



Building the Nation and
the Company

ACC LIMITED
81st Annual Report 2016



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Board of Directors (as on February 3, 2017)

Mr N S Sekhsaria

Chairman

Mr Eric Olsen

Deputy Chairman

Mr Harish Badami

Chief Executive Officer & Managing Director

Mr Neeraj Akhoury

Managing Director & Chief Executive Officer (Designate)

Mr Martin Kriegner

Mr Shailesh Haribhakti

Mr Sushil Kumar Roongta

Mr Ashwin Dani

Mr Farrokh K Kavarana

Mr Vijay Kumar Sharma

Mr Arunkumar R Gandhi

Mrs Falguni Nayar

Mr Christof Hässig

AUDIT COMMITTEE

Mr Arunkumar R Gandhi
Chairman

Mr Martin Kriegner

Mr Sushil Kumar Roongta

Mr Ashwin Dani

Mr Farrokh K Kavarana

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr Farrokh K Kavarana

Chairman

Mr Shailesh Haribhakti

Mr Harish Badami

NOMINATION & REMUNERATION COMMITTEE

Mr Ashwin Dani

Chairman

Mr N S Sekhsaria

Mr Martin Kriegner

Mr Shailesh Haribhakti

Mr Farrokh K Kavarana

Mr Eric Olsen

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr Shailesh Haribhakti
Chairman

Mrs Falguni Nayar

Mr Farrokh K Kavarana

Mr Harish Badami

RISK MANAGEMENT COMMITTEE

Mr Shailesh Haribhakti
Chairman

Mrs Falguni Nayar

Mr Sushil Kumar Roongta

Mr Harish Badami

COMPLIANCE COMMITTEE

Mr Farrokh K Kavarana

Chairman

Mr Shailesh Haribhakti

Mr Sushil Kumar Roongta

Mr Harish Badami

EXECUTIVE COMMITTEE

Mr Harish Badami
CEO & Managing Director

(Chairman of Executive Committee)

Mr Sunil K Nayak
Chief Financial Officer

Mr Philip Mathew
Chief Manufacturing Officer

Mr Jayanta Datta Gupta
Chief Marketing Officer

Mr Behram Sherdiwala
Chief People Officer

COMPANY SECRETARY & HEAD COMPLIANCE

Mr Burjor D Nariman

AUDITOR

S R B C & CO LLP

COST AUDITOR

N I Mehta & Co.

BANKERS

State Bank of India

Citibank NA

HDFC Bank Limited

REGISTERED OFFICE

Cement House

121 Maharshi Karve Road

Mumbai 400 020

Website:

www.acclimited.com

ANNUAL GENERAL MEETING

On Wednesday,
March 29, 2017 at 3:00 pm
at Birla Matushri Sabhagar
19, Sir Vithaldas
Thackersey Marg
Mumbai 400 020

Members are requested to kindly bring their copy of the Annual Report to the Meeting



Chairman's Message

In 2016, your Company completed eight decades of its tryst with the Nation, a vintage enjoyed by a mere handful of names in our corporate annals.

2016 was also a testing year, with an economy that failed to energize the construction sector and confronted the cement market with subdued sales. But amid these challenges, there were positive developments in both cement and ready mixed concrete segments by way of greater cost efficiency, strengthened product development and energetic customer excellence initiatives.

The Jamul integrated project was successfully completed during the year, showcasing the country's most modern plant with state-of-the-art features that enable it to meet global standards.

Last year your Company strengthened its association with Ambuja Cements Limited and the worldwide LafargeHolcim group in a manner that enables it to derive greater synergies.

Mr Neeraj Akhoury takes over as Managing Director & CEO with effect from February 4, 2017 in place of Mr Harish Badami who tendered his resignation as Chief Executive Officer & Managing Director.

Made up of eminent personalities of professional prowess and indubitable integrity, the Board guides the company in retaining its reputation of being professionally managed with its core values firmly rooted in demonstrating sound ethics and good corporate citizenship to deliver maximum value to its stakeholders.

“ Last year your Company strengthened its association with Ambuja Cements Limited and the worldwide LafargeHolcim group in a manner that enables it to derive greater synergies. ”

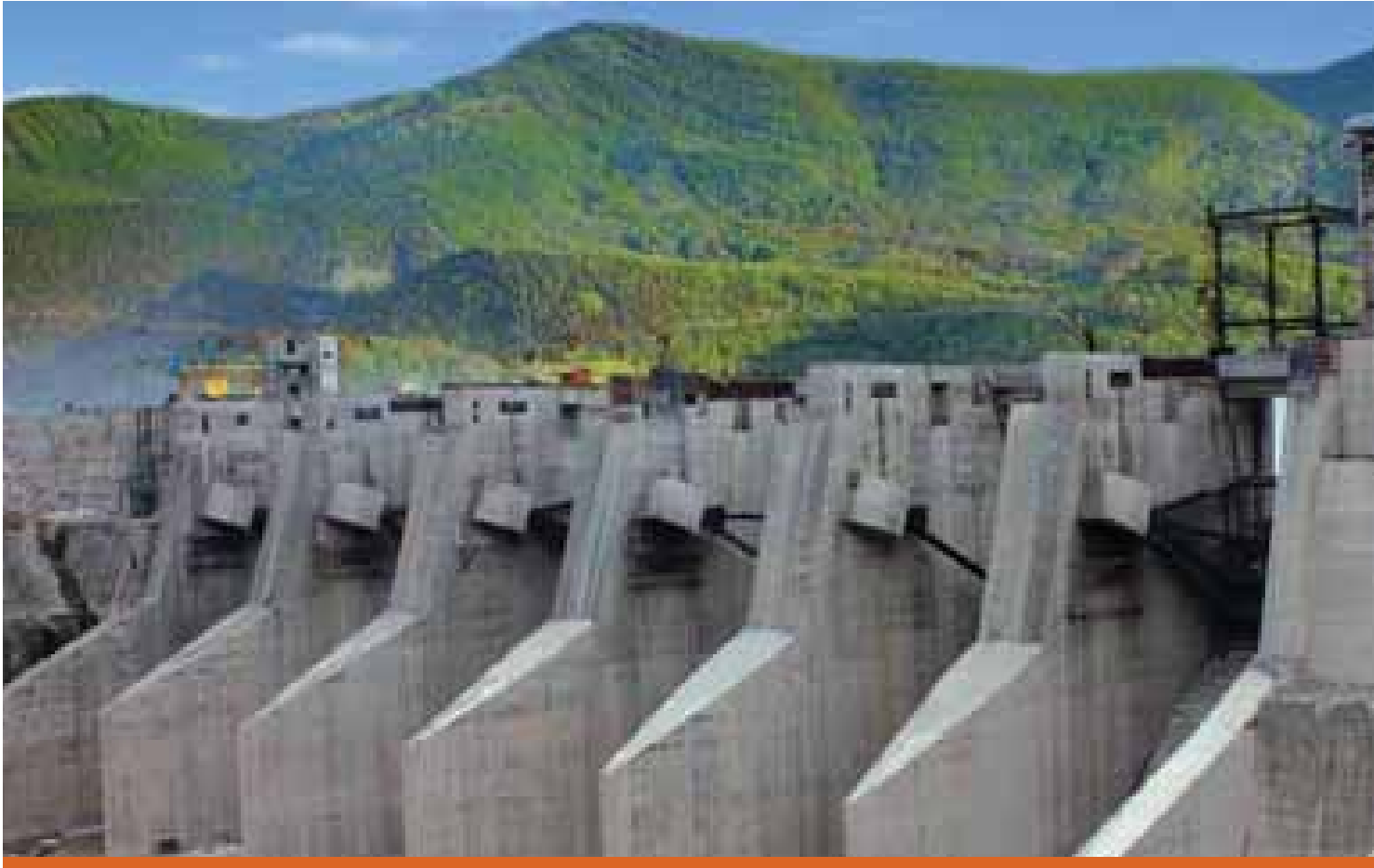
The Union Budget proposals announced this February have brightened prospects for the national economy with plans that are expected to advance macroeconomic growth, boost investor confidence and provide impetus to the rural economy. The cement industry and we are particularly enthused by measures devised to accelerate investment in infrastructure development and housing sector.

In this unfolding scenario, I am confident that your Company's continued focus on cost competitiveness and the thrust on enhancing customer excellence will help it present an improved performance.

ACC has a strong and dedicated team of employees, responsive to every problem; as always I am confident they will also rise to meet any challenge with purposeful grit and determination.

Narotam Sekhsaria

Building India





In the eight decades of the company's operations, its products and services have been used in raising mega structures and iconic landmarks that symbolize a nation in progress.

ACC has played a meaningful role in the nation building process, providing quality building materials and services and sharing its expertise - touching the lives of generations of people in cities, towns and villages. Its presence has been vital in raising mega structures like dams, canals, irrigation schemes, power plants, ports, roads and railways besides enabling urban transformation with skyscrapers, flyovers & bridges, airports and metro rail projects.

An indefatigable workforce supported by an extensive network of channel partners who cater to a vast number of individual house builders has marked ACC as a brand to trust for durability.



As the government moves ahead with plans for greater investments in infrastructure development, Smart Cities and urban transformation, the company has also revved up its capability to provide quality building materials and services to match the engineering excellence that go into implementing ambitious projects necessary in these segments.



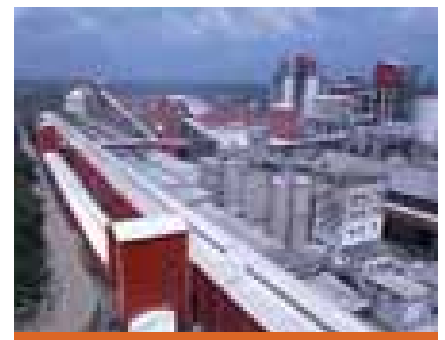
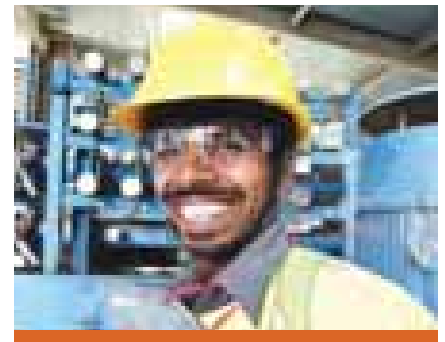
Made In India

- Manufacturing Excellence



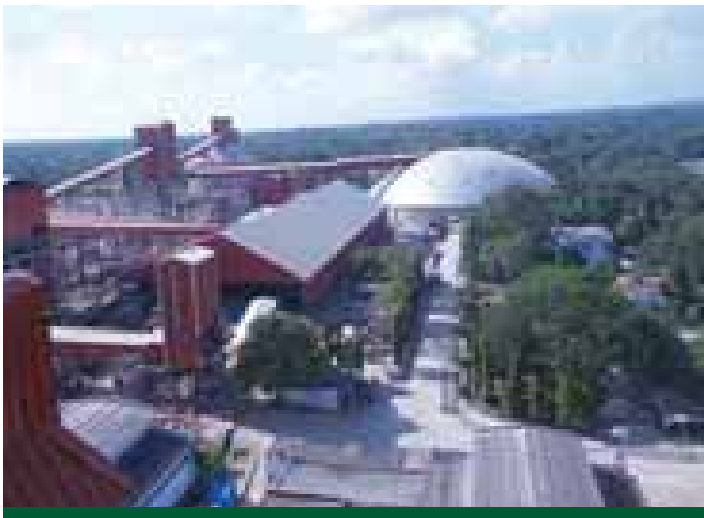
ACC has been an unrivalled pioneer in India's cement and concrete industries. Its facilities for the manufacture of cement and concrete, which have state-of-the-art technology including a considerable degree of automated process control systems, demonstrate high performance levels and assure consistent quality to match world class standards. The recently commissioned new Jamul Integrated Plant is in itself a showcase of India's project and engineering excellence.

ACC Cement and Concrete plants are capable of meeting specific needs of customers – beginning with the basic requirements of individual builders of small homes to the complex and challenging demands of mega projects for High Performance Concrete and other specialized applications.





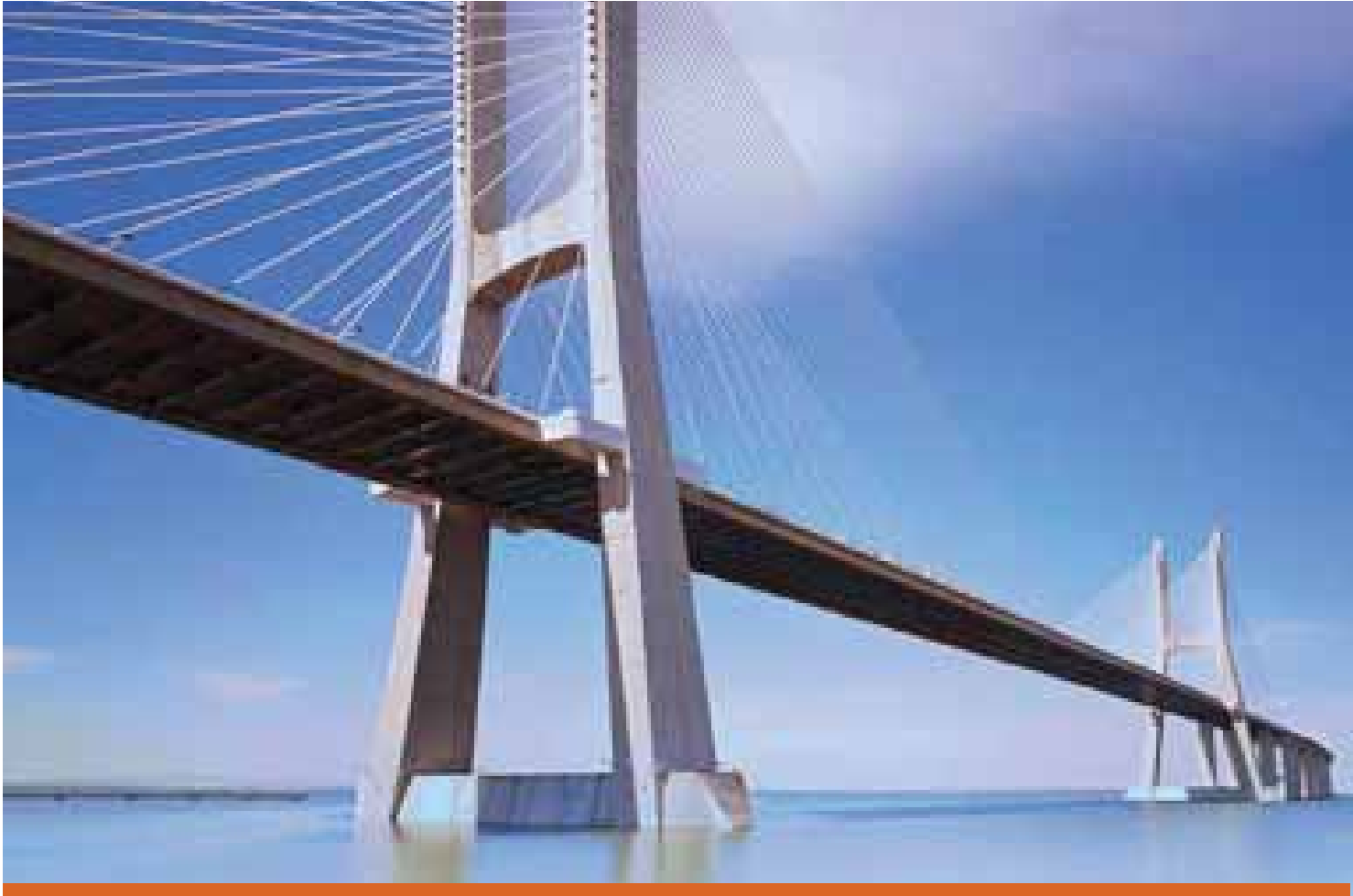
In making continuous strides to upgrade and assimilate the latest best practices, the Company benefits from its association with LafargeHolcim, the world leader in building materials industry, which has over 2500 operations in 90 countries. An alliance with such a vast industrial array permits a remarkable opportunity for referencing and global benchmarking.



ACC's team of engineers, shopfloor associates and workers are considered among the best in the country. All plants follow a strict regimen of safety management protocols.

Building Innovativeness

- World Class Excellence in Cement and Concrete



ACC's unique track record of innovative research and development has led to its recognition as a pioneer and trendsetter with several breakthroughs in cement and concrete over the years and more recently to include many new products that have widened its portfolio of value-added varieties of cement and concrete for special and customized applications.





The customer is the pivot in the process of innovation, quality and product development - with systems in place to harvest new customer insights and expectations to improve on service levels. With the customer strategically ensconced in the driver's seat of the planning process, a purposeful direction and metrics emerge in the context of decision-making in all aspects of creating and securing value for the customer.



ACC pioneered the distribution of Bulk Cement and Ready Mixed Concrete and is among the largest suppliers of concrete in the country. These two products have been contributing significantly to the construction industry - ushering in sophisticated practices and accelerating the pace of large infrastructure, industrial and housing projects.

Building Trust

- Board of Directors *(as on February 3, 2017)*



Mr N S Sekhsaria
Chairman



Mr Eric Olsen
Deputy Chairman



Mr Harish Badami
*Chief Executive Officer &
Managing Director*



Mr Neeraj Akhoury
*Managing Director & Chief
Executive Officer (Designate)*



Mr Martin Kriegner



**Mr Shailesh
Haribhakti**



**Mr Sushil Kumar
Roongta**



Mr Ashwin Dani



**Mr Farrokh K
Kavarana**



Mr Vijay Kumar Sharma



Mr Arunkumar R Gandhi



Mrs Falguni Nayar



Mr Christof Hässig

- Executive Committee *(as on February 3, 2017)*



Mr Harish Badami
CEO & Managing Director
(Chairman of Executive
Committee)



Mr Sunil K Nayak
Chief Financial Officer



Mr Philip Mathew
Chief Manufacturing Officer



Mr Jayanta DattaGupta
Chief Marketing Officer



Mr Behram Sherdiwala
Chief People Officer

Neeraj Akhoury,
*who takes over as Managing
Director & Chief Executive
Officer with effect from
February 4, 2017*



ACC is recognized as a professionally managed company. Its Board of Directors, a majority of who are independent Directors comprising professionals of repute, competence and integrity, guides the organization; providing it overall direction and strategy while maintaining the company's tradition of upholding the highest standards of corporate governance.

Day-to-day working and operations of the Company is overseen by the Executive Committee (ExCo) led by the Managing Director and Chief Executive Officer. The ExCo is made up of the chief officers of Finance, Manufacturing, Marketing and Human Resources with other functional heads and executives invited to attend its meetings as required from time to time. The ExCo is responsible and accountable for overall business deliverables.

Building Sustainability

- Concern for the Planet & People



Sustainability is an intrinsic part of ACC's long term growth strategy. It is manifest in the Company's operating practices and systems which are all geared towards conservation of resources, environment management, innovation and community engagement to create value for all stakeholders.

For the third time in the last four years, the Company received India's most prestigious CII-ITC Sustainability Award 2016 for "Outstanding Accomplishment" in recognition of its continuous commitment to the cause. Committed to reduce its carbon footprint in line with the Low Carbon Technology Roadmap for the Cement Industry of the Cement Sustainability Initiative, ACC's carbon emissions are counted among the best-in-class and show a reduction of 33 per cent over two decades.

ACC is proud to be chosen from among leading companies to receive the first ever "ICSI CSR Excellence Awards 2016" instituted by The Institute of Company Secretaries of India. The Company's social development schemes benefited over 4.23 lakh people in 202 villages across India addressing the local communities' needs in the thematic areas of Livelihood, Education, Health & Sanitation that are compliant with Companies Act 2013.



CII-ITC Sustainability Award 2016



ICSI CSR Excellence Award



Building Talent



ICAI Award for Excellence in Financial Reporting - Annual Report 2015



Annual Report 2015 wins South Asian Federation of Accountants Award.



Continuous efforts go into identifying, developing and nurturing talent at all levels within the organization through training programmes and exposure to make employees future ready for designated roles. Talent development efforts are also made in respect of Shopfloor associates with interventions to help build up-skilling and multitasking capabilities.

Benchmarking with best in class practices in plants across the worldwide group, a new organization design was put in place, ushering in a new way of working with streamlined work practices and centres of excellence that encourage

the sharing of best practices to enhance people skills and capabilities.

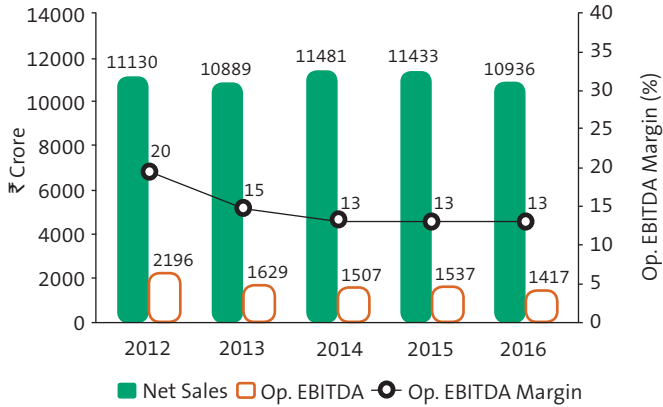
The tradition of strong values and ethics that characterize corporate culture was fortified with a new set of core values labeled as CRISP, an acronym enjoining emphasis on the five distinct dimensions of Customer, Results, Integrity, Sustainability and People. Overarched by Safety, this embodies the high performance culture the company wants its employees to demonstrate in all their actions.



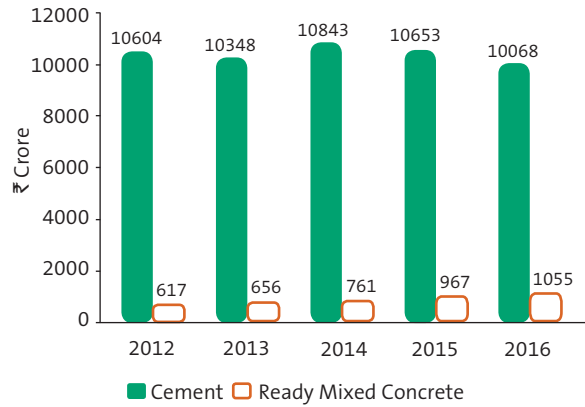
Performance Highlights

(Standalone Financial)

NET SALES, OPERATING EBITDA & OPERATING EBITDA MARGIN

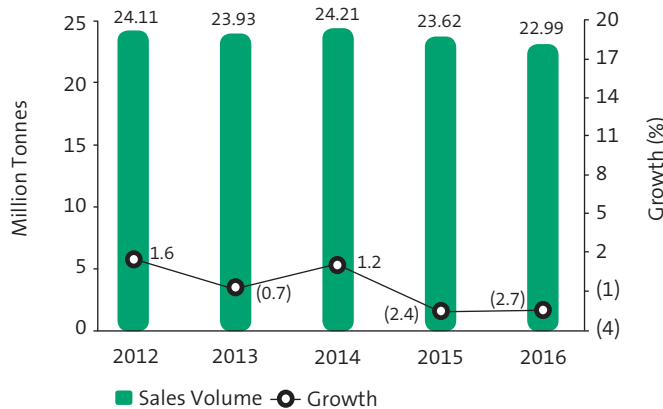


SEGMENT WISE NET SALES*

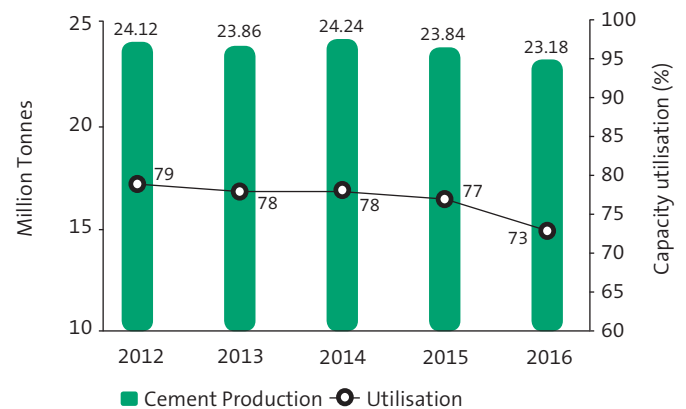


*Cement sales include inter-segment sales

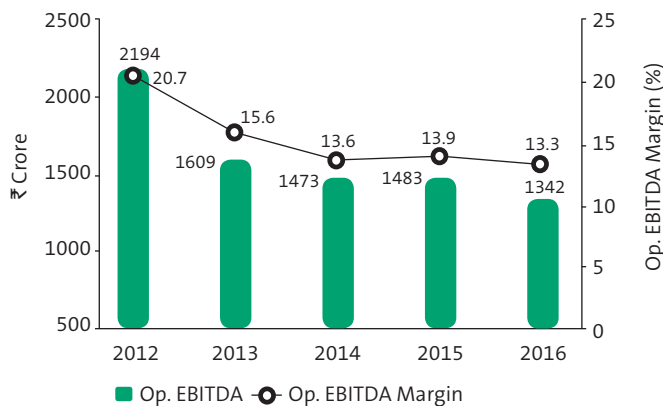
CEMENT SALES VOLUME & GROWTH



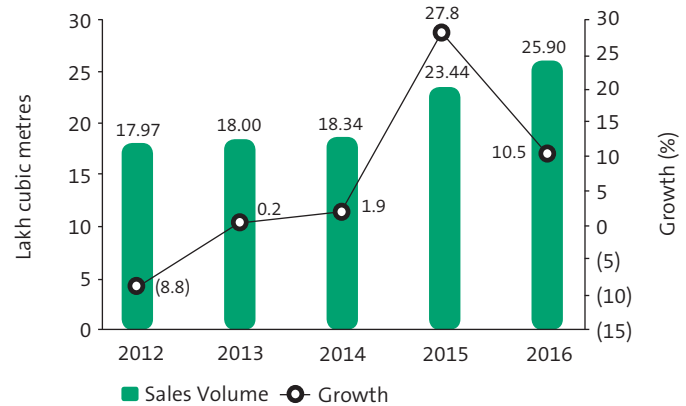
CEMENT PRODUCTION & CAPACITY UTILISATION



CEMENT OPERATING EBITDA & OPERATING EBITDA MARGIN



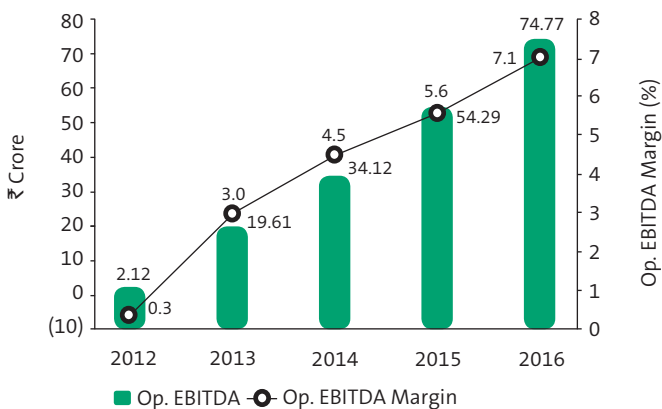
READY MIXED CONCRETE SALES VOLUME & GROWTH



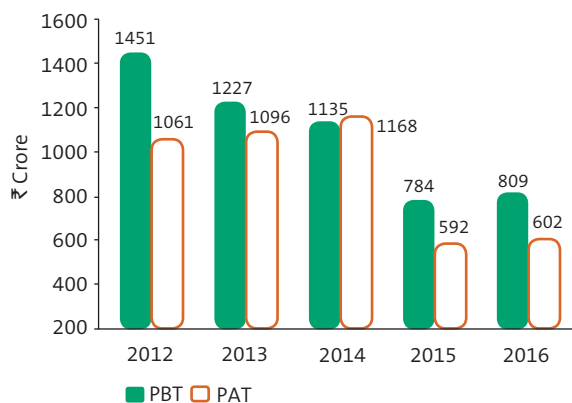
Performance Highlights

(Standalone Financial)

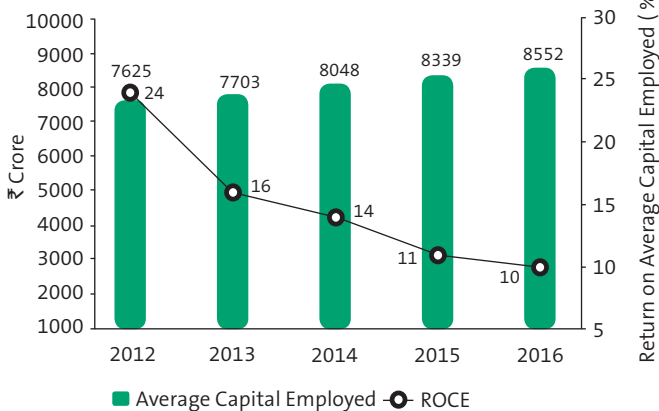
READY MIXED CONCRETE OPERATING EBITDA & OPERATING EBITDA MARGIN



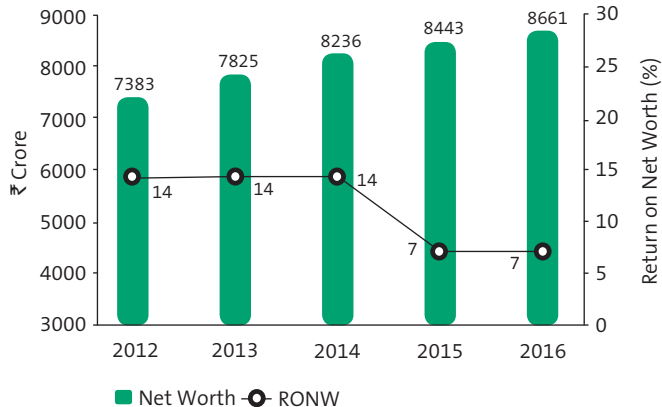
PROFIT BEFORE TAX & PROFIT AFTER TAX



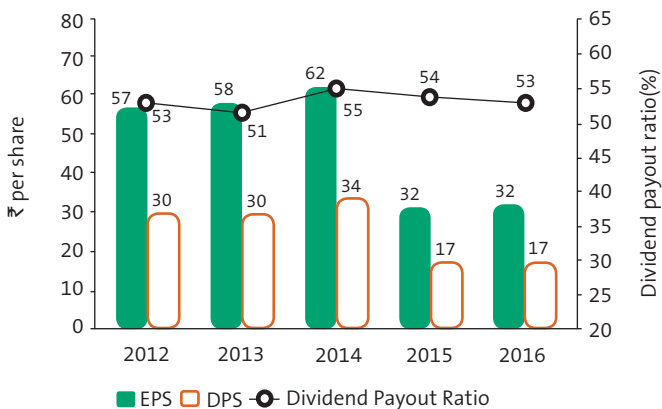
AVERAGE CAPITAL EMPLOYED & RETURN ON CAPITAL EMPLOYED



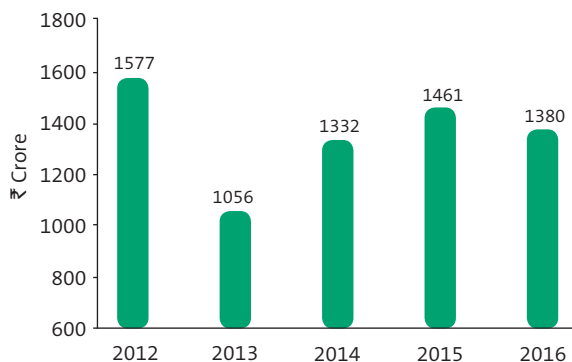
NET WORTH & RETURN ON NET WORTH



DIVIDEND PER SHARE, EARNING PER SHARE AND DIVIDEND PAYOUT RATIO*

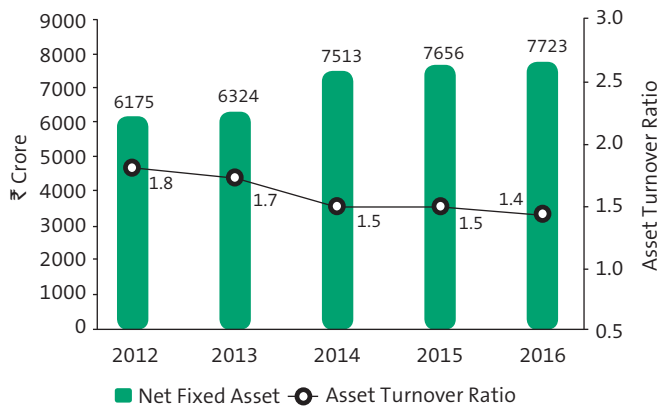


NET CASH GENERATED FROM OPERATIONS

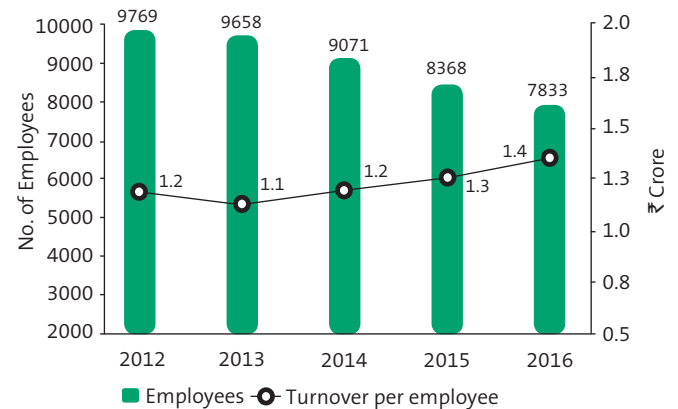


*Dividend payout ratio is calculated without considering dividend distribution tax

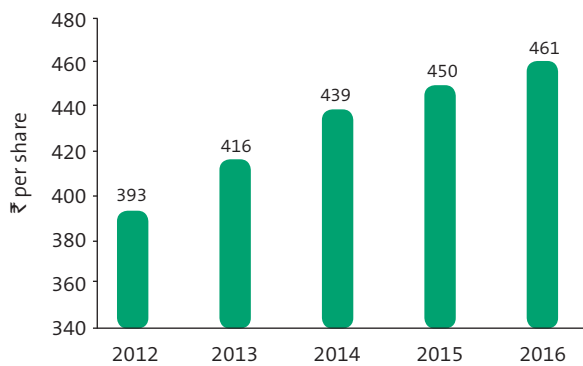
NET FIXED ASSETS & ASSET TURNOVER RATIO



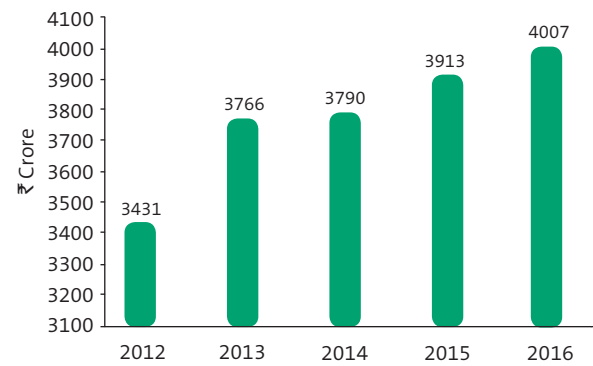
EMPLOYEES AT THE YEAR END & AVERAGE SALES PER EMPLOYEE



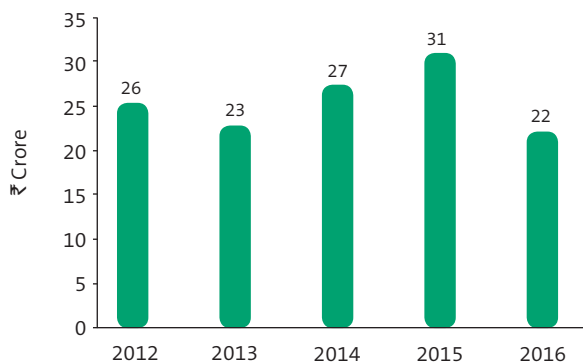
BOOK VALUE PER SHARE



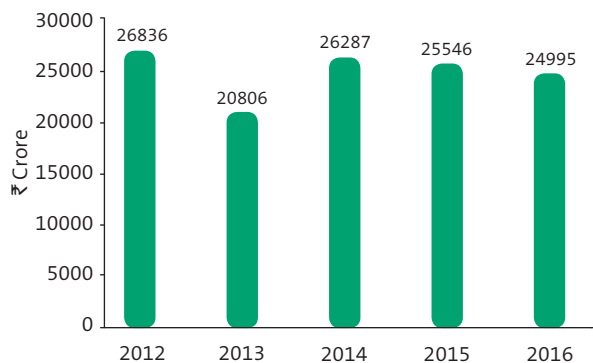
CONTRIBUTION TO EXCHEQUER



CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

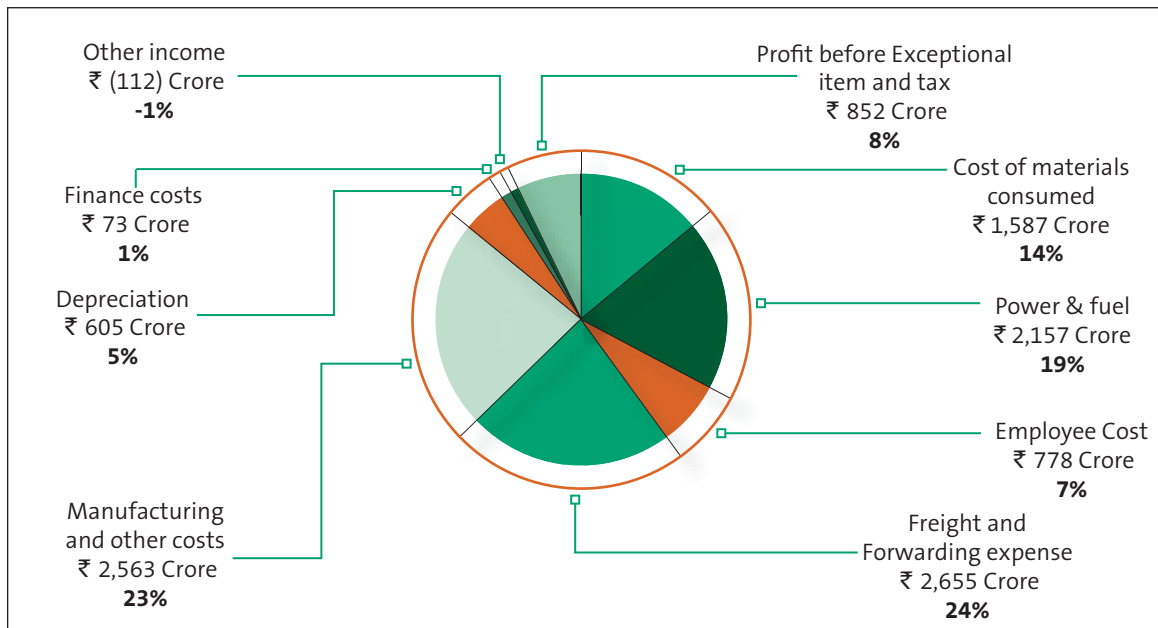


MARKET CAPITALISATION AT YEAR END

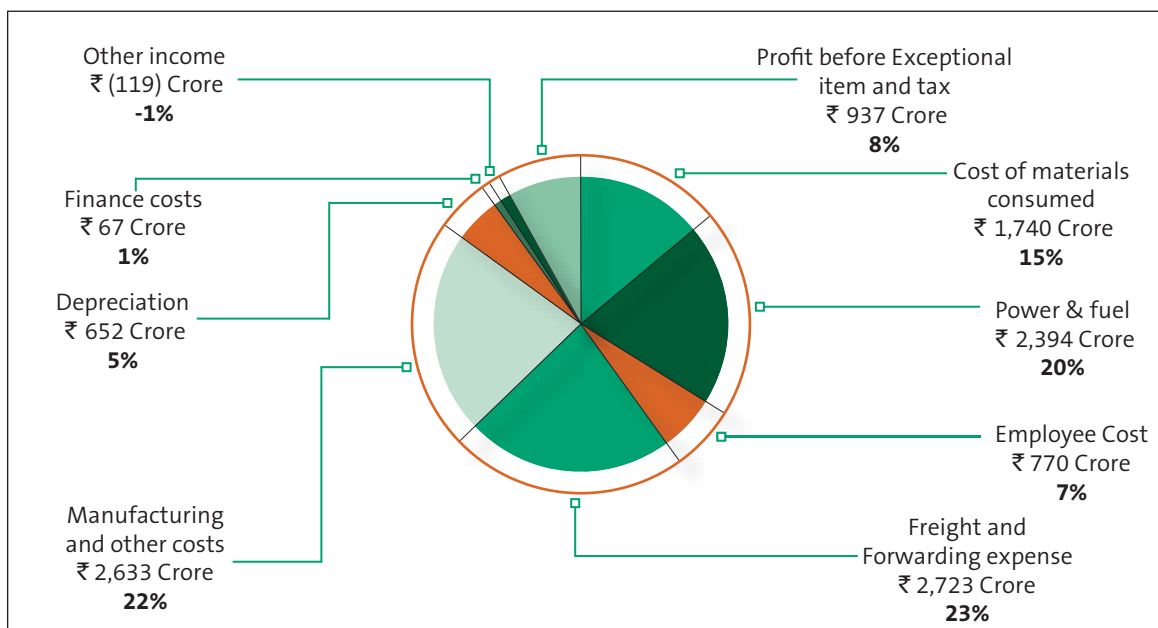


Cost & Profit as a Percentage of Revenue from operations

2016



2015



STANDALONE FINANCIAL HIGHLIGHTS

Particulars	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Cement Production (Million Tonne)	23.18	23.84	24.24	23.86	24.12	23.46	21.14	21.37	20.84	19.92
Cement Sales (Million Tonne)	22.99	23.62	24.21	23.93	24.11	23.73	21.29	21.50	21.01	19.97
Capacity utilisation	73%	77%	78%	78%	79%	81%	77%	91%	93%	91%
INCOME STATEMENT - ₹ Crore										
Net Sales	10,936	11,433	11,481	10,889	11,130	9,430	7,710	7,967	7,126	6,905
Operating EBITDA	1,417	1,537	1,507	1,629	2,196	1,921	1,812	2,644	1,899	1,993
Profit before exceptional items and tax	852	937	1,135	1,227	1,787	1,540	1,461	2,294	1,688	1,717
Profit before tax	809	784	1,135	1,227	1,451	1,540	1,461	2,294	1,737	1,930
Profit after tax	602	592	1,168	1,096	1,061	1,325	1,120	1,607	1,213	1,439
BALANCE SHEET - ₹ Crore										
Net Worth	8,661	8,443	8,236	7,825	7,383	7,192	6,469	6,016	4,928	4,153
Long-term borrowings	-	-	-	35	163	511	524	567	482	306
Net Fixed Assets (Including CWIP)	7,723	7,656	7,513	6,324	6,175	6,573	6,548	6,113	4,717	3,741
Cash and cash equivalents	1,944	1,389	1,686	2,621	3,137	2,932	2,388	1,876	1,438	1,489
Current Assets	3,810	3,609	3,485	3,476	3,098	3,691	2,751	2,458	3,116	2,426
Current Liabilities	4,168	3,893	3,900	3,726	3,863	3,768	3,746	3,114	2,766	2,221
Capital Employed	8,661	8,443	8,236	7,860	7,546	7,703	6,993	6,583	5,410	4,459
SIGNIFICANT RATIOS										
Operating EBITDA margin	13%	13%	13%	15%	20%	20%	24%	33%	27%	29%
Average Return on Capital Employed	10%	11%	14%	16%	24%	22%	22%	39%	35%	42%
Return on Net Worth	7%	7%	14%	14%	14%	18%	17%	27%	25%	35%
Current Ratio (Times)	0.91	0.93	0.89	0.93	0.80	0.98	0.73	0.72	1.00	0.99
Debts Equity Ratio (Times)	-	-	-	0.004	0.02	0.07	0.08	0.09	0.10	0.07
Price Earning Ratio (Times)	41.24	43.07	22.56	18.91	25.15	16.29	18.04	10.23	7.39	13.74
Net worth per Share (₹)	461	450	439	416	393	385	345	320	263	221
Dividend per share (₹)	17	17	34	30	30	28	30.50	23	20	20
Basic Earnings per Share (₹)	32.08	31.51	62.23	58.36	56.52	70.59	59.66	85.60	64.63	76.75
Cash Earnings per Share (₹)	64.31	74.40	91.93	88.93	104.15	95.90	80.57	103.83	80.31	93.03
CASH FLOWS - ₹ Crore										
Net cash provided by / (used in)										
Operating activities	1,380	1,461	1,332	1,056	1,577	1,571	1,935	2,397	1,708	2,023
Investing activities	(539)	(948)	(1,437)	(858)	(311)	(258)	(812)	(1,505)	(1,170)	(824)
Financing activities	(421)	(681)	(837)	(834)	(1,066)	(768)	(621)	(455)	(297)	(1,075)

Notes:

1. Cash and cash equivalents includes Cash and bank balances, investment in short term deposits and mutual funds
2. Current maturities of Long-Term Borrowings have been included in Borrowings and excluding same from current liabilities.
3. Operating EBITDA: Profit from operations before other income, finance costs and Depreciation and amortization expense
4. Average Return on Capital Employed: EBIT/ Average Capital Employed
(Capital Employed: Net worth + Long-term borrowings + Current maturities of Long-Term borrowings)
(EBIT: Profit before exceptional items and tax + Interest on Long-term borrowings)
5. Return on Net worth: Profit after Tax / Net worth
6. Debts Equity Ratio: (Long-term borrowings + Current maturities of Long-Term borrowings) / Shareholders' funds
7. Price Earning Ratio: Market Price per share / Basic Earnings per share
8. Net worth per share: Net Worth / Number of Equity Shares
9. Current Assets : Total assets - Fixed assets - Investments
10. Current Liability: Current liability excluding Short-term borrowings + Long-term provisions

STATEMENT OF DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

	2016 ₹ Crore	2015 ₹ Crore
WEALTH GENERATED		
Gross Income*	14,453	15,026
Operating costs	(8,568)	(9,099)
	5,885	5,927
WEALTH DISTRIBUTION		
Employees as remuneration including retirement benefits	778	770
Contribution to Government as taxes and other levies	4,008	3,913
Shareholders as dividend	319	319
Community investments	22	31
Finance Costs	73	67
Retained with the Business	685	827

*Inclusive of sales tax / value added tax (VAT)

VALUE ADDED STATEMENT

	2016 ₹ Crore	2015 ₹ Crore	2014 ₹ Crore	2013 ₹ Crore	2012 ₹ Crore
Equity	8,661	8,443	8,236	7,825	7,383
Long-term Debts	-	-	-	35	163
Capital employed	8,661	8,443	8,236	7,860	7,546
Average Capital Employed	8,552	8,339	8,048	7,703	7,625
Value added					
Net operating profit after taxes*	645	692	1,168	1,096	1,288
Add: interest on Long-term borrowings, after tax	-	-	1	4	31
Net operating profit after taxes (NOPAT)	645	692	1,169	1,100	1,319
Cost of Capital	963	1,074	1,038	1,017	919
Value added	(318)	(382)	131	83	400
NOPAT / Average Capital employed (%)	7.54	8.30	14.53	14.28	17.30
Weighted Average Cost of Capital (%)	11.26	12.88	12.90	13.20	12.05
Value added / Average Capital Employed (%)	(3.72)	(4.58)	1.63	1.08	5.25
Enterprise Value					
Market Capitalisation (As at December, 31)	24,995	25,546	26,287	20,806	26,836
Add: Long-term Debts	-	-	-	35	163
Less: Cash and Cash Equivalents	1,944	1,389	1,686	2,621	3,137
EV (Enterprise Value)	23,051	24,157	24,601	18,220	23,862
EV / Year end Capital Employed (Times)	2.66	2.86	2.99	2.32	3.16

*Net Operating profit is excluding exceptional item and tax impact on the same.

