having CIN L26940MH1936PLC002515 and having registered office at Cement House, 121, Maharshi Karve Road, Mumbai- 400 020(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023*have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of the Director | Designation | DIN | Date of appointment in the Company |
|---|---|---|---|---|
| 1. | Mr. Karan Gautam Adani | Chairman | 03088095 | 16/09/2022 |
| 2. | Mr. Ajay Kapur | Whole time Director | 03096416 | 03/12/2022 |
| 3. | Mr. Vinay Prakash | Non-Executive Director | 03634648 | 16/09/2022 |
| 4. | Mr. Arun Kumar Anand | Non-Executive Director | 08964078 | 16/09/2022 |
| 5. | Mr. Sandeep Mohanraj Singhi | Non-Executive Independent Director | 01211070 | 16/09/2022 |
| 6. | Mr. Nitin Chandrashekar Shukla | Non-Executive Independent Director | 00041433 | 16/09/2022 |
| 7. | Mr. Rajeev Krishnamurarilal Agarwal | Non-Executive Independent Director | 07984221 | 16/09/2022 |
| 8. | Ms. Ameera Sushil Shah | Non-Executive Independent Director | 00208095 | 03/12/2022 |

* The financial year closure of the Company was extended from December 31,2022 to March 31,2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 09/05/2023#

For **U. HEGDE &ASSOCIATES,**
Company Secretaries

**Umashankar K. Hegde**
Proprietor
C.P. No- 11161 # M.No- ACS 22133
ICSI UDIN: A022133E000274385

#The Certificate was noted by the Board of Directors at their meeting held on April 27,2023 and the Certificate was signed on May 9,2023

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

| | | |
|---|---|---|
| **I** | **Details of the listed entity** | |
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L26940MH1936PLC002515 |
| 2 | Name of the Listed Entity | ACC Limited |
| 3 | Year of incorporation | 1936 |
| 4 | Registered office address | Cement House<br>121, Maharshi Karve Road Mumbai - 400 020, India |
| 5 | Corporate address | Cement House<br>121, Maharshi Karve Road Mumbai - 400 020, India |
| 6 | E-mail | acc-investorsupport@adani.com |
| 7 | Telephone | +91-22-41593 321 |
| 8 | Website | www.acclimited.com |
| 9 | Financial year for which reporting is being done | January 2022 to March 2023 |
| 10 | Name of the Stock Exchange(s) where shares are listed | BSE<br>NSE |
| 11 | Paid-up Capital | Rs. 187.79 Crores |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | NAME : Sanjay Prasad<br>Address: Adani Corporate House,<br>Shantigram, Near Vaishno Devi Circle, S.G. Highway,<br>Khodiyar,<br>Ahmedabad – 382421<br>Contact:+91 8094016218<br>Email ID: sanjay.prasad@adani.com |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Disclosures made in this report are on a consolidated basis |
| **II** | **Products/services** | The Company manufactures different varieties of cement viz., Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement and Ready Mix Concrete (RMX). |

14 Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1) | Manufacturing | Cement, Clinker, Allied and RMX | 100% |

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Cement | | >90% |

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 16 Cement plants<br>85+ RMX plants | 26 offices,<br>including Registered Office, Regional Offices and Sales Office | 128 |
| International | - | - | - |

17. Markets served by the entity:

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 28 |
| International (No. of Countries) | NIL |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

NIL

c. A brief on types of customers

Individual Home Builders, contractors, RMX manufacturers, institutions, government agencies, builders, manufacturers of pre-cast fabricated concrete blocks, asbestos sheets etc.

## IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | | **EMPLOYEES** | | | | |
| 1. | Permanent (D) | 2975 | 2791 | 93.82% | 184 | 6.18% |
| 2. | Other than Permanent (E) | 294 | 257 | 87.41% | 37 | 12.59% |
| 3. | **Total employees (D + E)** | 3269 | 3048 | 93.24% | 221 | 6.76% |
| | | **WORKERS** | | | | |
| 4. | Permanent (F) | 2192 | 2151 | 98.13% | 41 | 1.87% |
| 5. | Other than Permanent (G) | 11 | 11 | 100.00% | 0 | 0.00% |
| 6. | **Total workers (F + G)** | 2203 | 2162 | 98.14% | 41 | 1.86% |

b. Differently abled Employees and workers:

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| | | **DIFFERENTLY ABLED EMPLOYEES** | | | | |
| 1. | Permanent (D) | 13 | 13 | 100.00% | 0 | 0.00% |
| 2. | Other than Permanent (E) | 0 | 0 | - | 0 | - |
| 3. | **Total differently abled employees (D + E)** | 13 | 13 | 100.00% | 0 | 0.00% |
| | | **DIFFERENTLY ABLED WORKERS** | | | | |
| 4. | Permanent (F) | 0 | 0 | - | 0 | - |
| 5. | Other than permanent (G) | 0 | 0 | - | 0 | - |
| 6. | **Total differently abled workers (F + G)** | 0 | 0 | - | 0 | - |

19. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 8 | 1 | 12.50% |
| Key Management Personnel | 2 | 0 | 0 |

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | Jan. 22 to Mar. 23 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 16.52% | 39.57% | 17.28% | 18.83% | 16.82% | 18.76% | 8.93% | 6.16% | 8.78% |
| Permanent Workers | 4.65% | 0.00% | 4.64% | 7.04% | 0.00% | 7.02% | 0.93% | 0.00% | 0.91% |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding/ subsidiary / associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| | Bulk Cement Corporation (India) Limited (BCCI) | Subsidiary | 94.65% | The Company's business responsibility initiatives does not apply to its subsidiaries. |
| | ACC Mineral Resources Limited | Subsidiary | 100% | |
| | Lucky Minmat Limited (Refer Note 65 (d)) | Subsidiary | 100% | |
| | Singhania Minerals Private Limited | Subsidiary | 100% | |
| | OneIndia BSC Private Limited | Joint Venture | 50% | |
| | Alcon Cement Company Private Limited | Associate | 40% | |
| | Asian Concretes and Cements Private Limited | Associate | 45% | |
| | Aakaash Manufacturing Company Private Limited | Joint venture | 40% | |
| | MP AMRL (Semaria) Coal Company Limited | Joint Operations of ACC Mineral Resources Limited | 49% | |
| | MP AMRL (Bicharpur) Coal Company Limited | Joint Operations of ACC Mineral Resources Limited | 49% | |
| | MP AMRL (Marki Barka) Coal Company Limited | Joint Operations of ACC Mineral Resources Limited | 49% | |
| | MP AMRL (Morga) Coal Company Limited | Joint Operations of ACC Mineral Resources Limited | 49% | |

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

(ii) Turnover (in ₹ Crores) : 21,767

(iii) Net worth (in ₹ Crores) : 14,043

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | Jan.22 – Mar.23 Current reporting period | | | Jan 2021 to Dec 2021 Previous reported Year | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Email: | | | | | | |
| Investors (other than shareholders) | acc@ethicalview.com | | | | | | |
| Shareholders | Postal: | 40 | 0 | Difficulty in share transfer | 31 | 0 | None |
| Employees and workers | Chairman's office (Audit Committee) or Vigilance Officer at Cement House, 121, Maharshi Karve | 3 | 0 | Conflict of Interest and Assest misappropriation | | | |
| Customers | Road, Mumbai | 1 | 0 | Trade Violation | | | |
| Value Chain Partners | Maharashtra 400020 | 9 | 0 | Bribery Tradevoilation, conflict og Interest | | | |
| Other (please specify) | | 27 | 3 | Anonymous Complianants | | | |

16. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| | Climate Change | Opportunity | Climate Change related risks and opportunities identified considering the Environmental regulations imposed, National and International level goals | Environment and Climate Change is at first place in ACC. Moreover, Climate change related R&D are core concerns of Risk Management Committee and Corporate Responsibility Committee of our Company. | Positive |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Businesses should conduct and govern themselves with ethics, transparency and accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the well-being of all employees

P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P5: Businesses should respect and promote human rights

P6: Businesses should respect, protect and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC (National Guidelines on Responsible Business Conduct) Principles and Core Elements.**

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | N | Y | N |
| b. Has the policy been approved by the Board? (Yes/No) | Y | - | N | Y | - | Y | - | Y | - |
| c. Web Link of the Policies, if available | * | - | - | * | - | * | - | * | - |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | NA | Y | NA |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Value chain partners are expected to comply the applicable policies of the Company while executing any work at ACC Company sites | | | | | | | | |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | All the policies are best of the stipulated principles, national and International Standards. | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any | We have commitments, goals and targets set and achieved related to Environment, Social and Governance are incorporated in the Integrated Report Available on www. acclimited.comwww.ambujacement.com | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | | | | | | | | | |
| **Governance, leadership and oversight** | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Please refer Chairman and CEO's message in Annual report Page no.—to -- | | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | CEO | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes,<br>Corporate Responsibility Committee<br>Mr. Nitin Shukla- Chairman- Independent Director<br>Mr.Rajeev Agarwal- Member- Independent Director<br>Mr. Sandeep Singhi- Member- Independent Director | | | | | | | | |

* https://www.acclimited.com/investor-relations/corporate-governance

10. Details of Review of NGRBCs by the Company:

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Committee of Board | | | | | | | | | Quarterly, annually | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | The Company is Compliant to relevant principles and applicable rules and regulations. Compliance to the regulatory requirement are reviewed on regular basis and as per the requirement. | | | | | | | | | | | | | | | | | |

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

| P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|
| The Company publish the Integrated report which includes Financial and Non-Financial parameters.<br>Sustainability parameters of the report are assured by the external agency and Assurance certificate is enclosed in the Report. | | | | | | | | |

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 3 | Familarisation program of Directors, Overview of Adani Group and ESG program | 100% |
| Key Managerial Personnel | 3 | Familarisation program of Directors, Overview of Adani Group and ESG program | 100% |
| Employees other than BoD and KMPs | 26 | 18 | 47% |
| Workers | 20 | 10 | 3% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | NIL | NIL | NIL | NIL | NIL |
| Settlement | NIL | NIL | NIL | NIL | NIL |
| Compounding fee | NIL | NIL | NIL | NIL | NIL |

| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
|---|---|---|---|---|
| Imprisonment | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| NIL | NIL |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

   Yes, Anti-Corruption & Anti-Bribery Policy is available on Company website at: https://www.acclimited.com/assets/new/pdf/ANTI-CORRUPTION-ANTI-BRIBERY-POLICY.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NIL | NIL |

6. Details of complaints with regard to conflict of interest:

| | 2022-23 (Jan'22 to Mar'23) | | 2021 Previous Year | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NIL | NIL | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NIL | NIL | NIL |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Not Applicable

### Leadership Indicators

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

   Yes, the Company has "CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY" on its website, the weblink of which is: https://www.acclimited.com/assets/new/pdf/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20of%20the%20Company.pdf

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | Current Financial Year (in Crore) | Previous Financial Year(in Crore) | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 1.05 | 0.63 | In tropical country such as India, with heavy rainfall in most areas in the country, invariably, the micro cracks in buildings leads to water seepage in walls & Masonry, This initiates subsequent deterioration of the concrete structure.<br>In addition to this, areas with shallow water table results in water seeping through foundation and walls.<br>An Innovative solution to all these problems was developed through intensive brain storming, testing protocols and applying stage gate process approach was ACC Gold. |
| Capex | NIL | NIL | |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   Yes,

   b. If yes, what percentage of inputs were sourced sustainably?

   - The company has well developed supplier code of conduct in place, which helps the company to integrate ESG parameter in its procurement.
   - More than 32% of raw material is recycled raw material which is sourced sustainably. Share of sustainable product is more than 92%.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

   - The Company aim to reduce the generation of waste.
   - The company has taken target by 2030 to reuse the waste of 30 million tonne in line with the circular economy.
   - The Company has Resource Conservation Policy well in place at company website: https://www.acclimited.com/assets/new/pdf/Resource%20Conservation%20Policy.pdf

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   - Yes, EPR is applicable to the Company.
   - ACC has submitted the action plan to Pollution Control Board in 2021. Online submission of the action plan as per latest guidelines of Central Pollution Control Board.

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. Details of measures for the well-being of employees:

| | | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| Category | Total (A) | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 2791 | 2791 | 100% | 2791 | 100% | 0 | 0.00% | 19 | 0.68% | 2791 | 100% |
| Female | 184 | 184 | 100% | 184 | 100% | 8 | 4.35% | 0 | 0.00% | 184 | 100% |
| Total | 2975 | 2975 | 100% | 2975 | 100% | 8 | 0.27% | 19 | 0.64% | 2975 | 100% |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 257 | 257 | 100% | 257 | 100% | 0 | 0% | 0 | 0% | 257 | 100% |
| Female | 37 | 37 | 100% | 37 | 100% | 0 | 0% | 0 | 0% | 37 | 100% |
| Total | 294 | 294 | 100% | 294 | 100% | 0 | 0% | 0 | 0% | 294 | 100% |

   b. Details of measures for the well-being of workers:

| | | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| Category | Total (A) | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 2151 | 2151 | 100% | 2151 | 100% | - | - | 2151 | 100% | 2151 | 100% |
| Female | 41 | 41 | 100% | 41 | 100% | 41 | 100% | - | - | 41 | 100% |
| Total | 2192 | 2192 | 100% | 2192 | 100% | 41 | 100% | 2151 | 100% | 2192 | 100% |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 5 | 5 | 100% | 5 | 100% | - | - | 5 | 100% | 5 | 100% |
| Female | 0 | 0 | - | 0 | - | - | - | - | - | 0 | - |
| Total | 5 | 5 | 100% | 5 | 100% | 0 | 0% | 5 | 100% | 5 | 100% |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | 2022-23 (Jan'22 to Mar'23) | | | 2021 Previous Year | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees* | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees* | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | N.A. | 100% | 100% | N.A. |
| ESI | 100% | 100% | Yes | 100% | 100% | Yes |
| Others – please specify | - | - | - | - | - | - |

* As per the applicability of benefits to employees, all area covered in the respective benefits.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, The Company believes in equal Opportunity, and it is at the first place of Company Values.

Policy on 'Diversity, Equity and Inclusion' available on Company website:

https://www.acclimited.com/assets/new/pdf/Policy%20on%20Diversity%20Equity%20and%20Inclusion.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | Industrial Relation officers at all sites are entitled to address the grievances of Employees and workers. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category | 2022-23 (Jan'22 to Mar'23) | | | 2021 Previous Year | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| **Total Permanent Employees** | | | | | | |
| Male | - | - | - | - | - | - |
| Female | - | - | - | - | - | - |
| **Total Permanent Workers** | | | | | | |
| Male | 2151 | 2151 | 100% | 2378 | 2378 | 100% |
| Female | 41 | 41 | 100% | 41 | 41 | 100% |

8. Details of training given to employees and workers:

| Category | 2022-23 (Jan'22 to Mar'23) Total (A) | On Health and safety measures No. (B) | % (B / A) | On Skill upgradation No. (C) | % (C /A) | 2021 Previous Year Total (D) | On Health and safety measures No. (E) | % (E / D) | On Skill upgradation No. (F) | % (F / D) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Employees** | | | | | | | | | | |
| Male | 2,885 | 1,527 | 53% | 2,134 | 74% | NR | NR | NR | NR | NR |
| Female | 104 | 56 | 54% | 118 | 113% | NR | NR | NR | NR | NR |
| **Total** | 2,989 | 1,583 | 53% | 2,252 | 75% | NR | NR | NR | NR | NR |
| **Workers** | | | | | | | | | | |
| Male | 1,367 | 499 | 37% | 24 | 2% | NR | NR | NR | NR | NR |
| Female | 5 | 0 | 0% | 0 | 0% | NR | NR | NR | NR | NR |
| **Total** | 1,372 | 499 | 36% | 24 | 2% | NR | NR | NR | NR | NR |

NR – Not reported

9. Details of performance and career development reviews of employees and worker:

| Category | 2022-23 (Jan'22 to Mar'23) Total (A) | No. (B) | % (B / A) | 2021 Previous Year Total (C) | No. (D) | % (D / C) |
|---|---|---|---|---|---|---|
| **Employees** | | | | | | |
| Male | 3,048 | 3,048 | 100% | 3,409 | 3,409 | 100% |
| Female | 221 | 221 | 100% | 249 | 249 | 100% |
| **Total** | 3,269 | 3,269 | 100% | 3,658 | 3,658 | 100% |
| **Workers** | | | | | | |
| Male | 2,156 | 2,156 | 100% | 2,392 | 2,392 | 100% |
| Female | 41 | 41 | 100% | 41 | 41 | 100% |
| **Total** | 2,197 | 2,197 | 100% | 2,433 | 2,433 | 100% |

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, We have Health and Safety Management standards defined for our processes. The standards are applicable to all our manufacturing units.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes. We have well defined Hazard identification and risk assessment procedure. All the personnel at manufacturing plants are trained to assess the risk before start of the activity.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0.19 | 0 |
| | Workers | 0.22 | 0.34 |
| Total recordable work-related injuries | Employees | 5 | 4 |
| | Workers | 29 | 22 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 2 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 3 | 0 |
| | Workers | 9 | 13 |

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

A well structured Health & Safety Management Systemis implemented at ACC. Robustness of the system is well defined by our Health Safety Improvement Plan which is developed at the beginning of every year considering various aspects like audits action, lead-lag indicator analysis, improvement opportunity, feedback from employees, Leadeship inputs etc. The plan is developed at the Corporate level and flows down to the manufactuing units and is tracked month on month basis for its effectiveness.Various campaigns, events and initiatives to build the awareness and culture on ground. Trianing Need Identification monitoring, H&S Digitisation, effective process safety management controls at site, well established Vehicle and traffic Safety management system are some of the key pillars for driving our H&S System. With all these in place Senior Leadership engagement and involvement ensures a safe and healthy workplace.

13. Number of Complaints on the following made by employees and workers:

| | 2022-23 (Jan'22 to Mar'23) | | | 2021 Previous Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | NIL | NIL | NA | NIL | NIL | NA |
| Health & Safety | NIL | NIL | NA | NIL | NIL | NA |

14. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | Plants are certified for ISO 45001 |
| Working Conditions | |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All the actions pertaining to lead and lag indicators are being monitored by respective locations for their closures.

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the entity.

Please refer Stakeholder Engagement Policy https://www.acclimited.com/assets/new/pdf/Stakeholder%20Engagement%20policy.pdf

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | Internal Communication System, One to One meet, Townhalls | Daily | Ongoing exercise |
| Shareholders and Investors | No | Investor meetings, Annual General Meeting, One to One meet, Annual Report and other public disclosures | Monthly, Quarterly, Annually, as and when required | To strengthen the business conduct and understand their concerns and priorities. |
| Govt. authorities and Regulatory Bodies | No | Annual Report, Plant Visits, Regulatory Compliance reports, One to One meet as per requirement | Monthly, Quarterly, Annually, as and when required | Statutory Compliance |
| Industrial Association | No | One to One meeting, Annual Report, Public disclosures | Monthly, Quarterly, Annually, as and when required | Information and knowledge enhancement |
| Suppliers and Contractors | Yes | Vendor meets, review meetings, Progress and performance reports, Feedback and Grievances system | Periodically | Adherence to the Supplier code of conduct, and long-term business relationships. |
| Customers | Yes | Company website and public disclosures, Products promotion drives, Grievances redressal system, Surveys | Periodically | Customer satisfaction, feedback, and grievances |
| Community | Yes | Community Engagement programs, meetings, Workshops, and surveys | Periodically | Community engagement, CSR |

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

Human Rights & Polices :

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | 2022-23 (Jan'22 to Mar'23) | | | 2021 Previous Year | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. employees workers covered (B) | % (B / A) | Total (C) | No. employees workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 2,819 | 5 | 0% | NR | NR | NR |
| Other permanent | 170 | 69 | 41% | NR | NR | NR |
| **Total Employees** | 2,989 | 74 | 2% | NR | NR | NR |
| **Workers** | | | | | | |
| Permanent | 1,329 | 0 | 0% | NR | NR | NR |
| Other permanent | 43 | 0 | 0% | NR | NR | NR |
| **Total Workers** | 1,372 | 0 | 0% | NR | NR | NR |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | 2022-23 (Jan'22 to Mar'23) Total (A) | Equal to Minimum Wage No. (B) | Equal to Minimum Wage % (B / A) | More than Minimum Wage No. (C) | More than Minimum Wage % (C / A) | 2021 Previous Year Total (D) | Equal to Minimum Wage No. (E) | Equal to Minimum Wage % (E / D) | More than Minimum Wage No. (F) | More than Minimum Wage % (F / D) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 2791 | 0 | 0% | 2791 | 100% | 3082 | 0 | 0% | 3082 | 100% |
| Female | 184 | 0 | 0% | 184 | 100% | 225 | 0 | 0% | 225 | 100% |
| **Other Permanent than** | | | | | | | | | | |
| Male | 257 | 0 | 0% | 257 | 100% | 327 | 0 | 0% | 327 | 100% |
| Female | 37 | 0 | 0% | 37 | 100% | 24 | 0 | 0% | 24 | 100% |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 2151 | 0 | 0% | 2151 | 100% | 2378 | 0 | 0% | 2378 | 100% |
| Female | 41 | 0 | 0% | 41 | 100% | 41 | 0 | 0% | 41 | 100% |
| **Other Permanent than** | | | | | | | | | | |
| Male | 5 | 0 | 0% | 5 | 100% | 14 | 0 | 0% | 14 | 100% |
| Female | 0 | 0 | 0% | 0 | - | 0 | 0 | 0% | 0 | - |

3. Details of remuneration/salary/wages, in the following format:

| | Male Number | Male Median remuneration/ salary/ wages of respective category | Female Number | Female Median remuneration/ salary/ wages of respective category |
|---|---|---|---|---|
| Board of Directors (BoD) | 7 | - | 1 | - |
| Key Managerial Personnel | 02 | - | 00 | - |
| Employees other than BoD and KMP | 3048 | | 221 | |
| Workers | 2156 | | 41 | |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

   Yes, Please refer Human Rights Policy:

   https://www.acclimited.com/assets/new/pdf/Human%20Rights%20Policy.pdf

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Yes, Please refer Human Rights Policy:

   https://www.acclimited.com/assets/new/pdf/Human%20Rights%20Policy.pdf

6. Number of Complaints on the following made by employees and workers:

| | 2022-23 (Jan'22 to Mar'23) Filed during the year | Pending resolution at the end of year | Remarks | 2021 Previous Year Filed during the year | Pending resolution at the end of year | Remarks |
|---|---|---|---|---|---|---|
| Sexual Harassment | 0 | 0 | | 0 | 0 | |
| Discrimination at workplace | 0 | 0 | | 0 | 0 | |
| Child Labour | 0 | 0 | | 0 | 0 | |
| Forced Labour/Involuntary Labour | 0 | 0 | | 0 | 0 | |
| Wages | 0 | 0 | | 0 | 0 | |
| Other human Rights related issues | 0 | 0 | | 0 | 0 | |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   Yes, Please refer Policy on Prevention of Sexual Harassment:

   https://www.acclimited.com/assets/new/pdf/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

   Yes

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 0 |
| Forced/involuntary labour | 0 |
| Sexual harassment | 0 |
| Discrimination at workplace | 0 |
| Wages | 0 |
| Others – please specify | 0 |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    N.A.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|
| Total electricity consumption (A) TJ | 91,260 | 72,790 |
| Total fuel consumption (B) TJ | 80,066 | 71,425 |
| Energy consumption through other sources (C) | NIL | NIL |
| **Total energy consumption (A+B+C)** | 171,326 | 144,215 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) in TJ/Rupee | $7.8 \times 10^{-7}$ | $9.1 \times 10^{-7}$ |
| Energy intensity (optional) – the relevant metric may be selected by the entity | NIL | NIL |

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

   Yes, PAT targets have been achieved at all location.

3. Provide details of the following disclosures related to water, in the following format:

| Parameter | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|
| **Water withdrawal by source (in 000' kilolitres)** | | |
| (i) Surface water | 1,603.6 | 1,834.0 |
| (ii) Groundwater | 266.5 | 200.0 |
| (iii) Third party water | NIL | NIL |
| (iv) Seawater / desalinated water | NIL | NIL |
| (v) Others | 44.4 | 10.0 |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | 13,079.5 | 2,044.0 |
| **Total volume of water consumption (in kilolitres)** | 13,079.5 | 3,275.0 |
| **Water intensity per rupee of turnover** (Water consumed / turnover) in **(000' KL/Rupee)** | $6.0 \times 10^{-5}$ | $2.0 \times 10^{-5}$ |
| **Water intensity (optional) –** the relevant metric may be selected by the entity | - | - |

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

   Yes, ACC has implemented mechanism for zero Liquid Discharge at all the operating locations.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|---|
| NOx | Tonne | 18,094.30 | 12,754.70 |
| SOx | Tonne | 1,939.42 | 3,021.00 |
| Particulate matter (PM) | Tonne | 450.7 | 382.4 |
| Persistent organic pollutants (POP) | NIL | NIL | NIL |
| Volatile organic compounds (VOC) | NIL | NIL | NIL |
| Hazardous air pollutants (HAP) | NIL | NIL | NIL |
| Others – please specify | NIL | NIL | NIL |

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|---|
| **Total Scope 1 emissions** | Metric tonnes of $CO_2$ equivalent | 17,467,685 | 15,392,785 |
| **Total Scope 2 emissions** | Metric tonnes of $CO_2$ equivalent | 654,793 | 666,157 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** | Metric Tonne $CO_2$ e/rupee | $8.33 \times 10^{-5}$ | $1.02 \times 10^{-4}$ |
| **Total Scope 1 and Scope 2 emission intensity** (optional) – the relevant metric may be selected by the entity | NIL | NIL | NIL |

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

   We are committed to Net Zero carbon emission and are making efforts to increase green energy consumption. To reduce Green House Gas emission, we are improving our Waste Heat Recovery System (WHRS) capacity, optimising sourcing of alternative fuel through Geoclean, developing products which have low-carbon footprint, reducing clinker factor and using alternative raw materials.

   The Company has taken target to reduce its emission to 400* Kg $Co_2$/tonne of Cementitious Material by 2030.

   * Excluding CPP

8. Provide details related to waste management by the entity, in the following format:

| Parameter | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste **(A)** | 50,766.16 | 37,892.60 |
| E-waste **(B)** | 38.7 | 51.4 |
| Bio-medical waste **(C)** | 0.9 | 0.9 |
| Construction and demolition waste **(D)** | - | - |
| Battery waste **(E)** | 51.3 | 42.3 |
| Radioactive waste **(F)** | - | - |
| Other Hazardous waste. Please specify, if any. **(G)** | 134.2 | 117.2 |
| Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 21,801.5 | 20,988.4 |
| **Total (A+B + C + D + E + F + G + H)** | 72,792.8 | 59,092.8 |

| Parameter | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 11,805.5 | 30,963.4 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | NIL | NIL |
| **Total** | 11805.5 | 30,963.4 |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | NIL | NIL |
| (ii) Landfilling | NIL | NIL |
| (iii) Other disposal operations | 272,198.3 | 59,295.4 |
| Co-processed waste | 1.1 | 2 |
| **Total** | 272,199.4 | 59,297.4 |

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Hazardous and non-hazardous Waste generated at all locations is collected and segregated separately as per its characteristics in line with Waste Management Rules.

Through the co-processing technology, the Company provides a 'Zero Landfill' solution that doesn't create any additional emission and in addition avoids soil contamination, water and air pollution coming from landfill sites, recovering energy and minerals from the waste materials.

WASH initiatives addressed community requirements for safe drinking water and better health through malnutrition eradication, health camps and waste management in collaboration with municipal bodies.

Geoclean, its waste management arm, helps ACC contribute to safe waste management solutions in industries and municipalities and increase the utilisation of alternative fuels in cement kilns. The Company has been building up stakeholders' awareness on these issues through its advocacy in appropriate forums. With consumption of alternative fuels of 409436.5 tonnes, the Company has achieved TSR of 9.2% during January 2022 to March 2023 compared to 7.3% in 2021.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| | Kudithini Cement works, Bellary, Karnataka | Cement Grinding | Yes |
| | Sindola limestone mines | Mining | Yes, Lease execution is Pending due to issuance of FRA certificate in process |
| | Lakheri Limestone Mines | Mining | Yes |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Salai Banwa Standalone Grinding Unit with Cement Production Capacity 3.0 MTPA at Village: Panari and Kota, Tehsil: Obra, District: Sonbhadra, UP | SO. 1533 (E) dated 14 sep, 2006 & its abendments | Public hearing completed on 11.02.2022 | Yes | Yes | http://www.uppcb.com |

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Salai Banwa Standalone Grinding Unit with Cement Production Capacity 3.0 MTPA at Village: Panari and Kota, Tehsil: Obra, District: Sonbhadra, UP | SO. 1533 (E) dated 14 sep, 2006 & its abendments | EC granted on 21.11.2022 | Yes | Yes | https://parivesh.nic.in |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| 1. | AAQ - Particulate Matter | Exceeding the AAQM results | Forfeiting the BG of ₹10.0 Lakh | • Black top Road made.<br>• Frequency of Water sprinklers increased.<br>• Covering of raw material ensured with regular monitoring |

## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| | Not Applicable | |

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| | Not Applicable | |

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| | | | None | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| S.No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| | | | None | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

We have plant level community advisory panel where we address the issues related to the community. CAP is consist of members from panchayat, school, SHG, Senior citizen & member of NGO etc. Also we executed Plant CSR committee to address the community grivances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | 2022-23 (Jan'22 to Mar'23) | 2021 Previous Year |
|---|---|---|
| Directly sourced from MSMEs/ small producers | NR | |
| Sourced directly from within the district and neighbouring districts | | |

**Leadership indicators:**

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1 | Water Resource Management | 41,184 | 60% |
| 2 | Sustainable Development | 51,208 | 60% |
| 3 | Social Inclusion | 1,94,905 | 60% |

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

The Company has provided a dedicated email address: acchelp@adani.com ; a telephone number: 18001033444 and a website: http://www.acchelp.in/ for Customer Service & Technical Support.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | 100% |
| Safe and responsible usage | 100% |
| Recycling and/or safe disposal | 100% |

3. Number of consumer complaints in respect of the following:

| | 2022-23 (Jan'22 to Mar'23) | | | 2021 Previous Year | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | NIL | NIL | NIL | NR | NR | NR |
| Advertising | NIL | NIL | NIL | NR | NR | NR |
| Cyber-security | NIL | NIL | NIL | NR | NR | NR |
| Delivery of essential services | NIL | NIL | NIL | NR | NR | NR |
| Restrictive Trade Practices | 32 | 2 | Complains related to Bribery, Conflict of Interest, Assest Misappropiation | NR | NR | NR |
| Unfair Trade Practices | 9 | 1 | Complains related to Trade Voilation | NR | NR | NR |
| Other | NIL | NIL | NIL | NR | NR | NR |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | NIL | |
| Forced recalls | | |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Yes, Please refer

   https://www.acclimited.com/assets/new/pdf/Cyber%20security%20and%20data%20privacy%20policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   All communications have necessary disclaimer as per Advertising Standard Council of India (ASCI) and Bureau of Indian Standard (BIS) guidelines

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Yes, ACC Ltd. has Products details available on its website - https://www.acclimited.com/products

# INDEPENDENT AUDITOR'S REPORT

To the Members of ACC Limited

## Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying standalone financial statements of ACC Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the fifteen months financial year then ended (Refer Note 56), and notes to the standalone financial statements, including 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, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the fifteen months financial year ended on that date.

### Basis for Qualified Opinion

We refer to Note 58 of the accompanying standalone financial statements. Management has represented to us that the Adani group has performed an internal assessment and obtained opinion from an independent law firm in respect of evaluating relationships with parties having transactions with the Company and referred to in the short seller's report. However, pending the completion of proceedings before the Hon'ble Supreme Court and regulatory investigations, we are unable to comment on the possible consequential effects thereof, if any, on these standalone financial statements.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### Emphasis of Matter

We draw your attention to Note 40(A)(a) and Note 40(A)(b) of the accompanying standalone financial statements which describes the uncertainty related to the outcome of ongoing litigations with the Competition Commission of India. 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 for the fifteen months financial year ended March 31, 2023. 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. In addition to the matter described in the 'Basis for Qualified Opinion' section we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Litigation and Claims** (as described in Notes 1(K), 1(Y)(I) , 40(A) and 41 of the standalone financial statements) | |
| The Company has significant ongoing legal proceedings for various complex matters relating to direct tax, indirect tax, government incentive claims and other legal matters under various laws prevailing in India.<br>Due to the magnitude and complexity involved in these matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcome of the legal cases are determined. Accordingly, it has been considered as a key audit matter. | Our audit procedures included the following:<br>• Read the Company's accounting policies with respect to contingent liabilities and provisions and assessing its compliance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".<br>• Obtained understanding of the Company's process and controls to identify and monitor all litigations, including Company's process of assessment of litigations as 'probable', 'possible' and 'remote' and reporting to the board of directors / Audit Committee.<br>• Held discussions with the management including the person responsible for legal and compliance to obtain an understanding of the matters involved and development in these matters compared to previous year. For significant direct and indirect tax matters and government incentive claims, we assessed the management conclusion with the support of specialists.<br>• For other significant legal matters, assessed management conclusion basis the related documentation / correspondence and opinions from external legal experts (where applicable), as provided by the management.<br>• Obtained direct legal confirmations for significant matters from external law firms handling such matters to corroborate management conclusions.<br>• Assessed the objectivity and competence of the external legal experts / law firms as referred above.<br>• Reviewed the disclosures made by the Company in the standalone financial statements. |
| **Physical verification of bulk inventories** (as described in Notes 1(D), 1(Y)(VII) and 10 of the standalone financial statements) | |
| Bulk inventory for the Company primarily comprises of coal, petcoke and clinker which are used during the production process at the Company's plants. Company has laid down a policy for physical verification defining, amongst other things, the frequency, responsibility and tolerance limits for all category of inventories, including bulk inventories. Company also performs regular calibration checks of measuring equipment involved in determining physical quantities of bulk inventories and also engages independent third party to perform physical quantity checks.<br>Determination of physical quantities of bulk inventories is done based on volumetric measurements and involves special considerations with respect to physical measurement, density calculation, moisture, etc.<br>Considering the inherent risk involved in determining physical quantities of bulk inventories, we have considered this as a key audit matter. | Our audit procedures included the following:<br>• Obtained an understanding of the Company's process and controls with respect to physical verification of bulk inventories and evaluated the design effectiveness and operating effectiveness of these controls.<br>• On a test basis, reviewed the equipment calibration check reports.<br>• Obtained reports of physical verification performed for bulk inventories by management during the fifteen months financial year and at year end and assessed, on a test basis, that adjustments, if any, have been recorded for differences as compared to the inventory records as per the books.<br>• Assessed the frequency of physical verification performed by independent third party in line with the Company's policy and on a test basis, reviewed the reports issued.<br>• On a test basis, observed physical verification performed by the management at or near year end. |

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the 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 such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

## Responsibilities of the Management 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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 Responsibilities 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 skepticism 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 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 with reference to standalone financial statements 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 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.

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 for the fifteen months financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The standalone financial statements of the Company for the year ended December 31, 2021, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on February 9, 2022.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, 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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) Except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph and paragraph (b) above;

(h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion, the managerial remuneration for the fifteen months financial year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

(j) 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) to 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.

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and sub-clause (b) contain any material misstatement.

v. The final dividend paid by the Company during the fifteen months financial year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 52 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the fifteen months financial year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 23112773BGRIEI3943

Place of Signature: Mumbai

Date: April 27, 2023

# Annexure '1'

**referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our independent auditor's report of even date**

**Re: ACC Limited ("the Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a programme of verification of property, plant and equipments to cover all the items in a phased manner over a period of 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 property, plant and equipments were physically verified by the management during the fifteen months financial year ended March 31, 2023. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 2 and Note 4 to the standalone financial statements are held in the name of the Company as at March 31, 2023 except for as indicated below:-.

(Rs in Crore)

| Description of Property | Gross carrying value | Held in name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of Company |
|---|---|---|---|---|---|
| Freehold mining land | 131.53 | Karnataka Industrial Area Development Board | No | June 30, 2015 to date | Company is in the process of obtaining the title deeds |
| Building | 4.45 | Supertech realtors Pvt. Ltd. | No | March 1, 2021 to date | Company is in the process of obtaining the title deeds |
| Freehold land | 3.59 | Title deed not available with the Company | | | |
| Building | 16.83 | Title deed not available with the Company | | | |
| Leasehold land | 3.53 | Title deed not available with the Company | | | |

(d) The Company has not revalued its Property, Plant and Equipments (including Right of use assets) or intangible assets during the fifteen months financial year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the fifteen months financial year ended March 31, 2023. In our opinion, the coverage and the procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five Crore in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the fifteen months financial year ended March 31, 2023, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:-

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|---|---|---|---|---|
| Aggregate amount granted/ provided during the fifteen months financial year | | | | |
| - Subsidiaries | Rs. 0.20 Crore | Rs. Nil | Rs. 0.25 Crore | Rs Nil |
| - Others | Rs Nil | Rs Nil | Rs Nil | Rs. 1,547.84 Crore |
| Balance outstanding as at balance sheet date in respect of above cases | | | | |
| - Subsidiaries | Rs. 1.07 Crore | Rs. Nil | Rs. 1.13 Crore | Rs. Nil |
| - Others | Rs. Nil | Rs. Nil | Rs. Nil | Rs. 975.00 Crore |

During the fifteen months financial year ended March 31, 2023, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, limited liability partnerships or any other parties.

(b) During the fifteen months financial year ended March 31, 2023, the Company has granted advances of Rs. 1,326.00 Crore for procurement of fuel (balance outstanding as at balance sheet date Rs. 975.00 Crore) and Rs. 221.84 Crore for the procurement of property, plant and equipments (balance outstanding as at balance sheet date Rs. Nil) which are in the nature of loans, the terms and conditions of which are not prejudicial to the Company's interest. Further, during the fifteen months financial year ended March 31, 2023, the Company has provided loans and guarantees to its subsidiaries, the terms and conditions of which are not prejudicial to the Company's interest. The Company has not made investments and provided security to companies, firms, limited liability partnerships or any other parties during the fifteen months financial year ended March 31, 2023.

(c) The Company has granted loans during the fifteen months financial year ended March 31, 2023 to its subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular. Further, as stated in clause 3(iii)(b), given that advances in the nature of loans are towards procurement of fuel and property, plant and equipments, reporting on clause 3(iii)(c) for the same is not applicable.

(d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days. Further, as stated in clause 3(iii)(b), given that advances in the nature of loans are towards procurement of fuel and property, plant and equipments, reporting on clause 3(iii)(d) for the same is not applicable.

(e) There were no loans granted to companies, firms, limited liability partnerships or any other parties which had fallen due during the fifteen months financial year ended March 31, 2023, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Further, as stated in clause 3(iii)(b), given that advances in the nature of loans are towards procurement of fuel and property, plant and equipments, reporting on clause 3(iii)(e) for the same is not applicable.

(f) As disclosed in Note 14 to the standalone financial statements, during the fifteen months financial year ended March 31, 2023, the Company has granted loans which are repayable on demand. Of these, following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

| Particulars | Related Parties |
|---|---|
| Aggregate amount of loans Repayable on demand to subsidiary companies (Rs in Crore) | 1.13 |
| Percentage of loans to the total loans given | 9.6% |

Further, as stated in clause 3(iii)(b), given that advances in the nature of loans are towards procurement of fuel and property, plant and equipment, reporting on clause 3(iii)(f) for the same is not applicable. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to firms, limited liability partnerships or any other parties.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

(Rs in Crore)

| Name of Statute | Nature of Dues | Forum where dispute is pending | Period to which the amount related | Amount Unpaid |
|---|---|---|---|---|
| Income Tax Act,1961 | Income Tax and Interest | Commissioner | 2001-02 to 2004-05 | 25.96 |
| | | Assessing Officer | 2012-13 to 2020-21 | 246.11 |
| | | | 2002-03 | 0.66 |
| | | | 2019-20 | 21.12 |
| Custom Act,1962 | Custom Duty, Penalty and Interest | Appellate authorities & Tribunal | 2012-2013 | 0.47 |
| Entry Tax | Demand for constitutional validity for entry tax and other miscellaneous demand | Appellate authorities & Tribunal | 2007-2017 | 41.96 |
| | | High Court | | 120.31 |
| Mines and Mineral (Development and Regulation) Act, 1957 | Demand for the compensation for use of government land | High Court | 1997-2019 | 207.21 |
| Goods and Service Tax Act,2017 | Goods and Service Tax | Appellate authorities & Tribunal | 2014-2018 | 83.28 |
| | | High Court | 2014-2018 | 71.60 |
| Sales Tax/Value Added Tax | Sales Tax, VAT,penalty and interest | Appellate authorities & Tribunal | 1984-2018 | 216.29 |
| | | Commissioner | 1990-2018 | 21.76 |
| | | High Court | 1984-2018 | 131.15 |
| The Central Excise Act,1944 | Excise Duty, Penalty and Interest | Appellate authorities & Tribunal | 1994-2018 | 131.45 |
| | | Commissioner | 2001-2018 | 1.58 |
| | | High Court | 2001-2013 | 56.84 |
| Others | Tax, interest and penalty | Various | Various | 38.75 |

Refer Note 40(A)(a) and Note 40(A)(b) for demand under the Competition Act, 2002

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the fifteen months financial year ended March 31, 2023. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the fifteen months financial year ended March 31, 2023 hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the fifteen months financial year ended March 31, 2023 on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the fifteen months financial year ended March 31, 2023 by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the fifteen months financial year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the fifteen months financial year ended March 31, 2023. We are unable to comment on the possible consequential effects, if any, arising out of the pending Hon'ble Supreme Court proceedings and regulatory investigations as stated in the 'Basis for Qualified Opinion' paragraph of our audit report.

(b) During the fifteen months financial year ended March 31, 2023, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the fifteen months financial year ended March 31, 2023 while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards, except for the possible effects, if any, of the matter referred to in the 'Basis for Qualified Opinion' paragraph of our audit report.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current fifteen months financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the fifteen months financial year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 60 to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. Refer Note 35(3) to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013. Refer Note 35(3) to the standalone financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 23112773BGRIEI3943

Place of Signature: Mumbai

Date: April 27, 2023

# Annexure '2'

**To the independent auditor's report of even date on the standalone financial statements of ACC Limited**

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

We have audited the internal financial controls with reference to standalone financial statements of ACC Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone financial statements of the Company for the fifteen months financial 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 standalone 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 qualified audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements 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 standalone 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

According to the information and explanations given to us and based on our audit, as stated in the 'Basis for Qualified Opinion' paragraph of our audit report, considering the ongoing proceedings before the Hon'ble Supreme Court and regulatory investigations and the consequential impact, if any, it may have on Company's processes and internal controls including procurements, related party transactions and compliance with laws and regulations, to that extent we are unable to comment on whether there exists any material weakness in the Company's internal controls as at March 31, 2023.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the matter described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023, 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 issued by the ICAI.

### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the standalone financial statements of ACC Limited, which comprise the Balance Sheet as at March 31, 2023, and the related Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the fifteen months financial year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. The matter described above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of ACC Limited and this report affect our report dated April 27, 2023, which expressed modified opinion on those financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 23112773BGRIEI3943

Place of Signature: Mumbai

Date: April 27, 2023

# Balance Sheet

Rs. in Crore

| Particulars | Note No. | As at March 31, 2023 (Refer Note 56) | As at December 31, 2021 |
|---|---|---|---|
| **A. ASSETS** | | | |
| **1) Non-current assets** | | | |
| a) Property, plant and equipments | 2 | 7,080.59 | 6,518.42 |
| b) Capital work-in-progress | 2 | 1,683.05 | 1,212.10 |
| c) Other Intangible assets | 3 | 144.08 | 49.77 |
| d) Right of use assets | 4 | 261.62 | 154.61 |
| e) Investments in subsidiaries, associates and joint ventures | 5 | 174.33 | 174.33 |
| f) Financial assets | | | |
| (i) Investments | 6 | 18.40 | 18.40 |
| (ii) Loans | 7 | 4.87 | 6.08 |
| (iii) Other financial assets | 8 | 1,229.72 | 914.45 |
| g) Non-Current Tax Assets (Net) | | 1,003.94 | 1,002.11 |
| h) Other non-current assets | 9 | 681.25 | 623.60 |
| **Total Non-current assets** | | **12,281.85** | **10,673.87** |
| **2) Current assets** | | | |
| a) Inventories | 10 | 1,623.50 | 1,273.31 |
| b) Financial assets | | | |
| (i) Trade receivables | 11 | 874.74 | 462.42 |
| (ii) Cash and cash equivalents | 12 | 128.85 | 7,247.24 |
| (iii) Bank balances other than cash and cash equivalents | 13 | 157.90 | 155.63 |
| (iv) Loans | 14 | 6.89 | 7.46 |
| (v) Other financial assets | 15 | 3,069.31 | 286.81 |
| c) Other current assets | 16 | 2,263.34 | 809.94 |
| | | **8,124.53** | **10,242.81** |
| d) Non-current assets classified as held for sale | 17 | 2.13 | 2.33 |
| **Total Current assets** | | **8,126.66** | **10,245.14** |
| **TOTAL - ASSETS** | | **20,408.51** | **20,919.01** |
| **B. EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| a) Equity share capital | 18 | 187.99 | 187.99 |
| b) Other equity | 19 | 13,855.01 | 14,040.44 |
| **Total Equity** | | **14,043.00** | **14,228.43** |
| **Liabilities** | | | |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| Lease liabilities | | 125.68 | 101.37 |
| b) Provisions | 20 | 176.26 | 214.30 |
| c) Deferred tax liabilities (Net) | 21 | 433.14 | 382.74 |
| **Total Non-current liabilities** | | **735.08** | **698.41** |
| **Current Liabilities** | | | |
| a) Financial liabilities | | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 22,44 | 20.14 | 25.33 |
| Total outstanding dues of trade payable other than micro and small enterprises | 22 | 1,472.02 | 1,873.88 |
| (ii) Lease liabilities | | 27.36 | 24.21 |
| (iii) Other financial liabilities | 23 | 1,189.53 | 1,127.20 |
| b) Other current liabilities | 24 | 2,373.66 | 2,259.57 |
| c) Provisions | 25 | 10.08 | 15.70 |
| d) Current Tax Liabilities (Net) | | 537.64 | 666.28 |
| **Total current liabilities** | | **5,630.43** | **5,992.17** |
| **Total Liabilities** | | **6,365.51** | **6,690.58** |
| **TOTAL - EQUITY AND LIABILITIES** | | **20,408.51** | **20,919.01** |
| Significant accounting policies | 1 | | |
| See accompanying notes to the financial statements | | | |

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# Statement of Profit and Loss

Rs. in Crore

| | Particulars | Note No. | For the fifteen months ended March 31, 2023 (Refer Note 56) | | For the Year ended December 31, 2021 |
|---|---|---|---|---|---|
| | **INCOME** | | | | |
| 1 | Revenue from operations | 26 | 22,209.97 | | 16,151.35 |
| 2 | Other income | 27 | 337.18 | | 204.76 |
| 3 | **Total Income (1+2)** | | | **22,547.15** | **16,356.11** |
| 4 | **EXPENSES** | | | | |
| | a) Cost of materials consumed | 28 | 3,347.19 | | 2,120.28 |
| | b) Purchase of stock-in-trade | 29 | 2,300.95 | | 921.19 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 30 | (193.19) | | (174.25) |
| | d) Employee benefits expense | 31 | 1,036.20 | | 834.02 |
| | e) Power and fuel | | 5,738.27 | | 3,360.80 |
| | f) Freight and forwarding expense | 32 | 5,168.26 | | 3,844.71 |
| | g) Finance costs | 33 | 77.18 | | 54.63 |
| | h) Depreciation and amortisation expense | 34 | 835.09 | | 597.28 |
| | i) Other expenses | 35 | 2,912.17 | | 2,268.65 |
| | | | 21,222.12 | | 13,827.31 |
| | Captive consumption of cement | | (18.87) | | (24.45) |
| | **Total Expenses** | | | **21,203.25** | **13,802.86** |
| 5 | **Profit before exceptional items and tax (3-4)** | | | 1,343.90 | 2,553.25 |
| 6 | Exceptional items (Refer Note - 55 and 45(i)) | | | 161.77 | 92.86 |
| 7 | **Profit before tax (5-6)** | | | **1,182.13** | **2,460.39** |
| 8 | **Tax expense** | 21 | | | |
| | a) Current tax | | 272.27 | | 635.41 |
| | b) Deferred tax charge / (credit) | | 39.95 | | 4.71 |
| | | | | 312.22 | 640.12 |
| 9 | **Profit after tax (7-8)** | | | **869.91** | **1,820.27** |
| 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 | 41.50 | | 7.27 |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | 21 | (10.45) | | (1.83) |
| | **Other comprehensive income for the year, net of tax** | | | 31.05 | 5.44 |
| 11 | **Total comprehensive income for the year (9+10)** | | | **900.96** | **1,825.71** |
| 12 | **Earnings per equity share of Rs. 10 each:** | 36 | | | |
| | Basic Rs. | | | 46.32 | 96.93 |
| | Diluted Rs. | | | 46.20 | 96.67 |
| | Significant accounting policies | 1 | | | |
| | See accompanying notes to the financial statements | | | | |

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# Statement of changes in Equity

## A. EQUITY SHARE CAPITAL

| | Note No. | Rs. in Crore |
|---|---|---|
| As at January 01, 2021 | 18 | 187.99 |
| Changes during the year | | - |
| As at December 31, 2021 | 18 | 187.99 |
| Changes during the year | | - |
| **As at March 31, 2023** | **18** | **187.99** |

## B. OTHER EQUITY

### For the year ended March 31, 2023

Rs. in 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, 2022** | 67.81 | 845.03 | 2,723.30 | 7.47 | 10,396.83 | 14,040.44 |
| Profit for the year | - | - | - | - | 869.91 | 869.91 |
| Other Comprehensive Income for the year, net of tax | - | - | - | - | 31.05 | 31.05 |
| **Total comprehensive income for the year** | - | - | - | - | 900.96 | 900.96 |
| Employee share based payments (Refer Note - 53) | - | - | - | 2.78 | - | 2.78 |
| Dividend paid (Refer Note - 52) | - | - | - | - | (1,089.17) | (1,089.17) |
| **As at March 31, 2023** | 67.81 | 845.03 | 2,723.30 | 10.25 | 10,208.62 | 13,855.01 |

### For the year ended December 31, 2021

Rs. in 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 |
| Dividend paid (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 |

See accompanying notes to the financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# Statement of Cash Flow

Rs. in Crore

| Particulars | For the fifteen months ended March 31, 2023 (Refer Note - 56) | For the year ended December 31, 2021 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | 1,182.13 | 2,460.39 |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Depreciation and amortisation expense | 835.09 | 597.28 |
| Impairment of investment in subsidiary Company | - | 38.10 |
| Provision for restructuring cost | 66.42 | 47.42 |
| (Profit) / Loss on sale / write off of property, plant and equipments and other Intangible assets (net) | (95.20) | (1.68) |
| Gain on termination of leases | (0.97) | (0.61) |
| Gain on sale of current financial assets measured at FVTPL | (14.83) | (8.41) |
| Dividend income | (2.30) | (1.56) |
| Interest income | (223.83) | (192.27) |
| Finance costs | 77.18 | 54.63 |
| Impairment losses / (reversal) on trade receivables (net) | 14.84 | (10.87) |
| Provision for slow and non moving Stores & Spares (net) | 0.93 | 6.85 |
| Provision no longer required written back | (12.32) | (7.33) |
| Net gain on fair valuation of current financial assets measured at FVTPL | (0.06) | (0.23) |
| Employee share based payments | 2.78 | 4.18 |
| Unrealised exchange loss (net) | 3.82 | 0.90 |
| Operating profit before working capital changes | 1,833.68 | 2,986.79 |
| Changes in Working Capital: | | |
| Adjustments for Decrease / (Increase) in operating assets: | | |
| (Increase) / Decrease in Inventories | (283.19) | (379.69) |
| (Increase) / Decrease in trade receivable | (427.16) | (26.78) |
| (Increase) / Decrease in other assets | (1,739.93) | (190.75) |
| Adjustments for Increase / (Decrease) in operating liabilities: | | |
| Increase / (Decrease) in Trade payables | (398.55) | 489.34 |
| Increase / (Decrease) in provisions | (16.88) | (2.68) |
| Increase / (Decrease) in other liabilities | 196.00 | 240.28 |
| Cash generated from operations | (836.03) | 3,116.51 |
| Direct taxes paid including interest on income tax - (Net of refunds) | (402.74) | (284.89) |
| **Net cash flow (used in) / from operating activities** | **(1,238.77)** | **2,831.62** |
| **B. Cash flow from investing activities** | | |
| Loans to subsidiary companies | (0.06) | (0.04) |
| Intercorporate deposit taken | 200.00 | - |
| Intercorporate deposit repaid | (200.00) | - |
| Purchase of property, plant and equipment and other intangible assets (Including capital work-in-progress and capital advances) | (2,102.52) | (1,172.89) |
| Proceeds from sale of property, plant and equipment and other intangible assets | 123.75 | 22.02 |
| Investment in equity shares | - | (10.20) |
| Net proceeds from sale of mutual funds | 14.83 | 8.41 |
| (Investment) / redemption in bank and margin money deposits (having original maturity for more than 3 months) | (2,890.78) | (12.50) |
| Dividend received from associate / joint venture | 2.30 | 1.56 |
| Interest received | 210.50 | 174.63 |
| **Net cash used in investing activities** | **(4,641.98)** | **(989.01)** |
| **C. Cash flow from financing activities** | | |
| Interest paid | (59.63) | (31.63) |
| Payment of lease liabilities (including interest) | (88.90) | (35.99) |
| Dividend paid | (1,089.17) | (262.90) |
| **Net cash used in financing activities** | **(1,237.70)** | **(330.52)** |
| **Net increase / (decrease) in cash and cash equivalents** | **(7,118.45)** | **1,512.09** |
| Add: Cash and cash equivalents at the beginning of the year | 7,247.24 | 5,734.92 |
| Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL | 0.06 | 0.23 |
| **Cash and cash equivalents at the end of the year** | **128.85** | **7,247.24** |
| See accompanying notes to the financial statements | | |

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# Notes to the Financial Statements

for the year ended March 31, 2023

## CORPORATE INFORMATION

ACC Limited ('the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020, India. The Company's principal activity is to manufacture and market cement and cement related products.

## STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

### A. Statement of compliance

The 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 the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

### B. Basis of preparation

The financial statements have been prepared on going concern basis using historical cost, except for certain items for which accounting policies has been mentioned in Note 3 below.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Financial statements are presented in Rs. which is the functional currency, and all values are rounded to the nearest Crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on April 27, 2023.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. Property, plant and equipments

#### I. Measurement and Recognition

a. Property, plant and equipments are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less accumulated impairment losses.

Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. When significant parts of plant and equipments are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipments as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for provisions are met.

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

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

#### II. Depreciation on property, plant, and equipments

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

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

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

d. Depreciation on an item of property, plant and equipments sold, discarded, demolished or scrapped,

# Notes to the Financial Statements
for the year ended March 31, 2023

is provided upto the date on which the said asset 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 on each reporting date 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.

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

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

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

j. Estimated useful lives of the assets are as follows:

| Assets | Useful lives |
|---|---|
| Land (freehold) | No depreciation except on land with mineral reserves.<br>Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves |
| Leasehold mining land | Amortised over the period of lease on a straight line basis |
| Buildings, roads and water works | 3 – 60 years |
| Plant and equipments | 8 – 30 years |
| Railway sidings and locomotives | 8 – 15 years |
| Furniture, office equipments and tools | 3 – 10 years |
| Vehicles | 6 – 8 years |

a. The useful life as estimated above is as per the prescribed useful life specified under Schedule II to the Companies Act, 2013 except for the following case:

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

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

### IIII. Derecognition of property plant and equipments

An item of Property, Plant and Equipments 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

## B. Intangible assets

### I. Recognition and Measurement

a. Intangible assets acquired separately 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. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

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

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

# Notes to the Financial Statements

for the year ended March 31, 2023

e. 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:

a. it is probable that the future economic benefit associated with the stripping activity will be realised.

b. the component of the limestone body for which access has been improved can be identified; and

c. the costs relating to the stripping activity associated with the improved access can be reliably measured.

### II. 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 intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### III. Contract based Intangibles

The Company recognises contract-based intangible asset when the economic benefit under the contract starts flowing to the entity and control over the intangible asset is established. Till the time such economic benefits start flowing to entity, it is disclosed under Other Non-current assets as "Payment under Long term supply arrangement". The Company reclassifies such balance to intangible assets once the economic benefit start accruing to the Company.

Contract based intangibles are initially recognised initially at cost. Subsequent to initial recognition, contract-based intangibles are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful life of the contract-based intangibles for purpose of its amortisation is considered to be shorter of the period of contractual rights or period over which entity expects to obtain economic benefits from the asset. Further, at every reporting date, the contract-based intangibles are also tested for impairment in case of an indication that the contract-based intangibles might be impaired.

### IV. Amortisation of intangible assets

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

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

## c) Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of or Group of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. A previously recognised impairment loss, if any, is reversed when there is an indication of reversal, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

## D. Inventories

Inventories are valued at the lower of cost and net realisable value, as follows:

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

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

# Notes to the Financial Statements

for the year ended March 31, 2023

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

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

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

## E. Business combination

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

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

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

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

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

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

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

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

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

### Business combination of entities under common control

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

# Notes to the Financial Statements

for the year ended March 31, 2023

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

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

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

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

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

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

## F. Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any.

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

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

## G. Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are measured at cost less impairment as per Ind AS 27 - 'Separate Financial Statements'.

## H. Fair value measurement

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

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

All assets and liabilities for which fair value is measured as disclosed in the financial statements are categorised within the fair value hierarchy described in Note 49.E.     Financial instruments

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

## I. Financial assets

### a. Initial recognition and measurement of financial assets

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. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

b. **Subsequent measurement of financial assets**

For purposes 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:

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

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

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

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

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

iii. **Debt instruments at fair value through the statement of profit and 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.

Debt instruments that meet 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 at FVTPL.

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

**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.

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

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

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

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

c. **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.

**d. Derecognition of financial assets**

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

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

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered 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 the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

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

**e. Impairment of financial assets**

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables resulting from transactions within the scope of Ind-AS 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 initial recognition.

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

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

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

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

## II. Financial liabilities and equity instruments

**Classification as debt or equity**

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

### a. Equity instruments

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

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

### b. Financial liabilities

i. 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 as appropriate.

ii. Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

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

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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

iv. Derecognition of financial liabilities

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

vi. 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.

### III. Offsetting of financial instruments

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

## J. 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.

## K. Provisions and contingencies

### I. Provisions

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

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

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

#### Mines reclamation

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

The restoration provision before exploitation of the raw materials has commenced is included in Property, Plant and Equipments 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.

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.

### II. Contingent liability

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

## L. Foreign exchange gains and losses

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

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

## M. Revenue recognition

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

### I. Sale of goods

Revenue from the sale of the goods is recognised when delivery has taken place and control of the goods has been transferred to the customer according to the specific delivery term that have been agreed with the customer and when there are no longer any unfulfilled obligations. Revenue is measured after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. 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 with customers.

**Contract balances**

Trade Receivables and Contract Assets

A trade receivable is recognised when the products are delivered to a customer and consideration becomes unconditional.

Contract assets are recognised when the company has a right to receive consideration that is conditional other than the passage of time.

**Contract Liabilities**

Contract liabilities is a Company's obligation to transfer goods or services to a customer which the entity has already received consideration. Contract liabilities are recognised as revenue when the company performs under the contract.

### II. Rendering of services

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

### III. Interest income

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

### IV. Dividends

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

## N. Retirement and other employee benefits

### I. Defined contribution plan

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

### II. Defined benefit plan

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

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

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

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

b. The date that the Company recognises related restructuring costs

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

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

b. Net interest expense or income

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

### III. Short term employee benefits

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

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

### IV. Other long-term employee benefits

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

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

### V. Employee share-based payments

The erstwhile Ultimate holding Company (Holcim Group) 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 Capital Contribution from Parent is transferred to other equity.

### VI. 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:

a. when the Company can no longer withdraw the offer of those benefits; b. when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

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

### VII. Presentation and disclosure

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

# Notes to the Financial Statements

for the year ended March 31, 2023

### O. Non-current assets held for sale

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

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

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

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

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

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

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

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

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

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

### P. Borrowing Costs

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

### Q. Taxation

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

#### I. Current income tax

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

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

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

#### II. Deferred tax

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

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

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

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

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

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

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

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

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

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

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

The Company applies significant judgment 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.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

## R. 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.

### i. Company as a lessee:

**Right-of-use assets**

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

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

| Right of use assets | Terms (in years) |
|---|---|
| Buildings | 8 |
| Land | 8-99 |
| | |
| Furniture and vehicles | 5 |
| Plant and Equipments | 6 |

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**

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 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. For lease arrangement in respect of ships, the non-lease components are not separated from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liabilities, 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:

i. 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.

ii. 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.

ROU asset and lease liabilities have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**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 (range different 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.

### ii. 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.

# Notes to the Financial Statements

for the year ended March 31, 2023

## S. Segment reporting

### a. 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.

### b. 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 Management Committee (ManCom) which has been identified as being the CODM. The ManCom 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.

### c. 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.

### d. 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.

### e. 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'.

## T. Cash and cash equivalents

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

## U. Government grants and subsidies

Government grants are recognised when there is a reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Where the grants relate to an item of expense, they are recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

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

## V. Earnings per share

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

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

## W. 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

# Notes to the Financial Statements

for the year ended March 31, 2023

Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of financial statements".

**I. 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.

**II. 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.

**III. Others**

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

b. 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.

## X. Exceptional items

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

## Y. Use of estimates and judgments

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

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

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

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are summarised below:

**I. Classification of legal matters and tax litigations (Refer Note 40)**

The litigations and claims to which the Company is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Determination of the outcome of these matters into "Probable, Possible and Remote" require judgement and estimation on case to case basis.

**II. Defined benefit obligations (Refer Note 37)**

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

**III. Useful life of property, plant and equipments (Refer Note 2)**

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

### IV. Impairment of Property, plant and equipments (Refer Note 2)

Determining whether the property, plant and equipments are impaired requires an estimate of the value of use. 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. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of property, plant and equipments.

### V. Incentives under the State Industrial Policy (Refer Note 26)

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.

### VI. Discounts / rebate to customers (Refer Note 8 and 15)

The Company provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates, and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer to the Company, which may be some time after the date of sale. Accordingly, the Company estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking, business forecast and the current economic conditions. To estimate the amount of incentives, the Company uses the most likely method. Such estimates are subject to the estimation uncertainty.

### VII. Physical verification of Inventory (Refer Note 10)

Bulk inventory for the Company primarily comprises of coal, petcoke and clinker which are primarily used during the production process at the manufacturing locations. Determination of physical quantities of bulk inventories is done based on volumetric measurements and involves special considerations with respect to physical measurement, density calculation, moisture, etc. which involve estimates / judgments.

## AA. Standards Issued and Effective

MCA issued notification 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. The Company has implemented the same in the financial statement.

The Company applied for the first-time certain amendments (including Companies (Indian Accounting Standard) Amendment Rules 2022 and Companies (Indian Accounting Standards) Amendment Rules, 2021) to the Ind AS which are effective for annual periods beginning on or after 1 April 2021. These amendments had no material impact on the financial statements of the Company.

## AB. Amendments not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### (i) Ind AS 1 – Disclosure of material accounting policies:

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific". This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

### (ii) Ind AS 8 – Definition of accounting estimates:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

### (iii) Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognise a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

a) right-of-use assets and lease liabilities

b) decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

Therefore, if a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognise on gross basis based on the carrying amount of right-of-use assets and lease liabilities

### (iv) Ind AS 103 – Common control Business Combination

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

The amendments are extensive and the Company is in the process of evaluating the impact of the above amendments on the financial statements.

## NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Rs. in Crore

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Accumulated Impairment (Refer Note-3) | | Net Carrying Value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at January 01, 2022 | Additions | Disposals / Adjustments | As at March 31, 2023 | As at January 01, 2022 | Depreciation charge for the year | Disposals / Adjustments | As at March 31, 2023 | As at January 01, 2022 | As at March 31, 2023 | As at March 31, 2023 | As at December 31, 2021 |
| **Tangible Assets :** | | | | | | | | | | | | |
| Freehold non-mining land | 139.27 | 37.67 | 27.48 | 149.46 | - | - | - | - | - | - | 149.46 | 139.27 |
| Freehold mining land | 351.83 | 14.96 | - | 366.79 | 1.49 | 7.00 | - | 8.49 | - | - | 358.30 | 350.34 |
| Buildings | 1,870.83 | 135.95 | 0.92 | 2,005.86 | 440.81 | 106.99 | 0.65 | 547.15 | 33.38 | 33.38 | 1,425.33 | 1,396.64 |
| Plant and equipment | 7,312.79 | 1,156.56 | 32.60 | 8,436.75 | 2,783.47 | 620.70 | 22.45 | 3,381.72 | 127.27 | 127.27 | 4,927.76 | 4,402.05 |
| Railway sidings | 281.17 | 16.56 | - | 297.73 | 118.52 | 27.51 | - | 146.03 | 1.43 | 1.43 | 150.27 | 161.22 |
| Furniture and fixtures | 34.28 | 11.58 | 0.24 | 45.62 | 20.96 | 4.47 | 0.19 | 25.24 | 0.30 | 0.30 | 20.08 | 13.02 |
| Vehicles | 100.02 | 9.68 | 1.26 | 108.44 | 57.57 | 12.38 | 1.10 | 68.85 | 10.14 | 10.14 | 29.45 | 32.31 |
| Office equipment | 84.45 | 9.81 | 1.18 | 93.08 | 60.35 | 13.42 | 1.16 | 72.61 | 0.53 | 0.53 | 19.94 | 23.57 |
| **Total** | **10,174.64** | **1,392.77** | **63.68** | **11,503.73** | **3,483.17** | **792.47** | **25.55** | **4,250.09** | **173.05** | **173.05** | **7,080.59** | **6,518.42** |

Rs. in Crore

| Particulars | Gross Carrying Value | | | | Accumulated Depreciation | | | | Accumulated Impairment (Refer Note-3) | | | 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 | Transferred from Capital work in progress | As at December 31, 2021 | As at December 31, 2021 |
| **Tangible Assets :** | | | | | | | | | | | | |
| Freehold non-mining land | 138.24 | 1.03 | - | 139.27 | - | - | - | - | - | - | - | 139.27 |
| Freehold mining land | 343.92 | 7.91 | - | 351.83 | 1.26 | 0.23 | - | 1.49 | - | - | - | 350.34 |
| 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 |
| 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 |
| Railway sidings | 272.62 | 8.55 | - | 281.17 | 96.87 | 21.65 | - | 118.52 | 1.43 | - | 1.43 | 161.22 |
| 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 |
| Vehicles | 94.88 | 6.23 | 1.09 | 100.02 | 47.85 | 10.59 | 0.87 | 57.57 | 10.14 | - | 10.14 | 32.31 |
| Office equipment | 70.40 | 17.78 | 3.73 | 84.45 | 52.61 | 11.41 | 3.67 | 60.35 | 0.53 | - | 0.53 | 23.57 |
| **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** |

Notes:-
1 Buildings include cost of shares Rs. 10,550 *(Previous Year - Rs. 12,050)* in various Co-operative Housing Societies residential flats.
2 Title deeds not in the name of the Company

| Assets category | Title deeds in name of | Reason for not being transferred in the name of Company | Property held since | Gross carrying value as on March 31, 2023 | Gross carrying value as on December 31, 2021 |
|---|---|---|---|---|---|
| Freehold mining land | Karnataka Industrial Area Development Board | Company is in the process of obtaining the title deeds | June 30, 2015 | 131.53 | 131.53 |
| Building | Supertech realtors Pvt Ltd | Company is in the process of obtaining the title deeds | March 01, 2021 | 4.45 | 4.45 |
| Freehold land | | Title deed not available with the Company | | 3.59 | 1.37 |
| Building | | Title deed not available with the Company | | 16.83 | 16.45 |

# Notes to the Financial Statements

for the year ended March 31, 2023

3 In an earlier year, considering lower profitability due to higher input cost, the Company had recognised impairment loss (including capital work in progress) for its cement manufacturing facility at Madukkarai. There is no change on re -assessment in the current year.

4 Capital work in progress as at March 31, 2023 is Rs. 1,683.05 Crore *(Previous year - Rs. 1,212.10 Crore)* comprises of various projects and expansions spread over all units.

a) Movement in Capital work in progress

| | Amount Rs. in Crore |
|---|---|
| **Opening balance as on January 01, 2021** | **516.65** |
| Add - Additions during the year | 1,347.25 |
| Less - Capitalised during the year | (651.80) |
| **Closing balance as on December 31, 2021** | **1,212.10** |
| Add - Additions during the year | 1,914.89 |
| Less - Capitalised during the year | (1,443.94) |
| **Closing balance as on March 31, 2023** | **1,683.05** |

b) Ageing of capital Work-in-progress

Rs. in Crore

| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | |
| Projects in progress | 858.04 | 730.44 | 40.27 | 51.69 | 1,680.44 |
| Projects temporarily suspended | 0.35 | - | 0.15 | 2.11 | 2.61 |
| **Total** | **858.39** | **730.44** | **40.42** | **53.80** | **1,683.05** |
| **As at December 31, 2021** | | | | | |
| Projects in progress | 1,000.90 | 94.11 | 77.78 | 37.05 | 1,209.84 |
| Projects temporarily suspended | - | 0.15 | - | 2.11 | 2.26 |
| **Total** | **1,000.90** | **94.26** | **77.78** | **39.16** | **1,212.10** |

c) Expected completion schedule of Capital work-in-progress where cost or time overrun has exceeded original plan

| | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **As at March 31, 2023** | | | | |
| Projects in progress | | | | |
| Greenfield project at Ametha | 1,297.64 | - | - | - |
| **As at December 31, 2021** | | | | |
| Projects in progress | - | - | - | - |

5 Depreciation charge for the year include Rs. 0.55 Crore *(Previous year - Rs. 0.07 Crore)* capitalised as pre-operative expenses (Refer Note - 48).

6 For contractual commitment with respect to Property, plant and equipments, Refer Note - 39.

7 On transition to Ind AS , the Company has elected to continue with the carrying value of all Property, plant and equipments measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipments.

## NOTE 3: OTHER INTANGIBLE ASSETS

Rs. in Crore

| Particulars | Gross carrying value: As at January 01, 2022 | Gross carrying value: Additions | Gross carrying value: Disposals | Gross carrying value: As at March 31, 2023 | Accumulated amortisation: As at January 01, 2022 | Accumulated amortisation: Amortisation charge for the year | Accumulated amortisation: Disposals | Accumulated amortisation: As at March 31, 2023 | Net carrying value: As at March 31, 2023 | Net carrying value: As at December 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Intangible Assets :** | | | | | | | | | | |
| Computer software | 6.32 | 2.69 | - | 9.01 | 4.01 | 2.70 | - | 6.71 | 2.30 | 2.31 |
| Sponsorship rights (Refer Note - 42) | - | 50.28 | - | 50.28 | - | - | - | - | 50.28 | - |
| Mining rights | 67.26 | 48.48 | - | 115.74 | 19.80 | 4.44 | - | 24.24 | 91.50 | 47.46 |
| **Total** | **73.58** | **101.45** | **-** | **175.03** | **23.81** | **7.14** | **-** | **30.95** | **144.08** | **49.77** |

Rs. in Crore

| Particulars | Gross carrying value: As at January 01, 2021 | Gross carrying value: Additions | Gross carrying value: Disposals | Gross carrying value: As at December 31, 2021 | Accumulated amortisation: As at January 01, 2021 | Accumulated amortisation: Depreciation charge for the year | Accumulated amortisation: Disposals | Accumulated amortisation: As at December 31, 2021 | Net carrying value: As at December 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|
| **Intangible Assets :** | | | | | | | | | |
| Computer software | 3.76 | 2.59 | 0.03 | 6.32 | 2.73 | 1.31 | 0.03 | 4.01 | 2.31 |
| Mining rights | 60.65 | 6.61 | - | 67.26 | 15.88 | 3.92 | - | 19.80 | 47.46 |
| **Total** | **64.41** | **9.20** | **0.03** | **73.58** | **18.61** | **5.23** | **0.03** | **23.81** | **49.77** |

## NOTE 4. RIGHT OF USE ASSETS

Rs. in Crore

| Particulars | Gross carrying value: As at January 01, 2022 | Gross carrying value: Additions | Gross carrying value: Disposals | Gross carrying value: As at March 31, 2023 | Accumulated depreciation: As at January 01, 2022 | Accumulated depreciation: Depreciation charge for the year | Accumulated depreciation: Disposals | Accumulated depreciation: As at March 31, 2023 | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Leasehold land | 139.85 | 123.28 | 1.02 | 262.11 | 25.12 | 18.02 | 0.98 | 42.16 | 219.95 | 114.73 |
| Buildings | 3.89 | - | 0.13 | 3.76 | 1.10 | 0.62 | 0.13 | 1.59 | 2.17 | 2.79 |
| Plant and equipment | 55.68 | 25.01 | 8.46 | 72.23 | 18.71 | 17.27 | 3.25 | 32.73 | 39.50 | 36.97 |
| Vehicles | 0.44 | - | 0.22 | 0.22 | 0.32 | 0.12 | 0.22 | 0.22 | - | 0.12 |
| **Total** | **199.86** | **148.29** | **9.83** | **338.32** | **45.25** | **36.03** | **4.58** | **76.70** | **261.62** | **154.61** |

Rs. in Crore

| Particulars | Gross carrying value: As at January 01, 2021 | Gross carrying value: Additions | Gross carrying value: Disposals | Gross carrying value: As at December 31, 2021 | Accumulated depreciation: As at January 01, 2021 | Accumulated depreciation: Depreciation charge for the year | Accumulated depreciation: Disposals | Accumulated depreciation: As at December 31, 2021 | As at December 31, 2021 |
|---|---|---|---|---|---|---|---|---|---|
| Leasehold land | 111.02 | 31.01 | 2.18 | 139.85 | 13.96 | 13.34 | 2.18 | 25.12 | 114.73 |
| Buildings | 4.95 | - | 1.06 | 3.89 | 1.46 | 0.70 | 1.06 | 1.10 | 2.79 |
| Plant and equipment | 39.35 | 20.36 | 4.03 | 55.68 | 10.29 | 11.41 | 2.99 | 18.71 | 36.97 |
| Vehicles | 0.44 | - | - | 0.44 | 0.16 | 0.16 | - | 0.32 | 0.12 |
| **Total** | **155.76** | **51.37** | **7.27** | **199.86** | **25.87** | **25.61** | **6.23** | **45.25** | **154.61** |

Lease deeds not in the name of the Company

# Notes to the Financial Statements
for the year ended March 31, 2023

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

| | As at March 31, 2023 | | | As at December 31, 2021 | |
|---|---|---|---|---|---|
| | Numbers | Rs. in Crore | | Numbers | Rs. in Crore |
| **Investment in Unquoted equity instruments** | | | | | |
| **Investment in subsidiaries** | | | | | |
| **Face value Rs. 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 Rs. 100 each fully paid** | | | | | |
| Lucky Minmat Limited (100% shareholding) | 3,25,000 | 38.10 | | 3,25,000 | 38.10 |
| Less: Impairment {Refer Note - 45 (i)} | | 38.10 | | | 38.10 |
| | | - | | | - |
| ACC Mineral Resources Limited (100% shareholding) | 1,21,95,000 | 106.80 | | 1,21,95,000 | 106.80 |
| Less: Accumulated impairment {Refer Note - 45 (ii)} | | 42.81 | | | 42.81 |
| | | 63.99 | | | 63.99 |
| **Investment in Associates** | | | | | |
| **Face value Rs. 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 Rs. 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) | 25,01,000 | 2.50 | | 25,01,000 | 2.50 |
| **TOTAL** | | | **174.33** | | **174.33** |

| | | | | |
|---|---|---|---|---|
| Notes | (I) | Aggregate carrying value of unquoted Investments | 174.33 | 174.33 |
| | (II) | Aggregate carrying value of impairment in value of investments in unquoted equity shares | 80.91 | 80.91 |
| | (III) | Each of the above Companies is incorporated in India and principal activities are cement and cement related products and services. | | |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 6: NON-CURRENT – INVESTMENTS

| | As at March 31, 2023 | | | As at December 31, 2021 | |
|---|---|---|---|---|---|
| | Numbers | Rs. in Crore | | Numbers | Rs. in Crore |
| **Investment at fair value through profit or loss (FVTPL)** | | | | | |
| **Investment in equity instruments (fully paid)** | | | | | |
| **Unquoted** | | | | | |
| **Face value Rs. 10 each fully paid** | | | | | |
| Solbridge Energy Private Limited (Refer Note - II below) | 80,23,803 | 10.20 | | 80,23,803 | 10.20 |
| Amplus Green Power Private Limited | 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 | - |
| The Travancore Cement Company Limited* | 100 | - | | 100 | - |
| Ashoka Cement Limited* | 50 | - | | 50 | - |
| **Face value Rs. 5 each fully paid** | | | | | |
| The Sone Valley Portland Cement Company Limited* | 100 | - | | 100 | - |
| | | | 14.70 | | 14.70 |
| **Investment at amortised cost** | | | | | |
| **Investment in Unquoted bonds** | | | | | |
| **Face value Rs. 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** | | **18.40** |

**Notes:**

| | | | |
|---|---|---|---|
| (I) | Aggregate carrying value of unquoted investments | 18.40 | 18.40 |

(II) During the previous 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) *Each of such investments is carried at value less than ₹50,000.

## NOTE 7: NON CURRENT - LOANS

Considered good - unsecured

₹ in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Loans to employees | 4.87 | 6.08 |
| **Total** | **4.87** | **6.08** |

# Notes to the Financial Statements
for the year ended March 31, 2023

## NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Government Grant Receivable (Net) {Refer Note - 50(i)} | 846.57 | 717.09 |
| Security deposits | 166.30 | 149.92 |
| Bank deposits with remaining maturity of more than 12 months* | 200.17 | 31.60 |
| Margin money deposit with remaining maturity of more than 12 months** | 16.68 | 15.84 |
| **Total** | **1,229.72** | **914.45** |

*Placed as security with government authorities of Rs. 32.29 Crore *(Previous year - Rs. 31.44 Crore)*.

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

## NOTE 9: OTHER NON-CURRENT ASSETS

Unsecured, considered good, unless otherwise stated

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Capital advances (Refer Note 59) | 379.24 | 317.41 |
| **Advance other than capital advances** | | |
| Claim receivables from Government and others | | |
| Unsecured, considered good | 27.42 | 30.07 |
| Considered doubtful | 4.21 | 4.21 |
| Less: Allowance for doubtful receivables | (4.21) | (4.21) |
| | **27.42** | **30.07** |
| Deposits with Government bodies and others | | |
| Unsecured, considered good | 274.59 | 276.12 |
| Considered doubtful | 3.33 | 3.33 |
| Less: Allowance for doubtful receivables | (3.33) | (3.33) |
| | 274.59 | 276.12 |
| **Total** | **681.25** | **623.60** |

## NOTE 10: INVENTORIES

At lower of cost and net realisable value

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Raw materials | 173.03 | 165.56 |
| {Including goods-in-transit Rs. 4.89 Crore *(Previous year - Rs. 9.09 Crore)*} | | |
| Work-in-progress | 421.88 | 302.98 |
| Finished goods | 174.97 | 129.19 |
| Stock-in-trade | 44.65 | 16.14 |
| {Including goods-in-transit Rs. 5.35 *(Previous year - Rs. Nil)*} | | |
| Stores and Spares (Net of provision of Rs. 116.52 Crore *(Previous year - Rs. 117.45 Crore)* | 275.79 | 213.72 |
| {Including goods-in-transit Rs. 8.05 Crore *(Previous year - Rs. 12.70 Crore)*} | | |
| Packing materials | 30.36 | 40.42 |
| Fuels | 502.82 | 405.30 |
| {Including goods-in-transit Rs. 106.04 Crore *(Previous year - Rs. 100.05 Crore)*} | | |
| **Total** | **1,623.50** | **1,273.31** |

During the year ended March 31, 2023 the Company has recognised Rs. (0.93) Crore *(previous year - Rs. 6.85 Crore)* as an (income) / expenses for the provision related to stores and spares inventory.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 11: TRADE RECEIVABLES

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Considered good - secured | 193.58 | 21.53 |
| Considered good - unsecured | 681.16 | 440.89 |
| Receivables which have significant increase in credit risk {Refer Note 50(i)} | 59.11 | 50.25 |
| | **933.85** | **512.67** |
| Less : Allowance for doubtful receivables | (59.11) | (50.25) |
| **Total** | **874.74** | **462.42** |

### Trade receivable ageing schedule is as given below:

Rs. in Crore

| | Outstanding for following periods from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| **Balance as at March 31, 2023** | | | | | | |
| Undisputed trade receivables – considered good | 853.06 | 20.12 | 1.52 | 0 | 0.04 | 874.74 |
| Undisputed trade receivables – having significant increase in credit risk | - | 18.38 | 13.12 | 4.31 | 23.30 | 59.11 |
| **Total** | **853.06** | **38.50** | **14.64** | **4.31** | **23.34** | **933.85** |
| **Balance as at December 31, 2021** | | | | | | |
| Undisputed trade receivables – considered good | 458.50 | 3.75 | 0.03 | 0.13 | 0.01 | 462.42 |
| Undisputed trade receivables – having significant increase in credit risk | 0.05 | 8.50 | 12.63 | 16.03 | 13.04 | 50.25 |
| **Total** | **458.55** | **12.25** | **12.66** | **16.16** | **13.05** | **512.67** |

## NOTE 12: CASH AND CASH EQUIVALENTS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Balances with banks:** | | |
| In current accounts | 48.78 | 144.65 |
| Deposits with original maturity of less than three months | - | 6,507.35 |
| | **48.78** | **6,652.00** |
| Deposit with other than banks with original maturity of less than three months | - | 250.00 |
| Post office saving accounts | 0.01 | 0.01 |
| | **48.79** | **6,902.01** |
| Investments in liquid mutual funds measured at FVTPL | 80.06 | 345.23 |
| **Total** | **128.85** | **7,247.24** |

## NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Other bank balances | | |
| *Deposits with original maturity for more than 3 months but less than 12 months | 133.91 | 131.83 |
| #On unpaid dividend accounts | 23.99 | 23.80 |
| **Total** | **157.90** | **155.63** |

*Represents fixed deposit lien in favor of National Company Law Appellate Tribunal (NCLAT) - Refer Note - 40 (A) (a)}.

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

# Notes to the Financial Statements
for the year ended March 31, 2023

## NOTE 14: CURRENT - LOANS
Considered good - unsecured

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Loans and advances to related parties (Refer Note - 42) | 1.13 | 0.86 |
| Loans to employees | 5.76 | 6.60 |
| **Total** | **6.89** | **7.46** |

Loans and advances granted to related parties that are repayable on demand:

| | Outstanding as at | | % to the total loans as at | |
|---|---|---|---|---|
| Type of Borrower | March 31, 2023 | December 31, 2021 | March 31, 2023 | December 31, 2021 |
| Related Parties | 1.13 | 0.86 | 10% | 6% |

## NOTE 15: OTHER CURRENT FINANCIAL ASSETS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Government grant receivables (Net) {Refer Note - 50(i)} | 169.06 | 187.66 |
| Security deposits | 114.01 | 57.74 |
| Other receivable | | |
| Unsecured, considered good | 38.98 | 26.76 |
| Considered doubtful | 5.26 | 5.04 |
| Less : Allowance for doubtful receivable | (5.26) | (5.04) |
| | **38.98** | **26.76** |
| Bank deposits with remaining maturity of less than 12 months | 2,719.29 | - |
| Other accrued interest | 27.97 | 14.64 |
| **Total** | **3,069.31** | **286.81** |

## NOTE 16: OTHER CURRENT ASSETS
Considered Good - Unsecured, unless otherwise stated

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Advance to suppliers* | 1,577.87 | 326.87 |
| Prepaid expenses | 40.17 | 46.32 |
| Gratuity net assets (funded) (Refer Note - 37) | 11.39 | - |
| Balances with statutory / Government authorities | 623.66 | 422.34 |
| Other receivables | 10.25 | 14.41 |
| **Total** | **2,263.34** | **809.94** |

* Includes Rs 975.00 Crore *(Previous year - Rs. Nil)* to a coal trader for supply of fuel under long term supply agreement.

## NOTE 17. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Plant and equipments | 1.28 | 1.28 |
| Building | 0.85 | 1.05 |
| **Total** | **2.13** | **2.33** |

During the year, the Company sold a flat for Rs. 9.78 Crore *(Previous year - Rs. 4.25 Crore)* having Book Value Rs. 0.20 Crore *(Previous year - Rs. 0.32 Crore)* which was classified as held for sale. The resultant gain of Rs. 9.58 Crore *(Previous year - Rs. 3.93 Crore)* has been disclosed in statement of profit and loss under Other income.

# Notes to the Financial Statements
for the year ended March 31, 2023

## NOTE 18: EQUITY SHARE CAPITAL

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Authorised** | | |
| 22,50,00,000 *(Previous year - 22,50,00,000)* equity shares of Rs. 10 each | 225.00 | 225.00 |
| 10,00,00,000 *(Previous year - 10,00,00,000)* preference shares of Rs. 10 each | 100.00 | 100.00 |
| **Issued** | | |
| 18,87,93,243 *(Previous year - 18,87,93,243)* equity shares of Rs. 10 each | 188.79 | 188.79 |
| **Subscribed and Paid-up** | | |
| 18,77,87,263 *(Previous year - 18,77,87,263)* equity shares of Rs. 10 each fully paid | 187.79 | 187.79 |
| Add : 3,84,060 *(Previous year - 3,84,060)* equity shares of Rs. 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 | Rs. in Crore |
| **As at January 01, 2021** | 18,77,87,263 | 187.79 |
| Increase/ (decrease) during the year | - | - |
| **As at December 31, 2021** | 18,77,87,263 | 187.79 |
| Increase/ (decrease) during the year | - | - |
| **As at March 31, 2023** | 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 Rs. 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 immediate holding company/ ultimate holding company and/ or their subsidiaries/ associates

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Ambuja Cements Limited, immediate holding company 9,39,84,120 *(Previous year - 9,39,84,120)* Equity shares Rs. 10 each fully paid | 93.98 | 93.98 |
| Holderind Investments Ltd, Mauritius, the holding company of Ambuja Cements Limited* 84,11,000 *(Previous year - 84,11,000)* equity shares Rs. 10 each fully paid | 8.41 | 8.41 |
| Endeavour Trade and Investment Limited, the holding company of Holderind Investments Ltd, Mauritius 40,61,807 *(Previous year - Nil)* equity shares Rs. 10 each fully paid | 4.06 | - |

*On September 15, 2022, Endeavour Trade and Investment Limited (an entity of Adani family) has acquired 100% shareholding in Holderind Investments Limited from Holderfin B.V (an entity of the Holcim Group). Consequently, the Board of Directors was reconstituted on 16th September 2022.

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

Rs. in Crore

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding |
| Ambuja Cements Limited, immediate holding company | 9,39,84,120 | 50.05 | 9,39,84,120 | 50.05 |
| Life Insurance Corporation of India | 1,20,33,771 | 6.41 | 1,08,27,402 | 5.77 |

# Notes to the Financial Statements

for the year ended March 31, 2023

v) Equity shares held by Promoters

Rs. in Crore

| | As at March 31, 2023 | | | As at December 31, 2021 | | |
|---|---|---|---|---|---|---|
| | No. of shares | % holding | % Change during the year | No. of shares | % holding | % Change during the year |
| Ambuja Cements Limited, | 9,39,84,120 | 50.05 | - | 9,39,84,120 | 50.05 | - |
| Holderind Investments Ltd, Mauritius | 84,11,000 | 4.48 | - | 84,11,000 | 4.48 | - |
| Endeavour Trade and Investment Limited, | 40,61,807 | 2.16 | 100.00 | - | - | - |

vi) 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 balance.

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Capital reserve | 67.81 | 67.81 |
| Securities premium | 845.03 | 845.03 |
| General reserve | 2,723.30 | 2,723.30 |
| Capital contribution from parent | 10.25 | 7.47 |
| Retained earnings | 10,208.62 | 10,396.83 |
| **Total** | **13,855.01** | **14,040.44** |

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:** General reserve is used to transfer profits from retained earnings for appropriation purposes. The amount is to be utilised in accordance with the provision of the Companies Act, 2013

**Capital Contribution from parent :** Capital contribution from parent represents the fair value of the employee performance share plan. These shares are granted by the erstwhile 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.

## NOTE 20: NON-CURRENT PROVISIONS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer Note - 37) | 88.16 | 94.65 |
| Provision for provident fund (Refer Note - 37) | 50.13 | 76.94 |
| Provision for long service award | 4.39 | 4.94 |
| **Other Provisions** | | |
| Provision for site restoration (Refer Note - 20.1 below) | 33.58 | 37.77 |
| **Total** | **176.26** | **214.30** |

# Notes to the Financial Statements
for the year ended March 31, 2023

### Note 20.1
Mines reclamation expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions for site restoration during the year is as under :

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Opening Balance** | 37.77 | 39.14 |
| Provision/(reversal) during the year (net) | (6.91) | (1.57) |
| Utilised during the year | (0.47) | (1.37) |
| Unwinding of interest | 3.19 | 1.57 |
| **Closing Balance** | **33.58** | **37.77** |

## NOTE 21. INCOME TAX

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023:

Rs. in Crore

| | For the year ended March 31, 2023 | | For the year ended December 31, 2021 | |
|---|---|---|---|---|
| | Rs. in Crore | In % | Rs. in Crore | In % |
| **Profit before tax** | 1,182.13 | | 2,460.39 | |
| At India's statutory income tax rate | 297.53 | 25.17 | 619.28 | 25.17 |
| **Effect of exempt income for tax purpose** | | | | |
| Dividends | (0.58) | (0.05) | (0.39) | (0.02) |
| **Effect of Non-deductible expenses** | | | | |
| Corporate social responsibility expenses | 11.44 | 0.97 | 9.05 | 0.37 |
| Others | 3.83 | 0.32 | 12.18 | 0.50 |
| | 14.69 | 1.24 | 20.84 | 0.85 |
| At the effective income tax rate | 312.22 | 26.41 | 640.12 | 26.02 |
| **Income tax expense reported in the statement of profit and loss** | **312.22** | **26.41** | **640.12** | **26.02** |

The rate used for the calculation of Deferred tax is 25.17% for the year ended March 31, 2023 and December 31, 2021

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

Rs. in Crore

| | Balance as on January 01, 2022 | Recognised in statement of Profit and Loss | Recognised in OCI | Balance as on March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities:** | | | | |
| Depreciation and amortisation differences | 622.98 | 47.06 | - | 670.04 |
| | **622.98** | **47.06** | **-** | 670.04 |
| **Deferred tax assets:** | | | | |
| Provision for employee benefits | 47.77 | 0.60 | (10.45) | 37.92 |
| Expenses allowed for tax purposes in the following years | 62.16 | 2.84 | - | 65.00 |
| Allowance for obsolescence of Stores and Spares | 7.12 | - | - | 7.12 |
| Allowance for doubtful receivables and other assets | 16.92 | 2.46 | - | 19.38 |
| Right of use assets and lease liabilities differences | 2.64 | 1.21 | - | 3.85 |
| Expected credit loss on incentives receivable from government | 32.45 | - | - | 32.45 |
| Other temporary differences (including interest on income tax) | 71.18 | - | - | 71.18 |
| | **240.24** | **7.11** | **(10.45)** | **236.90** |
| **Net deferred tax liabilities** | **382.74** | **39.95** | **10.45** | **433.14** |

# Notes to the Financial Statements

for the year ended March 31, 2023

Rs. in Crore

| | Balance as on January 01, 2021 | Recognised in statement of Profit and Loss | Recognised in OCI | 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 |
| Expenses 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 (including interest on income tax) | 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** |

## NOTE 22.TRADE PAYABLES

### Trade payables ageing schedule

Rs. in Crore

| | Outstanding for following periods from transaction date | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Balance as at March 31, 2023** | | | | | |
| Total outstanding dues of micro and small enterprises (Undisputed) | 20.14 | - | - | - | 20.14 |
| Total outstanding dues of trade payable other than micro and small enterprises (Undisputed) | 1,325.20 | 56.67 | 10.15 | 80 | 1472.02 |
| **Balance as at December 31, 2021** | | | | | |
| Total outstanding dues of micro and small enterprises (Undisputed) | 25.02 | 0.08 | 0.17 | 0.07 | 25.34 |
| Total outstanding dues of trade payable other than micro and small enterprises (Undisputed) | 1,605.87 | 112.21 | 48.33 | 107.47 | 1,873.88 |

## NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Financial liabilities at amortised cost** | | |
| Interest accrued | 0.04 | 13.33 |
| Unpaid dividends* | 23.99 | 23.80 |
| Security deposits and retention money | 959.82 | 792.37 |
| Liability for capital expenditure | 59.00 | 135.07 |
| Liability for employees | 146.68 | 137.18 |
| Others | - | 25.45 |
| **Total** | **1,189.53** | **1,127.20** |

*Investor Education and Protection Fund ('IEPF') - outstanding aggregating of Rs. 0.45 Crore (December 31, 2021 - Rs. 0.36 Crore) is pending to be transferred to the 'IEPF'on account of disputes and legal cases.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 24: OTHER CURRENT LIABILITIES

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Contract liability*** | | |
| Advance from customers | 169.69 | 252.32 |
| **Other liability** | | |
| Statutory dues payable | 784.37 | 675.15 |
| Rebates to customers | 654.90 | 592.68 |
| Other payables | 764.70 | 739.42 |
| (including interest on income tax, etc.) | | |
| **Total** | **2,373.66** | **2,259.57** |

*The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2023.

