

## ANNEXURE 'A' TO BOARD'S REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**  
CSR Policy is stated herein below:  
  
**Weblink:**  
[http://www.acclimited.com/newsite/pdf/Policy/CSRPolicy2013\\_Approved\\_CEO\\_MD.pdf](http://www.acclimited.com/newsite/pdf/Policy/CSRPolicy2013_Approved_CEO_MD.pdf)
2. **Composition of the CSR Committee:**  
Mr Shailesh Haribhakti, Chairman (Independent Director)  
Ms Falguni Nayar (Independent Director)  
Mr Farrokh K Kavarana (Independent Director)  
Mr Harish Badami (CEO & MD)
3. **Average net profit of the Company for last three financial years:**  
Average net profit: ₹ 1,360 Crore
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**  
The Company is required to spend ₹ 27.20 Crore towards CSR.
5. **Details of CSR spend for the financial year:**
  - a. **Total amount spent for the financial year:**  
₹ 27.45 Crore
  - b. **Amount unspent, if any:**  
Nil

c. **Manner in which the amount spent during the financial year is detailed below:**

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
				₹ Crore	₹ Crore	₹ Crore	₹ Crore
1	Educational Scholarship, Bridge Education, Tuition Support, Book Provisioning, Setting up library and providing educational aid to Govt. Schools,	Literacy	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballapur (Karnataka), Gulbarga (Karnataka), Kadapa (Simandhra), Sitapur (Uttar Pradesh), Stravasti (Uttar Pradesh), Jaunpur (Uttar Pradesh), Shahazanapur (Uttar Pradesh), Rudraprayag (Uttarakhand) & Alwar (Rajasthan), Coimbatore (Tamil Nadu)	3.21	3.89	3.89	3.89

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	₹ Crore
2	Vocational training to unemployed youth, school drop outs, placement linked skills development training to unemployed youth	Vocational Training	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Kadapa (Simandhra)	1.84	2.33	2.33	2.33
3	Scholarship to meritorious students	Scholarship through Diamond Jubilee Educational Trust	Bilaspur (Himachal Pradesh) and Katni (Madhya Pradesh)	0.50	0.01	0.01	0.01
4	Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) and Malnutrition reduction, Health camps etc.	Healthcare	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka)	3.15	2.52	2.52	2.52
5	Development support to people belonging to tribal backward class (capacity building on livelihood projects)	Upliftment Tribal Backward Class	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Kadapa (Simandhra)	0.50	0.89	0.89	0.89

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	₹ Crore
6	Capacity Building of women for livelihood projects, formation of Self Help Groups (SHGs) their trainings, supporting in setting up of enterprises	Upliftment / Empowerment Women	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	3.15	2.53	2.53	2.53
7	Development support to underprivileged community, including agriculture support to farmers	Community Organization	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka)	7.05	6.85	6.85	6.85
8	All weather rural roads construction as per community needs	Transportation Infrastructure	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka)	3.78	4.49	4.49	4.49
9	Supporting construction of houses for victims of natural calamities	Housing	Rudraprayag (Uttarakhand) and Wadi (Karnataka)	0.50	0.08	0.08	0.08

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
			Districts (State)	₹ Crore	₹ Crore	₹ Crore	₹ Crore
10	Providing safe drinking water to community, installing handpumps, water tanks, recharging ponds, maintenance of water harvesting structures, supporting in toilet construction, supporting in construction of drainage	Sanitation Drinking Water	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhatisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Kadapa (Simandhra), Coimbatore (Tamil Nadu)	2.52	3.07	3.07	3.07
11	ACC supporting two Anti Retroviral Treatment Centres at Wadi and CMC Vellore through its own Trusts for HIV/AIDS prevention and treatment	Anti Retroviral Treatment Centres	Wadi (Karnataka) and Vellore (Tamil Nadu)	1.00	0.79	0.79	0.79
				27.20	27.45	27.45	27.45

