



## NOTICE

### NOTICE IS HEREBY GIVEN THAT THE EIGHTY SECOND 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, June 13, 2018** at **3.00 p.m.** to transact the following business:

#### ORDINARY BUSINESS

1. To consider and adopt:
  - a. the Audited Standalone Financial Statement of the Company for the Financial Year ended December 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon; and
  - b. the Audited Consolidated Financial Statement of the Company for the Financial Year ended December 31, 2017, together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the Financial Year ended December 31, 2017.
3. To appoint a Director in place of Mr Vijay Kumar Sharma, (Director Identification Number 02449088), a Non Executive/Non Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s Deloitte Haskins & Sells LLP as Statutory Auditors:

To consider, and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s Deloitte Haskins and Sells LLP, Chartered Accountants (ICAI Firm Registration Number-117366W/W-100018), who have been appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the 81<sup>st</sup> Annual General Meeting till the conclusion of the 86<sup>th</sup> Annual General Meeting of the Company, and who have confirmed their eligibility for continuing with their appointment as Statutory Auditors of the Company, be and is hereby ratified.”

#### SPECIAL BUSINESS

##### 5. Appointment of Mr Jan Jenisch as Non Executive/Non Independent Director

To consider, and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Jan Jenisch (Director Identification Number 07957196), who was appointed by the Board of Directors, as an Additional Director with effect from October 17, 2017 pursuant to Section 161 of the Act and the Articles of Association of the Company, who holds office up to the date of this Annual General Meeting, 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 his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive/ Non Independent Director liable to retire by rotation.”

##### 6. Ratification of Remuneration to Cost Auditor

To consider, and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. D C Dave & Co., Cost Accountants (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 financial year ending December 31, 2018, amounting to ₹11.00 lakhs (Rupees Eleven Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”

**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 steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

7. **Renewal of “Technology and Knowhow Agreement” with Holcim Technology Ltd., a Related Party**

To consider, and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the Company for renewal of the “Technology and Knowhow Agreement” (“TKH Agreement”) with Holcim Technology Ltd. on the terms and conditions set out therein including, without limitation, the “Technology and Knowhow Fees” (“TKH Fees”) payable to Holcim Technology Ltd. for a period of 3 (three) financial years commencing with effect from January 1, 2018 and up to December 31, 2020 at lower of the following rates:

- a) 1% (One Percent) of the Net Sales of the Company for each financial year; or
- b) such rate as may be determined by the Competent Authorities of India and Switzerland under the Bilateral Advance Pricing Agreement (BAPA) under which applications have been filed by the Company and Holcim Technology Ltd., to confirm the arm’s length rate for payment of TKH Fees under the TKH Agreement, which applications are still pending with the concerned authorities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to finalize and execute TKH Agreement and all other documents and writings as it may deem fit, to amend or modify the TKH Agreement (save and except the rate of TKH Fees), to settle any question,

difficulty or doubt that may arise with regard to the said TKH Agreement and to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or desirable in the best interest of the Company without being required to seek any further consent or approval of the Members of the Company to the intent that the Members shall be deemed to have given their approval thereto by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or to the Managing Director and Chief Executive Officer (MD&CEO) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**Notes:**

- a. The relevant Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 5, 6 and 7 of the accompanying Notice is annexed hereto.
- b. A statement giving additional details of the Directors seeking appointment/re-appointment as set out at Item Nos. 3 and 5 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 June 11, 2018.**

- 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. The holder of proxy shall prove his identity at the time of attending the meeting.
- 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 DPID 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 Statement are open for inspection by the Members at the Company's Registered Office on all working days, during the office hours except Saturdays, Sundays and all public holidays upto the date of the Meeting.
  - i. The Register of Members and Share Transfer Books of the Company shall remain closed from May 21, 2018 to May 25, 2018, 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 shall be made to those Members of the Company whose names appear in the Register of Members of the Company on May 25, 2018. 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 May 19, 2018, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from June 15, 2018.
  - 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 Sections 124 and 125 of the Companies Act, 2013 which have come into force from September 7, 2016, the Company has transferred, on due dates, the unclaimed final dividend for the financial year ended December 31, 2009 and interim dividend for the financial year ended December 31, 2010, to the Investor Education and Protection Fund (IEPF) established by the Central Government.
 

Further, in terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereto and notifications issued by the Ministry of Corporate Affairs from time to time, the Company has transferred during the year, the required number of shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account.