HORIZONTAL ANALYSIS OF STANDALONE BALANCE SHEET

Particulars	Amount in ₹ Crore									
	2016	2016 Vs 15 (%)	2015	2015 Vs 14 (%)	2014	2014 Vs 13 (%)	2013	2013 Vs 12 (%)	2012	
EQUITY AND LIABILITIES										
Shareholders' funds										
Share capital	188	0.02	188	-	188	-	188	-	188	-
Reserves and surplus	8,473	2.65	8,255	2.58	8,048	5.38	7,637	6.14	7,195	7,195
	8,661	2.59	8,443	2.52	8,236	5.25	7,825	5.99	7,383	7,383
Non-current liabilities										
Long-term borrowings	-	-	-	-	-	-	-	-	-	85
Deferred tax liabilities (Net)	558	18.97	469	(12.40)	535	5.58	507	(1.87)	517	517
Long-term provisions	132	9.86	120	3.38	116	9.23	106	14.92	92	92
	690	17.11	589	(9.59)	651	6.21	613	(11.65)	694	694
Current liabilities										
Short-term borrowing	50	40.90	36	-	-	-	-	-	-	-
Trade payables	1,257	43.80	874	16.51	750	17.37	639	(3.22)	660	660
Other current liabilities	2,173	(3.84)	2,260	7.78	2,097	7.39	1,952	2.93	1,897	1,897
Short-term provisions	606	(5.19)	639	(31.79)	937	(11.89)	1,064	(17.65)	1,292	1,292
	4,086	7.28	3,809	0.65	3,784	3.53	3,655	(5.03)	3,849	3,849
TOTAL	13,437	4.65	12,841	1.34	12,671	4.78	12,093	1.40	11,926	11,926
ASSETS										
Fixed assets	7,723	0.88	7,656	1.90	7,513	18.81	6,324	2.40	6,175	6,175
Non-current investments	236	(14.06)	275	(5.62)	291	64.53	177	(9.17)	195	195
Long-term loans and advances	963	(10.30)	1,073	25.46	855	(1.30)	867	53.64	564	564
Other non-current assets	483	3.67	466	29.17	361	17.02	308	85.87	166	166
	9,405	(0.68)	9,470	4.98	9,020	17.52	7,676	8.11	7,100	7,100
Current assets										
Current investments	1,568	30.56	1,201	(6.31)	1,282	(36.44)	2,017	(14.48)	2,359	2,359
Inventories	1,224	2.96	1,189	(5.34)	1,256	11.96	1,121	(1.07)	1,134	1,134
Trade receivables	468	(3.43)	484	17.93	411	3.39	397	30.90	303	303
Cash and bank balances	275	200.85	92	(69.90)	304	(39.55)	503	(25.80)	678	678
Short-term loans and advances	437	24.92	350	(8.88)	383	6.83	360	11.17	323	323
Other current assets	60	8.42	55	281.49	15	(25.30)	19	(32.40)	29	29
	4,032	19.62	3,371	(7.67)	3,651	(17.36)	4,417	(8.46)	4,826	4,826
TOTAL	13,437	4.65	12,841	1.34	12,671	4.78	12,093	1.40	11,926	11,926

VERTICAL ANALYSIS OF STANDALONE BALANCE SHEET

Particulars	Amount in ₹ Crore									
	2016	(%)	2015	(%)	2014	(%)	2013	(%)	2012	(%)
EQUITY AND LIABILITIES										
Shareholders' funds										
Share capital	188	1.40	188	1.46	188	1.48	188	1.55	188	1.58
Reserves and surplus	8,473	63.06	8,255	64.29	8,048	63.51	7,637	63.15	7,195	60.33
	8,661	64.46	8,443	65.75	8,236	64.99	7,825	64.70	7,383	61.90
Non-current liabilities										
Long-term borrowings	-	-	-	-	-	-	-	-	85	0.71
Deferred tax liabilities (Net)	558	4.15	469	3.65	535	4.23	507	4.19	517	4.34
Long-term provisions	132	0.98	120	0.93	116	0.91	106	0.88	92	0.77
	690	5.13	589	4.58	651	5.14	613	5.07	694	5.82
Current liabilities										
Short-term borrowing	50	0.37	36	0.28	-	-	-	-	-	-
Trade payables	1,257	9.36	874	6.81	750	5.92	639	5.29	660	5.54
Other current liabilities	2,173	16.17	2,260	17.60	2,097	16.55	1,952	16.14	1,897	15.91
Short-term provisions	606	4.51	639	4.98	937	7.40	1,064	8.80	1,292	10.83
	4,086	30.41	3,809	29.67	3,784	29.87	3,655	30.23	3,849	32.28
TOTAL	13,437	100.00	12,841	100.00	12,671	100.00	12,093	100.00	11,926	100.00
ASSETS										
Fixed assets	7,723	57.48	7,656	59.62	7,513	59.29	6,324	52.29	6,175	51.78
Non-current investments	236	1.76	275	2.14	291	2.30	177	1.46	195	1.63
Long-term loans and advances	963	7.16	1,073	8.36	855	6.75	867	7.17	564	4.73
Other non-current assets	483	3.59	466	3.63	361	2.85	308	2.55	166	1.39
	9,405	69.99	9,470	73.75	9,020	71.19	7,676	63.47	7,100	59.53
Current assets										
Current investments	1,568	11.67	1,201	9.35	1,282	10.12	2,017	16.68	2,359	19.78
Inventories	1,224	9.11	1,189	9.26	1,256	9.91	1,121	9.27	1,134	9.51
Trade receivables	468	3.48	484	3.77	411	3.24	397	3.28	303	2.54
Cash and bank balances	275	2.05	92	0.71	304	2.40	503	4.16	678	5.69
Short-term loans and advances	437	3.25	350	2.72	383	3.03	360	2.98	323	2.71
Other current assets	60	0.45	55	0.43	15	0.11	19	0.16	29	0.24
	4,032	30.01	3,371	26.25	3,651	28.81	4,417	36.53	4,826	40.47
TOTAL	13,437	100.00	12,841	100.00	12,671	100.00	12,093	100.00	11,926	100.00

HORIZONTAL ANALYSIS OF STATEMENT OF PROFIT AND LOSS

Particulars	₹ Crore								
	2016	2016 Vs 15 (%)	2015	2015 Vs 14 (%)	2014	2014 Vs 13 (%)	2013	2013 Vs 12 (%)	2012
Revenue from operations (net)	11,158	(5.42)	11,797	0.50	11,738	5.27	11,150	(1.60)	11,331
Other Income	113	(5.04)	119	(55.60)	268	(6.29)	286	7.92	265
Total Income	11,271	(5.41)	11,916	(0.75)	12,006	4.98	11,436	(1.38)	11,596
Cost of materials consumed	1,587	(8.79)	1,740	(2.68)	1,788	11.12	1,609	4.55	1,539
Purchase of traded goods	90	(16.67)	108	(44.33)	194	20.50	161	65.98	97
Changes in inventories	17	-	-	(100.00)	(11.00)	(257.14)	7	(65.00)	20
Employee benefits expense	778	1.04	770	3.08	747	13.01	661	7.13	617
Power and fuel	2,157	(9.90)	2,394	(1.97)	2,442	2.78	2,376	(0.17)	2,380
Freight and Forwarding expense	2,655	(2.50)	2,723	4.81	2,598	12.52	2,309	3.96	2,221
Finance costs	73	8.96	67	(19.28)	83	(27.19)	114	(0.87)	115
Depreciation and amortization expense	605	(7.21)	652	16.85	558	(2.79)	574	2.68	559
Other expenses	2,457	(2.69)	2,525	2.14	2,472	3.09	2,398	6.01	2,262
Total expenses	10,419	(5.10)	10,979	0.99	10,871	6.48	10,209	4.07	9,810
Exceptional items	43	(71.90)	153	-	-	-	-	-	335
Profit before tax	809	3.19	784	(30.93)	1,135	(7.50)	1,227	(15.44)	1,451
Tax expenses	207	7.81	192	(681.82)	(33)	(125.19)	131	(66.41)	390
Profit for the year	602	1.69	592	(49.32)	1,168	6.57	1,096	3.30	1,061

VERTICAL ANALYSIS OF STATEMENT OF PROFIT AND LOSS

Particulars	2015									
	2016	(%)	2015	(%)	2014	(%)	2013	(%)	2012	(%)
Revenue from operations (net)	11,158	100.00	11,797	100.00	11,738	100.00	11,150	100.00	11,331	100.00
Other Income	113	1.01	119	1.01	268	2.28	286	2.57	265	2.34
Total Income	11,271	101.01	11,916	101.01	12,006	102.28	11,436	102.57	11,596	102.34
Cost of materials consumed	1,587	14.22	1,740	14.75	1,788	15.23	1,609	14.43	1,539	13.58
Purchase of traded goods	90	0.81	108	0.92	194	1.65	161	1.44	97	0.86
Changes in inventories	17	0.15	-	-	(11.00)	(0.09)	7	0.06	20	0.18
Employee benefits expense	778	6.97	770	6.53	747	6.36	661	5.93	617	5.45
Power and fuel	2,157	19.33	2,394	20.29	2,442	20.80	2,376	21.31	2,380	21.00
Freight and Forwarding expense	2,655	23.79	2,723	23.08	2,598	22.13	2,309	20.71	2,221	19.60
Finance costs	73	0.65	67	0.57	83	0.71	114	1.02	115	1.01
Depreciation and amortization expense	605	5.42	652	5.53	558	4.75	574	5.15	559	4.93
Other expenses	2,457	22.02	2,525	21.40	2,472	21.06	2,398	21.51	2,262	19.96
Total expenses	10,419	93.38	10,979	93.07	10,871	92.61	10,209	91.56	9,810	86.58
Exceptional items	43	0.39	153	1.30	-	-	-	-	335	2.96
Profit before tax	809	7.25	784	6.65	1,135	9.67	1,227	11.00	1,451	12.81
Tax expenses	207	1.86	192	1.63	(33)	(0.28)	131	1.17	390	3.44
Profit for the year	602	5.40	592	5.02	1,168	9.95	1,096	9.83	1,061	9.36

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTY FIRST ANNUAL GENERAL MEETING OF ACC LIMITED (CIN:L26940MH1936PLC002515) will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on **Wednesday, March 29, 2017 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement (including Audited Consolidated Financial Statement) of the Company for the Financial Year ended December 31, 2016, and the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr N S Sekhsaria, having Director Identification Number 00276351, a Non Executive / Non Independent Director who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr Martin Kriegner having Director Identification Number 00077715, a Non Executive / Non Independent Director who retires by rotation and is eligible for re-appointment.
5. **Appointment of Statutory Auditors**
To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Deloitte Haskins and Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s S R B C & CO LLP, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company’s financial year 2017 to hold office

from the conclusion of the 81st Annual General Meeting of the Company till the conclusion of the 86th Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

SPECIAL BUSINESS

6. **Appointment of Mr Neeraj Akhoury as Director**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 (“the Rules”), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mr Neeraj Akhoury having Director Identification Number 07419090 who was appointed by the Board of Directors, as an Additional Director of the Company with effect from December 16, 2016, pursuant to Section 161 of the Act and the Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting of the Company, who being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing the candidature of Mr Akhoury for the office of Director, be and is hereby appointed as a Director of the Company.”

7. **Appointment of Mr Neeraj Akhoury as the Managing Director & Chief Executive Officer of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Mr Neeraj Akhoury, DIN: 07419090, as the Managing Director & Chief Executive Officer (MD&CEO) of the Company for a period of five years with effect from February 4, 2017, upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the Explanatory Statements annexed to this Notice and in the draft Agreement placed before the Meeting, duly initialed by the Company Secretary for the purpose of identification, which Agreement is hereby specifically sanctioned with authority to the Board of Directors (which term shall be deemed to include any duly authorized committee thereof for the time being exercising the power conferred on the Board by this Resolution) to alter and vary, increase, enhance or widen the terms and conditions of the said Appointment and/or Agreement in such manner as it may deem fit and as may be agreed to between the Board of Directors and Mr Akhoury and for this purpose the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

8. **Ratification of Remuneration to Cost Auditor**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company hereby ratifies and confirms the remuneration of ₹ 11.00 lakhs (Rupees Eleven lakhs) plus applicable taxes and out-of-pocket expenses incurred in connection with the cost audit, payable to Messrs D. C. Dave & Co., Cost Accountants, Mumbai, having Firm Registration No. 000611, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the year 2017.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

Notes:

- a. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5 to 8 of the accompanying Notice are annexed hereto.
- b. A statement giving additional details of the Directors seeking appointment/re-appointment as set out in Resolution at Item Nos. 3, 4 & 6 is annexed herewith as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the commencement of the meeting i.e. by 3.00 p.m. on March 27, 2017.

- d. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
- e. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.
- f. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slips enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.
- g. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
- h. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company during business hours upto the date of the Meeting.
- i. The Register of Members and Share Transfer Books of the Company shall remain closed from March 20, 2017 to March 24, 2017, both days inclusive, for payment of final dividend, if declared at the Meeting.
- j. If a dividend is declared at the Annual General Meeting, the payment of such dividend will be made to those Members of the Company whose names stand on the Register of Members of the Company on March 24, 2017. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on March 17, 2017, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from April 6, 2017.
- k. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
- l. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are in force), the Company has transferred on due dates, the unclaimed final dividend for the financial year ended December 31, 2008 and interim dividend for the financial year ended December 31, 2009, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has placed on its website www.acclimited.com, the information on dividends which remain with the Company unclaimed as on April 13, 2016 i.e. the date of the last Annual General Meeting. The information is also available on the website of the Ministry of Corporate Affairs www.mca.gov.in.
- m. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company whilst those Members holding shares in demat mode should file their nomination with their Depository Participant. The nomination form can be downloaded from the Company's website www.acclimited.com.

Process for Members opting for e-voting:

For Members whose e-mail addresses are registered with the Company/Depositories:

- i. Open the e-mail received from NSDL. Open the PDF file “**ACC remote e-voting.pdf**” with your Client ID or Folio No. as the password. The said PDF file contains the User-ID and Password for remote e-voting by the Member. Please note that the password is an initial password.

Members already registered with NSDL for e-voting will not receive the PDF file “ACC remote e-voting.pdf.”

- ii. In case Members are holding shares in Demat mode, User-ID is the combination of (DP ID+Client ID).

In case Members are holding shares in Physical mode, User-ID is the combination of (EVEN No.+Folio No.)

- iii. Open the internet browser and type the following **URL:<https://www.evoting.nsdl.com>**.
- iv. Click on Shareholder – Login.
- v. If a Member is already registered with NSDL for e-voting then he/she can use his/her existing User-ID and Password.
- vi. If a Member is logging in for the first time, he/she should enter the User-ID and Password provided in the Pdf file “ACC remote e-voting.pdf” attached with the aforementioned e-mail as the initial password.
- vii. The password change menu will appear on the screen. Members are advised to change to a new password of their choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep the password confidential.
- viii. Once the remote e-voting home page opens, click on **e-voting>Active e-Voting Cycles**.
- ix. Select “EVEN” (E-Voting Event Number) of ACC Limited which is 105966. “Cast Vote page” opens for remote e-voting.
- x. Members can cast their vote by selecting appropriate option and click on “Submit” and also click “Confirm” when prompted.

- xi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xii. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- xiii. Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are requested to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter etc., together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to kkd.scrutinizer@acclimited.com, with a copy marked to evoting@nsdl.co.in.
- xiv. In case of any queries, Members may refer the “Frequently Asked Questions (FAQs) – Shareholders” and “E-voting User Manual – Shareholders”, available at the downloads section of www.evoting.nsdl.com.

For Members whose e-mail addresses are not registered with the Company/Depositories:

Members will receive a Ballot Form along with the Annual Report. They have two options:

- i. To opt for remote e-voting and follow the steps mentioned in Sr. No. (ii) to Sr. No. (xiii) above, to cast their votes.
- ii. To opt for voting by physical Ballot. Those Members who choose to cast their vote by a physical ballot should fill in the Ballot form and post it to the Company at the address mentioned in the Business Reply Envelope.

Other Instructions:

- i. The e-voting period commences on Saturday, March 25, 2017 (9.00 a.m. IST) and ends on Tuesday, March 28, 2017 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form as on Wednesday, March 22, 2017, may cast their vote by remote e-voting. The remote e-voting module will be disabled by NSDL for voting thereafter.
- ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on Wednesday, March 22, 2017 and as per the Register of Members of the Company.

- iii. Mr Khushroo K Driver (ICSI Membership No. A7904) of K & K Corporate Solutions Pvt. Ltd., has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members who do not have access to e-voting facility may send the duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, in the enclosed postage pre-paid self addressed envelope not later than Friday, March 24, 2017 (5.00 p.m. IST). Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.

Members have the option to request for a physical copy of the Ballot Form by sending an e-mail to sujata.chitre@acclimited.com by mentioning their Folio No. / DP ID and Client ID No. However, the duly completed Ballot Forms should reach the Scrutinizer not later than Friday, March 24, 2017 (5.00 p.m. IST).

Ballot Forms received after this date will be treated as invalid.

A facility to enable Members to vote electronically will also be available at the venue of the Meeting.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.acclimited.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors,
For ACC Limited

Burjor D Nariman
Company Secretary & Head Compliance
FCS-1878

Mumbai
February 3, 2017

Registered Office:
Cement House
121, Maharshi Karve Road
Mumbai 400 020

REGISTRATION / UPDATING OF EMAIL IDS AND BANK DETAILS

Members are requested to support the "Green Initiative" by registering their Email address with the Company, if not already done.

Those members who have changed their Email Address are requested to register their new Email Address with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain Bank details of its Members for the purpose of payment of Dividends etc. **Members are requested to register / update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode to enable expeditious credit of the dividend into their respective Bank accounts electronically through the Automated Clearing House (ACH) mode.**

EXPLANATORY STATEMENTS

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013 (Act) set out all material facts relating to the business under Item Nos. 5 to 8 of the accompanying Notice dated February 3, 2017.

Item No. 5: This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s S R B C & Co., LLP, the present Auditors of the Company complete their term as Auditors.

In view of the above, M/s Deloitte Haskins & Sells LLP (Deloitte), Chartered Accountants, having Registration No. 117366W/W-100018, have been appointed as Auditors of the Company for a term of five years commencing from the Company's financial year 2017 to hold office from the conclusion of the 81st Annual General Meeting till the conclusion of the 86th Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No.5 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.5 of the Notice.

Item Nos. 6 & 7: Pursuant to the provisions of Sections 152, 161(1) and other applicable provisions of the Act read with applicable Rules framed thereunder and the Articles of Association of the Company, the Board of Directors has, on the recommendation of the Nomination and Remuneration Committee, appointed Mr Neeraj Akhoury as an Additional Director of the Company with effect from December 16, 2016 and nominated him as Managing Director & Chief Executive Officer (MD&CEO) (Designate) of the Company. As an Additional Director of the Company, Mr Akhoury holds office upto the date of the Annual General Meeting but is eligible for appointment as a Director of the Company.

A Notice has been received by the Company along with the requisite deposit from a Member, proposing the appointment of Mr Akhoury as a Director of the Company.

The Board of Directors at its Meeting held on December 16, 2016, has appointed Mr Neeraj Akhoury as the Managing Director & Chief Executive Officer (MD&CEO) of the Company for a period of five years with effect from February 4, 2017 upon the terms and conditions herein after indicated.

Mr Akhoury has a successful track record in core sector industries of steel and cement and has held leadership roles in India and other emerging markets. He started his career with Tata Steel in 1993 and in 1999 joined the former Lafarge Group in India. He was a member of the Executive Committee of Lafarge India, heading Corporate Affairs followed by Sales. In 2011, he moved to Nigeria as CEO & Managing Director of Lafarge AshakaCem PLC. Thereafter, he was appointed Strategy & Business Development Director for Middle East & Africa at the Lafarge headquarters in Paris. His previous appointment was as CEO of Lafarge Surma Cement Limited and Country Representative of LafargeHolcim Bangladesh.

Pursuant to the provisions of Sections 196, 197 & 203 and other applicable provisions, if any, of the Act, read with Schedule V and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the terms of appointment and remuneration of Mr Akhoury as MD&CEO is subject to approval of the Members of the Company in General Meeting.

The Terms of Appointment and Remuneration:

1. Period of Appointment

Five years from February 4, 2017, the date of appointment.

2. Remuneration

a) Basic Salary:

Basic Salary of ₹ 12,50,000/- per month in the grade ₹ 11,00,000 - ₹ 25,00,000.

An annual increment will be effective April 1, each year and will be decided by the Board each

year on the recommendation of the Nomination & Remuneration Committee of the Board. The annual increment shall be merit based and will take into account the performance of the MD&CEO as well as that of the Company. The first such annual increment will be granted on April 1, 2018.

b) Special Allowance:

₹ 8,00,000/- per month or such higher amount as the Board of Directors may decide on the recommendation of the Nomination & Remuneration Committee.

c) House Rent Allowance (HRA):

HRA at the rate of 50% of the basic salary will form part of the overall gross remuneration of the MD&CEO. The Company may provide/lease an accommodation, if required for the MD&CEO, the rent in respect of the same will be recovered from the MD&CEO's salary.

d) Leave Travel Allowance:

Reimbursement of all expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave/holiday travel periods, whenever undertaken whether in India or overseas, for an amount not exceeding 12.5% of the basic salary. The entitlement for any one year to the extent not availed of shall be allowed to be accumulated up to next two financial years of the Company.

e) Perquisites:

i) Club Membership

Membership of one club, the admission and annual membership fee whereof shall be borne by the Company.

ii) Personal Accident Insurance

Group Personal Accident Insurance Policy, as per the rules of the Company.

iii) Medical Reimbursement

₹ 1,00,000 per month or such higher amount as may be decided by the Board of Directors on the recommendation of the Nomination &

Remuneration Committee, including a suitable comprehensive medical insurance for the MD&CEO and his family.

iv) Other Perquisites

As may be decided by the Board of Directors on the recommendation of the Nomination & Remuneration Committee, subject to the overall ceiling on managerial remuneration.

Explanation:

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

f) Leave:

The MD&CEO shall be entitled for leave with full pay or encashment thereof, as per the rules of the Company.

g) Contribution to Provident Fund, Gratuity and Superannuation Fund:

i) Provident Fund: The Company's contribution to Provident Fund not exceeding 12% of the basic salary, as per the rules of the Company;

ii) Gratuity: Gratuity at the rate of half months' basic salary for each year of completed service, as per the rules of the Company;

iii) Superannuation Fund: Company's contribution to the Superannuation Fund will be 15% of the basic salary, as per the rules of the Company.

h) Performance Incentive:

Such remuneration by way of performance incentive payment upto an amount equivalent to a maximum of 100% of the basic salary and allowances stated above, in a particular financial year based on the performance of the MD&CEO against set goals and the Company meeting the target performance for the financial year. The Performance Incentive will be determined by the Board of Directors of the Company at the end of each financial year on the recommendation of the Nomination & Remuneration Committee, subject to the overall ceilings stipulated under

Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Rules thereunder and Schedule V to the said Act or any modification(s) or re-enactment(s) thereto for the time being in force.

i) Long Term Incentive Plan:

The MD&CEO is eligible to participate in the Long Term Incentive Plan of LafageHolcim Limited (LH), the ultimate holding Company of ACC, pursuant to which the MD&CEO will be granted such number of shares of LH (Performance Shares) from time to time as per the said incentive plan. The cost of such shares shall be borne by LafageHolcim Ltd.

j) Amenities:

a. Conveyance facilities

The Company shall provide a suitable car for the MD&CEO for official and personal use. Repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

b. Telephone and other communication facilities

The Company shall provide a mobile phone to the MD&CEO and shall also provide telephone, and other communication facilities at his residence. All the expenses incurred therefor shall be paid or reimbursed by the Company, as per the rules of the Company.

3. Relocation

i. Flights

The Company shall provide one-way business class airfare from Bangladesh to Mumbai at the start of the assignment to the MD&CEO and accompanying family members.

ii. Relocation Allowance

The Company shall pay a lump sum payment as Relocation allowance, not exceeding ₹ 30,00,000 (Rupees Thirty Lakhs only) net of taxes, for relocating from Bangladesh to Mumbai.

iii. Air Freight Shipment

The Company will bear the costs for air freight transportation of personal belongings up to 100 kg. for each family member.

iv. Packing & Shipping of Household Goods

The Company shall bear reasonable packing, shipping and insurance costs for household goods and furniture from Bangladesh to Mumbai.

v. Pre visit before the start of Contract

The Company will pay for one round trip business class flight ticket between Bangladesh and Mumbai for self and his family members and hotel accommodation during their stay in Mumbai.

vi. Temporary Accommodation

If necessary, temporary living (furnished apartment or hotel) will be organized and lodging and boarding expenses paid for by the Company until permanent accommodation is ready to be used and the shipment of household goods have arrived.

4. Overall Remuneration

The aggregate of salary, allowances, perquisites and performance incentive in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Rules thereunder and Schedule V to the said Act or any modification(s) or re-enactment(s) for the time being in force.

5. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of office of the MD&CEO, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites as specified above, subject to the requisite approvals being obtained in that behalf.

6. Income Tax

Income tax will be deducted at source as per applicable laws / rules.

7. Out of Pocket expenses in connection with the Company's work

The MD&CEO will be entitled to be reimbursed by the Company all costs, charges and expenses

including entertainment expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company, subject to such ceiling as may be decided by the Board on the recommendation of the Nomination & Remuneration Committee.

8. Other Terms and Conditions of Appointment

- a. MD&CEO will, to the best of his skill and ability, endeavor to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and also such orders and directions as may from time to time be given to him by the Board of Directors of the Company. He shall at all times act in the best interests of the Company and all its stakeholders (including its minority shareholders) and keep the Board informed of any developments or matters that have materially impaired, or are reasonably likely to materially impair, the interests of the Company and/or any of its stakeholders.
- b. Subject to the superintendence, direction and control of the Board, the MD&CEO will:
 - (i) have the general control of the business of the Company and be vested with the Management and the day-to-day affairs of the Company;
 - (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business; and (iii) have the authority to do and perform all other acts and things which in the ordinary course of such business may be considered necessary or proper in the best interests of the Company.
- c. The MD&CEO will devote the whole of his time and attention to the business of the Company and shall not engage directly or indirectly in any other business, occupation or employment, provided, however, he may with the prior approval of the Board, hold Directorships in other companies and/or provide services to other group companies.
- d. The MD&CEO will not be entitled to supplement his earnings under this Agreement with any buying or selling commission. He will give an undertaking that so long as he functions as the MD&CEO of the Company, he will not become interested or otherwise concerned directly or through his wife and/or minor children, in any selling agency of the Company. He will cease to be the MD&CEO immediately upon any contravention of the undertaking.
- e. The MD&CEO shall not, during the continuance of his employment hereunder or at any time thereafter, divulge, publish or disclose to any person whomsoever or make use whatsoever for his own purpose or for any other purpose other than that of the Company of any information, knowledge, methods, trade secrets or any confidential information relating to the business affairs or activities of the Company, obtained by him during his employment with the Company and shall, during the continuance of his employment, use his best endeavors to prevent any other person from doing so.
- f. The Company shall indemnify the MD&CEO and keep him indemnified against all costs, expenses, losses, damages, penalties that he may incur or suffer in the course of attending to or performing the Company's work including the legal costs and expenses incurred by him in defending any dispute or proceedings in any Court of law, Arbitration etc.
- g. The terms and conditions of the appointment of the MD&CEO may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.
- h. The MD&CEO shall disclose his interest in any company or companies or bodies corporate, firms or other association of individuals and shall also disclose direct or indirect interest in any contract or arrangement entered into between the Company and such other companies, body corporates, firms or association of persons in the manner laid down in Section 184 of the Companies Act, 2013 and The Companies (Meetings of the Board and its Powers) Rules, 2014. In the event of his failure to disclose his interest as aforesaid or acts in contravention of the provisions of Section 184, his office shall forthwith stand vacated.

- i. Mr Akhoury's appointment as the MD&CEO of the Company is by virtue of his employment in the Company and his appointment will be subject to the provisions of Sections 167(i), 197, 198 and 203 and other applicable provisions of the Act, read with Schedule V and Rules thereunder, including any modification(s) or re-enactment(s) for the time being in force. So long as MD&CEO continues to be in the employment of the Company, he will be a Director not liable to retire by rotation.
- j. If at any time the MD&CEO ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
- k. If at any time the MD&CEO ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the MD&CEO and his contract in this behalf with the Company shall forthwith stand terminated.

9. Notice Period

Either the Company or the MD&CEO may give the other party six months' notice in writing of termination of Agreement or the Company would pay six months remuneration in lieu of notice. During the Notice Period the MD&CEO will be paid fixed salary with benefits as stated above. He will be entitled to Performance Bonus till the day he serves the Notice, subject to his performance against set goals and the Company meeting the target performance for the financial year.

The Board of Directors commend the Ordinary Resolutions set out at Item Nos. 6 & 7 of the accompanying Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives except Mr Akhoury, are concerned or interested in the Resolution.

Item No. 8: The Company is required have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company,

on the recommendation of the Audit Committee, approved the appointment of Messrs. D C Dave & Co., Cost Accountants, having Firm Registration No. 000611, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year ending December 31, 2017 at a remuneration of ₹ 11.00 lakhs (Rupees Eleven lakhs) plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid cost audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of a Company are required to ratify the remuneration to be paid to the cost auditors of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the company for the year 2017.

The Board of Directors commend the Ordinary Resolution set out at Item No. 8 of the accompanying Notice for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the Resolution.

By Order of the Board of Directors,
For ACC Limited

Burjor D Nariman
Company Secretary & Head Compliance
FCS-1878

Mumbai
February 3, 2017

Registered Office:
Cement House
121, Maharshi Karve Road
Mumbai 400 020

ANNEXURE TO ITEMS 3, 4 AND 6 OF THE NOTICE

Details of Directors seeking re-appointment/appointment at the forthcoming Annual General Meeting

in pursuance of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Name of the Director	Mr N S Sekhsaria	Mr Martin Kriegner	Mr Neeraj Akhoury
Director Identification Number (DIN)	00276351	00077715	07419090
Date of Birth	21.09.1949	06.09.1961	17.09.1968
Nationality	Indian	Austrian	Indian
Date of Appointment on Board	27.12.1999	11.02.2016	16.12.2016
Qualification	Bachelor of Chemical Engineering from Bombay University	Doctorate of Law & MBA from Austrian University	Graduate with Economics; General Manager Management Programme – XLRI Jamshedpur
Expertise in specific functional areas	Doyen of the Cement Industry, has been responsible for transforming the Cement Industry by setting benchmarks in the areas of Management, Marketing & Logistics, manufacturing efficiencies and sustainable development	Operations, Finance and General Management	Successful track record in core sector industries of steel & cement.
Shareholding in ACC	NIL	NIL	NIL
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited	Ambuja Cements Limited	Bulk Cement Corporation (India) Limited
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including ACC Limited	NIL	Ambuja Cements Limited: Audit Committee - Member ACC Limited: Audit Committee - Member	NIL
Relationships between the Directors inter-se	NIL	NIL	NIL

MAP SHOWING LOCATION OF THE VENUE OF 81ST ANNUAL GENERAL MEETING OF ACC LIMITED

VENUE:

Birla Matushri Sabhagar
19, Sir Vitthal Das Thackersey Marg,
Mumbai 400 020



Landmark: Next to Bombay Hospital
Distance from Churchgate Station: 1 Km
Distance from Chhatrapati Shivaji Terminus: 1.2 Kms

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

TO THE MEMBERS OF
ACC LIMITED

The Directors are pleased to present the Eighty First Annual Report of the Company together with audited financial statements for the year ended December 31, 2016. Management Discussion and Analysis forms part of this report.

1. FINANCIAL RESULTS

	Consolidated ₹ Crore		Standalone ₹ Crore	
	2016	2015	2016	2015
Revenue from Operations (Net) and Other Income	11,274.75	11,916.94	11,271.05	11,916.18
Profit before Tax	805.32	765.53	808.87	783.97
Provision for Tax	209.60	189.98	206.47	192.40
Profit After Tax (PAT)	604.38	587.60	602.40	591.57
Balance brought forward from previous year	4,605.50	4,433.04	4,634.07	4,456.64
Profit available for appropriations	5,210.88	5,020.64	5,236.47	5,048.21
Appropriations:				
Interim Dividend	206.57	206.52	206.57	206.52
Proposed Final Equity Dividend	112.67	112.65	112.67	112.65
Tax on Equity Dividend	64.99	64.97	64.99	64.97
Transfer to General Reserve	30.00	30.00	30.00	30.00
Surplus carried to the next year's account	4,796.65	4,606.50	4,822.24	4,634.07

2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Consolidated Income

Consolidated income, comprising Revenue from Operations (Net) and other income, for the year was ₹ 11,274.75 crore, 5.39% lower as compared to ₹ 11,916.94 crore in 2015.

Total consolidated Revenue from operations (Net) decreased to ₹ 11,167.55 crore from ₹ 11,797.16 crore in 2015.

Other operating revenue

Other Operating revenue for the year 2016 on a like-for-like basis remained flat at ₹ 221.93 crore.

Consolidated profit before tax

Consolidated profit before tax for the year was ₹ 805.32 crore as compared to ₹ 765.53 crore in 2015.

Consolidated Profit after tax

Consolidated Profit after Tax for the year was ₹ 604.38 crore as compared to ₹ 587.60 crore in 2015.

Material Changes

No material changes or commitments have occurred between the end of the calendar year and the date of this Report which affect the financial statements of the Company in respect of the reporting year.

3. DIVIDEND

The Board of Directors of the Company had approved the Dividend Distribution Policy on December 17, 2016 in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy is uploaded on the Company's website at http://www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf

In line with the said Policy, the Board of Directors has recommended payment of final dividend at ₹ 6/- per Equity Share of ₹ 10 face value aggregating to ₹ 112.67 crore. The total dividend for the year, including interim dividend of ₹ 11/- per Equity Share paid in August 2016, adds up to ₹ 17/- per Equity Share involving a total outflow of ₹ 384.23 crore (including tax on dividend). The dividend payout ratio is 64%. The dividend per Equity Share for the year 2016 is the same as in the previous year.

During the year, unclaimed dividend pertaining to the 71st final dividend for the year 2008 and the 72nd Interim dividend for the year 2009 totaling ₹ 2.15 crore was transferred to the Investor Education & Protection Fund.

4. TRANSFER TO RESERVES

The Company proposes to transfer an amount of ₹ 30 crore to the General Reserves. An amount of ₹ 4,796.65 crore is proposed to be retained in the Consolidated Statement of Profit and Loss.

5. SHARE CAPITAL

The Company's paid-up Equity Share Capital as on December 31, 2016 was ₹ 187.79 crore as compared to ₹ 187.75 crore in the previous year.

Pursuant to the Orders passed by The Special Court - Trial of Offences Relating to Transactions in Securities (TORTS), during the year the Company was required to allot 41,907 Equity Shares of ₹ 10 face value into the "Custodian Account - Jyoti Harshad Mehta" out of the shares which were kept in abeyance of "Right Issue - 1999", as then directed by the Special Court (TORTS).

The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme. As on December 31, 2016, none of the Directors of the Company hold shares in the Company except Mr Shailesh Haribhakti who holds 3,100 Equity Shares of the Company.

No disclosure is required under Section 67(3)(c) of the Act, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said Section are not applicable.

The Company has not issued any convertible instrument during the year.

6. FINANCIAL LIQUIDITY

Cash and cash equivalent as at December 31, 2016 was ₹ 1,944 crore (Previous year ₹ 1,389 crore).

The Company's working capital management is based on a well-organized process of continuous monitoring and controls on Receivables, inventories and other parameters.

7. CREDIT RATING

The Company enjoys a good reputation for its sound financial management and the ability to meet its financial obligations. CRISIL, a reputed Rating Agency, has reaffirmed the highest credit rating of CRISIL AAA/ STABLE for the long term and CRISIL A1+ for the short term financial instruments of the Company.

8. DEPOSITS

The Company's Fixed Deposit Scheme was discontinued in the year 2001-02. The total amount of fixed deposits matured and remaining unclaimed as on December 31, 2016 is ₹ 0.02 crore. The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder.

9. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

10. ECONOMIC SCENARIO AND OUTLOOK

Indian economy followed a path of recovery registering growth in the first three quarters of the year 2016. The prospect for economic growth became buoyant with the agrarian and rural economy benefiting from a good monsoon after two successive rain-deficient years. The growth was affected in the last two months of the year by the impact of the demonetization scheme. The calendar year is expected to end with GDP growth estimated at around 7.0%.

2016 closed as a momentous year for the country marked by two landmark economic reforms even as the global economic scenario was indifferent. The first is the Goods and Services Tax (GST), a single tax intended to replace the existing Central and State indirect taxes, which is expected to come into force in 2017.

The second reform was the rollout of the demonetization scheme in early November. In the long run, this reform aims to usher in greater transparency in financial transactions and a transition towards a cashless economy; in the short term, it has squeezed liquidity and consumption across the economy, notably in the construction sector.

The wholesale and consumer price inflation rates rose to ~ 1.8 % and ~5.1% in 2016 from last year's (2.8) % and 4.9% following a rise in global fuel and commodity prices, near flat domestic demand conditions and an increase in food inflation.

In 2016, manufacturing growth was ~8.5%, at par with 2015, while growth in agriculture, mining and construction was lower at 2.4%,

2.5% and 3.1% respectively. The Cement sector which grew at over 6% in the first three quarters tapered off in the last quarter due to the effect of demonetization to end the year with growth of ~5% in 2016.

The outlook for 2017 brightens as liquidity in the economy moves towards normalization, with expectations for early revival and growth in overall consumption across several sectors including construction and building materials.

The Union Budget for 2017-2018 was welcomed for its thrust on the rural sector, infrastructure development, housing and a boost to the overall investment climate. If 2017 also experiences a normal monsoon, GDP growth is likely to rebound in the second half of the year. Better liquidity and improved tax collections will enhance government's ability to spend on infrastructure and other development projects, leading to faster growth.

11. CEMENT INDUSTRY - OUTLOOK AND OPPORTUNITIES

With available capacity of approximately more than 375 million tonnes per annum in the Indian Cement Industry, overall domestic consumption during 2016 is estimated at ~283 million tonnes. Cement demand is estimated to have grown at the rate of ~5% in 2016, as compared to ~1.5% in 2015. Effective capacity utilisation in the industry remained low at ~75%; while cement plants in the northern, central and eastern regions of the country were able to produce at levels above 85% of capacity, excess capacity in the south dragged down the industry's average capacity utilisation.

In 2017 we foresee that the cement industry will continue to be dogged by the challenge of excess capacity leading to intense competition. Overall demand for cement is likely to grow at ~5% in 2017. If government is successful in increasing its investment expenditure on large infrastructure and other development projects

as announced in the Union Budget 2017-2018, it will further energize construction activity. Any cut in interest rates on housing loans is likely to boost investment in the housing sector. Together these developments can give a much-needed fillip to demand for cement and concrete in the coming year.

The critical challenges before your Company in 2017 would include the following:

- To pursue a judicious value-cum-volume strategy so as to maximise utilization of existing capacity including the additional capacity from the newly expanded Jamul plant.
- To continue to step up the sale of value creating Premium products
- To further streamline channel management and strengthen marketing activities in a manner that leverages the Company's brand equity
- To continue promotion and facilitation of cashless transactions in the retail network with a view to ensure uninterrupted retail offtakes.
- To develop the means to foresee changes in the value chain and the agility needed to keep strict control on the costs of fuel and raw materials amid volatile global prices

The above initiatives together with your Company's continued focus on cost efficiency and other customer excellence initiatives should help in presenting an improved performance.

12. CEMENT BUSINESS – PERFORMANCE

	2016	2015	Change %
Production - million tonnes	23.18	23.84	(2.8)
Sales Volume - million tonnes	22.99	23.62	(2.7)

	2016	2015	Change %
Net Sale Value (₹ crore)	10,068.26	10,652.60	(5.5)
Operating EBITDA (₹ crore)	1,342.23	1,482.88	(9.5)
Operating EBITDA Margin (%)	13.33	13.92	

12.1 Sales Volume & Pricing

Domestic sales in 2016 decreased by 2.7% to 22.99 million tonnes from 23.62 million tonnes achieved in 2015.

Individual House Builders (IHB) remain the largest customer segment in terms of volume and profitability. In addition, the Company gainfully utilizes its core strengths as a pioneer in cement and concrete technology to demonstrate its techno-promotion capabilities in the nation-building sectors of growing importance in infrastructure, commercial and institutional projects such as smart cities, urban rejuvenation, roads, highways, ports, airports, power plants, dams and irrigation schemes.

The cement market continued to witness vigorous price competition. Average selling prices of cement reduced by ~3 % in 2016 over 2015.

12.2 Costs – Cement Business

During the year 2016, the Company maintained a close focus on effective cost management through various initiatives.

a) Cost of materials consumed

A combination of cost efficiency measures and lower input costs helped bring down the cost of materials consumed by 14.2% in 2016 as compared to 2015. The cost of materials consumed as a share of total income from operations came down from 12.3% in 2015 to 11.3% in 2016.

The cost of gypsum reduced by 10.8% as a result of changes made in the mix optimization as well as due to the lower landed cost of imported gypsum.

Continuous efforts were made to reduce the clinker factor by producing a higher share of blended cements using flyash and slag. Procurement costs of flyash and slag were re-negotiated and brought down. This coupled with changes in source and mix optimization enabled a reduction of 5.9% in the cost of flyash. In respect of slag, a reduction of 14.3% was achieved as compared to the previous year.

b) Power & Fuel

Power & Fuel efficiencies enabled a cost reduction of 10% in 2016 as compared to 2015. The Power & Fuel spend in 2016 was ₹ 2,142.55 crore as compared to ₹ 2,377.85 crore spent in 2015.

To take advantage of softening global prices of petcoke, vigorous efforts were made to implement the ongoing plans already in place since the previous year to achieve a higher share of petcoke in the overall fuel mix and thus moderate the Company's dependence on domestic and imported coal. This enabled the consumption of petcoke to leap from a level of 18% in 2015 to as much as 62% in 2016.

The cost of generation at our Captive Power Plants (CPP) was brought down by 2.4 % to ₹ 4.56 per KWh in 2016 against ₹ 4.67 per KWh in 2015 mainly due to better efficiencies.

The average fuel cost of purchased power during the year was ₹ 6.3 per KWh as compared to ₹ 6.5 per KWh in the preceding year.

c) Freight & Forwarding expenses

Despite an increase in rail tariffs, Freight and Forwarding expenses during the year were ₹ 2,560.02 crore as compared to ₹ 2,640.76 crore in 2015, registering a decrease of 3.1%.

This was partly on a account of lower despatches but also on account of the Management's proactive intervention such

as changes in the rail-road mix, increase in direct ex-factory despatches, greater penetration and expansion into home markets and markets with shorter leads as well as through renegotiation of road transport and C&F rates.

d) Employee costs

Employee costs during the year increased by 3.3% on a like-for-like basis. Overall employee costs as a share of total income from operations increased from 6.5% in 2015 to 7.0% in 2016. Various initiatives taken under India Manufacturing Transformation programme are expected to continue to reflect improvement in employee costs.

e) Packing materials

Packing material cost reduced by ₹ 51 crore on account of renegotiation of commercial terms with suppliers, a fall in the prices of Poly Propylene granules and other initiatives like standardization of bags across plants.

13. READY MIXED CONCRETE (RMX)

	2016	2015	Change %
RMX Production – Lakh Cubic Metres	24.43	22.15	10.3
RMX Sales volume – Lakh Cubic Metres	25.90	23.44	10.5
Net Sale value – (₹ crore)	1,054.62	967.50	9.0
Operating EBITDA – (₹ crore)	74.77	54.29	37.7
Operating EBITDA Margin (%)	7.09	5.61	

The Company's Ready Mixed Concrete business performed well during the year maintaining its spotlight on infrastructure, commercial and realty segments and a sharp focus on promoting value-added special products that are more customer service-oriented. This enabled it to follow a consistent course of growth with an increase of 10.5 % in sales by volume and 9.0 % in sales by

value. Operating EBITDA of RMX business rose by 37.7% from ₹ 54.29 crore in 2015 to ₹ 74.77 crore during the year.

RMX business expanded its footprint adding plants in the new markets of Lucknow, Nagpur and Raipur and a dedicated plant at a power project site in Aligarh. Four plants were phased out. At year-end the nationwide network comprised 50 state-of-the-art concrete plants catering mainly to major metro cities, state capitals and Tier II cities.

Your Company has shaped its RMX business to perform as a solution provider with a special thrust on serving different customer segments ranging from prestigious metro rail projects, roads and highways, irrigation schemes, power plants, high-rise buildings and townships each with their own varied requirement of concrete applications.

With its experience and expertise the Company expects to be well-positioned to serve major construction projects materializing out of Government's plans for Infrastructure development, Smart cities, urban rejuvenation projects and the growing trends in commercial and realty segments.

14. NEW JAMUL INTEGRATED PROJECT

The integrated Jamul Project was commissioned during the year; It comprises a new clinkering line of capacity 2.79 million tonnes per annum at Jamul and cement grinding units of capacity 1.10 million tonnes at Jamul and 1.35 million tonnes at Sindri. With this, the Company's total cement capacity has now risen to 33.41 million tonnes per annum.

The new Jamul Plant has state-of-the-art features to enable high performance levels in environment management and pollution control systems, safety and quality excellence.

With excellent connectivity by rail and road, the new integrated plant will complement the Company's existing network in Eastern India,

strengthening its presence in important markets with the supply of environment-friendly blended cements.

15. SUSTAINABLE DEVELOPMENT

During the year, your Company was felicitated with the prestigious CII-ITC Sustainability Award 2016 for "Outstanding Accomplishment" in recognition of its continued effort and commitment to the cause of Sustainable Development. This award, among the country's most coveted in the field of corporate sustainability development, has been received by ACC three times in the last four years which is an external endorsement of the sustainable manner in which your Company conducts its business. Over the years, the Company's business model has incorporated practices and systems geared towards good governance, customer excellence, environment conservation, human resource management, community development and value creation for all stakeholders.

The Sustainable Development Report for 2015 conforming to Global Reporting Initiative GRI-G4 principles in accordance with "Comprehensive Option" was released during the year. The Report is available on the company's website at www.acclimited.com.

During the year, the Company participated for the first time in the Dow Jones Sustainability Indices (DJSI) under "Emerging markets" category.

Your Company is aligning its Sustainable Development agenda to the Groups Sustainability Strategy which is supportive of the UN "Sustainable Development Goals". The Plan incorporates measurable targets related to the following significant areas:

- Climate – Reduction of Net specific CO₂ emissions
- Circular Economy – Enhanced utilization of waste-derived resources
- Water & Nature – Reduction of specific freshwater withdrawal in cement operations

& enhancing the biodiversity in all operating mines Implementation of Water Access, Sanitation and Health (WASH) pledge

- People & Communities – Improving, performance, gender diversity Low cost shelter & sanitation solutions

15.1 Climate

CO₂ Emissions

Your Company is a prominent member of the India chapter of the Cement Sustainability Initiative (CSI) set up under the auspices of the World Business Council for Sustainable Development (WBCSD), a global partnership effort. All CSI member companies have voluntarily charted for themselves the “Low Carbon Technology Roadmap for the Indian Cement Industry” with time bound targets leading to the year 2050. This incorporates a commitment to reduce CO₂ emissions.

The Company’s carbon footprint continues to be among the industry’s best-in-class though specific CO₂ emissions during the year 2016 was 545 kg per tonne of cement as against 533 kg CO₂/tonne of cement in 2015, representing an increase of ~2%. This was mainly due to prevailing market conditions, increased demand for OPC and lower capacity utilization.

Your Company is among the leading Indian business houses that have participated in the Carbon Disclosure Project (CDP), a global not-for-profit organization and continued to be ranked high in terms of its disclosure forming part of the Carbon Disclosure Project index.

15.2 Clinker Factor

Reducing the clinker factor in cement is an important pillar of the Low Carbon Technology Roadmap for the Indian Cement Industry. Your Company strives to achieve this through the promotion of blended cements using slag and flyash. Increasing demand for Ordinary Portland Cement (OPC) during the year 2016 has resulted

in decrease in share of Blended Cements in the total product portfolio to 83.5%.

When fully stabilized, the newly commissioned Jamul Integrated project with its grinding units in Jamul and Sindri, geared to offer superior varieties of Portland Slag Cement, will augment the Company’s overall blended cements portfolio which will in turn serve to reduce the overall clinker factor and thus help in cutting Specific CO₂ emissions in the coming years.

15.3 Alternative Fuels and Raw Materials (AFR):

Your Company is leading the initiative to provide waste management solutions to waste generating industries and organizations in the country through co-processing of wastes in cement kilns.

The co-processing infrastructure was strengthened following the establishment of two pre-processing facilities at Wadi in Karnataka and Kymore in Madhya Pradesh in 2014. As these facilities stabilize and pick up momentum, they serve to increase the Company’s capacity to handle larger volumes of waste with greater ease and safety, while ensuring zero harm to the environment, communities and ensuring product quality. A third preprocessing facility at Madukkarai, Tamil Nadu is under execution.

Your Company is redoubling its efforts to expand its capacity to manage higher waste volumes in the near future thereby increasing thermal substitution rates and securing alternative fuels & resources for use in cement manufacturing process to replace naturally mined materials.

With the conviction that co-processing ensures a safe and environmentally sustainable solution for the disposal of hazardous and non-hazardous wastes, the Company has been making consistent efforts through advocacy and stakeholder awareness programmes to ensure that this technology gains more legal traction in the country. These efforts have borne fruit; a legislation brought into force in 2016, recognizes

co-processing as a preferred technology for waste management for all types of waste generated in the country.

15.4 Green Energy

Your Company's renewable energy portfolio consists of 19 MW in the form of wind farms across three States viz. Tamil Nadu, Rajasthan and Maharashtra. During the year 2016, 36.51 million units of renewable energy came from these captive sources.

Additional green power of 1.67 million units was procured through Power Purchase Agreement.

In all, the total Green Energy used was 38.18 million units, representing an increase of 9% as compared to the previous year.

15.5 Power generation through Waste Heat recovery system

The Waste Heat recovery system at Gagal Cement Works generated 49.45 million kWh of electrical energy during the year. This resulted in financial savings of about ₹ 21 crores.

15.6 Controlling Emissions

The Indian cement industry is facing increasing stringency from regional, state and central authorities with regard to regulations and standards formulated by them for permissible levels of various types of emissions including SO_x, NO_x and particulate airborne emissions.

Your Company endeavours to keep its performance in this respect at levels far better than the regulatory requirement so as to maintain good ambient air quality in its environs. Accordingly various measures were implemented across all operations of the Company to control stack emissions by upgradation/modification/installation of new air pollution control equipments to ensure compliance with new environment regulations and fugitive emissions by installing dust extraction and dust suppression systems.

During the year 2016, your Company had commissioned Hybrid Electrostatic Precipitators (ESP) at Jamul and upgraded Coal Mill Bag House and Cooler ESP at Gagal. Implementation of primary measures for NO_x reduction is underway at various plants. Orders for Selective Non Catalytic Reduction (SNCR) were placed for NO_x emissions reduction at Kymore and Gagal. Online reporting of emissions and effluents are being uploaded on Central Pollution Control Board (CPCB) website and respective State Pollution Control Boards wherever available.

15.7 Circular Economy

During the year, your Company utilized 3.90 million tonnes of flyash, 2.67 million tonnes of slag, 1.10 million tonnes of crushed rock fines, 0.32 million tonnes of alternative materials, thus providing sustainable environmental friendly services to the nation.

15.8 Water & Nature:

a) Water:

With an objective to continuously improve water performance and to achieve a water positive status, efforts were focused on the following:

- (i) Reduction of fresh water intake by lowering water demand in process and non-process areas
- (ii) Process optimization and upgradation to water efficient technologies wherever feasible
- (iii) Installation of Sewage treatment plants (STP), Effluent Treatment Plants (ETP), Zero Liquid Discharge (ZLD) systems for effective reutilization of waste water. During the year 2016, the Company ordered ZLDs for Wadi and Chanda Cement Works, STPs for Lakheri and Damodhar Cement Works

- (iv) Conservation of water by rain water harvesting in plants, mines, colonies, community areas and sustained water harvesting measures

b) Biodiversity

Your Company is committed to the conservation of biodiversity and mine rehabilitation. Efforts on biodiversity conservation are focused on following areas:

- (i) To study and assess biodiversity around the limestone mines operated by the Company. During the year biodiversity assessment studies were conducted by an independent third party at Jamul and Chanda Cement Works. With this the Company has completed the biodiversity assessment at all its mining sites
- (ii) A biodiversity action plan developed for Gagal Cement Works
- (iii) On-ground implementation of activities which conserves biodiversity.

15.9 Green Building Centres

As part of the ongoing programme to promote green, cost-effective and affordable construction in semi-urban and rural India through Green Building Centres, your Company supports local micro-entrepreneurs and small businesses to make and distribute affordable cement-based home building components and pre-fabricated materials such as concrete blocks, sanitation and toilet units, tiles, pavers, roofing, walling, and frames in pursuit of promoting the cause of sustainable construction.

16. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

ACC was chosen from among several leading companies to receive the first ever “ICSI CSR Excellence Awards 2016” instituted by The Institute of Company Secretaries of India to

recognize the good practices undertaken by Corporates under the CSR umbrella.

Your Company continued the social development schemes initiated in previous years along with some new interventions to address the developmental needs of host communities around the Company’s operations. These projects covered the broad thematic areas of Livelihood, Education, Health & Sanitation that are compliant with Companies Act 2013.

Total CSR expenditure incurred during the year was ₹ 22.27 crore which is higher than the statutory requirement of 2% of the average profit of the last three years.

The Company’s community development projects reached out to benefit more than 4.23 lakh people residing in 202 villages across the country.