## NOTE 25: CURRENT PROVISIONS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer Note - 37) | 8.48 | 11.59 |
| Provision for compensated absences | 0.93 | 3.18 |
| Provision for long service award | 0.67 | 0.93 |
| **Total** | **10.08** | **15.70** |

## NOTE 26: REVENUE FROM OPERATIONS

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Revenue from contracts with customers | | |
| Sale of manufactured products | 18,982.19 | 14,724.78 |
| Sale of traded products | 2,772.73 | 1,086.28 |
| Income from services rendered | 12.37 | 3.34 |
| | **21,767.29** | **15,814.40** |
| Other Operating Revenue | | |
| Provision no longer required written back | 12.32 | 7.33 |
| Scrap sales | 75.27 | 56.61 |
| Government grants | 207.11 | 154.74 |
| Miscellaneous income | 147.98 | 118.27 |
| **Total** | **22,209.97** | **16,151.35** |

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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Revenue as per contract price | 24,543.78 | 18,226.76 |
| Less: Discounts and incentives | (2,776.49) | (2,412.36) |
| Revenue from contract with customers | **21,767.29** | **15,814.40** |

# Notes to the Financial Statements
for the year ended March 31, 2023

**Remaining performance obligation :**

The Company does not have any remaining performance obligation under contracts entered for sale of goods or services which remains unsatisfied as at March 31, 2023. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

**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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Interest income using the effective interest rate method | | |
| Interest on bank deposits | 218.78 | 175.75 |
| Interest on Income Tax | - | 12.68 |
| Other interest | 5.05 | 3.84 |
| | **223.83** | **192.27** |
| Dividend income from associates / joint ventures | 2.30 | 1.56 |
| Other non-operating income | | |
| Gain on sale of current financial assets measured at FVTPL (net) | 14.83 | 8.41 |
| Gain on fair valuation of current financial assets measured at FVTPL (net) | 0.06 | 0.23 |
| Others | 95.19 | 1.68 |
| Gain on termination of leases | 0.97 | 0.61 |
| **Total** | **337.18** | **204.76** |

## NOTE 28: COST OF MATERIALS CONSUMED

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Inventories at the beginning of the year | 165.56 | 115.54 |
| Add: Purchases | 3,354.66 | 2,170.30 |
| | 3,520.22 | 2,285.84 |
| Less: Inventories at the end of the year | 173.03 | 165.56 |
| **Total** | **3,347.19** | **2,120.28** |

## NOTE 29: PURCHASES OF STOCK-IN-TRADE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Cement and others | 2,293.99 | 918.35 |
| Ready mix concrete | 6.96 | 2.84 |
| **Total** | **2,300.95** | **921.19** |

# Notes to the Financial Statements
for the year ended March 31, 2023

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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| **Inventories at the end of the year** | | |
| Stock-in-trade | 44.65 | 16.14 |
| Finished goods | 174.97 | 129.19 |
| Work-in-progress | 421.88 | 302.98 |
| | **641.50** | **448.31** |
| **Inventories at the beginning 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 |
| **Total** | **(193.19)** | **(174.25)** |

## NOTE 31: EMPLOYEE BENEFITS EXPENSE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Salaries and wages (Refer Note - 48) | 874.98 | 719.75 |
| Contributions to provident and other funds | 79.71 | 66.29 |
| Employee share based payments (Refer Note - 53) | 2.78 | 4.18 |
| Staff welfare expenses | 78.73 | 43.80 |
| **Total** | **1,036.20** | **834.02** |

## NOTE 32: FREIGHT AND FORWARDING EXPENSE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| On clinker transfer | 853.62 | 584.33 |
| On finished and semi finished products | 4,314.64 | 3,260.38 |
| **Total** | **5,168.26** | **3,844.71** |

## NOTE 33: FINANCE COSTS

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Interest | | |
| - On income tax | 3.16 | 3.67 |
| - On Defined benefit obligation (Net) - (Refer Note - 37) | 11.53 | 8.95 |
| - Interest on deposits from dealers carried at amortised cost | 25.70 | 16.19 |
| - Interest on lease liabilities carried at amortised cost | 12.96 | 9.37 |
| - Others | 20.64 | 14.88 |
| Unwinding of discount on site restoration provision (Refer Note - 20.1) | 3.19 | 1.57 |
| **Total** | **77.18** | **54.63** |

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Depreciation on property, plant and equipments | 791.92 | 566.44 |
| Amortisation of intangible assets | 7.14 | 5.23 |
| Depreciation on Right of use assets | 36.03 | 25.61 |
| **Total** | **835.09** | **597.28** |

## NOTE 35: OTHER EXPENSES

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Consumption of stores and spare parts | 385.27 | 277.26 |
| Consumption of packing materials | 656.37 | 552.03 |
| Rent (Refer Note - 38) | 140.49 | 107.26 |
| Rates and taxes | 100.25 | 96.75 |
| Repairs | 236.66 | 155.29 |
| Insurance | 51.36 | 39.10 |
| Royalty on minerals | 302.68 | 264.33 |
| Advertisement | 118.63 | 86.37 |
| Technology and know-how fees (Refer Note - 42) and Note 1 below. | 115.35 | 154.51 |
| Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note - 50(i))} | 14.84 | (10.87) |
| Corporate social responsibility expense (Refer Note 3 below) | 45.47 | 35.95 |
| Miscellaneous expenses (Refer Note - 48 and 2 below) | 744.80 | 510.67 |
| **Total** | **2,912.17** | **2,268.65** |

Notes

1. The Company with effect from September 16, 2022, has terminated its agreement with Holcim Technology Limited for payment of technology and know-how fees @ 1% of eligible net sales
2. Payments to statutory auditors (excluding applicable taxes)

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| **As auditors** | | |
| Audit fees (including for quarterly limited reviews, additional work and financial statements for tax filing purposes) | 4.26 | 3.18 |
| Other services | 0.08 | 0.05 |
| Reimbursement of expenses | 0.05 | 0.02 |
| | 4.39 | 3.25 |

3. Details of Corporate Social Responsibility (CSR) expenses:

   The Company has spent Rs. 45.47 Crore *(Previous Year - Rs. 35.95 Crore)* towards various schemes of CSR. The details are:

   (a) The amount required to be spent under Section 135 of the Companies Act, 2013 for the year is Rs. 42.66 Crore *(Previous year - Rs. 35.44 Crore)*

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

# Notes to the Financial Statements

for the year ended March 31, 2023

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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Balance excess spent as at beginning of the year | - | - |
| Amount required to be spent during the year | 42.66 | 35.44 |
| Amount spent during the year | 45.47 | 35.95 |
| CSR expenses claimed in the current year | 45.47 | 35.95 |
| Balance excess spent as at end of the Year | - | - |

(d) Details of CSR expenses

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Water governance & management | 10.30 | - |
| Sustainable livelihood | 15.62 | 16.60 |
| Social Inclusion | 17.40 | 17.65 |
| Administrative Overheads | 2.15 | 1.70 |
| | **45.47** | **35.95** |

## NOTE 36: EARNINGS PER SHARE - [EPS]

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

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| Profit attributable to equity shareholders | | 869.91 | 1,820.27 |
| Weighted average number of equity shares for EPS computation | | | |
| Number of shares for Basic EPS | | 18,77,87,263 | 18,77,87,263 |
| Effect of dilution: | | | |
| Number of shares held in abeyance | | 5,02,957 | 5,06,656 |
| (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 | | 18,82,90,220 | 18,82,93,919 |
| EPS | | | |
| Face value per share | Rs. | 10.00 | 10.00 |
| Basic | Rs. | 46.32 | 96.93 |
| Diluted | Rs. | 46.20 | 96.67 |

## NOTE 37: 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 Rs. 18.42 Crore *(Previous year - Rs. 15.10 Crore)*

b) **Defined benefit plans**

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

The gratuity and provident fund plan is in 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. 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.

# Notes to the Financial Statements

for the year ended March 31, 2023

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 and related impairment.

**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.

### Gratuity and additional gratuity

i. The Company operates a Gratuity Plan through a trust for all its employees. 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 eligible employee who has joined the Company before December 01, 2006 and gets separated on retirement or on medical grounds is entitled to additional gratuity provided he has completed minimum 25 years of service . The scheme is non funded.

Rs. in Crore

| | | Gratuity (Including additional gratuity) | |
|---|---|---|---|
| | | Funded | Non Funded |
| **I** | **Expense recognised in the statement of profit and loss** | | |
| 1 | Current service cost | 18.79 | 9.90 |
| | | *16.05* | *8.93* |
| 2 | Past service cost | 0.19 | - |
| | | - | - |
| 3 | Net Interest cost | 1.01 | 7.46 |
| | | *0.48* | *6.16* |
| 4 | Gain on settlements | - | - |
| | | - | *(10.34)* |
| 5 | Net benefit expense included in profit and loss | 19.99 | 17.36 |
| | | *16.53* | *4.75* |
| 6 | Actuarial (gains) / losses arising from change in financial assumptions | (5.82) | (3.55) |
| | | *(7.53)* | *(3.83)* |
| 7 | Actuarial (gains) / losses arising from change in experience adjustments | (2.10) | 3.92 |
| | | *(2.01)* | *2.18* |
| 8 | (Gain) / Loss on plan assets (Excluding amount included in net interest expenses) | (0.38) | |
| | | *(0.40)* | - |
| 9 | Sub-total - Included in OCI | (8.30) | 0.37 |
| | | *(9.94)* | *(1.65)* |
| 10 | Total expense (5 + 9) | 11.69 | 17.73 |
| | | *6.59* | *3.10* |
| **II** | **Amount recognised in Balance Sheet** | | |
| 1 | Present value of Defined Benefit Obligation | (185.18) | (96.64) |
| | | *(207.94)* | *(94.22)* |
| 2 | Fair value of plan assets | 196.57 | - |
| | | *195.92* | - |
| 3 | Funded status {Surplus/(Deficit)} | 11.39 | (96.64) |
| | | *(12.02)* | *(94.22)* |
| 4 | Net asset/(liability) | 11.39 | (96.64) |
| | | *(12.02)* | *(94.22)* |

# Notes to the Financial Statements

for the year ended March 31, 2023

Rs. in Crore

| | | Gratuity (Including additional gratuity) | |
|---|---|---|---|
| | | Funded | Non Funded |
| **III** | **Present value of Defined Benefit Obligation** | | |
| 1 | Present value of Defined Benefit Obligation at beginning of the year | 207.94 | 94.22 |
| | | *221.90* | *102.23* |
| 2 | Current service cost | 18.79 | 9.90 |
| | | *16.05* | *8.93* |
| 3 | Past service cost | 0.19 | - |
| | | - | - |
| 4 | Interest cost | 16.28 | 7.46 |
| | | *13.01* | *6.16* |
| 5 | (Gain) on settlements | - | - |
| | | - | *(10.34)* |
| 6 | Actuarial (gains) / losses arising from changes in financial assumptions | (5.82) | (3.55) |
| | | *(7.53)* | *(3.83)* |
| 7 | Actuarial (gains) / losses arising from experience adjustments | (2.10) | 3.92 |
| | | *(2.01)* | *2.18* |
| 8 | Benefits Payments | (50.10) | (15.31) |
| | | *(33.48)* | *(11.11)* |
| 9 | Present value of Defined Benefit Obligation at the end of the year | 185.18 | 96.64 |
| | | *207.94* | *94.22* |
| **IV** | **Fair value of Plan Assets** | | |
| 1 | Plan assets at the beginning of the year | 195.92 | - |
| | | *214.29* | - |
| 2 | Interest income | 15.27 | - |
| | | *12.53* | - |
| 3 | Actual benefits paid | (15.00) | - |
| | | *(31.30)* | - |
| 4 | Actuarial gains / (losses) arising from changes in financial assumptions | 0.38 | - |
| | | *0.40* | - |
| 5 | Plan assets at the end of the year | 196.57 | - |
| | | *195.92* | - |
| **V** | **Weighted Average duration of Defined Benefit Obligation** | 9 Years | 10 Years |
| | | *10 Years* | *10 Years* |

(Figures in italics pertains to previous year)

## VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. 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 March 31, 2023

Rs. in Crore

| | Gratuity - Funded | | Gratuity - Unfunded | |
|---|---|---|---|---|
| Particulars | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (10.95) | 12.42 | (6.98) | 8.04 |
| Future salary growth (1% movement) | 12.33 | (11.07) | 7.78 | (6.92) |

# Notes to the Financial Statements

for the year ended March 31, 2023

### Sensitivity Analysis as at December 31, 2021

| | 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) |

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 March 31, 2023 | As at December 31, 2021 |
| Insurer managed funds | 100% | 100% |
| | **100%** | **100%** |

### VIII Actuarial assumptions:

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | Discount rate | 7.20% | 6.75% |
| 2 | Salary increase rate | 7.00% | 7.00% |
| b) | Demographic Assumptions | | |
| 1 | Retirement age | 58 - 60 years | 60 years |
| 2 | 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:

Rs. in Crore

| | Funded Gratuity | | Unfunded Gratuity | |
|---|---|---|---|---|
| Particulars | As at March 31, 2023 | As at December 31, 2021 | As at March 31, 2023 | As at December 31, 2021 |
| 1. Expected employer contribution in the next year | - | - | NA | NA |
| 2. Expected benefit payments | | | | |
| Year 1 | 16.49 | 29.81 | 8.49 | 11.58 |
| Year 2 | 20.06 | 23.56 | 7.26 | 8.30 |
| Year 3 | 34.04 | 23.93 | 9.08 | 8.15 |
| Year 4 | 22.50 | 21.90 | 9.48 | 8.95 |
| Year 5 | 20.95 | 17.65 | 8.05 | 8.41 |
| Next 5 years | 107.07 | 77.96 | 40.21 | 35.96 |
| **Total expected payments** | **221.11** | **194.81** | **82.57** | **81.35** |

# Notes to the Financial Statements
for the year ended March 31, 2023

f) **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 Rs. 24.86 Crore. *(Previous year - Rs. 8.57 Crore)* Following are the actuarial assumptions used for valuation of other long term employee benefits.

| Particulars | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| a) | **Financial Assumptions** | | |
| 1 | Discount rate | 7.20% | 6.75% |
| 2 | Salary increase rate | 7.00% | 7.00% |
| b) | **Demographic Assumptions** | | |
| 1 | Expected average remaining working lives of employees | 9 years | 10 years |

### 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.

Rs. in Crore

| Particulars | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **I** | **Components of expense recognised in the Statement of Profit and Loss** | | |
| 1 | Current service cost | 39.60 | 29.47 |
| 2 | Past service cost | (1.82) | - |
| 3 | Interest cost (net off income on plan assets) | | |
| 4 | Net benefit expense | 40.84 | 31.78 |
| | Components recognised in other comprehensive income (OCI) | | |
| 5 | Actuarial (gains) / losses arising from changes in financial assumptions on Liability | (26.51) | (19.22) |
| 6 | Actuarial (gains) / losses arising from changes in financial assumptions on Plan Assets | (7.06) | 23.54 |
| 7 | Sub-total - Included in OCI | (33.57) | 4.32 |
| 8 | Total expense (4 + 7) | 7.27 | 36.10 |
| **II** | **Amount recognised in Balance Sheet** | | |
| 1 | Present value of Defined Benefit Obligation | (854.98) | (871.44) |
| 2 | Fair value of plan assets* | 804.85 | 794.50 |
| 3 | Funded status {Surplus/(Deficit)} | (50.13) | (76.94) |
| 4 | Net asset/(liability) as at end of the year | (50.13) | (76.94) |
| **III** | **Present Value of Defined Benefit Obligation** | | |
| 1 | Present value of Defined Benefit Obligation at beginning of the year | 871.44 | 848.58 |
| 2 | Current service cost | 39.60 | 29.47 |
| 3 | Past service cost | (1.82) | - |
| 4 | Interest cost | 69.85 | 68.10 |
| 5 | Employee Contributions | 82.82 | 57.58 |
| 6 | Actuarial (gains) / losses arising from changes in financial assumptions | (15.90) | (2.41) |
| 7 | Actuarial (gains) / losses arising from experience adjustments | (10.61) | (16.81) |
| 8 | Benefits Payments | (205.32) | (122.98) |
| 9 | Increase/ (Decrease) due to effect of any transfers | 24.92 | 9.91 |
| 10 | Present value of Defined Benefit Obligation at the end of the year | 854.98 | 871.44 |

# Notes to the Financial Statements
for the year ended March 31, 2023

Rs. in Crore

| Particulars | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **IV** | **Fair Value of Plan Assets** | | |
| 1 | Plan assets at the beginning of the year | 794.50 | 782.27 |
| 2 | Interest income | 66.79 | 65.79 |
| 3 | Contributions by Employer | 34.08 | 25.46 |
| 4 | Contributions by Employee | 82.82 | 57.58 |
| 5 | Actual benefits paid | (205.32) | (122.98) |
| 6 | Net transfer in / (out) | 24.92 | 9.91 |
| 7 | Actuarial gains / (losses) arising from changes in financial assumptions | 7.06 | (23.53) |
| 8 | Plan assets at the end of the year | 804.85 | 794.50 |
| **V** | **Weighted Average duration of Defined Benefit Obligation** | 9 years | 10 years |

* The Provident Fund of ACC Limited had invested Rs. 49.00 Crore in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability, in an earlier year, the Company has provided Rs. 49.00 Crore 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

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Debt instruments | | |
| Government securities | 48% | 56% |
| Debentures and bonds | 22% | 12% |
| Equity instruments | 14% | 12% |
| Cash and Cash equivalent | 16% | 20% |
| | **100%** | **100%** |

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

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Discounting rate | 7.20% | 6.75% |
| Guaranteed interest rate | 8.10% | 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

Rs. in Crore

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| Particulars | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (1.76) | 2.03 | (4.26) | 5.03 |
| Interest rate guarantee (1% movement) | 36.78 | (16.59) | 58.05 | (30.17) |

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 Rs. 24.00 Crore *(Previous year - Rs. 25.00 Crore)* to trust managed provident fund in the next year.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 38: 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) The movement in lease liabilities during the year ended March 31, 2023 is as follows:

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Balance at the January 01 | 125.58 | 102.48 |
| Additions during the year | 109.62 | 51.37 |
| Finance cost accrued during the year | 12.96 | 9.37 |
| Payment of lease liabilities | (88.90) | (35.99) |
| Termination of lease contracts | (6.22) | (1.65) |
| Balance at year end | **153.04** | **125.58** |
| Current lease liabilities | 27.36 | 24.21 |
| Non-current lease liabilities | 125.68 | 101.37 |

### (II) The maturity analysis of lease liabilities are disclosed in Note 50 (ii) - Liquidity risk

### (III) Lease expenses recognised in Statement of Profit and Loss

Rs. in Crore

| Particulars | For the year ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Depreciation of Right-of-use assets | 36.03 | 25.61 |
| Interest on lease liabilities | 12.96 | 9.37 |
| Expense relating to short-term and low value leases | 84.94 | 65.23 |
| Expense in respect of variable lease payments | 55.55 | 42.03 |
| | **189.48** | **142.24** |

## NOTE 39: CAPITAL AND OTHER COMMITMENTS

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

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| A) Estimated value of contracts on capital account remaining to be executed (Net of advance) | 850.61 | 933.85 |

## NOTE 40: CONTINGENT LIABILITIES

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

Rs. in Crore

| Nature of Statute | Brief description of contingent liabilities | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| Competition Act, 2002 | CCI matters - Refer Notes a and b below | 2,039.64 | 1,878.34 |
| Income tax Act, 1961 | Income tax matter related to excise duty incentives - Refer Note e below | 604.44 | 604.44 |
| Service tax - Finance Act, 1994 | Dispute regarding place of removal - Refer Note c below | 82.64 | 91.89 |
| Central excise Act | Demand of differential excise duty on clearance of ready mix concrete | 25.69 | 25.69 |
| | Other excise matters | 29.09 | 24.76 |
| Mineral Concession Rules | Compensation for use of government land - Refer Note d below | 212.22 | 212.22 |
| Government incentive | Sales tax incentive - Refer Note f below | 64.45 | 64.45 |
| | Other sales tax incentive | 8.40 | 8.40 |
| Good and service tax Act | Denial of transitional credit of clean energy cess | 62.67 | 15.04 |

# Notes to the Financial Statements

for the year ended March 31, 2023

Rs. in Crore

| Nature of Statute | Brief description of contingent liabilities | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| Sales tax Act / Commercial tax Act of various states | Packing material - differential rate of tax. matters pending with various authorities. | 11.53 | 11.53 |
| | Other sales tax matters | 37.19 | 37.19 |
| 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 | - | 9.80 |
| | Various other cases pertaining to claims related to railways, labour laws, etc | 30.82 | 34.77 |
| 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** | **3,276.48** | **3,086.22** |

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

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 Rs. 1,147.59 Crore *(Previous Year - Rs. 1,147.59 Crore)* on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT') (who initially stayed the penalty), by its final order dated December 11, 2015, set aside the order of the CCI and remanded the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association 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 Rs. 1,147.59 Crore *(Previous Year - Rs. 1,147.59 Crore)* on the Company.

The Company had appealed against the penalty to the 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 March 31, 2023 is Rs. 856.73 Crore *(Previous Year - Rs. 695.43 Crore)*. COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017 who, vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgment 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 COMPAT 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, 2002. CCI, by its order dated January 19, 2017, imposed a penalty of Rs. 35.32 Crore *(Previous year - Rs. 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.

Based on the advice of the external legal counsel, conflicting decisions of courts and Central Board of Indirect Taxes and Customs circular, the Company is of the view that no provision is necessary in the financial statements.

d) The Company has received demand notice from the Government of Tamil Nadu and an order by the Collector, Coimbatore seeking annual compensation for the period from April 01, 1997 to March 31, 2014 and April 01, 2014 to March 31, 2019, amounting to Rs. 73.46 Crore *(Previous Year - Rs. 73.46 Crore)* and Rs. 138.76 Crore *(Previous Year - Rs. 138.76 Crore)* respectively for use of the Government land for mining, which the Company occupies on the basis of the mining leases. The Company has challenged the demands by way of revision under the Mineral Concession Rules and has filed writ petitions before the Hon'ble High Court of Tamil Nadu at Chennai.

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 allowing annual compensation to be collected by the state. The Company has filed a writ appeal against the judgement.

One of the above petition challenging the demand for the period April 01, 2014 to March 31, 2019, is disposed of against the Company by the High Court vide order dated December 14, 2021 in line with the above judgment. The Company has filed a writ appeal before the divisional bench of High Court against this judgement.

The Company has assessed the matter as "possible" and has obtained legal opinion for the said matter."

e) The Company was entitled to excise duty incentives for the assessment years 2006-07 to 2015-16 for its Gagal plant located in the state of Himachal Pradesh. ACC has been contending that the said incentives are in the nature of capital receipts and hence not liable to income tax. However, the Income tax department had consistently denied the position and considered these incentives as a taxable receipt. Appeals were filed by ACC against the orders of the assessing officer which were pending before the Commissioner of Income Tax (Appeals) / Income Tax Appellate Tribunal (ITAT).

In March 2023, for the matters pending with the Income Tax Appellate Tribunal (ITAT), the Company has received favourable orders. Pending final closure of the matter, the amount of Rs. 500.63 Crore *(Previous year - Rs. 500.63 Crore)* along with interest payable of Rs. 103.81 Crore *(Previous year - Rs. 103.81 Crore)* has been disclosed as contingent liability."

f) 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 Rs. 56.30 Crore *(Previous year - Rs. 56.30 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 Rs. 64.45 Crore *(Previous year - Rs. 64.45 Crore)* (tax of Rs. 56.30 Crore and interest of Rs. 8.15 Crore) which is considered as recoverable.

The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. 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. The Company has assessed the matter as "possible".

**(B) Guarantees excluding financial guarantees**

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Guarantees given to government bodies on behalf of subsidiary companies | 1.07 | 0.87 |

## NOTE 41: MATERIAL DEMANDS AND DISPUTES CONSIDERED AS REMOTE

Based on case by case assessment, the Group has disclosed certain matters below, where the outflow of resources embodying economic benefits has been assessed as remote.

a) The Company was eligible for certain incentives in respect of its investment towards modernisation and expansion of the Chaibasa cement unit under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid. However, no disbursals were made (except an amount of Rs. 7.00 Crore representing part of the one time lumpsum capital subsidy claim of Rs. 15.00 Crore) as the authorities have raised new conditions and restrictions. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes.

# Notes to the Financial Statements

for the year ended March 31, 2023

Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government allowed the Company's appeal while dismissing the Government's appeal,

The Government of Jharkhand had filed an Special leave petition (SLP) in the Hon'ble Supreme Court which vide its interim order stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received Rs. 64.00 Crore *(Previous year - Rs. 64.00 Crore)* out of total Rs. 235.00 Crore *(Previous year - Rs. 235.00 Crore)* in part disbursement from the Government of Jharkhand.

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 Jharkhand Hon'ble High Court.

The Company has assessed the matter as ""remote"" and has obtained legal opinion for the said matter.

b) 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 basis interpretation of the sanction letter issued to the Company. The Company has accrued an amount of Rs. 133.00 Crore *(Previous year - Rs. 133.00 Crore)* for such incentive. The Company has filed an appeal before the Hon"ble Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing. The Company has assessed the matter as "remote" and has obtained legal opinion for the said matter.

c) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co Ltd, in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 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 Rs. 56.66 Crore (net of provision) *(Previous year – Rs. 56.66 Crore)*, the Company is in appeal before the Income Tax Appellate Tribunal (ITAT). In case of Wadi TG 3, demand of Rs. 115.62 Crore *(Previous year – Rs. 115.62 Crore)* was set aside by the Income Tax Appellate Tribunal (ITAT) and department is in appeal against the said decision. The Company has assessed the matter as "remote".

d) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible under the State Industrial Policy for deferral of its sales tax liability. The Excise department disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker and such intermediate product was in the negative list. A demand of Rs. 82.37 Crore *(Previous year - Rs. 82.37 Crore)* was raised by the department. 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 has assessed the matter as "remote".

e) 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 case of another Company restricting the ""deemed renewal"" provision of captive mining leases. The Company received demand from district mining officer for Rs. 881.00 Crore *(Previous year - Rs. 881.00 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 for directing the State government to renew both the leases upto 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 upto March 2030 permitting the Company to commence mining operations after depositing Rs. 48.00 Crore subject to the outcome of the petition filed by the Company.

The Company has assessed the matter as "remote" and has obtained legal opinion for the said matter.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 42: RELATED PARTY DISCLOSURE

| (A) | Names of the Related parties: | Nature of Relationship |
|---|---|---|
| 1 | Holderind Investments Ltd, Mauritius | Holding Company of Ambuja Cements Limited |
| 2 | Holcim Ltd, Switzerland (Erstwhile LafargeHolcim) | Ultimate Holding Company (upto September 15, 2022) |
| 3 | Ambuja Cements Limited | Immediate Holding Company |
| **(B)** | **Names of the Related parties where control / joint control exists:** | **Nature of Relationship** |
| 1 | Bulk Cement Corporation (India) Limited | Subsidiary Company |
| 2 | Lucky Minmat Limited | Subsidiary Company |
| 3 | Singhania Minerals Private Limited | Subsidiary Company |
| 4 | ACC Mineral Resources Limited | Subsidiary Company |
| 5 | OneIndia BSC Private Limited | Joint venture Company |
| 6 | Aakaash Manufacturing Company Private Limited | Joint venture Company |
| **(C)** | **Others - With whom transactions have taken place during the current and/or previous year or has outstanding balance:** | |
| **(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 | Adani Estate Management Private Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 4 | Adani Green Energy Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 5 | Adani Infrastructure And Developers Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 6 | Adani Power Maharashtra Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 7 | Adani Wilmar Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 8 | Udupi Power Corporation Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 9 | Adani Power Rajasthan Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 10 | Raipur Energen Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 11 | Esteem Construction Private Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 12 | The Dhamra Port Company Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 13 | Adani Petronet (Dahej) Port Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 14 | Adani Enterprises Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 15 | Budhpur Buildcon Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 16 | Adani Infra (India) Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 17 | Adani Properties Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |

# Notes to the Financial Statements
for the year ended March 31, 2023

| | | |
|---|---|---|
| 18 | Raigarh Energy Generation Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 19 | Parsa Kente Collieries Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 20 | Adani Tracks Management Services Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 21 | Adani Green Energy Six Limited | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 22 | Belvedere Golf And Country Club Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 23 | Adani Sportsline Pvt Ltd | Entities over which key management personnel/ their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 24 | Holcim Services (South Asia) Limited | Fellow Subsidiary (upto September 15, 2022) |
| 25 | Holcim Group Services Ltd, Switzerland | Fellow Subsidiary (upto September 15, 2022) |
| 26 | Holcim Technology Ltd, Switzerland | Fellow Subsidiary (upto September 15, 2022) |
| 27 | LafargeHolcim Energy Solutions SAS, France | Fellow Subsidiary (upto April 30, 2021) |
| 28 | LafargeHolcim Bangladesh Ltd, Bangladesh | Fellow Subsidiary (upto September 15, 2022) |
| 29 | Lafarge SA, France | Fellow Subsidiary (upto September 15, 2022) |
| 30 | Holcim Trading Ltd ,Switzerland (Erstwhile LH Trading Ltd) | Fellow Subsidiary (upto September 15, 2022) |
| 31 | LH Global Hub Services Private Limited | Fellow Subsidiary (upto September 15, 2022) |
| 32 | Holcim International Services Singapore Pte Ltd,Singapore (Erstwhile Lafarge) | Fellow Subsidiary (upto September 15, 2022) |
| 33 | Lafargeholcim Investment Co. Ltd, China | Fellow Subsidiary (upto September 15, 2022) |
| 34 | Counto Microfine Products Private Limited | Joint venture of Ambuja Cements Limited |
| 35 | Asian Fine Cement Private Limited | Subsidiary of an associate (Asian Concretes and Cements Private Limited) |
| 36 | The Provident Fund of ACC Ltd | Trust (Post-employment benefit plan) |
| 37 | ACC limited Employees Group Gratuity scheme | Trust (Post-employment benefit plan) |
| 38 | ACC Trust | Trust (Corporate Social Responsibility Trust) |
| 39 | Adani Foundation | 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. Karan Adani | Chairman & Non Executive /Non Independent Director (w.e.f September 16, 2022) |
| 2 | Mr. Ajay Kapur | Whole Time Director & Chief Executive Officer (w.e.f. December 3,2022) |
| 3 | Mr. Neeraj Akhoury | Non Executive/Non Independent Director (up to September 16, 2022) |
| 4 | Mr. Sridhar Balakrishnan | Whole Time Director & Chief Executive Officer (upto December 3,2022) |
| 5 | Ms. Rajani Kesari | Chief Financial Officer (upto August 31, 2020) |
| 6 | Mr. Yatin Malhotra | Chief Financial Officer (upto August 31, 2022) |
| 7 | Mr. Rajiv Choubey | Company Secretary (upto April 27, 2022) |
| 8 | Ms. Rashmi Khandelwal | Company Secretary (w.e.f April 28,2022 upto November 15, 2022) |
| 9 | Mr. Vinay Prakash | Non Executive /Non Independent Director (w.e.f September 16, 2022) |
| 10 | Mr. Arun Kumar Anand | Non Executive /Non Independent Director (w.e.f September 16, 2022) |
| 11 | Mr. Sandeep Singhi | Independent Director (w.e.f September 16, 2022) |
| 12 | Mr. Nitin Shukla | Independent Director (w.e.f September 16, 2022) |
| 13 | Mr. Rajeev Agarwal | Independent Director (w.e.f September 16, 2022) |
| 14 | Mr. N S Sekhsaria | Chairman, Non Executive / Non Independent Director(upto September 16,2022) |

# Notes to the Financial Statements

for the year ended March 31, 2023

| | | |
|---|---|---|
| 15 | Mr. Jan Jenisch | Deputy Chairman, Non Executive / Non Independent Director (upto September 16, 2022) |
| 16 | Mr. Martin Kriegner | Non Executive /Non Independent Director (upto September 16,2022) |
| 17 | Mr. Shailesh Haribhakti | Independent Director (upto September 16,2022) |
| 18 | Mr. Sushil Kumar Roongta | Independent Director (upto September 16,2022) |
| 19 | Ms. Falguni Nayar | Independent Director (upto September 16,2022) |
| 20 | Mr. Damodarannair Sundaram | Independent Director (upto September 16,2022) |
| 21 | Mr. Vinayak Chatterjee | Independent Director (upto September 16,2022) |
| 22 | Mr. Sunil Mehta | Independent Director (upto September 16,2022) |
| 23 | Ms. Ameera Shah | Independent Director (w.e.f December 03, 2022) |
| 24 | Mr. M. R. Kumar | Non Independent Director (upto September 16,2022) |

## (D) Transactions with Subsidiary Companies

Rs. in Crore

| | Particulars | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **1** | **Purchase of raw material** | **2.73** | **1.50** |
| | Singhania Minerals Private Limited | 2.73 | 1.50 |
| **2** | **Sale of finished goods** | **-** | **0.02** |
| | Bulk Cement Corporation (India) Limited | - | 0.02 |
| **3** | **Reimbursement of expenses paid/payable** | **0.13** | **0.72** |
| | Bulk Cement Corporation (India) Limited | 0.13 | 0.72 |
| **4** | **Reimbursement of expenses received/receivable** | **2.61** | **1.54** |
| | Bulk Cement Corporation (India) Limited | 2.61 | 1.54 |
| **5** | **Rendering of services** | **2.98** | **2.09** |
| | Bulk Cement Corporation (India) Limited | 2.98 | 2.09 |
| **6** | **Receiving of services** | **26.26** | **21.86** |
| | Bulk Cement Corporation (India) Limited | 26.26 | 21.86 |
| **7** | **Interest income on inter corporate deposit** | **0.10** | **0.07** |
| | Singhania Minerals Private Limited | 0.08 | 0.06 |
| | Lucky Minmat Limited | 0.02 | 0.01 |
| **8** | **Inter corporate deposits given** | **0.05** | **0.04** |
| | Lucky Minmat Limited | 0.05 | 0.04 |
| **9** | **Conversion of outstanding interest into inter corporate deposits** | **0.20** | **-** |
| | Singhania Minerals Private Limited | 0.16 | - |
| | Lucky Minmat Limited | 0.04 | - |
| **10** | **Guarantee given (net)** | **0.20** | **0.83** |
| | Singhania Minerals Private Limited | - | 0.73 |
| | Bulk Cement Corporation (India) Limited | 0.20 | 0.10 |

### Outstanding balances with Subsidiary Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| **1** | **Guarantee outstanding** | **1.07** | **0.87** |
| | Singhania Minerals Private Limited | 0.77 | 0.77 |
| | Bulk Cement Corporation (India) Limited | 0.30 | 0.10 |
| **2** | **Inter Corporate Deposits** | **1.13** | **0.86** |
| | Singhania Minerals Private Limited | 0.87 | 0.71 |
| | Lucky Minmat Limited | 0.26 | 0.15 |
| **3** | **Interest receivables** | **0.06** | **0.19** |
| | Singhania Minerals Private Limited | 0.06 | 0.17 |
| | Lucky Minmat Limited | - | 0.02 |
| **4** | **Outstanding receivables** | **3.89** | **0.31** |
| | Bulk Cement Corporation (India) Limited | 3.16 | 0.14 |
| | Singhania Minerals Private Limited | 0.73 | 0.17 |

# Notes to the Financial Statements
for the year ended March 31, 2023

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 5 | **Outstanding payables** | **5.01** | **3.96** |
| | Bulk Cement Corporation (India) Limited | 5.01 | 3.92 |
| | Singhania Minerals Private Limited | - | 0.04 |

## (E) Transactions with Joint Venture Companies

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Purchase of finished goods** | **197.09** | **126.19** |
| | Aakaash Manufacturing Company Private Limited {Refer Note 46 (ii)} | 197.09 | 126.19 |
| 2 | **Sale of finished goods** | **-** | **1.69** |
| | Aakaash Manufacturing Company Private Limited | - | 1.69 |
| 3 | **Sale of raw material** | **0.15** | **0.18** |
| | Aakaash Manufacturing Company Private Limited | 0.15 | 0.18 |
| 4 | **Dividend received** | **1.75** | **1.13** |
| | Aakaash Manufacturing Company Private Limited | 1.75 | 1.13 |
| 5 | **Reimbursement of expenses paid/payable** | **-** | **0.30** |
| | Aakaash Manufacturing Company Private Limited | - | 0.21 |
| | OneIndia BSC Private Limited | - | 0.09 |
| 6 | **Reimbursement of expenses received/receivable** | **5.79** | **-** |
| | Aakaash Manufacturing Company Private Limited | 5.79 | - |

### Outstanding balances with joint venture Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | **Outstanding receivables** | **0.01** | **0.22** |
| | Aakaash Manufacturing Company Private Limited | 0.01 | 0.22 |
| 2 | **Outstanding payables** | **19.30** | **36.66** |
| | Aakaash Manufacturing Company Private Limited | 19.30 | 36.66 |

## (F) Transactions with Associate Companies

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Purchase of finished goods** | **70.67** | **56.56** |
| | Alcon Cement Company Private Limited | 70.67 | 56.56 |
| 2 | **Sale of finished goods** | **-** | **0.03** |
| | Alcon Cement Company Private Limited | - | 0.03 |
| 3 | **Purchase of raw materials** | **14.73** | **8.50** |
| | Asian Concretes and Cements Private Limited | 14.73 | 8.50 |
| 4 | **Sale of semi-finished goods** | **23.73** | **17.08** |
| | Alcon Cement Company Private Limited {Refer Note - 46 (i)} | 23.73 | 16.15 |
| | Asian Fine Cement Private Limited | - | 0.93 |
| 5 | **Dividend received** | **0.55** | **0.43** |
| | Alcon Cement Company Private Limited | 0.55 | 0.43 |
| 6 | **Receiving of services** | **66.78** | **54.40** |
| | Asian Concretes and Cements Private Limited | 66.78 | 54.40 |
| 7 | **Reimbursement of expenses received/receivable** | **16.37** | **16.23** |
| | Alcon Cement Company Private Limited | 16.37 | 16.23 |
| 8 | **Reimbursement of expenses paid/payable** | **0.25** | **0.34** |
| | Alcon Cement Company Private Limited | 0.25 | 0.34 |

# Notes to the Financial Statements

for the year ended March 31, 2023

### Outstanding balances with Associate Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | **Outstanding receivables** | **5.96** | **8.74** |
| | Alcon Cement Company Private Limited | 5.96 | 8.74 |
| 2 | **Outstanding payables** | **11.05** | **24.30** |
| | Asian Concretes and Cements Private Limited | 6.17 | 16.41 |
| | Alcon Cement Company Private Limited | 4.88 | 7.58 |
| | Asian Fine Cement Private Limited | - | 0.31 |

## (G) Details of Transactions relating to Ultimate Holding and Holding Companies

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Dividend paid** | **593.89** | **143.36** |
| | Ambuja Cements Limited | 545.11 | 131.58 |
| | Holderind Investments Limited | 48.78 | 11.78 |
| 2 | **Purchase of Raw materials** | **89.89** | **17.10** |
| | Ambuja Cements Limited | 89.89 | 17.10 |
| 3 | **Purchase of Finished / Semi-finished goods** | **2,065.45** | **676.82** |
| | Ambuja Cements Limited | 2,065.45 | 676.82 |
| 4 | **Purchase of stores & spares** | **3.21** | **3.39** |
| | Ambuja Cements Limited | 3.21 | 3.39 |
| 5 | **Purchase of Property, plant and equipments** | **-** | **14.77** |
| | Ambuja Cements Limited | - | 14.77 |
| 6 | **Sale of finished / semi-finished goods** | **1,060.47** | **366.60** |
| | Ambuja Cements Limited | 1,060.47 | 366.60 |
| 7 | **Sale of raw material** | **87.82** | **6.17** |
| | Ambuja Cements Limited | 87.82 | 6.17 |
| 8 | **Sale of stores & spares** | **2.63** | **1.18** |
| | Ambuja Cements Limited | 2.63 | 1.18 |
| 9 | **Sale of Property, plant and equipments** | **2.62** | **0.62** |
| | Ambuja Cements Limited | 2.62 | 0.62 |
| 10 | **Rendering of services** | **75.26** | **58.92** |
| | Ambuja Cements Limited | 75.26 | 58.92 |
| 11 | **Receiving of services** | **54.16** | **38.96** |
| | Ambuja Cements Limited | 54.16 | 38.96 |
| 12 | **Reimbursement of expenses received / receivable** | **2.72** | **0.70** |
| | Ambuja Cements Limited | 2.72 | 0.70 |
| 13 | **Reimbursement of expenses paid / payable** | **28.14** | **8.12** |
| | Ambuja Cements Limited | 28.14 | 8.12 |
| 14 | **Inter corporate deposits received** | **200.00** | **-** |
| | Ambuja Cements Limited | 200.00 | - |
| 15 | **Inter corporate deposits repaid** | **200.00** | **-** |
| | Ambuja Cements Limited | 200.00 | - |
| 16 | **Interest paid on inter corporate deposit** | **1.07** | **-** |
| | Ambuja Cements Limited | 1.07 | - |

### Outstanding balances with Ultimate Holding and Holding Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | **Outstanding receivables** | **251.72** | **37.99** |
| | Ambuja Cements Limited | 251.72 | 37.99 |
| 2 | **Outstanding payables** | **268.84** | **100.32** |
| | Ambuja Cements Limited | 268.84 | 100.32 |

# Notes to the Financial Statements

for the year ended March 31, 2023

## (H) Details of Transactions relating to other related parties

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Purchase of raw materials** | **436.73** | **167.56** |
| | Holcim Trading Ltd | 429.33 | 167.01 |
| | Counto Microfine Products Private Limited | 1.89 | 0.55 |
| | Adani Power Rajasthan Ltd | 0.24 | - |
| | Adani Enterprises Limited | 5.23 | - |
| | Adani Petronet (Dahej) Port Limited | 0.01 | - |
| | Udupi Power Corporation Limited | 0.03 | - |
| 2 | **Purchase of stores & spares** | **0.19** | **-** |
| | Adani Wilmar Limited | 0.19 | - |
| 3 | **Sale of finished / unfinished goods** | **3.93** | **-** |
| | Adani Power Maharashtra Limited | 1.46 | - |
| | Adani Wilmar Limited | 1.22 | - |
| | Udupi Power Corporation Limited | 0.16 | - |
| | Raipur Energen Limited | 0.86 | - |
| | Adani Infra (India) Pvt Ltd | 0.23 | - |
| 4 | **Sale of Readymix concrete (RMC)** | **4.54** | **-** |
| | Adani Estate Management Private Limited | 1.39 | - |
| | Adani Infrastructure And Developers Pvt Ltd | 0.78 | - |
| | Esteem Construction Private Limited | 1.03 | - |
| | Budhpur Buildcon Pvt Ltd | 0.10 | - |
| | Adani Green Energy Six Limited | 1.24 | - |
| 5 | **Purchase of sponsorship rights** | **50.28** | **-** |
| | Adani Sportsline Pvt Ltd | 50.28 | - |
| 6 | **Sale of stores & spares** | **0.14** | **-** |
| | Adani Wilmar Limited | 0.12 | - |
| | The Dhamra Port Company Limited | 0.02 | - |
| 7 | **Technology and know-how fees** | **115.35** | **154.51** |
| | Holcim Technology Ltd (Refer Note - 35) | 115.35 | 154.51 |
| 8 | **Receiving of services** | **81.36** | **65.94** |
| | Holcim Services (South Asia) Limited | 46.28 | 41.00 |
| | Lafarge SA | - | 0.37 |
| | Holcim Technology Ltd | 0.45 | 0.32 |
| | LH Global Hub Services Private Limited | 17.26 | 23.55 |
| | Lafargeholcim Investment Ltd | 0.01 | 0.70 |
| | Adani Enterprises Limited | 17.28 | - |
| | Adani Green Energy Limited | 0.08 | - |
| 9 | **Rendering of services** | **3.01** | **3.48** |
| | Holcim Services (South Asia) Limited | 3.01 | 3.48 |
| 10 | **Rental income** | **2.06** | **-** |
| | Adani Enterprises Limited | 2.06 | - |
| 11 | **Long term security deposit** | **68.00** | **-** |
| | Adani Properties Pvt Ltd | 32.00 | - |
| | Adani Estate Management Private Limited | 36.00 | - |
| 12 | **Lease premium for leasehold land** | **29.00** | **-** |
| | Adani Properties Pvt Ltd | 14.00 | - |
| | Adani Estate Management Private Limited | 15.00 | - |
| 13 | **Settlement of arbitration matter** | **13.14** | **-** |
| | Udupi Power Corporation Limited | 13.14 | - |

# Notes to the Financial Statements

for the year ended March 31, 2023

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **14** | **Reimbursement of expenses paid / payable** | **2.17** | **1.03** |
| | Lafargeholcim Energy Solutions SAS | - | 0.45 |
| | Lafarge SA | 0.06 | - |
| | Holcim International Services Singapore Pte Ltd | 0.96 | 0.38 |
| | Holcim Group Services Ltd | - | 0.20 |
| | Holcim Trading Ltd | 1.12 | - |
| | Adani Tracks Management Services Pvt Ltd | 0.02 | - |
| | Belvedere Golf And Country Club Pvt Ltd | 0.01 | - |
| **15** | **Reimbursement of expenses received / receivable** | **9.05** | **1.08** |
| | Lafargeholcim Energy Solutions SAS | - | 0.75 |
| | Holcim Technology Ltd | 0.01 | - |
| | LH Global Hub Services Private Limited | - | 0.31 |
| | Holcim Trading Ltd | 0.77 | 0.02 |
| | Adani Power Maharashtra Limited | 7.62 | - |
| | Raigarh Energy Generation Ltd | 0.10 | - |
| | Adani Cement Industries Ltd | 0.55 | - |

## Outstanding balances with other related parties

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| **1** | **Outstanding receivables** | **86.39** | **2.67** |
| | Holcim Services (South Asia) Limited | - | 2.65 |
| | LafargeHolcim Bangladesh Ltd | - | 0.02 |
| | Adani Enterprises Limited | 7.18 | - |
| | Adani Wilmar Limited | 0.06 | - |
| | Adani Power Maharashtra Limited | 6.10 | - |
| | Adani Power Rajasthan Limited | 0.02 | - |
| | Adani Estate Management Private Limited | 36.78 | - |
| | Adani Infrastructure And Developers Pvt Ltd | 0.77 | - |
| | Parsa Kente Collieries Lid | 0.42 | - |
| | Udupi Power Corporation Limited | 0.09 | - |
| | Raipur Energen Limited | 0.48 | - |
| | Esteem Construction Private Limited | 0.05 | - |
| | Adani Petronet (Dahej) Port Limited | 0.15 | - |
| | Adani Properties Pvt Ltd | 32.00 | - |
| | Budhpur Buildcon Pvt Ltd | 0.06 | - |
| | Adani Infra (India) Pvt Ltd | 0.08 | - |
| | Adani Green Energy Limited | 1.47 | - |
| | Raigarh Energy Generation Ltd | 0.13 | - |
| | Adani Cement Industries Ltd | 0.55 | - |
| **2** | **Outstanding payables** | **13.52** | **170.65** |
| | Holcim Trading Ltd | - | 130.21 |
| | LafargeHolcim Energy Solutions SAS | - | 1.21 |
| | Holcim Technology Ltd | - | 31.35 |
| | Counto Microfine Products Private Limited | 0.28 | 0.17 |
| | Holcim Services (South Asia) Limited | - | 5.51 |
| | Holcim Group Services Ltd | - | 0.02 |
| | Lafarge SA | - | 0.44 |
| | LH Global Hub Services Private Limited | - | 1.57 |
| | Lafargeholcim Investment Ltd | - | 0.17 |
| | Adani Tracks Management Services Pvt Ltd | 0.02 | - |
| | Adani Green Energy Limited | 0.08 | - |
| | Udupi Power Corporation Limited | 13.14 | - |

# Notes to the Financial Statements
for the year ended March 31, 2023

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

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Remuneration*** | **21.84** | **10.02** |
| | Mr. Sridhar Balakrishnan | 16.88 | 5.15 |
| | Mr. Yatin Malhotra | 2.77 | 2.07 |
| | Mr. Rajiv Choubey | 1.32 | 1.95 |
| | Ms. Rashmi Khandelwal | 0.87 | - |
| | Mr. Neeraj Akhoury^ | - | 0.57 |
| | Ms. Rajani Kesari^ | - | 0.28 |
| | **Breakup of remuneration** | **21.84** | **10.02** |
| | Short term employee benefits | 20.47 | 8.99 |
| | Post employment benefits (including defined contribution and defined benefits)* | 0.29 | 0.36 |
| | Employee share based payments (Refer Note - 53) | 1.08 | 0.67 |
| 2 | **Other Payment to Key Management Personnel** | | |
| | **Commission paid** | **1.77** | **2.99** |
| | Mr. N S Sekhsaria | 0.14 | 0.50 |
| | Mr. Martin Kriegner # | - | - |
| | Mr. Shailesh Haribhakti | 0.14 | 0.36 |
| | Mr. Sushil Kumar Roongta | 0.14 | 0.36 |
| | Mr. Jan Jenisch | 0.14 | 0.20 |
| | Ms. Falguni Nayar | 0.14 | 0.20 |
| | Mr. Sunil Mehta | 0.14 | 0.36 |
| | Mr. Damodarannair Sundaram | 0.14 | 0.45 |
| | Mr. Vinayak Chatterjee | 0.14 | 0.36 |
| | Mr. M R. Kumar | 0.14 | 0.20 |
| | Mr. Sandeep Singhi | 0.11 | - |
| | Mr. Nitin Shukla | 0.11 | - |
| | Mr. Rajeev Agarwal | 0.11 | - |
| | Ms. Ameera Shah | 0.07 | - |
| | Mr. Arun Kumar Anand | 0.11 | - |
| | **Sitting fees** | **0.81** | **0.52** |
| | Mr. N S Sekhsaria | 0.05 | 0.05 |
| | Mr. Martin Kriegner # | - | - |
| | Mr. Shailesh Haribhakti | 0.08 | 0.08 |
| | Mr. Sushil Kumar Roongta | 0.10 | 0.08 |
| | Mr. Jan Jenisch | 0.02 | 0.02 |
| | Ms. Falguni Nayar | 0.04 | 0.04 |
| | Mr. Sunil Mehta | 0.09 | 0.07 |
| | Mr. Damodarannair Sundaram | 0.08 | 0.08 |
| | Mr. Vinayak Chatterjee | 0.08 | 0.08 |
| | Mr. M. R. Kumar | 0.01 | 0.02 |
| | Mr. Arun Kumar Anand | 0.03 | - |
| | Mr. Sandeep Mohanraj Singhi | 0.08 | - |
| | Mr. Rajeev kumar Agarwal | 0.07 | - |
| | Mr. Nitin Shukla | 0.08 | - |

* 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.

# Waived his 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 Rs. 34.08 Crore *(Previous Year - Rs. 25.46 Crore)*. Refer Note - 37 for fair value as at current and previous year end.

# Notes to the Financial Statements

for the year ended March 31, 2023

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme).The Company has not contributed any amount towards Employees Group Gratuity scheme in the current and previous year. Refer Note - 37 for fair value as at current and previous year end.

During the year the Company has contributed Rs. 3.03 Crore *(Previous Year - Rs. 16.00 Crore)* to ACC Trust towards Corporate social responsibility obligations.