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has placed on its website [www.acclimited.com](http://www.acclimited.com), the information on dividends which remain with the Company as unclaimed as on March 29, 2017 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](http://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](http://www.acclimited.com)

## **General Information on voting through electronic means/Ballot:**

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and sub clause (1) & (2) of Clause 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-Voting facilities to its Members in respect of the business to be transacted at the 82<sup>nd</sup> Annual General Meeting. The Company has engaged the services of National Securities Depository Limited (NSDL) as authorized agency to provide the e-Voting facility. It is clarified that it is not mandatory for a Member to vote using remote e-Voting facility. In order to facilitate those Members, who do not wish to use the remote e-Voting facility, the Company is enclosing a Ballot Form. Resolutions passed by Members through remote e-Voting or ballot forms are deemed to have been passed as if they have been passed at the Annual General Meeting (AGM) of the Company.
- ii. The facility for e-Voting shall also be made available at the venue of the AGM for those Members who have not cast their votes earlier.
- iii. The Members who have cast their votes by remote e-Voting or by Ballot Form prior to the AGM may also attend the Meeting but they shall not be entitled to cast their vote again.
- iv. Mr Pramod S Shah, Managing Partner or in his absence Mr Saurabh Shah, Corporate Advisor of M/s Pramod S Shah & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer for overseeing the physical voting and remote e-Voting process in a fair and transparent manner.
- v. The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer will be placed on the website of the Company **www.acclimited.com** and on the website of NSDL **www.evoting.nsdl.com** within two days of passing the resolutions at the AGM. The results will also be uploaded on the BSE Listing Portal and on the NSE-NEAPS Portal.
- vi. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed

on the date of the Annual General Meeting i.e. June 13, 2018.

### **Procedure for e-Voting as prescribed by NSDL:**

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

Open the e-mail received from NSDL and follow instructions mentioned therein to cast your vote.

#### **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 voting by Physical Ballot: Those Members who choose to cast their vote by a physical ballot or who do not have access to e-Voting facility, should fill in the Ballot form and post it to the Company at the address mentioned in the Business Reply Envelope OR
- ii. To opt for remote e-voting: Follow the steps mentioned herein below, to cast your votes.

#### **How to vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

#### **Step 1: How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is A00005 and EVEN is 108341 then user ID is 108341A00005

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to log-in and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your "initial password" you need to enter the "initial password" and the system will force you to change your password.
- c) How to retrieve your "initial password"?
  - (i) If your email ID is registered in your demat account or with the Company, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last

8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your "User ID" and your "initial password".

- (ii) If your email ID is not registered, your "initial password" is communicated to you through post at your registered address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL), option is available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Click on "Physical User Reset Password?" (If you are holding shares in physical mode), option is available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by the aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, PAN, name and registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful log-in at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to "pss.scrutinizer@acclimited.com" with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in  
  
Members may also send their queries relating to e-Voting to Ms Pallavi Mhatre of NSDL, at E-mail id: evoting@nsdl.co.in or call Toll free No.: 1800-222-990 / Tel. No.: 022-2499 4545.

#### **Additional Information:**

- i. The Members are requested to update their mobile numbers and e-mail ID's in the user profile details

of the folio, which may be used by the Company for sending future communication(s) to them.

- ii. Any person, who acquires shares of the Company and becomes a Member of the Company after despatch of the Notice and holding shares as of the cut-off date i.e. Wednesday, June 6, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if the Member is already registered with NSDL for remote e-voting, then he/she can use his/her existing User-ID and Password for casting the vote.

#### **Other Instructions:**

- i. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, June 6, 2018.
- ii. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure (Monday, May 21, 2018 to Friday, May 25, 2018, both days inclusive) but has ceased to be a Member on the cut-off date i.e. Wednesday, June 6, 2018, he/she will not be entitled to vote. Such person should treat this Notice for information purposes only.
- iii. The e-Voting period commences on Saturday, June 9, 2018 (9.00 a.m. IST) and ends on Tuesday, June 12, 2018 (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, June 6, 2018, may cast their votes by remote e-Voting. The remote e-Voting module will be disabled by NSDL for voting thereafter.
- iv. Members who opt to cast their vote by physical Ballot may send the duly completed Ballot Form (enclosed with the Annual Report) to the Scrutinizer in the enclosed postage pre-paid self addressed envelope. 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 duplicate 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.