\* Details of the implementing agencies - 1. Himachal Pradesh Voluntary Health Association, Simla, 2. We the People, New Delhi, 3. Udyogini, New Delhi, 4. Pancham Research & Biotech Sansthan, Lucknow (UP), 5. DEHAT, Behraich (UP), 6. Mahatma Gandhi Integrated Development & Education Institute, Dausa (RJ), 7. Muskan Foundation (UP), 8. IIMPACT-New Delhi, 9. CENTUM Learning-New Delhi, 10. Mahashakti Foundation, 11. Loka Kalyan Parishad, 12. Help Student India, 13. Vijay Foundation, 14. Amhi Amchya Arogyasathi, Kurkheda Gadchiroli (Maharashtra), 15. ACC MAVIM Loksanchalit Sadhan Kendra - CMRC-Ghugus, 16. Dilasa Janvikas Pratishthan, Aurangabad, 17. Rashtriya Gramin Vikas Nidhi, Bhuvneshwar, 18. SEED - New Delhi

## CSR POLICY

(approved by the Board of Directors on May 3, 2013)

Our aim 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.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- Uphold and promote the principles of inclusive growth and equitable development.
- Develop Community Development Plans based on needs and priorities of host communities and measure the effectiveness of community development programmes.
- Work actively in areas of preventive health and sanitation, education, skills for employability, livelihoods. and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
- Collaborate with like minded bodies like governments, voluntary organizations and academic institutes in pursuit of our goals.
- Interact regularly with stakeholders, review and publicly report our CSR initiatives.



# WE NEVER THOUGHT THAT A WHOLE NEW WORLD COULD BE CONTAINED WITHIN FOUR WALLS.

**We've been a part of India's progress. For over 75 years.**

Whether it's helping with the building of roads or hospitals or schools, we've been with this great nation every step of the way. And will continue to do so for generations to come.



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Cementing Relationships

**ACC**  
cement

## ANNEXURE 'B' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT  
FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014  
[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of ACC Limited'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended December 31, 2014, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2014 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (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, 2013;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- (6) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (7) Employees State Insurance Act, 1948
- (8) Employers Liability Act, 1938
- (9) Environment Protection Act, 1986 and other environmental laws
- (10) Equal Remuneration Act, 1976
- (11) Factories Act, 1948
- (12) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- (13) Indian Contract Act, 1872
- (14) Income Tax Act, 1961 and Indirect Tax Laws
- (15) Indian Stamp Act, 1999
- (16) Industrial Dispute Act, 1947

- (17) Maternity Benefits Act, 1961
- (18) Minimum Wages Act, 1948
- (19) Negotiable Instruments Act, 1881
- (20) Payment of Bonus Act, 1965
- (21) Payment of Gratuity Act, 1972
- (22) Payment of Wages Act, 1936 and other applicable labour laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

Adequate 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.

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

**I 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.

**I further report that** during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

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

Place : Mumbai  
 Date: 24.01.2015



## ANNEXURE 'C' TO BOARD'S REPORT

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

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

Sustainability is an integral part of the Company's business philosophy. During the Financial Year 2014, the Company has adopted GRI G4 principles and released the first externally assured GRI G4 Sustainable Development Report 2013 in India. Your Company's Sustainable Development Road Map for 2014-2017 includes targets for specific CO<sub>2</sub> Emission Reduction, increase in Thermal Substitution Rate, reduction in Specific Water Consumption, Environment Certification (ISO 14001) of all plants, reduction in Specific Energy Consumption and implementation of business inclusive CSR Projects.

### A: CONSERVATION OF ENERGY

Company has achieved a reduction of specific thermal energy and specific electrical energy by 0.52% and 0.53% respectively for the year 2014 as compare to 2013. Thondebhavi Plant has been awarded with Merit certificate towards Energy conservation by Bureau of Energy Efficiency for 2013-14, a record feat of three times in a row.

