

Management Discussion and Analysis

ECONOMIC SCENARIO AND OUTLOOK

The Indian economy contracted by 6.6% during Fiscal Year 2020-21 (FY21), but witnessed steady recovery despite the COVID-19 related uncertainties. There were expectations of a strong double-digit recovery. But an intense second wave of COVID-19 pandemic, which resulted in localised lockdowns, derailed this growth and dampened consumer sentiment. The successful rollout of the world's largest vaccination drive, pick-up in government expenditure and better preparedness compared with the first wave limited the negative economic impact. The overall Consumer Price Index (CPI) inflation was at 6.0% in January 2022, and could remain elevated in the near future due to high input cost pressures, largely stemming from supply chain disruptions and upward pressure on crude oil. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) maintained its accommodative stance, retaining the repo rate at 4% and indicating that policy support to economic growth remains a priority. The Union Government plans to boost capital expenditure, with government spending taking the lead and attracting private investments in turn, but without derailing the fiscal deficit 'glide path' to 4.5% by FY26. The country's Gross Domestic Product ('GDP') is expected to rebound by 8.9% in FY22 based on current government estimates. For FY23 real GDP growth is expected to be near 8.0% and fiscal deficit is projected to be at 6.4% of GDP, lower than the fiscal deficit of 6.9% of GDP for FY22.

Cement industry: outlook and opportunities

India is among the top cement producers in the world, with an estimated cumulative installed capacity of 551 Million Tonnes per annum ('MTPA') in 2021. It is also the second largest consumer of cement, though per capita cement consumption remains below the global average, leaving significant headroom for growth. Cement demand grew by 11-13% YoY in CY 2021, following an 8.6% contraction the year earlier. The demand growth was especially strong in the first three (3) quarters of 2021, but heavy unseasonal rain and shortage of sand in some regions had a negative impact in the last three (3) months of the year. Continuing demand for affordable housing in rural areas, pent-up demand in the urban builder segment, and government infrastructure spending remained the major drivers for cement consumption. Demand from the industrial and commercial segments was relatively more tempered.

In CY 2022, cement demand is estimated to grow above 7.0% YoY, with the structural growth drivers like housing and infrastructure development gathering momentum. The Union Government reiterated its thrust on affordable housing and public investments in core infrastructure sectors, which bodes well for cement demand. The Union Budget 2022-23 has set a target of completing the construction of 8 Million houses under



Pradhan Mantri Awas Yojana and 25,000 km of highways and roads during FY23. Special focus has been given to multi-modal logistics and development of cargo terminals, with infrastructure status being accorded to data centres and energy storage systems.

7%

Estimated growth in cement demand in CY 2022 (YoY)

Sales volume

In 2021, the Company's cement sales increased by ~13% to 28.89 Million Tonnes (MT) from 25.53 MT in 2020. The industry registered a growth of 11-13% on the back of strong market recovery in the first half of FY22, but lower secondary demand in the second half resulted in de-growth.

The individual home builders and ground plus three-storey (G+3) buildings in the retail segment continue to be ACC's largest customer segment both in terms of volume and profitability. The demand from these sectors is expected to accelerate on the back of growing urbanisation and rural empowerment.

Significant changes in key financial ratios (Standalone)

Ratios	2021	2020	Change	Change %
Debtors Turnover (Days)	11	15	(4)	26*
Inventory Turnover (Days)	29	31	(2)	7
Interest Coverage Ratio	-	-	-	-
Current Ratio (Times)	0.92	1.00	(0.08)	8
Debt Equity Ratio	-	-	-	-
Operating EBITDA Margin (%)	19	17	2	9
Net Profit Margin (%)	12	10	2	10
Return on Net Worth (%)	13	11	2	14
Net Worth (₹ Crore)	14,228.43	12,661.44	1,566.99	12

* Debtors Turnover days has decreased due to better collection and strict credit norms.

Market development

ACC pioneered cement production in the country and remains India's foremost cement producer, playing a definitive role in the country's growth trajectory while retaining a loyal customer base. It also has a strong pan-India channel network that includes ~13,000 dealers and ~56,000 retailers/sub-dealers, who help the Company cater to the country's need for quality cement and building materials. This strong network has driven ~79% of cement sales in the retail segment in CY 2021.

Strong distribution network

The Sales and Marketing teams of the Company have garnered deep understanding of customers' changing preferences and



requirements, enabling ACC to maximise capacity utilisation through better product mix and driving efficiency in the supply chain by reinvigorating the dealer network.