**Members may kindly note that the duly completed Ballot Forms should reach the Scrutinizer not later than Friday, June 8, 2018 (5.00 p.m. IST).**

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

- v. 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 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 Report of the votes

cast in favour or against, if any, forthwith to the Chairman or such person authorised by him in this behalf.

By Order of the Board of Directors,  
For ACC Limited

Ramaswami Kalidas  
Company Secretary & Head Compliance  
FCS - 2440

Mumbai  
April 18, 2018

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

## EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 5, 6 and 7 of the accompanying Notice dated April 18, 2018.

**Item No. 5:** The Board of Directors on the recommendation of the Nomination & Remuneration Committee appointed Mr Jan Jenisch as an Additional Director of the Company with effect from October 17, 2017 in the category of a Non-Executive/ Non Independent Director. In accordance with Section 161(1) of the Companies Act, 2013, Mr Jensich holds office up to the date of the Annual General Meeting and is eligible for appointment as a Director of the Company and is liable to retire by rotation. The Company has received a notice under Section 160 of the Companies Act, 2013 from a Member signifying its intention to propose the candidature of Mr Jan Jenisch as a Director of the Company. The above Notice is available for inspection by the Members of the Company at the Registered Office during office hours on all working days except Saturdays, Sundays and public holidays up to the date of the Annual General Meeting.

Mr Jenisch is a German National and has joined LafargeHolcim Ltd. as Chief Executive Officer on September 1, 2017. Prior to his joining LafargeHolcim, Mr Jenisch has served with Sika AG since 1996 in various management functions and countries. He was appointed to the Management Board of Sika in 2004 as Head of the Industry Division and served as President Asia Pacific from 2007 to 2012. Mr Jenisch was the Chief Executive Officer of Sika AG from 2012. Under his leadership, Sika expanded into new markets and set new standards of performance in sales and profitability.

Mr Jenisch graduated from the University of Fribourg, Switzerland and holds an MBA degree.

The Board of Directors commend the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives except Mr Jan Jenisch, are in any way concerned or interested financially or otherwise in the Resolution.

**Item No. 6:** The Company is required to have its cost 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, (Firm Registration Number 000611), as Cost Auditors for conducting the cost audit of the Company, for the Financial Year

ending December 31, 2018 at a remuneration of ₹11.00 lakhs plus payment of applicable taxes and reimbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

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

Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending December 31, 2018.

The Board of Directors commend the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

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

### Item No. 7:

#### BACKGROUND

1. Since the Year 2009, the Company has been regularly drawing upon various types of technical expertise and services from Holcim Ltd. (now LafargeHolcim Ltd., or LH). Some examples of these have been in:
  - a) improving manufacturing processes and productivity;
  - b) optimising sales and distribution;
  - c) increasing the use of alternate fuels;
  - d) optimising the raw materials mix across various plants;
  - e) putting in place superior Organizational Health and Safety (OH&S) features;
  - f) improving business outcomes through the secondment of senior personnel with key technical and subject-matter expertise;
  - g) creating platforms, pathways and processes for increasing sustainability; and
  - h) providing technical assistance to operate aging Plants as well as de-bottlenecking and other efficiency improvement projects.

Historically, these services were rendered by Holcim Ltd. on a case-to-case basis to its group companies.

2. From January 1, 2013, Holcim Ltd. — through Holcim Technology Ltd. (“Holcim Technology”) — decided to formalize these technology transfer services across all its group companies.