#### a. Energy conservation and efficiency measures were undertaken in various areas of the Cement Manufacturing and Captive Power Plants (CPPs):

- **Madukkarai Plant** - Carried out automation of Hydro-cyclone for Ball Mill throughput improvement. Installed low voltage variable frequency drive for Boiler Feed Pump of Captive Power Plant (CPP) for optimizing feed water, by converting the power source from Medium Voltage (6.6KV) to Low Voltage (415 V).
- **Jamul Plant** - Commissioned Low Voltage Variable Speed Drives (VSD) for Calcliner Compressor, Forced Draft fans, bag filter fans, CPP pumps and CPP cooling tower – (total 12 nos). Replaced raw water pump with high efficiency pump at mines. Installed 2 Nos APFC (Automatic Power Factor Correction) panels to improve power factor.
- **Lakheri Plant** - Commissioned Medium Voltage (6.6 KV) Variable Frequency Drive (MVVFD) in place of GRR (Grid Rotor Resistance) for Vertical Roller Mill (Raw Mill 2 Fan) and Low Voltage VSD for Positive Displacement (PD) Blower of kiln firing. Commissioned Rota scale for Cement Mill feeding.
- **Bargarh Plant** - Commissioned VSDs for coal mill booster fan. Optimized operation of SILO 5 top Bagfilter fan by installing VSD.
- **Chanda Plant** - Replaced aluminum blades by FRP blades for Kiln Shell cooling fans, GRR cooling fan, Cooling Tower fans. Commissioned HT (11KV, 4980 Kvar) & LT (415 V, 1000 Kvar) APFC panels to improve Power Factor.
- **Kymore Plant** - Replaced existing GRR controls by installation Medium Voltage (6.6 KV) VSD for Bag House Fan Line-2. Replaced Line-1 pre-heater fan with energy efficient fan. Commissioned low voltage VSDs (6 Nos) for Boiler Feed Pump of CPP for optimizing feed water, by converting the power source from Medium Voltage (6.6 KV) to Low Voltage (415 V). VSDs were also commissioned for two condensate extraction pumps. Tertiary Crusher closed circuiting was done to enhance the Raw mill throughput. Coal firing system of Line -2 was modified with Coriolis feeding systems for kiln & calciner coal firing systems. Various other debottlenecking / optimization activities were carried out for efficient operation of the kiln.

- **Gagal Plant** - Replaced Separator fans for Asano Vertical Mill Pre-grinder (AVMP) - 5 & Cement Mill - 4 with high efficiency fan. Installed High Efficiency Turbo Blowers in Pyro-section for efficient petcoke firing.
  - **Wadi Plant (unit II)** - Optimized the Raw Mill Fan circuit to enhance fan efficiency by 10%. Commissioned Slip Power Recovery system (6.6 KV SPRS) for Raw Mill 2 fan; Optimized Mill to improve Production Rate Index (PRI) in Portland Pozzolana Cement (PPC) from 89% to 95%, and in Ordinary Portland Cement (OPC) from 180 TPH to 184 TPH. Bag House fan draught was optimized to reduce fan speed. Cement mill grinding media pattern was redesigned to suit to Mill - Pregrinder combination; Regular monitoring by thermograph for all electrical feeders and panels was done to avoid breakdowns. Air Blast Compartment (ABC) inlet modification was done in Cooler to avoid coating formation in the cooler plates. Medium Voltage (6.6 KV) drive was installed for Boiler Feed pump for optimizing feed water.
  - **Tikaria Plant** - Installed Mist cooling System in place of conventional Cooling Tower. Optimized Pre-grinder circuit to feed the Pre-grinder output at discharge of Cement Mill # 3 to improve the mill output. Energy Monitoring System was upgraded.
  - **Chaibasa Plant** - Commissioned VSD for cooler fan no 47, Cement Mill-06 circulating air fan, Calcliner coal firing blower. Commissioned lower capacity PD blower for Kiln coal after optimizing existing circuit. Commissioned high momentum burner for pet-coke firing.
  - **Kudithini Plant** - Revived auto Proportional Integral Derivative (PID) loops for Mill Differential Pressure (DP) vs Feed rate and Bag house fan DP and Fan Flow. Reduced Bag House Fan Cone gap.
  - Detailed Energy Audits were conducted at Jamul, Kudithini, and Chanda plants, and a detailed compressed air audit was conducted at Wadi, Madukkarai, Thondebhavi and Kymore plants.
  - Energy Monitoring Systems were commissioned at Vizag and Chanda plants.
  - Capacitor banks have been added to the system across the plants to improve plant power factor and also to reduce harmonics.
  - Replacement of conventional lamps with LED lights is being done in phases for plant and colony lighting across ACC plants.
  - Kudithini plant was adjudged as Excellent Energy Efficient unit by Confederation of Indian Industries (CII) and Jamul, Lakheri Bargarh and Thondebhavi Plants were shortlisted as Energy Efficient plants.
- Green Power -**
- The Company's Renewable Energy Portfolio consists of 19 MW in the form of Wind Farms across 3 states viz 9 MW in the state of Tamil Nadu, 7.5 MW in the State of Rajasthan and 2.5 MW in the State of Maharashtra. Cumulatively, approx 32.5 Million Units of green power has been generated. (Rajasthan - 11.53 Million Units, Tamil Nadu - 17.70 Million Units, Maharashtra - 3.26 Million Units).
  - These units helped to meet the Renewable Purchase Obligation (Non Solar) for Madukkarai Plant (Tamil Nadu) and Lakheri Plant (Rajasthan) fully. In Maharashtra, Renewable Energy Certificates (RECs) were issued to the Company, besides meeting the Thane complex power needs and also part requirement of the Company's subsidiary Bulk Cement Corporation (India) Limited at Kalamboli.