Education initiatives in the vicinity of plants addressed needs of 36,709 students during the year. Scholarships were awarded to 465 meritorious students belonging to weaker sections of society. Modern methods of learning such as smart classes and interactive kiosks benefited students of 70 rural schools. Efforts were made to provide education to 1,495 girl children as part of the “ACC ki Laadli” project. Support continued to be extended to seven government-run Industrial Training Institutes under the Public Private Partnership Scheme with Ministry of Labour and Employment, Government of India.

About 4,234 unemployed youth received skill development training under the Company’s DISHA programme; as on the date of this report, over 60% of them had received job placements in various manufacturing and service sector enterprises. Support was provided for the establishment of 129 new Self Help Groups (SHGs) while existing 1,233 SHGs were trained in institutional strengthening; many of them were assisted in setting up a federation and obtaining registration for it.

Health and nutrition initiatives benefited 28,566 people. 9,731 children received access to better health and nutrition through the support provided to 201 anganwadi centres. Valuable assistance was provided to nearly 5,400 persons through counseling, testing and treatment for HIV/AIDS.

Four villages were declared Open Defecation Free (ODF) during the year, in the corporate campaign to promote access to water, sanitation and improved hygiene practices. The programme, which supports Government's Swachh Bharat Abhiyan, includes the creation, repair and maintenance of toilet and wash facilities in local communities.

Your Company's CSR Footprint has been audited by a third party Social Audit team comprising renowned experts from development sector, led by Head of DOC Research Institute, an independent international think-tank organization.

The Corporate CSR Policy has been re-stated making it more comprehensive and in addition to alignment with the requirements of the Companies Act, 2013 and Global Goals it has also been aligned with the LH Group's CSR Policy. The CSR Policy Statement and Report on the activities undertaken during the year is annexed to the Board's Report in Annexure 'A'

17. HEALTH & SAFETY (H&S)

17.1 H&S Improvement Plan

The key focus area during the year was implementation of the Health & Safety Improvement Plan (HSIP). This was prepared based on the feedback and involvement of the Company's senior management. The plan contained seven Health & Safety (H&S) objectives, clearly indicating the ownership of each objective assigned to a senior executive. Salient aspects of the HSIP comprised H&S Leadership & Accountability, People's H&S Capability, H&S management systems, Road Safety and Electrical Safety.

The launch of Visible Personal Commitment (VPC) - a systematic tool for senior executives and management staff to interact with shop floor people on safety matters and take feedback - has helped demonstrate enhanced safety leadership capabilities and Management's commitment. This initiative is expected to be critical in the endeavour to reach the goal of Zero Harm.

H&S audits were conducted during the year. Electrical Safety audits were conducted at all cement manufacturing units by external experts with an objective to carry out a systematic, critical appraisal of all potential electrical hazards involving personnel, premises, services and operation method and to review compliance of electrical (installation & maintenance) with reference to the statutory regulations, international standards and Industry best practices.

A drive to use Personal Protective Equipment (PPE) was strengthened with the initiation of a reward and consequence management approach.

A number of specialized training programs were organized targeting different work groups to enhance their H&S capability. These included topics like NEBOSH International General Certificate, Risk Assessment, H&S auditing, Incident Investigations and behavior based training on "Developing Safety Commitment".

Employees and workmen of contractors at all locations participated enthusiastically in the Group's Global H&S days campaign "I care, I share, I act" which included competitions for poster drawing and slogan writing. During the campaign, the Company's leadership team also connected with all employees over a webcast to re-emphasize the importance of H&S in the organization.

17.2 Health Initiatives

Your Company pursued its well-structured approach to reduce health risk factors among employees and their families. Numerous steps were taken to enhance medical facilities at plants and engage with employees and their families to create awareness and build capabilities.

Infrastructure and facilities were upgraded at the hospitals of four plants. Emergency Medical Response (EMR) capabilities have been optimized at all cement manufacturing units through steps such as outsourcing ambulance services which ensures round-the-clock availability of trained EMR technicians. Other arrangements are also being tied up to secure excellent pre-hospital care in the event of any medical emergency, trauma or any other health care issue concerning employees such as the use of air ambulances.

Significant steps were initiated to induct digitization in the field of employee health. An on-line health management system is being developed which will standardize health processes across all units. It will facilitate the management and retrieval of health data of all employees during their life cycle; this is scheduled to Go live in March 2017.

Other effective measures included the regular use of the Company intranet to disseminate health awareness, conducting health sensitization programmes, personalized health care, identifying health peers from among Shopfloor Associates (SFA) to spread health awareness among employees and their families. Training in office ergonomics was imparted to 500 line managers. 200 teachers from all township schools were trained as part of the “H&S promoting schools initiative” to proliferate and spread awareness among more than 10,000 students.

17.3 Logistics Safety

Logistics is among the most challenging areas in safety, a large part of which relates to offsite situations and environments that cannot be easily influenced. The Company has developed a logistics safety roadmap for 2020, which encompasses an analysis of past incidents, current initiatives and wide-ranging activity-based risk assessments spanning various stages of the shipping cycle from the point a vehicle approaches a plant to its end destination.

The plan also prioritizes focus areas based on likelihood, consequence, controllability.

Driver Management Centres were implemented at nine cement plants to educate drivers on various H&S matters and inculcate the right behaviours seen in the context of the three pillars of Driver, Vehicle and Journey Management. Efforts were continued to create greater alertness and awareness among drivers and employees using simulator training, seat belt convincer training and defensive driver training techniques.

External audits were conducted at all cement plants to check the efficacy of logistics safety management.

18. HUMAN RESOURCES

During the year, the Company took many initiatives to increase organizational capability and productivity so as to be value driven and future-ready.

18.1 Productivity improvement

In 2015, the Company implemented its “India Manufacturing Transformation” initiative to introduce a more responsive, efficient and lean organisation design in all cement plants; it incorporated a new way of working with streamlined work practices, enhanced people skills and capabilities and centres of excellence (CoEs) for continuous improvement through exchange of best practices. This was initiated after careful benchmarking of best in class practices of LafargeHolcim plants across the globe. This Organizational reform continued to show its benefits with improvement in productivity by 30%. This is a continuous process through which your Company proposes to transform itself into becoming one of the most productive companies in the country.

18.2 Strengthening core values and performance

Your Company is respected for its strong values and ethics which are embedded in its

corporate culture. During the year, the Company adopted a new set of core values aligned with those introduced by the LafargeHolcim group worldwide. The new code is abbreviated simply as CRISP, an acronym that enjoins emphasis on five distinct values viz. Customer, Results, Integrity, Sustainability and People which now form the basic dimensions of the high performance culture the Company wants its employees to demonstrate in all their actions. These values were cascaded in the Organization through various workshops and activities at all locations for the benefit of all employees and contract labour. The values are recommended to be demonstrated with Agility, Collaboration and Empowerment (ACE) – also a new internal motto adopted for desirable behaviours.

Along with the new set of values, a new Performance Management System has also been put in place.

18.3 Talent Development

Several initiatives were taken to identify, develop and nurture talent at all levels within the Organization through various training programmes and exposure to make them future ready for various positions in the Organization.

A leadership convention was conducted to transform the leadership team in the Manufacturing function. Similarly for the Sales & Marketing function an assessment was undertaken for the front line sales team with a view to benchmark individuals against a global high performer for that role. This behaviour and skill assessment was completed for 1,036 sales profiles. The assessment helped in understanding key motivators that drive performance and retention, enabling the preparation of individual development plans for the sales team.

These interventions have enabled the Company to create succession plans for leadership positions so that the Company's talent pipeline is kept ready to meet future requirements and contingencies.

Talent development efforts are also made in respect of Shopfloor Associates with interventions to help build up-skilling and multitasking capabilities.

18.4 Prevention of Sexual Harassment of Women at the Workplace

The Company is an equal opportunity provider and consciously strives to build a work culture that promotes the dignity of all employees. As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has implemented a policy on prevention, prohibition and redressal of sexual harassment at the workplace. All women - permanent, temporary or contractual, including service providers - are covered under the policy. This has been widely communicated internally and is uploaded on the Company's intranet portal. An internal Committee comprising four management staff is in place which includes three women to redress complaints relating to sexual harassment. Besides in each of the units there is one nodal person to receive and forward complaints to the "First Instance Person (FIP) who is a woman" or directly to the Committee.

During the year the Company received one complaint which was investigated and closed within 90 days.

Awareness programmes were conducted across the Company to sensitize employees to uphold the dignity of their colleagues at the workplace, particularly with respect to prevention of sexual harassment. A few employees also attended training programmes conducted by an external agency.

18.5 Industrial Relations

The Company continued to enjoy peaceful industrial relations during the year. Your Company is known for its best in class workplace practices that has ensured 81 years of industrial harmony,

considered to be one of the best in the country. The Company is proud of its work culture which emphasizes safety, high productivity, good health, quality of life and overall wellbeing of employees.

During the year, an amicable settlement was reached with Pragatisheel Cement Shramik Sangathan (PCSS), a trade union representing a section of contract workers in the old Jamul Plant. The settlement paved the way to resolve their long pending issue in a cordial and mutually beneficial manner.

19. INNOVATION

Your Company's unique track record of innovative research and development has led to its recognition as a pioneer and trendsetter with several breakthroughs in cement and concrete applications over the years. More recently the Company has added many new products that have widened its portfolio of value-added varieties of cement and concrete for special and customized applications. The spirit of innovativeness has helped the Company achieve cost efficiencies in the areas of energy, raw materials sourcing, logistics, customer excellence and manpower optimization leading to productivity improvement.

20. BUSINESS RISKS & OPPORTUNITIES

The Company has a robust Business Risk Management (BRM) process which systematically identifies risks and opportunities and supports the Executive Committee in strategic decision-making. This is a rolling process reviewed periodically at regional and corporate level. It involves mapping of all the risk elements on two parameters viz. likelihood of the event and the impact it is expected to have on the Company's operations and performance. The risks that fall under high likelihood and high impact are identified as key risks for which detailed mitigation plans are developed and integrated with the Mid-Term Planning Cycle and the Audit plan.

Key business risks and their mitigation plans are as described hereinbelow:

Fuel Risk: The manufacture of cement is an energy intensive process requiring large quantities of thermal and electrical energy. Coal and pet coke are the principal fuels used by the Indian cement industry to produce thermal energy. The Company requires more than 5 million tonnes of coal and pet coke to meet the requirements of its kilns and captive power plants. Linkage coal has continued to be in short supply, leaving the Company to source its requirements at higher prices from the domestic open market and from imports. In recent years, pet coke emerged as a viable substitute for coal on account of attractive prices and supply. There is a likelihood that the prices of both coal and pet coke would increase significantly. To mitigate this risk the Company has already initiated steps to progressively increase the usage of Alternative Fuels, improving fuel mix at certain plants, entering into firm contracts for part volume and balance on spot to capture opportunities, spread out purchases throughout the year and explore long term offtake from local refineries.

Fair Competition Directive: The Competition law in India is still evolving and an intensely competitive industry like cement is vulnerable to various interpretations of its provisions which expose it to significant risks that may include administrative, civil or criminal proceedings, financial consequences such as fines and penalties or loss of reputation.

The Company has in place a Fair Competition Directive which entails compulsory adherence by identified employees. Regular training is imparted to all relevant employees through e-learning modules and face-to-face sessions.

Market Actions: The Indian Cement Industry is becoming intensely competitive, with the foray of new entrants and existing players expanding inorganically. This could potentially impact the sales volumes, market share and profitability.

To mitigate this risk, the Company is leveraging its newly created capacity at Jamul and Sindri to increase its market share, enhance its brand equity and visibility, enlarge its product portfolio and service offerings. The Company is also exploring asset light options such as tolling and de-bottlenecking at some of its existing plants to increase volume and market share.

Limestone: As limestone is the primary raw material required in the manufacture of cement, the security of its uninterrupted long-term availability is critical, particularly in view of changing regulations. Under the new Mines and Minerals (Development & Regulation) Amendment Act 2015 (MMDR), leases granted before the commencement of the Act, for captive use are extended upto a period ending on March 31, 2030, or till the completion of their renewal period, whichever is later. Most of the Company's limestone leases thereby get an extension up to March 31, 2030 by virtue of this Act. For new leases, the period of lease will be fifty years from the date of grant.

With the new Act, the earlier policy of deemed renewal has been discontinued and all the mining leases will henceforth be allotted through an auction, which has made it difficult to retain existing leases /acquire new leases. Forest & Wild Life clearances are now a pre-requisite and land acquisition is becoming more challenging and expensive.

To address this risk, the Company plans to secure new mining leases for its existing plants as well as for new expansions at different locations. Further the Company continues to increase consumption of pet coke and additives which enables it to use low grade limestone and thereby conserve minerals and increase the life of the mine.

21. INTERNAL CONTROL SYSTEMS

21.1 Internal Audit and their adequacy

The Internal Audit (IA) function reports to the Audit Committee of the Board, which helps

the function to maintain its objectivity and independence. The scope and authority of the IA function is defined in the Internal Audit Charter. The IA Department evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

21.2 Internal Controls Over Financial Reporting (ICFR)

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

22. INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

Pursuant to the notification, issued by The Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company and its subsidiaries and joint venture company will adopt "IND AS" with effect from January 01, 2017, with the comparatives for the periods ending December 31, 2016.

The implementation of IND AS is a major change process for which the Company had established a project team and had dedicated considerable resources. The impact of the change on adoption of IND AS has been assessed and the Company is ready to adopt IND AS.

23. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named “EthicalView Reporting Policy” (EVRP) to report concerns about unethical behavior, actual/suspected frauds and violation of Company’s Code of Conduct and/or Ethics Policy. Protected disclosures can be made by a whistle blower through several channels. The Audit Committee of the Board oversees the functioning of the EthicalView Reporting Policy. The Company has disclosed the details of the EthicalView Reporting Policy on its website <http://www.acclimited.com/assets/new/pdf/ethicalViewPolicy.pdf>

During the year, the Company reached out extensively to employees to conduct greater awareness on Fair Competition Directive and on Anti Bribery and Corruption Directive (ABCD) through e-learning modules and face-to-face training sessions, achieving a high level of engagement and compliance. This reflected your Company’s strong commitment to “Zero tolerance” for non-compliance in this regard and to do business with integrity.

24. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

24.1 SUBSIDIARIES

Bulk Cement Corporation (India) Limited (BCCI)

During the year under review, BCCI handled cement volumes of 10.13 lakh tonnes as against 10.02 lakh tonnes in 2015. The Profit before tax and exceptional items for the year 2016 was ₹ 3.89 crore as against ₹ 3.04 crore in the year 2015.

ACC Mineral Resources Limited (AMRL)

This Company had entered into a Joint Venture with Madhya Pradesh State Mining Corporation Limited (MPSMC) for the development of four coal blocks allotted to MPSMC by the Government of India. Pursuant to Orders of the Supreme Court passed in August 2014 and September 2014, the allocations of four coal blocks to MPSMC were cancelled by the Government of India along

with all other coal blocks. AMRL did not have any operating income during the period under review.

OTHER SUBSIDIARIES

The Company has three other Subsidiary Companies, viz. Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited. These are limestone deposit companies.

24.2 MATERIAL SUBSIDIARIES

None of the subsidiaries mentioned in para 24.1 above is a material subsidiary whose income or net worth in the immediately preceding accounting year exceeds twenty percent of the consolidated income or net worth respectively of the Company and its subsidiaries.

The Board of Directors of the Company has approved a Policy for determining material subsidiary in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Policy has been uploaded on the Company’s website at <http://www.acclimited.com/assets/new/pdf/CG/Determiningmaterialsubsidiaries.pdf>

24.3 JOINT VENTURE /ASSOCIATE COMPANIES

OneIndia BSC Private Limited is a Joint Venture Company with equal participation with Ambuja Cements Limited to provide back office services to the two Companies with respect to routine transactional process.

As on December 31, 2016, the following is a list of Associate Companies:

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

25. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the year 2016 are prepared in compliance with the applicable provisions of the Companies Act, 2013, and as stipulated under

Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The audited consolidated financial statements together with the Auditors' Report thereon form part of the Annual Report.

Pursuant to Section 129(3) of the Companies Act, 2013, a Statement containing salient features of the financial statements of each of the Subsidiaries, Associates and Joint Venture Companies in the prescribed Form AOC-1 is attached.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Financial Statements of the subsidiary and joint venture companies are kept for inspection by the Members at the Registered Office of the Company. The Company shall provide free of cost, a copy of the financial statements of its subsidiary companies to the Members upon their request. The statements are also available on the website of the Company at www.acclimited.com under the Investors section. The consolidated net profit of the Company and its subsidiaries amounted to ₹ 604.38 crore for the Company's financial year ended December 31, 2016 as compared to ₹ 587.60 crores for the previous year.

26. AMALGAMATION OF HOLCIM INDIA PRIVATE LIMITED WITH AMBUJA CEMENTS LIMITED

Through a Scheme of Amalgamation between Holcim (India) Private Limited and Ambuja Cements Limited, your Company has become a subsidiary of Ambuja Cements Limited with effect from August 12, 2016 while the ultimate Holding Company remains unchanged viz. LafargeHolcim Ltd.

27. CHANGES IN PROMOTER HOLDING

During the year, Holderind Investments Limited one of the Promoters of the Company has purchased through the Stock Exchange 78,70,000 Equity Shares of the Company constituting 4.19%

of the Equity Share Capital. The total Promoter shareholding of the Company hence stands increased to 54.53% from 50.34%.

28. DIRECTORS & KEY MANAGERIAL PERSONNEL

28.1 Change in Directorate

The Board of Directors has accepted the resignation of Mr Harish Badami, Chief Executive Officer & Managing Director of the Company with effect from February 4, 2017.

The Board of Directors has placed on record its warm appreciation of the rich contribution made by Mr Harish Badami and the leadership provided by him during his tenure as CEO&MD of the Company.

The Board of Directors has appointed Mr Neeraj Akhoury as an Additional Director on the Board of the Company with effect from December 16, 2016 and has nominated him as MD&CEO (Designate).

Mr Neeraj Akhoury takes charge as Managing Director & CEO with effect from February 4, 2017 upon Mr Harish Badami demitting his office.

28.2 Directors coming up for retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr N S Sekhsaria and Mr Martin Kriegner retire by rotation and being eligible offer their candidature for re-appointment as Directors.

28.3 Independent Directors

The Independent Directors hold office for a fixed period of five years from the date of their appointment at the Extraordinary General Meeting held on September 10, 2014 and are not liable to retire by rotation.

In accordance with Section 149(7) of the Companies Act 2013, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of

independence as mentioned under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

28.4 Board Effectiveness

a. Familiarization Program for the Independent Directors

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a Familiarization Programme for Independent Directors to familiarize them with the working of the Company, their roles, rights and responsibilities vis-à-vis the Company, the industry in which the Company operates, business model etc. Details of the Familiarization Programme are explained in the Corporate Governance Report and are also available on the Company's website at <http://www.acclimited.com/assets/new/pdf/CG/Familiarization-Programme-for-Independent-Directors.pdf>

b. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The criteria applied in the evaluation process are explained in the Corporate Governance Report.

28.5 Key Managerial Personnel

Pursuant to the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the following are the Key Managerial Personnel:

- Mr Sunil Nayak, Chief Financial Officer

- Mr Burjor D Nariman, Company Secretary & Head Compliance
- Mr Harish Badami, CEO & Managing Director (upto February 3, 2017)

28.6 Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior leadership positions.

A well-defined criteria is in place for the selection of candidates for appointment as Directors, Key Managerial Personnel and senior leadership positions. The relevant information has been given in Annexure 'B' which forms part of the Board's Report.

28.7 Remuneration Policy for Directors

The policy for remuneration of directors, Key Managerial Personnel and ExCo Members is set out in Annexure 'C' which forms part of the Board's Report.

29. MEETINGS

29.1 Board Meetings

During the year seven Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

29.2 Audit Committee

The Audit Committee comprises five members. The Chairman of the Committee is an Independent Director. The Committee met seven times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Corporate Governance Report.

29.3 CSR Committee

The CSR Committee comprises four members of which three are Independent Directors. The Chairman of the Committee is an Independent Director. The Committee met twice during the reporting period. Details of the role and functioning of the Committee are given in the Corporate Governance Report.

30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions with Related Parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a certificate from the CEO & MD and the CFO. Your Company has developed a Related Party Transactions Manual, Standard Operating Procedures for the purpose of identification and monitoring of Related Party transactions.

All transactions entered into with related parties during the year were on arm's length basis, in the ordinary course of business and in line with the threshold of materiality defined in the Company's policy on Related Party Transactions which can be accessed through weblink <http://www.acclimited.com/assets/new/pdf/CG/PolicyonRPT.pdf>. In particular there were no material transactions with related parties (i.e. transactions exceeding 10% of the annual consolidated turnover entered into during the year as per the last audited financial statements). Accordingly, no transactions are required to be reported in Form AOC 2. The details of transactions entered into with related parties is given in Note No. 34 of the Notes to Accounts.

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

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

Appeal before Competition Appellate Tribunal (COMPAT)

The Competition Commission of India (CCI) had originally passed an Order in June 2012 against

several cement manufacturing companies, including the Company, in the matter of a complaint filed by the Builders' Association of India for alleged violation of the provisions of Sections 3 and 4 of the Competition Act and in terms of the said Order, imposed a penalty of 0.5 times of the profit of the Company for the year 2009 (calculated prorata from May 20, 2009) and for the full year 2010. For the Company the penalty amounted to ₹ 1147.59 crore.

CCI had also passed an Order directing the Company to "cease and desist" from indulging in any activity relating to agreement, understanding or arrangement on price, production and supply of cement in the market.

Pursuant to an Appeal filed by the Company before the Competition Appellate Tribunal (COMPAT), the said order of CCI of June 2012 was stayed, subject to deposit of 10% of the amount of penalty. Thereafter COMPAT by its order dated December 11, 2015 set aside CCI's Order of June 20, 2012, remanding the matter back to the CCI for a fresh hearing and adjudication. Further in terms of the said Order, the deposit amount along with interest thereon was refunded to the Company.

CCI on rehearing the arguments, by its order dated August 31, 2016, once again held that the cement companies and the Cement Manufacturers' Association (CMA) are guilty and in violation of the Sections 3(1) read with 3(3)(a) and 3(3)(b) of the Competition Act and imposed the same penalty which in the case of the Company again works out to ₹ 1,147.59 crore. The usual order for cease and desist was also imposed.

The Company thereafter approached the COMPAT, which by its order dated November 7, 2016 stayed the operation of the CCI order of August 31, 2016 subject to deposit of 10% of the penalty amount within one month. The Company accordingly deposited an amount of ₹ 114.76 crore in December 2016 in the form of a bank Fixed Deposit in favour of COMPAT on behalf of the Company. The case is now pending before the COMPAT.

As at December 31, 2016, the penalty amount of ₹ 1147.59 crore and interest thereon is disclosed as a contingent liability in the Notes to Accounts (Refer Note 36(A)(d)(i)).

Subsequent Event:

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

In January 2017, the Competition Commission of India (CCI) passed an Order against seven cement manufacturers including the Company imposing a penalty calculated at the rate of 0.3% of the average turnover of the last three years viz. 2012-13, 2013-14 and 2014-15. In respect of the Company the amount of penalty works out to ₹ 35.32 crore. The said Order was issued on the basis of a complaint filed in 2013 by the Director, Supplies & Disposals, State of Haryana before the CCI.

The Company believes it has a strong case on merits to challenge the Order and plans to file an appeal before the Competition Appellate Tribunal (COMPAT) As at December 31, 2016, the penalty amount of ₹ 35.32 crore is disclosed as a contingent liability in the Notes to Accounts (Refer Note 36(A)(d)(ii)).

32. AUDITORS

32.1 Statutory Auditors

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s S R B C & CO LLP, as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s S R B C & CO LLP as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration

Number 117366W/W-100018) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Members' attention is drawn to a Resolution proposing the appointment of Deloitte Haskins & Sells LLP as Statutory Auditors of the Company which is included at Item No 5 of the Notice convening the Annual General Meeting.

32.2 Cost Auditors

On the recommendation of the Audit Committee, the Board of Directors appointed M/s D C Dave & Co., Cost Accountants (Firm Registration No 30611), as Cost Auditors of the Company for the year 2017 under Section 148 of the Companies Act 2013 read with The Companies (Cost Records and Audit) Amendment Rules 2014. M/s D C Dave & Co have confirmed that they are free from disqualification specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141 (4) of the Companies Act 2013 and that their appointment meets the requirements of Section 141 (3) (g) of the Companies Act 2013. They have further confirmed their independent status and an arm's length relationship with the Company.

M/s N I Mehta & Co. Cost Accountants (Firm Registration No. 000023) who were earlier the Cost Auditors of the Company have given their "No Objection" certificates for the appointment of M/s D C Dave & Co as the Cost Auditor for the year 2017.

The Board of Directors has placed on record its appreciation of the service rendered by M/s N I Mehta & Co.

The remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution for seeking Members' ratification for the remuneration payable to M/s D C Dave & Co, Cost Auditor is included at item No 8 of the notice convening the Annual General Meeting.

32.3 Secretarial Audit

The Company has appointed Messrs Pramod S Shah & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. The Report of the Secretarial Auditor is annexed to the Board's Report as Annexure 'D'.

33. AWARDS

Your Company received numerous awards and felicitations during the year from distinguished bodies for achievements in fields as diverse as Health & Safety, financial reporting excellence, sustainable development, CSR and business communication. Notable among these are the first ever award instituted for excellence in CSR by The Institute of Company Secretaries of India and the CII-ITC Sustainability Award 2016 for Corporate Excellence.

CSR

- 'First ICSI CSR Excellence Awards 2016' instituted by The Institute of Company Secretaries of India in the Award Category 'Best Corporate – Medium'
- 'FIMI - Sita Ram Rungta Social Awareness Award' to the Company's Jamul Limestone Mine conferred by the Federation of Indian Mineral Industries (FIMI)
- 'BT-CSR Excellence Award 2016' awarded by CII to the Company's Jamul plant as 'CSR Company of the Year' for its CSR initiatives particularly DISHA.

SUSTAINABILITY

- CII-ITC Sustainability Awards 2016 for Corporate Excellence - Outstanding Accomplishment - in category "A Large Companies" by the CII-ITC Centre of Excellence for Sustainable Development

- The Company's featured in CII's list of ten Sustainable Plus Platinum 2015 companies and rated "India's Most Sustainable"
- CII National Award in the category 'Energy Efficient Unit' for Excellence in Energy Management 2016 conferred on Chanda, Kymore, Thondebhave and Wadi Cement Works at the 17th CII National Award Function
- '4 Star Rating' by the Ministry of Mines, Government of India awarded to Jamul Limestone Mines

HEALTH & SAFETY

- NSCI Shreshtha Suraksha Puraskar awarded to ACC Sindri by the National Safety Council
- 'FIMI - Health & Safety Award 2015-16' received by ACC's Wadi Limestone Mine instituted by the Federation of Indian Mineral Industries (FIMI)
- State level Safety award for Plant safety performance & State level Best Safe Worker award from Dept. of Factories, Boilers, Industrial Safety & Health, Govt. of Karnataka presented to ACC Kudithini plant.

WASTE MANAGEMENT

- GreenCo Best Practices Award 2016 for the best practices in waste management to Kymore plant
- Clean & Green India 2016 Award for solid waste management initiatives of the company awarded to Madukkarai plant.

FINANCIAL EXCELLENCE

- The Company's Annual Report 2015 won the highest award for excellence in Financial Reporting from the institute of Chartered Accountants in India.
- 13th National award for Excellence in Cost Management conferred by The Institute of Cost Accountants of India

- Your Company has been adjudged Second Runner-Up (Joint) in the Manufacturing Sector as the recipient of Best Presented Annual Report Awards 2015 by South Asian Federation of Accountants (SAFA)

LOGISTICS

ACC was awarded for logistics excellence in "Supply Chain Technology Advancement/Solution Implementation" category at the Manufacturing Supply Chain Awards 2016.

COMMUNICATIONS

- Association of Business Communicators of India (ABCI) - Gold award to "ACC Community Counts" - A Collection of Case Studies, Silver to "Together for Communities", ACC's CSR newsletter and Silver to ACC's "Sustainable Development Report 2015" at the 56th ABCI Awards
- Association of Business Communicators of India (ABCI) - Gold award to ACC Logistics Safety Excellence programme, Silver to ACC Parivar (Hindi) and Bronze to Sustainable Development Report 2014 at the 55th ABCI Awards.

OTHERS

- National Institute of Industrial Engineering's 'Lakshya Avartan - On the Job Achiever's Contest' Award to ACC Concrete - Sales and Marketing.

34. ENHANCING SHAREHOLDERS VALUE

The creation of maximum value for shareholders is among your Company's principal objectives of strategic planning. Central to the Company's decision-making process is a systematic focus on the allocation and utilization of all corporate resources in the most profitable and productive manner so as to create value for all its stakeholders. Your Company's strategic operations are managed with a view to achieve the highest possible levels of operating performance and cost competitiveness, strengthening its

productive assets and resource base, building for growth, while nurturing corporate reputation. In this the Company is guided by the philosophy of ensuring that all of its strategic corporate actions are aligned towards sustainable development and thus have a positive impact on the economic, societal and environmental dimensions.

35. CORPORATE GOVERNANCE

The Annual Report contains a separate section on the Company's corporate governance practices, together with a certificate from the Company's Auditors confirming compliance, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

36. BUSINESS RESPONSIBILITY REPORTING

A separate section on Business Responsibility forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

37. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated in Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is provided in Annexure 'E' to the Directors' Report.

38. EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in form MGT 9 is enclosed as Annexure 'F'.

39. PARTICULARS OF EMPLOYEES

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as Annexure 'G' to the Board's Report.

The information in respect of employees of the Company required pursuant to Rule 5 of the

Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

40. 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 Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended December 31, 2016, 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 2 of the Notes to the Accounts 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 December 31, 2016, 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 Companies Act, 2013 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; and
- 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.

41. INTEGRATED REPORTING

Your Company believes in transparent reporting that is value-friendly to shareholders and investors. The Company's Annual Reports, including the last one for the year 2015, have received the highest awards for excellence in financial reporting from the Institute of Chartered Accountants of India (ICAI) several times in recent years. The Annual Report for 2015 was forwarded by ICAI to the South Asian Federation of Accountants (SAFA) who adjudged it as one of the winners.

The Annual Report carries a detailed section containing the "Business Responsibility Report". Since 2007 the Company also publishes an annual Corporate Sustainable Development Report conforming to the guidelines of the Global Reporting Initiative. The reports for 2014 and 2015 were based on the GRI G4 guidelines in accordance with the "Comprehensive" option and were externally assured.

As one of the Top 500 listed companies, the Company is studying the requirements of the Integrated Reporting Framework and will place an integrated report on its website in due course.

42. ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the support received by the Company from the Central and

State Government Ministries and Departments, shareholders, customers, business associates, bankers, employees, trade unions and all other stakeholders.

43. CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such

forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors

N.S. Sekhsaria
Chairman

Mumbai
February 03, 2017

CSR POLICY STATEMENT

(APPROVED BY THE BOARD OF DIRECTORS ON DECEMBER 8, 2015)

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 society.

To pursue these objectives we will continue to:

- Uphold and promote the principles of inclusive growth and equitable development.
- Devise and implement Community Development Plans based on the needs and priorities of our host communities and measure the effectiveness of such development programmes
- Work actively in the areas of Livelihood advancement, Enhancing 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 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.

ANNEXURE - A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR Policy is stated herein below:

Web link: <http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>

2. The Composition of the CSR Committee:

Mr. Shailesh Haribhakti,
Chairman (Independent Director)

Ms. Falguni Nayar,
Member (Independent Director)

Mr. Farrokh K Kavarana,
Member (Independent Director)

Mr. Harish Badami,
Member (Executive Director, CEO and MD)

3. Average net profit of the company for last three financial years.

Years	2015	2014	2013
Net Profit (₹ in Cr)	812.76	1,155.90	1252.44

Average net profit of the company for last three financial years is ₹ 1073.7 Cr.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

₹. 21.47 Cr

5. Details of CSR spent for the financial years.

- a) Total amount to be spent for the financial year;

₹. 21.47 Cr

- b) Amount unspent, if any;

Not Applicable

- c) Manner in which the amount spent during the financial year is detailed below.

Sr. No.	CSR Project/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads**	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
1.	ACC DISHA	Youth Employability (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballapur (Karnataka), Gulbarga(Karnataka), Coimbatore (Tamil Nadu) and Erode (Tamil Nadu)	4.86	2.80	2.80	2.80

Sr. No.	CSR Project/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads**	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
2.	ACC- LEISA	Sustainable Agriculture (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka) and Coimbatore (Tamil Nadu)	2.43	3.81	3.81	3.81
3.	ACC - Swavlamban	Women Empowerment (Schedule VII – (iii) Promoting gender, equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	3.24	2.26	2.26	2.26
4.	ACC Vidya Utkarsh	Quality Education (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Shrawasti (Uttar Pradesh), Shahazanhapur (Uttar Pradesh), Jaunpur (Uttar Pradesh), Mirzapur (Uttar Pradesh), Mewat (Haryana), Sirmaur (Himachal Pradesh), Sheopur (Madhya Pradesh), Rudraprayag (Uttarakhand), Alwar (Rajasthan), and Coimbatore (Tamil Nadu)	4.86	4.13	4.13	4.13

Sr. No.	CSR Project/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads**	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
5.	ACC Vidya Saarathi	Scholarship and support (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	1.62	0.38	0.38	0.38
6.	ACC-Arogyam	Health (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	2.43	2.67	2.67	2.67
7.	ACC - Sampoon Swachhata	Sanitation (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Coimbatore (Tamil Nadu)	2.43	3.70	3.70	3.70

Sr. No.	CSR Project/ Activities	Sector	Locations - Districts (States)	Amount Outlay (Budget) Project or Program wise (₹ in Crore)	Amount Spent on the project or programs (₹ in Crore) Sub – Heads: 1. Direct Expenditure on Projects or parishad 2. Overheads**	Cumulative Expenditure upto reporting period (₹ in Crore)	Amount Spent: Direct or through implementation agency (₹ in Crore)
8.	ACC Sanrakshit Paryavaran	Conservation of Environment (Schedule VII – (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;)	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), Coimbatore (Tamil Nadu) Aurangabad (Maharashtra) and Beed (Maharashtra)	0.81	1.89	1.89	1.89
9.	ACC -Drona	Promoting Local, Arts and Culture (Schedule VII – (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports) (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttarpradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballarpur (Karnataka), and Coimbatore (Tamil Nadu)	0.81	0.63	0.63	0.63
TOTAL				23.49	22.27	22.27	22.27

* Details of some of the implementing agencies –

1. ACC MAVIM Loksanchalit Sadhan Kendra - CMRC- Ghugus, 2. Agranee Jan Kalyan Anusthan, 3. Akruiti Rural Development Trust, 4. Amhi Amchya Arogyasathi, 5. Patang, Sambalpur, Odisha, 6. CENTUM Foundation, New Delhi, 7. Count India, 8. Sneh Sarvodaya Seva Sangh, 9. Sadbhavna Seva Evam Shiksha Sansthan, Allahabad 10. Dehat (Developmental Association for Human Advancement) Bahraich, 11. Dilasa Janvikas Pratishthan, Aurangabad, 12. Forum for Rural Development (FORD), 13. Jharkraft, Ranchi, Jharkhand 14. HARITIKA, 15. Himachal Pradesh Voluntary Health Association (HPVHA), Shimla, 16. Billimoria Foundation, Mumbai 17. IIMPACT, New Delhi, 18. PHIA Foundation, Ranchi, Jharkhand 19. Jan Mangal Sansthan, 20. Jan Sevak Samiti, Bhilai, 21. DEEDS, 22. Lokakalyan Parishad, 23. Mahashakti Foundation, 24. Mahatma Gandhi Integrated development and Education Institute, Bandikui, Rajasthan, 25. Naad Gunjan Kala Parishad, 26. Manthan Yuva Kendra, Ranchi, Jharkhand 27. Pancham Research and Bio tech Sansthan , Lucknow, 28. SANSKAR, 29. Sarva Seva Samiti Sanstha, 30. SATTVA Media and

consulting Pvt. Ltd, Bangalore, 31. SEEDS, 32. Self reliant initiatives through joint action (SRIJAN), 33. SERDS, Kadirannagari Palli, Bagepalli Tal, 34. Centre for Rural Developmental Trust, Karura, Tamil nadu, 35. Udyogini, 36. WESTRIC TRUST, 37 Loka Kalyan Parishad, 38. Shelter Trust, Namakkal, Tamil Nadu, 39. Saraswathi Women Educational Service Training Improvement Centre, Dindigul, Tamil Nadu, 40. Pratham Books, New Delhi 41. Vision Springs, New Delhi, 42. MART, NOIDA, Uttar Pradesh, 43. Innovative Development Solution.

** Company has spent overheads in addition of ₹ 22.27 Crore.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the company.

ACC CSR projects were designed, implemented and periodically monitored based on need assessment reports and CSR Policy of the Company, which in turn is based on and implemented with statutory requirements.

Sd/	Sd/
HARISH BADAMI CEO and Managing Director	SHAILESH V. HARIBHAKTI Chairman, CSR Committee

ANNEXURE 'B' TO BOARD'S REPORT

CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT AS DIRECTORS, KEY MANAGERIAL PERSONNEL AND MEMBERS OF THE EXECUTIVE COMMITTEE

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

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

- a. selection of candidates from a wide cross section of industries and professional backgrounds, qualifications, expertise and experience of the candidate, their domain and functional knowledge in the fields of manufacturing, marketing, finance, taxation, law, governance and general management so as to enable the Board to discharge its function and duties effectively;
- b. in case of recommendation for appointment of Independent Directors, the Nomination & Remuneration Committee shall also satisfy itself with regard to the independent nature of the Director vis-à-vis the Company;
- c. the candidates identified for appointment as Directors should not be disqualified for appointment under Section 164 of the Act;
- d. the following attributes / criteria will be considered whilst recommending the candidature for appointment as Director:
 - i. age of the candidate;
 - ii. integrity of the candidate;
 - iii. personal, Professional or Business Standing;
 - iv. diversity of the Board;
 - v. positive attributes of the candidate;
 - vi. in case of re-appointment of Non-Executive Directors, the Nomination & Remuneration Committee whilst making its recommendation to the Board of Directors, shall take into consideration the performance evaluation of the Director and his engagement level.

The Nomination & Remuneration Committee shall meet potential candidates to assess their level of competence, experience and their personal and other positive attributes before making its recommendation to the Board.

For the purpose of assessing the attributes of the candidate, the Committee shall, inter alia, take into consideration whether the candidate demonstrates:

- high standards of ethical behaviour;
- positive disposition, good interpersonal and communication skills;
- ability to think independently without being influenced by extraneous circumstances or consideration;
- capability to act with reasonable care, in good faith and in the best interests of the Company and its stakeholders;
- ability to devote time and attention for the business and governance of the Company;
- refrain from situations that may have a direct or indirect conflict of interest with those of the Company;
- acceptance to abide by the Company's Code of Business Conduct.

The Board of Directors (including the Nomination & Remuneration Committee) periodically review vacancies likely to occur on the completion of the tenure of Non-Executive Directors for timely filling of such vacancies.

In the selection of the CEO&MD, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise and experience, domain and functional knowledge required for such office and who demonstrate positive attributes as explained above. The ability of the candidate to adapt to the organizational culture and ethos are also considered. The Committee also ensures that the identified

candidate is not disqualified for appointment as a Director. In this regard, the Committee also takes into consideration the recommendations received from any Member of the Committee / Board of Directors. In case of appointment of persons to the Executive Committee, the Nomination & Remuneration Committee considers the recommendation of the CEO&MD in this regard, who shall base his recommendation on the assessment of the qualifications, expertise and experience functional knowledge and skills of the candidate, his/her positive attributes and the ability and agility of the candidate to adapt to the overall organizational culture and ethos

ANNEXURE 'C' TO BOARD'S REPORT

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL
AND MEMBERS OF THE EXECUTIVE COMMITTEE**Remuneration Philosophy**

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

Remuneration

The remuneration of the Non-Executive Directors is determined within the limits prescribed under Section 179 read with the rules framed thereunder and Schedule V to the Companies Act, 2013 (hereinafter collectively referred to as "the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations").

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

- i. sitting fees for each meeting of the Board or Committee of the Board attended by the Director, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act;
- ii. subject to the approval of the Members in General Meeting, payment of commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee, subject to the ceiling prescribed under the Act. Pursuant thereto, the total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- iii. the commission is generally paid on a uniform basis, to reinforce the principles of collective responsibility of the Board;
- iv. the Nomination & Remuneration Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- v. in determining the quantum of commission payable to the Directors, the Nomination & Remuneration Committee shall make its recommendation after taking into consideration the overall performance of the Company and having regard to the onerous responsibilities required to be shouldered by the Director etc.
- vi. the Nomination & Remuneration Committee may recommend to the Board, for the payment of an additional commission to those Directors who are Members on the Audit Committee and the Compliance Committee of the Board, subject to a ceiling on the total commission payable as may be decided;
- vii. in addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission, as may be recommended to the Board by the Nomination & Remuneration Committee;
- viii. the commission shall be payable on a prorata basis to those Directors who occupy office for part of the year;
- ix. the Independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

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

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

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

Remuneration Policy for the CEO&MD

- i. The CEO&MD shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the CEO&MD, within the overall limits prescribed under the Act.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO&MD shall be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component viz. performance bonus and other long term incentives.
- iv. in determining the remuneration the Nomination & Remuneration Committee shall consider the following:
 - a. the relationship between remuneration and performance;
 - b. balance between fixed and incentive pay reflecting short and long term performance

objectives appropriate to the working of the Company and its goals;

- c. responsibility required to be shouldered by the CEO&MD, the industry benchmarks and current trends;
- d. the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.
- e. in keeping with best industry practices, to ensure that the remuneration is competitive and that it compares favourably with the Industry.

Remuneration Policy for the Key Managerial Personnel and the Executive Committee Members

- i. In determining the remuneration of the Key Managerial Personnel (KMP) and Executive Committee Members, the Nomination & Remuneration Committee shall consider the following:
 - a. the relationship between remuneration and performance;
 - b. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
 - d. the remuneration including annual increment and performance bonus, is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs/KPIs, industry benchmarks and current compensation trends in the market.
- ii. The CEO&MD will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the Nomination & Remuneration Committee for its review.

ANNEXURE 'D' TO BOARD'S REPORT

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2016

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
ACC Limited

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the year ended December 31, 2016, 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 year ended December 31, 2016 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the Rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (4) Foreign Exchange Management Act, 1999 and the Rules and regulations made there under;
- (5) 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, as amended from time to time;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS – 1 and SS – 2);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that

The Board of Directors of the Company appointed MD and CEO (Designate) as an Additional Director on December 16, 2016 due to which the number of Independent Directors were less than that required under the said Regulation from that date till December 31, 2016 by one Director. However, the Company has a period of ninety days to restore the Composition of the Board of Directors in accordance with the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period, all the decisions in the Board Meetings were carried unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

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.

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

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs.

ANNEXURE I

To,
The Members
The ACC Limited

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 process 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 process 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. Where ever required, we have obtained Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. 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.

Pramod S. Shah & Associates
(Practising Company Secretaries)

Place: Mumbai
Date: 25/01/2017

Pramod Shah-Partner
Pramod S. Shah & Associates
FCS No.: 334
C P No.: 3804

ANNEXURE II

- (1) Employees Provident Fund Act, 1952 and Rules;
- (2) Professional Tax Act, 1975 and Rules;
- (3) Payment of Gratuity Act, 1972;
- (4) Apprentices Act, 1961;
- (5) Contract Labour (R&A) Act, 1970;
- (6) Employment Exchanges (Compulsory Notification of vacancies) Act, 1959;
- (7) Employees State Insurance Act, 1947;
- (8) Equal Remuneration Act, 1976;
- (9) Income Tax Act, 1961;
- (10) Minimum Wages Act, 1948;
- (11) Payment of Bonus Act, 1965;
- (12) Shops & Establishment Act, 1948;
- (13) Finance Act, 2015;
- (14) Employees Provident Fund & Miscellaneous Provisions Act, 1952.

Pramod S. Shah & Associates
(Practising Company Secretaries)

Place: Mumbai
Date: 25/01/2017

Pramod Shah-Partner
Pramod S. Shah & Associates
FCS No.: 334
C P No.: 3804

ANNEXURE 'E' TO BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS & OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A1) POWER COST OPTIMISATION

The impact of increasing electrical energy cost was reduced by increased consumption of Open Access power from comparatively cheaper sources. Mix of Open Access power to grid power has been increased from 3% to around 25% at Gagal; from 65% to 93.5% at Thondebhavi; and from 59% to 84% at Kudithini. This resulted in total saving of ₹ 19 Cr. in power cost.

(A2) RENEWABLE POWER OBLIGATION

Your company is trying to reduce the cash outflow for purchase of RECs against Renewable Power Obligation.

The captive wind power generation sources contributed considerably in this front. Besides this, company has sourced 1.67 million units at Gagal to fulfil the Non Solar RPO. This resulted in an additional saving of ₹ 1.2 million in cash outflow.

(A3) CONSERVATION OF ENERGY

The specific energy consumption during the year was vastly impacted by adverse market conditions resulting in reduced capacity utilisation and use of low cost fuel like pet coke and reduction in % of blended cement. However substantial efforts were done by plants to reduce the negative impacts.

Energy conservation and efficiency measures were undertaken in various areas of the cement manufacturing and Captive Power Plants (CPPs), mainly through Operational measures. Few highlights are as under:

- Focus on arresting leakages and pressure drops through Computational Fluid Dynamics (CFD) study
- Detailed CPP audits at Chanda and Bargarh,
- Upgradation of control system

- Capacitor banks have been added to the system across ACC plants to improve plant power factor and also to reduce harmonics.

ACC Chanda was adjudged as Excellent Energy Efficient units by Confederation of Indian Industries (CII), supported by BEE for best practices in energy conservation

Plant wise briefs are as under

- Lakheri - Conventional burner was replaced by Duoflex burner in Kiln, besides introduction of variable speed drives for cooler and Crusher Bag House Fan.
- Chanda - Computational Fluid Dynamics study carried out and mitigation measures taken to reduce pressure drop across coal mill outlet duct.
- Kymore - Computational Fluid Dynamics study carried out for Kiln 2 bag House and mitigation measures taken to improve flow distribution and reduce pressure drop across the bag house.
- Gagal – Installed energy efficient Turbo blowers in both Kiln burners besides replacing the K2 burner with Pyro-jet burner; VRM throughput was increased from 280 to 330 TPH by reduction of feed size and accordingly modifying the mill internals; replaced Preheater fan with Energy Efficient fan; Pressure drop across Raw Mill VRM of Gagal 2 and Preheater Cyclones at Gagal 1 was reduced by taking mitigation action through Computational Fluid Dynamics study; converted Cement Mill-3 into mono-chamber mill; replaced reciprocating type compressors with energy efficient screw compressors.
- Wadi – installed tertiary Air Damper for improvement of thermal energy consumption in Kiln 4; modified coal circuit to increase Coal

Handling Plant out from 80 TPH to 130 TPH for its Captive Power Plant.

- Tikaria – converted twin chamber cement mills to mono chamber with change in feeding arrangement of pre-grinder output.
- Thondebhavi – High efficiency screw compressor was installed to replace existing compressor.
- Kymore - installed Medium Voltage Variable Speed Drive for Preheater fan line-1; replaced Kiln Shell for improvement of thermal energy consumption for line-2;
- Bargarh – Improved Coal Mill productivity from 7.5 TPH to 12.5 TPH by modifications in Liner, thereby improving Kiln productivity; Installed new roller in Slag VRM to improve grinding efficiency.

Green power

- ACC Renewable Energy Portfolio consists of 19 MW in the form of Wind Farms across 3 states and has generated approx 36.51 Million Units of green power. (Rajasthan - 12.47 Million Units, Tamilnadu – 19.92 Million Units, Maharashtra – 4.12 Million units).
- These units helped ACC to meet the Renewable Purchase Obligation (Non Solar) for Madukkarai Plant (TN) & Lakheri Plant (Rajasthan) fully, besides getting power at a very cheaper cost.

In Maharashtra, ACC Thane complex and Bulk Cement Corporation of India, Kalamboli are operating mainly on renewable energy with negligible cost through the ACC wind turbines at Satara, Maharashtra. Besides these, the Renewable Energy Certificates (RECs) generated through the Wind Turbine Generators were used to partly trade off the Non Solar Renewable Power Obligation of Tikaria plant, resulting substantial saving in cash outflow of more than ₹ 42 Lakhs.

- The Renewable Power Obligations of other plants were met by purchasing Renewable Energy Certificates. (Solar & Non Solar).

(a) Additional Proposals being implemented for further conservation of energy

- Process optimisation
- Upgradation of existing fans with high efficiency fans
- Installation of VSDs.

(b) Impact of the above measures for reduction of energy consumption and consequent impact on cost of production -

The measures stated in point (a) above would further improve the thermal and electrical energy efficiency of the Plants.