3. Accordingly, with effect from January 1, 2013, Holcim Ltd. globally implemented an Industrial Franchise Fee model, commonly referred to as the Technology and Knowhow Agreement (“TKH Agreement”), in terms of which an annual fee (i.e. “TKH Fees”) is to be paid to Holcim Technology by the operating group companies for the supply of valuable intellectual property, technology knowhow, end-to-end solutions and related managerial support.
4. Recognising the operational and commercial value of such technology knowhow and intellectual property being supplied by Holcim Ltd., the Board of Directors of the Company had unanimously agreed to enter into the TKH Agreement with Holcim Technology.
5. At the time of finalising the TKH Agreement, Holcim Technology had proposed an annual TKH fees amounting to 2% of net sales of the Company. The Board of Directors of the Company, however, proposed a lower fee of 1% (one percent) of net sales, which Holcim Technology agreed to.
6. Thus, according to this TKH Agreement with Holcim Technology, the Company agreed to pay Holcim Technology, annual TKH fees of 1% (one per cent) of net sales for an agreed list of technical and managerial services, use of intellectual property and end-to-end solutions. The TKH Agreement was valid for a period of five years with effect from January 1, 2013, whereas the TKH Fees was approved @ 1% (one percent) of the net sales of the Company for each financial year for the first two years which was thereafter retained for the remaining period of three financial years i.e. until December 31, 2017.
7. At that time, there was no requirement for the TKH Agreement to be placed before the Members of the Company for their approval under the then prevailing laws in force. However, as a measure of good corporate governance, the Board recommended that the TKH Agreement be referred to its Members for their consent. This was done by way of an Ordinary Resolution, which was passed by the Members of the Company through a postal ballot which was completed on February 19, 2013.
8. With this approval of the Members, the Company has been paying the TKH Fees to Holcim Technology at the rate of 1% (one percent) of its Net Sales until December 31, 2017, the date of expiration of the five year period of the TKH Agreement.

## THE MATTER AT HAND

9. With effect from July 2015, Holcim Ltd. and Lafarge S.A. merged to form LafargeHolcim Ltd. (“LafargeHolcim”). LafargeHolcim is a world leader in building materials and a major player in cement, aggregates and concrete businesses.
10. LafargeHolcim’s business concepts, which are made available to the Company under the TKH Agreement, mainly encompass:
  - a) manufacturing excellence, which has helped in optimizing production and improving plant efficiency;
  - b) improvements in commercial and marketing processes to create world class route to market capabilities;
  - c) access to training and development of human capital expertise and modules in order to attract and retain the best talent;
  - d) commitment and capability building to protect the ecology and conserve natural resources;
  - e) Geocycle, a notable area of support which has given strength to the Company to use alternate fuel and resources through waste management solutions and best practices of re-use, recycling and co-processing;
  - f) commitment to provide safe working conditions and to achieve “Zero Harm and No Fatalities” in the plants — which require constant training and leadership building;
  - g) building and sharing expertise through its knowledge management functions and innovations;
  - h) sharing knowledge and expertise to assist the Company throughout the entire process of supplier selection;
  - i) providing best practices and business models from global experience to launch new businesses in India including aggregates and manufactured sand, waterproofing chemical, digitally enabled processes for operations and customer acquisition and retention and affiliated retail inter alia; and
  - j) assisting with knowhow and strategic and technical modelling to create investment opportunities and build new facilities for expansion and growth.

Going forward, the Company will be receiving Technology and Knowhow from LafargeHolcim also for aggregates and construction materials as well.

11. Thus, Holcim Ltd., and subsequently LafargeHolcim, has provided world class technologies and practices on a continuous basis under the TKH Agreement. These have helped your Company to derive substantial benefits — a fact that is recognised by your Board of Directors. The technical and commercial benefits that have accrued to the Company in the last five years under the TKH Agreement have been also corroborated by independent third party experts.

#### **BAPA AND OTHER RELEVANT CONSIDERATIONS**

12. The Company and Holcim Technology Ltd. have together filed applications under the Bilateral Advance Pricing Agreement (“BAPA”) with the competent authorities of India and Switzerland to confirm the arm’s length nature of TKH fees paid under the TKH Agreement. Indian tax authorities have visited the Company’s plant facilities twice to assess the extent to which benefits have accrued to the Company under the TKH Agreement. Discussions between the two Competent Authorities on the BAPA Application are at an advanced stage, and a decision in this regard is expected shortly.
13. In case the arm’s length rate of TKH Fees as decided pursuant to the BAPA application is less than 1% (one per cent) of net sales of the Company for each financial year, the TKH fees payable under the renewed TKH Agreement will stand reduced accordingly for the full tenure of the Agreement.
14. A certain portion of the TKH fees paid by the Company to Holcim Technology under the TKH Agreement for the period 2013 to 2017 has been disallowed by the Income Tax Authorities under the Transfer Pricing Rules. The Company has appealed against the assessments with the relevant appellate authorities, and the appeals are pending as on date. The Company is confident of succeeding in the above appeals.