During the year the Company has contributed Rs. 3.50 Crore *(Previous Year - Nil)* to Adani Foundation towards Corporate social responsibility obligations.

Refer Note - 5 for detail of investments in subsidiaries, associates and joint ventures.

Transaction with related parties disclosed are exclusive of applicable taxes.

### Terms and conditions of transactions with related parties

The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enters into transactions in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash other than disclosed in the financial statements. Transactions relating to dividends were on the same terms and conditions as applied to other shareholders.

## NOTE 43: SEGMENT REPORTING

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

(a) **Cement -** Cement is manufactured from clinker by mixing the raw materials such as limestone, clay, iron ore, fly ash, bauxite, gypsum etc, in determined ratios.

(b) **Ready Mix Concrete -** Ready Mix Concrete is concrete that is manufactured in a batch plant according to a set engineered mix design.

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.

Rs. in Crore

| | Cement | | Ready Mix Concrete | | Total | |
|---|---|---|---|---|---|---|
| | **Fifteen months ended March 31, 2023** | Year ended December 31, 2021 | **Fifteen months ended March 31, 2023** | Year ended December 31, 2021 | **Fifteen months ended March 31, 2023** | Year ended December 31, 2021 |
| **Revenue** | | | | | | |
| External sales | 19,925.50 | 14,572.74 | 1,841.79 | 1,241.66 | 21,767.29 | 15,814.40 |
| Inter-segment sales | 296.66 | 199.62 | 3.75 | 6.32 | 300.41 | 205.94 |
| Other operating revenue | 436.80 | 333.08 | 5.88 | 3.87 | 442.68 | 336.95 |
| | **20,658.96** | **15,105.44** | **1,851.42** | **1,251.85** | **22,510.38** | **16,357.29** |
| Less: Elimination | 296.66 | 199.62 | 3.75 | 6.32 | 300.41 | 205.94 |
| **Total revenue** | **20,362.30** | **14,905.82** | **1,847.67** | **1,245.53** | **22,209.97** | **16,151.35** |
| **Segment result** | **1,145.98** | **2,354.10** | **43.32** | **55.81** | **1,189.30** | **2,409.91** |
| Unallocated income (net of unallocated expenditure) | | | | | 5.65 | 4.14 |
| Finance costs | | | | | (77.18) | (54.63) |
| Interest and dividend income | | | | | 226.13 | 193.83 |
| Exceptional items {Refer Note - 55 and 45(i)} | | | | | (161.77) | (92.86) |
| Tax expenses (Refer Note - 21) | | | | | (312.22) | (640.12) |

# Notes to the Financial Statements
for the year ended March 31, 2023

Rs. in Crore

| | Cement | | Ready Mix Concrete | | Total | |
|---|---|---|---|---|---|---|
| | Fifteen months ended March 31, 2023 | Year ended December 31, 2021 | Fifteen months ended March 31, 2023 | Year ended December 31, 2021 | Fifteen months ended March 31, 2023 | Year ended December 31, 2021 |
| **Profit after tax** | | | | | **869.91** | **1,820.27** |
| Capital expenditure (including capital work-in-progress and capital advances) | 2,073.66 | 1,164.27 | 28.86 | 8.62 | 2,102.52 | 1,172.89 |
| Depreciation and amortisation | 780.51 | 555.54 | 54.58 | 41.74 | 835.09 | 597.28 |
| Other non-cash expenses | | | | | | |
| Impairment loss | | 38.10 | - | - | - | 38.10 |
| Others | 9.24 | 10.53 | 12.57 | (9.13) | 21.81 | 1.40 |
| Segment assets | 15,454.00 | 11,746.35 | 503.72 | 509.67 | 15,957.72 | 12,256.02 |
| Unallocated assets | | | | | 4,450.79 | 8,662.99 |
| **Total assets** | | | | | 20,408.51 | 20,919.01 |
| Segment liabilities | 4,525.34 | 4,709.63 | 436.02 | 501.91 | 4,961.36 | 5,211.54 |
| Unallocated liabilities | | | | | 1,404.15 | 1,479.04 |
| **Total liabilities** | | | | | **6,365.51** | **6,690.58** |

### Revenue from external customer

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Within India | 22,209.96 | 16,149.25 |
| Outside India* | 0.01 | 2.10 |
| **Total** | **22,209.97** | **16,151.35** |

No single customer contributed 10% or more to the Company's revenue for the fifteen months ended March 31, 2023 and year ended December 31, 2021.

All the non current assets are located within India.

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

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 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) | 16.38 | 17.11 |
| | Principal amount due to micro and small enterprises (overdue) | 3.76 | 8.22 |
| | Interest due on overdue | 0.50 | 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.

# Notes to the Financial Statements
for the year ended March 31, 2023

## NOTE 45.

(i) The Company had invested Rs. 38.10 Crore *(Previous year - Rs. 38.10 Crore)* in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary of the Company. In view of no mining activity being carried out and 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 previous year ended December 31, 2021, the Company has recognised an impairment loss of Rs. 38.10 Crore in the value of investment.

(ii) The Company has investment in ACC Mineral Resources Limited (AMRL), a wholly-owned subsidiary of Rs. 106.80 Crore *(Previous year - Rs. 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 judgment 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. AMRL had filed a writ petition with the Delhi High Court against the compensation fixed by Ministry of Coal. The revised valuation of Company's claim by the Ministry of Coal is still awaited. The auction of remaining three coal blocks has not yet taken place till date.

The Company had assessed the recoverability of amount incurred on development of these coal blocks and accordingly investment of Rs. 42.81 Crore was impaired in the previous years. Based on above the Company has concluded that no further impairment is necessary.

## 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 Rs. 23.73 Crore *(Previous year - Rs. 16.15 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Cement so converted.

(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 accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such Ready Mix Concrete to customer of Rs. 197.09 Crore *(Previous year - Rs. 126.19 Crore)* has not been recognised as Revenue from operations 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:

Rs. in 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 March 31, 2023* | Maximum Balance during the Year* | As at December 31, 2021* | Maximum Balance during the Previous Year* |
|---|---|---|---|---|---|
| **(a) Loans to wholly owned Subsidiaries –** | | | | | |
| Singhania Minerals Private Limited | Working Capital | 0.87 | 0.87 | 0.71 | 0.71 |
| Lucky Minmat Limited | Working Capital | 0.26 | 0.26 | 0.15 | 0.15 |

* 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 Rs. 0.77 Crore *(Previous Year - Rs. 0.77 Crore)* are for the purpose of approval of mining plan.

(d) Guarantee given on behalf of Bulk Cement Corporation (India) Limited, subsidiary company, of Rs. 0.30 Crore *(Previous Year - Rs. 0.10 Crore)* is for the compliance of Pollution Control.

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

# Notes to the Financial Statements

for the year ended March 31, 2023

## 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, expensesdisclosed under the respective notes to the Statement of Profit and Loss are net of amounts capitalised by the Company.

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 59.29 | 39.09 |
| Expenditure during construction for projects: | | |
| Employee benefits expense* | 25.59 | 27.75 |
| Power and fuel** | 2.04 | 1.22 |
| Depreciation | 0.55 | 0.07 |
| Miscellaneous expenses** | - | 1.41 |
| **Total** | **87.47** | **69.54** |
| Less : Capitalised during the year | 44.40 | 10.25 |
| **Balance at the end of the year** | **43.07** | **59.29** |

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

** Miscellaneous expenses and power and fuel 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

Rs. in Crore

| Particulars | Carrying value As at March 31, 2023 | fair Value As at March 31, 2023 | Carrying value As at December 31, 2021 | fair Value As at December 31, 2021 |
|---|---|---|---|---|
| **Financial assets #** | | | | |
| **1. Measured at Fair value through profit or loss (FVTPL)** | | | | |
| Investment in Unquoted equity shares | 14.70 | 14.70 | 14.70 | 14.70 |
| Cash and cash equivalents - Mutual funds | 80.06 | 80.06 | 345.23 | 345.23 |
| **2. Measured at amortised cost** | | | | |
| Cash and cash equivalents (Certificates of deposits and other deposits) | - | - | 250.00 | 250.00 |
| Other Cash and cash equivalents (Balances with banks) | 48.79 | 48.79 | 6,652.01 | 6,652.01 |
| Bank balances other than Cash and Cash Equivalents | 157.90 | 157.90 | 155.63 | 155.63 |
| Investments in Bonds | 3.70 | 3.70 | 3.70 | 3.70 |
| Security deposits (Current and Non-Current) | 280.31 | 280.31 | 207.66 | 207.66 |
| Loans and Other financial assets (Current and Non-Current) | 4,030.47 | 4,030.47 | 1,007.13 | 1,007.13 |
| Trade receivables | 874.74 | 874.74 | 462.42 | 462.42 |
| **Total** | **5,490.67** | **5,490.67** | **9,098.48** | **9,098.47** |

# Other than investments in subsidiaries, associates and joint ventures

Rs. in Crore

| Particulars | Carrying value As at March 31, 2023 | Fair value As at March 31, 2023 | Carrying value As at December 31, 2021 | Fair value As at December 31, 2021 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| **Measured at amortised cost** | | | | |
| Trade payables | 1,492.16 | 1,492.16 | 1,899.21 | 1,899.21 |
| Security deposits and retention money | 959.82 | 959.82 | 792.37 | 792.37 |
| Lease Liabilities | 153.04 | 153.04 | 125.58 | 125.58 |
| Other financial liabilities | 229.71 | 229.71 | 334.83 | 334.83 |
| **Total** | **2,834.73** | **2,834.73** | **3,151.99** | **3,151.99** |

# Notes to the Financial Statements

for the year ended March 31, 2023

## (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:

Rs. in Crore

| Particulars | For the fifteen months ended March 31, 2023 | For the Year ended December 31, 2021 |
|---|---|---|
| **Income on financial instruments** | | |
| **Financial assets measured at amortised cost** | | |
| Interest income | (223.83) | (179.59) |
| Impairment losses on trade receivables (including reversals of impairment losses) | - | (10.87) |
| **Financial assets measured at cost** | | |
| Dividend income from associates / joint ventures | (2.30) | (1.56) |
| **Financial assets measured at fair value through profit or loss** | | |
| Gain on sale of current financial assets | (14.83) | (8.41) |
| Net gain on fair valuation of current financial assets | (0.06) | (0.23) |
| **Expenses on financial instruments** | | |
| **Financial liabilities measured at amortised cost** | | |
| Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable) | 11.87 | 3.20 |
| Interest expenses on deposits from dealers | 25.70 | 16.19 |
| Interest expenses on lease liabilities | 12.96 | 9.37 |
| Impairment losses on trade receivables (including reversals of impairment losses) | 14.84 | - |
| **Derivatives - Foreign exchange forward contracts** | | |
| Net loss / (gain) on foreign currency forward contracts | (2.62) | 1.29 |
| **Net gain recognised in Statement of Profit and Loss** | **(178.27)** | **(170.60)** |

## (C) Fair Value Hierarchy

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

Level 1: This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Rs.in Crore

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at March 31, 2023** | | | | |
| **Financial assets** | | | | |
| Measured at Fair value through profit or loss (FVTPL) | | | | |
| Investment in Unquoted equity shares | - | - | 14.70 | 14.70 |
| Cash and cash equivalents - Mutual funds | 80.06 | - | - | 80.06 |
| **As at December 31, 2021** | | | | |
| **Financial assets** | | | | |
| Measured at Fair value through profit or loss (FVTPL) | | | | |
| Investment in Unquoted equity shares | - | - | 14.70 | 14.70 |
| Cash and cash equivalents - Mutual funds | 345.23 | - | - | 345.23 |

# Notes to the Financial Statements

for the year ended March 31, 2023

### Reconciliation of Level 3 fair value measurement of unquoted equity shares

| | Unlisted shares carried at FVTPL | |
|---|---|---|
| | For the fifteen months ended March 31, 2023 | For the Year ended December 31, 2021 |
| Opening balance | 14.70 | 4.50 |
| Purchases during the year | - | 10.20 |
| Gain/(Loss) | | |
| - in Other comprehensive income | - | - |
| - in profit and loss | - | - |
| - changes on purchase of equity shares | - | - |
| **Closing Balance** | **14.70** | **14.70** |

### Description of significant unobservable inputs to valuation:

| | Valuation techniques | Significant unobservable inputs | Sensitivity of the input to fair value |
|---|---|---|---|
| Investments in unquoted equity shares | Price of recent transaction (PORT) | Transaction price | 5% (March 31, 2023: 5%) increase (decrease) in the transaction price would result in increase (decrease) in fair value by Rs. 0.74 Crore *(Previous year - Rs. 0.74 Crore)* |

During the reporting period ending March 31, 2023 and December 31, 2021, 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: The fair value of unquoted instruments is estimated by discounting future cash flow or price of recent transaction.

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

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, investment in bonds, security deposits, loans and other financial assets, trade receivables, trade payables, security deposits and retention money 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.

# Notes to the Financial Statements

for the year ended March 31, 2023

**(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 investing activities, including deposits placed with banks and financial institutions and other financial instruments.

### Financial assets other than trade receivables

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

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

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

### Incentives receivable from the Government

The Company has manufacturing units in various states; mainly those in Maharashtra, Uttar Pradesh 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.

The Company has estimated the expected credit loss based on time period to recover these incentives and carries a provision of Rs. 128.92 Crore as at March 31, 2023 *(Previous year - Rs. 128.92 Crore)*.

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

### Movement of Incentives under Government schemes

| | Rs. in Crore |
|---|---|
| As at January 01, 2021 | 863.14 |
| Incentive accrued (Net) | 153.89 |
| Incentive received | (112.28) |
| **As at December 31, 2021 (Refer Note - 8 & 15)** | **904.75** |
| Incentive accrued (Net) | 207.11 |
| Incentive received | (96.23) |
| **As at March 31, 2023 (Refer Note - 8 & 15)** | **1,015.63** |

### 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 Company's exposure to credit risk by age of the outstanding from various customers refer note - 11.

# Notes to the Financial Statements

for the year ended March 31, 2023

### 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:

Rs. in Crore

| | |
|---|---|
| As at January 01, 2021 | 62.25 |
| Provided during the year | 1.52 |
| Amounts utilised | (1.13) |
| Reversals of provision | (12.39) |
| **As at December 31, 2021** | **50.25** |
| Provided during the year | 15.22 |
| Amounts utilised | (5.98) |
| Reversals of provision | (0.38) |
| **As at March 31, 2023** | **59.11** |

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 except as disclosed in the notes to the financial statements.

### (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 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.

Rs. in Crore

| | Carrying amount | Less than 1 year | 1 -5 Years | More than 5 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | |
| Other financial liabilities* | 1,189.53 | 1,219.12 | - | - | 1,219.12 |
| Lease Liabilities | 153.04 | 39.09 | 91.42 | 107.88 | 238.39 |
| Trade payables | 1,492.16 | 1,492.16 | - | - | 1,492.16 |
| | **2,834.73** | **2,750.37** | **91.42** | **107.88** | **2,949.67** |

Rs. in Crore

| | 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** |

*Other financial liabilities includes deposits received from customers amounting to Rs. 657.52 Crore *(Previous year Rs. 628.09 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 commodity risk.

#### 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.

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

Rs. in Crore

| As at March 31, 2023 | USD | EUR | CHF | GBP |
|---|---|---|---|---|
| Trade Payable | 29.36 | 8.65 | 0.10 | 0.02 |
| Foreign exchange derivative contracts | (23.59) | (5.46) | - | - |
| Net exposure to foreign currency risk (liabilities) | 5.77 | 3.19 | 0.10 | 0.02 |

Rs. in 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 |

#### 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 Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

Rs. in Crore

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| Particulars | 5% strengthening of Rs. | 5% weakening of Rs. | 5% strengthening of Rs. | 5% weakening of Rs. |
| USD | 0.29 | (0.29) | 0.71 | (0.71) |
| EUR | 0.16 | (0.16) | 0.22 | (0.22) |
| **TOTAL** | **0.45** | **(0.45)** | 0.93 | (0.93) |

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

# Notes to the Financial Statements
for the year ended March 31, 2023

### 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. Optimising the fuel mix, pursue longer term and fixed contracts where considered necessary (Refer Note - 16).
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.

### 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 before tax for the year ended March 31, 2023 would decrease / increase by Rs. 3.29 Crore *(Previous year - Rs. 3.14 Crore)*.

## 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 debt free company with no borrowings. The Company is not subject to any externally imposed capital requirements.

Rs. in Crore

| | Note No. | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| Total Debt | | - | - |
| Less: Cash and cash equivalents | 12 | (128.85) | (7,247.24) |
| Net debt | | (128.85) | (7,247.24) |
| Equity | 18 & 19 | 14,043.00 | 14,228.43 |
| **Debt to Equity (Net)** | | **NA** | **NA** |

## NOTE 52: DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended December 31, 2021 Rs. 58.00 per share *(Previous year - Rs. 14.00)* | 1,089.17 | 262.90 |
| | **1,089.17** | **262.90** |
| **Proposed dividends on equity shares:** | | |
| Final dividend for the fifteen months ended March 31, 2023 Rs. 9.25 per share *(Previous year -Rs. 58.00)* | 173.70 | 1,089.17 |
| | **173.70** | **1,089.17** |

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 53: EMPLOYEE SHARE BASED PAYMENTS

### Description of plan - Holcim Performance Share Plan

Holcim Ltd (erstwhile 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.

900 *(Previous Year - 6,600)* performance shares at a fair value of Rs. 3,613 per share *(Previous Year - Rs. 4,226 per share)* were granted in 2022-23. Internal performance conditions are attached to the performance shares and are based on Holcim Earnings per Share (EPS) and Holcim Return on Invested Capital (ROIC). During the year, Rs. 2.78 Crore *(Previous Year - Rs. 4.18 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:

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| As at beginning of year | 17,400 | 16,200 |
| Granted | 900 | 6,600 |
| Issued | (15,833) | - |
| Forfeited | (2,467) | (5,400) |
| **As at end of the year** | **-** | **17,400** |

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

The Competition Commission of India ("CCI") initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behaviour and conducted search and seizure operations in December 2020 against few companies. The Director General (DG) of CCI in January 2021 sought information from the Company and the information sought was provided. In the current year, CCI had sent the investigation report of the DG to the Company and directed the Company to file their suggestions / objections to the report. Company has submitted its responses and the matter is pending for hearing before CCI. 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 55: EXCEPTIONAL ITEMS REPRESENT -

- Special incentive for certain key employees, pursuant to change in the ownership and control of Rs. 22.00 Crore *(Previous year - Rs. Nil)*
- One-time Information technology transition cost of Rs. 73.35 Crore *(Previous year - Rs. Nil)*
- Restructuring cost of under the voluntary retirement scheme Rs. 66.42 Crore *(Previous year -Rs. 54.76 Crore)*

## NOTE 56

During the current year, the Board of Directors have approved the change of financial year end from December 31 to March 31. In view of this, the current financial year is for a period of fifteen months i.e., January 01, 2022, to March 31, 2023 and, accordingly, the figures for the fifteen months financial ended March 31, 2023 are not comparable with the figures for the year ended December 31, 2021

## NOTE 57

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

# Notes to the Financial Statements

for the year ended March 31, 2023

## NOTE 58

During the fifteen months ended March 31, 2023, a short seller report was published in which certain allegations were made involving Adani group companies. Writ petitions were filed in the matter with the Hon'ble Supreme Court ("SC"), and during hearing the Securities and Exchange Board of India ("SEBI") has represented to the SC that it is investigating the allegations made in the short seller report for any violations of the various SEBI Regulations. The SC vide its order dated March 2, 2023 has also constituted an expert committee to investigate and also advise into the various aspects of existing laws and regulations, and also directed the SEBI to consider certain additional aspects in its scope. During the fifteen months ended March 31, 2023 and subsequent to March 31, 2023, Adani group companies have provided responses to various queries by the SEBI and the Stock Exchanges. The above-mentioned investigations are in progress as of date.

To uphold the principles of good governance, Adani group has undertaken review of transactions referred in the short seller's report and had obtained an opinion from independent law firm in respect of evaluating relationships with parties having transactions with the Company and referred to in the short seller's report. Management, based on such opinion, confirms that Company is in compliance with applicable laws and regulations.

Based on the foregoing and pending outcome of the investigations as mentioned above, the standalone financial statements do not carry any adjustment.

## NOTE 59

During the year, the Company had initiated capex plan to enhance its capacity through brownfield expansion during the period and gave milestone payment to the EPC Contractor. The Company reassessed its strategy for capex program and decided to foreclose the EPC contract and recovered its advance of Rs. 188 Crore (net of GST) without penalty.

## NOTE 60 - FINANCIAL RATIOS

| Sr. No. | Ratio | Numerator - Description | Denominator - Description | January 22-March 23 | January 21 - December 21 | % Variance | Reason for variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (in times) | Current assets | Current liabilities | 1.44 | 1.71 | (16)% | |
| 2 | Return on Equity ratio (in %)* | Profit after tax (excluding other comprehensive income) | Average total equity | 5% | 14% | (64)% | Return on equity reduced mainly on account of increase in fuels prices. |
| 3 | Inventory Turnover Ratio (in times)* | Cost of goods sold (Refer Note - 3) | Average Inventory | 6.76 | 6.49 | 4% | |
| 4 | Trade Receivables turnover ratio (in times)* | Sale of products and services | Average trade receivable | 26.05 | 34.61 | (25)% | |
| 5 | Trade Payables turnover ratio (in times)* | Cost of sales (Refer Note - 2) | Average trade payable | 9.57 | 7.93 | 21% | |
| 6 | Net Capital turnover ratio (in times)* | Revenue from operations | Working Capital (Refer Note -1) | 7.04 | 3.78 | 86% | Increase in ratio due to reduction in working capital |
| 7 | Net Profit ratio (in %) | Profit after tax (excluding other comprehensive income) | Revenue from operations | 4% | 11% | (65)% | Net profit reduced mainly on account of increase fuels prices |
| 8 | Return on capital employed (in %)* | Profit after tax (excluding other comprehensive income) | Average capital employed | 5% | 14% | (55)% | Return on Capital employed reduced mainly on account of increase in fuels prices. |
| 9 | Debt service coverage ratio (In times) | Profit before exceptional items & tax + interest expenses + depreciation & amortisation | Interest expense + scheduled lease liabilities during the period | 25.38 | 89.06 | (72)% | Reduction in debt service coverage ratio is due to decrease in profit |
| 10 | Return on investment (in %)* | Interest income + Dividend income + Gain on sale / fair valuation of current financial assets measured at FVTPL | Average Investment + Fixed deposit | 4% | 3% | 45% | Return on investment increase due to increase in FD interest rate |

1 Working Capital = Current Assets minus Current Liabilities as per balance sheet (excluding current maturities lease liability)

2 Cost of sales = Total expenses minus Depreciation and amortisation minus finance cost

3 Cost of goods sold = Raw Material Consumed, Purchase of traded goods, power and fuels , Changes in inventories of finished goods, work-in-progress and stock-in-trade, consumption of stores and spares and consumption of packing material

# Notes to the Financial Statements

for the year ended March 31, 2023

*Current period ratios have been annualised on a time proportion basis as the financial year is for a fifteen month period (Refer Note - 56)

## NOTE 61 - OTHERS STATUTORY INFORMATION

1 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2 The Company do not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

| Name of the Struck off companies | Nature of transactions with struck off Company | Transactions during the fifteen months ended March 31, 2023 | Balance outstanding as at March 2023 | Transaction during the year ended December 31, 2021 | Balance outstanding as at December 2021 | Relationship with the Struck off company |
|---|---|---|---|---|---|---|
| Anugrah madison advertising Pvt Ltd | Purchase of goods and services | - | * | - | * | Vendor |
| Rajat hans logistics Pvt Ltd | Purchase of goods and services | - | 0.01 | - | 0.01 | Vendor |
| Tirupati balaji logistics Pvt Ltd | Purchase of goods and services | - | 0.02 | - | 0.02 | Vendor |
| Katashi engineering services Pvt Ltd | Purchase of goods and services | - | 0.03 | - | 0.03 | Vendor |
| Eco grow environmental services Pvt Ltd | Purchase of goods and services | - | * | - | * | Vendor |
| Praxis El training & consulting Pvt Ltd | Purchase of goods and services | - | * | - | * | Vendor |
| Sm mining machinery & equipment Pvt Ltd | Purchase of goods and services | - | 0.02 | - | 0.02 | Vendor |
| Pushap associates Private Limited | Purchase of goods and services | - | * | - | * | Vendor |
| Kanuj envirotech Pvt Ltd | Purchase of goods and services | - | * | - | * | Vendor |
| JS techmarine solutions Pvt Ltd | Purchase of goods and services | 0.01 | - | 0.01 | 0.01 | Vendor |
| Thiruvishnu sabarisha construction Pvt Ltd | Purchase of goods and services | * | 0.01 | - | * | Vendor |
| Deep Star Tiles Pvt Ltd. | Sale of goods and services | - | * | - | * | Customer |
| Garg Building Material Suppliers Pvt Ltd | Sale of goods and services | - | * | * | * | Customer |
| Arnav ecumeneinfra Pvt Ltd | Sale of goods and services | * | * | - | * | Customer |
| Kamakshi minakshi Construction Pvt Ltd | Sale of goods and services | - | - | 0.01 | - | Customer |
| Seturya infrastructures Pvt Ltd | Sale of goods and services | - | * | - | * | Customer |
| Travel tendo Pvt Ltd | Sale of goods and services | - | * | - | * | Customer |
| Gharcool building materials pvt Ltd | Sale of goods and services | * | - | 0.06 | * | Customer |
| Saibabaji steel and traders Pvt Ltd | Sale of goods and services | - | - | 0.03 | - | Customer |
| Glosson surface solutions Pvt Ltd | Sale of goods and services | - | * | - | * | Customer |
| J S techmarine solutions Pvt Ltd | Sale of goods and services | - | - | 0.03 | - | Customer |

# Notes to the Financial Statements

for the year ended March 31, 2023

| | | | | | | |
|---|---|---|---|---|---|---|
| Springfield forestry Pvt Ltd | Sale of goods and services | - | - | 0.03 | - | Customer |

* Denotes below ₹ 50,000

3 The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

4 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5 The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6 The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

8 The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

9 Significant Events after the Reporting Period - There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

10 The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

11 The Company has not given any loans or advances in the nature of loans to promoters, directors, KMPs and/ or related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.

12 Previous year's figures have been regrouped and rearranged where necessary to conform to this year's classification.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# INDEPENDENT AUDITOR'S REPORT

To the Members of ACC Limited

## Report on the Audit of the Consolidated Financial Statements

### Qualified Opinion

We have audited the accompanying consolidated financial statements of ACC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates, joint ventures and joint operations comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the fifteen months financial year then ended (Refer Note 60), and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates, joint ventures and joint operations, except for the possible effects of the matter described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates, joint ventures and joint operations as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the fifteen months financial year ended on that date.

### Basis for Qualified Opinion

We refer to Note 61 of the accompanying consolidated financial statements. Management has represented to us that the Adani group has performed an internal assessment and obtained opinion from an independent law firm in respect of evaluating relationships with parties having transactions with the Holding Company and referred to in the short seller's report. However, pending the completion of proceedings before the Hon'ble Supreme Court and regulatory investigations, we are unable to comment on the possible consequential effects thereof, if any, on these consolidated financial statements.

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

### Emphasis of Matter

We draw your attention to Note 42(a) and 42(b) of the accompanying consolidated financial statements which describes the uncertainty related to the outcome of ongoing litigations with the Competition Commission of India. 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 consolidated financial statements for the fifteen months financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Litigation and Claims** (as described in Notes 1(L), 1(Z)(I), 42 and 43 of the consolidated financial statements) | |
| The Holding Company has significant ongoing legal proceedings for various complex matters relating to direct tax, indirect tax, government incentive claims and other legal matters under various laws prevailing in India.<br><br>Due to the magnitude and complexity involved in these matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcome of the legal cases are determined. Accordingly, it has been considered as a key audit matter. | Our audit procedures included:<br><br>• Read the Group's accounting policies with respect to contingent liabilities and provisions and assessing its compliance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".<br>• Obtained understanding of the Holding Company's process and controls to identify and monitor all litigations, including Holding Company's process of assessment of litigations as 'probable', 'possible' and 'remote' and reporting to the board of directors / Audit Committee.<br>• Held discussions with the management including the person responsible for legal and compliance to obtain an understanding of the matters involved and development in these matters compared to previous year. For significant direct and indirect tax matters and government incentive claims, we assessed the management conclusion with the support of specialists.<br>• For other significant legal matters, assessed management conclusion basis the related documentation / correspondence and opinions from external legal experts (where applicable), as provided by the management.<br>• Obtained direct legal confirmations for significant matters from external law firms handling such matters to corroborate management conclusions.<br>• Assessed the objectivity and competence of the external legal experts / law firms as referred above.<br>• Reviewed the disclosures made in the consolidated financial statements. |
| **Physical verification of bulk inventories** (as described in Note 1(D), 1(Z)(VII) and 10 of the consolidated financial statements) | |
| Bulk inventory for the Holding Company primarily comprises of coal, petcoke and clinker which are used during the production process at the Holding Company's plants. Holding Company has laid down a policy for physical verification defining, amongst other things, the frequency, responsibility and tolerance limits for all category of inventories, including bulk inventories. Holding Company also performs regular calibration checks of measuring equipment involved in determining physical quantities of bulk inventories and also engages independent third party to perform physical quantity checks.<br><br>Determination of physical quantities of bulk inventories is done based on volumetric measurements and involves special considerations with respect to physical measurement, density calculation, moisture, etc.<br><br>Considering the inherent risk involved in determining physical quantities of bulk inventories, we have considered this as a key audit matter. | Our audit procedures included:<br><br>Obtained an understanding of the Holding Company's process and controls with respect to physical verification of bulk inventories and evaluated the design effectiveness and operating effectiveness of these controls.<br><br>• On a test basis, reviewed the equipment calibration check reports.<br>• Obtained reports of physical verification performed for bulk inventories by management during the fifteen months financial year and at year end and assessed, on a test basis, that adjustments, if any, have been recorded for differences as compared to the inventory records as per the books.<br>• Assessed the frequency of physical verification performed by independent third party in line with the Holding Company's policy and on a test basis, reviewed the reports issued.<br>• On a test basis, observed physical verification performed by the management at or near year end. |

## Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

## Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates, joint ventures and joint operations in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates, joint ventures and joint operations are also responsible for overseeing the financial reporting process of their respective companies.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Holding Company has adequate internal financial controls with reference to financial statements 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates, joint ventures and joint operations to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates, joint ventures and joint operations to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates, joint ventures and joint operations of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the fifteen months financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, and 4 joint operations of a subsidiary, whose financial statements include total assets of Rs 97.52 Crore as at March 31, 2023, and total revenues of Rs 2.73 Crore and net cash inflows of Rs 3.82 Crore for the fifteen months financial year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs. 16.15 Crore for the fifteen months financial year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 associates and 2 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures, joint operations and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and joint operations and associates, is based solely on the reports of such other auditors.

(b) The consolidated financial statements of the Holding Company for the year ended December 31, 2021, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on February 9, 2022.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies, joint ventures and joint operations companies, incorporated in India, as noted in the 'Other Matters' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates, joint ventures and joint operations, as noted in the 'Other matters' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, we/the other auditors have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) Except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

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

(d) Except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies, joint ventures and joint operations, none of the directors of the Group's companies, its associates, joint ventures and joint operations, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph and paragraph (b) above;

(h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies, joint ventures and joint operations, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(i) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates, joint ventures and joint operations incorporated in India, the managerial remuneration for the fifteen months financial year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries, associates, joint ventures and joint operations incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(j) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures and joint operations, as noted in the 'Other matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates, joint ventures and joint operations in its consolidated financial statements – Refer Note 42 and 43 to the consolidated financial statements;

ii. The Group, its associates, joint ventures and joint operations did not have any material foreseeable losses in long-term contracts including derivative contracts during the fifteen months financial year ended March 31, 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates, joint ventures and joint operations, incorporated in India during the fifteen months financial year ended March 31, 2023.

iv. (a) The respective managements of the Holding Company and its subsidiaries, associates, joint ventures and joint operations which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates, joint ventures and joint operations respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates, joint ventures and joint operations to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates, joint ventures and joint operations ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates, joint ventures and joint operations which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates, joint ventures and joint operations respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates, joint ventures and joint operations from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates, joint ventures and joint operations shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates, joint ventures and joint operations which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The final dividend paid by the Holding Company during the fifteen months financial year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the joint venture and associate of the Holding Company incorporated in India and until the date of the audit report of such joint venture and associate is in accordance with section 123 of the Act.

As stated in Note 54 to the consolidated financial statements, the Board of Directors of the Holding Company and Joint Venture have proposed final dividend for the fifteen months financial year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associates, joint venture and joint operations companies incorporated in India, hence reporting under this clause is not applicable.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 23112773BGRIEJ3163

Place of Signature: Mumbai

Date: April 27, 2023

# ANNEXURE '1'

**referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our independent auditor's report of even date**

## Re: ACC Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies, joint ventures and joint operations companies, incorporated in India and to the best of our knowledge and belief, we state the following qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

| Sr. No. | Name | CIN | Holding company/ subsidiary/ associate/ joint venture | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|---|
| 1 | ACC Limited | L26940MH1936PLC002515 | Holding Company | (i)(c), (iii)(a), (xi)(a) and (xiii) |
| 2 | Bulk Cement Corporation (India) Limited | U99999MH1992PLC066679 | Subsidiary | vii(a) |
| 3 | Singhania Minerals Private Limited | U14109MP1992PTC007264 | Subsidiary | (xvii), (xix) |
| 4 | Lucky Minmat Limited | U14219RJ1976PLC001697 | Subsidiary | (xvii), (xix) |

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 23112773BGRIEJ3163

Place of Signature: Mumbai

Date: April 27, 2023

# ANNEXURE '2'

**To the independent auditor's report of even date on the consolidated financial statements of ACC Limited**

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

In conjunction with our audit of the consolidated financial statements of ACC Limited (hereinafter referred to as "the Holding Company") as of and for the fifteen months financial year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates, joint operations and joint ventures, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group its associates, joint operations and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Holding 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Act , to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Holding Company's internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 the consolidated 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 consolidated financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls with reference to consolidated financial statements in case of its subsidiaries, its associates, joint operations and joint ventures, which are companies incorporated in India, as stated in the 'Basis for Qualified Opinion' paragraph of our audit report, considering the ongoing proceedings before the Hon'ble Supreme Court and regulatory investigations and the consequential impact, if any, it may have on Holding Company's processes and internal controls including procurements, related party transactions and compliance with laws and regulations, to that extent we are unable to comment on whether there exists any material weakness in the Holding Company's internal controls as at March 31, 2023.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the matter described above on the achievement of the objectives of the control criteria, the companies included in the Group, its associates, joint operations and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to these 3 subsidiaries, 2 associates and 2 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the ICAI as specified under section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the fifteen months financial year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information. The matter described above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 consolidated financial statements of the Group and this report affect our report dated April 27, 2023 ,which expressed modified opinion on those financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**

Partner

Membership Number: 112773

UDIN: 23112773BGRIEJ3163

Place of Signature: Mumbai

Date: April 27, 2023

# CONSOLIDATED BALANCE SHEET

Rs. in Crore

| Particulars | Note No. | As at March 31, 2023 (Refer Note-60) | As at December 31, 2021 |
|---|---|---|---|
| **A. ASSETS** | | | |
| **1) Non-current assets** | | | |
| a) Property, plant and equipments | 2 | 7,102.25 | 6,541.42 |
| b) Capital work-in-progress | 2 | 1,684.00 | 1,216.39 |
| c) Other intangible assets | 3 | 144.25 | 49.95 |
| d) Right of use assets | 4 | 261.62 | 154.61 |
| e) Goodwill | | 3.77 | 3.77 |
| f) Investments in associates and joint ventures | 5 | 144.91 | 131.15 |
| g) Financial assets | | | |
| (i) Investments | 6 | 18.40 | 18.40 |
| (ii) Loans | 7 | 8.86 | 10.02 |
| (iii) Other financial assets | 8 | 1,232.63 | 917.09 |
| h) Non-current tax assets (net) | | 1,006.00 | 1,004.15 |
| i) Other non-current assets | 9 | 681.93 | 623.82 |
| **Total Non-current assets** | | **12,288.62** | **10,670.77** |
| **2) Current assets** | | | |
| a) Inventories | 10 | 1,624.20 | 1,273.91 |
| b) Financial assets | | | |
| (i) Trade receivables | 11 | 869.24 | 462.26 |
| (ii) Cash and cash equivalents | 12 | 256.63 | 7,366.59 |
| (iii) Bank balances other than cash and cash equivalents | 13 | 158.08 | 155.81 |
| (iv) Loans | 14 | 5.76 | 6.60 |
| (v) Other financial assets | 15 | 3,069.46 | 286.88 |
| | | | |
| c) Other current assets | 16 | 2,269.65 | 813.69 |
| | | **8,253.02** | **10,365.74** |
| d) Non-current assets classified as held for sale | 17 | 2.13 | 2.33 |
| **Total current assets** | | **8,255.15** | **10,368.07** |
| **TOTAL - ASSETS** | | **20,543.77** | **21,038.84** |
| **B. EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| a) Equity share capital | 18 | 187.99 | 187.99 |
| b) Other equity | 19 | 13,950.48 | 14,120.84 |
| Equity attributable to owners of the parent | | **14,138.47** | **14,308.83** |
| Non-controlling interest | | 3.48 | 3.35 |
| Total Equity | | **14,141.95** | **14,312.18** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| a) Financial liabilities | | | |
| Lease liabilities | | 125.68 | 101.37 |
| b) Provisions | 20 | 177.80 | 215.55 |
| c) Deferred tax liabilities (net) | 21 | 457.33 | 403.70 |
| **Total - Non-current liabilities** | | **760.81** | **720.62** |
| **Current liabilities** | | | |
| a) Financial liabilities | | | |
| (i) Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 22,46 | 20.21 | 25.33 |
| Total outstanding dues of trade payables other than micro and small enterprises | 22 | 1,473.18 | 1,879.56 |
| (ii) Lease liabilities | | 27.36 | 24.21 |
| (iii) Other financial liabilities | 23 | 1,191.49 | 1,129.47 |
| b) Other current liabilities | 24 | 2,380.15 | 2,265.35 |
| c) Provisions | 25 | 10.08 | 15.70 |
| d) Current tax liabilities (net) | | 538.54 | 666.42 |
| **Total - current liabilities** | | **5,641.01** | **6,006.04** |
| **Total - liabilities** | | **6,401.82** | **6,726.66** |
| **TOTAL - EQUITY AND LIABILITIES** | | **20,543.77** | **21,038.84** |
| Significant accounting policies | 1 | | |
| See accompanying notes to the consolidated financial statements | | | |

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Rs. in Crore

| | Particulars | Note No. | For the fifteen months ended March 31, 2023 (Refer Note-60) | For the year ended December 31, 2021 |
|---|---|---|---|---|
| | **INCOME** | | | |
| 1 | Revenue from operations | 26 | 22,210.18 | 16,151.67 |
| 2 | Other income | 27 | 341.89 | 206.71 |
| 3 | **TOTAL INCOME (1+2)** | | **22,552.07** | **16,358.38** |
| 4 | **EXPENSES** | | | |
| | a) Cost of materials consumed | 28 | 3,345.96 | 2,119.57 |
| | b) Purchases of stock-in-trade | 29 | 2,300.95 | 921.19 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 30 | (193.19) | (174.25) |
| | d) Employee benefits expense | 31 | 1,036.20 | 836.16 |
| | e) Power and fuel | | 5,742.72 | 3,364.77 |
| | f) Freight and forwarding expense | 32 | 5,140.24 | 3,822.99 |
| | g) Finance costs | 33 | 77.28 | 54.62 |
| | h) Depreciation and amortisation expense | 34 | 841.32 | 600.68 |
| | i) Other expenses | 35 | 2,931.24 | 2,287.61 |
| | | | **21,222.72** | **13,833.34** |
| | Captive consumption of cement | | (18.87) | (24.45) |
| | **TOTAL EXPENSES** | | **21,203.85** | **13,808.89** |
| 5 | **Profit before share of profit of associates and joint ventures and tax (3-4)** | | **1,348.22** | **2,549.49** |
| 6 | Share of profit in associates and joint ventures | | 16.15 | 11.65 |
| 7 | **Profit before exceptional items and tax (5+6)** | | **1,364.37** | **2,561.14** |
| 8 | Exceptional items | 59 | 161.77 | 54.76 |
| 9 | **Profit before tax (7-8)** | | **1,202.60** | **2,506.38** |
| 10 | **Tax expense** | 21 | | |
| | a) Current tax | | 274.21 | 636.19 |
| | b) Deferred tax charge / (credit) | | 43.18 | 7.09 |
| | | | **317.39** | **643.28** |
| 11 | **Profit after tax (9-10)** | | **885.21** | **1,863.10** |
| 12 | **Other comprehensive income (OCI)** | | | |
| | (i) Items that will not be reclassified to profit and loss: | | | |
| | (a) Re-measurement gain / (loss) on defined benefit plans | 39 | 41.50 | 7.27 |
| | (b) Share of Re-measurement gain / (loss) on defined benefit plans of associates and joint ventures (net of tax) | | (0.09) | (0.01) |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | 21 | (10.45) | (1.83) |
| | **Other comprehensive income for the year, net of tax** | | **30.96** | **5.43** |
| 13 | **Total comprehensive income for the year (11+12)** | | **916.17** | **1,868.53** |
| 14 | **Profit attributable to:** | | | |
| | Owners of the Company | | 885.07 | 1,862.99 |
| | Non-controlling interests | | 0.14 | 0.11 |
| | **Profit for the year** | | **885.21** | **1,863.10** |
| 15 | **Other comprehensive income attributable to:** | | | |
| | Owners of the Company | | 30.96 | 5.43 |
| | Non-controlling interests | | - | - |
| | **Other comprehensive income** | | **30.96** | **5.43** |
| 16 | **Total comprehensive income attributable to:** | | | |
| | Owners of the Company | | 916.03 | 1,868.42 |
| | Non-controlling interests | | 0.14 | 0.11 |
| | **Total comprehensive income** | | **916.17** | **1,868.53** |
| 17 | Earnings per equity share of Rs. 10 each: | 36 | | |
| | (a) Basic Rs. | | 47.13 | 99.21 |
| | (b) Diluted Rs. | | 47.01 | 98.94 |
| | Significant accounting policies | 1 | | |
| | See accompanying notes to the consolidated financial statements | | | |

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## A. EQUITY SHARE CAPITAL

| | Note No. | Rs. in Crore |
|---|---|---|
| As at January 01, 2021 | 18 | 187.99 |
| Changes during the year | | - |
| As at December 31, 2021 | 18 | 187.99 |
| Changes during the year | | - |
| As at March 31, 2023 | 18 | 187.99 |

## B. OTHER EQUITY

### For the fifteen months ended March 31, 2023

Rs. in Crore

| | Reserves and surplus (Refer Note - 19) | | | | Total attributable to owners of the Company | Attributable to non-controlling interest | Total |
|---|---|---|---|---|---|---|---|
| | Securities premium | General reserve | Capital contribution from parent | Retained earnings | | | |
| **As at January 01, 2022** | 845.03 | 2,796.78 | 7.47 | 10,471.56 | 14,120.84 | 3.35 | 14,124.19 |
| Profit for the year | - | - | - | 885.07 | 885.07 | 0.14 | 885.21 |
| Other Comprehensive Income for the year, net of tax | - | - | - | 30.96 | 30.96 | - | 30.96 |
| **Total comprehensive income for the year** | - | - | - | 916.03 | 916.03 | 0.14 | 916.17 |
| Employee Share based payments (Refer Note - 56) | - | - | 2.78 | - | 2.78 | - | 2.78 |
| Dividend paid (Refer Note - 54) | - | - | - | (1,089.17) | (1,089.17) | - | (1,089.17) |
| **As at March 31, 2023** | 845.03 | 2,796.78 | 10.25 | 10,298.42 | 13,950.48 | 3.48 | 13,953.97 |

### For the year ended December 31, 2021

Rs. in Crore

| | Reserves and surplus (Refer Note - 19) | | | | Total attributable to owners of the Company | Attributable to non-controlling interest | Total |
|---|---|---|---|---|---|---|---|
| | Securities premium | General reserve | Capital contribution from parent | Retained earnings | | | |
| **As at January 01, 2021** | 845.03 | 2,796.78 | 3.29 | 8,866.04 | 12,511.14 | 3.24 | 12,514.38 |
| Profit for the year | - | - | - | 1,862.99 | 1,862.99 | 0.11 | 1,863.10 |
| Other Comprehensive Income for the year, net of tax | - | - | - | 5.43 | 5.43 | - | 5.43 |
| **Total comprehensive income for the year** | - | - | - | 1,868.42 | 1,868.42 | 0.11 | 1,868.53 |
| Employee Share based payments (Refer Note - 56) | - | - | 4.18 | - | 4.18 | - | 4.18 |
| Dividend paid (Refer Note - 54) | - | - | - | (262.90) | (262.90) | - | (262.90) |
| **As at December 31, 2021** | **845.03** | **2,796.78** | **7.47** | **10,471.56** | **14,120.84** | **3.35** | **14,124.19** |

See accompanying notes to the consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# CONSOLIDATED STATEMENT OF CASH FLOW

Rs. in Crore

| Particulars | For the fifteen months ended March 31, 2023 (Refer Note-60) | For the year ended December 31, 2021 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before tax | 1,202.60 | 2,506.38 |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Depreciation and amortisation expense | 841.32 | 600.68 |
| Provision for restructuring cost | 66.42 | 47.42 |
| Impairment of goodwill in Subsidiary Company | - | 6.42 |
| (Profit) / loss on sale / write off of Property, plant and equipments and Other intangible assets (net) | (95.20) | (1.68) |
| Gain on termination of leases | (0.97) | (0.61) |
| Gain on sale of current financial assets measured at FVTPL | (17.13) | (9.54) |
| Interest income | (228.47) | (194.61) |
| Finance costs | 77.28 | 54.62 |
| Impairment losses / (reversal) on trade receivables (net) | 14.84 | (10.87) |
| Provision for slow and non moving stores & spares (net) | 0.93 | 6.85 |
| Provision no longer required written back | (12.32) | (7.33) |
| Net gain on fair valuation of current financial assets measured at FVTPL | (0.13) | (0.27) |
| Employee share based payments | 2.78 | 4.18 |
| Share of profit in associates and joint ventures | (16.15) | (11.65) |
| Unrealised exchange loss (net) | 3.82 | 0.90 |
| Operating profit before working capital changes | **1,839.62** | **2,990.89** |
| Changes in Working Capital: | | |
| Adjustments for decrease / (increase) in operating assets: | | |
| (Increase) / decrease in inventories | (283.29) | (379.49) |
| (Increase) / decrease in trade receivable | (421.82) | (26.74) |
| Increase in other assets | (1,742.58) | (190.90) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Increase / (decrease) in trade payables | (403.00) | 489.09 |
| Decrease in provision | (16.69) | (2.69) |
| Increase in other liabilities | 196.62 | 240.99 |
| Cash generated from operations | **(831.14)** | **3,121.15** |
| Direct taxes paid including interest on income tax - (Net of refunds) | (403.94) | (285.66) |
| **Net cash flow (used in) / from operating activities** | **(1,235.08)** | **2,835.49** |
| Cash flow from investing activities | | |
| Loans to joint venture | (0.05) | (0.02) |
| Intercorporate deposit taken | 200.00 | - |
| Intercorporate deposit repaid | (200.00) | - |
| Investment in equity shares | - | (10.20) |
| Purchase of Property, plant and equipments and other intangible assets (Including capital work-in-progress and capital advances) | (2,104.72) | (1,175.36) |
| Proceeds from sale of Property, plant and equipments and other intangible assets | 123.75 | 22.02 |
| Net proceeds from sale of mutual funds | 17.13 | 9.54 |
| (Investment) / redemption in bank and margin money deposits (having original maturity for more than 3 months) | (2,890.78) | (12.51) |
| Dividend received from associate / joint venture | 2.30 | 1.56 |
| Interest received | 215.07 | 176.96 |
| **Net cash used in investing activities** | **(4,637.30)** | **(988.01)** |
| Cash flow from financing activities | | |
| Interest paid | (59.64) | (31.63) |
| Payment of lease liabilities (including interest) | (88.90) | (35.99) |
| Dividend paid | (1,089.17) | (262.90) |
| **Net cash used in financing activities** | **(1,237.71)** | **(330.52)** |
| **Net (decrease) / increase in cash and cash equivalents** | (7,110.09) | 1,516.96 |
| Add: Cash and cash equivalents at the beginning of the year | 7,366.59 | 5,849.36 |
| Add: Adjustment for gain on fair valuation of current financial assets measured at FVTPL | 0.13 | 0.27 |
| **Cash and cash equivalents at the end of the year** | **256.63** | **7,366.59** |
| See accompanying notes to the consolidated financial statements | | |

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per **ABHISHEK AGARWAL**
Partner
Membership No.: 112773

Mumbai, April 27, 2023

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN: 03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## CORPORATE INFORMATION

ACC Limited (the Company, parent) is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020, India.The consolidated financial statements comprise the financial statements of ACC Limited ('the Holding Company' or 'Company') and its subsidiaries (collectively, 'the Group'), its associates, joint ventures and joint operationsThe Group's principal activity is to manufacture and market cement and cement related products.