- The Renewable Power Obligations (Non Solar) of other plants (Wadi in Karnataka, Kymore in Madhya Pradesh, Bargarh in Orissa, Tikaria in Utter Pradesh and Jamul in Chhatisgarh) were met by purchasing Renewable Energy Certificates.

**b. Additional Proposals being implemented for further conservation of energy**

- Replacement of the pre-heater fan with an energy efficient pre-heater fan for line-2 at Kymore;
- Cooler efficiency improvement at Wadi 1 by replacing 3 number low pressure fans with high pressure fans;
- Installation of VSDs;
- Up-gradation of existing fans with high efficiency fans;
- Process optimization.

The above actions would ensure further saving in electrical and thermal energy during 2015, in addition to achieving better process control.

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

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

**CO<sub>2</sub> Emissions:**

In the second phase of the initiatives connected with the Low Carbon Technology roadmap for the Indian Cement Industry under the umbrella of the Cement Sustainability Initiative in India (CSI) of World Business Council for Sustainable Development (WBCSD), a detailed energy audit was carried out at Bargarh Plant and majority of the recommended initiatives towards further energy and CO<sub>2</sub> reduction were implemented.

The Company often supported by Holcim's knowhow and experience made available through the Technology and Knowhow Agreement continues to pursue various

levers as indicated below to achieve continuous progress in its CO<sub>2</sub> performances.

- Increase in the Thermal Substitution Rate (TSR) by using Alternative Fuels and Raw Materials (AFR)
- Increase the use of Alternative Raw materials (AR)
- Reduction of Thermal Energy and Electrical Energy
- Reducing Clinker Factor by producing blended cements using industrial waste materials like Fly ash and Slag
- Increasing the use of renewable energy
- Waste Heat Power generation from the process waste heat

Efforts on these fronts helped the Company to maintain a leadership position in CO<sub>2</sub> reduction performance as illustrated by the following achievements:

- The overall specific net CO<sub>2</sub> emissions per tonne of cement has been brought down to 526 kg CO<sub>2</sub>/tonne of cement from 538 kg CO<sub>2</sub>/tonne of cement.
- The overall specific net CO<sub>2</sub> emission per tonne of cement including emissions from on-site power generation has been reduced to 617 Kg CO<sub>2</sub>/tonne of cement from 641 Kg CO<sub>2</sub>/tonne of cement.