The capital investment on energy conservation equipments;

Your Company spent ₹ 112 Million on major capex projects for energy conservation, besides implementation low cost capex / opex measures to reduce energy consumption

(B) TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

- Maximisation of use of Petcoke as a fuel
- Improving the grinding efficiency of Petcoke and Coal through inhouse patented process
- Conservation of resources through maximization of use of low-grade limestone for cement manufacture, improving quality of blended cement through innovative processing utilizing industrial by-products for improved quality Performance of ACC Plants
- Characterization of Industrial wastes and looking into possibilities environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources
- Development of new products or discovering new methods of analysis

- f. Development and use of Cement Grinding aid and accelerators for PPC & PSC for improved performance in Concrete and achieving higher % Fly ash in PPC and higher %slag in PSC products .
 - g. Productivity research for increased efficiency in use of resources Development of application Oriented Cements with decreased CO2 emissions
 - Development of Cements tailored for specific market clusters and application segments
 - Development of one of its kind cement in India for reducing water seepage
 - Development of Masonry cement
 - Development of cement based Niche products and dry mix Mortars
 - h. Quality Benchmarking exercise for different market clusters of ACC products
 - i. Quality audit from mining to packing as well as labs to ensure proper sampling, ensuring reproducibility & repeatability of evaluation at each stage of manufacturing process, with automation and availability of analysis data through Laboratory information management system (LIMS).
 - j. Monitoring in all the plants, the Cement performance in Concrete through application oriented testing
- d) Effective use of marginal quality raw materials and fuels with improved clinker quality
 - e) Effective replacement of the costlier natural Gypsum by cheaper by-products without affecting the quality of cement targeting reduced gypsum cost per T of Cement
 - f) Fuel efficiency
 - g) Reduction in Sp.power consumption for grinding
 - h) Effective use of Statistical Process Control (SPC) at each stage of Cement Manufacture for improving consistency of Operations and consistency in Product Quality

3. Future plan of action

- a) Focus on development of products aimed at enhancing use of cement in various applications and development of application Oriented Cement based cementitious material
- b) Exploratory research works on the above specified areas
- c) Use of waste / by-products in cement manufacture as alternative materials
- d) Improve product quality particularly with respect to long term durability and reduction in cost of manufacture

2. Benefits derived as result of above R & D

- a) Continuous Support in Manufacturing of special high performance products like F2R, Concrete+, Coastal+, ACC Plus+, ACC Gold for specific Market segments / Market climatic conditions
- b) Maintain a lead position in all the market clusters of the country
- c) Increased absorption of blending materials like fly ash and slags in blended cements

4. Expenditure on R & D

	₹ Crore
Capital	0.09
Recurring (Gross)	8.50
Total	8.59
Total R&D expenditure as percentage of total turnover (%)	0.08

5. Foreign Exchange Earnings & Outgo

	₹ Crore
Foreign exchange earned	0.66
Foreign exchange used	122.17

ANNEXURE 'F' TO BOARD'S REPORT

FORM No. MGT- 9 EXTRACT OF ANNUAL RETURN as on financial year ended December 31, 2016 [Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L26940MH1936PLC002515
Registration Date	August 1, 1936
Name of the Company	ACC Limited
Category / Sub Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	Cement House, 121 Maharshi Karve Road, Mumbai - 400020. Tel. No. 022-33024321
Whether Listed Company	Yes
Name, Address and contact details of Registrar and Transfer Agent, if any	The Company has an in-house Share Department at the Registered Office. Tel. No. 022-33024469

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and Description of the main Product / Service	NIC Code of the Product / Service	% to total turnover of the Company
Cement	3242	90.36
Ready Mixed Concrete	3279	9.64

III. PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
*Ambuja Cements Limited II Floor Elegant Business Park, MIDC Cross Road B, Andheri East, Mumbai 400059	L26942GJ1981PLC004717	Holding	50.05	2(46)
Holderind Investments Limited Holcim Group Support (Zurich) Ltd. Hagenholzstrasse 85, CH- 8050, Zurich, Switzerland	Foreign Company	Holding	4.48	2(46)
ACC Mineral Resources Limited Cement House, 121, Maharshi Karve Road, Mumbai 400020	U10100MH1930PLC001612	Subsidiary	100	2(87)
Bulk Cement Corporation (India) Ltd. Plot No. W-7, KWC Kalamboli, Dist Raigad 410 218	U99999MH1992PLC66679	Subsidiary	94.65	2(87)
Lucky Minmat Limited G-9/C Kabir Marg, Bani Park, Jaipur 302 016	U14219RJ1976PLC001697	Subsidiary	100	2(87)
National Limestone Company Private Limited G-9/C Kabir Marg, Bani Park, Jaipur 302 016	U26944RJ1981PTC002227	Subsidiary	100	2(87)
Singhania Minerals Private Limited Paryavas Bhavan, 2nd Floor, Block No. 1, Jail Road, Areara Hills, Bhopal 462 011 (MP)	U14109MP1992PTC007264	Subsidiary	100	2(87)
Alcon Cement Company Private Limited 2nd Floor, Velho Bldg, Opp Municipal Garden, Panaji, Goa 403 001.	U26942GA1992PTC001281	Associate	40	2(6)
Asian Concretes and Cements Private Limited SCF-270, Motor market, Mansadevi Road, Chandigarh 160101	U26940CH2009PTC031641	Associate	45	2(6)
Aakaash Manufacturing Company Private Limited. 2nd Floor, Velho Bldg, Opp Municipal Garden, Panaji, Goa 403001.	U55101GA1995PTC001908	Associate	40	2(6)
OneIndia BSC Private Limited No. 003, 'A' Ground Floor, 'The Estate', No. 121 Dickenson Road, Bangalore 560042	U74900KA2015PTC082264	Associate (Joint Venture)	40	2(6)

*Pursuant to the amalgamation of Holcim (India) Private Limited with Ambuja Cements Limited w.e.f. August 12, 2016, all the assets of Holcim (India) Private Limited including the shares held by them in the Company are acquired by Ambuja Cements Limited.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (January 1, 2016)				No. of Shares held at the end of the year (December 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	93888120	0	93888120	50.01	93984120	0	93984120	50.05	0.04
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other.....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	93888120	0	93888120	50.01	93984120	0	93984120	50.05	0.04
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	541000	0	541000	0.29	8411000	0	8411000	4.48	4.19
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Others....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	541000	0	541000	0.29	8411000	0	8411000	4.48	4.19
Total Shareholding of Promoters (A)=A(1)+A(2)	94429120	0	94429120	50.30	102395120	0	102395120	54.53	4.23
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	6872626	28620	6901246	3.68	4367431	29300	4396731	2.34	(1.34)
b) Banks / FI	26978360	80271	27058631	14.41	25145987	83356	25229343	13.44	(0.97)
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	56475	231340	287815	0.15	56475	231340	287815	0.15	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	1632040	0	1632040	0.87	0.87
g) FII's / FPI's	28702529	16475	28719004	15.30	26958870	15975	26974845	14.36	(0.94)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	62609990	356706	62966696	33.54	58160803	359971	58520774	31.16	(2.38)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category - wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (January 1, 2016)				No. of Shares held at the end of the year (December 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	4245164	125371	4370535	2.33	1632591	104611	1737202	0.93	(1.40)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	14276582	5442857	19719439	10.50	14180526	4721317	18901843	10.07	(0.43)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2080644	566403	2647047	1.41	1967747	501597	2469344	1.31	(0.10)
c) Others (Specify)									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	0	215765	215765	0.11	0	215765	215765	0.11	0
ii) Other Foreign Nationals	168901	0	168901	0.09	168989	0	168989	0.09	0
iii) Foreign Bodies	0	0	0	0	0	0	0	0	0
iv) NRI / OCBs	648175	207460	855635	0.46	702822	134158	836980	0.45	(0.01)
v) Clearing Members / Clearing House	207887	0	207887	0.11	107606	0	107606	0.06	(0.05)
vi) Trusts	2163477	0	2163477	1.15	2431317	0	2431317	1.29	0.14
vii) Limited Liability Partnership	854	0	854	0	2323	0	2323	0	0
viii) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
Sub-Total (B)(2):	23791684	6557856	30349540	16.16	21193921	5677448	26871369	14.31	(1.85)
Total Public Shareholding (B)=(B)(1)+(B)(2)	86401674	6914562	93316236	49.70	79354724	6037419	85392143	45.47	(4.23)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A)+(B)+(C)	180830794	6914562	187745356	100.00	181749844	6037419	187787263	100.00	0

(ii) Shareholding of Promoters (including Promoter Group)

Shareholder's Name	Shareholding at the beginning of the year (January 1, 2016)			Shareholding at the end of the year (December 31, 2016)			% change in shareholding during the year
	No of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	No of Shares	% of total shares of the company	% of Shares pledged / encumbered to total shares	
Holcim (India) Private Limited	93888120	50.01	0	0	0	0	100
Ambuja Cements Limited	0	0	0	93984120	50.05	0	100
Holderind Investments Limited	541000	0.29	0	8411000	4.48	0	4.19
Total	94429120	50.30	0	102395120	54.53	0	4.23

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Shareholder's Name	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (January 1, 2016 to December 31, 2016)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1. Holcim (India) Private Limited				
At the beginning of the year	93888120	50.01	-	-
Bought during the year: May 23, 2016 - Market Purchase	96000	0.04	93984120	50.05
Decreased during the year: Pursuant to the amalgamation of Holcim (India) Private Limited with Ambuja Cements Limited w.e.f. August 12, 2016 all the assets of Holcim (India) Private Limited including the shares held by them in the Company are acquired by Ambuja Cements Limited.	93984120	50.05	0	0
At the end of the year	-	-	0	0
2. Ambuja Cements Limited				
At the beginning of the year	0	0	-	-
Increased during the year: Pursuant to the amalgamation of Holcim (India) Private Limited with Ambuja Cements Limited w.e.f. August 12, 2016 all the assets of Holcim (India) Private Limited including the shares held by them in the Company are now held by Ambuja Cements Limited.	93984120	50.05	93984120	50.05
Sold during the year	0	0	93984120	50.05
At the end of the year	-	-	93984120	50.05
3. Holderind Investments Limited				
At the beginning of the year	541000	0.29	-	-
Bought during the year: November 15, 2016 - Market Purchase	7870000	4.19	8411000	4.48
Sold during the year	0	0	8411000	4.48
At the end of the year	-	-	8411000	4.48

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) as on December 31, 2016

Sr No	Name of Shareholder's	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (January 1, 2016 to December 31, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	22174751	11.81	-	-
	Bought during the year	157773	0.08	22332524	11.90
	Sold during the year	1105683	0.59	21226841	11.31
	At the end of the year	-	-	21226841	11.31
2	ABERDEEN GLOBAL INDIAN EQUITY LIMITED				
	At the beginning of the year	3768936	2.01	-	-
	Bought during the year	0	0.00	3768936	2.01
	Sold during the year	843936	0.45	2925000	1.56
	At the end of the year	-	-	2925000	1.56
3	JPMORGAN SICAV INVESTMENT COMPANY (MAURITIUS) LIMITED				
	At the beginning of the year	2546356	1.36	-	-
	Bought during the year	0	0.00	2546356	1.36
	Sold during the year	265965	0.14	2280391	1.21
	At the end of the year	-	-	2280391	1.21
4	JPMORGAN INDIA FUND				
	At the beginning of the year	2115988	1.13	-	-
	Bought during the year	0	0.00	2115988	1.13
	Sold during the year	115000	0.06	2000988	1.07
	At the end of the year	-	-	2000988	1.07
5	JP MORGAN INDIAN INVESTMENT COMPANY (MAURITIUS) LIMITED				
	At the beginning of the year	1669343	0.89	-	-
	Bought during the year	80378	0.04	1749721	0.93
	Sold during the year	0	0.00	-	-
	At the end of the year	-	-	1749721	0.93
6	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND				
	At the beginning of the year	1292856	0.69	-	-
	Bought during the year	121742	0.06	1414598	0.75
	Sold during the year	946738	0.50	467860	0.25
	At the end of the year	-	-	467860	0.25

Sr No	Name of Shareholder's	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (January 1, 2016 to December 31, 2016)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7	ABU DHABI INVESTMENT AUTHORITY - JHELUM				
	At the beginning of the year	1358211	0.72	-	-
	Bought during the year	192707	0.10	1550918	0.83
	Sold during the year	41622	0.02	1509296	0.80
	At the end of the year	-	-	1509296	0.80
8	ICICI PRUDENTIAL FOCUSED BLUECHIP EQUITY FUND				
	At the beginning of the year	1170739	0.62	-	-
	Bought during the year	191236	0.10	1361975	0.73
	Sold during the year	1116867	0.59	245108	0.13
	At the end of the year	-	-	245108	0.13
9	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD				
	At the beginning of the year	1008199	0.54	-	-
	Bought during the year	153629	0.08	1161828	0.62
	Sold during the year	602594	0.32	559234	0.30
	At the end of the year	-	-	559234	0.30
10	THE NEW INDIA ASSURANCE COMPANY LIMITED				
	At the beginning of the year	976476	0.52	-	-
	Bought during the year	150021	0.08	1126497	0.60
	Sold during the year	175679	0.09	950818	0.51
	At the end of the year	-	-	950818	0.51

Notes:

The above information is based on the weekly beneficiary position received from Depositories.

The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company www.acclimited.com

(v) Shareholding of Directors and Key Managerial Personnel

Name of the Director	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (January 1, 2016 to December 31, 2016)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
Mr. Shailesh Haribhakti				
At the beginning of the year	0	0	-	-
Bought during the year: September 30, 2016 - Market Purchase	3100	0	3100	0
At the end of the year	-	-	3100	0

Name of the Key Managerial Personnel	Name of the Key Managerial Personnel			
	Shareholding at the beginning of the year (January 1, 2016)		Cumulative Shareholding during the year (January 1, 2016 to December 31, 2016)	
	No. of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
Mr. Sunil K Nayak Chief Financial Officer				
At the beginning of the year	05	0	-	-
Date wise Increase/ Decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ Sweat equity etc)	0	0	05	0
At the end of the year	-	-	05	0
Mr. Burjor D Nariman Company Secretary & Head Compliance				
At the beginning of the year	200	0	-	-
Date wise Increase/ Decrease in shareholding during the year specifying the reason for increase/ decrease (e.g. allotment/ transfer/ bonus/ Sweat equity etc)	0	0	200	0
At the end of the year	-	-	200	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

₹ Crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	35.50	0.02	35.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2.44	-	2.44
Total (i+ii+iii)	-	37.94	0.02	37.96
Change in Indebtedness during the financial year				
Addition (including interest capitalised)	-	13.78	-	13.78
Reduction	-	-	-	-
Net Change	-	13.78	-	13.78
Indebtedness at the end of the financial year				
i) Principal Amount	-	50.02	0.02	50.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1.70	-	1.70
Total (i+ii+iii)	-	51.72	0.02	51.74

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

Sr. No.	Particulars of Remuneration	Mr Harish Badami (CEO & MD)	Total Amount (₹ lakhs)
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	689.05	689.05
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2	Stock Options	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
5	Others	Nil	Nil
	i Deferred bonus	Nil	Nil
	ii Retirals	42.01	42.01
	iii Others	1.01	1.01
	TOTAL	732.07	732.07

B. Remuneration to Other Directors

1. Independent Directors

Particulars of Remuneration	Name of Director						Total Amount (₹ lakhs)
	Mr. Haribhakti	Mr. Roongta	Mr. Dani	Mr. Kavarana	Mr. Gandhi	Ms. Nayar	
Fee for attending Board/ Committee Meetings	8.90	6.80	8.90	10.60	7.30	2.60	45.10
Commission	28.00	28.00	28.00	28.00	34.00	16.00	162.00
Others, Please specify	-	-	-	-	-	-	-
Total (B)(1)	36.90	34.80	36.90	38.60	41.30	18.60	207.10

2. Other Non Executive Directors

Particulars of Remuneration	Name of Director						Total Amount (₹ lakhs)
	Mr. Sekhsaria	Mr. Sharma	Mr. Eric Olsen	Mr. Christof Hassig	Mr. Martin Kriegner	Mr. Bernad Terver - retired during the year	
Fee for attending Board/ Committee Meetings	5.60	1.00	3.60	3.50	8.40	1.90	24.00
Commission	37.00	16.00	16.00	16.00	24.86	3.21	113.07
Others, Please specify	-	-	-	-	-	-	-
Total (B)(2)	42.60	17.00	19.60	19.50	33.26	5.11	137.07

Grand Total {(B)(1)+(B)(2)} = ₹ 344.17 lakhs

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particular of Remuneration	Key Managerial Personnel		
		Mr. Sunil K Nayak Chief Financial Officer	Mr. Burjor D Nariman Company Secretary & Head Compliance	Total Amount ₹ Lakhs
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	223.66	101.31	324.97
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2	Stock Options	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
5	Others, please specify - Retirals	19.59	11.83	31.42
	Others	3.00	4.34	7.34
	Total (C)	246.25	117.48	363.73

VII. PENALTIES / PUNISHMENTS / COMPOUNDING OF OFFENCES

There were no penalties / punishments / compounding of offences for the year ended December 31, 2016.

N S Sekhsaria
Chairman

Mumbai
February 3, 2017

ANNEXURE 'G' TO BOARD'S REPORT

**INFORMATION PURSUANT TO SECTION 197(12) READ WITH RULE 5 OF THE COMPANIES
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

1. Ratio of Remuneration of Non-Executive Directors to the median remuneration of the employees of the Company for the year 2016

Non- Executive Directors	Category	Remuneration in (₹ in Lakhs)		Change %	Ratio to median Remuneration
		2016	2015		
Mr. N. S. Sekhsaria Chairman	Non Executive / Non Independent	37.00	37.00	NIL	8
Mr. Eric Olsen - Dy. Chairman appointed w.e.f. 17.07.2015	Non Executive / Non Independent	16.00	7.32	*	3
Mr. Martin Kriegner - appointed w.e.f. 11.02.2016	Non Executive / Non Independent	24.86	0.00	*	5
Mr. Shailesh Haribhakti	Non Executive / Independent	28.00	28.00	NIL	6
Mr. Sushil Kumar Roongta	Non Executive / Independent	28.00	28.00	NIL	6
Mr. Ashwin Dani	Non Executive / Independent	28.00	28.00	NIL	6
Mr. F. K. Kavarana	Non Executive / Independent	28.00	28.00	NIL	6
Mr Vijay Kumar Sharma	Non Executive / Non Independent	16.00	16.00	NIL	3
Mr Arunkumar Gandhi	Non Executive / Independent	34.00	34.00	NIL	7
Mrs Falguni Nayar	Non Executive / Independent	16.00	16.00	NIL	3
Mr Christof Hassig appointed w.e.f. 09.12.2015	Non Executive / Non Independent	16.00	1.01	*	3
Mr Neeraj Akhoury - appointed as Additional Director w.e.f. 16.12.2016	MD&CEO (Designate) / Non Independent	0.00	0.00	*	0
Mr. Bernard Terver resigned w.e.f. 11.02.2016		3.21	28.00	*	1

* for part of the Year

2. Ratio of remuneration of Key Managerial Personnel (KMP) against the performance of the Company:

CEO&MD & KMP	Remuneration in (₹ in Lakhs)		Ratio to Median Remuneration	Change %	% Increase in CTC of Employees	Ratio of 2016 Remuneration to	
	2016	2015				Revenue	Net Profit
Harish Badami CEO & MD resigned w.e.f. February 4, 2017	732.07	569.55	157	29	9	0.066	1.215
Sunil Nayak Chief Financial Officer	246.25	250.80	53	(2)	11	0.022	0.408
Burjor Nariman Company Secretary & Head Compliance	117.48	124.73	24	(6)	5	0.010	0.195

- The number of permanent employees on the rolls of the company was 7833.
- Median remuneration of both the employees and Key managerial Personnel has increased by 12% in 2016 as compared to 2015. Increase in Median remuneration of employees due to wage settlement and normal increment.
- The ratio of the remuneration of the highest paid director to that employees who are not directors but receive remuneration in excess of the highest paid directors during the year: - Not applicable
- We affirm that the remuneration paid to the Directors, Key Managerial Personnel and Employees is as per the Remuneration policy of the Company.
- The explanation on the relationship between average increase in remuneration and company performance: The median remuneration increased by 12 % in 2016 whereas the profit after tax increased by 2%. Increase in Median remuneration of employees due to wage settlement and normal increment The compensation structure is benchmarked from time to time and salary increased during the year are aligned to market forces Reasons for increase in profits have been explained in Directors report .
- Market Capitalization & price earnings ratio are as under

Years	As at December 31 2016	As at December 31 2015	Increase/ (decrease)(%)
Price Earnings Ratio	41.24	43.07	(4.24)
Market Capitalization (₹ in crores)	24995	25546	(2.15)

The company has not made any public issue of shares

CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended December 31, 2016.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Governance Philosophy of your Company is based on strong foundations of ethical values and professionalism which over the past 80 years of the Company's existence has become a part of its culture and DNA. Integrity, transparency, fairness, accountability and compliance with the law are embedded in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct, its EthicalView Reporting Policy and its well structured internal control systems which are subjected to regular review for their effectiveness, reinforces accountability and integrity of reporting and ensures transparency and fairness in dealing with the Company's stakeholders. The Company's focus on sustainable development, its customer centric approach which ensures product quality and innovative value added service offerings coupled with its outreach through CSR activities and programmes to the communities in and around its area of operations has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and other stakeholders.

A Report on compliance with the principles of Corporate Governance as prescribed in The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

GOVERNANCE STRUCTURE

The Company's Governance structure comprises a dual layer, the Board of Directors and the Committees of the Board at the apex level and the Management structure at an operational level. This brings about a homogenous blend in governance as the Board lays down the overall corporate objectives and provides direction and independence to the Management to achieve these objectives within a given framework. This

professional management process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

Board of Directors - The Board of Directors and the Committees of the Board play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its stakeholders and in the utilization of resources for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interests of the Company. The Board's composition and size is robust and enables it to deal competently with emerging business development issues and exercise independent judgement.

Committee of Directors - Having regard to the significant contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to focus on various areas of the business, the Board has constituted the following Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee which are mandatory Committees and the Compliance Committee which is a non-mandatory Committee.

Management Structure - Management Structure for the day-to-day business operations and management of the Company is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

Chief Executive Officer & Managing Director - The Chief Executive Officer & Managing Director (CEO&MD) is in overall operational control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.

Executive Committee (ExCo) - This Committee comprises the CEO&MD, Chief Financial Officer, Chief Manufacturing Officer, Chief Marketing Officer,

Chief People Officer and Chief Procurement Officer. The Committee operates within the framework of the strategic policies laid down by the Board and is responsible and accountable for overall business deliverables. The ExCo is a platform for the Committee Members to meet on a regular basis to review monthly performance against set targets, discuss and decide on cross functional operational matter, address various business challenges and monitor implementation of decisions taken.

Organization Structure, Roles and Responsibilities -

The function based structure which was put in place last year has worked well and has resulted in harnessing functional expertise in driving business effectively and in addressing operational challenges swiftly and proactively. The function based structure is broadly divided into verticals viz. Sales & Marketing, Corporate Services, Manufacturing, Human Resource, Finance and Procurement. Each of these verticals operate under the overall supervision of the respective function head who is an ExCo Member.

The Cement Plants and Marketing Units are grouped into four regional clusters viz. North, South, West and East.

The manufacturing vertical has a Manufacturing Cluster Head in each Region who reports to the Chief

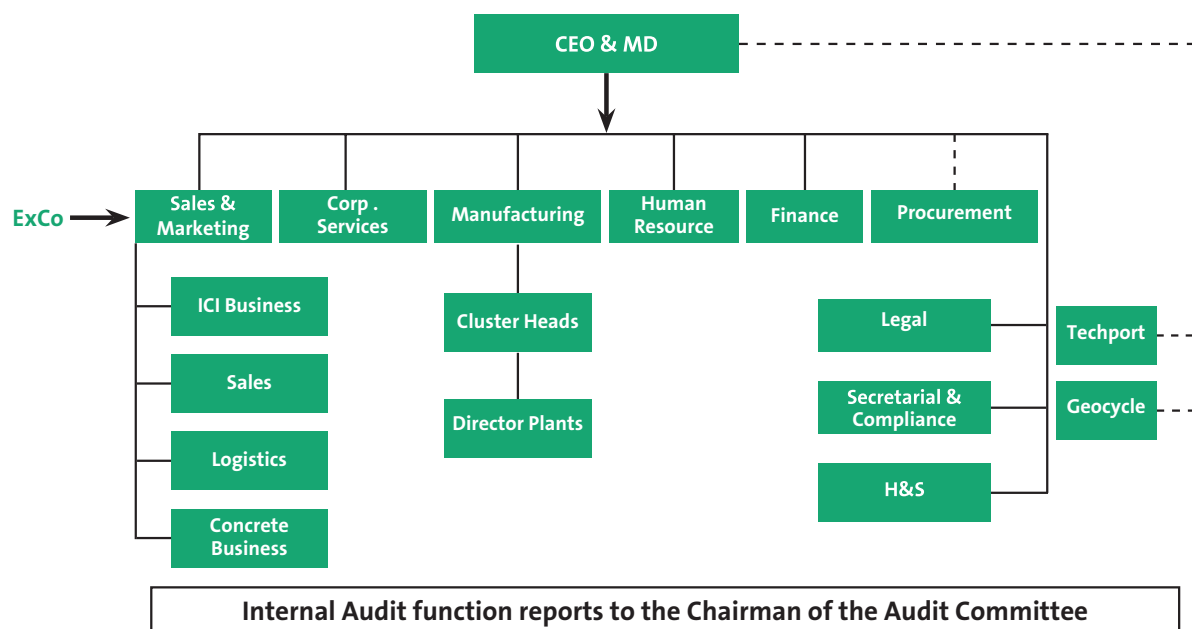
Manufacturing Officer. The Manufacturing Cluster Head is in overall charge of the Plants within his Regional Cluster and is, inter alia, responsible for ensuring uninterrupted operations and maintenance of the Plants, adoption of best practices, productivity improvement, capability building, coordination of demand / supply as per market requirements and to support the sales and logistics teams in the despatch of cement from the respective Units.

Each manufacturing unit is under supervision and control of the Director Plant who is responsible for the day-to-day operations and maintenance of the Plant and all related functions including addressing local issues and compliances as applicable to a plant. The Director Plant reports to the respective Manufacturing Cluster Head in the Region.

The procurement activities are managed by India Procurement Organization and executed from five Procurement Cluster offices.

The Regional Director Sales, the Regional Director Logistics, the Regional Finance Head and the Regional HR Head have a direct reporting line to the respective Vertical Head who is an ExCo Member.

The other functions viz. Health & Safety (H&S), Secretarial & Compliance, Legal and common functions such as Techport and Geocycle India report to the CEO&MD.



BOARD OF DIRECTORS

Composition of the Board as on December 31, 2016

Category	No. of Directors
Non Executive & Independent Directors including a Woman Director	6
Other Non Executive Directors	5
Executive Directors*	2

*The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, has at its Meeting held on December 16, 2016 appointed Mr Neeraj Akhoury, an Additional Director on the Board of Directors of the Company and has nominated him as Managing Director and Chief Executive Officer (Designate) {MD&CEO (Designate)}. On the recommendation of the Nomination and Remuneration Committee, the Board has also appointed Mr Neeraj Akhoury as the MD&CEO of the Company w.e.f. February 4, 2017, upon the resignation of Mr Harish Badami the present CEO&MD from the said date.

DIRECTORS' PROFILE

The Board of Directors comprise highly renowned professionals drawn from diverse fields. They collectively bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

Mr N S Sekhsaria Director Identification Number (DIN: 00276351)-Non Executive and Non Independent Director

Mr Sekhsaria is the Chairman of the Board of Directors and a Non Independent and Non Executive Director.

Mr Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. He introduced new standards in management, marketing, efficiency and corporate social responsibility to an industry he helped transform.

A first generation industrialist, Mr Sekhsaria obtained his Bachelor Degree in Chemical Engineering with honours and distinction from the University of Bombay. He is the Principal Founder-Promoter and current Chairman of Ambuja Cements Limited. Mr Sekhsaria was invited to join the ACC Board in 1999 and was

appointed Deputy Chairman in January, 2000. In 2006, Mr Sekhsaria took over as Chairman of the Board.

Mr Sekhsaria built Ambuja Cements Limited into a benchmark for Indian Cement Industry. His acumen as an entrepreneur and technocrat turned that Company into the most efficient and profitable cement company in India and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr Sekhsaria championed community development by establishing the Ambuja Cement Foundation and guiding it into a model of excellence in social responsibility.

With his considerable wealth of experience, Mr Sekhsaria brings immense value to the Board of ACC. Under his leadership, ACC has achieved significant improvements in the areas of project management, logistics and overall cost-competitiveness. The impact of this guidance is visible in the high growth trajectory ACC has experienced since 1999.

Mr Sekhsaria is a Member on the Nomination & Remuneration Committee of the Board.

Consequent upon the amalgamation of Holcim (India) Private Limited, one of the promoters of ACC, with Ambuja Cement Limited w.e.f. August 12, 2016, Mr Sekhsaria is classified as a Non Independent Director, as per the provision of Section 149 of the Companies Act, 2013 (Act) and SEBI Regulations.

Mr Eric Olsen (DIN: 07238383)- Non Executive and Non Independent Director

Mr Eric Olsen is the Deputy Chairman of the Board of Directors.

Mr Olsen is a business graduate from the University of Colorado, Certified Public Accountant (Chicago, USA), and holds a Master of Business Administration from HEC International Business School in Paris.

Since July 2015, Mr Olsen is the Chief Executive Officer of LafargeHolcim Ltd. Prior to the global merger of Lafarge Limited and Holcim Limited, Mr Olsen was Executive Vice President Operations of Lafarge and a member of its Executive Committee.

Mr Olsen started his career in the field of Mergers & Acquisitions (M&A) at Deloitte & Touche, Banque Paribas and was a partner of Trinity Associates.

He is also a Board Member of Cimpress N.V.

Mr Olsen is a Member on the Nomination & Remuneration Committee of the Board.

Mr Harish Badami (DIN: 02298385) - Executive and Non Independent Director

Mr Badami is CEO&MD of the Company.

Mr Badami is a B.Tech from IIT Bombay and an MBA from IIM Calcutta. He has over twenty-five years experience in the Chemical Industry with leading multinational companies viz. ICI; Rohm and Haas, India; Dow Chemical, India and Celanese Chemicals India Private Limited. Mr Badami was the President & Managing Director of Dow Chemical, India during the period 2009-2011 and was the Managing Director of Celanese Chemicals India Private Limited prior to his joining ACC. In these roles, Mr Badami was responsible for developing integrated strategies for the local subsidiaries including implementation of robust business plans, building organizational capability and manufacturing footprint.

Mr Badami has been conferred with the Distinguished Alumnus Award by IIT Bombay, his alma mater.

Mr Badami is a Member on the Stakeholders' Relationship Committee, CSR Committee, Risk Management Committee and the Compliance Committee of the Board.

Mr Harish Badami steps down as CEO&MD w.e.f. February 4, 2017.

Mr Neeraj Akhoury (DIN: 07419090) - MD&CEO (Designate) and Non Independent Director

Mr Akhoury has a successful track record in the core sector industries of steel and cement and has held leadership roles in India and other emerging markets. He started his career with Tata Steel in 1993 and in 1999, joined the former Lafarge group in India. He was a member of the Executive Committee of Lafarge India, heading Corporate Affairs followed by Sales. In 2011, he moved to Nigeria as CEO & Managing Director of Lafarge AshakaCem PLC. Thereafter, he was appointed Strategy & Business Development Director for Middle East & Africa at the Lafarge headquarters in Paris. His previous appointment was as the CEO of Lafarge Surma Cement Limited and Country Representative of LafargeHolcim Bangladesh.

Mr Akhoury takes over as MD&CEO of the Company w.e.f. February 4, 2017.

Mr Martin Kriegner (DIN: 00077715) - Non Executive and Non Independent Director

Mr Martin Kriegner is a Member of the Executive Committee of LafargeHolcim Limited and is responsible for the Groups operations in India and South East Asia.

Mr Kriegner is a graduate from Vienna University with a Doctorate in Law and an MBA from the University of Economics in Vienna.

Mr Kriegner joined Lafarge in 1990 and became the CEO of Lafarge Perlmooser AG, Austria in 1998. He moved to India as CEO of the Lafarge Cement operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO of Lafarge India Private Limited and was responsible for Lafarge's cement, RMX and aggregates business in India.

In July 2015, he became Area Manager Central Europe for LafargeHolcim operations and was appointed Head of India, effective March 1, 2016.

Mr Kriegner is a Member on the Audit Committee and the Nomination & Remuneration Committee of the Board.

Mr Shailesh Haribhakti (DIN: 00007347) - Non Executive and Independent Director

Mr Shailesh Haribhakti is the Founder & Chief Mentor of Baker Tilly DHC Pvt. Ltd. and of Haribhakti & Co. LLP (Chartered Accountants); Chairman, New Haribhakti Business Services LLP and Chairman, Mentorcap Management Pvt. Ltd.

Evolving from a background in Audit, Tax and Consulting, he now seeks to create enduring value for companies and organizations he is involved with by being a deeply engaged Independent Director. His strong belief is that good governance creates a sustainable competitive advantage. He is a strong supporter of a clean and green environment and is pioneering the concept of 'innovating to zero' in the social context.

Mr Haribhakti is currently Chairman of the National Pension Scheme Trust and a Member of the Pension Advisory Committee (PAC) of Pension Fund Regulatory & Development Authority (PFRDA). He serves on several large Boards of multinational and Indian companies and 'Not for Profit' organizations. He is also a member on several Advisory Boards.

Mr Haribhakti has participated in creating Indian Multinationals in the services sector. His passion for teaching, writing and public speaking have made him an associate with IIM-A, many management institutions and several industry & professional forums. He has led BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two years, he served on the Standards Advisory Council of the IASB in London.

Mr Haribhakti is the Chairman of the Risk Management Committee and CSR Committee. He is a Member on the Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Compliance Committee of the Board.

Mr S K Roongta (DIN: 00309302) - Non Executive and Independent Director

Mr Roongta holds a degree in Bachelor of Engineering from Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate Diploma in Business Management - International Trade from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA).

Mr Roongta has a wide and varied experience in public sector undertakings. He is Non Executive Chairman of Bharat Aluminium Company Limited (BALCO) and Talwandi Sabo Power Limited (TSPL). Earlier, during his tenure as Chairman of SAIL from August 2006 to May 2010, the ranking of SAIL among 'World Class Steel Makers' moved up to the second position from the seventeenth position, as per World Steel Dynamics, USA.

Mr Roongta headed a "Panel of Experts on the Reforms in the Central PSEs", constituted by the Planning Commission. He has also been a Member of the Committee formed by the Ministry of Corporate Affairs, to formulate Policy Document on Corporate Governance.

Mr Roongta is associated with several academic institutions, and has been the Chairman, Board of Governors, IIT Bhubaneswar (2012-2015) and is a member of Board of Management, J.K. Lakshmi Pat University. He is also associated with apex chambers, being member of Steering Committee of Federation of Indian Chambers of Commerce and Industry (FICCI) and is the Chairman of its Metal Committee. He also chairs the National Expert Committee on Minerals & Metals of Indian Chambers of Commerce (ICC).

Mr Roongta is a recipient of several awards and accolades including SCOPE Award for excellence and outstanding contribution to the Public Sector Management - Individual Category.

Mr Roongta is a Member on the Audit Committee, the Risk Management Committee and the Compliance Committee of the Board.

Mr Ashwin Dani (DIN: 00009126) - Non Executive and Independent Director

Mr Dani holds a BSc (Hons) degree from the Institute of Science, University of Mumbai. He completed B.Sc. (Tech) - Paints, Pigments and Varnishes from U.D.C.T. (now known as Institute of Chemical Technology), University of Mumbai. He holds a Masters Degree in Polymer Science (USA) and a Diploma in Colour Science (USA).

Mr Dani started his career in 1967, as a Development Chemist with Inmont Corp. (now known as BASF), Detroit, USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints Ltd. in 1968 as Senior Executive and moved through successive senior positions like Director - R&D, Works Director, Whole-time Director and as Vice Chairman and Managing Director from December, 1998 to March, 2009. Mr Dani has in-depth knowledge of supply chain management and is mainly responsible for the strong and committed dealer network at Asian Paints Limited which inter alia has contributed to that company's superior performance. Currently, he is the Non Executive Vice Chairman of Asian Paints Limited.

Mr Dani is the past President of the Indian Paint Association (IPA) and has received a number of awards for his contributions to the Paint Industry. He was the

Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). He was a member of the Central Board of Trustees - Employees Provident Fund of the Government of India and was also the President of the Board of Governors of the UDCT (presently ICT) Alumni Association, Mumbai. Currently, he is a member on the Board of Management of ICT Mumbai.

Mr Dani is the Chairman of the Nomination & Remuneration Committee and is a Member on the Audit Committee of the Board.

Mr Farrokh Kavarana (DIN: 00027689) - Non Executive and Independent Director

Mr Kavarana holds a B.Com. (Hons.) degree from the University of Bombay and an MBA from the Wharton School, University of Pennsylvania. He is a Fellow of the Institute of Chartered Accountants of England & Wales and a Member of the Institute of Chartered Accountants of India.

Mr Kavarana retired in 2014 as a Director of Tata Sons Limited and Tata Industries Limited, the apex holding companies of the Tata Group, after a career spanning four decades with the Group. He was Chairman of several Tata Companies in India and abroad - Tata AIG General Insurance Company Ltd., Tata AIA Life Insurance Company Ltd., Tata Projects Limited and Trent Limited. He was Executive Chairman of Tata Asset Management Ltd. from 2005 to 2009 and of Tata Infotech Ltd. from 2000 to 2005. He served as Executive Director of Tata Motors Limited from 1994 to 2000. He was Vice Chairman & Managing Director of Tata International AG, Switzerland and Tata Ltd., U.K., from 1975 to 1994 responsible for Tata Sons' overseas operations and investments. Prior to his association with Tata Group, Mr Kavarana was with McKinsey & Co. Inc. in London and Washington D.C. from 1970 to 1974.

Mr Kavarana is involved with several social and charitable institutions and is Chairman - Lady Tata Memorial Trust, Trustee - Nani Palkhivala Memorial Trust and the National Centre for the Performing Arts. He was a founder Trustee of Childline India Foundation from 1999 to 2014. He is a recipient of the Dadabhai

Naoroji International Millennium Award 2005 and the Wharton India Alumni Award 2009.

He is a Member on the Audit Committee, the Nomination & Remuneration Committee and the Corporate Social Responsibility Committee of the Board. He is the Chairman of the Stakeholders' Relationship Committee and of the the Compliance Committee of the Board.

Mr Vijay Kumar Sharma (DIN: 02449088) - Non Executive and Non Independent Director

Shri Vijay Kumar Sharma who was the Managing Director of Life Insurance Corporation of India (LIC), was promoted as Chairman of LIC in December, 2016. Prior to his taking charge as Managing Director, LIC, on November 1, 2013, he was Managing Director & Chief Executive Officer of LIC Housing Finance Limited (LICHFL), a premiere housing finance provider in the country with loan portfolio exceeding ₹ 83,000 crore.

Mr Vijay Kumar Sharma is a post-graduate (M.Sc.) in Botany from Patna University. Shri Sharma joined LIC as Direct Recruit Officer in 1981 and has grown with the Company since then. During his stint as Senior Divisional Manager, Karnal, a rural division, had catapulted to Number One position in the country in premium income ahead of all other metro centres. As Executive Director of Pension & Group Schemes, he pioneered the launch of various prestigious pension schemes in the country. As Zonal Manager in-charge of Southern Zone, he successfully turned around its operations and put it on growth trajectory, making it No. 1 zone in 2010.

Shri Sharma's focused leadership, proficiency in invigorating staff performance, re-organizing teams and developing talent, enabled LICHFL maintain its growth momentum despite volatile markets and adverse macro-economic conditions. During his tenure, LICHFL was adjudged as "Best Housing Finance Company 2011" by CNBC-TV 18.

His key areas of expertise have been Business Strategy, Business Development, Processes & Systems, Leadership Development, Branding & Product

Development and Risk Mitigation & Compliance. A strategic leader, recognized for making sweeping improvements to efficiency, product development and marketing and identifying areas of opportunity, he is acclaimed as a “Crisis Manager” for stabilizing operations and leading turnaround growth strategies in uniquely challenging situations.

Mr Sharma has been an inspirational leader who utilizes negotiation skills gained over thirty five years of extensive experience in insurance and financial sectors and strongly connects to the grass root levels, believes in “bottom-up approach” and has the ability to see the Big Picture and translate to reality.

Mr Arunkumar Gandhi (DIN: 00007597) - Non Executive and Independent Director

Mr Arunkumar Gandhi is a Fellow Member of the Institute of Chartered Accountants in England & Wales, a Fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Chartered Institute of Taxation, London.

He was with N. M. Raiji & Co., Chartered Accountants, as a partner from 1969 and in 1993 became a Senior Partner upto July, 2003. As partner, Mr Gandhi audited several public sector and private sector entities. He is an expert on share valuation and corporate restructuring (i.e. mergers/demergers etc.).

He was the Executive Director of Tata Sons Ltd. from August, 2003 till August, 2008 and was thereafter appointed Director of Tata Sons Ltd., on whose Board he served upto March, 2013. Currently, he is an Advisor to the Tata Group.

Mr Gandhi has been assisting the Tata Group in acquiring diverse assets and companies across the globe. This has enabled the Tata Group to acquire critical assets, resources and access to world class R&D facilities. In these transactions, he advised on business valuation, financial due diligence, counter-party negotiations, financing and merger control.

Over the last 20 years, Mr Gandhi served on the Board of Directors of various Indian and foreign companies.

Mr Gandhi is the Chairman of the Audit Committee of the Board.

Ms Falguni Nayar (DIN: 00003633) - Non Executive and Independent Director

Ms Falguni Nayar is a Graduate from Sydenham College of Commerce & Economics and Post Graduate from Indian Institute of Management, Ahmedabad.

Ms Nayar has a rich experience of over two and half decades. She started her career as a Manager and Consultant at A F Ferguson & Company. In 1993, she joined Kotak Mahindra Group to lead the M&A and Project Advisory Initiatives. She has held senior positions in various capacities and was the Managing Director & Chief Executive Officer of Kotak Investment Bank from 2006 to 2012. Ms Nayar is the founder and Chief Executive Officer of Nykaa, which is an on-line shopping website.

Ms Nayar was recognized as Top Woman in Business by Business Today in 2009 and 2011. She has also received FICCI Ladies Organization Award for Top Woman Achiever in the field of banking in 2008.

Ms Nayar is a Member on the CSR Committee and the Risk Management Committee of the Board.

Mr Christof Hassig (DIN: 01680305) - Non Executive and Non Independent Director

Mr Christof Hassig heads the Corporate Strategy and Mergers & Acquisitions function in LafargeHolcim, reporting directly to the Chief Executive Officer.

Before joining the former Holcim Limited in 1999, Mr Christof Hassig worked for twenty five years at UBS in many different functions, including Global Relationship Manager and Investment Banker for multinational corporates in Switzerland and abroad.

Within the former Holcim Limited, he was reporting directly to the Chief Financial Officer with many direct links to all other Executive Directors including Chief Executive Officer. For the past fifteen years, he built and led the department Corporate Financing & Treasury.

This function spans across all the geographic regions and includes a matrix organization with the finance department of the operating companies in the various countries. In December 2012, he took over additional responsibilities as head of the newly created Mergers & Acquisitions function at Group level. In March 2013, the Group's Insurance Department was moved and

integrated into the Corporate Finance & Treasury Department.

He started his career with a three year apprenticeship in Banking followed by a Master in Banking and Advanced Management Programme at Harvard Business School in 2006.

Directorships and Membership on Committees:

The total number of Directorship(s) held by the Directors, and the position of membership / chairmanship on Committees is given below. All the Directors are compliant with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and "SEBI Regulations" in this regard.

Name of the Director	Category	Date of Appointment	*Number of Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC)	
				Member	Chairman
Mr N S Sekhsaria, Chairman	Non Executive / Non Independent	27.12.1999	2	0	0
Mr Eric Olsen, Deputy Chairman	Non Executive / Non Independent	17.07.2015	2	0	0
Mr Harish Badami, CEO&MD	Executive	13.08.2014	1	1	0
Mr Neeraj Akhoury, (appointed as an Additional Director)	MD&CEO (Designate) / Non Independent	16.12.2016	1	0	0
Mr Martin Krieger (appointed w.e.f. 11.02.2016)	Non Executive / Non Independent	11.02.2016	2	2	0
Mr Shailesh Haribhakti	Non Executive / Independent	17.02.2006	7	3	4
Mr Sushil Kumar Roongta	Non Executive / Independent	03.02.2011	3	2	1
Mr Ashwin Dani	Non Executive / Independent	15.12.2011	4	4	2
Mr Farrokh Kavarana	Non Executive / Independent	03.05.2013	2	2	1
Mr Vijay Kumar Sharma	Non Executive / Non Independent	06.02.2014	2	0	0
Mr Arunkumar Gandhi	Non Executive / Independent	24.04.2014	3	1	1
Ms Falguni Nayar	Non Executive / Independent	24.04.2014	5	2	0
Mr Christof Hassig	Non Executive / Non Independent	09.12.2015	2	0	0
#Mr Bernard Terver (resigned as Director w.e.f. 11.02.2016)	Non Executive / Non Independent	04.12.2013	2	2	1

*Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies;

**Committees considered are Audit Committee & Stakeholders' Relationship Committee and includes Membership(s) & Chairmanship(s) held by the Directors on the said committees of ACC.

#information as available on the date of cessation.

BOARD DIVERSITY

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board.

Pursuant to SEBI Regulations, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the Company's website and can be accessed on web link http://www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf

INDEPENDENT DIRECTORS

Independent Directors play an important role in the governance processes of the Board. With different points of views flowing from their expertise and experience they enrich the decision making process at the Board and prevent conflicts of interest in the decision making process.

The appointment of Independent Directors is carried out in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain laid down criteria and takes into consideration the diversity of the Board.

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment. Their appointment has been approved by the Members of the Company at the Extraordinary General Meeting of the Company held on September 10, 2014.

None of the Independent Directors serve as "Independent Directors" in more than seven listed companies.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Act and the SEBI Regulations.

During the year under review, the Independent Directors met on December 16, 2016, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;

- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties;
- Evaluation of the performance of the Corporate Secretarial function; and
- Other related matters.

All the Independent Directors were present throughout the Meeting. They expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of meetings. Their suggestions were discussed at the Board Meeting held on December 17, 2016 and are being implemented to ensure a more robust interaction at a Board / Management level.

INDUCTION PROGRAMME FOR NEW DIRECTORS AND ONGOING FAMILIARIZATION PROGRAMME FOR EXISTING INDEPENDENT AND NON INDEPENDENT DIRECTORS

An appropriate induction programme for new Directors and an ongoing familiarization with respect to the business / working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions.

At the time of appointing a Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, function, duties and responsibilities of the Director and the Board's expectations from the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations and his / her affirmation taken with respect to the same.

By way of an introduction to the Company, the Director is presented with a book on the Company which traces its history, relevant Annual Reports, Sustainable Development Report, brochure on the CSR activities

pursued by the Company, copies of “The Indian Concrete Journal” which is a well accepted journal on civil engineering and construction, published by the Company which interalia discusses topics on various types of cement and their applications and “ACC Parivar” a house magazine.

A presentation is also shared with the newly appointed director giving an overarching perspective of the cement industry, organizational set up of the Company, the functioning of various divisions / departments, Company’s market share and the markets in which it operates, brand equity, governance and internal control processes and other relevant information pertaining to the Company’s business.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively discharge his / her role as a Director of the Company.

Further, as an ongoing process, the Board of Directors is updated on a quarterly basis through presentations and discussions on the overall economic trends, the performance of the Cement Industry and that of the Company, analysis of the circumstances which helped or adversely impacted the Company’s performance, comparison of the Company’s performance with its peers in the Industry based on information available in public domain and the initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks and mitigation plan etc.

Details of the programme for familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link <http://www.acclimited.com/assets/new/pdf/CG/Familiarization-Programme-for-Independent-Directors.pdf>

PERFORMANCE EVALUATION OF THE BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit,

Nomination & Remuneration and Compliance Committees respectively. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual directors. The Chairman of the Board of Directors and the Chairman of Nomination & Remuneration Committee met all the Directors individually to get an overview of the functioning of the Board and its constituents, interalia, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

Based on the inputs received from the Directors, an action plan is drawn up in consultation with the Directors to encourage greater engagement of the Independent Directors with the Company.

REMUNERATION OF DIRECTORS

The policy for remuneration of Directors, Key Managerial Personnel and Management Executive Committee is set out as Annexure ‘C’ to the Board’s Report.

Terms of remuneration of Mr Harish Badami, Chief Executive Officer & Managing Director (CEO&MD)

The terms and conditions of appointment and remuneration of Mr Harish Badami, CEO&MD, as approved by the Members of the Company at the Extraordinary General Meeting held on September 10, 2014 and the amendment thereto as approved by the Members of the Company by a Postal ballot passed on July 15, 2016 are as under:

Period of Appointment - Five years w.e.f. August 13, 2014

Salary Grade - ₹ 11,00,000 - ₹ 25,00,000 per month

Allowances -

- i. Housing: Free furnished residential accommodation or HRA at the rate of 40% of the basic salary.
- ii. LTA: An amount not exceeding 12.5% of the basic salary. The entitlement for any one year to the extent not availed of shall be allowed to be accumulated upto the next two Company's financial years.
- iii. Medical Reimbursement: Such amount as may be decided by the Company and CEO&MD, in addition to Group Medical Policy, as per the rules of the Company.
- iv. Special Allowance: as may be decided by the Board, on the recommendation of the Nomination & Remuneration Committee.

Perquisites -

- i. Membership of one club.
- ii. Personal Accident Insurance Policy, as per the rules of the Company.
- iii. Other perquisites, as may be decided by the Board, on the recommendation of the Nomination & Remuneration Committee, subject to the overall ceiling on managerial remuneration as prescribed under the Companies Act, 2013.

Retiral Benefits - Contribution to Provident Fund and Superannuation Fund, as per the rules of the Company. Gratuity at the rate of half month's basic salary for each completed year of service.

Performance Bonus - Annual Performance Bonus not exceeding 50% of the Annual Fixed Gross Compensation based on CEO&MD's performance against set goals and the Company meeting the target performance for the financial year.

Sign-on Amount -

₹ 2.20 Crore payable as under:

₹ 60.00 lakh on joining the Company

₹ 40.00 lakh as on January 1, 2015

₹ 80.00 lakh as on January 1, 2016

₹ 40.00 lakh as on January 1, 2017

Deferred Bonus - Based on his performance and upon achieving the targeted goals, the CEO&MD shall be paid an additional bonus (Deferred Bonus) of ₹ 70.00 lakh per annum which will become payable three years after each grant. The first grant will be made in April 2015 on a prorata basis from the date of his joining. This Deferred Bonus may be substituted by a stock plan once implemented by LafargeHolcim for senior leadership.

With effect from December 14, 2015, LafargeHolcim has introduced a "Long Term Incentive Scheme" for its senior leadership globally, pursuant to which the grant of Deferred Bonus stands discontinued from the said date. However, Mr Badami is eligible to receive the Deferred Bonus amount in respect of grants made prior to December 15, 2015.

In terms of LafargeHolcim's Long Term Incentive Scheme, a grant of 4100 shares has been made to Mr Badami by LafargeHolcim. The cost of these shares will be borne by LafargeHolcim.

Minimum Remuneration - Where in the financial years during the currency of the tenure of the CEO&MD, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified, subject to requisite approvals being obtained.

Notice Period & Severance Fees -

As per the agreed terms, under the following scenarios:

- Resignation from service;
- Termination of services by the Company;
- Termination of services with cause;
- In the case of change of control or significant re-organization.

Authority to the Board for variation in the terms of appointment and remuneration

The terms and conditions of appointments and remuneration may be varied altered increased enhanced or widened from time-to-time by the Board as it may in its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 2013 read with Schedule V and The Companies (Appointment and remuneration of Managerial Personnel) Rules 2014 or any amendments made hereafter in this regard.