Information on the Group's structure is provided in Note - 37. Information on related party relationship of the Group is provided in Note - 53.

## STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND CONSOLIDATION

### A. Statement of compliance

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

### B. Basis of preparation

The consolidated financial statements have been prepared on going concern basis using historical cost, except for certain items for which accounting policies has been mentioned in Note 3 below.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

Consolidated financial statements are presented in Rs. which is the functional currency of the group, and all values are rounded to the nearest crore as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

These consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on April 27, 2023.

### C. Basis of consolidation

I. Details of the Group's subsidiaries at the end of the reporting period considered in the preparation of the consolidated financial statements is presented in note 11.

II. A Company is considered a subsidiary when controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

III. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee,

b. Rights arising from other contractual arrangements,

c. The Group's voting rights and potential voting rights,

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

V. In cases where the financial year of subsidiaries is different from that of the Company, the financial statements of the subsidiaries have been drawn up so as to be aligned with the financial year of the Company.

VI. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that of the Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

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

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

X. If the Group loses control over a subsidiary, it:

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

b. Derecognises the carrying amount of any non-controlling interest,

c. Derecognises the cumulative translation differences recorded in equity,

d. Recognises the fair value of the consideration received,

e. Recognises the fair value of any investment retained, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture,

f. Recognises any surplus or deficit in the consolidated statement of profit and loss,

g. Reclassifies the parent's share of components previously recognised in other comprehensive income (OCI) to the consolidated statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

XII. Consolidation procedure

a. The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the Ind AS 110 "Consolidated Financial Statements", on a line-by-line basis.

b. The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary is eliminated. Business combination policy explains how any related goodwill is accounted.

c. Intra-group balances and transactions including unrealised gains / loss from such transactions are eliminated in full. Deferred tax is recognised on any temporary difference that arise from the elimination of profits and losses resulting from intra-group transactions

## 1. SIGNIFICANT ACCOUNTING POLICIES

### A. Property, plant and equipments

#### I. Measurement and Recognition

a. Property, plant and equipments are stated at their cost of acquisition / installation / construction net of accumulated depreciation, and impairment losses, if any, except freehold non-mining land which is carried at cost less accumulated impairment losses. Subsequent expenditures are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of plant and equipments are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipments as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the consolidated statement of profit and loss during the reporting period in which they are incurred. 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 provisions are met.

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

Company Overview
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# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

### II. Depreciation on property, plant, and equipments

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

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

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

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

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

f. The Group reviews the residual value, useful lives and depreciation method on each reporting date 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.

h. Property, plant, and equipments, constructed by the Group, but ownership of which vests with the Government / Local authorities:

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

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

i. Estimated useful lives of the assets are as follows:

| Assets | Useful lives |
|---|---|
| Land (freehold) | No depreciation except on land with mineral reserves.<br>Cost of mineral reserves embedded in the cost of freehold mining land is depreciated in proportion of actual quantity of minerals extracted to the estimated quantity of extractable mineral reserves |
| Leasehold mining land | Amortised over the period of lease on a straight line basis |
| Buildings, roads and water works | 3 – 60 years |
| Plant and equipments | 8 – 30 years |
| Railway sidings and locomotives | 8 – 15 years |
| Furniture, office equipments and tools | 3 – 10 years |
| Vehicles | 6 – 8 years |

j. The useful life as estimated above is as per the prescribed useful life specified under Schedule II to the Companies Act, 2013 except for the following case:

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

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

### III. Derecognition of property plant and equipments

An item of Property, Plant and Equipments 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 recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

## B. Intangible assets

### I. Recognition and Measurement

a. Intangible assets acquired separately 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. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

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

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

e. 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:

   a. it is probable that the future economic benefit associated with the stripping activity will be realised;

   b. the component of the limestone body for which access has been improved can be identified; and

   c. the costs relating to the stripping activity associated with the improved access can be reliably measured.

### II. 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 intangible asset, if any, are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### III. Contract based Intangibles

The Company recognises contract-based intangible asset when the economic benefit under the contract starts flowing to the entity and control over the intangible assets is established. Till the time such economic benefits start flowing to entity, it is disclosed under Other Non-current assets as "Payment under Long term supply arrangement". The Company reclassifies such balance to intangible assets once the economic benefit start accruing to the Company.

Contract based intangibles are initially recognised initially at cost. Subsequent to initial recognition, contract-based intangibles are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful life of the contract-based intangibles for purpose of its amortisation is considered to be shorter of the period of contractual rights or period over which entity expects to obtain economic benefits from the asset. Further, at every reporting date, the contract-based intangibles are also tested for impairment in case of an indication that the contract-based intangibles might be impaired.

### IV. Amortisation of intangible assets

A summary of the policies applied to the Group's intangible assets are, as follows:

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

## C. Impairment of non-financial assets

The carrying amounts of other non-financial assets, other than inventories and deferred tax assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss, if any, is recognised in the statement of profit and loss wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of or Group of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. A previously recognised impairment loss, if any is reversed when there is an indication of reversal, however, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

### D. Inventories

Inventories are valued at lower of cost and net realisable value, as follows:

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

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

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

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

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

### E. Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition date fair values of the assets transferred, liabilities incurred to the former owner of the acquiree and the equity interests issued in exchange of control of the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured on the basis indicated below:

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

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

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

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

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

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

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

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

**Business combination of entities under common control**

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

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

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

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

IV. The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

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

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

### F. Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

### G. Investment in subsidiaries, associates and joint ventures

#### I. Associates

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

### II. Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

**Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss and other comprehensive income of the investee in the consolidated statement of profit and loss. An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

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

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

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

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the impairment of non-financial assets policy described in Note 3 (c ).

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value and that fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of profit and loss. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in the other comprehensive income are reclassified to the consolidated statement of profit and loss where appropriate.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## H. Interest in joint operations

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

If the interest is classified as a joint operation, the Company recognises its share of the assets, liabilities, revenues and expenses in the joint operation in accordance with the relevant Ind AS.

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

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

### I. Fair value measurement

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

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

All assets and liabilities for which fair value is measured as disclosed in the financial statements are categorised within the fair value hierarchy described in Note 50.

### J. Financial instruments

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

### I. Financial assets

#### a. Initial recognition and measurement of financial assets

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

#### b. Subsequent measurement of financial assets

For purposes 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:

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

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

#### ii. Debt instrument at fair value through other comprehensive income (FVTOCI)

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

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

iii. **Debt instruments at fair value through the statement of profit and 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.

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

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

**Equity instruments**

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

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

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

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

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

**d. Derivative Financial Instruments**

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

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

**e. Derecognition of financial assets**

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

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

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

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

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

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the

Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the consolidated statement of profit and loss if such gain or loss would have otherwise been recognised in the consolidated statement of profit and loss on disposal of that financial asset.

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

**f. Impairment of financial assets**

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

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

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

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

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

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

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

**II. Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**a. Equity instruments**

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

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

**b. Financial liabilities**

i. Initial recognition and measurement

The Group recognises a financial liability in its consolidated 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 as appropriate.

ii. Subsequent measurement of financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

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

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.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

iv. Derecognition of financial liabilities

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

vi. Embedded derivatives

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

III. Offsetting of financial instruments

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

## K. 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.

## L. Provisions and contingencies

### I. Provisions

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

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

Restructuring provisions are recognised only when the Company has a constructive obligation, which is when: (i) a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

#### Mines reclamation

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

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

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

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

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

### II. Contingent liability (for ACC)

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

### M. Foreign exchange gains and losses

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

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

#### Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the consolidated statement of profit and loss.

### N. Revenue recognition

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

### I. Sale of goods

Revenue from the sale of the goods is recognised when delivery has taken place and control of the goods has been transferred to the customer according to the specific delivery term that have been agreed with the customer and when there are no longer any unfulfilled obligations .

Revenue is measured, after deduction of any discounts, price concessions, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts, price concessions and rebates. 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 with customers.

#### Contract balances

Trade Receivables and Contract Assets

A trade receivable is recognised when the products are delivered to a customer and consideration becomes unconditional. Contract assets are recognised when the group has right to receive consideration that is conditional other than the passage of time.

**Contract Liabilities**

Contract liabilities is a group's obligation to transfer goods or services to a customer which the entity has already received consideration. Contract liabilities are recognised as revenue when the company performs under the contract.

### II. Rendering of services

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

### III. Interest income

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

### IV. Dividends

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

## O. Retirement and other employee benefits

### I. Defined contribution plan

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

### II. Defined benefit plan

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

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

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

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

b. The date that the Group recognises related restructuring costs

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

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

b. Net interest expense or income

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

### III. Short term employee benefits

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

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

### IV. Other long-term employee benefits

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

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

### V. Employee share-based payments

The erstwhile Ultimate holding Company of the Group operates various equity-settled performance share plans. Senior executive of the Company received remuneration in the form of share-based payments, whereby employee render service as consideration for equity instruments (equity settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

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

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

### VI. Termination benefits

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

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

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

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

### VII. Presentation and disclosure

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

## P. Non-current assets held for sale

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

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

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

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

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

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

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

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

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

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

## Q. Borrowing Costs

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

## R. Taxation

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

### I. Current income tax

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

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

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

### II. Deferred tax

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

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

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. The Group applies significant judgment in identifying uncertainties over income tax treatments. Uncertain tax positions are reflected in the overall measurement of the Group'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.

In the situations where one or more units of the Group are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

## S. Leases

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

### I. Group as a lessee:

#### Right-of-use assets

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

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

| Right of use assets | Term (in years) |
|---|---|
| Buildings | 8 |
| Leasehold land | 8-99 |
| Furniture and vehicle | 5 |
| Plant and Equipments | 6 |

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

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

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

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

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. For lease arrangement in respect of ships, the non-lease components are not separated from lease components and instead account for each lease component, and any associated non-lease component as a single lease component.

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

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

i. 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.

ii. 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.

ROU asset and lease liabilities have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (range different 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.

### II. Group as a lessor:

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

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

## T. Segment reporting

### a. Segment Policies

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

### b. Identification of segments

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

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

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

### c. 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.

### d. 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.

### e. Unallocated items

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023



### U. Cash and cash equivalents

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

### V. Government grants and subsidies

Government grants are recognised when there is a reasonable assurance that the grant will be received, and all attaching conditions will be complied with.

Where the grants relate to an item of expense, they are recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

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

### W. Earnings per share

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

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

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

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

#### I. Assets - An asset is classified as current when it satisfies any of the following criteria:

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

b. it is held primarily for the purpose of trading.

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

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

#### II. Liabilities - A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Group's normal operating cycle.

b. it is held primarily for the purpose of trading.

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

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

#### III. Others

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

### Y. Exceptional items

An item of income or expense which based on its size, nature or incidence requires separate disclosure to improve an understanding of the performance of the Group is disclosed separately treated as an exceptional item in the consolidated financial statements.

### Z. Use of estimates and judgments

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

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

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

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

#### I. Classification of legal matters and tax litigations (Refer Note 42)

The litigations and claims to which the Group is exposed to are assessed by management with assistance of the legal department and in certain cases with the support of external specialised lawyers. Determination of the outcome of these matter into "Probable / Possible / Remote require judgement and estimation on case to case basis.II. Defined benefit obligations (Refer Note 39)

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

#### III. Useful life of property, plant and equipments (Refer Note 2)

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

#### IV. Impairment of property, plant and equipments (Refer Note 2)

Determining whether the property, plant and equipments are impaired requires an estimate of the value of use. 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. Any subsequent changes to the cash flows due to changes in the above-mentioned factors could impact the carrying value of property, plant and equipments.

#### V. Incentives under the State Industrial Policy (Refer Note 8 and 15)

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

The 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.

#### VI. Discounts / rebate to customers (Refer Note 26)

The Company provides discount and rebates on sales to certain customers. Revenue from these sales is recognised based on the price charged to the customer, net of the estimated pricing allowances, discounts, rebates, and other incentives. In certain cases, the amount of these discount and rebates are not determined until claims with appropriate evidence is presented by the customer to the Company, which may be some time after the date of sale. Accordingly, the Company estimates the amount of such incentives basis the terms of contract, incentive schemes, historical experience adjusted with the forward looking, business forecast and the current economic conditions. To estimate the amount of incentives, the Company uses the most likely method. Such estimates are subject to the estimation uncertainty.

### VII. Physical verification of inventory (Refer Note 10)

Bulk inventory for the Company primarily comprises of coal, petcoke and clinker which are primarily used during the production process at the manufacturing locations. Determination of physical quantities of bulk inventories is done based on volumetric measurements and involves special considerations with respect to physical measurement, density calculation, moisture, etc. which involve estimates / judgments.

## AA. Standards Issued and EffectiveCC.

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

The Company applied for the first-time certain amendments (including Companies (Indian Accounting Standard) Amendment Rules 2022 and Companies (Indian Accounting Standards) Amendment Rules, 2021) to the Ind AS which are effective for annual periods beginning on or after 1 April 2021. These amendments had no material impact on the financial statements of the Company.

## AB. Amendments not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### (i) Ind AS 1 – Disclosure of material accounting policies:

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring companies to reframe their accounting policies to make them more "entity specific". This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS).

### (ii) Ind AS 8 – Definition of accounting estimates:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

### (iii) Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognise a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

a) right-of-use assets and lease liabilities

b) decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

Therefore, if a company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognise on gross basis based on the carrying amount of right-of-use assets and lease liabilities

### (iv) Ind AS 103 – Common control Business Combination

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

The amendments are extensive and the Group is in the process to evaluating the impact of the above amendments on the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

## NOTE 2: PROPERTY, PLANT AND EQUIPMENT

Rs. in Crore

| Particulars | Gross carrying value | | | | Accumulated depreciation | | | | Accumulated impairment (Refer Note-3) | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at January 01, 2022 | Additions | Disposals / Adjustments | As at March 31, 2023 | As at January 01, 2022 | Depreciation charge for the year | Disposals / Adjustments | As at March 31, 2023 | As at January 01, 2022 | As at March 31, 2023 | As at March 31, 2023 | As at December 31, 2021 |
| **Tangible Assets :** | | | | | | | | | | | | |
| Freehold non-mining land | 139.27 | 37.67 | 27.48 | 149.46 | - | - | - | - | - | - | 149.46 | 139.27 |
| Freehold mining land | 352.15 | 14.96 | - | 367.11 | 1.49 | 7.00 | - | 8.49 | - | - | 358.62 | 350.66 |
| Buildings | 1,887.16 | 138.66 | 0.92 | 2,024.90 | 445.07 | 108.64 | 0.65 | 553.06 | 33.38 | 33.38 | 1,438.46 | 1,408.71 |
| Plant and equipments | 7,335.80 | 1,158.73 | 32.60 | 8,461.93 | 2,797.46 | 624.89 | 22.45 | 3,399.90 | 127.27 | 127.27 | 4,934.76 | 4,411.07 |
| Railway sidings | 284.34 | 16.56 | - | 300.90 | 120.38 | 27.83 | - | 148.21 | 1.43 | 1.43 | 151.26 | 162.53 |
| Furniture and fixtures | 35.14 | 11.58 | 0.24 | 46.48 | 21.24 | 4.53 | 0.19 | 25.58 | 0.30 | 0.30 | 20.60 | 13.60 |
| Vehicles | 100.04 | 9.68 | 1.26 | 108.46 | 57.57 | 12.38 | 1.10 | 68.85 | 10.14 | 10.14 | 29.47 | 32.33 |
| Office equipment | 85.01 | 9.81 | 1.18 | 93.64 | 61.23 | 13.42 | 1.16 | 73.49 | 0.53 | 0.53 | 19.62 | 23.25 |
| **Total** | **10,218.91** | **1,397.65** | **63.68** | **11,552.88** | **3,504.44** | **798.69** | **25.55** | **4,277.58** | **173.05** | **173.05** | **7,102.25** | **6,541.42** |

Rs. in Crore

| Particulars | Gross carrying value | | | | Accumulated depreciation | | | | Accumulated impairment (Refer Note-3) | | | 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 | Transferred from Capital work in progress | As at December 31, 2021 | As at December 31, 2021 |
| **Tangible Assets :** | | | | | | | | | | | | |
| Freehold non-mining land | 138.24 | 1.03 | - | 139.27 | - | - | - | - | - | - | - | 139.27 |
| Freehold mining land | 344.24 | 7.91 | - | 352.15 | 1.26 | 0.23 | - | 1.49 | - | - | - | 350.66 |
| Buildings | 1,781.41 | 112.69 | 6.94 | 1,887.16 | 366.84 | 81.11 | 2.88 | 445.07 | 29.27 | 4.11 | 33.38 | 1,408.71 |
| Plant and equipment | 6,892.91 | 488.63 | 45.74 | 7,335.80 | 2,379.34 | 441.64 | 23.52 | 2,797.46 | 116.75 | 10.52 | 127.27 | 4,411.07 |
| Railway sidings | 275.79 | 8.55 | - | 284.34 | 98.48 | 21.90 | - | 120.38 | 1.43 | - | 1.43 | 162.53 |
| Furniture and fixtures | 34.01 | 1.42 | 0.29 | 35.14 | 18.45 | 3.01 | 0.22 | 21.24 | 0.27 | 0.03 | 0.30 | 13.60 |
| Vehicles | 94.90 | 6.23 | 1.09 | 100.04 | 47.85 | 10.59 | 0.87 | 57.57 | 10.14 | - | 10.14 | 32.33 |
| Office equipment | 70.96 | 17.78 | 3.73 | 85.01 | 53.47 | 11.43 | 3.67 | 61.23 | 0.53 | - | 0.53 | 23.25 |
| **Total** | **9,632.46** | **644.24** | **57.79** | **10,218.91** | **2,965.69** | **569.91** | **31.16** | **3,504.44** | **158.39** | **14.66** | **173.05** | **6,541.42** |

Notes:-

1 Buildings include cost of shares Rs. 10,550 *(Previous year - Rs. 12,050)* in various Co-operative Housing Societies residential flats.

2 Title deeds not in the name of the Company

| Assets category | Title deeds in name of | Reason for not being transferred in the name of Company | Property held since | Gross carrying value as on March 31, 2023 | Gross carrying value as on December 31, 2021 |
|---|---|---|---|---|---|
| Freehold mining land | Karnataka Industrial Area Development Board | Company is in the process of obtaining the title deeds | June 30, 2015 | 131.53 | 131.53 |
| Building | Supertech realtors Pvt Ltd | Company is in the process of obtaining the title deeds | March 01, 2021 | 4.45 | 4.45 |
| Freehold land | Title deed not available with the Company | | | 3.59 | 1.37 |
| Building | Title deed not available with the Company | | | 16.83 | 16.45 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

3 In an earlier year, considering lower profitability due to higher input cost, the Company had recognised impairment loss (including Capital work in progress) for its cement manufacturing facility at Madukkarai. There is no change on re -assessment in the current year.

4 Capital work in progress as at March 31, 2023 is Rs. 1,684.00 Crore *(Previous year - Rs. 1,216.39 Crore)* comprises of various projects and expansions spread over all units.

a) Movement in Capital work in progress

Rs. in Crore

| | |
|---|---|
| **Opening balance as on January 01, 2021** | **519.46** |
| Add - Additions during the year | 1,348.73 |
| Less - Capitalised during the year | (651.80) |
| **Closing balance as on December 31, 2021** | **1,216.39** |
| Add - Additions during the year | 1,914.89 |
| Less - Capitalised during the year | (1,447.28) |
| **Closing balance as on March 31, 2023** | **1,684.00** |

b) Ageing of capital Work-in-progress

Rs. in Crore

| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | |
| Projects in progress | 858.99 | 730.44 | 40.27 | 51.69 | 1,681.39 |
| Projects temporarily suspended | 0.35 | - | 0.15 | 2.11 | 2.61 |
| **Total** | **859.34** | **730.44** | **40.42** | **53.80** | **1,684.00** |
| **As at December 31, 2021** | | | | | |
| Projects in progress | 1,005.19 | 94.11 | 77.78 | 37.05 | 1,214.13 |
| Projects temporarily suspended | - | 0.15 | - | 2.11 | 2.26 |
| **Total** | **1,005.19** | **94.26** | **77.78** | **39.16** | **1,216.39** |

c) Expected completion schedule of capital work-in-progress where cost or time overrun has exceeded original plan

| | To be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **As at March 31, 2023** | | | | |
| Projects in progress | | | | |
| Greenfield project at Ametha | 1,297.64 | - | - | - |
| **As at December 31, 2021** | | | | |
| Projects in progress | - | - | - | - |

5 Depreciation charge for the year include Rs. 0.55 Crore *(Previous year - Rs. 0.07 Crore)* capitalised as pre-operative expenses (Refer Note - 49).

6 For contractual commitment with respect to Property, Plant and Equipment, Refer Note - 41.

7 On transition to Ind AS, the Company has elected to continue with the carrying value of all Property, plant and equipments measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipments.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 3: OTHER INTANGIBLE ASSETS

Rs. in Crore

| | Gross carrying value | | | | Accumulated amortisation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | As at January 01, 2022 | Additions | Disposals | As at March 31, 2023 | As at January 01, 2022 | Amortisation charge for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 | As at December 31, 2021 |
| **Intangible assets :** | | | | | | | | | | |
| Computer software | 6.48 | 2.69 | - | 9.17 | 4.17 | 2.70 | - | 6.87 | 2.30 | 2.31 |
| Sponsorship rights (Refer Note 44) | - | 50.28 | - | 50.28 | - | - | - | - | 50.28 | - |
| Mining rights | 67.48 | 48.48 | - | 115.96 | 19.84 | 4.45 | - | 24.29 | 91.67 | 47.64 |
| **Total** | **73.96** | **101.45** | **-** | **175.41** | **24.01** | **7.15** | **-** | **31.16** | **144.25** | **49.95** |

Rs. in Crore

| | Gross carrying value | | | | Accumulated amortisation | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|
| Particulars | 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 December 31, 2021 |
| **Intangible assets :** | | | | | | | | | |
| Computer software | 3.92 | 2.59 | 0.03 | 6.48 | 2.89 | 1.31 | 0.03 | 4.17 | 2.31 |
| Mining rights | 60.87 | 6.61 | - | 67.48 | 15.92 | 3.92 | - | 19.84 | 47.64 |
| **Total** | **64.79** | **9.20** | **0.03** | **73.96** | **18.81** | **5.23** | **0.03** | **24.01** | **49.95** |

## NOTE 4. RIGHT OF USE ASSETS

Rs. in Crore

| | Gross carrying value | | | | Accumulated depreciation | | | | Net carrying value | |
|---|---|---|---|---|---|---|---|---|---|---|
| Particulars | As at January 01, 2022 | Additions | Disposals | As at March 31, 2023 | As at January 01, 2022 | Amortisation charge for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 | As at December 31, 2021 |
| Leasehold land | 139.85 | 123.28 | 1.02 | 262.11 | 25.12 | 18.02 | 0.98 | 42.16 | 219.95 | 114.73 |
| Buildings | 3.89 | - | 0.13 | 3.76 | 1.10 | 0.62 | 0.13 | 1.59 | 2.17 | 2.79 |
| Plant and equipments | 55.68 | 25.01 | 8.46 | 72.23 | 18.71 | 17.27 | 3.25 | 32.73 | 39.50 | 36.97 |
| Vehicles | 0.44 | - | 0.22 | 0.22 | 0.32 | 0.12 | 0.22 | 0.22 | - | 0.12 |
| **Total** | **199.86** | **148.29** | **9.83** | **338.32** | **45.25** | **36.03** | **4.58** | **76.70** | **261.62** | **154.61** |

Rs. in Crore

| | Gross carrying value | | | | Accumulated depreciation | | | | Net carrying value |
|---|---|---|---|---|---|---|---|---|---|
| Particulars | 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 |
| Leasehold land | 111.02 | 31.01 | 2.18 | 139.85 | 13.96 | 13.34 | 2.18 | 25.12 | 114.73 |
| Buildings | 4.95 | - | 1.06 | 3.89 | 1.46 | 0.70 | 1.06 | 1.10 | 2.79 |
| Plant and equipments | 39.35 | 20.36 | 4.03 | 55.68 | 10.29 | 11.41 | 2.99 | 18.71 | 36.97 |
| Vehicles | 0.44 | - | - | 0.44 | 0.16 | 0.16 | - | 0.32 | 0.12 |
| **Total** | **155.76** | **51.37** | **7.27** | **199.86** | **25.87** | **25.61** | **6.23** | **45.25** | **154.61** |

Lease deeds not in the name of the Company

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 5: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| | Numbers | Rs. in Crore | Numbers | Rs. in Crore |
| Investments in Unquoted equity instruments | | | | |
| **Investment in Associates** | | | | |
| **Face value Rs. 10 each fully paid** | | | | |
| Alcon Cement Company Private Limited | 4,08,001 | 14.12 | 4,08,001 | 14.22 |
| Add - Share of profit | | 1.90 | | 0.33 |
| Less - Dividend received | | (0.55) | | (0.43) |
| | | 15.47 | | 14.12 |
| Asian Concretes and Cements Private Limited | 81,00,000 | 97.90 | 81,00,000 | 88.65 |
| Add - Share of profit | | 9.07 | | 9.25 |
| | | 106.97 | | 97.90 |
| | | **122.44** | | **112.02** |
| **Investment in Joint Ventures** | | | | |
| **Face value Rs. 10 each fully paid** | | | | |
| OneIndia BSC Private Limited | 25,01,000 | 6.43 | 25,01,000 | 6.31 |
| Add - Share of profit / (loss) | | 0.30 | | 0.12 |
| | | 6.73 | | 6.43 |
| Aakaash Manufacturing Company Private Limited | 4,401 | 12.70 | 4,401 | 11.89 |
| Add - Share of profit | | 4.79 | | 1.94 |
| Less - Dividend received | | (1.75) | | (1.13) |
| | | 15.74 | | 12.70 |
| | | **22.47** | | **19.13** |
| **Total** | | **144.91** | | **131.15** |

## NOTE 6: NON-CURRENT – INVESTMENTS

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| | Numbers | Rs. in Crore | Numbers | Rs. in Crore |
| Investment at fair value through profit or loss (FVTPL) | | | | |
| **Investment in equity instruments (fully paid)** | | | | |
| **Unquoted** | | | | |
| **Face value Rs. 10 each fully paid** | | | | |
| Solbridge Energy Private Limited (Refer Note - II below) | 80,23,803 | 10.20 | 80,23,803 | 10.20 |
| Amplus Green Power Private Limited | 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 | - |
| The Travancore Cement Company Limited* | 100 | - | 100 | - |
| Ashoka Cement Limited* | 50 | - | 50 | - |
| **Face value Rs. 5 each fully paid** | | | | |
| The Sone Valley Portland Cement Company Limited* | 100 | - | 100 | - |
| Investment at amortised cost | | 14.70 | | 14.70 |
| **Investment in Unquoted bonds** | | | | |
| Face value Rs. 1,000,000 each fully paid | | | | |
| 5.13% Himachal Pradesh Infrastructure Development Board Bonds | 37 | 3.70 | 37 | 3.70 |
| **Total** | | **18.40** | | **18.40** |

**Notes:**

(I) Aggregate carrying value of unquoted investments 18.40 18.40

(II) During the previous year, the Group has subscribed 80,23,803 equity shares in Solbridge Energy Private Limited (SEPL) representing 19.06% holding for a total consideration of Rs. 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) *Each of such investments is carried at value less than Rs. 50,000

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 7: NON CURRENT - LOANS

Considered good - unsecured

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Loans to joint venture companies by subsidiary | | |
| Considered good - unsecured | 3.99 | 3.94 |
| Receivables which have significant increase in credit risk | 26.99 | 26.99 |
| Less: allowance for doubtful advances | (26.99) | (26.99) |
| | 3.99 | 3.94 |
| Loans to employees | 4.87 | 6.08 |
| **Total** | **8.86** | **10.02** |

## NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Incentives under Government schemes (Net) {Refer Note - 51(i)} | 846.57 | 717.09 |
| Security deposits | 169.21 | 152.56 |
| Bank deposits with more than 12 months maturity* | 200.17 | 31.60 |
| Margin money deposit with more than 12 months maturity** | 16.68 | 15.84 |
| **Total** | **1,232.63** | **917.09** |

*Placed as security with government authorities of Rs. 32.29 Crore *(Previous year - Rs. 31.44 Crore)*.

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

## NOTE 9: OTHER NON-CURRENT ASSETS

Unsecured, considered good, unless otherwise stated

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Capital advances (Refer Note - 58) | 379.81 | 317.53 |
| Advance other than capital advances | | |
| Claim receivables from Government and others | | |
| Unsecured, considered good | 27.42 | 30.07 |
| Considered doubtful | 4.21 | 4.21 |
| Less: Allowance for doubtful receivables | (4.21) | (4.21) |
| | 27.42 | 30.07 |
| Deposits with Government bodies and others | | |
| Unsecured, considered good | 274.70 | 276.22 |
| Considered doubtful | 3.33 | 3.33 |
| Less: Allowance for doubtful receivables | (3.33) | (3.33) |
| | 274.70 | 276.22 |
| **Total** | **681.93** | **623.82** |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Raw Materials | 173.03 | 165.56 |
| {Including goods-in-transit Rs. 4.89 Crore *(Previous year - Rs. 9.09 Crore)*} | | |
| Work-in-progress | 421.88 | 302.98 |
| Finished goods | 174.97 | 129.19 |
| Stock-in-trade | 44.65 | 16.14 |
| {Including goods-in-transit Rs. 5.35 Crore *(Previous year - Rs. Nil)*} | | |
| Stores and spares {Net of provision of Rs. 116.52 Crore *(Previous year - Rs. 117.45 Crore)*} | 276.49 | 214.32 |
| {Including goods-in-transit Rs. 8.05 Crore *(Previous year - Rs. 12.70 Crore)*} | | |
| Packing Materials | 30.36 | 40.42 |
| Fuels | 502.82 | 405.30 |
| {Including goods-in-transit Rs. 106.04 Crore *(Previous year - Rs. 100.05 Crore)*} | | |
| **Total** | **1,624.20** | **1,273.91** |

During the year ended March 31, 2023 the Company has recognised Rs. (0.93) Crore *(previous year - Rs. 6.85 Crore)* as an (income) / expenses for the provision related to stores and spares inventory.

## NOTE 11: TRADE RECEIVABLES

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Considered good - secured | 196.98 | 21.53 |
| Considered good - unsecured | 672.26 | 440.73 |
| Receivables which have significant increase in credit risk {Refer Note 51(i)} | 59.11 | 50.25 |
| | **928.35** | **512.51** |
| Less : Allowance for doubtful receivables | (59.11) | (50.25) |
| **Total** | **869.24** | **462.26** |

### Trade receivable ageing schedule is as given below:

Rs. in Crore

| | Outstanding for following periods from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months - 1 years | 1- 2 Years | 2 - 3 years | More than 3 years | Total |
| Balance as at March 31, 2023 | | | | | | |
| Undisputed Trade receivables – considered good | 847.56 | 20.12 | 1.52 | - | 0.04 | 869.24 |
| Undisputed trade receivables – having significant increase in credit risk | - | 18.38 | 13.12 | 4.31 | 23.30 | 59.11 |
| **Total** | **847.56** | **38.50** | **14.64** | **4.31** | **23.34** | **928.35** |
| Balance as at December 31, 2021 | | | | | | |
| Undisputed Trade receivables – considered good | 458.34 | 3.75 | 0.03 | 0.13 | 0.01 | 462.26 |
| Undisputed trade receivables – having significant increase in credit risk | 0.05 | 8.5 | 12.63 | 16.03 | 13.04 | 50.25 |
| **Total** | **458.39** | **12.25** | **12.66** | **16.16** | **13.05** | **512.51** |

## NOTE 12: CASH AND CASH EQUIVALENTS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Balances with banks: | | |
| - In current accounts | 52.33 | 145.62 |
| - Deposits with original maturity of less than three months | 84.16 | 6,587.51 |
| | **136.49** | **6,733.13** |
| Deposit with other than banks with original maturity of less than three months | - | 250.00 |
| Post office saving accounts | 0.01 | 0.01 |
| | **136.50** | **6,983.14** |
| Investments in liquid mutual funds measured at FVTPL | 120.13 | 383.45 |
| **Total** | **256.63** | **7,366.59** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 13: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Other bank balances: | | |
| Deposits with original maturity for more than 3 months but less than 12 months | 134.09 | 132.01 |
| #On unpaid dividend accounts | 23.99 | 23.80 |
| **Total** | **158.08** | **155.81** |

* Includes fixed deposit lien in favour of National Company Law Appellate Tribunal (NCLAT) ₹133.91 crore {*(Previous year - ₹131.83 Crore)* - Refer Note - 42 (a)}.

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

## NOTE 14: CURRENT - LOANS

Considered good - unsecured

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Loan to Employees | 5.76 | 6.60 |
| **Total** | **5.76** | **6.60** |

## NOTE 15: OTHER CURRENT FINANCIAL ASSETS

Considered Good - Unsecured, unless otherwise stated

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Government grant receivables (net) | 169.06 | 187.66 |
| Security deposits | 114.01 | 57.74 |
| Other receivable | | |
| Unsecured, considered good | 38.98 | 26.76 |
| Considered doubtful | 5.26 | 5.04 |
| Less : Allowance for doubtful receivable | (5.26) | (5.04) |
| | 38.98 | 26.76 |
| Bank deposits with remaining maturity of less than 12 months | 2,719.29 | - |
| Other accrued interest | 28.12 | 14.72 |
| **Total** | **3,069.46** | **286.88** |

## NOTE 16: OTHER CURRENT ASSETS

Considered Good - Unsecured, unless otherwise stated

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Advances to suppliers* | 1,580.30 | 327.11 |
| Prepaid expenses | 40.48 | 46.68 |
| Gratuity net assets (funded) (Refer Note - 39) | 11.39 | - |
| Balances with statutory/ Government authorities | 625.35 | 423.61 |
| Other receivables | 12.13 | 16.29 |
| Other Receivables which have significant increase in credit risk | 17.88 | 17.88 |
| | 30.01 | 34.17 |
| Less: Allowance for doubtful receivables | (17.88) | (17.88) |
| | 12.13 | 16.29 |
| **Total** | **2,269.65** | **813.69** |

* Includes ₹975.00 crores *(Previous year ₹Nil)* to a coal trader for supply of fuel under long term supply agreement.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Plant and equipment | 1.28 | 1.28 |
| Building | 0.85 | 1.05 |
| **Total** | **2.13** | **2.33** |

During the year, the Group sold a flat for Rs. 9.78 Crore *(Previous year - Rs. 4.25 Crore)* having Book Value Rs. 0.20 Crore *(Previous year - Rs. 0.32 Crore)* which was classified as held for sale. The resultant gain of Rs. 9.58 Crore *(Previous year - Rs. 3.93)* Crore has been disclosed in statement of profit and loss under Other income.

## NOTE 18: EQUITY SHARE CAPITAL

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Authorised** | | |
| 22,50,00,000 *(Previous year - 22,50,00,000)* equity shares of Rs. 10 each | 225.00 | 225.00 |
| 10,00,00,000 *(Previous year - 10,00,00,000)* preference shares of Rs. 10 each | 100.00 | 100.00 |
| **Issued** | | |
| 18,87,93,243 *(Previous year - 18,87,93,243)* equity shares of Rs. 10 each | 188.79 | 188.79 |
| **Subscribed and Paid-up** | | |
| 18,77,87,263 *(Previous year - 18,77,87,263)* equity shares of Rs. 10 each fully paid | 187.79 | 187.79 |
| Add : 3,84,060 *(Previous year - 3,84,060)* equity shares of Rs. 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 | |
|---|---|---|
| | Rs. in Crore | Rs. in Crore |
| **As at January 01, 2021** | 18,77,87,263 | 187.79 |
| Increase/ (decrease) during the year | - | - |
| **As at December 31, 2021** | 18,77,87,263 | 187.79 |
| Increase/ (decrease) during the year | - | - |
| **As at March 31, 2023** | 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 Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Ambuja Cements Limited, the Holding company | 93.98 | 93.98 |
| 9,39,84,120 *(Previous year - 9,39,84,120)* Equity shares Rs. 10 each fully paid | | |
| 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 Rs. 10 each fully paid | | |
| Endeavour Trade and Investment Limited, the holding company of Holderind Investments Ltd, Mauritius | 4.06 | - |
| 40,61,807 *(Previous year - Nil)* equity shares Rs. 10 each fully paid | | |

*On September 15, 2022, Endeavour Trade and Investment Limited (an entity of Adani family) has acquired 100% shareholding in Holderind Investments Limited from Holderfin B.V (an entity of the Holcim Group). Consequently, the Board of Directors was reconstituted on 16th September 2022.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

Rs. in Crore

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % holding | No. of shares | % holding |
| Ambuja Cements Limited, immediate holding company | 9,39,84,120 | 50.05 | 9,39,84,120 | 50.05 |
| Life Insurance Corporation of India | 1,20,33,771 | 6.41 | 1,08,27,402 | 5.77 |

### v) Equity shares held by promoters

Rs. in Crore

| | As at March 31, 2023 | | | As at December 31, 2021 | | |
|---|---|---|---|---|---|---|
| | No. of shares | % holding | % Change during the year | No. of shares | % holding | % Change during the year |
| Ambuja Cements Limited | 9,39,84,120 | 50.05 | - | 9,39,84,120 | 50.05 | - |
| Holderind Investments Ltd, Mauritius | 84,11,000 | 4.48 | - | 84,11,000 | 4.48 | - |
| Endeavour Trade and Investment Limited | 40,61,807 | 2.16 | 100.00 | - | - | - |

vi) 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 balance.

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Securities premium | 845.03 | 845.03 |
| General reserve | 2,796.78 | 2,796.78 |
| Capital contribution from parent | 10.25 | 7.47 |
| Retained earnings | 10,298.42 | 10,471.56 |
| **Total** | **13,950.48** | **14,120.84** |

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

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

**General Reserve:** General Reserve is used to transfer profits from retained earnings for appropriation purposes. The amount is to be utilised in accordance with the provision of the Companies Act, 2013

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

**Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings includes re-measurement loss / gain on defined benefit plans, net of taxes that will not be reclassified to profit and loss.

## NOTE 20: NON-CURRENT PROVISIONS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer Note - 39) | 88.16 | 94.65 |
| Provision for provident fund (Refer Note - 39) | 50.13 | 76.94 |
| Provision for long service award | 4.39 | 4.94 |
| **Other provisions** | | |
| Provision for site restoration (Refer note - 20.1 below) | 35.12 | 39.02 |
| **Total** | **177.80** | **215.55** |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023



### Note 20.1

Mines reclamation expenses are incurred on an ongoing basis until the respective mines are not fully restored, in accordance with the requirements of the mining agreement. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenses. Movement of provisions for site restoration during the year is as under:

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Opening Balance** | 39.02 | 40.40 |
| Provision/(reversal) during the year (net) | (6.72) | (1.57) |
| Utilised during the year | (0.47) | (1.37) |
| Unwinding of interest | 3.29 | 1.56 |
| **Closing Balance** | **35.12** | **39.02** |

## NOTE 21: INCOME TAX

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023:

Rs. in Crore

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| | Rs. in Crore | In % | Rs. in Crore | In % |
| **Profit before share of profit of associates and joint ventures and tax** | 1186.45 | | 2,494.73 | |
| At India's statutory income tax rate | 298.63 | 25.17 | 627.92 | 25.17 |
| **Effect of exempt income for tax purpose** | | | | |
| Dividends | (0.58) | (0.05) | (0.39) | (0.02) |
| Effect of Non-Deductible expenses | | | | |
| Corporate social responsibility expenses | 11.44 | 0.97 | 9.05 | 0.37 |
| Others | 7.90 | 0.67 | 6.70 | 0.27 |
| | **18.76** | **1.58** | **15.36** | **0.62** |
| **At the effective income tax rate** | **317.39** | **26.75** | **643.28** | **25.79** |
| Income tax expense reported in the Consolidated Statement of profit and loss | 317.39 | 26.75 | 643.28 | 25.79 |

The rate used in the calculation of deferred tax is 25.17 %for the year ended March 31, 2023 and December 31, 2021

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

Rs. in Crore

| | Net Balance as on January 01, 2022 | Recognised in the Consolidated Statement of Profit and Loss | Recognised in OCI | Net Balance as on March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax liabilities:** | | | | |
| Depreciation and amortisation differences | 623.34 | 46.57 | - | 669.91 |
| Deferred tax Liabilities on undistributed profit of associates and joint ventures | 20.71 | 4.09 | - | 24.80 |
| | **644.05** | **50.66** | **-** | **694.71** |
| **Deferred tax assets:** | | | | |
| Provision for employee benefits | 47.77 | 0.60 | (10.45) | 37.92 |
| Expenses allowed for tax purposes in following years | 62.27 | 3.21 | - | 65.48 |
| Allowance for obsolescence of stores and spares | 7.12 | - | - | 7.12 |
| Allowance for doubtful receivables and other assets | 16.92 | 2.46 | - | 19.38 |
| Right of use assets and lease liabilities differences | 2.64 | 1.21 | - | 3.85 |
| Expected credit loss on incentives receivable from Government | 32.45 | - | - | 32.45 |
| Other temporary differences (including interest on income tax) | 71.18 | - | - | 71.18 |
| | **240.35** | **7.48** | **(10.45)** | **237.38** |
| **Net Deferred Tax Liabilities** | **403.70** | **43.18** | **10.45** | **457.33** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

| | Balance as on January 01, 2021 | Recognised in the Consolidated Statement of Profit and Loss | Recognised in OCI | Net Balance as on December 31, 2021 |
|---|---|---|---|---|
| **Deferred tax liabilities:** | | | | |
| Depreciation and amortisation differences | 623.21 | 0.13 | - | 623.34 |
| Deferred Tax Liabilities on undistributed profit of associates and joint venture | 18.21 | 2.50 | - | 20.71 |
| | **641.42** | **2.63** | **-** | **644.05** |
| **Deferred tax assets:** | | | | |
| Provision for employee benefits | 48.25 | 1.35 | (1.83) | 47.77 |
| Expenses allowed for tax purposes in following years | 70.78 | (8.51) | - | 62.27 |
| Allowance for obsolescence of stores and spares | 7.12 | - | - | 7.12 |
| Allowance for doubtful receivables and other assets | 19.20 | (2.28) | - | 16.92 |
| Right of use assets and lease liabilities differences | 3.03 | (0.39) | - | 2.64 |
| Expected credit loss on incentives receivable from Government | 32.45 | - | - | 32.45 |
| Other temporary differences (including interest on income tax) | 65.80 | 5.38 | - | 71.18 |
| | **246.63** | **(4.45)** | **(1.83)** | **240.35** |
| **Net Deferred Tax Liabilities** | **394.79** | **7.08** | **1.83** | **403.70** |

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognised is Rs. 21.01 Crore *(Previous Year - Rs. 19.47 Crore)*. No liability has been recognised in respect of these differences because management controls the distributions of the earnings of the subsidiaries to the holding company and it has no intention to distribute the earnings of the subsidiaries.

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

The Group has business losses including unabsorbed depreciation of Rs. 5.56 Crore (December 31, 2021 - Rs. 37.17 Crore) for which no deferred tax assets have been recognised. The business losses will expire between financial years 2023-24 to 2029-30. The above information is based on the returns of income filed by the individual subsidiary companies upto assessment year 2022-2023.

## NOTE 22: TRADE PAYABLES

Rs. in Crore

| | Outstanding for following periods from transaction date | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| **Balance as at March 31, 2023** | | | | | |
| Total outstanding dues of micro and small enterprises (Undisputed) | 20.21 | - | - | - | 20.21 |
| Total outstanding dues of trade payable other than micro and small enterprises (Undisputed) | 1,326.36 | 56.67 | 10.15 | 80.00 | 1,473.18 |
| **Balance as at December 31, 2021** | | | | | |
| Total outstanding dues of micro and small enterprises (Undisputed) | 25.02 | 0.08 | 0.17 | 0.06 | 25.33 |
| Total outstanding dues of trade payable other than micro and small enterprises (Undisputed) | 1,611.55 | 112.21 | 48.33 | 107.47 | 1,879.56 |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

## NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Financial Liabilities at amortised cost** | | |
| Interest accrued | 0.04 | 13.33 |
| Unpaid dividends* | 23.99 | 23.80 |
| Security deposits and retention money | 960.25 | 792.90 |
| Liability for capital expenditure | 60.53 | 136.81 |
| Liability for employees | 146.68 | 137.18 |
| Others | - | 25.45 |
| **Total** | **1,191.49** | **1,129.47** |

*Investor Education and Protection Fund ('IEPF') - outstanding aggregating of Rs. 0.45 Crore (December 31, 2021 - Rs. 0.36 Crore) ,is pending to be transferred to the 'IEPF'on account of disputes and legal cases.

## NOTE 24: OTHER CURRENT LIABILITIES

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Contract Liability*** | | |
| Advances from customers | 169.69 | 252.32 |
| **Other Liability** | | |
| Statutory dues payable | 784.40 | 675.32 |
| Rebates to customers | 654.90 | 592.68 |
| Other payables | 771.16 | 745.03 |
| (including interest on income tax, etc.) | | |
| **Total** | **2,380.15** | **2,265.35** |

* The contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2023.

## NOTE 25: CURRENT PROVISIONS

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| **Provision for employee benefits** | | |
| Provision for gratuity (Refer Note - 39) | 8.48 | 11.59 |
| Provision for compensated absences | 0.93 | 3.18 |
| Provision for long service award | 0.67 | 0.93 |
| **Total** | **10.08** | **15.70** |

## NOTE 26: REVENUE FROM OPERATIONS

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Revenue from contracts with customers | | |
| Sale of manufactured products | 18,982.19 | 14,724.78 |
| Sale of traded products | 2,772.73 | 1,086.28 |
| Income from services rendered | 12.37 | 3.34 |
| | **21,767.29** | **15,814.40** |
| Other Operating Revenue | | |
| Provision no longer required written back | 12.32 | 7.33 |
| Scrap sales | 75.27 | 56.61 |
| Government grants | 207.11 | 154.74 |
| Miscellaneous income | 148.19 | 118.59 |
| | **442.89** | **337.27** |
| **Total** | **22,210.18** | **16,151.67** |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Revenue as per contract price | 24,543.78 | 18,226.76 |
| Less: Discounts and incentives | (2,776.49) | (2,412.36) |
| Revenue from contract with customers | **21,767.29** | **15,814.40** |

### Remaining performance obligation:

The Group does not have any remaining performance obligation under contracts entered for sale of goods or services which remains unsatisfied as at March 31, 2023. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

### Disaggregation of revenue:

Refer Note 45 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contract with customers".