**Clinker Factor:**

Continuous efforts to control Clinker content in PPC helped the Company reduce CO<sub>2</sub> emissions over four years in four of its plants, pursuant to which the Company had realized 8,43,190 CERs (Certified Emission Reductions) by United Nations Framework Convention on Climate Change (UNFCCC). The Company's efforts in this regard were supplemented by Holcim's knowhow IP accessed by the Company through the Technology and Knowhow Agreement.

**Stack Emissions and Fugitive Emissions:**

The Company has implemented various initiatives/ measures for improving the environmental performance of its Plants and surroundings. In some cases such efforts have been supplemented by Holcim's knowhow under the Technology and Knowhow Agreement duly implemented and absorbed by the Company. The Company has reduced

average specific kiln stack dust emissions from 35.37 mg/Nm<sup>3</sup> during the year 2013 to 30.03 mg/Nm<sup>3</sup> during the year 2014, against varying statutory compliance limits of 50-150 mg/Nm<sup>3</sup> in different states of the country. Apart from the stack emissions, the Company has also implemented various measures across all its operations in controlling the fugitive emissions. ACC's Kiln stack dust emissions data and ambient air quality data was continuously uploaded on Central Pollution Control Board (CPCB) website and respective State Pollution Control Boards' (SPCBs) website.

#### Water Performance:

With an objective to continuously improve water performance at a Company level, a two pronged strategy was adopted i.e. (i) working simultaneously on reducing fresh water intensity by reducing water demand in process and non-process needs and waste water recycling after treatment and (ii) working on rain water harvesting in plants, mines, colonies, community areas.

During the year 2014, the Company's specific water consumption per tonne of cement was reduced by 15.6% with respect to 2013. To strengthen the drive for

reduction of specific water consumption, the Company has initiated the process of installing automated water measurement system to capture the water performance with respect to water withdrawal and water consumption. This will help in identifying the potential areas of water conservation, areas of leakages and improve the water performance. As a part of the water conservation initiatives, the Company has taken up many water harvesting measures during the year, which helped some of the plants like Kymore, Jamul to become self sustainable without depending on natural resources like rivers, bore wells etc.

#### Biodiversity:

The Company understands the importance of mines rehabilitation and sees a good business case in managing ecosystem and biodiversity. Many capacity building programmes on biodiversity were organized at all manufacturing locations to generate awareness about biodiversity and sensitize the people about the importance of biodiversity conservation. As a practice, The Company continues to develop green belts in and around its plant premises with native species of plants. During the year 2014, the Company continued its afforestation programmes across all plants.

### POWER AND FUEL CONSUMPTION - CEMENT

	Current Year			Previous Year		
	Lakh Units (Kwh)	Total Cost (₹ Lakhs)	₹ per Unit	Lakh units (Kwh)	Total Cost (₹ Lakhs)	₹ per Unit
Electricity GROSS						
a) Purchased :	5,566	31,922	5.74	5,407	31,678	5.86
b) Own Generation :						
i) Through Diesel Generator	15	381	26.08	6	224	36.49
ii) Through Steam : Turbine / Generator	17,182	80,301	4.67	17,639	77,555	4.40

	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹/Tonne)	Quantity (Lakh Tonnes)	Total Cost (₹ Lakhs)	Average Rate (₹/Tonne)
Coal (for kiln) *	22.25	1,34,816	6,060	22.75	1,32,465	5,822

\* Does not include other fuel / alternative fuels used in kiln.

**CONSUMPTION PER UNIT OF PRODUCTION**

	@ Standard	Current Year	Previous year
a) Electricity Kwh / T of Cement* Semi-dry / Dry process	98-110	80	81
b) Coal for kiln K.cal / Kg of clinker Semi-dry / Dry process	720-990	730	733

@ Source : Publication of Confederation of Indian Industries

\* Excludes non-process power consumption.