The Company believes in responsible growth and as part of its sustainability strategy, it has been reducing the contribution of Ordinary Portland Cement (OPC) to the product portfolio. At the same time, it has been taking measures such as appointment of new channel partners and enhancement of wallet share per counter to manage the dealer channel effectively as part of its growth strategy in key markets. It has also managed to retain a strong connect with retail customers who are served by the dealer channel.

Gold Water Shield (Water Repellent Cement)

ACC's water-repellent 'Gold Water Shield' cement, which was launched in 2013 continues to be the market leader in the premium cement category, registering healthy growth. The water-repellent property of the product results from minutely controlled process changes under a sustainable environment, with adjustments in the raw material dosage. Blended cement products of the Company have also earned certification from CII-GreenPro and Solar Impulse.

Beyond cement and ready-mix concrete

ACC has diversified across cement and concrete, and has created new building material categories such as construction chemicals, dry mix products and admixtures for ready-mix concrete solutions. The Company has focused more on developing and promoting green and sustainable products, which lower the carbon footprint of overall construction. ACC ECOPact, JETSETCRETE and Ultivacrete were launched under the Company's RMX vertical. The Solutions &

Products vertical witnessed launch of Leak Block 101 Water Proofing Plaster, whereas in the dry mix range, the Company introduced Premium White Adhesive, Self-curing Plaster, Grout and Fibre reinforced mortar. Distribution of construction chemicals, cement coat and dry mix range has also steadily expanded across all regions.

Green Building Centres

Green Building Centre ('GBC') is another unique triple bottom line initiative of ACC. It currently has more than 150 partners across the nation, who support the Company's business outcomes as well as its sustainable development goals. This business has attracted more than ₹1,200 Crore investment from the partners.

During 2021, the Company assisted in setting up 40 new GBCs, bringing the total number of GBCs to 150 by the end of December 2021. Together, the GBCs have helped in the utilisation of 88,058 tonnes of fly ash, conservation of 1,90,792 tonnes of the Earth's natural topsoil and avoidance of 13,429 MT of CO₂ emissions during the year. This initiative also facilitated construction of 33,338 low-cost houses. In 2021, the total number of direct beneficiaries at GBCs were ~2,800.

The Company effected a change in its strategy during 2021 to promote greater productivity and establish new business lines. It appointed bigger partners over a larger geography. All the parameters of business and sustainability can be expected to be benefited by this recalibration. The changed strategy resulted in an increase in the number of houses from 31,477 in 2020 to 33,338 in 2021.

In the next couple of years, the replication of GBCs and the returns are expected to play an important role for the Company and its partners.

₹1,200 Crore

Investment from ACC's 150 partners in the Green Building Centre initiative

RELATIONSHIP MANAGEMENT

ACC regularly engages with its stakeholders and provides them necessary information on launches and other important business decisions that add value to their business through its newsletter like ACC Sambandh. ACC Sambandh, published in six (6) regional languages, celebrates the excellence of the Company's pan-India channel partners. Bandhan, a contractor newsletter, is published in ten (10) regional languages and focuses on engaging with the contractor community through inspiring stories, construction tips and so on. The Indian Concrete Journal (ICJ), a monthly publication since 1927, gives its readers in the academia and industry relevant information on the construction sector and its future prospects.

The Company has been using digital technology to connect with its consumers and focusing on increasing this engagement while scaling up brand visibility on digital platforms by creating attractive content and disseminating information relevant to its customers. Extending the brand promise, the 'Kamaal Ki Kahani' series celebrates the success of exceptional contractors. 'Kamaal Ki Baat' is another series that provides snippets of information on innovation and the expertise of engineers and architects. Through the 'ACC Knowledge series' webinars, experts share details and insights into various aspects of construction. The ACChelp website simplifies technical aspects related to different stages of the construction process that independent home builders need to know. In addition, a strong social media presence and efficient



digital marketing have helped the Company gain more visibility for the mother brand and for its various products.

The Company has been enhancing the experience of its business partners and customers through various mobile applications. The Dealer Connect App helps engage channel partners, enabling them to place orders and track ledger accounts. The Atoot Bandhan App manages contractor loyalty, and the Concrete Club App acts as a platform connecting construction professionals such as architects and engineers.

The Company offered virtual site services *via* 'Connect to build' during the lockdown which helped it to remain connected with its channel partners, home builders and influencers. Dealer engagement has been stepped up through a bi-monthly newsletter, ACC Sambandh, which empowers dealers by providing them key corporate and regional information, insights into the Company's affairs, new launches, latest innovations and marketing campaigns, as well as customer service initiatives.

