



**Embracing Tomorrow
Enhancing Value**

ACC LIMITED
77th Annual Report 2012



BOARD OF DIRECTORS

Mr N S Sekhsaria
Chairman

Mr Paul Hugentobler
Deputy Chairman

Mr Kuldip Kaura
Chief Executive Officer &
Managing Director

Mr S M Palia

Mr Naresh Chandra

Mr Bernard Fontana

Mr M L Narula

Mr R A Shah

Mr Shailesh Haribhakti

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Ashwin Dani

AUDIT COMMITTEE

Mr Shailesh Haribhakti
Chairman

Mr S M Palia

Mr Naresh Chandra

Mr Paul Hugentobler

Mr Sushil Kumar Roongta

SHAREHOLDERS'/INVESTORS'

GRIEVANCE COMMITTEE

Mr Paul Hugentobler
Chairman

Mr M L Narula

Mr Kuldip Kaura

COMPENSATION COMMITTEE

Mr N S Sekhsaria
Chairman

Mr Paul Hugentobler

Mr Shailesh Haribhakti

COMPLIANCE COMMITTEE

Mr R A Shah
Chairman

Mr Naresh Chandra

Mr Shailesh Haribhakti

Mr Paul Hugentobler

Mr Kuldip Kaura

CAPEX COMMITTEE

Mr Paul Hugentobler
Chairman

Mr S M Palia

Mr M L Narula

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Kuldip Kaura

MANAGING COMMITTEE

Mr Kuldip Kaura
Chief Executive Officer & Managing Director

Mr Sunil Nayak
Chief Financial Officer

Mr J DattaGupta
Chief Commercial Officer

Mr Rajiv Prasad
Chief Executive, North Region

Mr Vivek Chawla
Chief Executive, East Region

Mr P N Iyer
Chief Executive, South & West Region

Mr Shakti Arora
Chief Central Procurement Officer

COMPANY SECRETARY & HEAD - COMPLIANCE

Mr Burjor D Nariman

AUDITOR

S R Batliboi & Co.

COST AUDITOR

N I Mehta & Company

BANKERS

State Bank of India

Citibank, NA

The Hongkong & Shanghai Banking
Corporation Limited

HDFC Bank Limited

REGISTERED OFFICE

Cement House
121 Maharshi Karve Road
Mumbai 400 020

Website: www.acclimited.com

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ANNUAL GENERAL MEETING

On Friday, April 5, 2013
at 3.00 p.m.

at Birla Matushri Sabhagar
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020

*Members are requested to kindly bring their
copies of the Annual Report to the Meeting.*



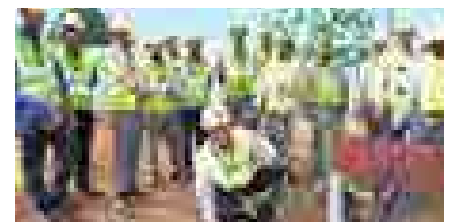
Our journey to enhance customer value and pursue cost leadership continues through improvements in manufacturing, sales & marketing, logistics and procurement of major inputs.

We aim to maintain special focus on the following:

- ▶ Safety; Zero Harm anywhere to anyone associated with ACC.
- ▶ Enhancing Customer Value. Meeting and exceeding their expectations in supplying best quality cement consistently, with service levels aspiring to exceed their rising expectations.
- ▶ Building organisation and capability and implementing step changing ideas and innovations to realise our growth aspirations.
- ▶ Creating a great place to work.
- ▶ A special focus on input costs of coal and energy.
- ▶ Aim to move efficiently and move less.
- ▶ Continuing our good work with communities with a renewed focus.

Through these efforts, we have aimed to realise our complete potential and achieve benchmark level of performance - to pursue what it takes to sustain superior performance over time.

At the close of the year 2012, we took a step forward in our growth journey by ordering the Jamul expansion project and groundbreaking at Jamul project site in Chhattisgarh.





 **N**ew benchmarks in performance have been created by several plants with notable achievements in reducing specific thermal energy consumption, specific electrical energy and outstanding results in reducing the percentage of clinker factor.



MANUFACTURING EXCELLENCE

manufacturing
excellence

The objective in our manufacturing excellence programme has been to achieve reduction in the cost of production both on an overall basis and at each plant. Dedicated project teams were formed to drive improvement projects on important cost performance indicators across all plants. In addition, companywide communities of practice were set up for key performance indicators to achieve improvements in the clinker factor, thermal and electrical efficiency. These initiatives created a basis for providing opportunities for regular sharing of best practices and ideas across the organisation as well as for internal and external benchmarking. A notable feature of the programme is the creation of model plants characterized by their best performance, best practices, infrastructure and setting up a good training culture.

We have also targeted improvements in the Coal Value Chain to address our fuel bill. Coal is among the most critical inputs for cement. Accordingly, we examined sourcing strategies for different types of coal, identifying the optimal coal mix for all plants and creating a roadmap for plants to use their optimal coal mix.