**(B) TECHNOLOGY ABSORPTION****Research & Development (R & D)****1. Specific areas in which R & D is carried out by the Company**

- a. Development of application oriented cements with decreased CO<sub>2</sub> emissions.
- b. 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 the Company's Plants.
- c. Development of new products or discovering new methods of analysis.
- d. Productivity research for increasing efficiency in use of resources.
- e. Recycling of wastes and research for efficient use of scarce materials.
- f. Characterization of industrial wastes and looking into possibilities for environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources.
- g. Development and use of Cement Grinding aid and accelerators in the manufacture of Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC) for improved performance in concrete and reduced clinker factor in blended cements.

- h. Improving the grinding efficiency of Pet-coke and Coal.
- i. Development of cements tailored for specific market clusters and application segments.
- j. Development of one of its kind cement in India for reducing water seepage.
- k. Development of cement based niche products.
- l. Quality benchmarking exercise for different market clusters of the Company products.
- m. Quality audit from mining to packing as well as labs to ensure proper sampling, ensuring reproducibility & repeatability of evaluation at each stage of the manufacturing process with automation and availability of analysis data through Laboratory Information Management System (LIMS).

The aforesaid areas of R&D were sometimes supported by Holcim's IPs and knowhow / experience made available to all its operating group companies under the technology and knowhow agreement.

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

- a. Effective use of marginal quality raw materials and fuels with improved clinker quality.
- b. Increased absorption of blending materials like fly ash and slag in blended cements.

- c. Launch of special high performance products like F2R, Concrete+, Coastal+, ACC Plus, ACC Gold for specific market segments / market climatic conditions.
- d. Effective replacement of the natural Gypsum by Phospho-gypsum, without affecting the quality of cement.
- e. Reduction in specific power consumption for grinding.
- f. Effective use of SPC at each stage of cement manufacture for improving consistency of operations and consistency in product quality.
- g. Fuel efficiency.

### 3. Future plan of action

- a. Exploratory research work on the above specific areas.

- b. Focus on development of products aimed at enhancing use of cement in various applications and development of application oriented cement based cementitious material.
- c. Use of waste / byproducts in cement manufacture as alternative materials.
- d. Improve product quality particularly with respect to long term durability and reduction in cost of manufacture.

### 4. Expenditure on R & D

	2014 ₹ Lakhs	2013 ₹ Lakhs
a. Capital	276	106
b. Recurring (Gross)	665	743
c. Total	941	849
d. Total R&D expenditure as percentage of total turnover (%)	0.07	0.07

### (C) FOREIGN EXCHANGE EARNINGS & OUTGO

	2014 ₹ Lakhs	2013 ₹ Lakhs
Foreign exchange earned	185	78
Foreign exchange used	13,539	18,803

## ANNEXURE 'D' TO BOARD'S REPORT

## EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.12.2014

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## FORM NO. MGT - 9

I. Registration and other details	
CIN	L26940MH1936PLC002515
Registration Date	1 <sup>st</sup> August 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 3302 4321
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 address. Tel. No. 022 3302 4469

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 main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Cement	3242	93.37%
Ready Mixed Concrete	3279	6.63%

III.				
Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Holcim (India) Private Limited Suite 304, 3 <sup>rd</sup> floor, DLF South Court, Plot A-1, Saket District Centre, Saket, Delhi - 110 017	U26943DL2002PTC116851	Holding	50.01	2(46)
Holderind Investments Limited Holicim Group Support (Zurich) Ltd. Hagenholzstrasse 85, CH-8050, Zurich, Switzerland	Foreign Company	Holding	0.29	2(46)
ACC Mineral Resources Limited Cement House, 121, Maharshi Karve Road, Mumbai 400 020	U10100MH1930PLC001612	Subsidiary	100	2(87)
Bulk Cement Corporation (India) Ltd. Plot No. W-7, KWC Kalamboli, Dist. Raigad 410 218	U99999MH1992PLC066679	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, Arera Hills, Bhopal 462 011 (MP)	U14109MP1992PTC007264	Subsidiary	100	2(87)
Alcon Cement Company Private Limited 2 <sup>nd</sup> 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 160 101	U26940CH2009PTC031641	Associate	45	2(6)
Aakaash Manufacturing Company Private Limited 2 <sup>nd</sup> Floor, Velho Bldg, Opp. Municipal Garden, Panaji, Goa 403 001	U55101GA1995PTC001908	Associate	40	2(6)