## NOTE 27: OTHER INCOME

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Interest income using the effective interest rate method | | |
| Interest on bank deposits | 223.49 | 178.12 |
| Interest on income tax | 0.03 | 12.71 |
| Other interest | 4.95 | 3.78 |
| | **228.47** | **194.61** |
| Other non-operating income | | |
| Gain on sale of current financial assets measured at FVTPL (net) | 17.13 | 9.54 |
| Others | 95.19 | 1.68 |
| Gain on fair valuation of current financial assets measured at FVTPL (net)* | 0.13 | 0.27 |
| Gain on termination of leases | 0.97 | 0.61 |
| **Total** | **341.89** | **206.71** |

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

## NOTE 28: COST OF MATERIALS CONSUMED

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Inventories at the beginning of the year | 165.56 | 115.54 |
| Add: Purchases | 3,353.43 | 2,169.59 |
| | 3,518.99 | 2,285.13 |
| Less: Inventories at the end of the year | 173.03 | 165.56 |
| **Total** | **3,345.96** | **2,119.57** |

## NOTE 29: PURCHASES OF STOCK-IN-TRADE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Cement and others | 2,293.99 | 918.35 |
| Ready Mix Concrete | 6.96 | 2.84 |
| **Total** | **2,300.95** | **921.19** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Inventories at the end of the year | | |
| Stock-in-trade | 44.65 | 16.14 |
| Finished goods | 174.97 | 129.19 |
| Work-in-progress | 421.88 | 302.98 |
| | **641.50** | **448.31** |
| Inventories at the beginning of the year | | |
| Stock-in-trade | 16.14 | 14.48 |
| Finished goods | 129.19 | 112.10 |
| Work-in-progress | 302.98 | 147.84 |
| | 448.31 | 274.42 |
| Less: Transfer on sale of Subsidiary Company | - | 0.36 |
| | **448.31** | **274.06** |
| **Total** | **(193.19)** | **(174.25)** |

## NOTE 31: EMPLOYEE BENEFITS EXPENSE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Salaries and wages (Refer note - 49) | 874.98 | 721.89 |
| Contributions to provident and other funds | 79.71 | 66.29 |
| Employee share based payments (Refer Note - 56) | 2.78 | 4.18 |
| Staff welfare expenses | 78.73 | 43.80 |
| **Total** | **1,036.20** | **836.16** |

## NOTE 32: FREIGHT AND FORWARDING EXPENSE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| On clinker transfer | 853.62 | 584.33 |
| On finished and semifinished products | 4,286.62 | 3,238.66 |
| **Total** | **5,140.24** | **3,822.99** |

## NOTE 33: FINANCE COSTS

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Interest | | |
| On income tax | 3.16 | 3.67 |
| On Defined benefit obligation (Net) (Refer Note - 39) | 11.53 | 8.95 |
| Interest on deposits from dealers carried at amortised cost | 25.70 | 16.19 |
| Interest on lease liabilities carried at amortised cost | 12.96 | 9.37 |
| Others | 20.64 | 14.88 |
| Unwinding of discount on site restoration provision (Refer Note - 20.1) | 3.29 | 1.56 |
| **Total** | **77.28** | **54.62** |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Depreciation on property, plant and equipments | 798.15 | 569.84 |
| Amortisation of intangible assets | 7.14 | 5.23 |
| Depreciation on Right of use assets | 36.03 | 25.61 |
| **Total** | **841.32** | **600.68** |

## NOTE 35: OTHER EXPENSES

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Consumption of stores and spare parts | 387.04 | 277.95 |
| Consumption of packing materials | 656.37 | 552.03 |
| Rent (Refer note - 40) | 140.49 | 107.26 |
| Rates and taxes | 101.48 | 97.85 |
| Repairs | 244.94 | 163.33 |
| Insurance | 51.64 | 39.34 |
| Royalty on minerals | 304.29 | 264.83 |
| Advertisement | 118.63 | 86.37 |
| Technology and know-how fees (Refer Note - 44 and Note below) | 115.35 | 154.51 |
| Impairment losses on trade receivables {(including reversals of impairment losses) (Refer Note - 51(i))} | 14.84 | (10.87) |
| Corporate Social Responsibility expense | 45.47 | 35.95 |
| Miscellaneous expenses (Refer Note-49) | 750.70 | 519.06 |
| **Total** | **2,931.24** | **2,287.61** |

Note

The Company with effect from September 16, 2022, has terminated its agreement with Holcim Technology Limited for payment of technology and know-how fees @ 1% of eligible net sales.

## NOTE 36: EARNINGS PER SHARE - [EPS]

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

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| Profit attributable to equity shareholders | | 885.07 | 1,862.99 |
| Weighted average number of equity shares for EPS computation | | | |
| Number of shares for Basic EPS | | 18,77,87,263 | 18,77,87,263 |
| Effect of dilution: | | | |
| Number of shares held in abeyance | | 5,02,957 | 5,06,656 |
| (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 | | 18,82,90,220 | 18,82,93,919 |
| EPS | | | |
| Face value per share | Rs. | 10.00 | 10.00 |
| Basic | Rs. | 47.13 | 99.21 |
| Diluted | Rs. | 47.01 | 98.94 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 37: GROUP INFORMATION

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

| | | | % equity interest | |
|---|---|---|---|---|
| Name | Principal activities | Principal place of business | As at March 31, 2023 | As at December 31, 2021 |
| Bulk Cement Corporation (India) Limited* | Cement and cement related products | India | 94.65% | 94.65% |
| ACC Mineral Resources Limited* | Cement and cement related products | India | 100% | 100% |
| Lucky Minmat Limited* | Cement and cement related products | India | 100% | 100% |
| Singhania Minerals Private Limited* | Cement and cement related products | India | 100% | 100% |

*The financial statements of each of the above Companies are drawn upto the same reporting date as that of the parent company, i.e. March 31, 2023.

### The holding company

Ambuja Cements Limited is the holding Company of ACC Ltd.

### Associates

| | | | % equity interest | |
|---|---|---|---|---|
| Name | Principal activities | Principal place of business | As at March 31, 2023 | As at December 31, 2021 |
| Alcon Cement Company Private Limited | Cement and cement related products | India | 40% | 40% |
| Asian Concretes and Cements Private Limited | Cement and cement related products | India | 45% | 45% |

### Joint ventures

| | | | % equity interest | |
|---|---|---|---|---|
| Name | Principal activities | Principal place of business | As at March 31, 2023 | As at December 31, 2021 |
| OneIndia BSC Private Limited | Shared services | India | 50% | 50% |
| Aakaash Manufacturing Company Private Limited | Ready mixed concrete products | India | 40% | 40% |

### Joint Operations of ACC Mineral Resources Limited

| | | | | |
|---|---|---|---|---|
| MP AMRL (Semaria) Coal Company Limited | Cement related products | India | 49% | 49% |
| MP AMRL (Bicharpur) Coal Company Limited | Cement related products | India | 49% | 49% |
| MP AMRL (Marki Barka) Coal Company Limited | Cement related products | India | 49% | 49% |
| MP AMRL (Morga) Coal Company Limited | Cement related products | India | 49% | 49% |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 38: FINANCIAL INFORMATION IN RESPECT OF JOINT VENTURES AND ASSOCIATES THAT ARE NOT INDIVIDUALLY MATERIAL:

The Company's interests in below mentioned joint ventures and associates are accounted for using the equity method in the consolidated financial statements. The summarised financial information below represents amounts shown in the associate's and joint venture's financial statements prepared in accordance with Ind AS adjusted by the Company for equity accounting purposes:

### a. Joint ventures

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the Year ended December 31, 2021 |
|---|---|---|
| **OneIndia BSC Private Limited** | | |
| Group's share of profit | 0.30 | 0.12 |
| Group's share of other comprehensive income | - | - |
| Group's share of total comprehensive income | 0.30 | 0.12 |
| **Aakaash Manufacturing Company Private Limited** | | |
| Group's share of profit | 4.81 | 1.87 |
| Group's share of other comprehensive income | (0.02) | 0.07 |
| Group's share of total comprehensive income | 4.79 | 1.94 |

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Aggregate carrying amount of the Group's interests in these Joint ventures | | |
| OneIndia BSC Private Limited | 6.73 | 6.43 |
| Aakaash Manufacturing Company Private Limited | 15.74 | 12.70 |

### b. Associates

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the Year ended December 31, 2021 |
|---|---|---|
| **Alcon Cement Company Private Limited** | | |
| Group's share of profit | 1.97 | 0.41 |
| Group's share of other comprehensive income | (0.07) | (0.08) |
| Group's share of total comprehensive income | 1.90 | 0.33 |
| **Asian Concretes and Cements Private Limited** | | |
| Group's share of profit | 9.07 | 9.25 |
| Group's share of other comprehensive income | - | - |
| Group's share of total comprehensive income | 9.07 | 9.25 |

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Aggregate carrying amount of the Group's interests in these Associates | | |
| Alcon Cement Company Private Limited | 15.47 | 14.12 |
| Asian Concretes and Cements Private Limited | 106.97 | 97.90 |

## NOTE 39: EMPLOYEE BENEFITS

a) **Defined contribution plans –** Amount recognised and included in Note 31 "contributions to provident and other funds" of Consolidated Statement of Profit and Loss Rs. 18.42 Crore *(Previous year - Rs. 15.10 Crore)*

b) **Defined benefit plans**

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

The gratuity and provident fund plan is in 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. 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.

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

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

**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.

### Gratuity and additional gratuity

i. The Group operates a Gratuity Plan through a trust for all its employees. 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 eligible employee who has joined the Company before December 01, 2006 and gets separated on retirement or on medical grounds is entitled to additional gratuity provided he has completed minimum 25 years of service. The scheme is non funded.

Rs. in Crore

| | | Gratuity (Including additional gratuity) | |
|---|---|---|---|
| | | Funded | Non Funded |
| **I** | **Expense recognised in the consolidated statement of profit and loss** | | |
| 1 | Current service cost | 18.79 | 9.90 |
| | | *16.05* | *8.93* |
| 2 | Past service cost | 0.19 | - |
| | | - | - |
| 3 | Net Interest cost | 1.01 | 7.46 |
| | | *0.48* | *6.16* |
| 4 | Gain on settlements | - | - |
| | | - | *(10.34)* |
| 5 | Net benefit expense | 19.99 | 17.36 |
| | | *16.53* | *4.75* |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

Rs. in Crore

| | | Gratuity (Including additional gratuity) | |
|---|---|---|---|
| | | Funded | Non Funded |
| 6 | Actuarial (gains) / losses arising from change in financial assumptions | (5.82) | (3.55) |
| | | *(7.53)* | *(3.83)* |
| 7 | Actuarial (gains) / losses arising from change in experience adjustments | (2.10) | 3.92 |
| | | *(2.01)* | *2.18* |
| 8 | (Gain) / loss on plan assets (Excluding amount included in net interest expenses) | (0.38) | - |
| | | *(0.40)* | - |
| 9 | Sub-total - Included in OCI | (8.30) | 0.37 |
| | | *(9.94)* | *(1.65)* |
| 10 | Total expense (5 + 9) | 11.69 | 17.73 |
| | | *6.59* | *3.10* |
| **II** | **Amount recognised in Balance Sheet** | | |
| 1 | Present value of Defined Benefit Obligation | (185.18) | (96.64) |
| | | *(207.94)* | *(94.22)* |
| 2 | Fair value of plan assets | 196.57 | - |
| | | *195.92* | - |
| 3 | Funded status {Surplus/(Deficit)} | 11.39 | (96.64) |
| | | *(12.02)* | *(94.22)* |
| 4 | Net asset/(liability) | 11.39 | (96.64) |
| | | *(12.02)* | *(94.22)* |
| **III** | **Present value of Defined Benefit Obligation** | | |
| 1 | Present value of Defined Benefit Obligation at beginning of the year | 207.94 | 94.22 |
| | | *221.90* | *102.23* |
| 2 | Current service cost | 18.79 | 9.90 |
| | | *16.05* | *8.93* |
| 3 | Past service cost | 0.19 | - |
| | | - | - |
| 4 | Interest cost | 16.28 | 7.46 |
| | | *13.01* | *6.16* |
| 5 | (Gain) on settlements | - | - |
| | | - | *(10.34)* |
| 6 | Actuarial (gains) / losses arising from changes in financial assumptions | (5.82) | (3.55) |
| | | *(7.53)* | *(3.83)* |
| 7 | Actuarial (gains) / losses arising from experience adjustments | (2.10) | 3.92 |
| | | *(2.01)* | *2.18* |
| 8 | Benefits Payments | (50.10) | (15.31) |
| | | *(33.48)* | *(11.11)* |
| 9 | Present value of Defined Benefit Obligation at the end of the year | 185.18 | 96.64 |
| | | *207.94* | *94.22* |
| **IV** | **Fair value of Plan Assets** | | |
| 1 | Plan assets at the beginning of the year | 195.92 | - |
| | | *214.29* | - |
| 2 | Interest income | 15.27 | - |
| | | *12.53* | - |
| 4 | Actual benefits paid | (15.00) | - |
| | | *(31.30)* | - |
| 5 | Actuarial gains / (losses) arising from changes in financial assumptions | 0.38 | - |
| | | *0.40* | - |
| 6 | Plan assets at the end of the year | 196.57 | - |
| | | *195.92* | - |
| **V** | **Weighted Average duration of Defined Benefit Obligation** | 9 Years | 10 Years |
| | | *10 Years* | *10 Years* |

(Figures in italics pertains to previous year)

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

## VI Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. 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 March 31, 2023

| | Gratuity - Funded | | Gratuity - Unfunded | |
|---|---|---|---|---|
| Particulars | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (10.95) | 12.42 | (6.98) | 8.04 |
| Future salary growth (1% movement) | 12.33 | (11.07) | 7.78 | (6.92) |

### Sensitivity Analysis as at December 31, 2021

| | 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) |

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

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

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

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

| | Gratuity | |
|---|---|---|
| | As at March 31, 2023 | As at December 31, 2021 |
| Insurer managed funds | 100% | 100% |
| | **100%** | **100%** |

## VIII Actuarial assumptions:

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| | **Actuarial assumptions:** | | |
| a) | Financial Assumptions | | |
| 1 | Discount rate | 7.20% | 6.75% |
| 2 | Salary increase rate | 7.00% | 7.00% |
| b) | Demographic Assumptions | | |
| 1 | Retirement age | 58 - 60 years | 60 years |
| 2 | Mortality pre-retirement | Indian Assured Lives Mortality (2012-14) (Modified) Ultimate | Indian Assured Lives Mortality (2012-14) (Modified) Ultimate |

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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 :**

| Particulars | Funded Gratuity | | Unfunded Gratuity | |
|---|---|---|---|---|
| | As at March 31, 2023 | As at December 31, 2021 | As at March 31, 2023 | As at December 31, 2021 |
| 1. Expected employer contribution in the next year | - | - | NA | NA |
| 2. Expected benefit payments | | | | |
| Year 1 | 16.49 | 29.81 | 8.49 | 11.58 |
| Year 2 | 20.06 | 23.56 | 7.26 | 8.30 |
| Year 3 | 34.04 | 23.93 | 9.08 | 8.15 |
| Year 4 | 22.50 | 21.90 | 9.48 | 8.95 |
| Year 5 | 20.95 | 17.65 | 8.05 | 8.41 |
| Next 5 years | 107.07 | 77.96 | 40.21 | 35.96 |
| **Total expected payments** | **221.11** | **194.81** | **82.57** | **81.35** |

f) **Other long term employee benefits -** Amount recognised as an expense under employee benefit expenses in the Consolidated Statement of Profit and Loss in respect of compensated absences and long service award is Rs. 24.86 Crore *(Previous year - Rs. 8.57 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**

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| a) | **Financial Assumptions** | | |
| 1 | Discount rate | 7.20% | 6.75% |
| 2 | Salary increase rate | 7.00% | 7.00% |
| b) | **Demographic Assumptions** | | |
| 1 | Expected average remaining working lives of employees | 9 years | 10 years |

### Provident fund

"Provident fund for certain eligible employees is managed by the Group through a trust "The Provident Fund of ACC Ltd.", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Group or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate.

Rs. in Crore

| | Particulars | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| I | **Components of expense recognised in the Consolidated Statement of Profit and Loss** | | |
| 1 | Current service cost | 39.60 | 29.47 |
| 2 | Past service cost | (1.82) | - |
| 3 | Current interest cost (net off income on plan assets) | 3.06 | 2.31 |
| 4 | Total expense | 40.84 | 31.78 |
| | Components recognised in other comprehensive income (OCI) | | |
| 5 | Actuarial (gains) / losses arising from changes in financial assumptions on Liability | (26.51) | (19.22) |
| 6 | Actuarial (gains) / losses arising from changes in financial assumptions on Plan Assets | (7.06) | 23.54 |
| 7 | Sub-total - Included in OCI | (33.57) | 4.32 |
| 8 | Total expense (4 + 7) | 7.27 | 36.10 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

Rs. in Crore

| | Particulars | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **II** | **Amount recognised in Consolidated Balance Sheet** | | |
| 1 | Present value of Defined Benefit Obligation | (854.98) | (871.44) |
| 2 | Fair value of plan assets | 804.85 | 794.50 |
| 3 | Funded status {Surplus/(Deficit)}* | (50.13) | (76.94) |
| 4 | Net asset/(liability) as at end of the year | (50.13) | (76.94) |
| **III** | **Present Value of Defined Benefit Obligation** | | |
| 1 | Present value of Defined Benefit Obligation at beginning of the year | 871.44 | 848.58 |
| 2 | Current service cost | 39.60 | 29.47 |
| 3 | Past service cost | (1.82) | - |
| 4 | Interest cost | 69.85 | 68.10 |
| 5 | Employee Contributions | 82.82 | 57.58 |
| 6 | Actuarial (gains) / losses arising from changes in financial assumptions | (15.90) | (2.41) |
| 7 | Actuarial (gains) / losses arising from experience adjustments | (10.61) | (16.81) |
| 8 | Benefits Payments | (205.32) | (122.98) |
| 9 | Increase/ (Decrease) due to effect of any transfers | 24.92 | 9.91 |
| 10 | Present value of Defined Benefit Obligation at the end of the year | 854.98 | 871.44 |
| **IV** | **Fair Value of Plan Assets** | | |
| 1 | Plan assets at the beginning of the year | 794.50 | 782.27 |
| 2 | Interest income | 66.79 | 65.79 |
| 3 | Contributions by Employer | 34.08 | 25.46 |
| 4 | Contributions by Employee | 82.82 | 57.58 |
| 5 | Actual benefits paid | (205.32) | (122.98) |
| 6 | Net transfer in / (out) | 24.92 | 9.91 |
| 7 | Actuarial gains / (losses) arising from changes in financial assumptions | 7.06 | (23.53) |
| 8 | Plan assets at the end of the year | 804.85 | 794.50 |
| **V** | **Weighted Average duration of Defined Benefit Obligation** | 9 years | 10 years |

*The Provident Fund of ACC Limited (Trust) had invested Rs. 49.00 Crore in perpetual bonds of IL&FS Financial Services Limited. In view of uncertainties regarding recoverability, in an earlier year, the Group has provided Rs. 49.00 Crore towards probable incremental employee benefit liability that may arise on the Group on account of any likely shortfall of the Trust in meeting its obligations.

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

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Debt instruments | | |
| Government securities | 48% | 56% |
| Debentures and bonds | 22% | 12% |
| Equity instruments | 14% | 12% |
| Cash and Cash equivalent | 16% | 20% |
| | **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 March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Discounting rate | 7.20% | 6.75% |
| Guaranteed interest rate | 8.10% | 8.50% |
| Yield on assets based on the Purchase price and outstanding term of maturity | 8.10% | 8.10% |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

### VIII Sensitivity analysis for factors mentioned in Actuarial Assumptions

Rs. in Crore

| | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| Particulars | Increase | Decrease | Increase | Decrease |
| Discount rate (1% movement) | (1.76) | 2.03 | (4.26) | 5.03 |
| Interest rate guarantee (1% movement) | 36.78 | (16.59) | 58.05 | (30.17) |

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

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

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

IX The Group expects to contribute Rs. 24.00 Crore *(Previous year - Rs. 25.00 Crore)* to trust managed provident fund in the next year.

## NOTE 40: LEASES

### Group as lessee

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

### (I) The movement in lease liabilities during the year ended March 31, 2023 is as follows :

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Balance at the January 01 | 125.58 | 102.48 |
| Additions During the Year | 109.62 | 51.37 |
| Finance cost accrued during the period | 12.96 | 9.37 |
| Payment of lease liabilities | (88.90) | (35.99) |
| Termination of Lease contracts | (6.22) | (1.65) |
| Balance at December 31 | **153.04** | **125.58** |
| Current lease liabilities | 27.36 | 24.21 |
| Non-current lease liabilities | 125.68 | 101.37 |

### (II) The maturity analysis of lease liabilities are disclosed in Note 51 (ii) - Liquidity risk

### (III) Lease expenses recognised in Statement of Profit and Loss:

Rs. in Crore

| Particulars | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Depreciation of Right-of-use assets | 36.03 | 25.61 |
| Interest on lease liabilities | 12.96 | 9.37 |
| Expense relating to short-term leases | 84.94 | 65.23 |
| Expense in respect of variable lease payments | 55.55 | 42.03 |
| | **189.48** | **142.24** |

## NOTE 41: CAPITAL AND OTHER COMMITMENTS

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

Rs. in Crore

| Particulars | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Estimated value of contracts on capital account remaining to be executed (Net of advance) | 850.61 | 935.77 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 42: CONTINGENT LIABILITIES

**Claims against the Group not acknowledged as debt:**

| Nature of Statute | Brief description of contingent liabilities | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| Competition Act, 2002 | CCI matters - Refer Notes a and b below | 2,039.64 | 1,878.34 |
| Income tax Act, 1961 | Income tax matter related to excise duty incentives - Refer Note e below | 604.44 | 604.44 |
| Service tax - Finance Act, 1994 | Dispute regarding place of removal - Refer Note c below | 83.09 | 92.34 |
| Central excise Act | Demand of differential excise duty on clearance of ready mix concrete | 25.69 | 25.69 |
| | Other excise matters | 29.09 | 24.76 |
| Mineral Concession Rules | Compensation for use of Government land - Refer Note d below | 212.22 | 212.22 |
| Government incentive | Sales tax incentive - Refer Note f below | 64.45 | 64.45 |
| | Others sales tax incentive | 8.40 | 8.40 |
| Goods and services tax Act | Denial of transitional credit of clean energy cess | 62.67 | 15.04 |
| Sales tax Act/ Commercial tax Act of various states | Packing material - differential rate of tax. matters pending with various authorities | 11.53 | 11.53 |
| | Other sales tax matters | 37.19 | 37.19 |
| Customs duty - The customs Act, 1962 | Demand of duty on import of steam coal during 2001 to 2013 classifying it as bituminous coal | 30.97 | 30.97 |
| Other statutes/ Other claims | Claims by suppliers regarding supply of raw material and other claim | 35.89 | 35.89 |
| | Demand of water drawal charges | - | 9.80 |
| | Various other cases pertaining to claims related to Railways, labour laws, etc | 42.01 | 41.30 |
| 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** | 3,295.21 | 3,100.29 |

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

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 Rs. 1,147.59 Crore on the Company. On Company's appeal, Competition Appellate Tribunal ('COMPAT') (who initially stayed the penalty), by its final order dated December 11, 2015, set aside the order of the CCI and remanded the matter back to the CCI for fresh adjudication and for passing a fresh order.

After hearing the matter, the CCI, by its order dated August 31, 2016, held that the cement companies and the Cement Manufacturers Association 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 Rs. 1,147.59 Crore *(Previous Year - Rs. 1,147.59 Crore)* on the Company.

The Company had appealed against the penalty to the 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 March 31, 2023 is Rs. 856.73 Crore *(Previous Year - Rs. 695.43 Crore)*. COMPAT was replaced by the National Company Law Appellate Tribunal (NCLAT) effective May 26, 2017 who, vide its judgment dated July 25, 2018, dismissed the Company's appeal and upheld the CCI's order.

Against the above judgment 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 COMPAT 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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, 2002. CCI, by its order dated January 19, 2017, imposed a penalty of Rs. 35.32 Crore *(Previous year - Rs. 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.

   Based on the advice of the external legal counsel, conflicting decisions of courts and Central Board of Indirect Taxes and Customs circular, the Company is of the view that no provision is necessary in the financial statements."

d) The Company has received demand notice from the Government of Tamil Nadu and an order by the Collector, Coimbatore seeking annual compensation for the period from April 01, 1997 to March 31, 2014 and April 01, 2014 to March 31, 2019, amounting to Rs. 73.46 Crore *(Previous Year - Rs. 73.46 Crore)* and Rs. 138.76 Crore *(Previous Year - Rs. 138.76 Crore)* respectively for use of the Government land for mining, which the Company occupies on the basis of the mining leases. The Company has challenged the demands by way of revision under the Mineral Concession Rules and has filed writ petitions before the Hon'ble High Court of Tamil Nadu at Chennai.

   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 allowing annual compensation to be collected by the state. The Company has filed a writ appeal against the judgement.

   One of the above petition challenging the demand for the period April 01, 2014 to March 31, 2019, is disposed of against the Company by the High Court vide order dated December 14, 2021 in line with the above judgment. The Company has filed a writ appeal before the divisional bench of High Court against this judgement.

   The Company has assessed the matter as ""possible"" and has obtained legal opinion for the said matter.

e) The Company was entitled to excise duty incentives for the assessment years 2006-07 to 2015-16 for its Gagal plant located in the state of Himachal Pradesh. ACC has been contending that the said incentives are in the nature of capital receipts and hence not liable to income tax. However, the Income tax department had consistently denied the position and considered these incentives as a taxable receipt. Appeals were filed by ACC against the orders of the assessing officer which were pending before the Commissioner of Income Tax (Appeals) / Income Tax Appellate Tribunal (ITAT).

   In March 2023, for the matters pending with the Income Tax Appellate Tribunal (ITAT), the Company has received favourable orders. Pending final closure of the matter, the amount of Rs. 500.63 Crore *(Previous year - Rs. 500.63 Crore)* along with interest payable of Rs. 103.81 Crore *(Previous year - Rs. 103.81 Crore)* has been disclosed as contingent liability."

f) 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 Rs. 56.30 Crore *(Previous year - Rs. 56.30 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 Rs. 64.45 Crore *(Previous year - Rs. 64.45 Crore)* (tax of Rs. 56.30 Crore and interest of Rs. 8.15 Crore) which is considered as recoverable.

   The HP Hon'ble High Court, had, in 2012, dismissed the Company's appeal. 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. The Company has assessed the matter as "possible".

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023



## NOTE 43: MATERIAL DEMANDS AND DISPUTES CONSIDERED AS REMOTE

Based on case by case assessment, the Group has disclosed certain matters below, where the outflow of resources embodying economic benefits has been assessed as remote.

a) The Company was eligible for certain incentives in respect of its investment towards modernization and expansion of the Chaibasa cement unit under the State Industrial Policy of Jharkhand. Accordingly, the Company has made claims for refund of VAT paid. However, no disbursals were made (except an amount of Rs. 7.00 Crore representing part of the one time lumpsum capital subsidy claim of Rs. 15.00 Crore) as the authorities have raised new conditions and restrictions. The Company had filed two writ appeals before the Jharkhand Hon'ble High Court against these conditions, restrictions and disputes.

   Jharkhand Hon'ble High Court, while dealing with appeals by both the Company and the State Government allowed the Company's appeal while dismissing the Government's appeal,

   The Government of Jharkhand had filed an Special leave petition (SLP) in the Hon'ble Supreme Court which vide its interim order stayed disbursement of 40% of the amount due. Consequently, as of date, the Company received Rs. 64.00 Crore *(Previous year - Rs. 64.00 Crore)* out of total Rs. 235.00 Crore *(Previous year - Rs. 235.00 Crore)* in part disbursement from the Government of Jharkhand.

   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 Jharkhand Hon'ble High Court.

   The Company has assessed the matter as ""remote"" and has obtained legal opinion for the said matter.

b) 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 basis interpretation of the sanction letter issued to the Company. The Company has accrued an amount of Rs. 133.00 Crore *(Previous year - Rs. 133.00 Crore)* for such incentive. The Company has filed an appeal before the Hon"ble Bombay High Court challenging the stand of the Government, which is admitted and pending before the High Court for hearing. The Company has assessed the matter as "remote" and has obtained legal opinion for the said matter.

c) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co. Ltd, in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 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 Rs. 56.66 Crore (net of provision) *(Previous year – Rs. 56.66 Crore)*, the Company is in appeal before the Income Tax Appellate Tribunal (ITAT). In case of Wadi TG 3, demand of Rs. 115.62 Crore *(Previous year – Rs. 115.62 Crore)* was set aside by the Income Tax Appellate Tribunal (ITAT) and department is in appeal against the said decision. The Company has assessed the matter as "remote".

d) One of the Company's cement manufacturing plants located in Himachal Pradesh was eligible under the State Industrial Policy for deferral of its sales tax liability. The Excise department disputed the eligibility of the Company to such deferment on the ground that the Company also manufactures an intermediate product, viz. Clinker and such intermediate product was in the negative list. A demand of Rs. 82.37 Crore *(Previous year - Rs. 82.37 Crore)* was raised by the department. 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 has assessed the matter as "remote".

e) 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 case of another Company restricting the "deemed renewal" provision of captive mining leases. The Company received demand from district mining officer for Rs. 881.00 Crore *(Previous year - Rs. 881.00 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 for directing the State government to renew both the leases upto 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 upto March 2030 permitting the Company to commence mining operations after depositing Rs. 48.00 Crore subject to the outcome of the petition filed by the Company.

The Company has assessed the matter as "remote" and has obtained legal opinion for the said matter.

f) Bulk Cement Corporation (India) Limited, a subsidiary company received demand from The Divisional Railway Manager Works office, Central Railways (Railways) by its letter dated February 11, 2022, of Rs. 15.33 Crore towards Land Licence Fee. Based on the subsidiary's own assessment and backed by external legal opinion, the subsidiary believes that it has a strong ground to contest the claim and accordingly has assessed the matter as "remote".

g) One of the contractors of a subsidiary company, ACC Mineral Resources Limited, has filed an Arbitration Petition under section 11 of the Arbitration and Conciliation Act, 1996 wherein the Hon'ble High Court of Mumbai has appointed a sole Arbitrator. The contractor has filed a statement of claims demanding approx. Rs 407.00 Crores *(Previous year - Rs. 407.00 Crore)* from the Company including Rs 354.00 Crores *(Previous year - Rs. 354.00 Crore)* on account of loss of profit. The subsidiary company has been legally advised that the claim for loss of profit is not sustainable in terms of the contract/s with the said vendor and the Contract Act, 1872. Further, an amount of Rs 45.91 Crore *(Previous year - Rs. 45.91 Crore)* in view of the demand being legally unjustifiable, has been assessed as "remote". Balance amount of Rs. 7.09 Crore *(Previous year - Rs. 7.09 Crore)* has been disclosed as a contingent liability.

## NOTE 44: RELATED PARTY DISCLOSURE

| **(A)** | **Names of the Related parties:** | **Nature of Relationship** |
|---|---|---|
| 1 | Holderind Investments Ltd, Mauritius | Holding Company of Ambuja Cements Limited |
| 2 | Holcim Ltd, Switzerland (Erstwhile LafargeHolcim) | Ultimate Holding Company (upto September 15, 2022) |
| 3 | Ambuja Cements Limited | Immediate Holding Company |
| **(B)** | **Names of the Related parties where control / joint control exists:** | **Nature of Relationship** |
| 1 | OneIndia BSC Private Limited | Joint venture Company |
| 2 | Aakaash Manufacturing Company Private Limited | Joint venture Company |
| **(C)** | **Others - With whom transactions have taken place during the current and/or previous year or has outstanding balance:** | |
| **(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 | Adani Estate Management Private Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 4 | Adani Green Energy Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 5 | Adani Infrastructure And Developers Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 6 | Adani Power Maharashtra Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 7 | Adani Wilmar Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 8 | Udupi Power Corporation Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 9 | Adani Power Rajasthan Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

| | | |
|---|---|---|
| 10 | Raipur Energen Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 11 | Esteem Construction Private Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 12 | The Dhamra Port Company Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 13 | Adani Petronet (Dahej) Port Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 14 | Adani Enterprises Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 15 | Budhpur Buildcon Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 16 | Adani Infra (India) Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 17 | Adani Properties Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 18 | Raigarh Energy Generation Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 19 | Parsa Kente Collieries Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 20 | Adani Tracks Management Services Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 21 | Adani Green Energy Six Limited | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 22 | Belvedere Golf And Country Club Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 23 | Adani Sportsline Pvt Ltd | Entities over which key management personnel / their relatives having control / significant influence (w.e.f. September 16, 2022) |
| 24 | Holcim Services (South Asia) Limited | Fellow Subsidiary (upto September 15, 2022) |
| 25 | Holcim Group Services Ltd, Switzerland | Fellow Subsidiary (upto September 15, 2022) |
| 26 | Holcim Technology Ltd, Switzerland | Fellow Subsidiary (upto September 15, 2022) |
| 27 | LafargeHolcim Energy Solutions SAS, France | Fellow Subsidiary (upto April 30, 2021) |
| 28 | LafargeHolcim Bangladesh Ltd, Bangladesh | Fellow Subsidiary (upto September 15, 2022) |
| 29 | Lafarge SA, France | Fellow Subsidiary (upto September 15, 2022) |
| 30 | Holcim Trading Ltd ,Switzerland (Erstwhile LH Trading Ltd) | Fellow Subsidiary (upto September 15, 2022) |
| 31 | LH Global Hub Services Private Limited | Fellow Subsidiary (upto September 15, 2022) |
| 32 | Holcim International Services Singapore Pte Ltd,Singapore (Erstwhile Lafarge) | Fellow Subsidiary (upto September 15, 2022) |
| 33 | Lafargeholcim Investment Co. Ltd, China | Fellow Subsidiary (upto September 15, 2022) |
| 34 | Counto Microfine Products Private Limited | Joint venture of Ambuja Cements Limited |
| 35 | Asian Fine Cement Private Limited | Subsidiary of an associate (Asian Concretes and Cements Private Limited) |
| 36 | The Provident Fund of ACC Ltd | Trust (Post-employment benefit plan) |
| 37 | ACC limited Employees Group Gratuity scheme | Trust (Post-employment benefit plan) |
| 38 | ACC Trust | Trust (Corporate Social Responsibility Trust) |
| 39 | Adani Foundation | Trust (Corporate Social Responsibility Trust) |

In accordance with the provisions of Ind AS 24 "Related Party Disclosures", following Personnel are considered as Key Management Personnel (KMP).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

| (b) | Name of the Related Parties: | Nature of Relationship |
|---|---|---|
| 1 | Mr.Karan Adani | Chairman & Non Executive /Non Independent Director (w.e.f September 16, 2022) |
| 2 | Mr.Ajay Kapur | Whole Time Director & Chief Executive Officer (w.e.f.December 3,2022) |
| 3 | Mr. Neeraj Akhoury | Non Executive/Non Independent Director (up to September 16, 2022) |
| 4 | Mr. Sridhar Balakrishnan | Whole Time Director & Chief Executive Officer (upto December 3,2022) |
| 5 | Ms. Rajani Kesari | Chief Financial Officer (upto August 31, 2020) |
| 6 | Mr. Yatin Malhotra | Chief Financial Officer (upto August 31, 2022) |
| 7 | Mr. Rajiv Choubey | Company Secretary (upto April 27, 2022) |
| 8 | Ms. Rashmi Khandelwal | Company Secretary (w.e.f April 28,2022 upto November 15, 2022) |
| 9 | Mr. Vinay Prakash | Non Executive /Non Independent Director (w.e.f September 16, 2022) |
| 10 | Mr.Arun Kumar Anand | Non Executive /Non Independent Director (w.e.f September 16, 2022) |
| 11 | Mr.Sandeep Singhi | Independent Director (w.e.f September 16, 2022) |
| 12 | Mr.Nitin Shukla | Independent Director (w.e.f September 16, 2022) |
| 13 | Mr.Rajeev Agarwal | Independent Director (w.e.f September 16, 2022) |
| 14 | Mr. N S Sekhsaria | Chairman, Non Executive / Non Independent Director (upto September 16,2022) |
| 15 | Mr. Jan Jenisch | Deputy Chairman, Non Executive / Non Independent Director (upto September 16, 2022) |
| 16 | Mr. Martin Kriegner | Non Executive /Non Independent Director (upto September 16,2022) |
| 17 | Mr. Shailesh Haribhakti | Independent Director (upto September 16,2022) |
| 18 | Mr. Sushil Kumar Roongta | Independent Director (upto September 16,2022) |
| 19 | Ms. Falguni Nayar | Independent Director (upto September 16,2022) |
| 20 | Mr. Damodarannair Sundaram | Independent Director (upto September 16,2022) |
| 21 | Mr. Vinayak Chatterjee | Independent Director (upto September 16,2022) |
| 22 | Mr. Sunil Mehta | Independent Director (upto September 16,2022) |
| 23 | Ms. Ameera Shah | Independent Director (w.e.f December 03, 2022) |
| 24 | Mr. M. R. Kumar | Non Independent Director (upto September 16,2022) |

## (D) Transactions with Joint Venture Companies

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **1** | **Purchase of finished goods** | **197.09** | **126.19** |
| | Aakaash Manufacturing Company Private Limited {Refer Note 48 (ii)} | 197.09 | 126.19 |
| **2** | **Sale of finished goods** | **-** | **1.69** |
| | Aakaash Manufacturing Company Private Limited | - | 1.69 |
| **3** | **Sale of raw material** | **0.15** | **0.18** |
| | Aakaash Manufacturing Company Private Limited | 0.15 | 0.18 |
| **4** | **Dividend received** | **1.75** | **1.13** |
| | Aakaash Manufacturing Company Private Limited | 1.75 | 1.13 |
| **5** | **Reimbursement of expenses paid/payable** | **-** | **0.30** |
| | Aakaash Manufacturing Company Private Limited | - | 0.21 |
| | OneIndia BSC Private Limited | - | 0.09 |
| **6** | **Reimbursement of expenses received/receivable** | **5.79** | **-** |
| | Aakaash Manufacturing Company Private Limited | 5.79 | - |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

### Outstanding balances with joint venture Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | **Outstanding receivables** | **0.01** | **0.22** |
| | Aakaash Manufacturing Company Private Limited | 0.01 | 0.22 |
| 2 | **Outstanding payables** | **19.30** | **36.66** |
| | Aakaash Manufacturing Company Private Limited | 19.30 | 36.66 |

## (E) Transactions with Associate Companies

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Purchase of finished goods** | **70.67** | **56.56** |
| | Alcon Cement Company Private Limited | 70.67 | 56.56 |
| 2 | **Sale of finished goods** | **-** | **0.03** |
| | Alcon Cement Company Private Limited | - | 0.03 |
| 3 | **Purchase of raw materials** | **14.73** | **8.50** |
| | Asian Concretes and Cements Private Limited | 14.73 | 8.50 |
| 4 | **Sale of semi-finished goods** | **23.73** | **17.08** |
| | Alcon Cement Company Private Limited {Refer Note - 48 (i)} | 23.73 | 16.15 |
| | Asian Fine Cement Private Limited | - | 0.93 |
| 5 | **Dividend received** | **0.55** | **0.43** |
| | Alcon Cement Company Private Limited | 0.55 | 0.43 |
| 6 | **Receiving of services** | **66.78** | **54.40** |
| | Asian Concretes and Cements Private Limited | 66.78 | 54.40 |
| 7 | **Reimbursement of Expenses received/receivable** | **16.37** | **16.23** |
| | Alcon Cement Company Private Limited | 16.37 | 16.23 |
| 8 | **Reimbursement of Expenses paid/payable** | **0.25** | **0.34** |
| | Alcon Cement Company Private Limited | 0.25 | 0.34 |

### Outstanding balances with Associate Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | **Outstanding receivables** | **5.96** | **8.74** |
| | Alcon Cement Company Private Limited | 5.96 | 8.74 |
| 2 | **Outstanding payables** | **11.05** | **24.30** |
| | Asian Concretes and Cements Private Limited | 6.17 | 16.41 |
| | Alcon Cement Company Private Limited | 4.88 | 7.58 |
| | Asian Fine Cement Private Limited | - | 0.31 |

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

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Dividend paid** | **593.89** | **143.36** |
| | Ambuja Cements Limited | 545.11 | 131.58 |
| | Holderind Investments Limited | 48.78 | 11.78 |
| 2 | **Purchase of Raw materials** | **89.89** | **17.10** |
| | Ambuja Cements Limited | 89.89 | 17.10 |
| 3 | **Purchase of Finished / Semi-finished goods** | **2,065.45** | **676.82** |
| | Ambuja Cements Limited | 2,065.45 | 676.82 |
| 4 | **Purchase of stores & spares** | **3.21** | **3.39** |
| | Ambuja Cements Limited | 3.21 | 3.39 |
| 5 | **Purchase of Property, plant and equipments** | **-** | **14.77** |
| | Ambuja Cements Limited | - | 14.77 |
| 6 | **Sale of finished / semi-finished goods** | **1,060.47** | **366.60** |
| | Ambuja Cements Limited | 1,060.47 | 366.60 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **7** | **Sale of raw material** | **87.82** | **6.17** |
| | Ambuja Cements Limited | 87.82 | 6.17 |
| **8** | **Sale of stores & spares** | **2.63** | **1.18** |
| | Ambuja Cements Limited | 2.63 | 1.18 |
| **9** | **Sale of Property, plant and equipments** | **2.62** | **0.62** |
| | Ambuja Cements Limited | 2.62 | 0.62 |
| **10** | **Rendering of services** | **75.26** | **58.92** |
| | Ambuja Cements Limited | 75.26 | 58.92 |
| **11** | **Receiving of services** | **54.16** | **38.96** |
| | Ambuja Cements Limited | 54.16 | 38.96 |
| **12** | **Reimbursement of expenses received / receivable** | **2.72** | **0.70** |
| | Ambuja Cements Limited | 2.72 | 0.70 |
| **13** | **Reimbursement of expenses paid / payable** | **28.14** | **8.12** |
| | Ambuja Cements Limited | 28.14 | 8.12 |
| **14** | **Inter corporate deposits received** | **200.00** | **-** |
| | Ambuja Cements Limited | 200.00 | - |
| **15** | **Inter corporate deposits repaid** | **200.00** | **-** |
| | Ambuja Cements Limited | 200.00 | - |
| **16** | **Interest paid on inter corporate deposit** | **1.07** | **-** |
| | Ambuja Cements Limited | 1.07 | - |

### Outstanding balances with Ultimate Holding and Holding Companies

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| **1** | **Outstanding receivables** | **251.72** | **37.99** |
| | Ambuja Cements Limited | 251.72 | 37.99 |
| **2** | **Outstanding payables** | **268.84** | **100.32** |
| | Ambuja Cements Limited | 268.84 | 100.32 |

## (G) Details of Transactions relating to other related parties

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| **1** | **Purchase of raw materials** | **436.73** | **167.56** |
| | Holcim Trading Ltd | 429.33 | 167.01 |
| | Counto Microfine Products Private Limited | 1.89 | 0.55 |
| | Adani Power Rajasthan Ltd | 0.24 | - |
| | Adani Enterprises Limited | 5.23 | - |
| | Adani Petronet (Dahej) Port Limited | 0.01 | - |
| | Udupi Power Corporation Limited | 0.03 | - |
| **2** | **Purchase of stores & spares** | **0.19** | **-** |
| | Adani Wilmar Limited | 0.19 | - |
| **3** | **Sale of finished /unfinished goods** | **3.93** | **-** |
| | Adani Power Maharashtra Limited | 1.46 | - |
| | Adani Wilmar Limited | 1.22 | - |
| | Udupi Power Corporation Limited | 0.16 | - |
| | Raipur Energen Limited | 0.86 | - |
| | Adani Infra (India) Pvt Ltd | 0.23 | - |
| **4** | **Sale of Readymix concrete (RMC)** | **4.54** | **-** |
| | Adani Estate Management Private Limited | 1.39 | - |
| | Adani Infrastructure And Developers Pvt Ltd | 0.78 | - |
| | Esteem Construction Private Limited | 1.03 | - |
| | Budhpur Buildcon Pvt Ltd | 0.10 | - |
| | Adani Green Energy Six Limited | 1.24 | - |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 5 | **Purchase of sponsorship rights** | **50.28** | **-** |
| | Adani Sportsline Pvt Ltd | 50.28 | - |
| 6 | **Sale of stores & spares** | **0.14** | **-** |
| | Adani Wilmar Limited | 0.12 | - |
| | The Dhamra Port Company Limited | 0.02 | - |
| 7 | **Technology and know-how fees** | **115.35** | **154.51** |
| | Holcim Technology Ltd (Refer Note -35) | 115.35 | 154.51 |
| 8 | **Receiving of services** | **81.36** | **65.94** |
| | Holcim Services (South Asia) Limited | 46.28 | 41.00 |
| | Lafarge SA | - | 0.37 |
| | Holcim Technology Ltd | 0.45 | 0.32 |
| | LH Global Hub Services Private Limited | 17.26 | 23.55 |
| | Lafargeholcim Investment Ltd | 0.01 | 0.70 |
| | Adani Enterprises Limited | 17.28 | - |
| | Adani Green Energy Limited | 0.08 | - |
| 9 | **Rendering of services** | **3.01** | **3.48** |
| | Holcim Services (South Asia) Limited | 3.01 | 3.48 |
| 10 | **Rental income** | **2.06** | **-** |
| | Adani Enterprises Limited | 2.06 | - |
| 11 | **Long term security deposit** | **68.00** | **-** |
| | Adani Properties Pvt Ltd | 32.00 | - |
| | Adani Estate Management Private Limited | 36.00 | - |
| 12 | **Lease premium for leasehold land** | **29.00** | **-** |
| | Adani Properties Pvt Ltd | 14.00 | - |
| | Adani Estate Management Private Limited | 15.00 | - |
| 13 | **Settlement of arbitration matter** | **13.14** | **-** |
| | Udupi Power Corporation Limited | 13.14 | - |
| 14 | **Reimbursement of expenses paid / payable** | **2.17** | **1.03** |
| | Lafargeholcim Energy Solutions SAS | - | 0.45 |
| | Lafarge SA | 0.06 | - |
| | Holcim International Services Singapore Pte Ltd | 0.96 | 0.38 |
| | Holcim Group Services Ltd | - | 0.20 |
| | Holcim Trading Ltd | 1.12 | - |
| | Adani Tracks Management Services Pvt Ltd | 0.02 | - |
| | Belvedere Golf And Country Club Pvt Ltd | 0.01 | - |
| 15 | **Reimbursement of expenses received / receivable** | **9.05** | **1.08** |
| | Lafargeholcim Energy Solutions SAS | - | 0.75 |
| | Holcim Technology Ltd | 0.01 | - |
| | LH Global Hub Services Private Limited | - | 0.31 |
| | Holcim Trading Ltd | 0.77 | 0.02 |
| | Adani Power Maharashtra Limited | 7.62 | - |
| | Raigarh Energy Generation Ltd | 0.10 | - |
| | Adani Cement Industries Ltd | 0.55 | - |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

### Outstanding balances with other related parties

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 1 | **Outstanding receivables** | **86.39** | **2.67** |
| | Holcim Services (South Asia) Limited | - | 2.65 |
| | LafargeHolcim Bangladesh Ltd | - | 0.02 |
| | Adani Enterprises Limited | 7.18 | - |
| | Adani Wilmar Limited | 0.06 | - |
| | Adani Power Maharashtra Limited | 6.10 | - |
| | Adani Power Rajasthan Limited | 0.02 | - |
| | Adani Estate Management Private Limited | 36.78 | - |
| | Adani Infrastructure And Developers Pvt Ltd | 0.77 | - |
| | Parsa Kente Collieries Lid | 0.42 | - |
| | Udupi Power Corporation Limited | 0.09 | - |
| | Raipur Energen Limited | 0.48 | - |
| | Esteem Construction Private Limited | 0.05 | - |
| | Adani Petronet (Dahej) Port Limited | 0.15 | - |
| | Adani Properties Pvt Ltd | 32.00 | - |
| | Budhpur Buildcon Pvt Ltd | 0.06 | - |
| | Adani Infra (India) Pvt Ltd | 0.08 | - |
| | Adani Green Energy Limited | 1.47 | - |
| | Raigarh Energy Generation Ltd | 0.13 | - |
| | Adani Cement Industries Ltd | 0.55 | - |
| 2 | **Outstanding payables** | **13.52** | **170.65** |
| | Holcim Trading Ltd | - | 130.21 |
| | LafargeHolcim Energy Solutions SAS | - | 1.21 |
| | Holcim Technology Ltd | - | 31.35 |
| | Counto Microfine Products Private Limited | 0.28 | 0.17 |
| | Holcim Services (South Asia) Limited | - | 5.51 |
| | Holcim Group Services Ltd | - | 0.02 |
| | Lafarge SA | - | 0.44 |
| | LH Global Hub Services Private Limited | - | 1.57 |
| | Lafargeholcim Investment Ltd | - | 0.17 |
| | Adani Tracks Management Services Pvt Ltd | 0.02 | - |
| | Adani Green Energy Limited | 0.08 | - |
| | Udupi Power Corporation Limited | 13.14 | - |

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

Rs. in Crore

| | | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|---|
| 1 | **Remuneration*** | **21.84** | **10.02** |
| | Mr. Sridhar Balakrishnan | 16.88 | 5.15 |
| | Mr. Yatin Malhotra | 2.77 | 2.07 |
| | Mr. Rajiv Choubey | 1.32 | 1.95 |
| | Ms. Rashmi Khandelwal | 0.87 | - |
| | Mr. Neeraj Akhoury^ | - | 0.57 |
| | Ms. Rajani Kesari^ | - | 0.28 |
| | **Breakup of remuneration** | **21.84** | **10.02** |
| | Short term employee benefits | 20.47 | 8.99 |
| | Post employment benefits (including defined contribution and defined benefits)* | 0.29 | 0.36 |
| | Employee share based payments (Refer Note - 56) | 1.08 | 0.67 |
| 2 | **Other Payment to Key Management Personnel** | | |
| | **Commission paid** | **1.77** | **2.99** |
| | Mr. N S Sekhsaria | 0.14 | 0.50 |
| | Mr. Martin Kriegner# | - | - |
| | Mr. Shailesh Haribhakti | 0.14 | 0.36 |
| | Mr. Sushil Kumar Roongta | 0.14 | 0.36 |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Mr. Jan Jenisch | 0.14 | 0.20 |
| Ms. Falguni Nayar | 0.14 | 0.20 |
| Mr. Sunil Mehta | 0.14 | 0.36 |
| Mr. Damodarannair Sundaram | 0.14 | 0.45 |
| Mr. Vinayak Chatterjee | 0.14 | 0.36 |
| Mr. M R. Kumar | 0.14 | 0.20 |
| Mr. Sandeep Singhi | 0.11 | - |
| Mr. Nitin Shukla | 0.11 | - |
| Mr. Rajeev Agarwal | 0.11 | - |
| Ms. Ameera Shah | 0.07 | - |
| Mr. Arun Kumar Anand | 0.11 | - |
| **Sitting fees** | **0.81** | **0.52** |
| Mr. N S Sekhsaria | 0.05 | 0.05 |
| Mr. Martin Kriegner # | - | - |
| Mr. Shailesh Haribhakti | 0.08 | 0.08 |
| Mr. Sushil Kumar Roongta | 0.10 | 0.08 |
| Mr. Jan Jenisch | 0.02 | 0.02 |
| Ms. Falguni Nayar | 0.04 | 0.04 |
| Mr. Sunil Mehta | 0.09 | 0.07 |
| Mr. Damodarannair Sundaram | 0.08 | 0.08 |
| Mr. Vinayak Chatterjee | 0.08 | 0.08 |
| Mr. M. R. Kumar | 0.01 | 0.02 |
| Mr. Arun Kumar Anand | 0.03 | - |
| Mr. Sandeep Mohanraj Singhi | 0.08 | - |
| Mr. Rajeev kumar Agarwal | 0.07 | - |
| Mr. Nitin Shukla | 0.08 | - |

* 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.