Remuneration drawn by Directors and Key Managerial Personnel

The remuneration drawn by the Directors during the year is as under:

					₹ Lakhs
Name of the Director	Category	Salary	Commission	Sitting Fees	Total
Mr N S Sekhsaria, Chairman	Non Executive / Non Independent	-	37.00	5.60	42.60
Mr Eric Olsen, Deputy Chairman	Non Executive / Non Independent	-	16.00	3.60	19.60
Mr Harish Badami, CEO&MD	Executive	732.07*	-	-	732.07
Mr Neeraj Akhoury, (appointed as an Additional Director w.e.f. 16.12.2016)	MD&CEO (Designate) / Non Independent	-	-	-	-
Mr Martin Kriegner (appointed w.e.f. 11.02.2016)	Non Executive / Non Independent	-	24.86	8.40	33.26
Mr Shailesh Haribhakti	Non Executive / Independent	-	28.00	8.90	36.90
Mr Sushil Kumar Roongta	Non Executive / Independent	-	28.00	6.80	34.80
Mr Ashwin Dani	Non Executive / Independent	-	28.00	8.90	36.90
Mr Farrokh Kavarana	Non Executive / Independent	-	28.00	10.60	38.60
Mr Vijay Kumar Sharma	Non Executive / Non Independent	-	16.00	1.00	17.00
Mr Arunkumar Gandhi	Non Executive / Independent	-	34.00	7.30	41.30
Ms Falguni Nayar	Non Executive / Independent	-	16.00	2.60	18.60
Mr Christof Hassig	Non Executive / Non Independent	-	16.00	3.50	19.50
#Mr Bernard Terver (resigned as Director w.e.f. 11.02.2016)	Non Executive / Non Independent	-	3.21	1.90	5.11

* includes performance bonus

The Board of Directors at its Meeting held on December 16, 2016 has approved a severance payment of ₹ 527.12 lakhs to Mr Harish Badami pursuant to the authority conferred on it by the Members of the Company.

None of the Directors of the Company have had any pecuniary relationship with the Company.

The remuneration drawn by the Key Managerial Personnel during the year is as under:

				₹ Lakhs
Name of Key Managerial Personnel	Salary	Commission	Sitting Fees	Total
Mr Sunil Nayak, Chief Financial Officer	246.25*	-	-	246.25
Mr Burjor D Nariman, Company Secretary & Head Compliance	117.48*	-	-	117.48

* includes performance bonus

MEETINGS

Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
February 10, 2016	12	10
April 28, 2016	12	10
July 26, 2016	12	11
August 16, 2016	12	10
October 21, 2016	12	10
December 16, 2016	12	10
December 17, 2016	13	11

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on							Attendance at the AGM held on April 13, 2016
	February 10, 2016	April 28, 2016	July 26, 2016	August 16, 2016	October 21, 2016	December 16, 2016	December 17, 2016	
Mr N S Sekhsaria, Chairman	✓	✓	✓	✓	✓	✓	✓	✓
Mr Eric Olsen, Deputy Chairman	✓	✓	✓	Leave of Absence	✓	✓	✓	-
Mr Harish Badami, CEO&MD	✓	✓	✓	✓	✓	Leave of Absence	Leave of Absence	✓
Mr Neeraj Akhoury, (appointed as an Additional Director and as MD&CEO (Designate) w.e.f. 16.12.2016))	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	✓	Not Applicable
Mr Martin Kriegner (appointed w.e.f. 11.02.2016)	Not Applicable	✓	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓	✓	✓
Mr Sushil Kumar Roongta	Leave of Absence	✓	✓	✓	✓	✓	✓	✓
Mr Ashwin Dani	✓	✓	✓	Leave of Absence	✓	✓	✓	✓
Mr Farrokh Kavarana	✓	✓	✓	✓	✓	✓	✓	✓
Mr Vijay Kumar Sharma	Leave of Absence	Leave of Absence	✓	✓	Leave of Absence	Leave of Absence	Leave of Absence	-
Mr Arunkumar Gandhi	✓	✓	✓	✓	✓	✓	✓	✓
Ms Falguni Nayar	✓	Leave of Absence	Leave of Absence	✓	Leave of Absence	✓	✓	✓
Mr Christof Hassig	✓	✓	✓	✓	✓	✓	✓	-
Mr Bernard Terver (resigned w.e.f. 11.02.2016)	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Act facilitates the participation of a Director in Board/Committee Meetings through video conference or other audio visual mode. Accordingly, the option to participate in the Meeting through video conference was made available for the Directors except in respect of such items which are not permitted to be transacted through video conference.

Duties and Functions of the Board

The Board of Directors provide strategic guidance, monitors operational performance and ensures that robust policies and procedures are in place and through its various Committees, guarantees the quality of the Company's risk management and internal controls and ensures compliance with all relevant laws. In particular,

the Board periodically reviews the items required to be placed before it and reviews and approves quarterly / half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans and annual budgets. It monitors overall operating performance, Health & Safety (H&S) performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in SEBI Regulations to the extent these are relevant and

applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The Agenda is sent out to the Directors within the period stipulated in the Secretarial Standards.

COMMITTEES OF THE BOARD

Over the long years of its existence, the Company has developed robust governance structure and processes. For instance, long before it was mandated by the law, the Board of Directors had constituted the Audit Committee in 1986. A Share Committee was constituted in 1962 to look into various matters relating to the shares of the Company and investor relations, which Committee has transformed as Stakeholders' Relationship Committee. Likewise, a Compensation Committee was constituted in 1992. This Committee has subsequently been reconstituted as the Nomination & Remuneration Committee with wider terms of reference.

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained herein. Each of these Committees have the requisite expertise to handle issues relevant to their field. These Committees spend considerable time and give focused attention to the various issues placed before it and the guidance provided by these Committees lend immense value and enhances the decision making process of the Board. The Board reviews the functioning of these committees from time to time.

The Meetings of each of these Committees are convened by the respective Chairman of the Committees, who also inform the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the respective Board / Committee Meetings.

Audit Committee - Mandatory Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting

processes, reviewing the Company's established systems & processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act and SEBI Regulations. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management (i) the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon, (ii) audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies, if any, and reasons for the same. Major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and/or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and mitigate such exposure.

- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a EthicalView Reporting Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment / re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated

in Section 144 of the Companies Act, 2013 and payment for such services.

- Recommend to the Board the remuneration of the Statutory Auditors / Cost Auditors.
- Discussions with the Statutory Auditors / Chief Internal Auditors on significant difficulties encountered during the course of the Audit.
- Reviewing the annual Cost Audit Report submitted by the Cost Auditor.

Other Duties

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at December 31, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on						
		February 9, 2016	April 27, 2016	July 25, 2016	September 26, 2016	October 21, 2016	November 21, 2016	December 14, 2016
Mr Arunkumar Gandhi, Chairman	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner (appointed w.e.f. 11.02.2016)	Non Executive/ Non Independent	Not Applicable	✓	✓	Leave of Absence	Leave of Absence	✓	Leave of Absence
Mr Sushil Kumar Roongta	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr Ashwin Dani	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr Bernard Terver (resigned w.e.f. 11.02.2016)	Non Executive/ Non Independent	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Chairman of the Committee was present at the Annual General Meeting of the Company.

All the Members on the Audit Committee possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee Meetings held during the year. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Chief Executive Officer & Managing Director (CEO&MD), the Chief Financial Officer (CFO), the Chief Internal Auditor, the Chief Manufacturing Officer, Chief Marketing Officer attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Chief Internal Auditor to get their inputs on significant matters relating to their respective areas of audit.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

Stakeholders' Relationship Committee - Mandatory Committee

The Stakeholders' Relationship Committee comprises three Members of which two Members are Independent Directors. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- to approve transfer/transmission of shares/debentures and such other securities, as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- to issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue subject to such approvals as may be required;
- to oversee the implementation of ESOS scheme, if any, implemented by the Company;
- to issue and allot debentures, bonds, and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary & Head Compliance / other officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend/interest, change of address for correspondence etc and to monitor action taken;
- to authorize the Company Secretary & Head Compliance / other officers of the Share Department to attend to matters relating to transfer/transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares and renewal, split or consolidation of share certificates;
- to monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- to monitor expeditious redressal of grievances of shareholders/security holders including complaints relating to transfer/transmission of shares/securities, non-receipt of declared dividends/Annual Reports, issue of duplicate certificates and other complaints;
- all other matters incidental or related to shares, debentures and other securities of the Company;
- any other matter as may be assigned to the Committee by the Board of Directors.

The composition of the Stakeholders' Relationship Committee as at December 31, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Stakeholders' Relationship Committee Meetings held on				
		February 9, 2016	April 26, 2016	May 20, 2016	July 25, 2016	November 28, 2016
Mr Farrokh Kavarana, Chairman (appointed w.e.f. 17.12.2016)	Non Executive/ Independent	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓	✓	✓	✓
Mr Harish Badami	Executive	✓	✓	✓	✓	✓
Mr Martin Kriegner, Chairman (appointed as Chairman w.e.f. 11.02.2016) (resigned from the Committee w.e.f. 17.12.2016)	Non Executive/ Non Independent	Not Applicable	✓	✓	✓	✓
Mr Bernard Terver, Chairman (resigned w.e.f. 11.02.2016)	Non Executive/ Non Independent	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable

All the Members of the Committee have attended the Annual General Meeting.

Mr. Burjor D Nariman, Company Secretary & Head Compliance, functions as the Compliance Officer.

During the year, 36 letters were received from Shareholders following up on their pending matters / queries relating to transfers / transmission of shares, issue of duplicate share certificates and related matters. These letters were attended within a period of 30 days from the date of receipt by the Company and as of December 31, 2016, all matters / queries were resolved. The Company had 3 share transfers pending as on December 31, 2016. These share transfers were received by the Company on December 28, 2016.

Nomination & Remuneration Committee - Mandatory Committee

The Nomination & Remuneration Committee is governed by a Charter. The Chairman of the Committee is an Independent Director and majority of the Members on the committee are Independent Directors.

The terms of reference of the Committee, inter alia, include the following:

- Succession planning of the Board of Directors and Management Executive Committee (ExCo);

- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and ExCo Members;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and ExCo Members and their remuneration;
- Review the performance of the Board of Directors, Key Managerial Personnel and ExCo Members based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel and ExCo Members, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

The composition of the Nomination & Remuneration Committee as at December 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the N&R Committee Meetings held on						
		February 10, 2016	April 28, 2016	July 26, 2016	November 28, 2016	December 5, 2016	December 14, 2016	December 16, 2016
Mr Ashwin Dani, Chairman	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr N S Sekhsaria	Non Executive/ Non Independent	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner (appointed w.e.f. 11.02.2016)	Non Executive/ Non Independent	Not Applicable	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓	✓	Leave of Absence	✓	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr Eric Olsen	Non Executive/ Non Independent	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	✓
Mr Bernard Terver (resigned w.e.f. 11.02.2016)	Non Executive/ Non Independent	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Chairman of the Committee was present at the Annual General Meeting of the Company.

Corporate Social Responsibility (CSR) Committee - Mandatory Committee

The Company has always been mindful of its obligations vis-a-vis the communities it impacts and has been pursuing various CSR activities long before it became mandated by law. As required under the Act, a formal Committee of the Board was constituted in 2013 to oversee and give direction to the Company's CSR

activities. The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company, as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the CSR Committee as at December 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Corporate Social Responsibility Committee Meetings held on	
		April 26, 2016	November 28, 2016
Mr Shailesh Haribhakti, Chairman	Non Executive/ Independent	✓	✓
Ms Falguni Nayar	Non Executive/ Independent	✓	Leave of Absence
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓
Mr Harish Badami	Executive	✓	✓
Mr Martin Kriegner (resigned w.e.f. 17.12.2016)	Non Executive/ Non Independent	✓	Leave of Absence

The CSR Policy is comprehensive and in alignment with the requirements of the Act and the United Nations Sustainable Development Goals. The CSR Policy Statement and the CSR Report forms part of the Board's Report to the Members of the Company.

Risk Management Committee - Mandatory Committee

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor, mitigate and minimize risks as also identify business opportunities.

The Risk Management Committee was constituted by the Board of Directors in 2014. The Committee is governed by a charter and its objectives and scope broadly comprises:

- Oversight of risk management performed by the operating management;
- Reviewing the Business Risk Management (BRM) policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at December 31, 2016 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee Meetings held on	
		April 26, 2016	November 28, 2016
Mr Shailesh Haribhakti, Chairman	Non Executive/ Independent	✓	✓
Ms Falguni Nayar	Non Executive/ Independent	✓	Leave of Absence
Mr S K Roongta (appointed w.e.f. 17.12.2016)	Non Executive/ Independent	Not Applicable	Not Applicable
Mr Harish Badami	Executive	✓	✓
Mr Martin Kriegner (appointed w.e.f. 11.02.2016) (resigned w.e.f. 17.12.2016)	Non Executive/ Non Independent	✓	Leave of Absence

Compliance Committee - Non Mandatory Committee

Recognizing the importance of compliance with various laws and regulations, the Board of Directors constituted a Compliance Committee in 2008. The Compliance Committee plays an important role in building a regime of zero tolerance to any form of non-compliance, which is essential for sustainable growth.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the Courts of law that may significantly affect the Company;

- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing compliance with all applicable statutes, rules and regulations based on reports received from the CEO&MD, Executive Committee Members and the Company Secretary & Head Compliance and recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company.

The composition of the Compliance Committee as at December 31, 2016 and the details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Compliance Committee Meetings held on			
		February 9, 2016	April 26, 2016	July 25, 2016	September 26, 2016
Mr Farrokh Kavarana, Chairman	Non Executive / Independent	✓	✓	✓	✓
Mr Shailesh Haribhakti	Non Executive / Independent	✓	✓	✓	✓
Mr S K Roongta (appointed w.e.f. 17.12.2016)	Non Executive / Independent	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mr Harish Badami	Executive	✓	✓	✓	✓
Mr Martin Kriegner (appointed w.e.f. 11.02.2016) (resigned w.e.f. 17.12.2016)	Non Executive / Non Independent	Not Applicable	✓	✓	Leave of Absence
Mr Bernard Terver (resigned w.e.f. 11.02.2016)	Non Executive / Non Independent	✓	Not Applicable	Not Applicable	Not Applicable

Capex Committee - Non Mandatory Committee

The Capex Committee was constituted to review the technical and financial viability of large projects and in particular the Jamul Project. As the said Project has been completed, the Board of Directors at its Meeting held on December 17, 2016 has dissolved this Committee.

SUBSIDIARY COMPANIES

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company.

The Company's policy on "material subsidiary" is placed on the Company's website and can be accessed through weblink <http://www.acclimited.com/newsite/pdf/CG/Determiningmaterialsubsidiaries.pdf>

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings of the Company.

Copies of the Minutes of the Nomination & Remuneration Committee, Audit Committee and Board Meetings of Subsidiary Companies are given to all the Directors and tabled at the Board Meetings of the Company.

DISCLOSURES**INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS**

The Company is required to adopt “IND AS” w.e.f. January 1, 2017. The implementation of “IND AS” is a major change process for which the Company has established a project team and has dedicated considerable resources. The impact of the change on adoption of “IND AS” has been assessed and the Company is ready to adopt “IND AS”.

RELATED PARTY TRANSACTIONS

All Transactions with related parties were in the ordinary course of business and on an arm’s length pricing basis. The Policy on related party transaction has been placed on the Company’s website and can be accessed through <http://www.acclimited.com/newsite/pdf/CG/PolicyonRPT.pdf>

STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

CODE OF BUSINESS CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and to all employees. The Company follows a policy of “Zero Tolerance” to bribery and corruption in any form and the Board has laid down the “Anti Bribery & Corruption Directive” which forms an Appendix to the Code. The Code has been posted on the Company’s website www.acclimited.com.

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were required to complete an e-learning module in addition to the face-to-face training conducted by the Company from time to time.

FAIR COMPETITION DIRECTIVE PROGRAMME

Fair Competition Directive programme which was earlier known as Value Creation in Competitive Environment (VCCE) was introduced in the Company as early as 2008 and the Company has been carrying out extensive training sessions for creating awareness among relevant employees on fair competitive practices.

Under the fair competition programmes, training sessions are being conducted on annual basis for the relevant employees of the Company, particularly those in sales and purchase functions, on various aspects of competition law and on behavioural aspects for ensuring fair competition in the market place. E-Learning training is imparted to all relevant employees in addition to face-to-face training. Specific modules on “Do’s and Dont’s” in a tender bidding process have been added.

In addition to the above, the processes of the Company are subject to audits and where required further strengthened.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has an EthicalView Reporting Policy to deal with instances of fraud and mismanagement, if any. The EVR Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will

be meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline “ACC Ethics Helpline” has been set-up which is managed by an independent professional organization. The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

E-Mail: acc@ethicalview.com

Online reporting on <https://integrityline.holcim.com>

National Toll Free Number: 1800-209-2008

Fax Number: +91(22) 66459575

Address: PO Box 137, Pune 411 001

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, which came into effect from May 15, 2015, the Company has formulated the “Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders” and the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” (ACC Code) which allows the formulation of a trading plan subject to certain conditions. The ACC Code mandates taking of pre-clearance for dealing in the Company’s shares. It also prohibits the purchase or sale of Company’s shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors, designated employees and connected persons have affirmed compliance with the Code.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it displays multiple channels of communications viz. through dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website.

The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year, as required under SEBI Regulations. The aforesaid financial results are announced to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved. The results are published in leading English daily newspapers and the Marathi translation of the same is published in leading Marathi daily newspapers.

The audited financial statements form a part of the Annual Report which is sent to the Members within the statutory period and well in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly / half yearly and the audited financial statements and the press releases of the Company are also placed on the Company’s website: www.acclimited.com and can be downloaded.

The presentations giving an analysis of the performance of the Company are placed on the Company’s website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information. All information is filed electronically on BSE’s on-line Portal - BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE

Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges. An internal Management Committee comprising the CEO&MD, the Chief Financial Officer and the Company Secretary has been constituted and empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

All disclosures made to the Stock Exchanges are also available on the Company's website under the heading 'Announcements' and can be accessed through weblink <http://www.acclimited.com/media/announcements>.

Facility has been provided by SEBI for investors to place their complaints / grievances on a centralized web-based complaints redress system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: Centralized database of all complaints, on-line upload of Action Taken Reports (ATRs) by the concerned companies and on-line viewing by investors of actions taken on the complaint and its current status.

A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports and other relevant information of interest to the investors / public.

The Company also uploads on the BSE Listing Centre and on NSE NEAPS portals, details of analysts and institutional investor meetings whenever the Company's representatives attend any meeting of the investors.

COMPLIANCE WITH NON-MANDATORY PROVISIONS

The compliance with non mandatory recommendation listed in Part E of Schedule II of SEBI Regulations is as under:

The position of the Chairman of the Board of Directors and the CEO are separate.

The Company's Standalone Financial Statements for the year ended December 31, 2016 are unmodified.

The Chief Internal Auditor reports directly to the Audit Committee.

The Company follows a robust process of communicating with the shareholders which has been explained earlier in the Report under "Means of Communication".

GENERAL INFORMATION TO SHAREHOLDERS

Financial Year : January - December

Investor Services

The Company has an in-house Share Department located at its Registered Office which offers all share related services to its Members and Investors. These services include transfer / transmission / dematerialization of shares / payment of dividends / sub-division / consolidation / renewal of share certificates and investor grievances.

The Company is registered with SEBI as Registrar to an Issue / Share Transfer Agent in Category II Share Transfer Agent and the registration code is INR000004124.

Address for Correspondence with the Company

ACC Limited
Share Department
"Cement House"
121, Maharshi Karve Road,
Mumbai 400020

Telephone No.:	(022) 33024469
Fax No.:	(022) 66317458
Communication by E-mail:	sujata.chitre@acclimited.com

Communication by Members

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account/s for queries relating to shareholding, change of address,

update of bank details for electronic credit of dividend. However, queries relating to non-receipt of dividend, non-receipt of annual reports or on matters relating to the working of the Company should be addressed to the Company.

Members who hold shares in physical form should address their queries to the Company for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewal / split / consolidation of share certificates, issue of duplicate share certificates signed by the first named Member, as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with

the Company and also to provide their Email addresses and telephone numbers to facilitate prompt response from the Company.

Exclusive E-Mail ID & Toll Free Number

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is ACC-InvestorSupport@acclimited.com

The Company has also set up a toll free number 1800-3002-1001 to facilitate the Members / Investors to contact the Company. The toll free services will be available on all working days of the Company from 9.15 a.m. till 5.00 p.m.

Plant Location

The location of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

MARKET INFORMATION

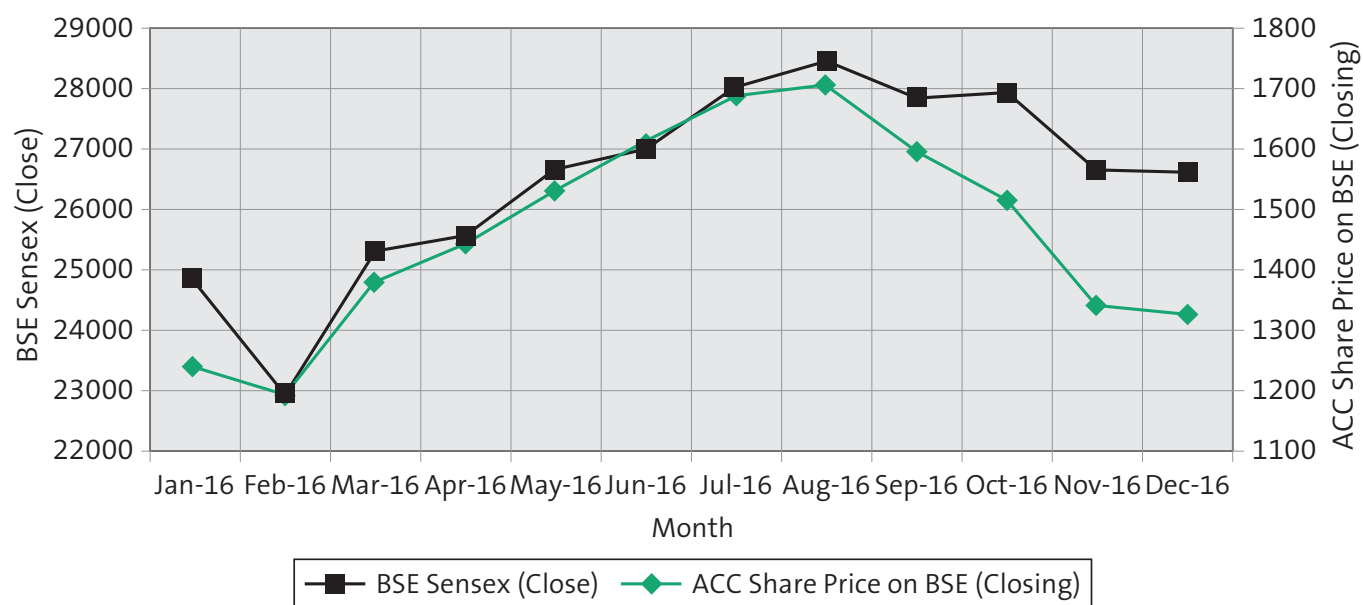
Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name and Address of the Stock Exchanges	Stock Code / Scrip Code	ISIN Number for NSDL / CDSL (Dematerialized shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	500410	INE012A01025
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	ACC	

ACC Share Price on BSE vis-à-vis BSE Sensex January - December 2016

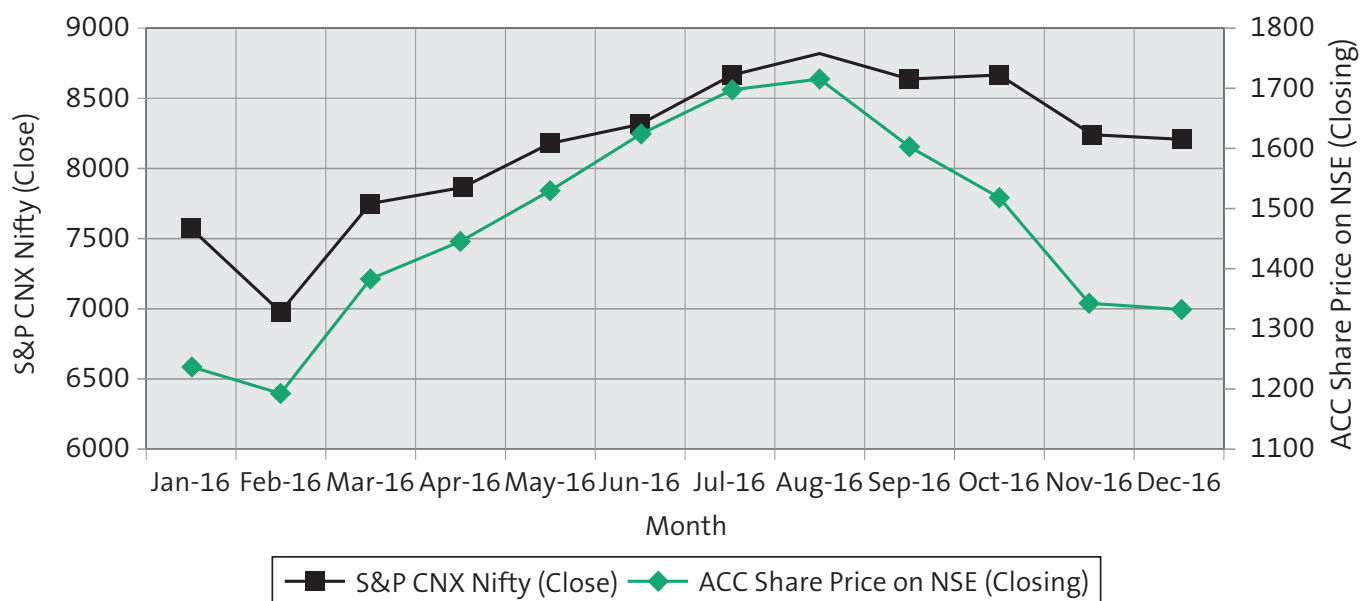
Month	BSE Sensex (Close)	High ₹	Low ₹	Close ₹	No. of shares traded during the month	Turnover ₹ crores
January 2016	24,870.69	1,382.00	1,207.00	1,240.40	2,64,092	33.57
February 2016	23,002.00	1,310.00	1,173.25	1,191.15	3,94,180	49.17
March 2016	25,341.86	1,399.00	1,193.00	1,380.30	5,53,837	70.54
April 2016	25,606.62	1,481.45	1,371.00	1,443.00	3,27,814	46.99
May 2016	26,667.96	1,580.00	1,379.35	1,531.80	4,11,622	60.12
June 2016	26,999.72	1,619.00	1,521.65	1,613.65	4,43,787	69.51
July 2016	28,051.86	1,717.15	1,568.00	1,689.95	7,76,217	129.15
August 2016	28,452.17	1,738.00	1,587.95	1,707.65	7,07,083	118.68
September 2016	27,865.96	1,715.00	1,572.10	1,594.95	4,85,747	80.33
October 2016	27,930.21	1,713.00	1,510.20	1,515.90	5,65,745	90.93
November 2016	26,652.81	1,538.00	1,257.00	1,342.60	90,52,586	1,373.35
December 2016	26,626.46	1,387.85	1,270.10	1,328.40	2,53,281	33.44

ACC Share Price on BSE & BSE Sensex


ACC Share Price on NSE vis-à-vis S&P CNX Nifty January - December 2016

Month	S & P CNX Nifty (Close)	High ₹	Low ₹	Close ₹	No. of shares traded during the month	Turnover ₹ crores
January 2016	7,563.55	1,380.40	1,205.00	1,240.05	33,54,694	427.95
February 2016	6,987.05	1,309.75	1,174.00	1,193.90	39,22,019	489.90
March 2016	7,738.40	1,400.00	1,195.00	1,381.90	65,44,795	858.21
April 2016	7,849.80	1,482.50	1,371.25	1,443.15	52,68,607	755.39
May 2016	8,160.10	1,546.50	1,379.30	1,529.05	55,80,756	817.86
June 2016	8,287.75	1,624.95	1,522.00	1,616.05	79,32,470	1,236.36
July 2016	8,638.50	1,718.00	1,569.05	1,688.70	61,54,641	1,017.74
August 2016	8,786.20	1,736.40	1,584.00	1,709.80	58,41,445	978.52
September 2016	8,611.15	1,715.00	1,570.25	1,599.85	54,99,907	901.91
October 2016	8,625.70	1,674.00	1,508.60	1,517.75	60,03,586	956.11
November 2016	8,224.50	1,528.70	1,256.55	1,342.40	73,52,760	1,018.36
December 2016	8,185.80	1,385.00	1,269.55	1,331.05	46,37,547	611.57

ACC Share Price on NSE & S&P CNX Nifty



SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

i. Share transfers

Share transfer forms (SH-4) for shares held in physical mode which are received by the Company, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of fifteen days from the date of receipt of transfer. Share transfer forms which are incomplete or where the Company has noticed irregularities in the document are immediately returned to the transferees by registered post.

ii. Nomination facility for shareholding

As per the provisions of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form, from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participant (DP) in this regard.

iii. Permanent Account Number (PAN)

Members holding shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders / legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

iv. Subdivision of shares

The Company had subdivided the face value of its Equity Shares from ₹ 100 to ₹ 10 in 1999. The old shares having face value of ₹ 100 are no longer tradable on the Stock Exchanges. Members holding share certificates of the face value of ₹ 100 are requested to send the certificates to the Share Department of the Company for exchange with shares of the face value of ₹ 10 each.

v. Dividend

a. Payment of Dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members Bank Account. SEBI Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their Bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking details are not available, the Company will issue dividend warrants to the Members.

b. Unclaimed Dividends

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years from the date the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by the Government. Accordingly, during the year, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 72nd Final Dividend for the year ended December 31, 2009.
- 73rd Interim Dividend for the year ended December 31, 2010.

Before transferring the monies to IEPF, individual letters are sent each year to those Members whose unclaimed dividends are due for transfer so as to enable them to claim the dividends before the due date. The information on unclaimed dividend is also posted on the website of the Company www.acclimited.com.

With effect from September 7, 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. were transferred to IEPF under Companies Act, 1956 and/or Companies Act, 2013 can claim the amounts as per the following procedures/guidelines:

Guidelines for Investors to file claim

- i. Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for refund. Read the instructions provided on the website/instruction kit alongwith the e-form carefully before filling the form.
- ii. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

- iii. Take a print out of the duly filled IEPF-5 and the acknowledgement issued after uploading the form.
- iv. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form alongwith the other documents as mentioned in the Form IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority". Kindly remember that submission of documents to the Company is necessary to initiate the refund process.
- v. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Naresh Motiani whose e-mail id is naresh.motiani@acclimited.com

The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Due date for transfer to IEPF
31.12.2009 (72 nd Final)	08.04.2010	13.00	12.06.2017
31.12.2010 (73 rd Interim)	22.07.2010	10.00	25.09.2017
31.12.2010 (73 rd Final)	13.04.2011	20.50	17.06.2018
31.12.2011 (74 th Interim)	28.07.2011	11.00	30.09.2018
31.12.2011 (74 th Final)	28.03.2012	17.00	01.06.2019
31.12.2012 (75 th Interim)	26.07.2012	11.00	29.09.2019
31.12.2012 (75 th Final)	05.04.2013	19.00	09.06.2020
31.12.2013 (76 th Interim)	25.07.2013	11.00	28.09.2020
31.12.2013 (76 th Final)	09.04.2014	19.00	13.06.2021
31.12.2014 (77 th Interim)	24.07.2014	15.00	27.09.2021
31.12.2014 (77 th Final)	20.03.2015	19.00	24.05.2022
31.12.2015 (78 th Interim)	17.07.2015	11.00	20.09.2022
31.12.2015 (78 th Final)	13.04.2016	6.00	17.06.2023
31.12.2016 (79 th Interim)	26.07.2016	11.00	29.09.2023

vi. Transfer of ‘Underlying Shares’ into Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have been transferred to IEPF for a consecutive period of seven years)

In terms of Section 125(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.

vii. Dealing with securities which have remained unclaimed

Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule VI “Manner of dealing with Unclaimed Shares”, which came into effect from December 1, 2015, has directed Companies to dematerialize such shares which have been returned as “Undelivered” by the postal authorities and hold these shares in an “Unclaimed Suspense Account” to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus shares, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and will thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Companies Act, 2013. The Members are requested to note the same and take action for claiming the shares.

The details of shares transferred to the demat “Unclaimed Suspense A/c” of ACC Limited are as under:

Sr No	Particulars	No. of Shares	No. of shareholders
1.	Aggregate no. of shareholders and outstanding shares in the Unclaimed Suspense Account as on the date of transfer and as on 31.03.2016	3,75,638	2,937
2.	Number of claims received from 01.04.2016 to 31.12.2016	10,584	69*
3.	Number of claims processed	3,161	15
4.	Balance shares standing in the “ACC Limited-Unclaimed Suspense Account” as on 31.12.2016 (Sr No. 1 - Sr No. 3)	3,72,477	2,922

* remaining 54 shareholders are still to comply with the procedure.

The voting rights on the aforesaid shares shall remain frozen till the rightful owner claims the shares.

viii. Pending Investors’ Grievances

Any Member / Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary & Head Compliance at the Registered Office with a copy of the earlier correspondence.

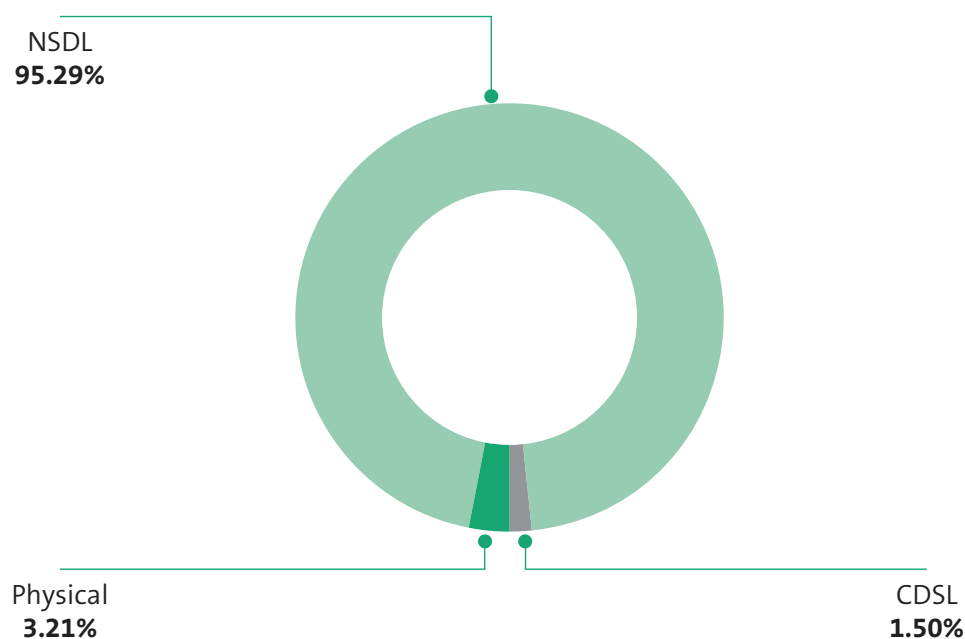
ix. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company’s share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditor’s Certificate in regard to the same is submitted to BSE Limited and The National Stock Exchange of India Limited on a quarterly basis and is also placed before Stakeholders’ Relationship Committee and the Board of Directors.

Distribution of Shareholding as on December 31, 2016

No. of shares slab	No. of share holders	%	Physical	% of share capital	NSDL	% of share capital	CDSL	% of share capital	Total No. of Shares	% of share capital
01-50	62655	59.98	233119	0.12	669125	0.36	215631	0.11	1117875	0.60
51-100	13213	12.65	247575	0.13	680999	0.36	159361	0.08	1087935	0.58
101-200	10263	9.82	395349	0.21	946245	0.50	194765	0.10	1536359	0.82
201-500	9211	8.82	751065	0.40	1945180	1.04	348870	0.19	3045115	1.62
501-1000	4397	4.21	694482	0.37	2128074	1.13	361744	0.19	3184300	1.70
1001-5000	3903	3.74	1593505	0.85	5680161	3.02	780269	0.42	8053935	4.29
5001-10000	427	0.41	385221	0.21	2380202	1.27	225546	0.12	2990969	1.59
>10000	394	0.37	1737103	0.92	164508047	87.60	525625	0.28	166770775	88.81
Total	104463	100.00	6037419	3.21	178938033	95.29	2811811	1.50	187787263	100.00

Distribution of Shareholding as on December 31, 2016

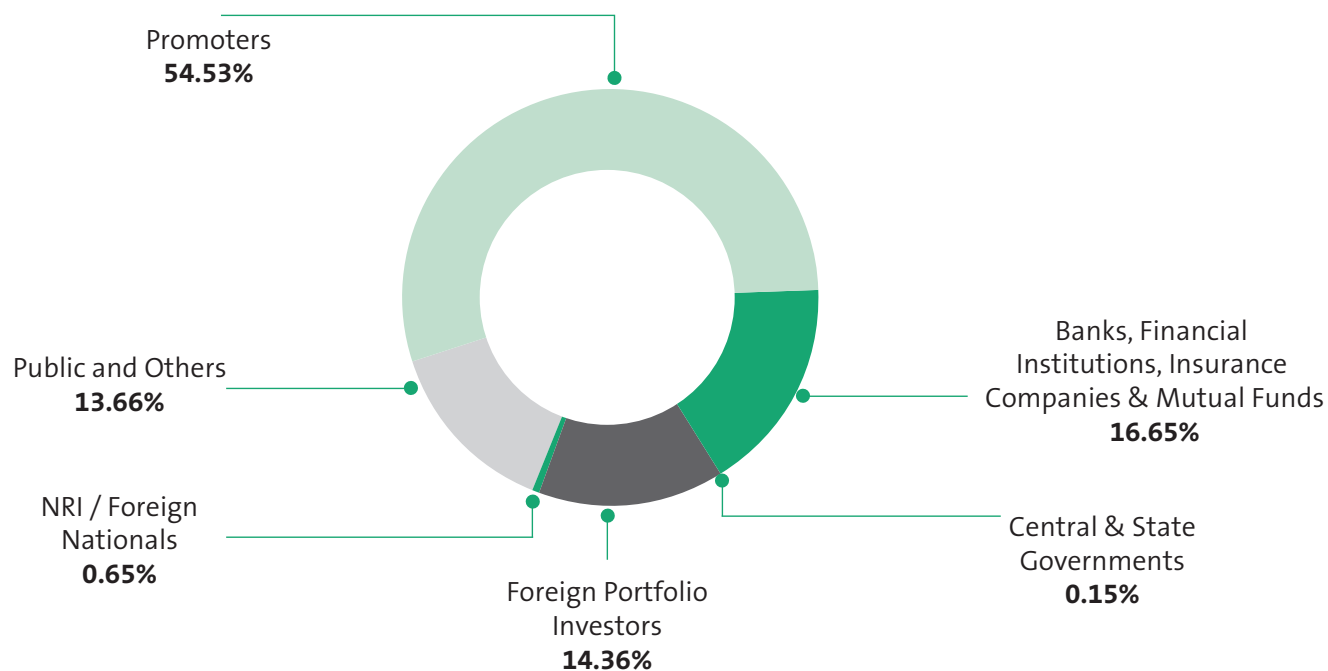


The Company has entered into agreements with both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the two depositories.

Members holding shares in physical mode are urged in their own interest to hold these shares in dematerialized form with any Depository Participant.

Shareholding Pattern as on December 31, 2016

Category	No. of Shares held	%	
Promoters:			
i. Ambuja Cements Limited	93984120	50.05	
ii. Holderind Investments Ltd.	8411000	4.48	54.53
Banks, Financial Institutions, Insurance Companies & Mutual Funds:			
i. Banks	545291	0.29	
ii. Financial Institutions	24684052	13.15	
iii. Insurance Companies	1632040	0.87	
iv. Mutual Funds	4396731	2.34	16.65
Central & State Governments	287815		0.15
Foreign Portfolio Investors	26974845		14.36
NRIs / Foreign Nationals	1221734		0.65
Directors	3100		0.00
Public and Others	25646535		13.66
TOTAL	187787263		100.00



Pursuant to the amalgamation of Holcim (India) Private Ltd. with Ambuja Cements Limited w.e.f. August 12, 2016, all the assets of Holcim (India) Private Ltd., including the shares held by them in the Company, are now held by Ambuja Cements Limited.

Statement showing Shareholding of more than 1% of the Capital as on December 31, 2016

Sr. No.	Names of the shareholders		Number of shares	Percentage of Capital
1	Ambuja Cements Limited (Promoter)	93984120		
	Holderind Investments Ltd (Promoter)	8411000	102395120	54.53
2	Life Insurance Corporation of India		21226841	11.30
3	Aberdeen Global Indian Equity Limited		2925000	1.56
4	Europacific Growth Fund		2340000	1.25
5	JP Morgan Sicav Investment Company (Mauritius) Limited		2280391	1.21
6	JP Morgan India Fund		2000988	1.07
	TOTAL		133168340	70.92

Global Depository Receipts (GDR) or any Convertible instrument, conversion dates and likely impact on Equity

NIL

Particulars of past three Annual General Meetings

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
80 th	Calendar Year 2015	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020	13.04.2016	3.00 p.m.	Special Resolution for adoption of Articles of Association was passed
79 th	Calendar Year 2014		20.03.2015	3.00 p.m.	No Special Resolution was passed
78 th	Calendar Year 2013		09.04.2014	3.00 p.m.	No Special Resolution was passed

Extraordinary General Meeting (EGM)

No Extraordinary General Meeting was held during the period under reference.

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

A postal ballot was conducted pursuant to the provisions of Section 110 of the Act for moving an Ordinary Resolution for variation in the terms of remuneration of Mr Harish Badami, Chief Executive Officer & Managing Director, within the overall limits prescribed under Section 197, 198 and other applicable provisions of the Act and the Companies (Management & Administration) Rules, 2014 read with Schedule V of the Act. The Company had appointed Mr Khushroo K Driver of K & K Corporate Solutions Private Limited, as scrutinizer for conducting the postal ballot process in a fair and transparent manner. Accordingly, the Postal Ballot was conducted by the

Scrutinizer and his Report was submitted to the Chairman. The results of the voting conducted through the Postal Ballot are as under:

Particulars	Number of Ballots	Number of Votes	% of votes
Total Postal Ballot Forms received	1860	142419451	100.00
Less: Invalid Forms received	100	19809	0.01
Net valid Postal Ballot Forms received	1760	142399642	99.99
Postal Ballot Forms with assent for the Resolution	1611	141924471	99.65
Postal Ballot Forms with dissent for the Resolution	149	475171	0.33

The Ordinary Resolution as per Notice dated June 10, 2016 for the proposed changes in the terms of remuneration of the CEO&MD, was accordingly passed with the requisite majority.

FINANCIAL CALENDAR 2017:

Board Meeting for consideration of Accounts for the financial year ended December 31, 2016 and recommendation of dividend	February 3, 2017
Posting of Annual Reports	On or before March 4, 2017
Book Closure Dates	March 20, 2017 to March 24, 2017 (both days inclusive)
Last date for receipt of Proxy Forms	March 27, 2017 before 3.00 p.m.
Date, Time and Venue of the 81 st Annual General Meeting	March 29, 2017 at 3.00 p.m. Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020
Dividend Payment Date	April 6, 2017
Probable date of despatch of warrants	On or before April 5, 2017
Board Meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2017	Within forty-five days from the end of the quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges
Audited results for the current financial year ending December 31, 2017	Within sixty days from the end of the last quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 3, 2017

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended December 31, 2016.

For ACC Limited

Harish Badami
Chief Executive Officer & Managing Director

Mumbai

February 3, 2017

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We the undersigned, in our respective capacities as Chief Executive Officer & Managing Director and Chief Financial Officer of ACC Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended December 31, 2016 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Business Conduct.
- c. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.
- d. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

Yours faithfully

Harish Badami
CEO & Managing Director

Sunil Nayak
Chief Financial Officer

Mumbai

February 3, 2017

S R B C & CO LLP

Chartered Accountants

The Ruby, 14th Floor
29, Senapati Bapat Marg

Dadar (West)

Mumbai 400 028.

Tel. No. + 91 22 6192 0000

Fax No. + 91 22 6192 1000

AUDITORS' CERTIFICATE

To
The Members of ACC Limited

We have examined the compliance of conditions of corporate governance by ACC Limited, for the year ended on December 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

As a result of the appointment of the MD&CEO (Designate) as an Additional Director on December 16, 2016, the number of independent directors was less than that required under the Regulations from that date till December 31, 2016, by one director. The Company has been advised that it has a period of ninety days within which to achieve the required composition. In our opinion and to the best of our information and according to the explanations given to us, read with the matter described hereinabove, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulations'), pursuant to the Listing Agreement of the said Company with stock exchanges.

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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

Per Ravi Bansal

Partner

Membership No.: 49365

Mumbai
February 3, 2017

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN)** : L26940MH1936PLC002515
2. **Name of the Company** : ACC Limited
3. **Registered Address** : Cement House
121, Maharshi Karve Road
Mumbai 400 020
4. **Website** : www.acclimited.com
5. **E-mail id** : brr.info@acclimited.com
6. **Financial Year reported** : January 1, 2016 to December 31, 2016

7. **Sector(s) that the Company is engaged in (industrial activity code wise):**

Group	Class	Sub class	Description
269	2694	26942	Manufacture of Portland Cement

8. **List three key product / services that the Company manufactures / provides (as in balance sheet):**

The Company manufactures cement of various kinds viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), and Portland Slag Cement (PSC) and Ready Mixed Concrete (RMX).

9. **Total number of locations where business activity is undertaken by the Company:**

- i. Number of international locations : Nil
- ii. Number of national locations : 17 Cement Plants, 50 Ready Mixed Concrete Plants and 27 Offices including Registered Office, Regional Offices and Sales Offices.

10. **Markets served by the Company** : Pan India across all markets in India.

Section B: Financial Details of the Company

1. **Paid up capital (INR)** : ₹ 187.79 Crore
2. **Total turnover (INR)** : ₹ 10,936.41 Crore
3. **Total profit after taxes (INR)** : ₹ 602.40 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)**:

The Company's total spending on CSR is 2.07% of the average net profit in the previous three financial years.

5. List of activities in which expenditure as mentioned in point 4 has been incurred:

- a. ACC - DISHA - for Youth Employability
- b. ACC - Swavlamban - focusing on women empowerment and livelihood
- c. ACC - LEISA - for farmer's livelihood (Low external input Sustainability Agriculture)
- d. ACC - Vidya Utkarsh (Quality of Education in Government Schools)
- e. ACC - Vidyasaarathi (Scholarship for Students)
- f. ACC - Arogyam (Preventive, Promotive and Curative Health Care)
- g. ACC - Sampurna Swachhata (towards open defecation free villages)
- h. ACC - Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water Conservation)
- i. ACC - Drona (to promote rural sports and traditional Indian culture)

Section C: Other Details**1. Does the Company have any Subsidiary Company / Companies?**

Yes, the Company has 5 subsidiaries, viz:

- a. ACC Mineral Resources Limited
- b. Bulk Cement Corporation (India) Limited
- c. Lucky Minmat Limited
- d. National Limestone Company Private Limited
- e. Singhania Minerals Private Limited

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

Business Responsibility initiatives of the parent company are applicable to Bulk Cement Corporation (India) Limited; The remaining 4 Companies are non operational.

3. Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

The Company engages and partners with several entities including reputed NGOs to implement several of its BR initiatives. The Company's CSR initiative "ACC ki Laadli" receives contributions from ACC Cement Dealers in the North Region in the form of incentive points which are then redeemed as financial inputs into this project. However these together comprise less than 30% of total entities.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Director Identification Number (DIN): 02298385

Name: Mr Harish Badami

Designation: Chief Executive Officer & Managing Director

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr Burjor D Nariman
3	Designation	Company Secretary & Head Compliance
4	Telephone Number	(022) 3302 4321 / 3302 4329
5	E mail Id	brr.info@acclimited.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** - Businesses should promote the well being of all employees.
- P4** - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- 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.

Sr No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR		Human Rights	Environment	Public Policy	CSR		Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9		
1	Do you have a policy / policies for....	Y	The policy is embedded in the Company's quality & environment policies which interalia, relate to safe & sustainable products	Y	Y	The policy is embedded in the Company's Code of Business Conduct, HR Policies & other various HR practices	Y	N	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	Y	-	Y	-
3	Does the policy conform to any national /international standards? If yes, specify?	Y	Bureau of Indian Standards (BIS)	Y	Y	This policy conforms to Guidelines of Companies Act, 2013. In addition the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	Y	-	-	-	Y	-
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	-	N	Y	-	Y	-	Y	-	Y	-
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	At Executive Committee Meetings	Y	Y	-	Y	-	-	-	Y	-
6	Indicate the link for the policy to be viewed online?	*	-	-	#	-	Y**	-	-	-	#	-
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	Y	-	-	-	Y	-
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	-	Y	-	-	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	The Company has a redressal mechanism to address product related complaints i.e. customer complaint portal	Y	Y	-	Y	-	-	-	Y	-
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	-	N	Y	-	Y	-	-	-	Y	-

* http://www.aclimited.com/assets/new/pdf/ACCCode_BusinessConduct2014.pdf
 # <http://www.aclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>
 ** http://www.aclimited.com/assets/new/pdf/Policy/ACCCorporate_EnvironmentPolicy2015.pdf

2a. If answer to Sr. No. 1 against any principle, is No, please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	--	--	--	--	--	--	--	--	--
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next six months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within next one year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	The Company has a track record of pioneering achievements, long experience and leadership position which has benefitted the cement industry at large in initiating dialogue with the Government. However, no need for a formal policy has been felt.	--	The Company has a systematic process for assessing customer needs and fulfilling them with innovative products and services. It also has customer complaint redressal system.

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

3 to 6 months

Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?:

Yes, the Company publishes printed versions of its Sustainability Report annually. An electronic version of the report is uploaded on the Company's website in the intervening year to serve as a web update. This report constitutes the Company's fifth Business Responsibility Report. The hyperlink for viewing the Sustainability Report of the Company is <http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct (along with an Anti-Bribery and Corruption Directive) and a vigil mechanism named EthicalView Reporting Policy that are approved by the Board of Directors. These are applicable to all Board Members and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption Directive and the EthicalView Reporting Policy also extends to the Company's business partners viz. vendors/service providers/customers. The Code is available on the Company's website at this web address: http://www.acclimited.com/assets/new/pdf/ACCCode_BusinessConduct2014.pdf

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 104 complaints under the EthicalView Reporting Policy, out of which 94 were resolved and the balance 10 complaints are under various stages of investigation and completion.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Blended cements viz. Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). The Company also uses industrial/municipal hazardous or non-hazardous waste and biomass as Alternative Fuel and Raw Materials.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

Consumption per unit of production	Current Year (January - December 2016)	Previous Year (January - December 2015)
Electrical Energy (kWh/ Tonne of Cement)	88.66	84.45
Thermal Energy (K Cal / kg of Clinker)	748	730
CO ₂ Emissions (kg CO ₂ / Tonne of Cement)	545	533

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year.