**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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF									
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corporate	93888120	-	93888120	50.01	93888120	-	93888120	50.01	-
e) Banks / FI									
f) Any Other....									
<b>Sub-Total (A)(1):</b>	93888120	-	93888120	50.01	93888120	-	93888120	50.01	-
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate	541000	-	541000	0.29	541000	-	541000	0.29	-
d) Banks / FI									
e) Any Other....									
<b>Sub-Total (A)(2):</b>	541000	-	541000	0.29	541000	-	541000	0.29	-
<b>Total Shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	94429120	-	94429120	50.30	94429120	-	94429120	50.30	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds / UTI	5838104	46926	5885030	3.13	7782296	46926	7829222	4.17	1.04
b) Banks / FI	18005016	62165	18067181	9.62	21129205	62165	21191370	11.29	1.67
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	56475	231340	287815	0.15	56475	231340	287815	0.15	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	37512985	17090	37530075	19.99	31328117	17175	31345292	16.70	-3.29
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):</b>	61412580	357521	61770101	32.90	60296093	357606	60653699	32.31	-0.59



**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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>	5322759	133623	5456382	2.91	6479350	133311	6612661	3.52	0.61
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	14680056	6653025	21333081	11.36	14303617	6405742	20709359	11.03	-0.33
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1961104	1227716	3188820	1.70	1895623	962894	2858517	1.52	-0.18
<b>c) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	385965	385965	0.21	-	385965	385965	0.21	-
ii) Other Foreign Nationals	900	-	900	-	900	-	900	-	-
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) NRI / OCBs	568649	218900	787549	0.42	591806	209350	801156	0.43	0.01
v) Clearing Members / Clearing House	91231	-	91231	0.05	214940	-	214940	0.11	0.06
vi) Trusts	299003	-	299003	0.16	717789	-	717789	0.38	0.22
vii) Limited Liability Partnership	3154	-	3154	-	3086	-	3086	-	-
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	358164	-	358164	0.19	0.19
ix) Qualified Foreign Investor	50	-	50	-	-	-	-	-	-
<b>Sub-Total (B)(2):</b>	<b>22926906</b>	<b>8619229</b>	<b>31546135</b>	<b>16.80</b>	<b>24565275</b>	<b>8097262</b>	<b>32662537</b>	<b>17.40</b>	<b>0.60</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>84339486</b>	<b>8976750</b>	<b>93316236</b>	<b>49.70</b>	<b>84861368</b>	<b>8454868</b>	<b>93316236</b>	<b>49.70</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>178768606</b>	<b>8976750</b>	<b>187745356</b>	<b>100.00</b>	<b>179290488</b>	<b>8454868</b>	<b>187745356</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	-	93888120	50.01	-	-
HolderindInvestmentsLimited	541000	0.29	-	541000	0.29	-	-
<b>Total</b>	<b>94429120</b>	<b>50.30</b>	<b>-</b>	<b>94429120</b>	<b>50.30</b>	<b>-</b>	<b>-</b>

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	No change during the year			
Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No change during the year			
At the end of the year	No change during the year			