New benchmarks in performance have been created by several plants with notable achievements in reducing specific thermal energy consumption, specific electrical energy and outstanding results in reducing the percentage of clinker factor. A new milestone was also achieved by one plant when it successfully switched to 100 per cent use of petcoke.





ENHANCING CUSTOMER VALUE

enhancing
customer
value



New methods and tools have been designed to assess and benchmark marketing performances. There are new systems in place to garner customer feedback and insights as well as to gauge customer expectations.

The aim to secure superior value for the customer has generated a lot of excitement and energy in the young and dynamic sales team of the company. In the process, we have set about developing leaders, coaches and empowered teams in the sales function to drive the change needed to nurture and strengthen the company's brand advantage, sustain market share and aim for top-line growth.

New methods and tools have been designed to assess and benchmark marketing performances. There are new systems in place to garner customer feedback and insights as well as to gauge customer expectations. Simultaneously action has been initiated to improve customer service levels.

The company's core customers continue to comprise the individual house builder in our cities and towns. At the same time, urbanization and infrastructure development unfold new growth segments for our cement and concrete.





 **R**adio Frequency Identification (RFID) and Global Positioning Systems (GPS) technology are being deployed in our logistics operations in phases to identify and locate vehicles both within and outside our plants.

**LOGISTICS
EXCELLENCE** logistics
excellence

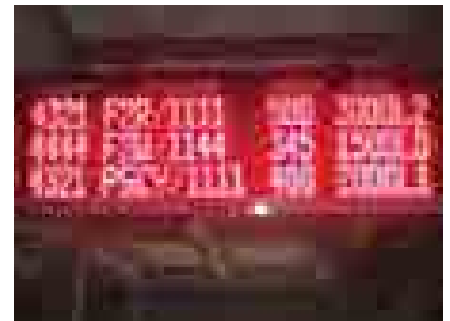


Cement is a vital building material that demands well-organized distribution and timely delivery. Inward and outward transportation form a significant share of our overall costs. Through a structured programme launched last year, the company aspired to achieve best-in-class logistics performance in terms of cost-to-serve and time-to-serve. This called for active collaboration between all internal and external stakeholders from the plant and sales offices to transporters, railways, clearing agents and channel partners. The guiding principles are simple - move less, handle less, move efficiently, contract efficiently and manage growth. Each of these generated several operational and strategic improvement initiatives across the company.

Radio Frequency Identification (RFID) and Global Positioning Systems (GPS) technology are being deployed in our logistics operations in phases to identify and locate vehicles both within and outside our plants. These help in minimising in-plant loading time and in tracking vehicles in transit to end-consumer destinations, thus cutting down delays, enhancing vehicle turn-arounds. RFID and GPS solutions hold the promise to revolutionize cement logistics operations.

Safety in logistics received special focus through concerted interventions in people development. Health and safety checks in our

plants are being carried out in phases with the help of external consultants who examine aspects such as truck parking yards, traffic flow for inbound and outbound material, storage points, packing house, road and rail infrastructure and guidelines for safe and efficient evacuation management. Additionally, driver training and health camps are also carried out at all plants.





RESPONSIBLE BUSINESS

responsible
business

The company maintained its ongoing thrust on reducing the overall carbon footprint of its operations using the recognized levers of (a) manufacturing blended cements that consume less clinker, (b) pursuing continuous improvements in thermal and electrical energy efficiency, (c) improving the usage of Alternative Fuels and Raw materials (AFR) and (d) adopting clean and green technologies.



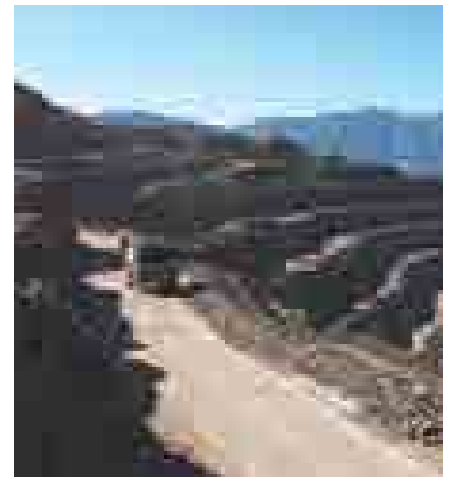
In the Corporate Sustainability Label programme initiated by CII-ITC Centre of Excellence for Sustainable Development (said to be the world's first evaluation of its kind), ACC was awarded the rating of "Sustainable Plus" in category Gold.

The company has been working on ways to maximize the present AFR business by maximizing existing waste streams, identifying new waste avenues, through better sourcing and securing future markets.