#### **PROPOSAL BEFORE THE MEMBERS**

15. The previous TKH Agreement expired on December 31, 2017. However, Holcim Technology has continued to provide these services to the Company even after the expiry of the TKH Agreement.
16. The Management of the Company has proposed an extension of the TKH Agreement beyond December 31, 2017.
17. The Board of Directors of the Company, based on the recommendation of the Audit Committee at their meeting held on April 18, 2018, has carefully assessed the benefits derived by the Company

from the TKH Agreement. These benefits would be both tangible and intangible and a portion of the benefits such as improvements brought about in health and safety, sustainability etc. while significant, may not be quantifiable in monetary terms. The Company had sought and obtained the approval of the Members in the year 2013 when the above Agreement was entered into for a period of five years which ended on December 31, 2017, in the interests of good transparent corporate governance despite the fact that such approval was not called for under the law. In the light of the foregoing, the Board unanimously approved:

- a) the renewal of the TKH Agreement for a period of 3 (three) years starting January 1, 2018 subject to the approval of shareholders under Section 188 of the Companies Act, 2013; with
- b) the payment of TKH Fees to Holcim Technology being held constant at the rate of 1% (one percent) of Net Sales of the Company or at such rate as may be determined by the Competent Authorities under BAPA, whichever is lower.

18. Holcim Technology Ltd. is a “related party” of the Company, within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).
19. Under Section 188 of Companies Act, 2013, prior approval of Members through ordinary resolution is required for related party transactions (other than those on “arm’s length basis” and in the “ordinary course of business”) involving inter-alia sale, purchase or supply of any goods or materials or services in excess of the prescribed thresholds.
20. Under the provisions of Regulation 23 of the SEBI Listing Regulations, approval of Members through ordinary resolution is required for all “material related party transactions”. A transaction with a related party is considered ‘material’ if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the listed entity as per its last audited financial statements. Since the aggregate value of the transactions with Holcim Technology Ltd. under the TKH Agreement will not exceed the above mentioned threshold under the SEBI Listing Regulations, consent of the Members of the Company is technically not required under Regulation 23 of the SEBI Listing Regulations.



21. Pursuant to provisions of Companies Act, 2013 and the SEBI Listing Regulations, Ambuja Cements Limited, the immediate Holding Company and Holderind Investments Limited, being related parties of the Company, will abstain from voting on this Resolution.
22. The Board of Directors is of the opinion that renewal of the TKH Agreement is in the interest of the Company and its stakeholders and therefore is recommending to the Members to approve the proposed Ordinary Resolution.
23. None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution.
24. A certified copy of the proposed TKH Agreement, as referred to in the accompanying Notice, is open for inspection at the Registered Office of the Company
- during the office hours on all working days, except on Saturdays, Sundays and other public holidays, up to the date of the Annual General Meeting.
- By Order of the Board of Directors,  
For ACC Limited
- Ramaswami Kalidas  
Company Secretary & Head Compliance  
FCS - 2440
- Mumbai  
April 18, 2018
- Registered Office:  
Cement House  
121, Maharshi Karve Road  
Mumbai 400 020

### ANNEXURE TO ITEMS 3 AND 5 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 Vijay Kumar Sharma	Mr Jan Jenisch
Director Identification Number (DIN)	02449088	07957196
Date of Birth	19.12.1958	02.09.1966
Nationality	Indian	German
Date of Appointment	06.02.2014	17.10.2017
Qualification	M.Sc	Graduate of the University of Fribourg, Switzerland and holds an MBA degree.
Expertise in specific functional areas	Business Strategy, Product Development & Branding, Risk Mitigation & Compliance	Business Management
Shareholding in ACC	NIL	NIL
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Life Insurance Corporation of India; LIC Mutual Fund Asset Management Limited; LIC Housing Finance Company Limited; LIC Cards Services Limited; LICHL Asset Management Company Limited; LIC Pension Fund Limited; ICICI Bank Limited	Ambuja Cements Limited
Memberships/ Chairmanships of Audit and Stakeholders' Relationship Committees across Public companies including ACC Limited	NIL	NIL

There are no inter-se relationship between the Board Members.

**MAP SHOWING LOCATION OF THE VENUE OF 82<sup>ND</sup> ANNUAL GENERAL MEETING OF ACC LIMITED**  
**VENUE: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020**



Landmark: Next to Bombay Hospital

Distance from Churchgate Station: 1 Km

Distance from Chhatrapati Shivaji Maharaj Terminus: 1.2 Kms