INNOVATION

ACC has created an enduring position for itself through its category-first innovations, and retains its lead in creating sustainable, innovative, and differentiated solutions in order to realise its vision of becoming a 'Building Materials Company'. What has made this possible is the R&D framework and knowledge sharing by Holcim Innovation Centre, together with the expertise of the India Innovation Centre. The impetus towards new ideas, leading to new prototypes has received a boost from the Company's partnership with leading B-schools, design schools and engineering colleges, and tie-ups with start-ups. ACC's innovation backbone has reaped significant benefits for the Company and helped it achieve cost efficiencies in the areas of energy, raw materials sourcing, logistics, customer excellence and manpower optimisation, leading to significant improvement in productivity.

Digital technology and digitalisation are inseparably connected to this innovation drive. The Company has been using digital technologies across a wide swathe of operations, from improving operational efficiencies to driving strategic data-driven decision-making. The 'Plants of Tomorrow' initiative showcases the Company's focus on digitalisation in manufacturing, whereby data from all key assets at the plants are recorded by technical information systems record every minute. Industrial Internet of Things (IIoT) is also being implemented by the Company, which is also using Artificial Intelligence/ Machine Learning (AI/ML) to gauge cement strength and quality. For better logistics management, the Company has launched an integrated planning tool that enables demand consolidation, constraint-based supply plan and network optimisation. The Transport Analytics

Center (TAC) has led to significant savings through route and lead correction. Initiatives such as Blue Yonder, e-Proof of Delivery, fleet management, e-tenders, supplier platform, reverse auction tools, dealer connect, concrete direct and sales force automation are other areas in logistics, sales and operational planning which aid in cost and time savings by leveraging technology.

Technology knowhow (TKH) of Holcim, the parent company, has enabled the Company to access best-in-class testing processes at its labs and implement new ideas to prepare specially formulated application-oriented novel cement products. The knowledge sharing has also made possible the introduction of global brands like ECOPact – the Green Concrete to the Indian market.

Cement Business – Performance

Particulars	2021	2020	Change %
Production (MT)	26.92	23.77	13
Sales Volume (MT)	28.89	25.53	13
Net Sale Value* (₹ Crore)	14,772.36	12,658.17	17
Operating EBITDA (₹ Crore)	2,902.96	2,292.07	27
Operating EBITDA Margin (%)	19.65	18.11	1.54 PP

* Includes sales to RMX



ECOPact – the Green Concrete

A global brand of Holcim Group, introduced by ACC in the Indian market

COSTS – CEMENT BUSINESS

During 2021, various cost management strategies were followed by the Company.

• Cost of materials consumed

In 2021, the raw materials cost for the Company was higher by 12% per tonne of cement *vis-à-vis* 2020. Landed cost of slag was higher by 28% and that of fly ash was higher by 7%. However, for gypsum, the landed cost was lower by 4% compared to that of Previous Year ('PY').

3%

Increase in usage of conditioned fly ash/ wet fly ash in 2021 vs PY

• Power and fuel

The cost of power and fuel increased by 31% in 2021 *vis-à-vis* that in previous year driven by external market dynamics. Kiln fuel cost increased by 40% although the Captive Power Plant (CPP) fuel cost remained the same as in 2020. During the reporting period, the Company made consistent efforts to reduce the cost of power and fuel by using both domestic and international coal and petcoke, as also Alternative Fuel and Raw Materials (AFR).

One of the key reasons for the Company's success in reducing energy cost per tonne of cement was the ability to make full utilisation of available assets. ACC is also optimising power mix and enhancing the utilisation of renewable power including solar, wind and hydro power.

ACC continues to use power produced by its onsite and offsite solar plants in Chhattisgarh, Uttar Pradesh and Karnataka, aggregating to more than 51.85 MWp solar power and 19 MW wind power. Another 30 MWp offsite solar project in Chhattisgarh has been commissioned and is expected to begin production by early 2022. In addition, the Company's plants at Thondebhavi and Kudithini in Karnataka sourced more than 60% of their power requirement from renewable sources (solar and wind).

The short-term sourcing of wind and hydro power from Karnataka and Himachal Pradesh helped the Company reduce its power cost during the pandemic. ACC as part of its commitment to the Net Zero Pledge is in the process of adding 38.7 MW of additional Waste Heat Recovery System ('WHRS') to its existing WHRS capacity of 7.5 MW. By 2022, the total WHRS capacity would be 46.2 MW. We will continue our journey to add renewable and green energy in our portfolio as part of Net Zero Commitment.