The Company's products do not have any broad based impact on energy. However, as the cement manufacturing process is energy intensive, the Company takes several measures to reduce thermal and electrical energy consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, all the plants of the Company are situated close to limestone mines which helps minimize transportation. The Company deploys sustainable mining practices. Most bulk materials are transported inward by rail. Blended Cements are manufactured using flyash / slag which are by-products / wastes of other industries. Fly ash and slag are not environmentally friendly and need to be disposed off in a careful manner.

In the manufacture of clinker, the Company utilizes Alternative Fuel and Raw Materials (AFR) which help conserve natural resources. The Company encourages procurement through vendors who adopt sustainable practices.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company has a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so.

The cement manufacturing process does not directly discharge any significant effluent or waste.

ACC has the facility of consuming used cement bags as Alternate Fuel in some of the manufacturing units. The location of cement plants are far away from markets, a very low percentage of used bags get recycled at the Plants. About 85% of cement manufactured by the Company comprises blended cement which is produced using slag and fly ash which are wastes from other industrial processes.

Recognizing the urgent need to address global problems of increasing paucity of fossil fuels and rampant practices of unsustainable waste disposal, the Company has pioneered the use of industrial, municipal and agricultural wastes as Alternative Fuels and Raw Materials (AFR) in India.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate total number of employees:

Sr. No.	Category of Employees	No. of Employees
1	Management Staff	4,222
2	Shop Floor Associates	3,582
	Total	7,804

2. Please indicate total number of employees hired on temporary / contractual / casual basis:

Sr. No.	Category of Employees	No. of Employees
1	Retainers / Advisors	4
2	Subcontracted Employees	0
3	Third Party Employees	8,436
4	Casual Employees	29
	Total	8,508

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 267

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities: 20

5. Do you have an employee association that is recognized by the Management?

Yes, there are recognized trade unions affiliated to various central trade union bodies. Company's Shop Floor Associates and Office Associates are members of their respective unions.

6. What percentage of permanent employees are members of this recognized employee association?

Approximately 50% of permanent employees are members of recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	NIL	NIL
2	Sexual Harassment	1	0
3	Discriminatory employment	NIL	NIL

8. What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?

A. Permanent employees	:	65%
B. Permanent women employees	:	53%
C. Casual / Temporary / Contractual employee	:	NIL
D. Employees with disabilities	:	NIL

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes / No.

Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders with the help of Participatory Rural Appraisal to base village micro plans and secondary socio-demographic data of the community.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

In 2016, ACC has started a first of its kind on-line Scholarship project to sustain higher education among underprivileged section of society.

The Company continues to run two Anti-Retroviral Treatment (ART) centres to support people affected by HIV/AIDS through medical treatment and counselling. The Company has also supported patients by organizing them in Self Help Groups and through life skills development programmes and providing nutritional support to HIV infected as well as affected family members. Moreover, quality education is also being provided to school going children from the affected families.

The Company has enhanced its access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administrations and promote national campaigns on Open Defecation Free, Skilling and Water conservation measures.

The Company continues to engage with vulnerable and marginalized stakeholders for their sustainable livelihood. Skill training was provided to 4,234 youths, farmers benefited through Low External Sustainable Agricultural projects, institutionalizing women SHG registered federations and achieving four Open Defecation Free villages are some of the accomplishments during 2016.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

All aspects of human rights are included and covered in the Code of Business Conduct as well as in various human resource practices / policies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment.**1. Does the policy pertaining to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

The Company's Corporate Environment Policy covers the entire Company.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyper-link for webpage etc.

Yes, the Company is committed to reduce GHGs emissions and being a part of the LafargeHolcim Group, we have set short term & long term targets to meet the commitment. The Company has five key levers to achieve the reduction of CO₂ emissions:

- Clinker substitution by making blended cements;
- Utilization of Alternative Fuel and Raw materials (AFR);
- Thermal and electrical energy efficiency;
- Waste Heat Recovery System (WHRS) and cleaner technologies & renewable energy;
- Energy efficient transport of raw materials & products.

The hyperlink for the same is <http://www.acclimited.com/sustainable/environment-and-energy>

3. Does the Company identify and assess potential environmental risks? Y / N

Yes, the Company has a mechanism to identify and assess potential environmental risks at the plant level. Potential Environmental risks form a part of Business Risk Management Model, where all business related risks are identified and their mitigation strategies and plans are formulated.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company has three registered projects under the Clean Development Mechanism (CDM).

- "Blended Cement Project registered during May 2006,
- Tamilnadu Wind Mill Project registered during September 2009
- Rajasthan Wind Mill Project registered during July 2012"

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y/N. If yes, provide hyper-link to web page etc.

Yes, the Company has made significant strides in attaining energy efficiency in our cement plants as well as in our captive power plants. Details of such measures are given in Annexure E to the Boards' Report. Some of the initiatives to build our capacities in renewable energy sources and cleaner technologies include:

- Three wind farms - one each in Maharashtra, Tamil Nadu and Rajasthan with the total capacity of 19 MW
- Waste Heat Recovery System (WHRS) at Gagaj Cement Works
- Waste co-processing in all cement plants
- Use of Green Power at our plants through power purchase agreements
- Harnessing Solar Power which will commence in 2017

The hyperlink for the same is <http://www.acclimited.com/sustainable/environment-and-energy>

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions / waste generated by the Company are within the permissible limits prescribed by CPCB / SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

None.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

- i. Confederation of Indian Industry (CII)
- ii. Indian Green Buildings Council (IGBC)
- iii. Federation of Indian Chambers of Commerce and Industry (FICCI)
- iv. Bombay Chamber of Commerce and Industry (BCCI)
- v. Indian Merchants' Chambers (IMC)
- vi. PHD Chamber of Commerce
- vii. Indian Geological Congress
- viii. Federation of Indian Mineral Industries (FIMI)
- ix. Cement Sustainability Initiative (CSI) / World Business Council for Sustainable Development (WBCSD)
- x. Leaders for Nature (LfN)
- xi. International Union for Conservation of Nature (IUCN)
- xii. National Safety Council (NSC)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

- i. Health & Safety
- ii. Climate Change & GHG emission reduction
- iii. Sustainable Mining Practices
- iv. Composite Cement
- v. Petcoke Utilisation in Cement Kilns
- vi. Emission reduction
- vii. Co-processing of municipal & industrial hazardous and non-hazardous wastes in cement kilns
- viii. Energy Conservation and use of renewable energy
- ix. Promotion of Concrete Roads
- x. Affordable housing & toilets, sustainable building materials
- xi. Water conservation and water harvesting
- xii. Biodiversity conservation

- xiii. Green procurement policies
- xiv. Propagation of circular economy and natural resources conservation (use of recycled materials as raw materials and fuels instead of virgin natural resources)

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes, the Company has specific programs/initiatives/projects in pursuance of its CSR policy. (Ref. <http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>)

All sections in host communities are engaged by the Company for developing village micro plans through participatory methods of planning. Individual projects are thereafter designed to address the various needs of the host communities in accordance with the priority given by the communities. Conscious efforts were made to prioritizing, landless and small and marginal land holdings which were headed by women. Special drive for exclusive skilling of women and for ensuring half for the scholarships of higher education go to girls has been initiated. HIV+ and differently abled beneficiaries are specially tracked within all social and business measures.

Implementation of these projects are thereafter monitored by the representatives of the villagers at all locations and course correction measures suggested by them are implemented. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR interventions i.e. planning of CSR projects and process monitoring. The Company also organized third party social audit committee by taking people from different sectors to spearhead annual evaluations through rigorous field visits and secondary data analysis. The CSR project participants include the disadvantaged, vulnerable and marginalized sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

- Sustainable livelihood
- Quality of Elementary Education
- Water Sanitation and Health (WASH)

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Govt. structure / any other organization?

The Company's CSR Projects are implemented through an in-house CSR Department, ACC Ayushmaan Trust as well as in partnership with Non-Governmental Organizations (NGOs), Academic and Government Institutions.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessments of its CSR initiatives. A third party Social Audit of CSR expenses was done for the third consecutive year.

Social Audit Committee, comprising renowned experts from the social sector and academic institutions assisted by a team of social sector professionals, conducted a social audit of CSR work at ACC plant sites. Based on field findings on parameters of compliance, effectiveness, efficiency, rigor of implementation and sustainability, each plant was provided with a performance score for the year 2016. As a measure of good governance practice, this score was included in ACC's Performance Management System.

4. What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?

The Company spent an amount of ₹ 22.27 Crore on developmental projects as under:

Sr. No.	Focus Areas	Expenditure (₹ Crore)
1	ACC - Disha - for Youth Employability	2.80
2	ACC - Swavlamban - focusing on women empowerment and livelihood	2.26
3	ACC - LEISA - for farmer's livelihood (Low External Input Sustainability Agriculture)	3.81
4	ACC - Vidya Utkarsh (Quality of Education in Government Schools)	4.13
5	ACC - Vidyaasarathi (Scholarship for Students)	0.38
6	ACC - Arogyam (Preventive, Promotive and Curative Health Care)	2.67
7	ACC - Sampurna Swachhata (towards Open Defecation Free villages)	3.70
8	ACC - Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water Conservation)	1.89
9	ACC - Drona (to promote rural sports and traditional Indian culture)	0.63
	Total	22.27

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.

Yes, the Company follows a participatory approach in the selection of CSR initiatives. All CSR Projects are initiated based on a need assessment report which is carried out by a third party through a Participatory Rural Appraisal tool based micro plan. A Community Advisory Panel (CAP), comprising different stakeholders from community representatives and opinion leaders of the community i.e. functional managers at ACC plants, regularly monitor the implementation of CSR initiatives and suggest measures for course corrections. Community ownership and sustainability are the criteria that are built into CSR initiatives from the start by creating community managed organizations. Community contribution is always a priority as it ensures continuance of the project through self governance.

Communities management principles are built into all the CSR projects from the need assessment stage to the project graduation stage. Capacity building and institutional sustainability are two integral parts of all CSR projects.

Stakeholder Engagement Surveys (SES) are conducted at a regular intervals to collect written feedback of the community, required modifications are carried out in ongoing initiative implementation projects. This helps in fostering ownership amongst local communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year 2016?

A total of 435 complaints were received from customers (end-consumers) in 2016, out of which none (amounting to <1%) was pending as of December 31, 2016.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

No, currently we are only displaying information as mandated by local laws. No additional information is being mentioned on the cement bag.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

a) Competition Appellate Tribunal (COMPAT) Appeal

The Competition Commission of India (CCI) had originally passed an Order in June, 2012 against several cement manufacturing companies, including the Company, in the matter of a complaint filed by the Builders' Association of India for alleged violation of the provisions of Sections 3 and 4 of the Competition Act and in terms of the said Order, imposed a penalty on the Cement manufacturers which in the case of the Company amounted to ₹ 1,147.59 crore.

CCI had also passed an Order directing the Company to "cease and desist" from indulging in any activity relating to agreement, understanding or arrangement on price, production and supply of cement in the market.

Pursuant to an Appeal filed by the Company before the Competition Appellate Tribunal (COMPAT), the said order of CCI of June, 2012 was stayed, subject to deposit of 10% of the amount of penalty. Thereafter, COMPAT by its order dated December 11, 2015 set aside CCI's Order of June 20, 2012, remanding the matter back to the CCI for a fresh hearing and adjudication. Further in terms of the said Order, the deposit amount along with interest thereon was refunded to the Company.

CCI on rehearing the arguments, by its order dated August 31, 2016, once again held that the cement companies and the Cement Manufacturers' Association (CMA) are guilty and in violation of the Sections 3(1) read with 3(3)(a) and 3(3)(b) of the Competition Act and imposed the same penalty which in the case of the Company again works out to ₹ 1,147.59 crore. The usual order for cease and desist was also imposed.

The Company thereafter approached the COMPAT, which by its order dated November 7, 2016 stayed the operation of the CCI order dated August 31, 2016 subject to deposit of 10% of the penalty amount within one month which in the case of the Company works out to ₹ 114.76 crore. The Company has accordingly deposited the said amount in December, 2016 in the form of a bank Fixed Deposit in favour of COMPAT on behalf of ACC. The case is now pending before the COMPAT.

b) CCI's Order on Complaint filed by Director, Supplies & Disposals, State of Haryana in 2013

In January 2017, the Competition Commission of India (CCI) passed an Order against seven cement manufacturers including the Company imposing a penalty calculated at the rate of 0.3% of the average turnover of the last three years viz. 2012-13, 2013-14 and 2014-15. In respect of the Company, the amount of penalty works out to ₹ 35.32 crore. The said Order was issued on the basis of a complaint filed in 2013 by the Director, Supplies & Disposals, State of Haryana before the CCI.

The Company believes it has a strong case on merits to challenge the Order and plans to file an appeal before the Competition Appellate Tribunal (COMPAT). As at December 31, 2016, the penalty amount of ₹ 35.32 crore and interest thereon is disclosed as a contingent liability in the Notes to Accounts (Refer Note 36(A)(d)(ii)).

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes, a Customer Satisfaction Survey is carried out by the Company every year.

ANALYSIS OF STANDALONE FINANCIAL

The following table sets forth the breakup of the Company's expenses as part of the Revenue from operations (Net)

Amount in ₹ Crore

	2016	% of Revenue from operations	2015	% of Revenue from operations
Net Sales	10,936.41	98.01	11,432.76	96.91
Other operating revenue	221.93	1.99	364.07	3.09
Revenue from operations (net)	11,158.34	100.00	11,796.83	100.00
Other income	112.71	1.01	119.35	1.01
Cost of materials consumed	1,587.26	14.22	1,739.78	14.75
Purchase of traded goods	90.17	0.81	108.29	0.92
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	16.99	0.15	0.05	-
Employee benefits expense	778.31	6.98	769.87	6.53
Power and fuel	2,157.10	19.33	2,394.05	20.29
Freight and Forwarding expense	2,654.66	23.79	2,723.00	23.08
Finance costs	72.87	0.65	67.32	0.57
Depreciation and amortization expense	605.16	5.42	652.06	5.53
Other expenses (including Self Consumption of cement)	2,456.85	22.02	2,524.62	21.40
Profit before exceptional items and tax	851.68	7.63	937.14	7.94
Exceptional items	42.81	0.38	153.17	1.30
Profit before tax	808.87	7.25	783.97	6.65
Tax expenses	206.47	1.85	192.40	1.63
Profit for the year	602.40	5.41	591.57	5.01

During the year 2016, the Company has recorded a profit after tax of ₹ 602.40 Crore as compared to ₹ 591.57 Crore in 2015.

- Despite a challenging year, full year profit after tax is up as compared to previous year. Operating cost is down mainly driven by strong cost saving measures, especially on account of fuel mix flexibility and raw materials optimisation.
 - The new Jamul and Sindri projects will strengthen the company's market presence especially in the eastern region.
- The analysis of major items of the financial statements is given below:

1. REVENUE FROM OPERATIONS (NET):

Amount in ₹ Crore

	2016	2015	Change	Change%
Cement and Clinker	9,881.79	10,465.26	(583.47)	(5.58)
Ready Mix Concrete	1,041.48	948.62	92.86	9.79
Sale of services (RMX)	13.14	18.88	(5.74)	(30.40)
Other operating revenue	221.93	364.07	(142.14)	(39.04)
TOTAL	11,158.34	11,796.83	(638.49)	(5.41)

Revenue from operations (net) has decreased due to following reasons:-

- Company's cement sales volume at 22.99 million tonnes during the year as compared to 23.62 million tonnes during previous year.
- The Cement market continued to witness vigorous price competition. Average selling prices of cement reduced by 3 % in 2016 over 2015.
- Continued thrust on promotion of the company's range of value added premium products, yielded an increase of about 27% in the sale of these products during the year.
- The company's ready mixed concrete business showed positive momentum throughout the year, achieving overall growth of 10.50% in sales volume during the year. Sale of Ready Mixed Concrete has increased from 23.44 Lakh Cubic Metres to 25.90 Lakh Cubic Metres.

Other operating revenue includes accrual of sales tax incentives, write back of provision which is no longer required, scrap sales and other Miscellaneous Income.

- Other operating revenue has decreased due to the following reason:
Other operating revenue for the previous year included accrual of sales tax incentives of ₹ 139.74 Crore pertaining to earlier years due to favorable order from Jharkhand High Court.

2. OTHER INCOME:

Amount in ₹ Crore

	2016	2015	Change	Change%
Other income	112.71	119.35	(6.64)	(5.56)

Other income consists of Interest on Bank deposits, Interest on Income Tax, Gain on sale of investments, Dividend from long term investments and Profit on sale of fixed assets (net).

Other income has decreased marginally due to following offsetting reasons:

- Other income for the current year includes profit on sale of fixed assets (Net) of ₹ 20.35 Crore (Previous year – ₹ Nil).
- In the previous year, interest of ₹ 30 Crore was received on income tax refund for earlier years.

3. COST OF MATERIALS CONSUMED:

Amount in ₹ Crore

	2016	2015	Change	Change%
Cost of materials consumed	1,587.26	1739.78	(152.52)	(8.77)

Cost of materials consumed has decreased due to following reasons:

- Cement production has decreased by 2.8% from 23.84 million tonnes to 23.18 million tonnes.
- Ready Mixed Concrete Production has increased by 10.3% from 22.15 Lakh Cubic Metres to 24.43 Lakh Cubic Metres.
- The cost of gypsum reduced by 10.8% as a result of changes made in the mix optimization as well as due to the lower landed cost of imported gypsum.

- Fly ash and slag prices are negotiated with suppliers and brought down. This coupled with changes in source mix optimization enabled a reduction of 5.9% in the cost of fly ash. In respect of slag, a reduction of 14.3% is achieved as compared to the previous year.
- Purchase of Clinker and Limestone cost has decreased by ₹ 64 Crore as compared to previous year. Purchase of Clinker and Limestone was higher in the previous year due to temporary closure of mines in the eastern plants of Chaibasa and Bargarh.
- A combination of cost efficiency measures and lower input costs helped contain overall raw material cost.

4. PURCHASE OF TRADED GOODS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Cement	-	13.71	(13.71)	(100.00)
Ready mix concrete	90.17	94.58	(4.41)	(4.66)
TOTAL	90.17	108.29	(18.12)	(16.73)

- In the current year, there is no purchase of cement. Purchase of Ready mix concrete has marginally decreased as compared to previous year.
- Ready mix concrete includes ₹ 88 Crore (Previous year - ₹ 90 Crore) purchases from an Associate Company, Aakaash Manufacturing Company Private Limited located in the State of Goa.

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

Amount in ₹ Crore

	2016	2015	Change	Change%
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	16.99	0.05	16.94	-

- Movement in change in inventories is mainly on account of decrease in inventory of finished goods.

6. EMPLOYEE BENEFITS EXPENSE:

Amount in ₹ Crore

	2016	2015	Change	Change%
Employee benefits expense	778.31	769.87	8.44	1.10

Employee benefits expense has marginally increased due to following reason:

- Salary increment in salary w.e.f. April 01, 2016.

7. POWER AND FUEL:

Amount in ₹ Crore

	2016	2015	Change	Change%
Power and Fuel	2,157.10	2,394.05	(236.95)	(9.90)

Power and fuel cost has decreased due to following reasons:

- Power & Fuel efficiencies enabled a cost reduction of 10% in 2016 as compared to 2015.
- Fuel cost has decreased due to reduction in Pet coke average price by 25% as compared to the previous year.
- The Company has achieved fuel mix flexibility during the year. Usage of pet coke has increased to 62% in 2016 as compared to 18% in 2015.
- Clinker production has decreased by 1.7% as compared to previous year.
- The cost of generation at our thermal power plants (TPP) is down by 2.4 % to ₹ 4.56 per KWH in 2016 against ₹ 4.67 per KWH in 2015 mainly due to better efficiencies.
- The average cost of purchased power during the year is ₹ 6.3 per KWH as compared to ₹ 6.5 per KWH in the previous year.
- Reduction in power and fuel cost is partially offset by provision of ₹ 34 Crore (including ₹ 19 Crore for the period January 2015 to October 19 2015) for royalty on Coal towards contribution to District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET).

8. FREIGHT AND FORWARDING EXPENSE :

Amount in ₹ Crore

	2016	2015	Change	Change%
On Clinker transfer	452.86	460.30	(7.44)	(1.62)
On finished products - Cement	2,107.16	2180.46	(73.30)	(3.36)
Ready mixed Concrete	94.64	82.24	12.40	15.08
TOTAL	2,654.66	2,723.00	(68.34)	(2.51)

Freight and Forwarding expense has decreased due to following reasons:

- Freight and Forwarding expense on cement has reduced mainly due to decrease in despatches.
- Despite an increase in rail tariffs, the Company has reduced the freight and forwarding expense by pursuing proactive changes in the rail-road mix, increase in direct ex-factory despatches as well as through renegotiation of road transport and C&F rates.
- Freight cost on sale of Ready Mixed Concrete has gone up due to increase in volumes.

9. FINANCE COSTS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Interest expenses	48.19	46.13	2.06	4.47
Interest on Income Tax	24.68	21.19	3.49	16.47
TOTAL	72.87	67.32	5.55	8.24

Finance costs comprise interest paid to dealers on Security deposit, interest on income tax and other interest.

- Higher interest expense is mainly attributable to increase in short term borrowing from a wholly owned Subsidiary Company.
- Interest on Income tax has also increased by ₹ 3.49 Crore as compared to previous year.

10. DEPRECIATION AND AMORTIZATION EXPENSE:

Amount in ₹ Crore

	2016	2015	Change	Change%
Depreciation on tangible assets	604.86	651.55	(46.69)	(7.17)
Amortization on intangible assets	0.30	0.51	(0.21)	(41.18)
TOTAL	605.16	652.06	(46.90)	(7.19)

Depreciation in 2016 is lower mainly due to few fixed assets retired / fully depreciated during previous year. Major impact is on assets pertaining to Plant and Equipment and Office Equipment.

- Decrease is partially offset by increase in depreciation due to capitalisation of Jamul project in Quarter 3 2016 and Sindri project in Quarter 4 2016.
- The Company commenced commercial production of Clinkering Facility of 2.79 MTPA and Cement facility of 1.1 MTPA at Jamul in State of Chhattisgarh on 19th July 2016 and 14th September 2016 respectively.
- The Company commenced commercial production of Cement grinding facility of 1.35 MTPA at Sindri in the State of Jharkhand on October 22, 2016.

11. OTHER EXPENSES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Consumption of Stores and spares parts	389.59	377.99	11.60	3.07
Consumption of packing materials	353.84	404.44	(50.60)	(12.51)
Excise Duties (Net)	(0.14)	1.88	(2.02)	(107.45)
Rent	30.12	29.90	0.22	0.74
Rates and taxes	149.04	145.52	3.52	2.42
Repairs	168.65	161.23	7.42	4.60
Insurance	24.60	25.44	(0.84)	(3.30)
Royalties on minerals	216.80	205.72	11.08	5.39
Discount on sales	76.68	90.80	(14.12)	(15.55)

Amount in ₹ Crore

	2016	2015	Change	Change%
Advertisement	80.57	110.13	(29.56)	(26.84)
Technology and Know-how fees	107.98	112.76	(4.78)	(4.24)
Miscellaneous Expenses (including Self Consumption of cement)	859.12	858.81	0.31	0.04
TOTAL	2456.85	2524.62	(67.77)	(2.68)

- Consumption of Stores and spare parts has increased mainly on account of higher civil and mechanical jobs at few plants.
- Consumption of packing materials cost has decreased mainly due to decline in prices of Poly Propylene granules, renegotiation of commercial terms with suppliers and also reduction in sales volume. Average price of packing bags reduced by 9.80%.
- Royalty on minerals has increased due to increase in extraction of limestone. Increase is mainly on account of commencement of commercial production of new Jamul unit in the current year.
- Discount on sales represents cash discount given on sale of cement. Discount on sales has decreased due to reduction in overall sales.
- Advertisement expense has decreased mainly due to reduction in various promotional activities.
- Technology and Know-how fees represent the amount paid to Holcim Technology Ltd for technical support received by the Company.
- Miscellaneous Expenses
 - In August 2015, the Company invested in OneIndia BSC Private Limited, in which Company and Ambuja Cements is having equal participation, with an aim to receive back office services with respect to routine processes.
 - Miscellaneous Expenses of current year includes ₹ 22 Crore towards services received from OneIndia BSC Private Limited.
 - Miscellaneous Expenses of previous year included write off of Fixed assets of ₹ 13 Crore.
 - Effective cost control measures have resulted in curtailment of increase in overall miscellaneous expenses.

12. EXCEPTIONAL ITEMS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Exceptional items	42.81	153.17	(110.36)	(72.05)

Exceptional items represents following:

- During the year, the Company has made provision of ₹ 42.81 Crore for diminution in the value of investments in the wholly owned subsidiary ACC Mineral Resources Limited considering inordinate delay in realising investments made in cancelled coal blocks.
- Pursuant to provisions of Schedule II of the Companies Act, 2013, an additional charge of ₹ 153.17 Crore, being the carrying amount as of January 1, 2015 of fixed assets with no remaining useful life (as revised) as of that date, was recognized and disclosed as an exceptional item in the previous year.

13. TAX EXPENSES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Current tax	117.49	258.81	(141.32)	(54.60)
Deferred tax	88.98	(66.41)	155.39	233.99
TOTAL	206.47	192.40	14.07	7.31

Current tax has decreased by ₹ 141 Crore due to the following reason:

- During the current year, current tax liability is under minimum alternative tax, accordingly MAT credit of ₹ 115.55 Crore is recognized.

Deferred tax has increased by ₹ 155 Crore due to following reasons:

- In the current year, due to higher income tax depreciation claim on capitalization of Jamul and Sindri projects, tax has been deferred to future years resulting in an increase in deferred tax liability.
- In 2015, pursuant to transition provisions prescribed in Schedule II of Companies Act 2013, an additional depreciation of ₹ 153.17 Crore was recognized, on which deferred tax asset was created.

14. NET FIXED ASSETS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Fixed Assets	7,462.38	5,284.98	2,177.40	41.20
Capital Work in progress	260.82	2,370.96	(2,110.14)	(89.00)
TOTAL	7,723.20	7,655.94	67.26	0.88

- Increase in Fixed Assets is mainly on account of capitalisation of Jamul and Sindri projects.
- The Company commenced commercial production of Clinkering Facility of 2.79 MTPA and Cement facility of 1.1 MTPA at Jamul in State of Chhattisgarh on 19th July 2016 and 14th September 2016 respectively.
- The Company commenced commercial production of Cement grinding facility of 1.35 MTPA at Sindri in State of Jharkhand on October 22, 2016.
- During the year the amount capitalized for Jamul and Sindri project is ₹ 1845 Crore and ₹ 681 Crore respectively.
- Capital work-in-progress has gone down mainly due to capitalization of Jamul and Sindri projects.

15. INVESTMENTS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Non-current investments	235.94	274.55	(38.61)	(14.06)
Current investments	1,568.27	1,201.15	367.12	30.56
TOTAL	1,804.21	1,475.70	328.51	22.26

Non-current investments has decreased due to the following reason:

- During the year, the Company has provided ₹ 42.81 Crore (Previous year - ₹ 15.15 Crore) for diminution in the value of investment in ACC Mineral Resources Limited, a wholly owned subsidiary Company.

Current investments

- Current investment has increased due to Investment in Mutual Funds.

16. LOANS AND ADVANCES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Long-term loans and advances	962.78	1073.38	(110.60)	(10.30)
Short-term loans and advances	437.02	349.84	87.18	24.92
TOTAL	1,399.80	1423.22	(23.42)	(1.65)

Long-term loans and advances has decreased due to the following reasons:

- Capital advances has decreased by ₹ 204 Crore mainly due to completion of Jamul and Sindri projects.
- Decrease in advance has partially offset by increase in advance of income tax (Net) which is due to MAT credit entitlement of ₹ 118 Crore in current year.

Short term loans and advances has increased due to following reasons:

- Advances to vendors has gone up by ₹ 52 Crore.
- Balance with statutory / government authorities has increased by ₹ 32 Crore.

17. OTHER ASSETS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Other non-current assets	483.05	465.93	17.12	3.67
Other current assets	60.15	55.48	4.67	8.42
TOTAL	543.20	521.41	21.79	4.18

- Other non-current assets have gone up due to accrual of Sales tax incentive under State Investment Promotion Scheme.

18. INVENTORIES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Raw Materials	131.07	132.01	(0.94)	(0.71)
Work-in-Progress	238.74	241.20	(2.46)	(1.02)
Finished Goods	138.64	152.54	(13.90)	(9.11)
Stock-in-trade	0.02	0.65	(0.63)	(96.92)
Stores & Spare Parts	301.41	265.84	35.57	13.38
Packing Material	19.08	18.24	0.84	4.61
Fuels	394.79	378.12	16.67	4.41
TOTAL	1,223.75	1,188.60	35.15	2.96

- The Company has controlled the overall inventory efficiently. Average inventory turnover in sales days has marginally increased from 39 days in 2015 to 40 days in 2016.

- Increase in stores and spare parts are primarily at new Jamul plant.
- The Company has achieved fuel mix flexibility during the year. The company has increased the inventory of Pet coke to gain the benefit of reduction in pet coke prices whereas coal inventory is decreased.

19. TRADE RECEIVABLES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Trade receivables – Cement	252.71	287.65	(34.94)	(12.15)
Trade receivables - Ready Mixed Concrete	215.02	196.70	18.32	9.31
TOTAL	467.73	484.35	(16.62)	(3.43)

- Trade receivable for cement business has decreased by 12.15%. The Company has been able to reduce the overall receivable through vigorous collections efforts.
- The average trade receivables in sales days outstanding for cement sales as on December 31, 2016 is 10 as compared to 9 in December 31, 2015.
- Increase in Ready mixed concrete business trade receivable in 2016 is mainly due to increase in sales.
- The average trade receivables in sales days for ready mixed concrete business as on December 31, 2016 is 71 as compared to 68 as on December 31, 2015.

20. CASH AND BANK BALANCES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Cash and bank balances	275.58	91.60	183.98	200.85

- Cash and bank balances for 2016 includes fixed deposit with lien in favour of Competition Appellate Tribunal (COMPAT) of ₹ 114.76 Crore representing 10% of penalty amount imposed by Competition Commission of India in the current year.

21. PROVISIONS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Long-term provisions	131.68	119.86	11.82	9.86
Short-term provisions	606.15	639.33	(33.18)	(5.19)
TOTAL	737.83	759.19	(21.36)	(2.81)

- Long-term provision has increased mainly due to increase in gratuity obligation on account of change in discounting rate from 7.80 % p.a. to 6.60% p.a. for valuation of employee benefits provision. The Company expects to contribute this obligation to gratuity fund in the year 2017.
- Short-term provision has decreased mainly due to decrease in provision for Income Tax (Net of advance tax) by ₹ 36 Crore.

22. SHORT-TERM BORROWINGS:

Amount in ₹ Crore

	2016	2015	Change	Change%
Short term Borrowings	50.02	35.50	14.52	40.90

- Short term Borrowings consist of loan from ACC Mineral Resources Limited, a wholly owned subsidiary Company.

23. TRADE PAYABLES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Trade payables	1,256.93	874.11	382.82	43.80

- Increase in trade payables is due to focus on better working capital management.
- Average trade payable in sales days has increased from 26 days in 2015 to 36 days in 2016.

24. OTHER CURRENT LIABILITIES:

Amount in ₹ Crore

	2016	2015	Change	Change%
Interest accrued but not due on borrowings	1.70	2.44	(0.74)	(30.33)
Unpaid dividend & Matured Deposit	32.36	33.46	(1.10)	(3.29)
Statutory dues	414.85	378.50	36.35	9.60
Advance from customers	201.77	137.81	63.96	46.41
Security deposits and retention money	533.81	666.77	(132.96)	(19.94)
Liability for capital expenditure	96.95	113.13	(16.18)	(14.30)
Other payables	891.67	927.71	(36.04)	(3.88)
TOTAL	2,173.11	2,259.82	(86.71)	(3.84)

- Statutory dues have increased due to provision made towards contribution to District Mineral Foundation and National Mineral Exploration Trust (NMET) on extraction of limestone and purchase of coal.
- Security deposits and retention money and Liability for capital expenditure have decreased due to completion of Jamul and Sindri projects.
- Other payables have decreased due to reduction in rebate to customers.

25. CASH FLOW

Amount in ₹ Crore

	2016	2015	Change	Change%
Net cash flow from operating activities	1,380.12	1,461.24	(81.12)	(5.55)

Net cash flow from operating activities has decreased as compared to previous year due the to following reasons:

- The Cash operating profit before working capital changes has decreased by ₹ 189 Crore.
- Direct tax paid - (Net of refunds) has increased by ₹ 43 Crore.
- Impact on cash flow from operating activities due to above reasons is partially offset by reduction in working capital by ₹ 209 Crore as compared to ₹ 58 Crore in previous year.

	2016	2015	Change	Change%
Net cash used for investing activities	(539.10)	(948.17)	409.07	(43.14)

Net cash used for investing activities has reduced as compared to previous year due to following reasons:

- Net cash used for investment activities has decreased mainly on account of lower cash outflow for purchase of fixed assets by ₹ 649 Crore. Jamul and Sindri projects are commissioned in the current year.

	2016	2015	Change	Change%
Net cash used for financing activities	(421.17)	(681.02)	259.85	(38.16)

Net cash used for financing activities has decreased due to following reason:

- Lower payment of Dividend and dividend tax by ₹ 290 Crore.

RATIO ANALYSIS

1. OPERATING EBITDA MARGIN (%)

	2016	2015
Operating EBITDA margin	12.96	13.45

- Despite a challenging year, the Company was able to maintain the Operating EBITDA margin almost at same level of last year. Operating cost is reduced as compared to previous year which is driven by strong cost saving measures, especially on fuel flexibility and raw materials optimisation.
- Operating EBITDA for the previous year included accrual of sales tax incentives of ₹ 139.74 Crore pertaining to earlier years. Like for like operating EBITDA has increased as compared to previous year.

2. AVERAGE RETURN ON CAPITAL EMPLOYED (%)

	2016	2015
Average Return on Capital Employed	9.96	11.24

Average return on capital employed has decreased mainly due to following reasons:

- Earnings before interest, exceptional items and tax (EBIT) have decreased by 128 bps as compared to previous year. However like for like EBIT and average return on capital employed has increased as compared to previous year. EBIT of previous year included accrual of sales tax incentives of ₹ 139.74 Crore.
- During the year, the Company has commenced commercial production of new Jamul and Sindri plants. New Jamul plant expected to strengthen market presence especially in the eastern region and expected to increase the return on capital employed.

3. RETURN ON NET WORTH (%)

	2016	2015
Return on Net worth	6.95	7.01

- Return on Net worth in the current year is fairly in line with previous year.

4. CURRENT RATIO (TIMES)

	2016	2015
Current Ratio	0.91	0.93

- The Company's current ratio for 2016 is recorded at 0.91 times which is fairly in line with 0.93 times registered in 2015 witnessing an improvement mainly due to increase in short term liabilities.

5. PRICE EARNING RATIO (TIMES)

	2016	2015
Price Earning Ratio	41.24	43.07

- Basic Earnings per share stood at ₹ 32.08 for the year ended 2016 registering an increase as compared to previous year on account of marginal increase in profitability. However, Price earnings ratio has decreased by 183 bps due to fall in market price of Company's share by 2.5% as on December 31, 2016 as compared to previous year.

6. NET WORTH PER SHARE (₹)

	2016	2015
Net worth per Share	461	450

- Net worth per share has increased as compared to previous year due to increase in net worth.
- Net worth has increased due to increase in retained profit after distribution of dividend to the shareholders.

7. DIVIDEND

	2016	2015
Dividend per share (₹)	17.00	17.00
Basic Earnings per Share (₹)	32.08	31.51
Dividend payout ratio (%)	53	54

- Dividend per share for the current year is maintained at previous year's level.
- Basic Earnings per share stood at ₹ 32.08 for the year ended 2016 registering an increase as compared to previous year on account of marginal increase in profitability.
- Dividend payout ratio for the current year is maintained almost at previous year's level.

8. FIXED ASSET TURNOVER RATIO (TIMES)

	2016	2015
Fixed Asset Turnover Ratio	1.4	1.5

- Asset turnover ratio has decreased in 2016 as compared to previous year mainly on account of reduction in net sales.
- The new Jamul and Sindri projects will strengthen the company's market presence especially in the eastern region.

TRANSITION TO IND AS

BACKGROUND:

As per notification from Ministry of Corporate Affairs dated 16.02.2015, Listed Companies having a net worth of ₹ 500 Crore or more are required to comply with Ind AS in the preparation of their financial statements for accounting periods beginning on or after April 1, 2016.

In pursuance of this notification and as the Company is having January 01 to December 31 as its financial year, the Company, its subsidiaries, joint venture and Associate companies will adopt IND AS with effect from January 01, 2017, with the comparatives for the periods ending December 31, 2016.

Company's Transition plan:

The Company is on track towards Ind-AS transition and the impact on change on adoption of Ind-AS has been assessed.

Following are key impact areas. The assessment contained herein is preliminary as full compliance with Ind AS will be effective as at 31.12.2017. The information represents our current best estimates based on principles and regulations known to date and may be affected by changes to Ind AS or the interpretation or audit / review thereafter.

1. IND AS 1-PRESENTATION OF FINANCIAL STATEMENTS

- New Components of Financial Statements
 - Statement of Changes in Equity for the year
 - 'Other Comprehensive Income' section in the Statement of Profit and Loss for the year.

Following are the major Components of Other Comprehensive Income:

- Re-measurements of defined employee benefit plans
- Gain and losses on equity instruments measured at fair value through other comprehensive income
- Deferred tax Asset / Liability on above adjustments
- Distinction between Financial and Non-Financial assets / liabilities in the Balance Sheet.
- Other disclosures as required as per Ind AS Compliant Schedule III of the Companies Act, 2013

2. IND AS 101 –FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company has elected to apply the following optional exemptions in preparation of its Ind AS opening Balance Sheet:

- The Company has opted to apply Ind AS 103 'Business Combinations' prospectively from the date of transition. Accordingly, acquisitions that occurred prior to January 01, 2016 will not be required to be restated.
- The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost on the date of transition.
- In Standalone Financial, the Company has elected to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP (IGAAP) carrying amount as its deemed cost on the date of transition.

3. IND AS 10 -EVENTS AFTER THE REPORTING PERIOD

Under IND-AS, the Company will recognise a liability for final dividend (including dividend distribution tax) in the period when the dividends are approved by the shareholders. Accordingly, proposed dividend and dividend distribution tax recognised as on Balance Sheet date as per IGAAP will be reversed in the Balance Sheet under IND-AS.

4. IND AS 12 - INCOME TAXES

Under IND-AS Deferred tax is to be recognised on undistributed profits of subsidiaries, associates, Joint Ventures and elimination of intra group profits/losses.

5. IND AS 16 - PROPERTY, PLANT AND EQUIPMENT

- Under IND-AS, Spares which meet the definition of Property, Plant and Equipment will be capitalized.
- Under Current Indian GAAP, written down value of such spares are charged to Statement of Profit and Loss, on issue for consumption.
- Lease hold mining land where the Company has control towards the mineral reserve, will be classified as intangible assets. Currently this is part of Tangible assets.

6. IND AS 18 - REVENUE

- Under IND-AS, the Company will recognise revenue at the fair value of consideration received or receivable. Any sales incentive, discounts or rebates in any form, including cash discounts given to customers will be considered as selling price reductions and accounted as reduction from revenue.
- Accordingly, discount on sales will be netted off from revenue under IND-AS. As per IGAAP, currently this is shown under “Other expenses”.
- As per IND-AS compliant Schedule III of the Companies Act, 2013, Excise duty recovery will be part of Gross sales and Excise duty payment will be shown separately under other expenses.

7. IND AS 19 - EMPLOYEE BENEFITS

- Under IND-AS, the interest cost on defined benefit obligation and expected return on plan assets will be recognised under finance cost.
- Re-measurements on defined benefit obligation will be recognised in ‘Other Comprehensive Income’.

8. IND AS 111- JOINT ARRANGEMENTS

- Under IND-AS, investments in Joint Venture “OneIndia BSC Private Limited” will be regarded as a joint venture. Accordingly Investment in joint ventures is accounted as per equity accounting method.

Under IGAAP, investment in OneIndia BSC Private Limited is accounted as per proportionate consolidation method.

9. IND AS 38: INTANGIBLE ASSETS

Under Ind AS Goodwill on investment in Subsidiary and associates will be tested for impairment and not amortised.

Under Current IGAAP, goodwill is amortized over a period of ten years from the date of acquisition / investment.

10. IND AS 37 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision for site restoration liability is carried at a discounted value under Ind AS 37.

11. IND AS 109 - FINANCIAL INSTRUMENTS

- Investments in mutual fund are valued at fair value under Ind AS 109
- Investment in quoted equity instruments will be valued at fair value
- The Company currently accounts for current investments at lower of cost and fair value and investment in equity instruments at cost.
- Long term financial assets will be discounted to its net present value.
- The Company recognised long term assets at an undiscounted value as current IGAAP principles explicitly prohibit discounting.

INDEPENDENT AUDITOR'S REPORT

To the Members of ACC Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ACC Limited ("the Company"), which comprise the Balance Sheet as at December 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2016, its profit, and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note 36(A)(d) of the standalone financial statements which describes the following matters:

- a. In terms of order dated August 31, 2016, the Competition Commission of India (CCI) has imposed penalty of ₹ 1,147.59 Crores for alleged contravention of the Competition Act, 2002 by the

Company. The Company has filed an appeal against the CCI order before The Competition Appellate Tribunal (COMPAT). The COMPAT has granted a stay on the CCI order on the condition that the Company deposits 10% of the penalty amounting to ₹ 114.76 Crores which has been deposited.

- b. In terms of order dated January 19, 2017, the CCI has imposed penalty of ₹ 35.32 Crores pursuant to the reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 by the Company.

Based on the advice of external legal counsel, no provision has been considered necessary by the Company in respect of these matters. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) On the basis of written representations received from the directors as on December 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 36A(a), 36A(c), 36A(d) and 36B 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: February 3, 2017

ANNEXURE TO AUDITOR'S REPORT

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: ACC Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties, other than self-constructed buildings, included in fixed assets are held in the name of the company except for the cases below:-

(₹ Crores)

Sr. No.	Asset Category	Gross Block at December 31, 2016	Net Block at December 31, 2016	Remarks
1	Leasehold Land	4.95	3.31	Title deeds are in name of the entities which got merged with the Company.
2	Freehold Land	1.88	1.88	
3	Buildings	18.20	5.19	
4	Buildings	0.76	0.38	Title deeds pending to be registered in the name of company and necessary steps are being taken in this regard to transfer the title in the name of the company.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at December 31, 2016 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/ to a company in which the Director is interested to provisions of section 185 of the Companies Act, 2013 is apply and hence not commented upon. Further provisions of section 186 of the Companies Act 2013 respect of loans and advances given, investments made and, guarantees given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (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 Ready Mix Concrete, 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 has generally been regular in depositing with appropriate authorities

undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax,

duty of custom, duty of excise, value added tax, 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.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise and value added tax on account of any dispute, are as follows:

(₹ Crores)

Name of Statute (Nature of Dues)	Period to which the amount Relates	Commissionerate	Appellate authorities & Tribunal	High Court	Supreme Court	Total Amount
Sales Tax (Tax/Penalty/ Interest)	1984-85 to 2013-14	27.38	137.52	127.01	-	291.91
Central Excise Act (Duty/ Penalty/ Interest)	1994-95 to 2013-14	3.61	21.64	0.98	2.34	28.57
Service Tax under Finance Act, 1994 (Tax / Penalty / Interest)	2005-06 to 2015-16	-	20.77	-	-	20.77
Customs Duty Matters (Tax / Penalty / Interest)	2012-13	-	15.03	-	-	15.03
TOTAL		30.99	194.96	127.99	2.34	356.28

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the company and no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: February 3, 2017

ANNEXURE TO AUDITOR'S REPORT

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 over financial reporting of ACC Limited ("the Company") as of December 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, 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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: February 3, 2017

BALANCE SHEET as at December 31, 2016

Particulars	Note No.	2016 ₹ Crore	2015 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.99	187.95
Reserves and surplus	4	8,473.45	8,255.09
		8,661.44	8,443.04
Non-current liabilities			
Deferred tax liabilities (Net)	5	558.14	469.16
Long-term provisions	6	131.68	119.86
		689.82	589.02
Current liabilities			
Short-term borrowings	7	50.02	35.50
Trade payables :			
Due to Micro and Small Enterprises	37	7.54	4.12
Due to others		1,249.39	869.99
Other current liabilities	8	2,173.11	2,259.82
Short-term provisions	9	606.15	639.33
		4,086.21	3,808.76
TOTAL		13,437.47	12,840.82
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	10	7,458.85	5,284.78
Intangible assets	10	3.53	0.20
Capital work-in-progress		260.82	2,370.96
Non-current investments	11	235.94	274.55
Long-term loans and advances	12	962.78	1,073.38
Other non-current assets	13	483.05	465.93
		9,404.97	9,469.80
Current assets			
Current investments	14	1,568.27	1,201.15
Inventories	15	1,223.75	1,188.60
Trade receivables	16	467.73	484.35
Cash and bank balances	17	275.58	91.60
Short-term loans and advances	18	437.02	349.84
Other current assets	19	60.15	55.48
		4,032.50	3,371.02
TOTAL		13,437.47	12,840.82
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI

CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA

Chairman
DIN: 00276351

ARUNKUMAR R GANDHI

Director
DIN: 00007597

NEERAJ AKHOURY

Director
DIN: 07419090

per **RAVI BANSAL**

Partner
Membership No. 49365

SUNIL K. NAYAK

Chief Financial Officer

MARTIN KRIEGNER

Director
DIN: 00077715

SUSHIL KUMAR ROONGTA

Director
DIN: 00309302

ASHWIN DANI

Director
DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN

Company Secretary

FARROKH K. KAVARANA

Director
DIN: 00027689

VIJAY KUMAR SHARMA

Director
DIN: 02449088

FALGUNI NAYAR

Director
DIN: 00003633

STATEMENT OF PROFIT AND LOSS for the year ended December 31, 2016

Particulars	Note No.	2016 ₹ Crore	2015 ₹ Crore
INCOME			
Revenue from operations (gross)		12,687.72	13,240.71
Less - Excise duty		1,529.38	1,443.88
Revenue from operations (net)	20	11,158.34	11,796.83
Other Income	21	112.71	119.35
Total Revenue		11,271.05	11,916.18
EXPENSES			
Cost of materials consumed	22	1,587.26	1,739.78
Purchase of traded goods	23	90.17	108.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	16.99	0.05
Employee benefits expense	25	778.31	769.87
Power and fuel		2,157.10	2,394.05
Freight and Forwarding expense	26	2,654.66	2,723.00
Finance costs	27	72.87	67.32
Depreciation and amortization expense	28	605.16	652.06
Other expenses	29	2,462.81	2,533.94
		10,425.33	10,988.36
Self Consumption of Cement (net of Excise Duty)		(5.96)	(9.32)
Total Expenses		10,419.37	10,979.04
Profit before exceptional items and tax		851.68	937.14
Exceptional items (Refer Note - 41 & 50)		42.81	153.17
Profit before tax		808.87	783.97
Tax expenses			
Current tax (Including MAT payable of ₹ 117.55 Crore (Previous year – ₹ Nil))		235.04	258.81
Less: MAT credit entitlement		(117.55)	-
Net current tax expense		117.49	258.81
Deferred tax		88.98	(66.41)
		206.47	192.40
Profit for the year		602.40	591.57
Earnings per equity share	30		
{(Face value of ₹ 10 each (Previous Year - ₹ 10 each))}			
Basic		₹ 32.08	31.51
Diluted		₹ 32.00	31.43
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI
CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

NEERAJ AKHOURY
Director
DIN: 07419090

per **RAVI BANSAL**
Partner
Membership No. 49365

SUNIL K. NAYAK
Chief Financial Officer

MARTIN KRIEGER
Director
DIN: 00077715

SUSHIL KUMAR ROONGTA
Director
DIN: 00309302

ASHWIN DANI
Director
DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN
Company Secretary

FARROKH K. KAVARANA
Director
DIN: 00027689

VIJAY KUMAR SHARMA
Director
DIN: 02449088

FALGUNI NAYAR
Director
DIN: 00003633

CASH FLOW STATEMENT for the year ended December 31, 2016

Particulars	2016 ₹ Crore	2015 ₹ Crore
A. Cash flow from operating activities		
Net Profit before Tax	808.87	783.97
Adjustments for:		
Depreciation and Amortisation expense (including Exceptional item in previous year)	605.16	805.23
Loss / (Profit) on sale / write off of fixed assets (Net)	(20.46)	30.45
Provision for diminution in the value of Non-current Investment (Refer Note - 41)	42.81	15.15
Gain on sale of current investments	(21.15)	(22.24)
Dividend income	(7.64)	(2.04)
Interest income	(62.45)	(93.60)
Finance costs	72.87	67.32
Provision for doubtful debts and advances (Net)	10.24	13.64
Bad debts written off	0.51	0.32
Provision for slow and non moving Stores & Spare parts	12.69	8.36
Provision no longer required written back	(23.68)	(10.66)
Unrealised exchange gain (Net)	(2.80)	(2.25)
Capital Spares Consumed	28.11	38.56
Operating profit before working capital changes	1,443.08	1,632.21
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Decrease / (Increase) in Trade receivables, loans & advances and other assets	(77.57)	(217.32)
Decrease / (Increase) in Inventories	(47.84)	58.63
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in Trade payables, Other liabilities and Provisions	334.16	216.63
Cash generated from operations	1,651.83	1,690.15
Direct tax paid - (Net of refunds)	(271.71)	(228.91)
Net Cash flow from operating activities	1,380.12	1,461.24
B. Cash flow from investing activities		
Loans to subsidiary company	(0.20)	-
Payment received against loan given to subsidiaries	-	3.08
Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advances)	(518.88)	(1,168.14)
Proceeds from sale of Fixed Assets	21.33	3.86
Proceeds from sale of current investments	21.15	22.24
Purchase of Investment in joint venture company	-	(2.50)
Purchase of Investment in subsidiary company	(0.50)	-
Investment in bank deposits (having original maturity for more than 3 months) and Margin money deposit	(134.95)	(0.11)
Redemption / maturity of bank deposits (having original maturity for more than 3 months)	0.05	129.38
Dividend received from Associates	7.64	2.04
Interest Received	65.26	61.98
Net cash used in investing activities	(539.10)	(948.17)

CASH FLOW STATEMENT for the year ended December 31, 2016 (contd.)