# 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 ₹34.08 Crore *(Previous Year - ₹25.46 Crore)*. Refer Note - 39 for fair value as at current and previous year end.

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (ACC limited Employees Group Gratuity scheme).The Company has not contributed any amount towards Employees Group Gratuity scheme in the current and previous year. Refer Note - 39 for fair value as at current and previous year end.

During the year the Company has contributed ₹3.03 Crore *(Previous Year - ₹16.00 Crore)* to ACC Trust towards Corporate social responsibility obligations.

During the year the Company has contributed ₹3.50 Crore *(Previous Year - Nil)* to Adani Foundation towards Corporate social responsibility obligations.

Transaction with related parties disclosed are exclusive of applicable taxes.

### Terms and conditions of transactions with related parties

The Group's material related party transactions and outstanding balances are with related parties with whom the Group routinely enters into transactions in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash other than disclosed in the financial statements. Transactions relating to dividends were on the same terms and conditions as applied to other shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 45: SEGMENT REPORTING

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

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

(b) **Ready Mix Concrete -** Ready Mix Concrete is concrete that is manufactured in a batch plant, according to a set engineered mix design. In general, it is used in construction activities. No operating segments have been aggregated to form the above reportable operating segments.

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

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

Rs. in Crore

| | Cement | | Ready Mix Concrete | | Total | |
|---|---|---|---|---|---|---|
| | Fifteen months ended March 31, 2023 | Year ended December 31, 2021 | Fifteen months ended March 31, 2023 | Year ended December 31, 2021 | Fifteen months ended March 31, 2023 | Year ended December 31, 2021 |
| Revenue | | | | | | |
| External sales | 19,925.50 | 14,572.74 | 1,841.79 | 1,241.66 | 21,767.29 | 15,814.40 |
| Inter-segment sales | 296.66 | 199.62 | 3.75 | 6.32 | 300.41 | 205.94 |
| Other operating revenue | 437.01 | 333.40 | 5.88 | 3.87 | 442.89 | 337.27 |
| | 20,659.17 | 15,105.76 | 1,851.42 | 1,251.85 | 22,510.59 | 16,357.61 |
| Less : Elimination | 296.66 | 199.62 | 3.75 | 6.32 | 300.41 | 205.94 |
| **Total revenue** | **20,362.51** | **14,906.14** | **1,847.67** | **1,245.53** | **22,210.18** | **16,151.67** |
| **Segment result** | **1,145.70** | **2,348.38** | **43.32** | **55.81** | **1,189.02** | **2,404.19** |
| Unallocated corporate Income net of unallocated expenditure | | | | | 8.01 | 5.31 |
| Finance Costs | | | | | (77.28) | (54.62) |
| Interest and Dividend income | | | | | 228.47 | 194.61 |
| Share of profit from associates and Joint ventures | | | | | 16.15 | 11.65 |
| Exceptional item (Refer Note - 59) | | | | | (161.77) | (54.76) |
| Tax expenses | | | | | (317.39) | (643.28) |
| **Profit after tax** | | | | | **885.21** | **1,863.10** |
| Capital expenditure (including capital work-in-progress and capital advances) | 2,075.86 | 1,166.74 | 28.86 | 8.62 | 2,104.72 | 1,175.36 |
| Depreciation and Amortisation | 786.74 | 558.94 | 54.58 | 41.74 | 841.32 | 600.68 |
| Other non-cash expenses | 9.24 | 10.53 | 12.57 | (9.13) | 21.81 | 1.40 |

Rs. in Crore

| | Cement | | Ready Mix Concrete | | Total | |
|---|---|---|---|---|---|---|
| | As at March 31, 2023 | As at December 31, 2021 | As at March 31, 2023 | As at December 31, 2021 | As at March 31, 2023 | As at December 31, 2021 |
| Segment assets | 15,485.65 | 11,784.64 | 503.72 | 509.67 | 15,989.37 | 12,294.31 |
| **Unallocated Corporate assets** | | | | | **4,554.40** | **8,744.53** |
| **Total assets** | | | | | **20,543.77** | **21,038.84** |
| Segment liabilities | 4,536.56 | 4,724.61 | 436.02 | 501.91 | 4,972.58 | 5,226.52 |
| Unallocated Corporate liabilities | | | | | 1,429.24 | 1,500.14 |
| **Total liabilities** | | | | | **6,401.82** | **6,726.66** |

Revenue from external customer

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Within India | 22,210.17 | 16,149.57 |
| Outside India | 0.01 | 2.10 |
| **Total** | **22,210.18** | **16,151.67** |

No single customer contributed 10% or more to the Group's revenue for the fifteen months ended March 31, 2023 and year ended December 31, 2021.

All the non current assets are located within India

## NOTE 46: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006*

Rs. in Crore

| | | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| 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) | 16.45 | 17.11 |
| | Principal amount due to micro and small enterprises (overdue) | 3.76 | 8.22 |
| | Interest due on overdue | 0.50 | 0.20 |
| b. | The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c. | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d. | The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - |
| e. | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

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

## NOTE 47

ACC Mineral Resources Limited (AMRL), through its joint operations had secured development and mining rights for four coal blocks allotted to Madhya Pradesh State Mining Corporation Ltd. These allocations stand cancelled pursuant to the judgment 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 judgment on March 09, 2017 wherein the court has said that "whatever has transpired after March 31, 2014 and goes towards affecting the quantum of compensation for mine infrastructure, must also be taken into account." Accordingly a fresh claim was filed with Ministry of Coal for re-imbursement of expenses incurred up to the date of vesting order. The decision / valuation of our claim by Ministry of Coal is awaited. In respect of other three blocks, auctioning dates are yet to be announced.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 48

(i) The Group has arrangements with an associate company whereby it sells clinker and purchases cement manufactured out of such clinker. While the transactions are considered as individual sale/ purchase transactions for determination of taxable turnover and tax under GST laws. Considering the accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such clinker of Rs. 23.73 Crore *(Previous year - Rs. 16.15 Crore)* has not been recognised as a part of the turnover but has been adjusted against cost of purchase of Cement so converted.

(ii) The Group has arrangement with a Joint venture company whereby it purchases Ready 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 accounting treatment prescribed under various accounting guidance, revenue for sale (excluding GST) of such Ready Mix Concrete to customer of Rs. 197.09 Crore *(Previous year - Rs. 126.19 Crore)* has not been recognised as Revenue from operations but has been adjusted against cost of purchase of Ready Mix Concrete.

## NOTE 49: CAPITALISATION OF EXPENDITURE

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

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| Balance at the beginning of the year | 59.29 | 39.09 |
| Expenditure during construction for projects: | | |
| Employee benefits expense* | 25.59 | 27.75 |
| Power and fuel** | 2.04 | 1.22 |
| Depreciation | 0.55 | 0.07 |
| Miscellaneous expenses** | - | 1.41 |
| **Total** | **87.47** | **69.54** |
| Less : Capitalised during the year | 44.40 | 10.25 |
| **Balance at the end of the year** | **43.07** | **59.29** |

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

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

## NOTE 50: FINANCIAL INSTRUMENTS

### (A) Categories of financial instruments

Rs. in Crore

| Particulars | Carrying value As at March 31, 2023 | Fair value As at March 31, 2023 | Carrying value As at December 31, 2021 | Fair value As at December 31, 2021 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **1. Measured at Fair value through profit or loss (FVTPL)** | | | | |
| Investment in Unquoted equity shares | 14.70 | 14.70 | 14.70 | 14.70 |
| Cash and cash equivalents - Mutual funds | 120.13 | 120.13 | 383.45 | 383.45 |
| **2. Measured at amortised cost** | | | | |
| Cash and cash equivalents (Other deposits) | - | - | 250.00 | 250.00 |
| Other Cash and cash equivalents (Balances with banks) | 136.49 | 136.49 | 6,733.13 | 6,733.13 |
| Bank balances other than Cash and Cash Equivalents | 158.08 | 158.08 | 155.81 | 155.81 |
| Investments in Unquoted Bonds | 3.70 | 3.70 | 3.70 | 3.70 |
| Security deposits (Current and Non-Current) | 283.22 | 283.22 | 210.30 | 210.30 |
| Loans and Other financial assets (Current and Non-Current) | 4,033.49 | 4,033.49 | 982.22 | 982.22 |
| Trade receivables | 869.24 | 869.24 | 489.02 | 489.02 |
| **Total** | **5,619.05** | **5,619.05** | **9,222.33** | **9,223.64** |

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

Rs. in Crore

| Particulars | Carrying value As at March 31, 2023 | Fair value As at March 31, 2023 | Carrying value As at December 31, 2021 | Fair value As at December 31, 2021 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| **Measured at amortised cost** | | | | |
| Trade payables | 1,493.39 | 1,493.39 | 1,904.89 | 1,904.89 |
| Security deposits and retention money | 960.25 | 960.25 | 792.90 | 792.90 |
| Lease Liabilities | 153.04 | 153.04 | 125.58 | 125.58 |
| Other financial liabilities | 231.24 | 231.24 | 336.57 | 336.57 |
| **Total** | **2,837.92** | **2,837.92** | **3,159.94** | **3,159.94** |

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

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

Rs. in Crore

| Particulars | For the fifteen months ended March 31, 2023 | For the Year ended December 31, 2021 |
|---|---|---|
| **Income on financial instruments** | | |
| **Financial assets measured at amortised cost** | | |
| Interest income | (228.44) | (181.90) |
| Impairment losses on trade receivables (including reversals of impairment losses) | - | (10.87) |
| **Financial assets measured at fair value through profit or loss** | | |
| Gain on sale of current financial assets | (17.13) | (9.54) |
| Net gain on fair valuation of current financial assets | (0.13) | (0.27) |
| **Expenses on financial instruments** | | |
| **Financial liabilities measured at amortised cost** | | |
| Net exchange losses on revaluation or settlement of items denominated in foreign currency (trade payable) | 11.87 | 3.20 |
| Interest expenses on deposits from dealers | 25.70 | 16.19 |
| Interest expenses on lease liabilities | 12.96 | 9.37 |
| Impairment losses on trade receivables (including reversals of impairment losses) | 14.84 | - |
| **Derivatives - Foreign exchange forward contracts** | | |
| Net (gain) / loss on foreign currency forward contract | (2.62) | 1.29 |
| **Net gain recognised in the Consolidated Statement of Profit and Loss** | **(182.95)** | **(172.53)** |

## (C) Fair Value Hierarchy

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

Level 1: This level includes those financial instruments which are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

Rs.in Crore

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at March 31, 2023** | | | | |
| **Financial assets** | | | | |
| 1. Measured at Fair value through profit or loss (FVTPL) | | | | |
| Investment in Unquoted equity shares | - | - | 14.70 | 14.70 |
| Cash and cash equivalents - Mutual funds | 120.13 | - | - | 120.13 |
| **As at December 31, 2021** | | | | |
| **Financial assets** | | | | |
| 1. Measured at Fair value through profit or loss (FVTPL) | | | | |
| Investment in Unquoted equity shares | - | - | 14.70 | 14.70 |
| Cash and cash equivalents - Mutual funds | 383.45 | - | - | 383.45 |

### Reconciliation of Level 3 fair value measurement of unquoted equity shares

| | Unlisted shares carried at FVTPL | |
|---|---|---|
| | For the fifteen months ended March 31, 2023 | For the Year ended December 31, 2021 |
| Opening balance | 14.70 | 4.50 |
| Purchases during the year | - | 10.20 |
| Gain/(Loss) | | |
| - in Other comprehensive income | - | - |
| - in profit and loss | - | - |
| - changes on purchase of equity shares | - | - |
| **Closing Balance** | **14.70** | **14.70** |

### Description of significant unobservable inputs to valuation:

| | Valuation techniques | Significant unobservable inputs | Sensitivity of the input to fair value |
|---|---|---|---|
| Investments in unquoted equity shares | Price of recent transaction (PORT) | Transaction price | 5% (March 31, 2023: 5%) increase (decrease) in the transaction price would result in increase (decrease) in fair value by Rs. 0.74 Crore *(Previous year - Rs. 0.74 Crore)* |

During the reporting period ending March 31, 2023 and December 31, 2021, 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: The fair value of unquoted instruments is estimated by discounting future cash flow or price of recent transaction.

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

The management consider the carrying values of Other Cash and cash equivalents, Bank balances other than cash and cash equivalents, investment in bonds, security deposits, loans and other financial assets, trade receivables, trade payables, security deposits and retention money 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 March 31, 2023

## NOTE 51: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

### (i) Credit risk

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

#### Financial assets other than trade receivables

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

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

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

#### Incentives receivable from the Government

The Company has manufacturing units in various states; mainly those in Maharashtra, Uttar Pradesh 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, 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 Rs. 128.92 Crore as at March 31, 2023 *(Previous year - Rs. 128.92 Crore).*

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

#### Movement of Incentives under Government schemes

| | Rs.in Crore |
|---|---:|
| **As at January 01, 2021** | 863.14 |
| Incentive accrued | 154.74 |
| Incentive received | (112.28) |
| Expected credit loss | (0.85) |
| **As at December 31, 2021 (Refer Note - 8 & 15)** | **904.75** |
| Incentive accrued | 207.11 |
| Incentive received | (96.23) |
| **As at March 31, 2023 (Refer Note - 8 & 15)** | **1,015.63** |

### Trade receivables

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

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

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

For Group's exposure to credit risk by age of the outstanding from various customers refer Note 11.

### Expected credit loss assessment

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

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

| | Rs.in Crore |
|---|---|
| **As at January 01, 2021** | 62.25 |
| Provided during the year | 1.52 |
| Amounts utilised | (1.13) |
| Reversals of provision | (12.39) |
| **As at December 31, 2021** | **50.25** |
| Provided during the year | 15.22 |
| Amounts utilised | (5.98) |
| Reversals of provision | (0.38) |
| **As at March 31, 2023** | **59.11** |

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

### Credit impaired

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

# NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2023

## (ii) Liquidity risk

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

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

Rs. in Crore

| | Carrying amount | Less than 1 year | 1 -5 Years | More than 5 year | Total |
|---|---|---|---|---|---|
| **As at March 31, 2023** | | | | | |
| Other financial liabilities* | 1,191.49 | 1,221.08 | - | - | 1,221.08 |
| Lease liabilities | 153.04 | 39.09 | 91.42 | 107.88 | 238.39 |
| Trade payables | 1,493.39 | 1,493.39 | - | - | 1,493.39 |
| | **2,837.92** | **2,753.56** | **91.42** | **107.88** | **2,952.86** |

Rs. in Crore

| | Carrying amount | Less than 1 year | 1 -5 Years | More than 5 year | Total |
|---|---|---|---|---|---|
| **As at December 31, 2021** | | | | | |
| Other financial liabilities* | 1,129.47 | 1,147.68 | - | - | 1,147.68 |
| Lease liabilities | 125.58 | 32.58 | 87.24 | 53.73 | 173.55 |
| Trade payables | 1,904.89 | 1,904.89 | - | - | 1,904.89 |
| | **3,159.94** | **3,085.15** | **87.24** | **53.73** | **3,226.12** |

*Other financial liabilities includes deposits received from customers amounting to Rs. 657.52 Crore *(Previous year - Rs. 628.09 Crore)*. These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above mentioned maturity analysis, the Group has assumed that these deposits, including interest thereon, will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount and the interest thereon can differ based on the date on which these deposits are settled to the customers.

## (iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risks, currency risk and commodity risk.

### Foreign currency risk

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

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

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the end of the reporting periods expressed in Rs., are as follows:

Rs. in Crore

| As at March 31, 2023 | USD | EUR | CHF | GBP |
|---|---|---|---|---|
| Trade Payable | 29.36 | 8.65 | 0.10 | 0.02 |
| Foreign exchange derivative contracts | (23.59) | (5.46) | - | - |
| Net exposure to foreign currency risk (liabilities) | 5.77 | 3.19 | 0.10 | 0.02 |

Rs. in 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 |

### 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 Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

Rs.in Crore

| Particulars | As at March 31, 2023 | | As at December 31, 2021 | |
|---|---|---|---|---|
| | 5% strengthening of Rs. | 5% weakening of Rs. | 5% strengthening of Rs. | 5% weakening of Rs. |
| USD | 0.29 | (0.29) | 0.71 | (0.71) |
| EUR | 0.16 | (0.16) | 0.22 | (0.22) |
| **TOTAL** | **0.45** | **(0.45)** | **0.93** | **(0.93)** |

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

### Commodity price risk

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

1. Optimising the fuel mix, pursue longer term and fixed contracts where considered necessary (Refer Note - 16).
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.

### Interest rate risk

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

The Group has taken interest bearing security deposit from dealers. If interest rate had been 0.50% higher/ lower the Profit before tax for the year ended March 31, 2022 would decrease / increase by Rs. 3.29 Crore *(Previous year - Rs. 3.14 Crore)*.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 52: CAPITAL MANAGEMENT

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

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

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

Rs. in Crore

| | Note No. | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|---|
| Total Debt | | - | - |
| Less: Cash and cash equivalents | 12 | (256.63) | (7,366.59) |
| Net Debt | | (256.63) | (7,366.59) |
| Equity attributable to owners of the parent | 18 & 19 | 14,138.47 | 14,308.83 |
| **Debt to Equity (Net)** | | **NA** | **NA** |

## NOTE 53

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

| | Net Assets, i.e., total assets minus total liabilities* | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount Rs.in Crore | As % of consolidated profit or loss | Amount Rs.in Crore | As % of consolidated other comprehensive income | Amount Rs.in Crore | As % of consolidated total comprehensive income | Amount Rs.in Crore |
| Name of the entity in the Group | As at March 31, 2023 | As at March 31, 2023 | March 31, 2023 | March 31, 2023 | March 31, 2023 | March 31, 2023 | March 31, 2023 | March 31, 2023 |
| **Parent** | | | | | | | | |
| ACC Limited | 99.84 | 14,116.68 | 97.57 | 863.42 | 100.29 | 31.05 | 97.65 | 894.47 |
| **Subsidiaries** | | | | | | | | |
| Indian | | | | | | | | |
| Bulk Cement Corporation (India) Limited | 0.18 | 25.20 | 0.29 | 2.56 | - | - | 0.28 | 2.56 |
| ACC Mineral Resources Limited | (0.22) | (31.20) | 0.45 | 4.00 | - | - | 0.44 | 4.00 |
| Lucky Minmat Limited | (0.30) | (42.01) | (0.09) | (0.80) | - | - | (0.09) | (0.80) |
| Singhania Minerals Private Limited | (0.03) | (4.09) | (0.01) | (0.12) | - | - | (0.01) | (0.12) |
| Non-controlling interests in all subsidiaries | (0.02) | (3.48) | (0.02) | (0.14) | - | - | (0.02) | (0.14) |
| Associates (Investment as per the equity method) | | | | | | | | |
| **Indian** | | | | | | | | |
| Alcon Cement Company Private Limited | (0.05) | (6.75) | 0.22 | 1.97 | (0.23) | (0.07) | 0.21 | 1.90 |
| Asian Concretes and Cements Private Limited | 0.50 | 70.16 | 1.02 | 9.07 | - | - | 0.99 | 9.07 |
| **Joint Ventures (Investment as per the equity method)** | | | | | | | | |
| Indian | | | | | | | | |
| OneIndia BSC Private Limited | 0.03 | 4.23 | 0.03 | 0.30 | - | - | 0.03 | 0.30 |
| Aakaash Manufacturing Company Private Limited | 0.07 | 9.73 | 0.54 | 4.81 | (0.06) | (0.02) | 0.52 | 4.79 |
| **TOTAL** | **100.00** | **14,138.47** | **100.00** | **885.07** | **100.00** | **30.96** | **100.00** | **916.03** |

*In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2023.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

| | Net Assets, i.e., total assets minus total liabilities* | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount Rs.in Crore | As % of consolidated profit or loss | Amount Rs.in Crore | As % of consolidated other comprehensive income | Amount Rs. in Crore | As % of consolidated total comprehensive income | Amount Rs.in Crore |
| Name of the entity in the Group | As at December 31, 2021 | As at December 31, 2021 | December 31, 2021 | December 31, 2021 | December 31, 2021 | December 31, 2021 | December 31, 2021 | December 31, 2021 |
| **Parent** | | | | | | | | |
| ACC Limited | 99.99 | 14,307.30 | 99.19 | 1847.81 | 100.18 | 5.44 | 99.19 | 1,853.25 |
| **Subsidiaries** | | | | | | | | |
| Indian | | | | | | | | |
| Bulk Cement Corporation (India) Limited | 0.14 | 20.70 | 0.10 | 1.94 | - | - | 0.10 | 1.94 |
| ACC Mineral Resources Limited | (0.25) | (35.19) | 0.12 | 2.20 | - | - | 0.12 | 2.20 |
| Lucky Minmat Limited | (0.29) | (41.18) | (0.03) | (0.59) | - | - | (0.03) | (0.59) |
| Singhania Minerals Private Limited | (0.02) | (3.03) | - | 0.09 | - | - | - | 0.09 |
| **Non-controlling interests in all subsidiaries** | (0.02) | (3.35) | (0.01) | (0.11) | - | - | (0.01) | (0.11) |
| **Associates (Investment as per the equity method)** | | | | | | | | |
| Indian | | | | | | | | |
| Alcon Cement Company Private Limited | (0.06) | (8.13) | 0.02 | 0.41 | (1.47) | (0.08) | 0.02 | 0.33 |
| Asian Concretes and Cements Private Limited | 0.43 | 61.09 | 0.50 | 9.25 | - | - | 0.50 | 9.25 |
| **Joint Ventures (Investment as per the equity method)** | | | | | | | | |
| Indian | | | | | | | | |
| OneIndia BSC Private Limited | 0.03 | 3.93 | 0.01 | 0.12 | - | - | 0.01 | 0.12 |
| Aakaash Manufacturing Company Private Limited | 0.05 | 6.69 | 0.10 | 1.87 | 1.29 | 0.07 | 0.10 | 1.94 |
| **TOTAL** | **100.00** | **14,308.83** | **100.00** | **1,862.99** | **100.00** | **5.43** | **100.00** | **1,868.42** |

* In case of Subsidiaries, Associates and Joint ventures, the parent's share in respect of these components have been adjusted with the carrying value of the parent's investments in each component.

Note : The above figures are after eliminating intra group transactions and intra group balances as at December 31, 2021.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 54: DIVIDEND DISTRIBUTION AND PROPOSED DIVIDEND

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Final dividend for the year ended December 31, 2021 ₹58.00 per share *(Previous year ₹14.00)* | 1,089.17 | 262.90 |
| | **1,089.17** | **262.90** |
| Proposed dividends on equity shares: | | |
| Final dividend for the fifteen months ended March 31, 2023: ₹9.25 per share *(Previous year 58.00)* | 173.70 | 1,089.17 |
| | **173.70** | **1,089.17** |

**Notes**

a) Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability.

b) The dividends proposed by the subsidiaries, associates and joint ventures for the fifteen months financial year ended March 31, 2023 is as given below:-

| Name of the Company | Subsidiary/ Associate/Joint venture | Proposed dividend per share | Proposed dividend amount (Rs. In Crore) |
|---|---|---|---|
| Aakaash Manufacturing Company Private Limited | Joint Venture | 5,939 | 6.53 |

## NOTE 55 : GOODWILL ON CONSOLIDATION

### Movement in Goodwill on consolidation

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Carrying amount as at beginning of the year | 3.77 | 10.19 |
| Impairment of goodwill* | - | (6.42) |
| Net carrying value as at end of the year | **3.77** | **3.77** |

Goodwill of ₹3.77 Crore *(Previous year - ₹3.77 Crore)* relates to acquisition of a business of subsidiary companies. For the purpose of impairment testing, carrying amount of goodwill has been allocated to the following Cash Generating Units (CGUs) :

Rs. in Crore

| | As at March 31, 2023 | As at December 31, 2021 |
|---|---|---|
| Lucky Minmat Limited (LML)* | - | - |
| Singhania Minerals Private Limited (SMPL) | 3.28 | 3.28 |
| Bulk Cement Corporation (India) Limited (BCCI) | 0.49 | 0.49 |
| **TOTAL** | **3.77** | **3.77** |

* The Group had invested ₹38.10 Crore *(Previous year - ₹38.10 Crore)* in equity shares of Lucky Minmat Limited (LML), a wholly owned subsidiary company. In view of no mining activity being carried out in view of on-going litigation on transfer of lease rights and amendments brought in to the Mines and Minerals (Development and Regulations) Amendment Act, 2021, the Group has reassessed the value of investments and accordingly, during the previous year ended December 31, 2021, goodwill on consolidation of ₹6.42 Crore has been Impaired in view of impairment.

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

## NOTE 56: EMPLOYEE SHARE BASED PAYMENTS

**Description of plan - Holcim Performance Share Plan** Holcim Ltd (erstwhile 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.

900 *(Previous Year - 6,600)* performance shares at a fair value of Rs. 3,613 per share *(Previous Year - Rs. 4,426 per share)* were granted in 2022-23. Internal performance conditions are attached to the performance shares and are based on Holcim Earnings per Share (EPS) and Holcim Return on Invested Capital (ROIC). During the year, Rs. 2.78 Crore *(Previous Year - Rs. 4.18 Crore)* is charged to the Consolidated Statement of Profit and Loss in respect of equity-based payments transactions with a corresponding increase being made to the capital contribution to the Company by the parent.

Information related to awards granted through the performance share plan is presented below:

Rs. in Crore

| | For the fifteen months ended March 31, 2023 | For the year ended December 31, 2021 |
|---|---|---|
| As at January 01 | 17,400 | 16,200 |
| Granted | 900 | 6,600 |
| Issued | (15,833) | - |
| Forfeited | (2,467) | (5,400) |
| **As at December 31** | **-** | **17,400** |

Fair value of shares granted is determined based on the estimated achievement of Holcim earnings per share, return on invested capital and sustainability indicators.

## NOTE 57

The Competition Commission of India ("CCI") initiated an investigation against cement companies in India including the Company regarding alleged anti-competitive behaviour and conducted search and seizure operations in December 2020 against few companies. The Director General (DG) of CCI in January 2021 sought information from the Company and the information sought was provided. In the current year, CCI had sent the investigation report of the DG to the Company and directed the Company to file their suggestions / objections to the report. Company has submitted its responses and the matter is pending for hearing before CCI. 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 58

During the year, the Group had initiated capex plan to enhance its capacity through greenfield and brownfield expansions during the period and gave milestone payment to the EPC Contractor. The Group reassessed its strategy for capex program and decided to foreclose the EPC contract and recovered its advance of Rs. 188.00 Crore (net of GST) without penalty.

## NOTE 59: EXCEPTIONAL ITEMS REPRESENT

- Special incentive for certain key employees, pursuant to change in the ownership and control of Rs. 22 Crore *(Previous year - Rs. Nil)*
- One-time Information technology transition cost of Rs. 73.35 Crore *(Previous year - Rs. Nil)*
- Restructuring cost under the voluntary retirement scheme of Rs .66.42 Crore *(Previous year -Rs. 54.76 Crore)*

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023



## NOTE 60

During the current year, the Board of Directors have approved the change of financial year end from December 31 to March 31. In view of this, the current financial year is for a period of fifteen months i.e., January 01, 2022, to March 31, 2023 and, accordingly, the figures for the fifteen months financial ended March 31, 2023 are not comparable with the figures for the year ended December 31, 2021

## NOTE 61

During the fifteen months ended March 31, 2023, a short seller report was published in which certain allegations were made involving Adani group companies. Writ petitions were filed in the matter with the Hon'ble Supreme Court ("SC"), and during hearing the Securities and Exchange Board of India ("SEBI") has represented to the SC that it is investigating the allegations made in the short seller report for any violations of the various SEBI Regulations. The SC vide its order dated March 2, 2023 has also constituted an expert committee to investigate and also advise into the various aspects of existing laws and regulations, and also directed the SEBI to consider certain additional aspects in its scope. During the fifteen months ended March 31, 2023 and subsequent to March 31, 2023, the Group have provided responses to various queries by the SEBI and the Stock Exchanges. The above-mentioned investigations are in progress as of date.

To uphold the principles of good governance, the Group has undertaken review of transactions referred in the short seller's report and had obtained an opinion from independent law firm in respect of evaluating relationships with parties having transactions with the Group and referred to in the short seller's report. Management, based on such opinion, confirms that Group is in compliance with applicable laws and regulations.

Based on the foregoing and pending outcome of the investigations as mentioned above, the consolidated financial statements do not carry any adjustment.

## NOTE 62 - OTHERS STATUTORY INFORMATION

1 The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

2 The Group has following outstanding balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

| Name of the Struck off companies | Nature of transactions with struck off Company | Transactions during the fifteen months ended March 31, 2023 | Balance outstanding as at March 2023 | Transaction during the year ended December 31, 2021 | Balance outstanding as at December 2021 | Name of Group Companies that has relationship | Relationship with the Struck off company |
|---|---|---|---|---|---|---|---|
| Anugrah madison advertising Pvt Ltd | Purchase of goods and services | - | * | - | * | ACC Limited | Vendor |
| Rajat hans logistics Pvt Ltd | Purchase of goods and services | - | 0.01 | - | 0.01 | ACC Limited | Vendor |
| Tirupati balaji logistics Pvt Ltd | Purchase of goods and services | - | 0.02 | - | 0.02 | ACC Limited | Vendor |
| Katashi engineering services Pvt Ltd | Purchase of goods and services | - | 0.03 | - | 0.03 | ACC Limited | Vendor |
| Eco grow environmental services Pvt Ltd | Purchase of goods and services | - | * | - | * | ACC Limited | Vendor |
| Praxis El training & consulting Pvt Ltd | Purchase of goods and services | - | * | - | * | ACC Limited | Vendor |
| Sm mining machinery & equipment Pvt Ltd | Purchase of goods and services | - | 0.02 | - | 0.02 | ACC Limited | Vendor |
| Pushap associates Private Limited | Purchase of goods and services | - | * | - | * | ACC Limited | Vendor |
| Kanuj envirotech Pvt Ltd | Purchase of goods and services | - | * | - | * | ACC Limited | Vendor |
| JS techmarine solutions Pvt Ltd | Purchase of goods and services | 0.01 | - | 0.01 | 0.01 | ACC Limited | Vendor |
| Thiruvishnu sabarisha construction Pvt Ltd | Purchase of goods and services | * | 0.01 | - | * | ACC Limited | Vendor |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

| Name of the Struck off companies | Nature of transactions with struck off Company | Transactions during the fifteen months ended March 31, 2023 | Balance outstanding as at March 2023 | Transaction during the year ended December 31, 2021 | Balance outstanding as at December 2021 | Name of Group Companies that has relationship | Relationship with the Struck off company |
|---|---|---|---|---|---|---|---|
| Deep Star Tiles Pvt Ltd. | Sale of goods and services | - | * | - | * | ACC Limited | Customer |
| Garg Building Material Suppliers Pvt Ltd | Sale of goods and services | - | * | * | * | ACC Limited | Customer |
| Arnav ecumeneinfra Pvt Ltd | Sale of goods and services | * | * | - | * | ACC Limited | Customer |
| Kamakshi minakshi Construction Pvt Ltd | Sale of goods and services | - | - | 0.01 | - | ACC Limited | Customer |
| Seturya infrastructures Pvt Ltd | Sale of goods and services | - | * | - | * | ACC Limited | Customer |
| Travel tendo Pvt Ltd | Sale of goods and services | - | * | - | * | ACC Limited | Customer |
| Gharcool building materials pvt Ltd | Sale of goods and services | * | - | 0.06 | * | ACC Limited | Customer |
| Saibabaji steel and traders Pvt Ltd | Sale of goods and services | - | - | 0.03 | - | ACC Limited | Customer |
| Glosson surface solutions Pvt Ltd | Sale of goods and services | - | * | - | * | ACC Limited | Customer |
| J S techmarine solutions Pvt Ltd | Sale of goods and services | - | - | 0.03 | - | ACC Limited | Customer |
| Springfield forestry Pvt Ltd | Sale of goods and services | - | - | 0.03 | - | ACC Limited | Customer |

* Denotes below ₹ 50,000

3 The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

4 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

5 The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

6 The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

7 No entity in the Group has any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

8 No entity in the Group has been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

9 Significant Events after the Reporting Period - There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

10 The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2023

11 The Group has not given any loans or advances in the nature of loans to promoters, directors, KMPs and/ or related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand, or without specifying any terms or period of repayment.

12 Previous year's figures have been regrouped and rearranged where necessary to conform to this year's classification.

| | | |
|---|---|---|
| As per our report of even date | For and on behalf of the Board of Directors of ACC Limited, | |
| For **S R B C & CO LLP**<br>Chartered Accountants<br>ICAI Firm Registration No.: 324982E/E300003 | **KARAN ADANI**<br>Chairman<br>DIN: 03088095 | |
| per **ABHISHEK AGARWAL**<br>Partner<br>Membership No.: 112773 | **AJAY KAPUR**<br>Wholetime Director & Chief Executive Officer<br>DIN: 03096416 | **VINOD BAHETY**<br>Chief Financial Officer |
| Mumbai, April 27, 2023 | Ahmedabad, April 27, 2023 | |

# FORM AOC-1

## STATEMENTS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

## (PURSUANT TO FIRST PROVISO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

### Part "A": Subsidiaries

(Rs. In Crore)

| SI. No. | Particulars | | | | |
|---|---|---|---|---|---|
| 1 | Name of the Subsidiary | ACC Mineral Resources Limited | BulK Cement Corporation (India) Limited | Lucky Minmat Limited | Singhania Minerals Private Limited |
| 2 | Reporting period for the subsidiary | January 01, 2022 to March 31, 2023 | January 01, 2022 to March 31, 2023 | January 01, 2022 to March 31, 2023 | January 01, 2022 to March 31, 2023 |
| 3 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A. | N.A. | N.A. | N.A. |
| 4 | Share capital | 121.95 | 33.64 | 3.25 | 0.52 |
| | | *121.95* | *33.64* | *3.25* | *0.52* |
| 5 | Reserves and surplus | (31.19) | 30.18 | (7.15) | (1.66) |
| | | *(35.19)* | *27.62* | *(6.33)* | *(1.46)* |
| 6 | Total assets | 94.66 | 73.48 | 0.69 | 2.18 |
| | | *90.70* | *71.34* | *0.67* | *1.84* |
| 7 | Total Liabilities | 3.90 | 9.66 | 4.59 | 3.32 |
| | | *3.94* | *10.08* | *3.75* | *2.78* |
| 8 | Turnover | - | 28.23 | - | 2.73 |
| | | - | *22.04* | - | *1.50* |
| 9 | Profit / (Loss) before tax | 4.00 | 3.65 | (0.82) | (0.21) |
| | | *2.19* | *2.60* | *(0.59)* | *0.03* |
| 10 | Tax expenses | - | 1.09 | - | (0.01) |
| | | *(0.01)* | *0.66* | - | *0.01* |
| 11 | Profit / (Loss) after tax | 4.00 | 2.56 | (0.82) | (0.20) |
| | | *2.20* | *1.94* | *(0.59)* | *0.02* |
| 12 | Proposed Dividend | - | - | - | - |
| | | - | - | - | - |
| 13 | % of shareholding | 100% | 94.65% | 100% | 100% |
| | | *100%* | *94.65%* | *100%* | *100%* |

## 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 | March 31, 2023 | March 31, 2023 |
| | 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 (a) | Note (a) |
| 4 | Reason why the associates is not consolidated | - | - |
| 5 | Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore) | 6.95 | 106.99 |
| | | *5.60* | *98.37* |
| 6 | Other Comprehensive Income for the year (₹ Crore) | 4.74 | 20.16 |
| | | *0.82* | *20.56* |
| i. | Considered in Consolidation (₹ Crore) | 1.90 | 9.07 |
| | | *0.33* | *9.25* |
| ii. | Not Considered in Consolidation (₹ Crore) | 2.84 | 11.09 |
| | | *0.49* | *11.31* |

| Sl. No. | Name of Joint Ventures | OneIndia BSC Private Limited | Aakaash Manufacturing Company Private Limited |
|---|---|---|---|
| 1 | Latest audited Balance Sheet Date | March 31, 2023 | March 31, 2023 |
| | 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 | N.A. | N.A. |
| 4 | Reason why the joint venture is not consolidated | - | - |
| 5 | Net worth attributable to shareholding as per latest audited Balance Sheet (₹ Crore) | 6.97 | 11.92 |
| | | *6.67* | *8.90* |
| 6 | Other Comprehensive Income for the year (₹ Crore) | 0.59 | 11.98 |
| | | *0.25* | *4.85* |
| i. | Considered in Consolidation (₹ Crore) | 0.30 | 4.79 |
| | | *0.12* | *1.94* |
| ii. | Not Considered in Consolidation (₹ Crore) | 0.29 | 7.19 |
| | | *0.13* | *2.91* |

**Note : (a) There is significant influence due to percentage (%) of equity Share capital**
**(b) Figures in italics pertain to previous year**

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

**KARAN ADANI**
Chairman
DIN: 03088095

**AJAY KAPUR**
Wholetime Director & Chief Executive Officer
DIN:03096416

**VINOD BAHETY**
Chief Financial Officer

Ahmedabad, April 27, 2023

**ACC Limited**

# PERFORMANCE TABLE

Rs. in Crore

| New Addition | Response |
|---|---|
| General disclosures | |
| | |
| **Complaince with environmental laws and regulations** | |
| Rreport the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: | 1 |
| i. instances for which fines were incurred; | 1 |
| instances for which non-monetary sanctions were incurred; | 0 |
| | |
| **Report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:** | |
| Fines for instances of non-compliance with laws and regulations that occurred in the current reporting period | 10 Lakhs |
| Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; | - |
| | |
| Policy and commitments | |
| Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships. | • Black top Road made.<br>• Frequency of Water sprinklers increased.<br>• Covering of raw material ensured with regular monitoring |

| Environment Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| **CEMENT PRODUCTION** | | | | | | |
| Clinker produced | tonnes | 18,738,349.55 | 16263903.00 | 14554450.00 | 17597006.00 | 17351201.00 |
| Cement produced | tonnes | 33,079,693.00 | 26923779.00 | 23767168.10 | 27872289.50 | 28354688.80 |
| Cementitious materials produced | tonnes | 33074435.14 | 27469284.00 | 24111394.60 | 28423924.50 | 28236427.50 |
| Number of sites | | 15 | 14 | 14 | 14 | 15 |
| OPC production | tonnes | 2,522,477.35 | 2542461.00 | 2432870.50 | 3080219.50 | 3463482.20 |
| Blended cements | tonnes | 30,557,216 | 24381320.00 | 21334298.00 | 2,47,92,071 | 2,48,92,497 |
| Share of sustainable products | % | 92.37% | 90.56 | 89.76 | 88.95 | 87.79 |
| Revenue from sale of sustainable products | % | 92.40% | 92.29 | 91.92 | 91.35 | 90.25 |
| **RAW MATERIALS - CEMENT** | | 2,580,216,054.01 | | | | |
| Total raw material | Million tonnes | 42.93 | 35.26 | 31.66 | 38.92 | 37.1 |
| Limestone | Million tonnes | 26.8 | 23.4 | 21.4 | 26.8 | 24.9 |
| Total Gypsum | Million tonnes | 1.75 | 1.26 | 0.5 | 1.5 | 1.5 |
| Natural Gypsum | Million tonnes | 0.5 | 0.3 | 0.047 | 1.5 | 1.5 |
| Synthetic Gypsum | Million tonnes | 1.3 | 0.9 | 0.4 | 1.5 | 1.5 |
| Alternative Raw material | Million tonnes | 0.26 | 0.23 | 0.3 | 0.5 | 0.4 |
| Slag | Million tonnes | 3.98 | 2.96 | 2.8 | 2.8 | 3.2 |
| Fly-ash | Million tonnes | 8.5 | 6.7 | 5.3 | 6.4 | 5.7 |
| Limestone used as an additive | Million tonnes | 0.70 | 0.33 | 0.4 | NR | NR |
| Additives | Million tonnes | 0.05 | 0.05 | 0 | 0.1 | 0.1 |
| Others (Bauxite, Iron ore etc.) | Million tonnes | 0.91 | 0.39 | 1 | 0.8 | 1.7 |
| Lubricating oil (tonnes) | tonnes | 178.7 | 413.2 | 261 | 268.5 | 471 |
| Grease (tonnes) | tonnes | 97 | 125 | 84.8 | 105.7 | 137 |
| Weight of bags consumed | tonnes | 50,766.2 | 37892.6 | 33,794.80 | 38,969.20 | 36,374.70 |
| Total Recycled Raw material used | Million tonnes | 14.1 | 10.9 | 8.9 | 9.7 | 9.3 |
| % recycled materials used | % | 32.77% | 30.63 | 27.6 | 24.8 | 25 |
| Clinker factor (Average of % of clinker in cement) | % | 56.65 | 58.38 | 59.8 | 61.2 | 61.7 |
| **RAW MATERIALS- RMX** | | | | | | |
| Cement | tonnes | 924,289 | 768,840 | 668,404 | 989,286.40 | 753,667.00 |

| Environment Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| Slag | tonnes | 94,065 | 62,573 | 35,053 | 76,401.00 | 75,725.70 |
| Flyash | tonnes | 256,027 | 206,258 | 128,221 | 185,392.00 | 176,693.30 |
| Sand | tonnes | 903,361 | 445,867 | 362,741 | 564,212.50 | 2,082,169.00 |
| Additives | tonnes | 10,089 | 8,655 | 6,541.00 | 10,366.60 | 9,547.00 |
| Aggregates | tonnes | 3,684,394 | 2,995,689 | 2,434,512 | 3,689,929.40 | 2,942,832.00 |
| Lubricating oil (tonnes) | tonnes | 17.62 | 14.65 | 16 | 11.1 | 19.5 |
| Grease (tonnes) | tonnes | 12.79 | 10.39 | | 8.5 | 8.20 |
| Crushed rock fines | tonnes | 1,809,069 | 1,783,469 | 1,450,963 | 2,256,850.00 | 1,500,000.00 |
| **GHG EMISSION - CEMENT** | | | | | | |
| Total CO2 emission - Gross (including CPP) | tonnes | 17,778,445 | 15,607,434 | 13,843,996 | 16,961,883 | 16,783,705 |
| Total CO2 Emissions - Gross (Excl CPP) | tonnes | 15,706,894 | 13,625,436 | 12,078,719 | 14,732,304 | 14,442,417 |
| Total CO2 Emissions - Net (Excl CPP) | tonnes | 15,396,133 | 13,410,787 | 11,877,634 | 14,542,692 | 14,300,900 |
| Total CO2 Emissions from CPP | tonnes | 2,071,551 | 1,981,998 | 1,772,925 | 2,229,574 | 2,335,729 |
| Specific CO2 Emissions - gross | Kg/tonne of cementitious material | 476 | 496 | 501 | 512 | 511 |
| Specific CO2 Emissions - net | Kg/tonne of cementitious material | 466 | 488 | 493 | 512 | 506 |
| Reduction in net CO2 per tonne of cementitious product (scope-1) relative to year 1990 | % | 43 | 40 | 39 | 37 | 38 |
| Scope 1 emissions cement (Including CPP) | tonnes | 17,467,685 | 15,392,785 | 13,650,559 | 16,772,265.60 | 16,636,629.80 |
| Scope 2 emissions cement | tonnes | 654,793 | 666,157 | 601,750 | 556,073.30 | 534,401.00 |
| Scope 3 emissions cement | tonnes | 4377253# | 23,99,656* | 16,39,454* | 591,171.40 | 666,259 |
| Number of plants included in scope-3 emissions | Number | All | All | All | All | All |
| **GHG EMISSIONS - CONCRETE** | | | | | | |
| Scope 1 emissions concrete | $tCO_2$ | NR | 4,633 | 4,089 | 4,706.90 | 3,297.00 |
| Scope 2 emissions concrete | $tCO_2$ | NR | 8,782 | 6,160 | 4,831.30 | 4,932.00 |
| Scope 3 emissions concrete* | $tCO_2$ | NR | 49,421 | 41,017 | 58,915.00 | 43,878.00 |
| Number of plants included in scope-3 emissions | number | NR | All | All | All | All |
| **OVERALL CO2 REDUCTION ACHIEVED (SCOPE-1 &2)** | | | | | | |
| On account of thermal savings(1) | $tCO_2$ | NR | 0 | -32,508.00 | 0 | 4,067.00 |
| On account of electrical savings(2) | $tCO_2$ | NR | -34,651 | 0 | -26,821.90 | 88,464.00 |
| On account of clinker factor improvement(3) | $tCO_2$ | NR | -310,593 | -263,609 | 124,321.60 | 397,293.00 |
| **EMISSIONS*** | | | | | | |
| Number of kilns reporting | | 10 | 11 | 12 | 12 | 12 |
| Coverage rate of CEMS (for dust, Nox, Sox) | % | 100 | 100 | 100 | 100 | 100 |
| NOx | g/t clinker | 886.9 | 784.2 | 1,036.20 | 1,293.40 | 1,718.10 |
| | g/t cementitous material | 616.9 | 473.7 | 634.9 | 816.6 | 1,051.30 |
| | t | 18,094.30 | 12,754.70 | 15,082.10 | 22,759.40 | 29,810.30 |
| Sox | g/t clinker | 112.0 | 185.8 | 134.5 | 101.7 | 127.7 |
| | g/t cementitous material | 83.3 | 112.2 | 82.4 | 64.2 | 78.2 |
| | t | 1,939.42 | 3,021.00 | 1,957.70 | 1,789.80 | 2,216.10 |
| Dust | g/t clinker | 23.2 | 23.5 | 20.1 | 26.8 | 28.5 |
| | g/t cementitous material | 15.7 | 14.2 | 12.3 | 16.9 | 17.4 |