ACC is one of the three cement companies to co-chair the project to develop a roadmap for Low Carbon Technology for India's cement industry. Again, ACC was the only cement company to figure in the Carbon Disclosure Leadership Index that was part of the Carbon Disclosure Project report 2012 for India. In the Corporate Sustainability Label programme initiated by CII-ITC Centre of Excellence for Sustainable Development (said to be the world's first evaluation of its kind), ACC was awarded the rating of "Sustainable Plus" in category Gold.

A new green energy initiative of ACC, the waste heat recovery power generation plant at Gagal, is nearing completion and will be commissioned this year.

On the social side of the Triple Bottom Line, the company continued to partner with local communities in its neighbourhood to engage with them in providing education and healthcare and support efforts in creating sustainable livelihoods, building village infrastructure and other community development initiatives.





PEOPLE EXCELLENCE

people
excellence

Keeping business growth in mind, our journey of People Excellence revolves around building capability and leadership skills to make the organization future ready. We created a structured framework to develop people across all cadres and make them future leaders who would drive our growth initiatives. Due emphasis is given to upgrade the skills of all employees so they are aligned to changing business requirements. This journey will be continued and further institutionalized with the help of line managers. Our endeavour is to involve all line managers and make them take ownership of their team development. Our line managers will thus become “People Managers”.



A robust learning and development architecture has been put in place to provide differential talent development solutions for each level of employees, including ‘First Time Manager’ skills.

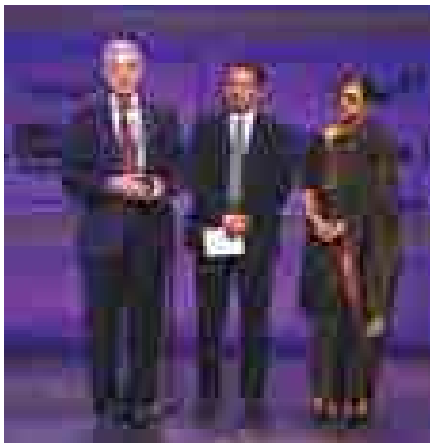
Our talent management interventions have already received external recognition. Through these we are seeking to build organization capability and create a leadership pipeline. A robust learning and development architecture has been put in place to provide differential talent development solutions for each level of employees, including 'FirstTimeManager' skills. In addition, there are on-boarding centres and on-the-job training for fresh graduates and graduate engineer trainees.

Workmen and supervisors constitute a major part of our workforce. They are major partners in our growth journey and the backbone in driving operations and maintenance at the Plants. This vital group of the company is now renamed as "Shop Floor Associates" to convey a change in mindset, instill in them a greater sense of pride and recognition and to invite them to participate more meaningfully in problem-solving and improvement projects.





AWARDS
awards



Global CSR Excellence and Leadership award to ACC Madukkarai, category Environment initiatives

Best Sustainable Business Practices award to ACC Geocycle from World CSR Forum

Corporate Affairs Leadership award from World CSR Forum

National Safety award to ACC Madukkarai from Inspectorate of Factories, Government of Tamil Nadu

Chief Financial Officer award 2012 from The Institute of Chartered Accountants of India category CA CFO - manufacturing sector

Second Asian Manufacturing and Supply Chain award for Excellence in material handling

Best Talent Management Strategy award from ET Now Talent & HR Leadership

Institution Building, CEO with HR Orientation and Talent Management awards from Institute of Public Enterprise - Global HR Excellence

National Energy Conservation award 2012 from Bureau of Energy Efficiency, Ministry of Power, Government of India to ACC Thondebhavi

Rajasthan Energy Conservation award 2012 to ACC Lakheri from Government of Rajasthan

Asia Responsible Entrepreneurship award in the category Social Empowerment from Enterprise Asia, South Asia

India Manufacturing Excellence awards 2012 - Platinum to ACC Lakheri, Gold Certificates of Merit to ACC Gagaj, Jamul & Wadi (II) and Silver to Chanda and Kudithini by The Economic Times and Frost & Sullivan

National Safety Council award for 2011 to ACC Gagaj

CNBC Asia India Talent Management award 2012

Greentech Environment award 2012 by Greentech Foundation to ACC Kudithini, Gold Category in Cement Sector

Association of Business Communicators of India (ABCI) awards for Annual Report design 2011, Parivar page on Facebook and Corporate Calendar for 2012

Earth Care award to ACC Gagaj for Excellence in Climate Change, GHG Mitigation & Adaptation in Cement Sector from JSW Foundation

Best Environment Practice in Cement Industry to ACC Sindri by The Institution of Engineers (India) Dhanbad Local Center

CII National Energy Management award for Energy Efficient Unit to ACC Lakheri

Green Manufacturing Excellence award 2012 by Frost and Sullivan to ACC Gagaj, Lakheri, Sindri, Wadi and Thondebhavi

IMC Ramkrishna Bajaj National Quality award Certificate of Merit to ACC Gagaj and **Performance Excellence Trophy** to DAV ACC Gagaj Sr Secondary School