Particulars	2016 ₹ Crore	2015 ₹ Crore
C. Cash flow from financing activities		
Proceeds from Issuance of equity shares (including Securities premium)	0.23	-
Interest paid	(47.80)	(41.49)
Proceeds from short term Borrowings from subsidiary company	11.70	35.50
Dividend paid	(320.32)	(561.67)
Dividend distribution tax paid	(64.98)	(113.36)
Net cash used in financing activities	(421.17)	(681.02)
Net increase / (decrease) in cash and cash equivalents	419.85	(167.95)
Cash and cash equivalents at the beginning of the year	1,389.04	1,556.99
Cash and cash equivalents at the end of the year	1,808.89	1,389.04
Components of cash and cash equivalents:		
Cash on hand	0.05	0.11
Balance with banks		
On current accounts	58.23	58.04
On deposit account	50.00	-
Earmarked for specific purpose (Refer Note (1) below)	32.34	33.44
Cash and cash equivalents (Refer Note - 17)	140.62	91.59
Add : Investment in Mutual Funds (Refer Note - 14)	730.00	65.00
Add : Investment in Certificate of Deposits (Refer Note - 14)	838.27	1,132.45
Add : Deposit with HDFC Limited (Refer Note - 18)	100.00	100.00
Cash and Cash equivalents in cash flow statement	1,808.89	1,389.04
Significant accounting policies (Refer Note - 2)		

- Note: 1 These balances are not available for use by the Company as they represent unpaid dividend liabilities.
2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For SRBC & COLLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **RAVI BANSAL**

Partner
Membership No. 49365

Mumbai, February 03, 2017

HARISH BADAMI

CEO & Managing Director
DIN: 02298385

SUNIL K. NAYAK

Chief Financial Officer

BURJOR D. NARIMAN

Company Secretary

N.S.SEKHSARIA

Chairman
DIN: 00276351

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NEERAJ AKHOURY

Director
DIN: 07419090

ASHWIN DANI

Director
DIN: 00009126

FALGUNI NAYAR

Director
DIN: 00003633

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

1. COMPANY OVERVIEW

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

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

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

(ii) Use of estimates

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

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

(iii) Tangible fixed assets

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

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

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

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

(iv) Depreciation on tangible fixed assets

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

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

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

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

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

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

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

(v) Intangible assets and amortisation

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

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

(vi) Impairment of assets

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

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

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

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

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

(viii) Investments

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

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

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

(ix) Inventories

Inventories are valued after providing for obsolescence, as follows:

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

Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

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

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

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

(x) Cash and cash equivalents

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

(xi) Revenue recognition

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

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

Sale of goods

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

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

Income from services

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

Interest and Dividend Income

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

(xii) Government Grants and Subsidies

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

(xiii) Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

(xiv) Foreign currency transactions

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

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

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

(xv) Retirement and other employee benefits

a) Short term employee benefits

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

b) Defined contribution plans

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

c) Defined benefit plans

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

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

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

d) Other long term benefits

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

e) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

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

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

(xvi) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable provisions of the Income-tax Act, 1961 including the relevant Transfer Pricing regulations prescribed there under, read with applicable judicial precedents or interpretations, where ever relevant.

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

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

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

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

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

(xvii) Provisions and contingent liabilities

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

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

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

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

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

(xix) Mines Restoration Expenditure

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

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

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

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

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

(xxi) Segment Reporting**Identification of segments**

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

Allocation of common costs

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

Inter-segment transfers

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

Unallocated items

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

Segment Policies

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

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

3. SHARE CAPITAL

	2016 ₹ Crore	2015 ₹ Crore
Authorised Shares		
22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid	187.79	187.75
Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid	0.20	0.20
TOTAL	187.99	187.95

i) Reconciliation of number of equity shares outstanding

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

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

ii) Terms / rights attached to equity shares

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

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

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

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

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

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

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

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

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

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

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

4. RESERVES AND SURPLUS

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

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

5. DEFERRED TAX LIABILITIES (NET)

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

6. LONG-TERM PROVISIONS

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

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

Mines Restoration Expenditure

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**7. SHORT-TERM BORROWINGS**

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

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

8. OTHER CURRENT LIABILITIES

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

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

9. SHORT-TERM PROVISIONS

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

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

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01-01-2016	Additions	Deductions	As at 31-12-2016	As at 01-01-2016	For the Year	Deductions	As at 31-12-2016	As at 31-12-2015
Tangible Assets :									
Freehold Non Mining Land	92.69	6.92	-	99.61	-	-	-	99.61	92.69
Freehold Mining Land	297.77	6.48	-	304.25	2.24	0.24	-	301.77	295.53
Leasehold Land	85.41	24.59	1.38	108.62	45.42	3.18	0.10	60.12	39.99
Buildings	1,455.85	648.47	0.73	2,103.59	533.55	64.48	0.50	1,506.06	922.30
Plant and Equipment	8,938.47	2,004.32	91.06	10,851.73	5,193.51	496.26	58.28	5,220.24	3,744.96
Railway Sidings	174.55	87.18	-	261.73	68.76	13.69	-	179.28	105.79
Furniture & Fixtures	44.35	3.85	0.12	48.08	25.71	4.63	0.10	17.84	18.64
Vehicles	70.73	17.00	1.54	86.19	37.01	8.77	1.45	41.86	33.72
Office equipment	133.66	14.73	4.34	144.05	102.50	13.78	4.30	32.07	31.16
Total	11,293.48	2,813.54	99.17	14,007.85	6,008.70	605.03	64.73	7,458.85	5,284.78
Intangible Assets :									
Computer Software	58.97	3.63	-	62.60	58.77	0.30	-	3.53	0.20
Total	58.97	3.63	-	62.60	58.77	0.30	-	3.53	0.20

Notes:-

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

10. FIXED ASSETS

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

172 10. FIXED ASSETS (contd.)

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

₹ Crore

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

11. NON-CURRENT INVESTMENTS

(VALUED AT COST UNLESS STATED OTHERWISE)

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

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

11. NON-CURRENT INVESTMENTS (contd.)

(VALUED AT COST UNLESS STATED OTHERWISE)

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
(b) Investment in equity instruments (unquoted)				
Face value ₹ 10 each				
* Kanoria Sugar & General Mfg. Company Limited	4	-	4	-
* Gujarat Composites Limited	60	-	60	-
* Rohtas Industries Limited	220	-	220	-
* The Jaipur Udyog Limited	120	-	120	-
* Digvijay Finlease Limited	90	-	90	-
* The Travancore Cement Company Limited	100	-	100	-
* Ashoka Cement Limited	50	-	50	-
Face value ₹ 5 each				
* The Sone Valley Portland Cement Company Limited	100	-	100	-
			5.79	5.79
(c) Investment in Bonds (Unquoted)				
Face value ₹ 10,00,000 each				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Less: Current portion of long term investments#		-		3.70
			3.70	-
TOTAL			235.94	274.55

Notes

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

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

12. LONG-TERM LOANS AND ADVANCES

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

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

13. OTHER NON-CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

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

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

14. CURRENT INVESTMENTS

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

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

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

15. INVENTORIES

(AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

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

16. TRADE RECEIVABLES

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**17. CASH AND BANK BALANCES**

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

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

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

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

18. SHORT-TERM LOANS AND ADVANCES

Unsecured, Considered Good, unless otherwise stated

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

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

19. OTHER CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

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

20. REVENUE FROM OPERATIONS

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

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

*Sales tax Incentives under State Investment Promotion Scheme

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**21. OTHER INCOME**

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

22. COST OF MATERIALS CONSUMED

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

Details of cost of materials consumed

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

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

23. PURCHASE OF TRADED GOODS

	2016 ₹ Crore	2015 ₹ Crore
Cement	-	13.71
Ready Mix Concrete	90.17	94.58
TOTAL	90.17	108.29

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

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

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

25. EMPLOYEE BENEFITS EXPENSE

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

26. FREIGHT AND FORWARDING EXPENSE

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

27. FINANCE COSTS

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**28. DEPRECIATION AND AMORTIZATION EXPENSE**

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

29. OTHER EXPENSES

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

ii) Miscellaneous expenses includes:

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

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

30. EARNINGS PER SHARE - [EPS]

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

31. EMPLOYEE BENEFITS:

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

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

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

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

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

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

31. EMPLOYEE BENEFITS: (contd.)

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

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

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

31. EMPLOYEE BENEFITS: (contd.)

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

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

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

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

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

31. EMPLOYEE BENEFITS: (contd.)

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

VII Actuarial Assumptions:

a) Financial Assumptions

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

b) Demographic Assumptions

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

(Figures in italics pertain to previous year)

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

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

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

- d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- e) The Company expects to contribute ₹ 18.00 Crore (*Previous year - ₹ 11.00 Crore*) to Gratuity fund and ₹ 23.00 Crore (*Previous year - ₹ 18.84 Crore*) to trust managed provident fund in the year 2017.
- f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.

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

(i) Gratuity (Funded)

₹ Crore

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

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

31. EMPLOYEE BENEFITS: (contd.)

(ii) Gratuity (Non funded) ₹ Crore

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

(iii) Post Employment Medical Benefits ₹ Crore

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

(iv) Provident Fund ₹ Crore

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

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**32. SEGMENT REPORTING**

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

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

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

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

33. OPERATING LEASE

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

34. RELATED PARTY DISCLOSURE

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

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

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

(C) Transactions with Subsidiary Companies

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

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

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

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

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

(D) Transactions with Joint venture Company

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

(E) Transactions with Associate Companies

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

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**(F) Details of Transactions relating to Holding Companies / Ultimate Holding Company**

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

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

(G) Details of Transactions relating to Fellow Subsidiary Companies

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**(H) Details of Transactions with Key Management Personnel**

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

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

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

35. CAPITAL AND OTHER COMMITMENTS

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

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

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

36. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -

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

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

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

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

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

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

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

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

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

- ii. In a separate matter, pursuant to a reference filed by the Government of Haryana, The Competition Commission of India issued an Order dated January 19, 2017 imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 35.32 Crore on the Company. The Company is taking steps to file an appeal against the Order with the appropriate authority. Based on the advice of external legal counsel, the Company believes it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**36. (B) MATERIAL DEMANDS AND DISPUTES CONSIDERED AS “REMOTE” BY THE COMPANY**

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

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

- b) The Company was eligible for certain incentives (in the nature of One Time Lumpsum Capital Subsidy and refund of incremental VAT paid) in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the company has made claims for refund of VAT paid each financial year. However, no disbursements were made (except an amount of ₹ 7 Crore representing part of the One Time Lumpsum Capital Subsidy Claim of ₹ 15 Crore) as the authorities have raised various new conditions and restriction, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ petitions before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government.

The division bench of the Jharkhand High Court, while dealing with appeals by both the Company and the State of Government, against a single bench order only partially allowing the Companies claim, in its order dated February 24, 2015, allowed the Company's Appeal in totality while dismissing the Government's Appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately. Pursuant to this order, a cumulative amount of ₹ 235 Crore was standing accrued in the books upto December, 2015.

The Government of Jharkhand had filed an Special Leave Petition in the Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the division bench Order, had only stayed disbursement of 40% of the amount due.

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

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

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

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

- c) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80IA of the Income Tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore, which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.
- d) One of the Company's Cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the company to such deferment on the ground that the company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was is in the negative list. A demand of ₹ 82.37 Crore was raised. The Company filed a writ petition before High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand shall not sustain under law.
- e) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (Minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT Refund and (ii) Royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore till December 31, 2016 (*Previous year - ₹ 106 Crore*) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted & pending before the Court for hearing on merit. The Company believes that the merits of the claim are strong.

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

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

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

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

		2016 ₹ Crore	2015 ₹ Crore
a.	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises (Not overdue)	7.54	4.12
	Interest due on above	-	-
b.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

38. INTEREST IN JOINT VENTURE

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**40. PARTICULARS OF UN HEDGED FOREIGN CURRENCY EXPOSURE AS AT BALANCE SHEET DATE**

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

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

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

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

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

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

45. CAPITALIZATION OF EXPENDITURE:

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

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

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

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

47. EXPENDITURE IN FOREIGN CURRENCIES (ON ACCRUAL BASIS)

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**48. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES AND SPARE PARTS CONSUMED**

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

49. EARNINGS IN FOREIGN EXCHANGE (ON ACCRUAL BASIS)

	2016 ₹ Crore	2015 ₹ Crore
Others	0.66	2.59
	0.66	2.59

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

51. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

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

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

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

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

52. REMITTANCES IN FOREIGN CURRENCIES -

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

53. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows :

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

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

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

56. COMPARATIVE FIGURES

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For SRBC & COLLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI

CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA

Chairman
DIN: 00276351

ARUNKUMAR R GANDHI

Director
DIN: 00007597

NEERAJ AKHOURY

Director
DIN: 07419090

per **RAVI BANSAL**

Partner
Membership No. 49365

SUNIL K. NAYAK

Chief Financial Officer

MARTIN KRIEGNER

Director
DIN: 00077715

SUSHIL KUMAR ROONGTA

Director
DIN: 00309302

ASHWIN DANI

Director
DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN

Company Secretary

FARROKH K. KAVARANA

Director
DIN: 00027689

VIJAY KUMAR SHARMA

Director
DIN: 02449088

FALGUNI NAYAR

Director
DIN: 00003633

CONSOLIDATED GROUP OPERATING RESULTS for the year ended December 31, 2016

	2016		2015
	₹ Crore	₹ Crore	₹ Crore
ACC's Net Profit		602.40	591.57
Add: Adjustment of provision for diminution in investments (AMRL)		42.81	-
Add: Pro-rata share of profits / (losses) of subsidiaries -			
Bulk Cement Corporation (India) Limited	2.45		(5.31)
ACC Mineral Resources Limited	(35.62)		2.42
Lucky Minmat Limited	(0.75)		(0.45)
National Limestone Company Private Limited	(0.18)		(0.22)
Singhania Mineral Private Limited	(0.10)		(0.04)
		(34.20)	(3.60)
Add: Pro-rata share of Profit / (loss) of Joint venture			
OneIndia BSC Private Limited		1.66	(1.09)
Add: Pro-rata share of profit of Associates		8.79	11.77
Less: Minority Interest of Subsidiary (BCCI)		0.13	(0.28)
Less: Amortisation of Goodwill on acquisition of Subsidiary and			
Investment in Associates		9.30	9.30
Less: Dividend received from Associates		7.64	2.04
Add: Other adjustments (Net)		(0.01)	0.01
		604.38	587.60

CONSOLIDATED GROUP NET WORTH as at December 31, 2016

	2016		2015
	₹ Crore	₹ Crore	₹ Crore
ACC's Net Worth		8,661.44	8,443.04
Add: Adjustment of provision for diminution in investments (AMRL)		42.81	-
Add: Net worth as per Balance Sheet of Subsidiary Companies -			
Bulk Cement Corporation (India) Limited	50.63		48.17
ACC Mineral Resources Limited	81.90		117.52
Lucky Minmat Limited	(0.56)		0.19
National Limestone Company Private Limited	0.87		1.05
Singhania Mineral Private Limited	0.31		(0.10)
	133.15		166.83
Add: Pro-rata share in Net worth of Joint venture			
OneIndia BSC Private Limited	3.07		1.41
Less: Pro-rata share of Minority shareholders interest in			
the Net Worth of Subsidiary Companies	2.78		2.65
Less: ACC's share in pre-acquisition Net Worth of			
Subsidiary Companies / Joint venture	160.40		159.90
		(26.96)	5.69
Less: Amortisation of Goodwill in Subsidiary Companies		49.73	43.85
Less: Unrealised profit on purchase of Fixed Assets		(0.53)	(0.53)
Add: Increase / (Decrease) in Net Worth of Alcon Cement Company Private Limited		(7.56)	(4.78)
Add: Increase in Net Worth of Asian Cements and Concretes Private Limited		15.36	16.24
Add: Increase in Net Worth of Aakaash Manufacturing Company Private Limited		5.77	4.38
Less: Other adjustments (Net)		0.14	0.11
		8,641.52	8,421.14

FORM AOC-1

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIALS STATEMENTS OF SUBSIDIARIES,
ASSOCIATES AND JOINT VENTURES
(PURSUANT TO FIRST PROVISIO TO SUB SECTION (3) OF SECTION 129 READ WITH RULE 5 OF
COMPANIES (ACCOUNTS) RULES, 2014)**

Part "A": Subsidiaries

₹ Crore

Sl. No.	Particulars					
1	Name of the Subsidiary	ACC Mineral Resources Limited	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	Singhania Minerals Private Limited
2	Reporting period for the subsidiary	January 01, 2016 to December 31, 2016	January 01, 2016 to December 31, 2016	January 01, 2016 to December 31, 2016	January 01, 2016 to December 31, 2016	January 01, 2016 to December 31, 2016
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.	N.A.
4	Share capital	121.95	33.64	3.25	2.00	0.52
		<i>121.95</i>	<i>33.64</i>	<i>3.25</i>	<i>2.00</i>	<i>0.02</i>
5	Reserves and surplus	(40.03)	16.99	(3.81)	(1.13)	(0.21)
		<i>(0.29)</i>	<i>14.53</i>	<i>(3.06)</i>	<i>(0.95)</i>	<i>(0.12)</i>
6	Total assets	86.18	64.06	0.65	1.82	0.56
		<i>125.86</i>	<i>59.87</i>	<i>0.95</i>	<i>1.76</i>	<i>0.03</i>
7	Total Liabilities	4.26	13.43	1.21	0.95	0.25
		<i>4.21</i>	<i>11.70</i>	<i>0.76</i>	<i>0.71</i>	<i>0.13</i>
8	Investments	1.96	30.60	-	-	-
		<i>1.96</i>	<i>26.30</i>	-	-	-
9	Turnover	-	18.55	-	-	-
		-	<i>18.81</i>	-	-	-
10	Profit / (Loss) before tax	(38.97)	3.89	(0.48)	(0.18)	(0.10)
		<i>3.86</i>	<i>(8.24)</i>	<i>(0.45)</i>	<i>(0.22)</i>	<i>(0.04)</i>
11	Tax expenses	0.76	1.44	0.27	-	-
		<i>0.52</i>	<i>(2.93)</i>	-	-	-
12	Profit / (Loss) after tax	(39.73)	2.45	(0.75)	(0.18)	(0.10)
		<i>3.34</i>	<i>(5.31)</i>	<i>(0.45)</i>	<i>(0.22)</i>	<i>(0.04)</i>
13	Proposed Dividend	-	-	-	-	-
		-	-	-	-	-
14	% of shareholding	100%	94.65%	100%	100%	100%
		<i>100%</i>	<i>94.65%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Figures in italics pertain to previous year

Part "B": Associates and Joint Venture

Sl. No.	Name of Associates	Associates		
		Alcon Cement Company Pvt. Ltd.	Asian Concretes and Cements Pvt. Ltd.	Aakaash Manufacturing Company Pvt. Ltd.
1	Latest audited Balance Sheet Date	December 31, 2016	December 31, 2016	December 31, 2016
	Shares of Associates held by the company on the year end	4,08,001	81,00,000	4,401
	Amount of Investment in Associates (₹ Crore)	22.25	36.81	6.01
2	Extend of Holding (%)	40%	45%	40%
3	Description of how there is significant influence	Note (a)	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)	8.60	54.80	8.96
		<i>10.17</i>	<i>55.05</i>	<i>7.55</i>
6	Profit / (Loss) for the year	2.21	11.48	6.84
		<i>8.25</i>	<i>15.12</i>	<i>4.16</i>
i.	Considered in Consolidation (₹ Crore)	0.88	5.17	2.74
		<i>3.30</i>	<i>6.81</i>	<i>1.66</i>
ii.	Not Considered in Consolidation (₹ Crore)	1.33	6.31	4.10
		<i>4.95</i>	<i>8.31</i>	<i>2.50</i>

Sl. No.	Name of Joint Ventures	Joint Ventures				
		OneIndia BSC Pvt. Ltd.	MP AMRL (Bicharpur) Coal Company Ltd.	MP AMRL (Semaria) Coal Company Ltd.	MP AMRL (Marki Barka) Coal Company Ltd.	MP AMRL (Morga) Coal Company Ltd.
1	Latest audited Balance Sheet Date	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016	December 31, 2016
	Shares of Joint Venture held by the company on the year end	25,01,000	4,90,000	4,90,000	4,90,000	4,90,000
	Amount of Investment in Joint Venture (₹ Crore)	2.50	0.49	0.49	0.49	0.49
2	Extend of Holding (%)	50%	49%	49%	49%	49%
3	Description of how there is significant influence	N.A.	N.A.	N.A.	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)	3.07	(2.60)	0.14	(0.14)	0.32
		<i>1.41</i>	<i>(2.53)</i>	<i>0.16</i>	<i>(0.14)</i>	<i>0.32</i>
6	Profit / (Loss) for the year	3.32	(0.15)	(0.04)	(0.01)	(0.01)
		<i>(2.19)</i>	<i>(1.60)</i>	<i>(0.05)</i>	<i>(0.23)</i>	<i>(0.01)</i>
i.	Considered in Consolidation (₹ Crore)	1.66	(0.07)	(0.02)	-	-
		<i>(1.09)</i>	<i>(0.78)</i>	<i>(0.03)</i>	<i>(0.11)</i>	-
ii.	Not Considered in Consolidation (₹ Crore)	1.66	(0.08)	(0.02)	(0.01)	(0.01)
		<i>(1.10)</i>	<i>(0.82)</i>	<i>(0.02)</i>	<i>(0.12)</i>	<i>(0.01)</i>

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,

HARISH BADAMI
CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA
Chairman
DIN: 00276351

ARUNKUMAR R GANDHI
Director
DIN: 00007597

NEERAJ AKHOURY
Director
DIN: 07419090

SUNIL K. NAYAK
Chief Financial Officer

MARTIN KRIEGNER
Director
DIN: 00077715

SUSHIL KUMAR ROONGTA
Director
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ASHWIN DANI
Director
DIN: 00009126

BURJOR D. NARIMAN
Company Secretary

FARROKH K. KAVARANA
Director
DIN: 00027689

VIJAY KUMAR SHARMA
Director
DIN: 02449088

FALGUNI NAYAR
Director
DIN: 00003633

Mumbai, February 03, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of ACC Limited

Report on the Consolidated Financial Statements

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 and jointly controlled entity, comprising of the consolidated Balance Sheet as at December 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally

accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entity as at December 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note 35(A)(d) of the consolidated financial statements which describes the following matters:

- a. In terms of order dated August 31, 2016, the Competition Commission of India (CCI) has imposed penalty of ₹ 1,147.59 Crores for alleged contravention of the Competition Act, 2002 by the Company. The Company has filed an appeal against the CCI order before The Competition Appellate Tribunal (COMPAT). The COMPAT has granted a stay on the CCI order on the condition that the Company deposits 10% of the penalty amounting to ₹ 114.76 crores which has been deposited.
- b. In terms of order dated January 19, 2017, the CCI has imposed penalty of ₹ 35.32 Crores pursuant to the reference filed by the Government of Haryana for alleged contravention of the provisions of the Competition Act, 2002 by the Company.

Based on the advice of external legal counsel, no provision has been considered necessary by the Company in respect of these matters. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid 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, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement 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) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on December 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and jointly controlled company incorporated in India, none of the directors of the Group's companies, its associates and jointly controlled company incorporated in India is disqualified as on December 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and jointly controlled entity – Refer Notes 35A(a), 35A(c), 35A(d) and 35B to the consolidated financial statements;

- ii. The Group, its associates and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and jointly controlled company incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of ₹ 98.96 Crores as at December 31, 2016, and total revenues and net cash outflows of ₹ 2.19 Crores and ₹ 0.11 Crores for the year ended on that date, in respect of five subsidiaries and four jointly controlled entities, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of ₹ 8.79 Crores for the year ended December 31, 2016, as considered in the consolidated financial statements, in respect of three associates, 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 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 and associates, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, 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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: February 3, 2017

ANNEXURE TO THE AUDITOR'S REPORT

Annexure 1 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 as of and for the year ended December 31, 2016, we have audited the internal financial controls over financial reporting of ACC Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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. 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 company's internal financial controls over financial reporting 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, both, issued by Institute of Chartered Accountants of India, and

deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, have, maintained in all material respects, an adequate internal

financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at December 31, 2016, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to these five subsidiary companies, and three associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: February 3, 2017

CONSOLIDATED BALANCE SHEET as at December 31, 2016

Particulars	Note No.	2016 ₹ Crore	2015 ₹ Crore
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	187.99	187.95
Reserves and surplus	4	8,453.53	8,233.19
		8,641.52	8,421.14
Minority Interest		2.78	2.65
Non-current liabilities			
Deferred tax liabilities (Net)	5	559.35	470.42
Long-term provisions	6	131.70	119.86
		691.05	590.28
Current liabilities			
Trade payables:			
Due to Micro and Small Enterprises	36	7.54	4.12
Due to others		1,252.66	873.38
Other current liabilities	7	2,183.94	2,269.06
Short-term provisions	8	607.04	639.33
		4,051.18	3,785.89
TOTAL		13,386.53	12,799.96
ASSETS			
Non-current assets			
Fixed Assets:			
Tangible assets	9	7,486.42	5,315.00
Intangible assets	9	13.32	15.82
Capital work-in-progress		261.03	2,379.44
Intangible assets under development		-	16.67
Non-current investments	10	88.13	86.70
Long-term loans and advances	11	984.94	1,116.76
Other non-current assets	12	483.05	465.93
		9,316.89	9,396.32
Current assets			
Current investments	13	1,598.87	1,227.45
Inventories	14	1,224.63	1,189.43
Trade receivables	15	466.35	484.43
Cash and bank balances	16	278.40	94.03
Short-term loans and advances	17	440.43	352.82
Other current assets	18	60.96	55.48
		4,069.64	3,403.64
TOTAL		13,386.53	12,799.96
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For SRBC & COLLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI

CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA

Chairman
DIN: 00276351

ARUNKUMAR R GANDHI

Director
DIN: 00007597

NEERAJ AKHOURY

Director
DIN: 07419090

per **RAVI BANSAL**

Partner
Membership No. 49365

SUNIL K. NAYAK

Chief Financial Officer

MARTIN KRIEGER

Director
DIN: 00077715

SUSHIL KUMAR ROONGTA

Director
DIN: 00309302

ASHWIN DANI

Director
DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN

Company Secretary

FARROKH K. KAVARANA

Director
DIN: 00027689

VIJAY KUMAR SHARMA

Director
DIN: 02449088

FALGUNI NAYAR

Director
DIN: 00003633

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended December 31, 2016

Particulars	Note No.	2016 ₹ Crore	2015 ₹ Crore
INCOME			
Revenue from operations (gross)		12,696.93	13,241.04
Less - Excise duty		1,529.38	1,443.88
Revenue from operations (net)	19	11,167.55	11,797.16
Other Income	20	107.20	119.78
Total Revenue		11,274.75	11,916.94
EXPENSES			
Cost of materials consumed	21	1,587.26	1,739.78
Purchase of traded goods	22	90.17	108.29
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	16.99	0.05
Employee benefits expense	24	789.86	772.16
Power and fuel		2,159.91	2,396.67
Freight and Forwarding expense	25	2,636.11	2,704.21
Finance costs	26	68.91	64.64
Depreciation and amortization expense	27	615.11	662.59
Other expenses	28	2,472.48	2,547.89
		10,436.80	10,996.28
Self Consumption of cement (net of Excise duty)		(5.96)	(9.32)
Total Expenses		10,430.84	10,986.96
Profit before exceptional items and tax		843.91	929.98
Exceptional items (Refer Note - 42)		38.59	164.45
Profit before tax		805.32	765.53
Tax expenses			
Current tax {Including MAT payable of ₹ 117.70 Crore (Previous year – ₹ Nil)}		238.37	260.54
Less: MAT credit entitlement		(117.70)	-
Net current tax expense		120.67	260.54
Deferred tax		88.93	(70.56)
		209.60	189.98
Profit after Tax		595.72	575.55
Share of Profit in Associates		8.79	11.77
Profit for the year		604.51	587.32
Less: Share of Profit / (Loss) attributable to Minority Interest		0.13	(0.28)
Profit for the year attributable to Shareholders of the Company		604.38	587.60
Earnings per equity share	29		
{(Face value of ₹ 10 each (Previous year - ₹ 10 each))			
Basic		₹ 32.19	31.30
Diluted		₹ 32.11	31.22
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI

CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA

Chairman
DIN: 00276351

ARUNKUMAR R GANDHI

Director
DIN: 00007597

NEERAJ AKHOURY

Director
DIN: 07419090

per **RAVI BANSAL**

Partner
Membership No. 49365

SUNIL K. NAYAK

Chief Financial Officer

MARTIN KRIEGER

Director
DIN: 00077715

SUSHIL KUMAR ROONGTA

Director
DIN: 00309302

ASHWIN DANI

Director
DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN

Company Secretary

FARROKH K. KAVARANA

Director
DIN: 00027689

VIJAY KUMAR SHARMA

Director
DIN: 02449088

FALGUNI NAYAR

Director
DIN: 00003633

CONSOLIDATED CASH FLOW STATEMENT for the year ended December 31, 2016

Particulars	2016 ₹ Crore	2015 ₹ Crore
A. Cash flow from operating activities		
Profit before Tax	805.32	765.53
Adjustments for:		
Depreciation and Amortisation expense (including Exceptional item in previous year)	615.11	827.04
Loss / (Profit) on sale / write off of fixed assets (Net)	(20.46)	45.55
Gain on sale of current investments	(23.25)	(23.95)
Interest income	(62.47)	(94.36)
Finance costs	68.91	64.64
Provision for doubtful debts and advances (Net) (including Exceptional item in current year)	48.83	13.64
Bad debts written off	0.51	0.33
Provision for Slow and non moving Stores & Spare parts	12.69	8.36
Provision no longer required written back	(23.68)	(10.94)
Capital Spares Consumed	28.11	38.56
Unrealised exchange gain (Net)	(2.80)	(2.25)
Amortisation of Goodwill of Associates	3.42	3.41
Operating profit before working capital changes	1,450.24	1,635.56
Changes in Working Capital:		
Adjustments for Decrease / (Increase) in operating assets:		
Increase in Trade receivable, loans & advances and other assets	(71.86)	(218.54)
Decrease / (Increase) in Inventories	(47.89)	58.59
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase in Trade payables, Other liabilities and Provisions	335.36	211.77
Cash generated from operations	1,665.85	1,687.38
Direct tax paid - (net of refunds)	(275.32)	(230.76)
Net Cash flow from operating activities	1,390.53	1,456.62
B. Cash flow from investing activities		
Loans to Joint Ventures	(0.21)	(2.63)
Payment received against loan given to Joint Venture	5.26	-
Purchase of Fixed Assets (Including Capital work-in-progress and Capital Advances)	(522.65)	(1,123.59)
Proceeds from sale of Fixed Assets	21.33	4.15
Proceeds from sale of current investments	23.25	23.95
Investment in bank deposits (having original maturity for more than 3 months) and Margin money deposit	(134.97)	(0.11)
Redemption / maturity of bank deposits (having original maturity for more than 3 months)	0.05	129.37
Dividend received from Associates	7.64	2.04
Interest Received	65.28	62.77
Net cash used in investing activities	(535.02)	(904.05)

CONSOLIDATED CASH FLOW STATEMENT for the year ended December 31, 2016 (contd.)

Particulars	2016 ₹ Crore	2015 ₹ Crore
C. Cash flow from financing activities		
Proceeds from Issuance of equity shares (including Securities premium)	0.23	-
Interest paid	(45.92)	(41.25)
Dividend paid	(320.32)	(561.67)
Dividend distribution tax paid	(64.98)	(113.36)
Net cash used in financing activities	(430.99)	(716.28)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	424.52	(163.71)
Cash and cash equivalents at the beginning of the year	1,417.55	1,581.26
Cash and cash equivalents at the end of the year	1,842.07	1,417.55
Components of cash and cash equivalents:		
Cash on hand	0.05	0.11
Balance with banks		
On current accounts	60.68	59.82
On deposit account	50.13	0.43
Earmarked for specific purpose (Refer Note (1) below)	32.34	33.44
Cash and cash equivalents (Refer Note - 16)	143.20	93.80
Add : Investment in Mutual Funds (Refer Note - 13)	760.60	91.30
Add : Investment in Certificate of Deposits (Refer Note - 13)	838.27	1,132.45
Add : Deposit with HDFC Limited (Refer Note - 17)	100.00	100.00
Cash and Cash equivalents in cash flow statement	1,842.07	1,417.55
Significant accounting policies (Refer Note - 2)		

Note : 1 These balances are not available for use by the Company as they represent unpaid dividend liabilities.

2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI

CEO & Managing Director

DIN: 02298385

N.S.SEKHSARIA

Chairman

DIN: 00276351

ARUNKUMAR R GANDHI

Director

DIN: 00007597

NEERAJ AKHOURY

Director

DIN: 07419090

per **RAVI BANSAL**

Partner

Membership No. 49365

SUNIL K. NAYAK

Chief Financial Officer

MARTIN KRIEGER

Director

DIN: 00077715

SUSHIL KUMAR ROONGTA

Director

DIN: 00309302

ASHWIN DANI

Director

DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN

Company Secretary

FARROKH K. KAVARANA

Director

DIN: 00027689

VIJAY KUMAR SHARMA

Director

DIN: 02449088

FALGUNI NAYAR

Director

DIN: 00003633

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

1. COMPANY OVERVIEW

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

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

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

(ii) Principles of Consolidation

- a) The Consolidated Financial Statements comprise the financial statements of ACC Limited (the Company), its subsidiaries, associates and joint venture. Reference in these notes to ‘the Company’ or ‘ACC’ shall mean to include ACC Limited and/or any of its subsidiaries consolidated in these financial statements unless otherwise stated.
- b) The list of Companies which are included in consolidation and the Parent Company’s holdings therein are as under:

Name of the Company	Percentage Holding	
	2016	2015
a) Subsidiaries		
1 Bulk Cement Corporation (India) Limited (BCCI)	94.65%	94.65%
2 ACC Mineral Resources Limited	100%	100%
3 Lucky Minmat Limited	100%	100%
4 National Limestone Company Private Limited	100%	100%
5 Singhania Minerals Private Limited	100%	100%
b) Associates		
1 Alcon Cement Company Private Limited	40%	40%
2 Asian Concretes and Cements Private Limited	45%	45%
3 Aakaash Manufacturing Company Private Limited	40%	40%
c) Joint Venture		
1 OneIndia BSC Private Limited	50%	50%
d) Joint Ventures of ACC Mineral Resources Limited		
1 MP AMRL(Semaria) Coal Company Limited	49%	49%
2 MP AMRL(Bicharpur) Coal Company Limited	49%	49%
3 MP AMRL(Marki Barka) Coal Company Limited	49%	49%
4 MP AMRL(Morga) Coal Company Limited	49%	49%

Notes :

- 1 Each of the above Companies are incorporated in India & financial statements are drawn up to the same reporting date as that of the parent Company i.e. December 31, 2016.

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

- c) The Consolidated Financial Statements of the Company and its Subsidiary Companies have been prepared in accordance with the Accounting Standard 21 (AS-21) "Consolidated Financial Statements", on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profits or losses are fully eliminated.
- d) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- e) The excess of cost to the Company of its investment in the subsidiaries / Jointly Controlled Entities, on the acquisition dates over and above the Company's share of equity in the subsidiaries, is recognised in the Consolidated Financial Statements as Goodwill. On the other hand, where the share of equity in the subsidiaries / Jointly Controlled Entities as on the date of investment is in excess of cost of investments of the Company, it is recognised as "Capital Reserve" and shown under the head "Reserves and Surplus" in the Consolidated Financial Statements. Goodwill is amortised over a period of ten years from the date of acquisition / investment.
- f) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.
Minority interest in the net assets of consolidated subsidiaries consists of:
- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.
- g) Minority interest's share of Net Profit / Loss for the year of consolidated subsidiaries is identified and presented separately. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.
- h) Investment in associates where the Company directly or indirectly through subsidiaries holds significant influence, are accounted for using equity method as per Accounting Standard 23 – "Accounting for Investments in Associates in Consolidated financial Statements" notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- i) The excess of cost to the Company of its investment in the associates, on the acquisition dates over and above the Company's share of net assets in the associate, described as goodwill. On the other hand, where the share of net asset in the associate as on the date of investment is in excess of cost of investments of the Company, it is described as Capital Reserve and included in the carrying amount of investment with separate disclosure in the Consolidated Financial Statements. Goodwill is amortised over a period of ten years from the date of acquisition / investment.
- j) The Consolidated Financial Statements of the Company reflect its share of the Assets, Liabilities, Income and Expenditure of the Jointly controlled entity which are accounted on the basis of the audited accounts of the Joint venture on line-by-line basis with similar items in the Company's Consolidated Financial Statement to the extent of the participating interest of the Company as per the Joint Venture Agreements in accordance with the Accounting Standard 27 (AS-27) "Financial Reporting of Interests in Joint Ventures". The intra-group balances and intra-group transactions have been eliminated to the extent of the Company's share in the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**(iii) Use of estimates**

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

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

(iv) Tangible Fixed assets

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses, if any (except freehold non mining land which is carried at cost less impairment losses). The cost comprises the purchase price (net of Cenvat and VAT credit wherever applicable) and any directly attributable cost of bringing the assets to its working condition for its intended use. Subsequent expenditures related to an item of tangible asset are added to its gross book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.
- b) Machinery spares which can be used only in connection with a particular item of Fixed Assets and the use of which is irregular, are capitalized at cost.
- c) Fixed assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other Current Assets".
- d) Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
- e) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress". Advances given towards acquisition / construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Long Term Loans and Advances".

(v) Depreciation on tangible fixed assets

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

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

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

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

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

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

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

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

(vi) Intangible Assets and amortisation

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

Gains or losses arising from derecognition of an intangible asset 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.

(vii) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized in the Statements of Profit and Loss wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there was no impairment.

(viii) Borrowing Costs

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

(ix) Investments

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

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

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

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

Inventories are valued after providing for obsolescence, as follows:

- a) Raw Materials, Stores & Spare parts, Packing Material and Fuels
Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- b) Work-in-progress, Finished goods and Stock-in-Trade
Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost of Stock-in-Trade includes cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a weighted average basis.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Cash and cash equivalents

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

(xii) Revenue recognition

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

Sale of goods

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

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

Income from services

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

Interest and Dividend Income

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

(xiii) Government Grants and Subsidies

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

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

(xiv) Leases

Where the Company is the lessee

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

Where the Company is the lessor

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

(xv) Foreign currency transactions

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

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

(xvi) Retirement and other employee benefits

a) Short term employee benefits

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

b) Defined contribution plans

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

c) Defined benefit plans

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

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

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

d) Other long term benefits

Long service awards and accumulated compensated absences which are expected to be availed or encashed beyond 12 months from the end of the year, are treated as other long term employee benefits for measurement purposes. The Company's liability is determined on the basis of an actuarial valuation

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

using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognized immediately in the Statement of Profit and Loss in the year in which they arise.

- e) Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- f) For the purpose of presentation of Defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by an actuary. The Company presents the entire compensated absences as a short term provisions, since employee has an unconditional right to avail the leave at any time during the year.
- g) Expenses incurred towards voluntary retirement scheme are charged to the Statement of Profit and Loss as and when accrue.

(xvii) Income taxes

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the applicable provisions of the Income-tax Act, 1961 including the relevant Transfer Pricing regulations prescribed there under, read with applicable judicial precedents or interpretations, where ever relevant.

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

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

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

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

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

(xviii) Provisions and contingent liabilities

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

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

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

(xix) Earnings per share

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

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

(xx) Mines Restoration Expenditure

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

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

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

(xxi) Classification of Current / Non-Current Assets and Liabilities

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

(xxii) Segment Reporting

Identification of segments

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

Allocation of common costs

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

Inter-segment transfers

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

Unallocated items

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

Segment Policies

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

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

3. SHARE CAPITAL

	2016 ₹ Crore	2015 ₹ Crore
Authorised Shares		
22,50,00,000 (Previous Year - 22,50,00,000) Equity Shares of ₹ 10 each	225.00	225.00
10,00,00,000 (Previous Year - 10,00,00,000) Preference Shares of ₹ 10 each	100.00	100.00
Issued		
18,87,93,243 (Previous Year - 18,87,93,243) Equity Shares of ₹ 10 each	188.79	188.79
Subscribed & Paid-up		
18,77,87,263 (Previous Year - 18,77,45,356) Equity Shares of ₹ 10 each fully paid	187.79	187.75
Add : 3,84,060 (Previous Year - 3,84,060) Equity Shares of ₹ 10 each Forfeited - Amount Paid	0.20	0.20
TOTAL	187.99	187.95

i) Reconciliation of number of equity shares outstanding

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

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

ii) Terms / rights attached to equity shares

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

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

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

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

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

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

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

	2016		2015	
	No. of shares	% holding	No. of shares	% holding
*Ambuja Cements Limited	9,39,84,120	50.05	-	-
*Holcim (India) Private Limited	-	-	9,38,88,120	50.01
Life Insurance Corporation of India	2,12,26,841	11.30	22,174,751	11.81

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

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

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

4. RESERVES AND SURPLUS

	2016		2015
	₹ Crore	₹ Crore	₹ Crore
Capital Reserve		15.07	15.07
Securities Premium Account			
Balance as per last Financial Statements	844.84		844.84
Add: Premium on shares issued out of held in abeyance	0.19		-
		845.03	844.84
General Reserve			
Balance as per last Financial statements	2,766.78		2,736.78
Add: Transferred from surplus in Statement of Profit and Loss	30.00		30.00
		2,796.78	2,766.78
Surplus in Statement of Profit and Loss			
Balance as per last Financial statements	4,606.50		4,433.04
Add: Profit for the year	604.38		587.60
	5,210.88		5,020.64
Less - Appropriations			
Interim equity dividend {amount per share ₹ 11 (Previous Year - ₹ 11)}	206.57		206.52
Proposed final equity dividend {amount per share ₹ 6 (Previous Year - ₹ 6)}	112.67		112.65
Tax on equity dividends	64.99		64.97
Transfer to General Reserve	30.00		30.00
	414.23		414.14
		4,796.65	4,606.50
TOTAL		8,453.53	8,233.19

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

5. DEFERRED TAX LIABILITIES (NET)

	2016 ₹ Crore	2015 ₹ Crore
Deferred Tax Liabilities arising on account of :		
Depreciation and amortisation differences	767.26	653.94
	767.26	653.94
Deferred Tax Assets arising on account of :		
Provision for employee benefits	44.12	27.57
Expenditure debited in Statement of Profit and Loss but allowed for tax purposes in the following years	105.59	101.32
Provision for obsolescence of Stores and Spare Parts	9.88	9.88
Provision for doubtful debts, advances and other assets	17.27	17.66
Others	31.05	27.09
	207.91	183.52
Net Deferred Tax Liabilities	559.35	470.42

6. LONG-TERM PROVISIONS

	2016 ₹ Crore	2015 ₹ Crore
Provision for employee benefits (Refer Note - 30)		
Provision for gratuity and staff benefit schemes	103.79	93.01
Long service award	6.77	6.39
Other Provisions		
Provision for Mines Restoration	21.14	20.46
TOTAL	131.70	119.86

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

Mines Restoration Expenditure

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

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

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

7. OTHER CURRENT LIABILITIES

	2016 ₹ Crore	2015 ₹ Crore
Investor Education and Protection Fund :- (Refer Note - (i) below)		
Unpaid dividend	32.34	33.44
Unpaid Matured Deposits	0.02	0.02
Statutory dues	415.41	378.58
Advance from customers	201.87	137.91
Security deposits and retention money	537.77	666.98
Liability for capital expenditure	99.19	115.73
Other payables (including Rebates to customers, Employees dues, etc.)	897.34	936.40
TOTAL	2,183.94	2,269.06

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

8. SHORT-TERM PROVISIONS

	2016 ₹ Crore	2015 ₹ Crore
Provision for employee benefits (Refer Note - 30)		
Provision for gratuity and staff benefit schemes	23.11	9.87
Provision for compensated absences	28.14	38.44
Long service award	0.88	0.78
Other Provisions		
Provision for Income Tax (Net of advance tax)	419.30	454.66
Proposed Final Dividend	112.67	112.65
Tax on proposed dividend	22.94	22.93
TOTAL	607.04	639.33

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

9. FIXED ASSETS

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01-01-2016	Additions	Deductions	As at 31-12-2016	As at 01-01-2016	For the Year	Deductions 31-12-2016	As at 31-12-2016	As at 31-12-2015
Tangible Assets :									
Freehold Non Mining Land	92.69	6.92	-	99.61	-	-	-	99.61	92.69
Freehold Mining Land	299.09	6.49	-	305.58	2.24	0.24	-	303.10	296.85
Leasehold Land	86.06	24.60	1.38	109.28	46.01	3.18	0.10	60.19	40.05
Buildings	1,467.49	648.84	0.73	2,115.60	538.93	65.24	0.50	1,511.93	928.56
Plant and Equipment	9,060.09	2,004.92	91.58	10,973.43	5,296.67	498.56	58.14	5,236.34	3,763.42
Railway Sidings	181.67	87.18	-	268.85	72.64	14.29	-	181.92	109.03
Furniture & Fixtures	46.15	3.99	0.31	49.83	26.48	4.71	0.13	18.77	19.67
Vehicles	61.97	17.00	1.54	77.43	28.19	8.78	1.45	41.91	33.78
Office equipment	133.41	16.01	4.34	145.08	102.46	14.04	4.07	32.65	30.95
TOTAL	11,428.62	2,815.95	99.88	14,144.69	6,113.62	609.04	64.39	7,486.42	5,315.00
Intangible Assets									
Computer Software	59.14	3.74	-	62.88	58.89	0.36	-	3.63	0.25
Goodwill	59.42	-	-	59.42	43.85	5.88	-	9.69	15.57
TOTAL	118.56	3.74	-	122.30	102.74	6.24	-	13.32	15.82

Notes:-

- (i) Buildings include cost of shares ₹ 4,120 (Previous Year - ₹ 4,960) in various Co-operative Housing Societies, in respect of 8 (Previous Year - 10) residential flats.
- (ii) Plant and Equipment includes assets given on lease to Railways under "Own Your Wagons" Scheme of ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore) and accumulated depreciation ₹ 28.48 Crore (Previous Year - ₹ 28.48 Crore).
- (iii) Depreciation charge for the year include ₹ 0.17 Crore (Previous year - ₹ 1.22 Crore) capitalised as pre-operative expenses.
- (iv) Goodwill is on account of Investment in subsidiaries.
- (v) Major additions in tangible assets is relating to capitalisation of Clinkering Facility of 2.79 MTPA and Cement facility of 1.1 MTPA at Jamul in State of Chhattisgarh and Cement grinding facility of 1.35 MTPA at Sindri in State of Jharkhand in current year.