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1. Life Insurance Corporation of India	15392891	8.20	17971429	9.57
2. Aranda Investments (Mauritius) PTE Ltd.	4743636	2.53	1994039	1.06
3. Aberdeen Global Indian Equity (Mauritius) Limited	4123936	2.20	3968936	2.11
4. J P Morgan Funds - Emerging Markets Equity Fund	2873698	1.53	1033438	0.55
5. J P Morgan Sicav Investment Company (Mauritius) Limited	2385199	1.27	2054678	1.09
6. Government Pension Fund Global	1733689	0.92	-	-
7. J P Morgan Emerging Markets Equity Fund	1689262	0.90	-	-
8. J P Morgan India Fund	1685852	0.90	1561882	0.83
9. ICICI Prudential Life Insurance Company Ltd.	1351594	0.72	1473109	0.79
10. Commingled Pension Trust Fund (Emerging Markets Equity Focused) of J P Morgan Chase Bank	1321368	0.70	-	-
11. Abu Dhabi Investment Authority - Jhelum	-	-	1083211	0.58
12. J P Morgan Indian Investment Company (Mauritius) Limited	-	-	1041660	0.56
13. Vanguard Emerging Markets Stock Index Fund, Aseries of Vanguard International Equity Index Fund	-	-	940798	0.50

## v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	None of the Directors hold shares in the Company			
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	None of the Directors hold shares in the Company			
At the end of the year	None of the Directors hold shares in the Company			

For Each of the Directors and KMP	Name of the Key Managerial Personnel			
	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Mr Sunil K Nayak, Chief Financial Officer</b>				
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

**Mr Burjor D Nariman, Company Secretary & Head Compliance**

At the beginning of the year	200	-	200	-
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year	200	-	200	-

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ Crores
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	32.00	3.03	0.02	35.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.64	-	-	0.64
<b>Total (i+ii+iii)</b>	<b>32.64</b>	<b>3.03</b>	<b>0.02</b>	<b>35.69</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	32.64	3.03	-	35.67
<b>Net Change</b>	<b>32.64</b>	<b>3.03</b>	<b>-</b>	<b>35.67</b>
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	0.02	0.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>0.02</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Mr Harish Badami CEO & MD*	Mr Kuldip Kaura Former CEO & MD**	Total Amount ₹ Lakhs
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	266.46	397.85	664.31
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.16	0.24	0.40
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify	29.00	-	29.00
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	15.30	35.27	50.57
	ii. Retirals	-	-	-
	<b>Total (A)</b>	<b>310.92</b>	<b>433.36</b>	<b>744.28</b>

\*CEO & MD (Designate) w.e.f. 01.08.2014 till 12.08.2014 and CEO & MD w.e.f. 13.08.2014

\*\*upto August 12, 2014

**B. Remuneration to other Directors:****1. Independent Directors**

Sr. No.	Particulars of Remuneration	Name of Director								Total Amount ₹ Lakhs
		Mr Sekhsaria	Mr Haribhakti	Mr Roongta	Mr Dani	Mr Kavarana	Mr Gandhi	Ms Nayar	Mr S M Palia - Director retired during the year	
	-Fee for attending Board/Committee Meetings	4.40	7.40	3.70	6.60	7.90	4.30	2.80	0.40	37.50
	- Commission	37.00	28.00	28.00	28.00	30.50	22.22	11.05	3.45	188.22
	- Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (B)(1)</b>									<b>225.72</b>

**2. Other Non Executive Directors**

	Particulars of Remuneration	Name of Director						Total Amount ₹ Lakhs
		Mr Terver	Mr Fontana	Mr Lynam	Mr Sharma	Mr Hugentobler - Director retired during the year	Mr Narula - Director retired during the year	
	- Fee for attending Board / Committee Meetings	8.70	0.90	1.70	1.90	1.00	3.50	17.70
	- Commission	28.00	16.00	16.00	14.42	2.84	15.73	92.99
	- Others, please specify	-	-	-	-	-	-	-
	<b>Total (B)(2)</b>							<b>110.69</b>
	<b>Total (B)= (B)(1)+ (B)(2)</b>							<b>336.41</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars 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	175.20	115.83	291.03
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	11.09	-	11.09
	(c) Profit in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5.	Others, please specify - Retirals	15.53	6.21	21.74
	<b>Total (C)</b>	<b>201.82</b>	<b>122.04</b>	<b>323.86</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					