| Environment Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| | t | 450.7 | 382.4 | 293 | 472 | 494.3 |
| Average Mercury (Hg) emissions | ug/nm3 | BDL | BDL | BDL | NR | NR |
| **ENERGY CONSUMPTION - CEMENT** | | | | | | |
| Kiln Fuel Consumption | | | | | | |
| Coal | TJ | 19,676 | 27,438 | 42,013* | 52,526* | 51,417* |
| | MWh | 5,465,555 | 7,621,368 | 11,669,951 | 14,590,092 | 14,282,100 |
| Petcoke* | TJ | 33,903 | 19,344 | | | |
| | MWh | 9,417,500 | 5,373,194 | | | |
| Diesel oil | TJ | 62 | 37 | 36 | 44.7 | 62 |
| | MWh | 17,222.00 | 10,164 | 10,000 | 12,408 | 17,222 |
| Alternative fossil and mixed fuels | TJ | 3836.06 | 2,641 | 2,458.00 | 2,329.90 | 1,744.00 |
| | MWh | 1,163,033 | 733,596 | 682,759 | 647,179 | 484,431 |
| Biomass fuels | TJ | 1618 | 1,028 | 650 | 748 | 648 |
| | MWh | 351,983 | 285,501 | 180,551 | 207,775 | 179,995 |
| | | 59,095 | 50,488 | | | |
| **NON-KILN FUEL CONSUMPTION - CPP** | | | | | | |
| Coal | TJ | 20,575 | 20,467 | 18,250.00 | 23,472.70 | 25,510.00 |
| | MWh | 5,654,444 | 5,685,008 | 5,069,303 | 6,520,022 | 7,085,913 |
| Petcoke | TJ | 0 | 0 | | | |
| | MWh | 0 | 0 | | | |
| Diesel oil | TJ | 8 | 10 | 10 | 11.8 | 7 |
| | MWh | 1,111 | 2,733 | 2,778 | 3,284 | 1,944 |
| Alternative Fuels | TJ | 122 | 206 | 241 | 125.5 | 100 |
| | MWh | 51,472 | 57,221 | 66,943 | 34,855 | 27,777 |
| Alternative biomass fuels | TJ | 266 | 254 | 214 | 224.4 | 167 |
| | MWh | 56,333 | 70,467 | 59,443 | 62,333 | 46,388 |
| | | 20,971 | 20,937 | | | |
| **CO2 FROM ALTERNATE FOSSIL FUEL** | | 80,066 | 71,425 | | | |
| CO2 from Biomass fuels (kiln & non-kiln fuels) | tonnes | 208,295 | 142,274 | 98,190 | 105,291 | 88,302 |
| CO2 from alternate fossil fuel | tonnes | 310,760 | 214,649 | 201,085 | 189,613 | 141,516 |
| **ALTERNATE FUELS** | | | | | | |
| Co-processed waste (AF used) | Million tonnes | 0.56 | 0.3 | 0.24 | 0.23 | 0.17 |
| Thermal substitution Rate (% thermal energy from alternative fuels) | % | 9.2 | 7.3 | 6.9 | 5.5 | 4.5 |
| **NON-KILN FUEL CONSUMPTION -NON** | | | | | | |
| Diesel Oil consumed for Onsite vechile movement (TJ) | TJ | 657 | 531 | 450 | 557 | NR |
| Fuels for Drying of Raw Materials and Mineral Components (TJ) | TJ | 1,757 | 1,429 | 1,206 | 1,149.00 | NR |
| Electricity Purchased/Imported | MWh | 952,445 | 696,305 | 654,964 | 692,162.00 | NR |
| Energy consumption outside the organisation** | TJ | 455 | 15,746 | 5,975 | 7,978.00 | 8,991.00 |
| Specifc Power consumption upto and including clinker prod | kWh/ton clinker | 66.96 | 68.38 | 68.84 | 68.6 | 69 |
| Specifc Power consumption upto and including cement grinding | kWh/ton cementitious material | 76.6 | 75.1 | 77.4 | 76.4 | 77.8 |
| Specifc Power consumption upto and including cement grinding, colony auxillaries | kWh/ton cementitious material | 78.96 | 77.2 | 79.6 | 78.4 | 79.8 |
| **ENERGY CONSUMPTION - RMX** | | | | | | |
| Diesel Oil | L | 1,828,251.27 | 1,711,438.20 | 1,510,350.00 | 1,727,179.10 | 1,185,211.60 |

| Environment Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| Electricity purchased | MWh | NR | 9,650 | 6,695 | 5,251.00 | 5,247.00 |
| Energy consumption outside the organisation* | TJ | NR | 667 | 553.5 | 795.1 | 592 |
| **TOTAL DIRECT & INDIRECT ENERGY** | | | | | | |
| Total Power Generation | TJ | 5,532 | 5,756 | 5,000 | 6,135 | 5,876 |
| Total Renewable EnergyGeneration | Million Units | 65 | 36 | 35 | 36 | 35 |
| % of RE in total power consumption | % | 6.06 | 4.6 | 4.3 | 3.5 | 3.4 |
| Renewable Energy Certificates Purchased | MWh | 66,351 | 72,546 | 31,381 | 114,565 | 97,415 |
| Power and fuel expenses | ₹ Crores | 5,738 | 3,361 | 2,572 | 3,134 | 2,998 |
| Thermal energy efficiency | MJ/tonne clinker | 3,154 | 3,108 | 3,106 | 3,129 | 3,099 |
| Electrical energy efficiency | Kwh/tonne cement | 78.88 | 78.55 | 80.65 | 79.6 | 81.13 |
| Power consumption from WHRS | TJ | 371.5 | 156 | 150 | 175 | 169 |
| | MWh | 103,200 | 43,248 | 41,635 | 48,562 | 47,039 |
| | | 2609255349 | | | | |
| **WASTE TYPE** | | | | | | |
| **Waste Generated within operations** | | | | | | |
| Hazardous waste | | | | | | |
| Waste oil | litres | 93,609.78 | 79,372 | 55,818.10 | 81,949.00 | 133,246.90 |
| Grease | tonnes | 36.7 | 40.6 | 22 | 42.6 | 5 |
| Used batteries | tonnes | 51.3 | 42.3 | 30.7 | | |
| Biomedical waste | tonnes | 0.9 | 0.9 | 0.7 | 48.7 | 59 |
| Ewaste | tonnes | 38.7 | 51.4 | 4 | | |
| Any other (Waste cloth, wrapper scrap, etc) | tonnes | 18.9 | 0.4 | | | |
| Non-hazardous waste | | | | | | |
| Steel scrap | tonnes | 16090.17 | 13,550.80 | 8,884.40 | 9,235.90 | 11,810.40 |
| Others | tonnes | 5711.41 | 7,349.50 | 5,002.00 | 5,050.80 | 7,329.70 |
| Filter bags | no | 27487 | 44,059 | 20,864 | 26,729 | 81,510 |
| **INTERNAL WASTE MANAGEMENT *** | | | | | | |
| Non hazardous waste disposed to external landfill or incinerated without energy recovery | tonnes | 0 | 0 | NR | NR | NR |
| Hazardous waste/BMW disposed to external landfill or incinerated without energy recovery | tonnes | 1.1 | 2 | NR | NR | NR |
| Non hazardous waste disposed on site | tonnes | 0 | 0 | NR | NR | NR |
| Hazardous waste disposed on site | tonnes | 0.108 | 0 | NR | NR | NR |
| Non hazardous waste recycled, downcycled or recovered | tonnes | 10,798.00 | 19,633.80 | NR | NR | NR |
| Hazardous waste recycled, downcycled or recovered | tonnes | 1,007.52 | 11,329.60 | NR | NR | NR |
| Plastic waste Co-processed | tonnes | 272,198.33 | 59,295.40 | NR | NR | NR |
| Weight of bags consumed | tonnes | 50,766.16 | 37,892.60 | 33,794.80 | 38,969.20 | 36,374.70 |
| Plastic negaive index = Plastic waste co-proessd/ Plastic packing bags | tonnes | 5.36 | 1.56 | NR | NR | NR |
| Total waste derived resource consumed (Fly ash, slag, AF, AR, Syn/phosphogypsum) | million tonne | 14.7 | 11.09 | NR | NR | NR |

| Environment Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| **TOTAL WATER WITHDRAWAL IN CEMENT OPERATIONS** | | | | | | |
| Surface water | million m3 | 1.6 | 1.834 | 1.71 | 1.98 | 6.71 |
| Harvested rainwater | million m3 | 2.22 | 1.7 | 1.75 | 2.46 | 6.74 |
| Municipal water | million m3 | 0 | 0 | 0 | 0 | 0.09 |
| Ground water | million m3 | 0.27 | 0.2 | 0.17 | 0.22 | 1.17 |
| Any other water | million m3 | 0.04 | 0.01 | | | |
| Percentage of sites with water recycling | % | 100 | 100 | 100 | 100 | 100 |
| Total Quantity of Water Treated and Reused Annually | % | 14.83 | 15.22 | 17.4 | 17.3 | 12.2 |
| Total Quantity of Water Treated and Reused Annually | million m3 | 0.61 | 0.57 | 0.6 | 0.8 | 1.7 |
| Rain water harvesting system | No. of sites | ALL | All | All | All | All |
| **TOTAL WATER WITHDRAWAL IN CPP OPERATION** | | | | | | |
| Surface water | million m3 | 0.8 | 1.7 | 1.4 | 1.3 | |
| Harvested rainwater | million m3 | 3.7 | 3.4 | 3 | 4.4 | |
| municipal water | million m3 | 0 | 0 | 0 | 0 | |
| Ground water | million m3 | 0.3 | 0.4 | 0.5 | 0.4 | |
| **WATER WITHDRAWAL IN COLONY & SUPPLY TO COMMUNITY** | | | | | | |
| Surface water | million m3 | 1.0 | 1.2 | 1.2 | 1.5 | |
| Harvested rainwater | million m3 | 1.9 | 2 | 1.4 | 0.8 | |
| municipal water | million m3 | 0.002 | 0 | 0 | 0 | |
| Ground water | million m3 | 0.2 | 0.1 | 0.6 | 0.2 | |
| Supply to communities | million m3 | NR | 3 | NR | NR | NR |
| **TOTAL WATER WITHDRAWAL - RMX** | | | | | | |
| Surface water - RMX | million m3 | 0 | 0 | 0 | 0 | 0 |
| Harvested rainwater - RMX | million m3 | 0 | 0 | 0 | 0 | 0 |
| Municipal water - RMX | million m3 | 0 | 0.34 | 0.3 | 0.68 | 0.78 |
| Ground water - RMX | million m3 | 0.62 | 0.15 | 0 | 0.33 | 0.22 |
| Specific operational fresh water withdrawal | million m3 | NR | 175.95 | NR | NR | NR |
| **MINING AND BIODIVERSITY** | | | | | | |
| Total number of quarries | | 17 | 17 | 17 | 17 | 17 |
| Total Land area (Ha) | Ha | 6,920 | 6,920 | 6,823.40 | 6,823.40 | NR |
| Total rehabilitated area (Ha) | Ha | 386 | 829 | 794.86 | 789 | 752 |
| Total land disturbed (Ha) | Ha | 1,781 | 2,001 | 1,972* | 1,607 | 1,051 |
| Plantation in mines(no) | Number # | 66,378 | 77,375 | 75,725 | 101,541 | 1,40,000(total) |
| Sites with rehabilitation Plan | Number # | 17 | 17 | 17 | 17 | 17 |
| Approved mining plans of local authoritties (% sites) | Yes/No | Yes | Yes | Yes | Yes | yes |
| % of sites with quarry/mine rehabilitation plans in place | % | 100 | 100 | 100 | 100 | 100 |
| Number of biodiversity -sensitive sites | | 7 | 7 | 7 | 7 | 7 |
| Number of biodiversity -sensitive sites with Biodiversity Action Plans in place | | 5 | 5 | 5 | 5 | 5 |
| **PRESENCE OF IUCN RED LIST SPECIES*** | | | | | | |
| critically endangered | Number # | 1 | 1 | 1 | 1 | 1 |
| Endangered | Number # | 2 | 2 | 2 | 2 | 2 |
| Vulnerable | Number # | 2 | 2 | 2 | 2 | 2 |
| Near threatened | Number # | 1 | 1 | 1 | 1 | 1 |

| Environment Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| **ENVIRONMENTAL PERFORMANCE** | | | | | | |
| Number of manufacturing locations (Cements and grinding plants) | # | 15 | 15 | 15 | 15 | 15 |
| Plants certified by 3rd party for ISO:14001 EMS | # | All | 13 | NR | NR | NR |
| Environmental investment | ₹ Crores | 150.42 | 148.44 | 123 | 235.5 | 208 |
| capital investments | ₹ Crores | 28.59 | 40.94 | | | |
| Operating expenses | ₹ Crores | 121.8 | 107.5 | | | |
| Number of plants/ quarries reporting non compliance cases | # | 1 | 0 | 1 | 0 | 0 |
| Fines or penalties paid for environmental non compliances | ₹ Crores | 0.10 | 0 | 0.45 | 0 | 0 |

| | | Jan 22- Mar 23 | | 2021 | | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Social Indicators | Unit | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| **TOTAL NUMBER OF EMPLOYEES AND THEIR BIFURCATION** | | | | | | | | | | | |
| Total employees | No. | 5,204 | 262 | 5,794 | 288 | 6,157 | 244 | 6,377 | 266 | 6,455 | 262 |
| Management Staff | No. | 3,048 | 221 | 3,400 | 247 | 3,471 | 198 | 3,624 | 220 | 3,611 | 218 |
| Non management staff | No. | 2,156 | 41 | 2,394 | 41 | 2,686 | 46 | 2,753 | 46 | 2,844 | 44 |
| Third party employees | No. | 7,215 | 82 | 7,354 | 87 | 6,442 | 0 | | | 8,312 | |
| Casual employees | No. | 6 | - | 0 | 0 | 0 | 0 | | | 14 | |
| Total | No. | 12,425 | 344 | 13,148 | 375 | 12,599 | 244 | | | 15,043 | |
| **AGE WISE - OWN EMPLOYEE BREAK UP** | | | | | | | | | | | |
| <30 | No. | 557 | 116 | 891 | 131 | 788 | 79 | 1,015 | 104 | 1,030 | 102 |
| 30-50 | No. | 3,591 | 123 | 3,574 | 133 | 3,784 | 139 | 3,704 | 135 | 3,680 | 132 |
| >50 | No. | 1,056 | 23 | 1,329 | 24 | 1,585 | 26 | 1,658 | 27 | 1,759 | 28 |
| Total | No. | 5,204 | 262 | 5,794 | 288 | 6,157 | 244 | 6,377 | 266 | 6,469 | 262 |
| **EMPLOYEE TURNOVER - AGE WISE** | | | | | | | | | | | |
| <30 | No. | 308 | 36 | 197 | 33 | 117 | 19 | 117 | 22 | 136 | 22 |
| 30-50 | No. | 610 | 49 | 328 | 14 | 211 | 15 | 313 | 21 | 318 | 17 |
| >50 | No. | 363 | 4 | 366 | 4 | 203 | 3 | 234 | 6 | 569 | 14 |
| Total | No. | 1,281 | 89 | 891 | 51 | 531 | 37 | 664 | 49 | 1,023 | 53 |
| Employee turnover (%) | No. | 0 | 0 | 15% | 18% | 9% | 15% | | | | |
| **EMPLOYEE HIRES - AGE WISE** | | | | | | | | | | | |
| <30 | No. | 402 | 45 | 261 | 84 | 85 | 9 | 312 | 34 | 216 | 25 |
| 30-50 | No. | 334 | 15 | 246 | 8 | 122 | 4 | 90 | 0 | 150 | 6 |
| >50 | No. | 7 | 1 | 12 | | 4 | 1 | 174 | 17 | 7 | 1 |
| Total | No. | 743 | 61 | 519 | 92 | 211 | 14 | 576 | 51 | 373 | 32 |
| Differently abled employees | No. | 13 | - | 13 | 0 | 12 | 0 | 12 | | | |
| **TOTAL EMPLOYEE BIFURCATION** | | | | | | | | | | | |
| Top management level | No. | 41 | 3 | 31 | 1 | NR | NR | NR | NR | NR | NR |
| Middle management level | No. | 2,415 | 143 | 1,063 | 53 | NR | NR | NR | NR | NR | NR |
| Senior management level | No. | 592 | 75 | 179 | 8 | NR | NR | NR | NR | NR | NR |
| Notice given for operational changes | months | 2 | 2 | 2 | 2 | NR | NR | NR | NR | NR | NR |
| Employee engagement score | No. | NA | NA | NA | NA | NR | NR | NR | NR | NR | NR |
| **PARENTAL LEAVES** | | | | | | | | | | | |
| No of people entitled | No | 5,204 | 262 | NR | | | | | | | |
| No of maternal leave days | No. | - | 182 | 0 | 182 | 0 | 182 | 0 | 182 | 182 | |
| No of paternal leave days | No. | 3 | - | 0 | 0 | 0 | 0 | | | 0 | |
| Women took maternity leave | No. | - | 9 | 0 | 5 | 0 | 12 | 0 | 11 | 15 | |

| Social Indicators | Unit | Jan 22- Mar 23 | | 2021 | | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| Men took paternal leave | No. | 19 | - | 0 | 0 | 0 | 0 | | | 0 | |
| Women Reurned to work after maternal leave | No. | - | 9 | 0 | 4 | 0 | 9 | 0 | 13 | 18 | |
| Men returned to work after paternal leave | No. | 19 | - | 0 | 0 | 0 | 0 | | | 0 | |
| Women still on after maternal leave | No. | - | - | 0 | 1 | 0 | 5 | 0 | 2 | 2 | |
| Men still on after paternal leave | No. | - | - | 0 | 0 | 0 | 0 | | | 0 | |
| Women resigned after / during maternal leave | No. | - | - | 0 | 0 | 0 | 1 | 0 | 0 | 2 | |
| Men resignd after / during paternal leave | No. | - | - | 0 | 0 | 0 | 0 | | | 0 | |
| Return to work rate | % | 100% | 100% | NR | | | | | | | |
| No. of people who continued to work 12 months post leave | No | 17 | 6 | | | | | | | | |
| Retention rate | % | 89% | 67% | | | | | | | | |
| **ANNUAL PERFORMANCE** | | | | | | | | | | | |
| Managers who Received annual performance | No. | 3,048 | 221 | 3,120 | 228 | 3,477 | 201 | 3,624 | 220 | 3,611 | |
| Non- management employees who received annual performance | No. | 2,156 | 41 | 2,373 | 41 | 2,686 | 46 | | | 2,858 | |
| Number of performance reviewes carried out | No. | 5,204 | 262 | 5,493 | 269 | 6,163 | 247 | | | 6,469 | |
| **TRAINING HOURS** | | | | | | | | | | | |
| For Health and safety | No. | 17,357 | 3,376 | 7,715 | 347.5 | 12,821 | 982 | 24,894 | 432 | 30,849 | 549 |
| For IT training | No. | 6,076 | 528 | 302 | 36 | 102 | 8 | 120 | 24 | 3,646 | 226 |
| For Management skills (Include Sofskill Trg) | No. | 21,331 | 2,558 | 17,385 | 1,097 | 7,466 | 1,149 | 24,255 | 1,101 | 41,837 | 1,436 |
| For Environment & sustainability | No. | - | - | 0 | 17 | 958 | 41 | 134 | 1 | 1,493 | 18 |
| Anti-corruption policies & procedures | No. | 1,360 | 600 | 237 | 44.5 | 210 | 19 | 870 | 14 | 2,507 | 144 |
| Other Trainings ( Include Operations & technical training) | No. | 574,031 | 15,405 | 19,377 | 36,060 | 57,585 | 2,459 | 30,360 | 717 | 47,978 | 2,082 |
| Total hours of training | Hrs | 620,154 | 22,467 | 45,016.50 | 37,602 | 79,142 | 4,658 | 80,633 | 2,288 | 128,307 | 4,455 |
| No of training hours for management staff | No. | 44,278 | 7,919 | 39,043 | 37,575 | 66,351 | 4,576 | 62,405 | 2,186 | 101,650 | 4,425 |
| No of training hours for non management staff | No. | 4,599 | 38 | 5,973 | 26.5 | 12,790 | 83 | 18,228 | 102 | 26,657 | 30 |
| Amount spent of training | ₹ | 7,865,525 | | 2,460,833 | | 3,948,037 | | | | NR | |
| **NO. OF TRAINING PROGRAMS CONDUCTED** | | | | | | | | | | | |
| Top management level | Nos | 255 | 21 | 38 | 5 | NR | NR | NR | NR | NR | NR |
| Senior management level | No | 13,732 | 1,408 | 139 | 27 | NR | NR | NR | NR | NR | NR |
| Middle management level | No | 3,773 | 272 | 268 | 75 | NR | NR | NR | NR | NR | NR |
| Other org. levels [(first management level and wage board] | No | 8 | - | 309 | 166 | NR | NR | NR | NR | NR | NR |
| Total | No | 17,768 | 1,701 | 754 | 273 | NR | NR | NR | NR | NR | NR |
| **HOURS OF TRAINING PROGRAMS CONDUCTED** | | | | | | | | | | | |
| Top management level | Hrs | 529 | 39 | 273 | 10 | NR | NR | NR | NR | NR | NR |
| Senior management level | Hrs | 47,251 | 6,734 | 2172 | 94 | NR | NR | NR | NR | NR | NR |
| Middle management level | Hrs | 12,509 | 788 | 22128 | 2772 | NR | NR | NR | NR | NR | NR |
| Other org. levels [(first management level and wage board] | Hrs | 13 | - | 20444 | 34726 | NR | NR | NR | NR | NR | NR |
| Average of all levels | Hrs | 15,075 | 1,890 | 11254 | 9401 | NR | NR | NR | NR | NR | NR |

| Social Indicators | Unit | Jan 22- Mar 23 | | 2021 | | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| **EMPLOYEE COMPENSATION** | | | | | | | | | | | |
| Ratio of basic salary of men to women | % | 1.1 | | 1.1 | | 1.1 | | | | | |
| Executive level (Base salary only) | INR | 8,515,826 | 8,265,140 | 11,017,506 | 6,580,768 | NR | NR | NR | NR | NR | NR |
| Executive level (Base salary + other cash incentive) | INR | 11,099,513 | 10,998,226 | 14,155,863 | 7,849,546 | NR | NR | NR | NR | NR | NR |
| Management Staff (Base salary) | INR | 1,562,022 | 1,145,489 | 1,415,807 | 1,124,231 | 1,443,188 | 1,244,357 | NR | NR | NR | |
| Management Staff (Base salary + other cash incentive) | INR | 1,831,207 | 1,340,186 | 1,551,276 | 1,232,081 | 1,703,897 | 1,456,200 | NR | NR | NR | |
| Non-Management Staff (Base) | INR | 568,805 | 543,772 | 529,863 | 506,129 | 516,989 | 492,906 | NR | NR | NR | |
| Ratio of % increase in annual total compensation for the highest -paid individual to the median % increase in annual total compensation for all employees | % | NR | | 5.5 | | | NR | | NR | | |
| Employee grievance procedures in place | Yes/No | Yes | Yes | Yes | Yes | Yes | Yes | NR | NR | NR | |
| Anonymous grievances submission | Yes/No | Yes | Yes | Yes | Yes | Yes | Yes | NR | NR | NR | |
| **HEALTH & SAFETY (H&S) INDICATORS** | | | | | | | | | | | |
| Employee Fatalities (Nos.) | Nos | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Fatality rates (directly employed) | # | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contractor Fatalities (onsite) | Nos | 2 | - | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 |
| Contractors Fatalities (off site) | Nos | - | - | 0 | 0 | 2 | 0 | 1 | 0 | 6 | |
| Employee Lost Time Injury (LTI) - Permanent Emplyees | Nos | 1 | - | 0 | 0 | 2 | 0 | 7 | | NR | |
| Employee Lost Time Injury (LTI) - Contract employees | Nos | 12 | - | 13 | 0 | 8 | 1 | 8 | | NR | |
| Employee Lost Time Injury (LTI) - Total | Nos | 13 | - | 13 | 0 | 10 | 1 | 15 | | 4 | |
| Employee Lost Time Injury Frequency Rate (LTIFR) - Permanent employees | # | 0 | - | 0 | | 0.14 | | 0.47 | | NR | |
| Employee Lost Time Injury Frequency Rate (LTIFR) - Contract employees | # | 0 | - | 0.34 | | 0.44 | | 0.28 | | NR | |
| Employee Lost Time Injury Frequency Rate (LTIFR) - Total | # | 0 | - | 0.25 | | 0.31 | | 0.34 | | 0.26 | |
| Employee Injury Rate (IR) - Permanent employees | # | 0 | - | 0.29 | | 0.75 | | 0.94 | | NR | |
| Employee Injury Rate (IR) - Contract employees | # | 1 | - | 0.57 | | 0.87 | | 0.76 | | NR | |
| Employee Injury Rate (IR) - Total | # | 1 | - | 0.49 | | 0.82 | | 0.92 | | 0.81 | |
| Employee Lost day rate (LDR) - Permanent employees | Nos | 7 | - | 0 | | 5.73 | | 1.81 | | NR | |
| Employee Lost day rate (LDR) - Contract employees | Nos | 7 | - | 19.52 | | 14.11 | | 6.5 | | NR | |
| Employee Lost day rate (LDR) - Total | Nos | 7 | - | 14.34 | | 10.62 | | 4.83 | | 6.18 | |
| Number of Permanent employees undergone risk based health assessment | % | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | NR | |

| Social Indicators | Unit | Jan 22- Mar 23 | | 2021 | | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female |
| % plants with joint health and safety committees | | 100 | | 100 | | 100 | | 100 | | 100 | |
| Plants certified with OHSAS 18000 | No | 7 | | 7 | | NR | | NR | | NR | |
| No. of safety trainings programs conducted | No | 4,879 | 238 | 20312 | | NR | | NR | | NR | |
| LTI & MTI | | 23 | - | 5 | 0 | NR | | NR | | NR | |
| Occupationsal diseased | | - | - | 0 | 0 | NR | | NR | | NR | |
| Occupational illness frequency rate (OIFR) | | - | - | 0 | 0 | NR | | NR | | NR | |
| **CUSTOMER SATISFACTION** | | | | | | | | | | | |
| Overall net promoter score (NPS) | % | NR | | 73 | | | | | | | |
| **COMMUNITY INVOLVEMENT** | | | | | | | | | | | |
| Community investments or benefit to communities | ₹ Cr | 45 | | 35.95 | | 32 .33 | | 25 .07 | | 20 .45 | |
| DISHA | % | NR | | 9.65 | | 12.2 | | 17.9 | | 19.2 | |
| LEISA | % | NR | | 12.67 | | 19.1 | | 16 | | 8.7 | |
| Swavalamban | % | NR | | 6.31 | | 5.6 | | 7.2 | | 10.2 | |
| Vidya Utkarsh | % | NR | | 12.48 | | 14.5 | | 20.3 | | 26.7 | |
| Vidya Saarathi | % | NR | | 5.03 | | 3.9 | | 2.7 | | 3.6 | |
| Arogyam | % | NR | | 33.92 | | 18.3 | | 10.9 | | 9.8 | |
| Sampoorna Swachhata | % | NR | | 8.63 | | 8.6 | | 10.8 | | 11.1 | |
| Sanrakshit Paryavaran | % | NR | | 3.93 | | 9.2 | | 6.3 | | 5.7 | |
| DRONA | % | NR | | 2.66 | | 3.1 | | 3 | | 5 | |
| Affordable Housing | % | NR | | 0.39 | | 0 | | 0 | | 0 | |
| Impact Assessment | % | NR | | 0 | | 0.6 | | 0 | | 0 | |
| Water Governance & Management | % | 23 | | NR | | NR | | NR | | NR | |
| Sustainable Livelihood | % | 34 | | NR | | NR | | NR | | NR | |
| Social Inclusion | % | 38 | | NR | | NR | | NR | | NR | |
| Overhead | % | 5 | | 4.35 | | 4.9 | | 4.8 | | | |
| Net new direct beneficiaries in the year | number | 287,297 | | 51,197 | | | | | | | |
| Total number of beneficiaries in the year | million | 1.1 | | 0.53 | | 0.83 | | 0.5 | | 0.48 | |
| Stakeholder engagement at local level: Stakeholdr dialogues, Need assessment. Stakeholder involvement in CSR planning, community advisory panels, community engagement plan | % of sites | 100 | | 100 | | 100 | | 100 | | 100 | |
| Employee Volunteering | | | | | | | | | | | |
| Total hours | Hrs | NR | | 4,270 | | 15,375 | | 4,217 | | 9,153 | |
| Paid working hours | Hrs | NR | | 4,271 | | 8,361 | | 3,964 | | 8,330 | |
| Monetary value of paid working hours | ₹ Cr | NR | | 0.21 | | | | | | | |

| Governance and Supply Chain Indicators | Units | Jan 22- Mar 23 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| Total No of suppliers | no | 8,200 | 7,256 | 6,977 | 7,460 | 9,517 |
| Indian suppliers (local) | no | 8,138 | 7,192 | 6,918 | 7,435 | 9,442 |
| International suppliers | no | 62 | 64 | 59 | 25 | 75 |
| % of suppliers identified as "High Risk" (for sustainability criteria aligned with Supplier Code of Conduct) | % | 3% | 6% | 7% | 7% | NR |
| Number of Suppliers screened through Self Assessment Questionnaire (socials, environmental aspects) | no | 197 | 425 | 498 | 522 | 590 |
| Monetary value of payments made to suppliers (Spend 2021) | ₹ Crores | 20,902 | 13,314 | 9,875 | 12,796 | 12,784 |
| Proportion of spending on local suppliers | % | 97.3 | 96.5 | 94.5 | 98 | 97 |
| Total suppliers assessed during the year on ESG Criteria | no | NR | 425 | NR | NR | NR |
| No. of suppliers with Non- compliance | no | NR | 165 | NR | NR | NR |
| No. of suppliers with action plan | no | NR | 80 | NR | NR | NR |
| No. of suppliers showed performance improvement | no | NR | 51 | NR | NR | NR |
| Expenditure on raw materials | ₹ Crores | 3,347.2 | 637.8 | NR | NR | NR |
| Imported | % | NR | 94.81 | NR | NR | NR |
| Indian | % | NR | 5.19 | NR | NR | NR |
| Expenditure on spares | ₹ Crores | 385.27 | 634.7 | NR | NR | NR |
| Imported | % | NR | 78.78 | NR | NR | NR |
| Indian | % | NR | 21.22 | NR | NR | NR |
| New suppliers that were screened using ESG criteria | % | 24 | 100 | 100 | 100 | 100 |
| **GOVERNANCE** | | | | | | |
| Total complaints recieved under the EthicalView Reporting Policy in 2021 | No | 41 | 128 | 123 | 117 | 67 |
| How many of them have been resolved | No | 38 | 92 | 110 | 64 | 33 |
| How many still under investigation: | No | 3 | 36 | 15 | 46 | 34 |
| Confirmed cases of Corruption cases | No | 9 | 7 | 4 | NR | NR |
| No. of business partners were terminated due to violations related to corruption of the above incidents | No | - | 2 | 3 | NR | NR |
| Political contribution | ₹ Crores | Nil | Nil | Nil | Nil | Nil |
| Total monetary value of financial assistance received from governements (grants, tax, reliefs and other financial benefits) | ₹ Crores | 207.11 | 155 | 160 | 175 | 162 |
| **OUTBOUND LOGISITCS / DISPATCHES** | | | | | | |
| Sea (Bulk cement ships) | million tonnes | 0 | 0 | 0 | 0 | 0 |
| Railways (Railway/ rake) | million tonnes | 10.8 | 9.3 | 8.34 | 10.03 | 10.47 |
| Road (Trucks & Bulkers) | million tonnes | 23.04 | 18.32 | 16.24 | 18.63 | 17.83 |
| Total | million tonnes | 33.9 | 27.63 | 24.58 | 28.66 | 28.3 |
| Sea (Bulk cement ships) | % | 0% | 0% | 0% | 0% | 0% |
| Railways (Railway/ rake) | % | 32% | 34% | 34% | 35% | 37% |
| Road (Trucks & Bulkers) | % | 68% | 66% | 66% | 65% | 63% |
| Road direct % | % | 58% | 67% | 70% | 48% | 52% |
| Lead | km | 315 | 332 | 361 | 350 | 361 |
| **ECONOMIC PERFORMANCE & VALUE CREATION** | | | | | | |
| Gross income (includes GST) | ₹ Crores | 31,531 | 22,752 | 19,345 | 22,246 | 20,883 |
| Total costs | ₹ Crores | 20,128 | 12,937 | 11,188 | 13,532 | 12,239 |
| Direct Economic value generated | ₹ Crores | 11,403 | 9,815 | 8,157 | 8,714 | 8,644 |
| Payments to providers of capital | ₹ Crores | 1,089 | 263 | 263 | 263 | 282 |
| Payments/benefit to governmentes (taxes) | ₹ Crores | 9,789 | 7,042 | 6,364 | 7,055 | 6,796 |
| Direct economic value distributed | ₹ Crores | 10,878 | 7,305 | 6,627 | 7,318 | 7,078 |
| Economic value retained (=Economic value generated - Economic value distributed) | ₹ Crores | 525 | 2,510 | 1,530 | 1,396 | 1,566 |

# GRI INDEX

| | |
|---|---|
| Statement of Use | ACC has reported in accordance with the GRI Standards for the period between January 01, 2022 - March 31, 2023 |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Setor Standard(s) | None |

| GRI Standard No. | Disclosure | Location: Section | Location: Page No. |
|---|---|---|---|
| **General Disclosures** | | | |
| **The organisation and its reporting practices** | 2-1 Organisational details<br>2-2 Entities included in the organisation's sustainability reporting<br>2-3 Reporting period, frequency and contact point | About the report | 2 |
| | 2-4 Restatements of information | None | -- |
| | 2-5 External assurance | About the report | 3 |
| **Activities and workers** | 2-6 Activities, value chain and other business relationships | Product Portfolio | 18-23 |
| | 2-7 Employees<br>2-8 Workers who are not employees | Performance Table | 359 |
| **Governance** | 2-9 Governance structure and composition | Board of Directors | 24-27 |
| | 2-10 Nomination and selection of the highest governance body | Corporate Governance Report | 143 |
| | 2-15 Conflicts of interest | Business Responsbility and Sustainability Reporting | 173 |
| **Strategy, policies and practices** | 2-22 Statement on sustainable development strategy | Chairman's Statement | 8-9 |
| | 2-27 Compliance with laws and regulations | Risk Management | 38-39 |
| **Stakeholder engagement** | 2-29 Approach to stakeholder engagement | Stakeholder Engagement | 34 |
| **Material Topics** | | | |
| **GRI 3: Material Topics 2021** | 3-1 Process to determine material topics<br>3-2 List of material topics | Materiality Assessment | 36-37 |
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| **GRI 201: Economic Performance 2016** | 3-3 Management of material topics | Financial Capital | 46-47 |
| | 201-1 Direct economic value generated and distributed | Performance Table | 363 |
| **GRI 203: Indirect Economic Impacts 2016** | 3-3 Management of material topics | Social and Relationship Capital | 70 |
| | 203-1 Infrastructure investments and services supported | Performance Table | 362 |
| **GRI 204: Procurement Practices 2016** | 3-3 Management of material topics | Social and Relationship Capital | 80 |
| | 204-1 Proportion of spending on local suppliers | Performance Table | 363 |
| **GRI 205: Anti-corruption 2016** | 3-3 Management of material topics | Governance | 87 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Performance Table | 360 |
| | 205-3 Confirmed incidents of corruption and actions taken | Performance Table | 363 |

| GRI Standard No. | Disclosure | Location: Section | Location: Page No. |
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| **Environmental Performance** | | | |
| **GRI 302: Energy 2016** | 3-3 Management of material topics | Natural Capital | 61-62 |
| | 302-1 Energy consumption within the organisation | Performance Table | 356-357 |
| | 302-3 Energy intensity | | |
| **GRI 303: Water and Effluents 2018** | 3-3 Management of material topics | Natural Capital | 63 |
| | 303-3 Water withdrawal | Performance Table | 358 |
| | 303-4 Water discharge | | |
| | 303-5 Water consumption | | |
| **GRI 305: Emissions 2016** | 3-3 Management of material topics | Natural Capital | 61-62 |
| | 305-1 Direct (Scope 1) GHG emissions | Performance Table | 355 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | | |
| | 305-3 Other indirect (Scope 3) GHG emissions | | |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | | |
| **GRI 306: Waste 2020** | 3-3 Management of material topics | Natural Capital | 63 |
| | 306-3 Waste generated | Performance Table | 357 |
| | 306-4 Waste diverted from disposal | | |
| **Social Performance** | | | |
| **GRI 401: Employment 2016** | 3-3 Management of material topics | Human Capital | 65 |
| | 401-1 New employee hires and employee turnover | Performance Table | 359 |
| | 401-3 Parental leave | | |
| **GRI 403: Occupational Health and Safety 2018** | 3-3 Management of material topics | Human Capital | 68 |
| | 403-1 Occupational health and safety management system | Human Capital | 68-69 |
| | 403-9 Work-related injuries | Performance Table | 361 |
| **GRI 404: Training and Education 2016** | 3-3 Management of material topics | Human Capital | 66-67 |
| | 404-1 Average hours of training per year per employee | Performance Table | 360 |
| **GRI 406: Non-discrimination 2016** | 3-3 Management of material topics | Human Rights | 69 |
| | 406-1 Incidents of discrimination and corrective actions taken | Business Responsbility and Sustainability Reporting | 179 |
| **GRI 408: Child Labor 2016** | 3-3 Management of material topics | Human Rights | 69 |
| | 408-1 Operations and suppliers at significant risk for incidents of child labor | Business Responsbility and Sustainability Reporting | 179 |
| **GRI 409: Forced or Compulsory Labor 2016** | 3-3 Management of material topics | Human Rights | 69 |
| | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | Business Responsbility and Sustainability Reporting | 179 |
| **GRI 410: Security Practices 2016** | 3-3 Management of material topics | Human Rights | 69 |
| | 410-1 Security personnel trained in human rights policies or procedures | Business Responsbility and Sustainability Reporting | 178 |
| **GRI 413: Local Communities 2016** | 3-3 Management of material topics | Social and Relationship Capital | 70-79 |
| | 413-1 Operations with local community engagement, impact assessments, and development programs | | |

# INDEPENDENT ASSURANCE STATEMENT

TÜV INDIA
TUV NORD GROUP

## Independent Assurance Statement

The Directors and Management,
ACC Limited,
121, Maharshi Karve Road,
Mumbai - 400 020, India.

ACC Limited (hereafter 'ACC') commissioned TUV India Private Limited (TUVI) to conduct independen external assurance of non-financial information disclosed in ACC's Integrated Report (hereinafter 'th Report') based on the principles of the IIRC Integrated Reporting Framework and Global Reporting Initiativ (GRI) standards. The reporting period runs from January 1, 2022, to March 31, 2023. This engagemen comprised "limited assurance" of ACC's sustainability information following the ISAE 3000 (Revised standard applied for assurance of the Report.

### Management's Responsibility

ACC has developed the <IR> Report content and is responsible for identifying materiality, and related sustainability issues, establishing, reporting performance management, data management, and quality. The management of ACC is responsible for the information provided in the <IR> Report and the process of collecting, analysing, and reporting the information presented in web-based and printed Reports, including website maintenance and its integrity. The ACC's management is responsible for accurately preparing the <IR> Report following the applied criteria so that it is free of intended or unintended material misstatements. ACC will be responsible for archiving and reproducing the disclosed data for the stakeholders upon request.

### Scope and Boundary

In particular, the assurance engagement included the following:

1. *Verification of the application of the Report content and principles as mentioned in the Global Reporting Initiative (GRI) Standards, and the quality of information presented in the Report over the reporting period;*
2. *Review of the policies, initiatives, practices, and performance described in the Report*
3. *Review of the non-financial disclosures made in the Report against the requirements of the GRI Standards*
4. *Verification of the reliability of the GRI Standards Disclosure on environmental and social topics*
5. *The specified information was selected based on the materiality determination and needs to be meaningful to the intended users.*

TUVI has verified the below-mentioned disclosures given in the Report as per GRI Std 2021:

| Topic | Indicator | GRI Disclosure |
|---|---|---|
| Governance | Governance structure and composition | 2-9 |
| Materiality | Disclosures on material topics | 3-1 to 3-3 |
| Economic | Procurement Practices | 204-1 |
| Water | Water withdrawal | 303-3 |
| | Water discharge | 303-4 |
| | Water consumption | 303-5 |
| Waste | Waste generated | 306-3 |
| | Waste diverted from disposal | 306-4 |
| Emissions | Direct (Scope 1) GHG emissions | 305-1 |
| | Energy indirect (Scope 2) GHG emissions | 305-2 |
| | Other indirect (Scope 3) GHG emissions | 305-3 |
| | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 305-7 |
| Energy | Energy consumption within the organization | 302-1 |
| | Energy intensity | 302-3 |
| Employment | Employee hires and turnover | 401-1 |
| | Parental leave | 401-3 |
| Occupational health and safety | Work related injuries | 403-9 |
| | Occupational health and safety management system | 403-1 |

| Topic | Indicator | GRI Disclosure |
|---|---|---|
| Training and education | Training hours | 404-1 |
| Communities | Operations with local community engagement, impact assessments, and development programs | 413-1 |

Onsite Assessment was performed at one Integrated Cement Plant followed by remote verification (via Microsoft teams) for other sites and head office as below

1) *Integrated Cement Plants, Chanda, Maharashtra (date: 01-02 June 2023, onsite)*
2) *Corporate Sustainability Team, Ahmedabad, (date: 08 and 09/06/2023, remote)*

The reporting aspect boundaries are set out in the Report covering the sustainability performance of the ACC encompassing 11 integrated cement plants and 6 grinding units.

## Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion from the prospective information. During the assurance process, TUVI did not come across any limitations to the agreed scope of the assurance engagement. TUVI is contracted by the ACC and answerable to the ACC's management only. TUVI verified the data on a sample basis; the responsibility for the authenticity of the data entirely lies with ACC. TUVI expressly disclaims any liability or co-responsibility in the case of erroneous data reported or for any decision a person or entity would make based on this assurance statement.

## Our Responsibility

TUVI's responsibility in relation to this engagement is to perform assurance and express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or effectiveness of ACC's strategy, management of ESG-related issues, or sufficiency of the Report against the principles of the GRI Standards, and ISAE 3000 (Revised) standard, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes non-financial quantitative and qualitative information (KPIs) disclosed by ACC. The intended users of this assurance statement are the management of 'ACC'. This assurance engagement is based on the assumption that the data and information provided to TUVI by ACC are complete and true.

## Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosed KPI's. TUVI has verified the KPIs and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

1. *TUVI examined and reviewed the documents, data, and other information made available by ACC for all disclosed KPIs (non-financial disclosures).*
2. *TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of the ACC, during the onsite verification.*
3. *Review the level of adherence to the principles of the GRI standards.*

## Opportunities for Improvement

The following are the opportunities for improvement reported to ACC; however, they are generally consistent with the management's objectives and programme.

1. An internal audit of ESG data can be conducted.
2. Supplier assessment can be performed in reference to ISO 20400.
3. Online monitoring of electricity consumption data for the RMX division can be implemented.

## Our Conclusion

In our opinion, based on the scope of this assurance engagement, the "disclosures on ESG performance" and reference information provide a fair representation of the material topics, meet the general content and quality requirements of the GRI Standards.

**Disclosures:** TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements. ACC refers to universal disclosure to report contextual information, while the 'Management Approach' is discussed to report the management approach for each material topic.

**Universal Standard:** ACC followed GRI 1: Foundation 2021: Requirements and principles for using the GRI Standards; GRI 2: General Disclosures 2021: Disclosures about the reporting organisation. General Disclosures were followed when reporting information about an organisation's reporting practices, activities and workers, governance, strategy, policies, practices, and stakeholder engagement. GRI 3: Material Topics 2021: Disclosures and Guidance about the Organisation's Material Topics GRI3 was selected for the determination of material topics and the disclosure of the material topics.

**Topic Specific Standard:** 300 series (Environmental topics) and 400 series (Social topics); these Topic-specific Standards were used to report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that ACC used to prepare its <IR> Report are appropriately identified and addressed.

**Assurance Conclusion:** Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. In the context of Assurance, the following contemporary principles have been observed:

TUVI confirms that ACC has transparently reported major material information pertaining to all its six capitals in line with the <IR> framework, as below:

***Financial Capital:*** net worth, capex, investment spent, the economic value generated, gross revenue, etc.

***Manufactured Capital:*** Manufacturing facilities, R & D centres, new and improved products launched, new plants, buildings, infrastructure, etc.

***Intellectual Capital:*** Knowledge-based intangibles, including intellectual property, R & D activities, patents, designs, registered new product development, etc.

***Human Capital:*** ACC's Engineers, technicians, skilling and re-skilling of employees to enhance their competencies, safety performance, capabilities, experience, motivations to innovate, etc.

***Social and Relationship Capital:*** ACC's relationship with stakeholders such as customers, business partners, regulators, suppliers, business partners, communities, legislators, policy-makers, and benefits associated with brand and reputation, along with ACC's ability to share information to enhance wellbeing.

***Natural Capital:*** Sourcing responsibilities for most renewable and non-renewable environmental resources and processes that provide goods or services. Reporting of circular economy, emissions, water consumption, waste disposal, etc.

**Independence:** TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The assessment team was safeguarded from any type of intimidation.

**Quality control:** The assurance team complies with the code of ethics for professional accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Our Assurance Team and Independence

TUVI is an independent, neutral third party providing sustainability services with qualified environmentaland social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regards to this assurance engagement. In the reporting year, TUVI did not workwith ACC on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

**For and on behalf of TUV India Private Limited**

Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Technical Inspection Services
TÜV
TÜV India

Date: 19-06-2023
Place: Mumbai, India
Project Reference No: 8121613437
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# ACRONYM TABLE

| Acronym | Meaning |
|---|---|
| ACL | Ambuja Cements Limited |
| AFR | Alternative fuels and raw materials |
| AMK | Ambuja Manovikas Kendra |
| B2B | Business to Business |
| B2B2C | Business to Business to Consumer |
| BOD | Board of Directors |
| BRM | Board risk management |
| CAPEX | Capital Expenditure |
| CCR | Central Control Room |
| CEO | Chief Executive Officer |
| CHRO | Chief Human Resources Officer |
| CO2 | Carbon Dioxide |
| CPP | Captive power plant |
| Cr | Crore |
| CSMO | Chief Sales & Marketing Officer |
| CSO | Customer Service Officer |
| CSR | Corporate Social Responsibility |
| Cum | Cubic Meter |
| EBITDA | Earnings before interest, taxes, depreciation, and amortization |
| ESG | Environmental, Social and Governance |
| FPO | Farmer Producer Organisation |
| FRP | Fibre Reinforced Plastic |
| FY | Financial Year |
| GBC | Green Building Centre |
| GDP | Gross Domestic Product |
| GIS | Geographic information system |
| GPS | Global Positioning System |
| GRI | Global Reporting Initiative |
| GST | Goods and Services Tax |
| H&S | Health & Safety |
| IHB | Individual home builder |
| IT | Information technology |
| Kg | Kilogram |
| Kg/t | Kilogram/tonne |
| KPI | Key performance indicators |
| KVK | Krishi Vigyan Kendra |

| Acronym | Meaning |
|---|---|
| LTIFR | Lost time injury frequency rate |
| MANCOM | Management Committee |
| MCM | Million Cubic Meters |
| Mn | Million |
| MSA | Master Supply Agreement |
| MT | Million Tonnes |
| MTPA | Million Tonnes Per Annum |
| N.A. | Not Applicable |
| No. | Number |
| NR | Not Reported |
| NOx | Nitrogen oxides |
| OT | Operational technology |
| Pg | Page |
| PMAY | Prime Minister Awas Yojana |
| R&D | Research & Development |
| RDF | Refuse Derived Fuel |
| RMX | Ready Mix Concrete |
| RRWHS | Rooftop Rainwater Harvesting Systems |
| SAIL | Super Assisted Intelligent Learning |
| SBTi | Science Based Targets initiative |
| SCARF | Status, Certainty, Autonomy, Relatedness, and Fairness |
| SD | Sustainable Development |
| SEDI | Skill & Entrepreneurship Development Institutes |
| SDGs | Sustainable Development Goals |
| SIEM | Security information and event management |
| SOC | Security operations centre |
| SOx | Sulphur oxides |
| TJ | Terajoule |
| TSR | Thermal substitution rate |
| VFS | Variable Frequency Drive |
| WDR | Waste Derived Resources |
| WASH | Water, sanitation and hygiene |
| WBCSD | World Business Council for Sustainable Development |
| WHRS | Waste Heat Recovery Systems |
| WTD | Whole Time Director |

# NOTES

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