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

9. FIXED ASSETS (contd.)

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01-01-2015	Additions	Deductions	As at 31-12-2015	As at 01-01-2015	For the Year	Adjustment as disclosed under exceptional item {Refer Note - 42 (b)}	Deductions	As at 31-12-2015	As at 31-12-2014
Tangible Assets :										
Freehold Non Mining Land	118.88	5.87	32.06	92.69	-	-	-	-	-	118.88
Freehold Mining Land	166.98	132.11	-	299.09	1.99	0.25	-	-	2.24	164.99
Leasehold Land	77.36	8.70	-	86.06	41.29	4.72	-	-	46.01	36.07
Buildings	1,362.78	117.40	12.69	1,467.49	409.07	75.12	59.49	4.75	538.93	953.71
Plant and Equipment	8,899.96	298.90	138.77	9,060.09	4,769.75	527.11	79.34	79.53	5,296.67	4,130.21
Railway Sidings	178.50	4.58	1.41	181.67	58.88	13.23	1.88	1.35	72.64	119.62
Furniture & Fixtures	44.78	2.63	1.26	46.15	20.68	5.96	0.90	1.06	26.48	24.10
Vehicles	55.51	8.23	1.77	61.97	21.84	7.66	0.18	1.49	28.19	33.67
Office equipment	126.06	14.51	7.16	133.41	63.51	23.32	22.66	7.03	102.46	62.55
TOTAL	11,030.81	592.93	195.12	11,428.62	5,387.01	657.37	164.45	95.21	6,113.62	5,315.00
Intangible Assets										
Computer Software	59.25	0.07	0.18	59.14	58.51	0.56	-	0.18	58.89	0.74
Goodwill	59.42	-	-	59.42	37.97	5.88	-	-	43.85	21.45
TOTAL	118.67	0.07	0.18	118.56	96.48	6.44	-	0.18	102.74	22.19

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

10. NON-CURRENT INVESTMENTS

(VALUED AT COST UNLESS STATED OTHERWISE)

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
Trade Investments				
Unquoted equity instruments				
Investment in Associates				
Face value ₹ 10 each				
Alcon Cement Company Private Limited	4,08,001	17.47	4,08,001	17.83
{includes unamortised Goodwill of ₹ 1.99 Crore (Previous Year - ₹ 3.61 Crore)}				
Add : Share of Profit		0.88		3.30
Less: Dividend Received		(2.04)		(2.04)
Less: Amortisation of Goodwill		(1.62)		(1.62)
			14.69	17.47
Asian Concretes and Cements Private Limited	81,00,000	53.05	81,00,000	47.79
{includes unamortised Goodwill of ₹ 5.06 Crore (Previous Year - ₹ 6.61 Crore)}				
Add : Share of Profit		5.17		6.81
Less: Dividend Received		(4.50)		-
Less: Amortisation of Goodwill		(1.55)		(1.55)
			52.17	53.05
Aakaash Manufacturing Company Private Limited	4,401	10.39	4,401	8.97
{includes unamortised Goodwill of ₹ 1.26 Crore (Previous Year - ₹ 1.51 Crore)}				
Add : Share of Profit		2.74		1.66
Less: Dividend Received		(1.10)		-
Less: Amortisation of Goodwill		(0.25)		(0.24)
			11.78	10.39
			78.64	80.91

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

10. NON-CURRENT INVESTMENTS (contd.)

(VALUED AT COST UNLESS STATED OTHERWISE)

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
Non trade investments				
(a) Quoted equity instruments				
Shiva Cement Limited (Face value ₹ 2 each)	2,36,50,000	23.65	2,36,50,000	23.65
Less: Provision for other than temporary diminution in the value		17.86		17.86
		5.79		5.79
(b) Investment in equity instruments (unquoted)				
Face value ₹ 10 each				
*Kanoria Sugar & General Mfg. Company Limited	4	-	4	-
*Gujarat Composites Limited	60	-	60	-
*Rohtas Industries Limited	220	-	220	-
*The Jaipur Udyog Limited	120	-	120	-
*Digvijay Finlease Limited	90	-	90	-
*The Travancore Cement Company Limited	100	-	100	-
*Ashoka Cement Limited	50	-	50	-
Face value ₹ 5 each				
*The Sone Valley Portland Cement Company Limited	100	-	100	-
		5.79		5.79
(c) Investment in Bonds (Unquoted)				
Face value ₹ 10,00,000 each				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37	3.70
Less: Current portion of long term investments#		-		3.70
		3.70		-
TOTAL		88.13		86.70

Notes

- (I) Aggregate amount of quoted Investments 5.79 5.79
 {Market value ₹ 28.36 Crore (Previous Year - ₹ 17.05 Crore)}
- Aggregate amount of unquoted Investments 82.34 80.91
- (II) Aggregate provision for diminution in value of investments 17.86 17.86
- (III) *Denotes amount less than ₹ 50,000
- (IV) #Amount included under the head "Current investment" (Refer Note - 13).
 Bonds are renewed in the current year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**11. LONG-TERM LOANS AND ADVANCES**

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
Capital Advances	97.65	300.25
Security deposits	183.34	206.81
Deposits with Government Bodies and Others		
Considered Good	251.80	250.23
Considered Doubtful	8.33	9.78
	260.13	260.01
Less: Allowance for doubtful deposits	8.33	9.78
	251.80	250.23
Loans and advances to related parties {Refer Note - 33 (G)}		
Considered Good	13.61	37.93
Considered Doubtful	19.27	-
	32.88	37.93
Less: Allowance for doubtful advances	19.27	-
	13.61	37.93
Advances recoverable in cash or kind	14.50	15.01
Advance tax (Net of provision for tax)	306.34	306.53
MAT credit entitlement	117.70	-
TOTAL	984.94	1,116.76

12. OTHER NON-CURRENT ASSETS

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
Incentives under Government schemes and other receivables		
Considered Good	482.99	465.82
Considered Doubtful	4.60	6.39
	487.59	472.21
Less: Provision for doubtful receivables	4.60	6.39
	482.99	465.82
Non-current bank balance (Refer note - 16)	0.06	0.11
TOTAL	483.05	465.93

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

13. CURRENT INVESTMENTS

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

	2016		2015	
	Numbers	₹ Crore	Numbers	₹ Crore
Current Portion of Long Term Investment (valued at cost) (Refer Note - 10)				
Investment in Bonds (Unquoted)				
Face value ₹ 1,000,000 each				
5.13% Himachal Pradesh Infrastructure Development Board Bonds	37	3.70	37.00	3.70
Less: Transferred to long term investments		3.70		-
				3.70
Investment in Certificate of Deposits - Fully paid-up (unquoted)				
Unit of Face value ₹ 1,00,000 each				
Canara Bank	20,000	197.15	-	-
ICICI Bank Limited	15,000	147.95	-	-
Kotak Mahindra Bank Limited	10,000	98.54	25,000	245.69
Andhra Bank	20,000	197.19	20,000	196.51
Corporation Bank	20,000	197.44	10,000	98.46
IDBI Bank Limited	-	-	7,500	73.73
HDFC Bank Limited	-	-	7,500	74.02
Bank of Maharashtra	-	-	25,000	246.51
Oriental Bank	-	-	20,000	197.53
		838.27		1,132.45
Investment in Mutual Funds - Fully paid-up (Unquoted)				
Unit of Face value ₹ 100 each				
ICICI Prudential Liquid Plan - Growth	63,47,935.561	150.00	-	-
Birla Sunlife Cash Plus Fund - Growth	50,65,307.074	130.00	-	-
DWS Insta Cash Plus Fund-Growth	-	-	4,31,498.475	8.30
Unit of Face value ₹ 1,000 each				
Kotak Floater ST - Growth	5,44,104.214	142.60	1,60,227.087	39.00
Invesco India Liquid Fund - Growth (Formerly known as Religare Liquid Fund - Growth)	5,45,810.988	120.00	1,95,736.947	40.00
Reliance Liquid Fund-Treasury plan - Growth	1,80,190.786	70.00	11,078.784	4.00
HDFC Liquid Fund - Growth	4,45,512.227	140.00	-	-
SBI Magnum Insta Cash Fund - Regular Plan - Growth	22,692.359	8.00	-	-
		760.60		91.30
TOTAL		1,598.87		1,227.45
Aggregate amount of unquoted Investments		1,598.87		1,227.45

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

14. INVENTORIES

(AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

	2016 ₹ Crore	2015 ₹ Crore
Raw Materials	131.07	132.01
{Including in transit ₹ 2.87 Crore (Previous Year - ₹ 3.83 Crore)}		
Work-in-Progress	238.74	241.20
Finished Goods	139.00	152.90
Stock-in-trade	0.02	0.65
Stores & Spare Parts	301.93	266.31
{Including in transit ₹ 9.27 Crore (Previous Year - ₹ 7.08 Crore)}		
Packing Material	19.08	18.24
Fuels	394.79	378.12
{Including in transit ₹ 22.10 Crore (Previous Year ₹ 6.43 Crore)}		
TOTAL	1,224.63	1,189.43

15. TRADE RECEIVABLES

	2016 ₹ Crore	2015 ₹ Crore
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	6.26	19.88
Unsecured, considered doubtful	35.29	27.45
	41.55	47.33
Less: Provision for doubtful trade receivables	35.29	27.45
	6.26	19.88
Other Trade receivables		
Secured, considered good	55.78	77.88
Unsecured, considered good	404.31	386.67
Unsecured, considered doubtful	1.69	7.41
	461.78	471.96
Less: Provision for doubtful trade receivables	1.69	7.41
	460.09	464.55
TOTAL	466.35	484.43

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

16. CASH AND BANK BALANCES

	2016 ₹ Crore	2015 ₹ Crore
Cash and cash equivalents		
Balances with banks:		
On current accounts	60.68	59.82
Deposits with original maturity of less than three months	50.13	0.43
#On unpaid dividend account	32.34	33.44
Cash on hand	0.05	0.11
	143.20	93.80
Other bank balances		
*Deposits with original maturity for more than 3 months but less than 12 months	115.25	0.22
**Margin money deposit	19.94	-
Deposits with remaining maturity for more than 12 months	0.06	0.11
Less : Amount disclosed under other non-current asset (Refer note - 12)	(0.06)	(0.11)
	-	-
Post office saving accounts	0.01	0.01
	135.20	0.23
TOTAL	278.40	94.03

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

*Includes fixed deposit with lien in favour of Competition Appellate Tribunal (COMPAT) of ₹ 114.76 Crore (Previous Year - ₹ Nil) {Refer Note - 35 (A) (d)}.

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

17. SHORT-TERM LOANS AND ADVANCES

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
Security deposits	23.00	20.52
Advances recoverable in cash or kind	168.40	115.68
Other loans and advances		
Balances with statutory / government authorities	149.03	116.62
Deposit with HDFC Limited	100.00	100.00
TOTAL	440.43	352.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**18. OTHER CURRENT ASSETS**

UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED

	2016 ₹ Crore	2015 ₹ Crore
Interest accrued on investments	3.72	6.53
Other accrued interest	1.33	1.25
Fixed assets held for sale	46.53	47.33
Other receivables		
Considered good	9.38	0.37
Considered doubtful	14.29	-
	23.67	0.37
Less: Provision for doubtful receivables	14.29	-
	9.38	0.37
TOTAL	60.96	55.48

19. REVENUE FROM OPERATIONS

	2016 ₹ Crore	2015 ₹ Crore
Sale of products		
Finished goods	12,359.94	12,745.39
Traded goods	92.71	112.37
Sale of services	22.35	18.88
Sale of products and services (gross)	12,475.00	12,876.64
Less: Excise duty	1,529.38	1,443.88
Sale of products and services (net)	10,945.62	11,432.76
Other operating revenue	221.93	364.40
Revenue from operations (net)	11,167.55	11,797.16

Breakup of Revenue from operations (net) is as follows:

A. Details of products sold

	2016 ₹ Crore	2015 ₹ Crore
Finished goods (Net of Excise duty)		
Cement	9,841.80	10,437.09
Ready Mix Concrete	948.77	851.47
Clinker	39.99	12.95
	10,830.56	11,301.51
Traded Goods		
Cement	-	15.22
Ready Mix Concrete	92.71	97.15
	92.71	112.37

B. Details of sale of services

Pumping and Conversion services relating to Ready mix concrete	13.14	18.88
Business shared services (Refer Note - 45)	9.21	-
	22.35	18.88

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

19. REVENUE FROM OPERATIONS (contd.)

	2016 ₹ Crore	2015 ₹ Crore
C. Detail of other Operating revenue		
Provision no longer required written back	23.68	10.94
Sale of Surplus generated Power	13.11	5.39
Scrap Sales	26.85	33.10
Sales tax Incentives*	65.89	214.54
Miscellaneous Income (including insurance claim, other services, etc.)	92.40	100.43
TOTAL	221.93	364.40
Total Revenue from operations (net) (A+B+C)	11,167.55	11,797.16
*Sales tax Incentives under State Investment Promotion Scheme		

20. OTHER INCOME

	2016 ₹ Crore	2015 ₹ Crore
Interest on bank deposits	58.36	59.67
Interest on income tax	0.03	29.84
Other interest income	4.08	4.85
Profit on sale of fixed assets (Net)	20.46	-
Gain on sale of current investments	23.25	23.95
Others	1.02	1.47
TOTAL	107.20	119.78

21. COST OF MATERIALS CONSUMED

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

Details of cost of materials consumed	2016 ₹ Crore	2015 ₹ Crore
Slag	184.41	198.64
Gypsum	288.90	368.29
Fly Ash	311.96	353.05
Aggregates	80.11	134.31
Cement	154.71	79.21
Others*	567.17	606.28
TOTAL	1,587.26	1,739.78

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**22. PURCHASE OF TRADED GOODS**

	2016 ₹ Crore	2015 ₹ Crore
Cement	-	13.71
Ready Mixed Concrete	90.17	94.58
TOTAL	90.17	108.29

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

	2016 ₹ Crore	2015 ₹ Crore	(Increase) / decrease ₹ Crore
Inventories at the end of the year			
Stock-in-trade	0.02	0.65	0.63
Finished Goods	139.00	152.90	13.90
Work-in-progress	238.74	241.20	2.46
	377.76	394.75	16.99
Inventories at the beginning of the year			
Stock-in-trade	0.65	0.37	(0.28)
Finished Goods	152.90	154.11	1.21
Work-in-progress	241.20	240.32	(0.88)
	394.75	394.80	0.05
TOTAL	16.99	0.05	

24. EMPLOYEE BENEFITS EXPENSE

	2016 ₹ Crore	2015 ₹ Crore
Salaries and Wages	676.75	669.51
Contributions to Provident and other Funds	63.89	57.32
Staff Welfare Expenses	49.22	45.33
TOTAL	789.86	772.16

25. FREIGHT AND FORWARDING EXPENSE

	2016 ₹ Crore	2015 ₹ Crore
On Clinker transfer	452.86	460.32
On finished products	2,183.25	2,243.89
TOTAL	2,636.11	2,704.21

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

26. FINANCE COSTS

	2016 ₹ Crore	2015 ₹ Crore
Interest expenses	44.23	43.45
Interest on Income Tax	24.68	21.19
TOTAL	68.91	64.64

27. DEPRECIATION AND AMORTIZATION EXPENSE

	2016 ₹ Crore	2015 ₹ Crore
Depreciation of tangible assets	608.87	656.15
Amortization of intangible assets	6.24	6.44
TOTAL	615.11	662.59

28. OTHER EXPENSES

	2016 ₹ Crore	2015 ₹ Crore
	390.24	378.84
Consumption of packing materials	353.84	404.44
Excise duty variation on opening and closing stock	(0.14)	1.88
Rent	31.98	30.37
Rates and Taxes	149.68	146.23
Repairs to Buildings	9.78	8.47
Repairs to Machinery	138.05	134.45
Repairs to other Items	25.59	23.74
Insurance	24.84	25.63
Royalty on minerals	217.37	206.22
Discount on sales	76.68	90.80
Advertisement	80.57	110.13
Technology and Know-how fees	107.98	112.76
Miscellaneous expenses (Refer Note - 43 and Note below)*	866.02	873.93
TOTAL	2,472.48	2,547.89
*Does not include any item of expenditure with a value of more than 1% of turnover		

Miscellaneous expenses includes:

- (a) Loss on sale / write off of Fixed Assets (Net) - ₹ Nil (Previous Year - ₹ 45.55 Crore)
- (b) Grinding facility charges, Commission on sales, Information technology services, Traveling expenses, Other third party services etc.

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

29. EARNINGS PER SHARE - [EPS]

	2016 ₹ Crore	2015 ₹ Crore
Profit for the year attributable to Shareholders of the Company	604.38	587.60
Weighted average number of equity shares for Earnings Per Share computation		
Shares for Basic Earnings Per Share	18,77,71,233	18,77,45,356
Add: Potential diluted equity shares on account of shares in abeyance (Movement in Number of shares is on account of change in fair value of share and 41,907 shares issued in current year)	4,75,207	4,83,518
Number of Shares for Diluted Earnings Per Share	18,82,46,440	18,82,28,874
Earnings Per Share		
Face value per Share	₹ 10.00	10.00
Basic	₹ 32.19	31.30
Diluted	₹ 32.11	31.22

30. EMPLOYEE BENEFITS:

- a) Defined Contribution Plans – Amount recognised and included in Note 24 “Contributions to Provident and other Funds” of Statement of Profit and Loss ₹ 17.26 Crore (Previous Year - ₹ 18.28 Crore).
- b) Defined Benefit Plans – As per actuarial valuation on December 31, 2016
The Company has a defined benefit gratuity, additional gratuity, post employment medical benefit plans and Trust managed provident fund plan as given below:
 - i. Every employee who has completed minimum five years of service is entitled to gratuity at 15 days salary for each completed year of services. The scheme is funded with insurance companies in the form of qualifying insurance policies.
 - ii. Every employee who has joined before December 01, 2005 and separates from service of the Company on Superannuation and on medical grounds is entitled to additional gratuity. The scheme is Non Funded.
 - iii. Benefits under Post Employment medical Benefit plans are payable for actual domiciliary treatment / hospitalization for employees and their specified relatives. The scheme is Non Funded.
 - iv. Provident fund for certain eligible employees is managed by the Company through trust “The Provident Fund of ACC Ltd.”, in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

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

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

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

30. EMPLOYEE BENEFITS: (contd.)

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

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

(Figures in italics pertain to previous year)

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

30. EMPLOYEE BENEFITS: (contd.)

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

V The major categories of plan assets as a percentage of total plan	Gratuity		Provident fund	
	2016	2015	2016	2015
	%	%	%	%
Government securities	52	50	52	50
Debentures and Bonds	27	29	48	50
Equity Shares	10	9	-	-
Fixed Deposits	11	12	-	-
	100	100	100	100

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

(Figures in italics pertain to previous year)

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

30. EMPLOYEE BENEFITS: (contd.)

VII Actuarial Assumptions:

a) Financial Assumptions

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

b) Demographic Assumptions

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

(Figures in italics pertain to previous year)

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

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

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

- d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- e) The Company expects to contribute ₹ 18.00 Crore (*Previous year - ₹ 11.00 Crore*) to Gratuity fund and ₹ 23.00 Crore (*Previous year - ₹ 18.84 Crore*) to trust managed provident fund in the year 2017.
- f) Post employment defined benefit plan expenses are included under employee benefit expenses in the statement of Profit and Loss.

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

30. EMPLOYEE BENEFITS: (contd.)

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

(i) Gratuity (Funded)

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

(ii) Gratuity (Non funded)

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

(iii) Post Employment Medical Benefits

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

(iv) Provident Fund

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

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

- h) Amount recognised as an expense under employee benefit expenses in the statement of Profit and Loss in respect of other benefits is ₹ 12.31 Crore (Previous Year - ₹ 22.29 Crore).
- i) Present value of compensated absences at year end is ₹ 28.14 Crore (Previous Year - ₹ 38.44 Crore) after net of plan assets of ₹ 88.77 Crore (Previous year - ₹ 77.54 Crore).
- j) Present value of Long service award obligation at year end is ₹ 7.65 Crore (Previous Year - ₹ 7.17 Crore). This scheme is non funded.

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

31. SEGMENT REPORTING

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

INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS

₹ Crore

	Cement		Ready Mix Concrete		Total	
	2016	2015	2016	2015	2016	2015
REVENUE						
External sales	9,891.00	10,465.26	1,054.62	967.50	10,945.62	11,432.76
Other operating revenue	212.67	352.80	9.26	11.60	221.93	364.40
Inter-segment sales	186.47	187.34	6.31	7.34	192.78	194.68
	10,290.14	11,005.40	1,070.19	986.44	11,360.33	11,991.84
Less : Elimination	(186.47)	(187.34)	(6.31)	(7.34)	(192.78)	(194.68)
Total revenue	10,103.67	10,818.06	1,063.88	979.10	11,167.55	11,797.16
RESULT						
Segment result	745.94	864.73	55.64	25.09	801.58	889.82
Unallocated corporate Income net off Unallocated (expenditure)					48.77	10.44
Operating Profit					850.35	900.26
Finance Costs					(68.91)	(64.64)
Interest and Dividend income					62.47	94.36
Exceptional items (Refer Note - 42)					(38.59)	(164.45)
Tax expenses {net off MAT credit entitlement of ₹ 117.70 Crore (Previous year - ₹ Nil)}					(209.60)	(189.98)
Profit after tax					595.72	575.55
OTHER INFORMATION						
Segment assets	10,535.11	10,608.78	296.73	283.31	10,831.84	10,892.09
Unallocated Corporate assets					2,554.69	1,907.87
Total assets					13,386.53	12,799.96
Segment liabilities	3,216.18	2,973.34	226.25	178.42	3,442.43	3,151.76
Unallocated Corporate liabilities					1,302.58	1,227.06
Total liabilities					4,745.01	4,378.82
Capital expenditure (including capital work-in-progress and capital advances)	495.64	1,122.77	11.17	14.70	506.81	1,137.47
Depreciation and Amortization (Including exceptional item in previous year)	596.24	796.71	18.87	30.33	615.11	827.04
Other non-cash expenses	6.37	38.69	13.71	10.01	20.08	48.70

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

32. OPERATING LEASE

	2016 ₹ Crore	2015 ₹ Crore
a) Future minimum rental payables under non-cancellable operating lease		
(i) Not later than one year	33.94	24.75
(ii) Later than one year and not later than five years	70.04	94.09
(iii) Later than five years	-	1.16
b) Operating lease payment recognised in Statement of Profit and Loss amounting to ₹ 167.23 Crore (Previous Year - ₹ 174.11 Crore)		
c) General description of the leasing arrangement:		
(i) Leased Assets: Grinding facility, Concrete pumps, Godowns, Transit Mixer, Flats, Office premises and other premises.		
(ii) Future lease rentals are determined on the basis of agreed terms.		
(iii) There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.		
(iv) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.		

33. RELATED PARTY DISCLOSURE

(A) Names of the Related parties where control exists:	Nature of Relationship
1 LafargeHolcim Ltd	Ultimate Holding Company
2 Holderind Investments Ltd	Holding Company of Holcim (India) Private Limited (upto August 11, 2016) Holding Company of Ambuja Cements Limited (w.e.f. August 12, 2016)
3 Holcim (India) Private Limited (Refer Note - 40)	Holding Company (Upto August 11, 2016)
4 Ambuja Cements Limited (Refer Note - 40)	Fellow Subsidiary upto August 11, 2016 and Holding Company (w.e.f. August 12, 2016)
5 MP AMRL(Semaria) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
6 MP AMRL(Bicharpur) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
7 MP AMRL(Marki Barka) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
8 MP AMRL(Morga) Coal Company Limited	Joint Venture of ACC Mineral Resources Limited
9 OneIndia BSC Private Limited	Joint venture Company (w.e.f. August 13, 2015)

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

(B) Others - With whom transactions have been taken place during the year

(a) Names of other Related parties	Nature of Relationship
1 Alcon Cement Company Private Limited	Associate Company
2 Asian Concretes and Cements Private Limited	Associate Company
3 Aakaash Manufacturing Company Private Limited	Associate Company
4 Lafarge India Private Limited	Fellow Subsidiary (w.e.f. July 10, 2015 and Upto October 4, 2016)
5 Holcim (Malaysia) SDN BHD	Fellow Subsidiary
6 Holcim Vietnam	Fellow Subsidiary
7 Holcim Technology (Singapore) Pte Ltd	Fellow Subsidiary
8 Siam City Cement (Lanka) Ltd {Formerly known as Holcim (Lanka) Ltd}	Fellow Subsidiary (Upto August 10, 2016)
9 PT Holcim Indonesia Tbk	Fellow Subsidiary
10 Holcim Services (South Asia) Limited	Fellow Subsidiary
11 Holcim Cement (Bangladesh) Ltd	Fellow Subsidiary
12 Holcim Philippines	Fellow Subsidiary
13 Holcim Group Services Ltd	Fellow Subsidiary
14 Holcim Technology Ltd	Fellow Subsidiary
15 Holcim Trading Pte Ltd	Fellow Subsidiary
16 Lafargeholcim Energy Solutions SAS	Fellow Subsidiary
17 Holcim (Liban) S.A.L.	Fellow Subsidiary
18 Dirk India Private Limited	Fellow Subsidiary (w.e.f. August 12, 2016)

(b) Key Management Personnel:

Name of the Related Party	Nature of Relationship
1. Mr. Harish Badami	CEO & Managing Director
2. Mr. Sunil K. Nayak	Chief Financial Officer
3. Mr. Burjor D. Nariman	Company Secretary

(C) Transactions with Associate Companies

	2016 ₹ Crore	2015 ₹ Crore
(i) Purchase of Finished Goods	161.69	175.66
Alcon Cement Company Private Limited (Refer Note - 39)	69.33	81.62
Aakaash Manufacturing Company Private Limited	92.36	94.04
(ii) Purchase of Raw Materials	31.11	29.82
Asian Concretes and Cements Private Limited	31.11	29.82
(iii) Sale of Unfinished Goods	23.17	30.13
Alcon Cement Company Private Limited (Refer Note - 39)	23.17	30.13

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

(C) Transactions with Associate Companies (contd.)

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

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

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

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

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

(E) Details of Transactions relating to Fellow Subsidiary Companies

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

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

(F) Details of Transactions with Key Management Personnel

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

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

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

(G) Details of Transactions with Joint Venture Companies*

	2016 ₹ Crore	2015 ₹ Crore
(i) Receiving of Services	24.66	-
OneIndia BSC Pvt Ltd.	24.66	-
(ii) Advances given	0.42	3.82
MP AMRL(Semaria) Coal Company Limited	0.04	0.02
MP AMRL(Bicharpur) Coal Company Limited	0.36	3.75
MP AMRL(Marki Barka) Coal Company Limited	0.01	0.04
MP AMRL(Morga) Coal Company Limited	0.01	0.01
(iii) Interest on Inter Corporate Deposit / Other advances received	-	1.33
MP AMRL (Semaria) Coal Company Limited	-	0.03
MP AMRL (Bicharpur) Coal Company Limited	-	1.10
MP AMRL (Marki Barka) Coal Company Limited	-	0.20

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

(G) Details of Transactions with Joint Venture Companies* (contd.)

	2016 ₹ Crore	2015 ₹ Crore
(iv) Provision for doubtful Long-term loans and advances	37.78	-
MP AMRL(Semaria) Coal Company Limited	0.70	-
MP AMRL(Bicharpur) Coal Company Limited	35.74	-
MP AMRL(Marki Barka) Coal Company Limited	1.29	-
MP AMRL(Morga) Coal Company Limited	0.05	-
(v) Repayment of Advances	10.32	-
MP AMRL(Bicharpur) Coal Company Limited	10.32	-
(vi) Outstanding balance in Long-term loans and advances	26.69	74.37
MP AMRL(Semaria) Coal Company Limited	1.43	2.09
MP AMRL(Bicharpur) Coal Company Limited	15.90	61.60
MP AMRL(Marki Barka) Coal Company Limited	9.36	10.64
MP AMRL(Morga) Coal Company Limited	-	0.04
(vii) Outstanding balance included in Trade payables	4.97	-
OneIndia BSC Pvt Ltd.	4.97	-

*Transactions with Joint Ventures have been disclosed at full value. The intra-group balances and intra-group transactions have been eliminated to the extent of the Company's share in the entity.

34. CAPITAL AND OTHER COMMITMENTS

	2016 ₹ Crore	2015 ₹ Crore
A) Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)	142.63	293.31
B) For commitments relating to lease arrangements {Refer note - 32 (a)}		

35. (A) CONTINGENT LIABILITIES NOT PROVIDED FOR -

	2016 ₹ Crore	2015 ₹ Crore
a) Claims not acknowledged by the Company		
Sales tax	25.16	28.16
Customs demand	30.97	30.97
Claim by Suppliers	36.79	36.79
Claims for mining Lease rent	73.46	73.46
Mines and Geology	19.87	19.87
Others	51.32	34.49
TOTAL	237.57	223.74

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

b) Indemnity, Guarantee/s given to Banks/Financial Institutions, Government Bodies and others#	179.82	279.18
--	--------	--------

#includes proportionate share of guarantee amounting to ₹ Nil (Previous Year – ₹ 0.45 Crore) given by an associate company on behalf of other for the purpose of taking loan.

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

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

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

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

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

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

- ii. In a separate matter, pursuant to a reference filed by the Government of Haryana, The Competition Commission of India issued an Order dated January 19, 2017 imposing penalty on certain cement manufacturers, including the Company, concerning alleged contravention of the provisions of the Competition Act, 2002, and imposed a penalty of ₹ 35.32 Crore on the Company. The Company is taking steps to file an appeal against the Order with the appropriate authority. Based on the advice of external legal counsel, the Company believes it has good grounds for a successful appeal. Accordingly, no provision is considered necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**35. (B) MATERIAL DEMANDS AND DISPUTES CONSIDERED AS “REMOTE” BY THE COMPANY**

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

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

- b) The Company was eligible for certain incentives (in the nature of One Time Lumpsum Capital Subsidy and refund of incremental VAT paid) in respect of its investment towards modernization and expansion of the Chaibasa Cement Unit pursuant to confirmation received under the State Industrial Policy of Jharkhand. Accordingly, the company has made claims for refund of VAT paid each financial year. However, no disbursements were made (except an amount of ₹ 7 Crore representing part of the One Time Lumpsum Capital Subsidy Claim of ₹ 15 Crore) as the authorities have raised various new conditions and restriction, that were extraneous to the approvals and confirmations expressly received by the Company. The Company had filed two writ petitions before the Jharkhand High Court against the restrictions and disputes on the extent of the eligible claims now being sought to be effected / raised by the Government.

The division bench of the Jharkhand High Court, while dealing with appeals by both the Company and the State of Government, against a single bench order only partially allowing the Companies claim, in its order dated February 24, 2015, allowed the Company's Appeal in totality while dismissing the Government's Appeal, thereby confirming that the entire amount claimed by the Company is correct and hence payable immediately. Pursuant to this order, a cumulative amount of ₹ 235 Crore was standing accrued in the books upto December, 2015.

The Government of Jharkhand had filed an Special Leave Petition in the Supreme Court against the order of the division bench, which was admitted. In its interim order, the Supreme Court had, while not staying the division bench Order, had only stayed disbursement of 40% of the amount due.

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

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

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

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

- c) The Company had set up a captive power plant ('Wadi TG 2') in the year 1995-96. This plant was sold to Tata Power Co Ltd., in the year 1998-99 and was subsequently repurchased from it in the year 2004-05. The Company had purchased another captive power plant ('Wadi TG 3', set up by Tata Power Co Ltd in the year 2002-03) in 2004-05. Both these power plants were eligible for tax holiday under the provisions of Section 80IA of the Income Tax Act, 1961. The Income tax department has disputed the Company's claim of deduction under Section 80IA of the Act, on the ground that the conditions prescribed under the section are not fulfilled. In case of Wadi TG 2, in respect of the demand of ₹ 56.66 Crore (net of provision), the Company is in appeal before the ITAT and in case of Wadi TG 3 in respect of the demand of ₹ 115.62 Crore, which was set aside by the ITAT, the Department is in appeal against the decision in favour of the Company. The Company believes that the merits of the claims are strong and will be allowed.
- d) One of the Company's Cement manufacturing plants located in Himachal Pradesh was eligible, under the State Industrial Policy for deferral of its sales tax liability arising on sale of cement manufactured in the said plant. The Excise and Taxation department of the Government of Himachal Pradesh, disputed the eligibility of the company to such deferment on the ground that the company also manufactures an intermediate product, viz. Clinker, arising in the manufacture of cement, and such intermediate product was is in the negative list. A demand of ₹ 82.37 Crore was raised. The Company filed a writ petition before High Court of Himachal Pradesh against the demand. The case has been admitted and the hearing is in process. The Company believes its case is strong and the demand shall not sustain under law.
- e) The Company is eligible for incentives for one of its cement plants situated in Maharashtra, under a Package Scheme of Incentives of the Government of Maharashtra. The scheme inter alia, includes refund of royalty paid by the Company on extraction or procurement of various raw materials (Minerals). The Department of Industries has disputed the Company's claim for refund of royalty on an erroneous technical interpretation of the sanction letter issued to the Company, that only the higher of the amount of (i) VAT Refund and (ii) Royalty refund claim amounts, each year, shall be considered. The Company maintains that such annual restriction is not applicable as long as the cumulative limit of claim does not exceed the amount of eligible investment. The Company has accrued an amount of ₹ 133 Crore till December 31, 2016 (*Previous year - ₹ 106 Crore*) on this account. The Company has filed an appeal before the Bombay High Court challenging the stand of the Government, which is admitted & pending before the Court for hearing on merit. The Company believes that the merits of the claim are strong.
- f) Consequent upon the Supreme Court's judgement in Goa Foundation case, restricting the "deemed renewal" provision of captive mining leases to the first renewal period, the Company had received demand from District Mining Officer for ₹ 881 Crore for being penalty for alleged illegal mining activities carried out by the Company during January 1991 to September 2014. The aforesaid demands were challenged by the company and Writ Petition with High Court of Jharkhand was filed. The petition has been admitted subject to a token deposit of ₹ 48 Crore which shall be refundable in case the matter is decided in the Companies favour.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006***

	2016 ₹ Crore	2015 ₹ Crore
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises (Not overdue)	7.54	4.12
Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

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

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

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

39. The Company has arrangements with an associate company whereby it sells clinker and purchase Cement manufactured out of such clinker. While the transactions are considered as individual sale / purchase transactions for determination of taxable turnover and tax under VAT laws, considering the accounting treatment prescribed under various accounting guidance, revenue for sale of such clinker of ₹ 20.35 Crore (*Previous year - ₹ 26.29 Crore*) has not been recognized as a part of the Turnover but has been adjusted against cost of purchase of cement so converted.

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

41. CAPITALIZATION OF EXPENDITURE:

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

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

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

- 42. a)** Provision of ₹ 38.59 Crore (*Previous year - ₹ Nil*) made in respect of advances and other current assets relating to a subsidiary company considering inordinate delay in realising investments made in cancelled coal blocks.
- b)** Pursuant to provisions of Schedule II of the Companies Act, 2013, becoming applicable to the Company w.e.f. January 1, 2015, the Company reviewed and where necessary, revised estimates of useful lives of fixed assets. Accordingly, Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, an additional charge of ₹ 164.45 Crore, being the carrying amount as of January 1, 2015 of fixed assets with no remaining useful life (as revised) as of that date, was recognized in the Statement of Profit and Loss for the year ended December 31, 2015 and disclosed as an exceptional item.

43. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

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

	2016 ₹ Crore	2015 ₹ Crore
Employee benefits expense (Refer Note - 24)	-	2.80
Miscellaneous expenses (Refer Note - 28)	22.27	28.36
TOTAL	22.27	31.16

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

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

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

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities				Share in profit / (loss)			
	As % of consolidated net assets		Amount ₹ Crore		As % of consolidated profit or loss		Amount ₹ Crore	
	2016	2015	2016	2015	2016	2015	2016	2015
Parent								
ACC Limited	100.80	100.31	8,710.91	8,446.86	106.14	100.77	641.47	592.15
Subsidiaries								
<i>Indian</i>								
Bulk Cement Corporation (India) Limited	0.12	0.12	10.78	9.88	0.36	(0.95)	2.18	(5.58)
ACC Mineral Resources Limited	(0.43)	(0.04)	(37.51)	(3.46)	(6.54)	(0.01)	(39.50)	(0.04)
Lucky Minmat Limited	(0.41)	(0.37)	(35.74)	(31.49)	(0.70)	(0.67)	(4.25)	(3.95)
National Limestone Company Private Limited	(0.11)	(0.09)	(9.37)	(7.61)	(0.29)	(0.31)	(1.75)	(1.80)
Singhania Minerals Private Limited	(0.03)	(0.02)	(2.19)	(1.73)	(0.10)	(0.09)	(0.58)	(0.53)
Minority interest in subsidiary	(0.03)	(0.03)	(2.78)	(2.65)	(0.02)	0.05	(0.13)	0.28
Associates (Investment as per the equity method)								
<i>Indian</i>								
Alcon Cement Company Private Limited	(0.09)	(0.06)	(7.56)	(4.78)	(0.12)	0.29	(0.74)	1.68
Asian Concretes and Cements Private Limited	0.18	0.19	15.36	16.24	0.60	0.90	3.62	5.26
Aakaash Manufacturing Company Private Limited	0.07	0.05	5.77	4.38	0.41	0.24	2.49	1.42
Joint Ventures (as per proportionate consolidation)								
<i>Indian</i>								
OneIndia BSC Private Limited	(0.02)	-	(1.91)	(1.09)	0.27	(0.19)	1.66	(1.09)
MP AMRL(Bicharpur) Coal Company Limited	(0.04)	(0.03)	(3.09)	(2.42)	(0.01)	(0.03)	(0.07)	(0.19)
MP AMRL(Marki Barka) Coal Company Limited	(0.01)	(0.01)	(0.63)	(0.52)	-	-	-	(0.01)
MP AMRL(Morga) Coal Company Limited	-	-	(0.17)	(0.17)	-	-	-	-
MP AMRL(Semaria) Coal Company Limited	-	-	(0.35)	(0.30)	-	-	(0.02)	-
TOTAL	100.00	100.00	8,641.52	8,421.14	100.00	100.00	604.38	587.60

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

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

45. The aggregate amounts of assets, liabilities, income and expenses related to the Company's interest in the five joint ventures companies are as under:

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

Name of the entity	Country of Incorporation	Percentage of ownership interest 2016	Percentage of ownership interest 2015
OneIndia BSC Private Limited	India	50	50
MP AMRL(Bicharpur) Coal Company Limited	India	49	49
MP AMRL(Morga) Coal Company Limited	India	49	49
MP AMRL (Marki Barka) Coal Company Limited	India	49	49
MP AMRL(Semaria) Coal Company Limited	India	49	49

₹ Crore

Particulars	2016						Elimination of intra group balances and transactions	Net
	OneIndia BSC Pvt. Ltd.	MP AMRL (Bicharpur) Coal Company Ltd.	MP AMRL (Morga) Coal Company Ltd.	MP AMRL (Marki Barka) Coal Company Ltd.	MP AMRL (Semaria) Coal Company Ltd.	TOTAL		
Assets								
Fixed Assets	0.46	1.21	0.34	3.53	1.19	6.73	-	6.73
Long term Loans and Advances	2.66	1.00	-	1.55	-	5.21	-	5.21
Deferred Tax Asset(Net)	0.05	-	-	-	-	0.05	-	0.05
Cash and Bank Balances	1.33	-	-	-	-	1.33	-	1.33
Trade Receivable	4.03	-	-	-	-	4.03	2.49	1.54
Short-term loans and advances	0.90	-	-	-	-	0.90	-	0.90
Other Current Assets	-	20.55	-	-	-	20.55	-	20.55
Liabilities								
Short-term borrowings	-	25.31	0.02	5.22	1.04	31.59	31.59	-
Long term provisions	0.02	-	-	-	-	0.02	-	0.02
Trade Payable	4.20	-	-	-	-	4.20	-	4.20
Other Current Liabilities	1.31	0.05	-	-	-	1.36	-	1.36
Short term provisions	0.82	-	-	-	-	0.82	-	0.82
Income	20.15	-	-	-	-	20.15	10.94	9.21
Expenses								
Employee benefits expenses	9.42	-	-	-	-	9.42	-	9.42
Depreciation and amortisation expense	0.05	-	-	-	-	0.05	-	0.05
Other expenses	8.36	0.07	-	-	0.02	8.45	-	8.45
Tax expenses	0.66	-	-	-	-	0.66	-	0.66
Contingent liabilities	-	-	-	-	-	-	-	-
Capital commitments	-	-	-	-	-	-	-	-

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

₹ Crore

Particulars	2015					TOTAL	Elimination of intra group balances and transactions	Net
	OneIndia BSC Pvt. Ltd.	MP AMRL (Bicharpur) Coal Company Ltd.	MP AMRL (Morga) Coal Company Ltd.	MP AMRL (Marki Barka) Coal Company Ltd.	MP AMRL (Semaria) Coal Company Ltd.			
Assets								
Fixed Assets	-	26.79	0.34	3.53	1.19	31.85	-	31.85
Long term Loans and Advances	1.04	1.00	-	1.55		3.59	-	3.59
Deferred Tax Asset(Net)	-	-	-	-	-	0	-	-
Cash and Bank Balances	0.84	-	-	-	-	0.84	-	0.84
Trade Receivable	-	-	-	-	-	0	-	-
Short-term loans and advances	0.24	-	-	-	-	0.24	-	0.24
Other Current Assets	-	0.02	-	-	-	0.02	-	0.02
Liabilities								
Short-term borrowings	-	30.19	0.02	5.22	1.02	36.45	36.45	-
Trade Payable	0.65	-	-	-	-	0.65	-	0.65
Other Current Liabilities	0.06	0.16	-	-	-	0.22	-	0.22
Income	-	-	-	-	-	-	-	-
Expenses								
Employee benefits expenses	0.39	-	-	-	-	0.39	-	0.39
Finance Cost	-	0.60	-	0.11	0.02	0.73	0.73	-
Other expenses	0.70	0.19	-	0.01	-	0.90	-	0.90
Tax expenses	-	-	-	-	-	-	-	-
Contingent liabilities	-	-	-	-	-	-	-	-
Capital commitments	-	-	-	-	-	-	-	-

Note:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 2016 (contd.)**46. PROPOSED DIVIDEND**

The final dividend proposed for the year is as follows :

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

- 47.** In the previous year, the Company had received approval from the Company Law Board under Section 2(41) of the Companies Act, 2013 permitting the Company to continue having 1st January - 31st December as its Financial Year.
- 48.** The Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) would be applicable to the Company from financial year commencing on 1st January, 2017. Accordingly, the financial statements have been prepared in compliance with Companies (Accounting Standards) Rules, 2006.

49. COMPARATIVE FIGURES

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

HARISH BADAMI

CEO & Managing Director
DIN: 02298385

N.S.SEKHSARIA

Chairman
DIN: 00276351

ARUNKUMAR R GANDHI

Director
DIN: 00007597

NEERAJ AKHOURY

Director
DIN:07419090

per **RAVI BANSAL**

Partner
Membership No. 49365

SUNIL K. NAYAK

Chief Financial Officer

MARTIN KRIEGER

Director
DIN:00077715

SUSHIL KUMAR ROONGTA

Director
DIN:00309302

ASHWIN DANI

Director
DIN: 00009126

Mumbai, February 03, 2017

BURJOR D. NARIMAN

Company Secretary

FARROKH K. KAVARANA

Director
DIN: 00027689

VIJAY KUMAR SHARMA

Director
DIN: 02449088

FALGUNI NAYAR

Director
DIN: 00003633

STATEMENT CONTAINING EXTRACT OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

₹ Crore

Particulars	Balance sheet as at December 31.2016				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited*	Singhania Minerals Private Limited
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	33.64	3.25	2.00	121.95	0.52
Reserves and surplus	16.99	(3.81)	(1.13)	(40.05)	(0.21)
	50.63	(0.56)	0.87	81.90	0.31
Non-current liabilities					
Deferred tax liabilities (net)	1.26	-	-	-	-
	1.26	-	-	-	-
Current liabilities					
Short-term borrowing	-	-	0.53	-	0.03
Trade payables	6.85	-	0.11	-	0.22
Other current liabilities	5.32	1.21	0.31	4.23	-
Short-term provisions	-	-	-	0.07	-
	12.17	1.21	0.95	4.30	0.25
TOTAL	64.06	0.65	1.82	86.20	0.56
ASSETS					
Non-current assets					
Fixed assets	25.40	-	0.05	11.58	0.03
Long-term loans and advances	2.89	0.22	0.10	16.29	-
	28.29	0.22	0.15	27.87	0.03
Current assets					
Current investments	30.60	-	-	-	-
Inventories	0.52	-	0.36	-	-
Trade receivables	2.63	-	0.07	-	-
Cash and bank balance	0.33	0.43	0.11	0.10	0.51
Short-term loans and advances	1.65	-	1.13	51.99	0.02
Other current assets	0.04	-	-	6.24	-
	35.77	0.43	1.67	58.33	0.53
TOTAL	64.06	0.65	1.82	86.20	0.56

*As per Consolidated Financial Statements

STATEMENT CONTAINING EXTRACT OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

₹ Crore

Particulars	Balance sheet as at December 31.2015				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited*	Singhania Minerals Private Limited
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	33.64	3.25	2.00	121.95	0.02
Reserves and surplus	14.53	(3.06)	(0.95)	(4.43)	(0.12)
	48.17	0.19	1.05	117.52	(0.10)
Non-current liabilities					
Deferred tax liabilities (net)	1.26	-	-	-	-
	1.26	-	-	-	-
Current liabilities					
Short-term borrowing	-	-	0.33	-	0.03
Trade payables	4.98	-	0.07	-	0.09
Other current liabilities	5.46	0.76	0.30	4.36	-
Short-term provisions	-	-	0.01	-	0.01
	10.44	0.76	0.71	4.36	0.13
TOTAL	59.87	0.95	1.76	121.88	0.03
ASSETS					
Non-current assets					
Fixed assets	28.15	-	0.05	42.32	0.03
Non-current investments	-	-	-	-	-
Long-term loans and advances	1.10	0.31	0.10	40.83	-
	29.25	0.31	0.15	83.15	0.03
Current assets					
Current investments	26.30	-	-	-	-
Inventories	0.47	-	0.36	-	-
Trade receivables	1.75	-	0.07	-	-
Cash and bank balance	0.34	0.64	0.06	0.55	-
Short-term loans and advances	1.72	-	1.12	35.78	-
Other current assets	0.04	-	-	2.40	-
	30.62	0.64	1.61	38.73	-
TOTAL	59.87	0.95	1.76	121.88	0.03

*As per Consolidated Financial Statements

STATEMENT CONTAINING EXTRACT OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES

₹ Crore

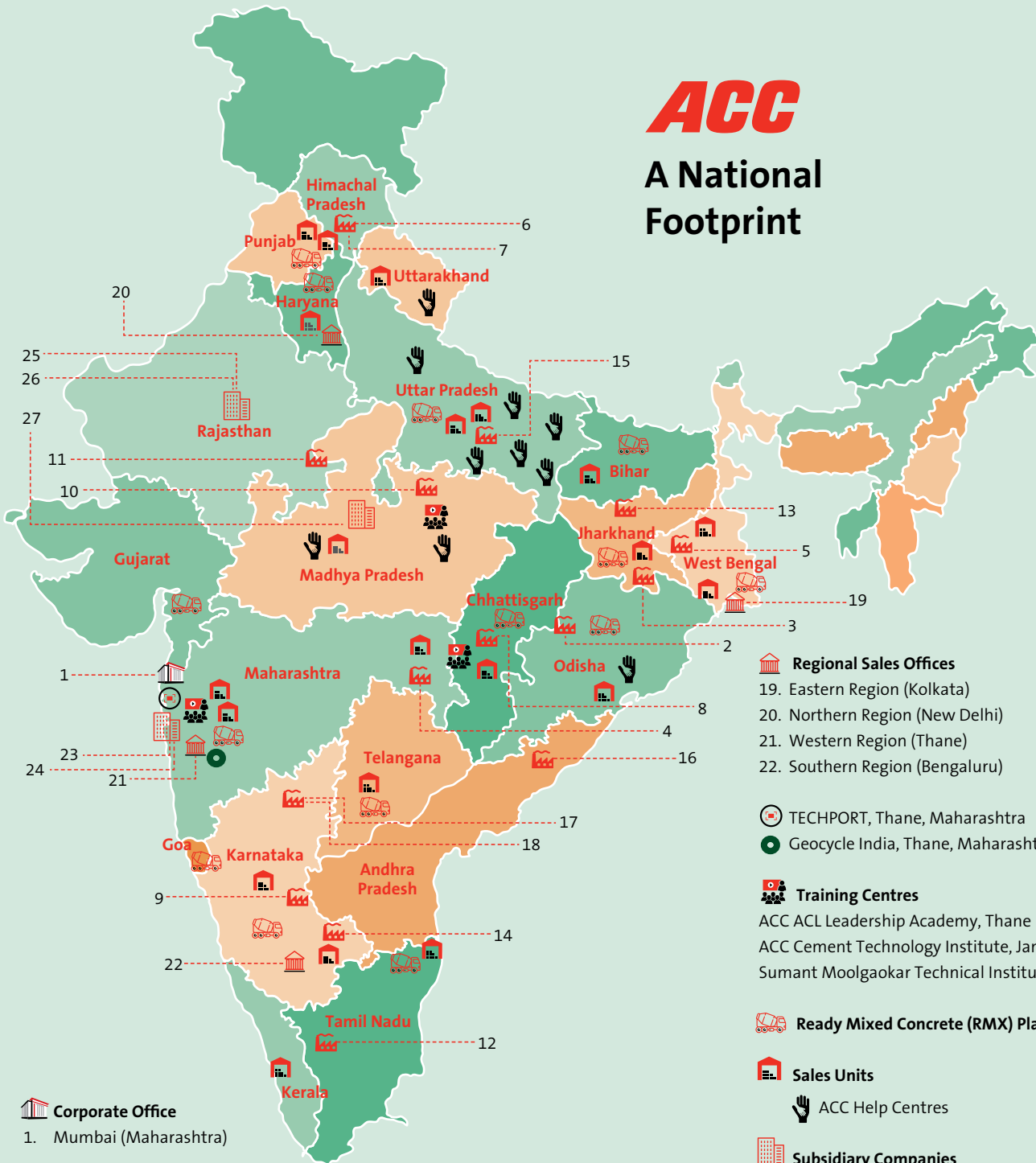
Particulars	Statement of Profit and Loss for the year ended December 31, 2016				
	Bulk Cement Corporation (India) Limited	Lucky Minmat Limited	National Limestone Company Private Limited	ACC Mineral Resources Limited*	Singhania Minerals Private Limited
Income from operations					
Net sales / income from operations (Net of excise duty)	18.55	-	-	-	-
Revenue from operations (net)	18.55	-	-	-	-
Other Income	2.13	0.02	0.01	4.00	-
Total Revenue	20.68	0.02	0.01	4.00	-
Expenses					
Employee benefits expense	2.12	-	-	-	-
Power and Fuel	2.81	-	-	-	-
Finance costs	-	-	0.05	-	0.02
Depreciation and amortization expense	3.90	-	-	0.12	-
Other expenses	7.95	0.50	0.14	0.15	0.08
Total expenses	16.78	0.50	0.19	0.27	0.10
Profit before exceptional item and tax	3.89	(0.48)	(0.18)	3.73	(0.10)
Exceptional item	-	-	-	38.59	-
Profit before tax	3.89	(0.48)	(0.18)	(34.86)	(0.10)
Tax expenses	1.44	0.27	-	0.76	-
Profit after Tax	2.45	(0.75)	(0.18)	(35.62)	(0.10)

	Statement of Profit and Loss for the year ended December 31, 2015				
Income from operations					
Net sales / income from operations (Net of excise duty)	19.12	-	0.02	-	-
Revenue from operations (net)	19.12	-	0.02	-	-
Other Income	1.73	0.03	-	3.43	-
Total Revenue	20.85	0.03	0.02	3.43	-
Expenses					
Employee benefits expense	1.90	-	-	-	-
Power and Fuel	2.62	-	-	-	-
Finance costs	-	-	0.03	-	0.01
Depreciation and amortization expense	4.50	-	-	0.15	-
Other expenses	8.79	0.48	0.21	0.34	0.03
Total expenses	17.81	0.48	0.24	0.49	0.04
Profit before exceptional item and tax	3.04	(0.45)	(0.22)	2.94	(0.04)
Exceptional item	11.28	-	-	-	-
Profit before tax	(8.24)	(0.45)	(0.22)	2.94	(0.04)
Tax expenses	(2.93)	-	-	0.52	-
Profit after Tax	(5.31)	-0.45	(0.22)	2.42	(0.04)

*As per Consolidated Financial Statements



A National Footprint



Regional Sales Offices

- 19. Eastern Region (Kolkata)
- 20. Northern Region (New Delhi)
- 21. Western Region (Thane)
- 22. Southern Region (Bengaluru)

- TECHPORT, Thane, Maharashtra
- Geocycle India, Thane, Maharashtra

Training Centres

- ACC ACL Leadership Academy, Thane
- ACC Cement Technology Institute, Jamul
- Sumant Moolgaokar Technical Institute, Kymore

Ready Mixed Concrete (RMX) Plants

Sales Units

- ACC Help Centres

Subsidiary Companies

- 23. ACC Mineral Resources Limited (Maharashtra)
- 24. Bulk Cement Corporation (India) Limited (Maharashtra)
- 25. Lucky Minmat Limited (Rajasthan)
- 26. National Limestone Company Pvt. Ltd. (Rajasthan)
- 27. Singhania Minerals Pvt. Ltd. (Madhya Pradesh)

Corporate Office

- 1. Mumbai (Maharashtra)

Cement Plants

- | | |
|---------------------------|-----------------------------|
| 2. Bargarh (Odisha) | 11. Lakheri (Rajasthan) |
| 3. Chaibasa (Jharkhand) | 12. Madukkarai (TN) |
| 4. Chanda (Maharashtra) | 13. Sindri (Jharkhand) |
| 5. Damodhar (West Bengal) | 14. Thondebhavi (Karnataka) |
| 6. Gagal I (HP) | 15. Tikaria (UP) |
| 7. Gagal II (HP) | 16. Vizag (AP) |
| 8. Jamul (Chhattisgarh) | 17. Wadi I (Karnataka) |
| 9. Kudithini (Karnataka) | 18. Wadi II (Karnataka) |
| 10. Kymore (MP) | |

This map is as of February 3, 2017. It is illustrative and not drawn to scale. Andaman, Nicobar and Lakshadweep islands are not shown.

ACC

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www.acclimited.com