46.2 MW

WHRS capacity by 2022

6.5%

Green Power (Renewable + WHRS) contribution in total power consumption during 2021

• Freight and forwarding expenses

Various cost improvement measures were undertaken in 2021 to combat disruptions caused by the COVID-19 pandemic and rising fuel prices. The Company managed to keep the freight and forwarding expenses flat despite significant increase of ~25% on diesel prices. Rigorous initiatives to improve efficiency, reduction of wasteful expenditure, improved direct dispatches, optimisation of the warehouse network and higher Master Supply Agreement volumes were some of the measures that helped achieve this. With the efficient use of technology and network optimisation tools, the Company hopes to integrate its supply chain and retain its competitive edge.



MASTER SUPPLY AGREEMENT ('MSA')

The Company has an MSA with the Holding Company, Ambuja Cements Limited ('Ambuja'). The MSA was approved by the shareholders of the Company in the year 2018 for a period of three (3) years. Considering the benefits of the MSA, the same was renewed in 2021 for a further period of three (3) years.

During the year, the Company produced and sold 8.58 Lakh Tonnes to Ambuja on account of the MSA, which has helped in terms of increase in volume and profitability. It has also helped the Company in (i) achieving synergies and economies of scale; (ii) bring efficiency in operational and logistics costs; (iii) strengthen sustainability in terms of use of fuel and other resources, and conserve natural resources. The Company will continue to explore the MSA arrangement with Ambuja for higher revenues and profitability.

Considering the regulatory changes brought by SEBI in the Listing Regulations, the Company will be approaching shareholders at the ensuing Annual General Meeting for approval of the the MSA and other Related Party Transactions ('RPTs') with Ambuja, as the value of all such RPTs is likely to exceed ₹1,000 Crore.

CAPACITY EXPANSION

Capacity augmentation projects and capex initiatives are integral to the Company's growth agenda.

The capex projects undertaken earlier in the Central and Eastern regions are progressing well and on track for timely completion. The Company ensures that it has reasonable capacity to cater to this rising demand scenarios in the Central and Eastern regions.

In this regard, the Company has undertaken to increase clinker capacity by 2.7 MTPA and cement capacity by 4.8 MTPA, which are as follows:

Ongoing projects

- Greenfield integrated cement plant at Ametha, Madhya Pradesh with a clinker capacity of 2.7 MTPA and a cement capacity of 1 MTPA PPC is expected to be commissioned by Q2 of 2022;
- Expansion of existing grinding unit at Tikaria, Uttar Pradesh, with a 1.6 MTPA PPC cement;
- Greenfield cement plant at Salai Banwa (Grinding Unit) with a cement capacity of 2.2 MTPA is on track.

READY-MIX CONCRETE ('RMX') BUSINESS

Organisational versatility helps adjust to new normal

CY 2021 started with the belief that the worst of the pandemic was over, but the Delta variant left a larger population infected than the first wave. After witnessing a few green shoots in Q1 of Financial Year 2021, the RMX business also was hit hard by the second wave in Q2. The RMX business remained muted in Q3 as well, due to abnormally heavy and extended monsoon. It was not before Q4 that the RMX business started witnessing some improvement in demand.

The Company's overall focus on 'Health, Cost and Cash', and organisational versatility, helped the RMX business adjust to the new normal. Strategies were reframed for the RMX business to bring it back on track. As a result, the RMX business ended the year on a positive note, which is evident from the results. The Company also managed to overcome and address the challenging potential bad debts which the RMX business witnessed in the Financial Year 2020.

RMX Business - Performance

Particulars	Unit	2021	2020	Change %
Ready Mix Concrete Sales Volume	Lakh m ³	28.09	22.70	23.73
Net Sale Value	₹ Crore	1,241.66	955.42	29.96
Operating EBITDA	₹ Crore	97.44	60.08	62.18
Op. EBITDA Margin	%	7.85	6.29	1.56 PP

Value-added solutions

ACC's RMX business continued to work for niche products and created varied construction products and solutions.

Value-added solutions, which make up 27% of the total RMX sales, play an important role in the RMX business, leading to more customer-focused, solution-driven sales. The year saw a 4% YoY increase in sales of value-added solutions. The Company successfully launched ECOPact – The Green Concrete during 2021. ACC's R&D team continues to work on various new initiatives and products.

27%

Contribution of value-added solutions to the total RMX sales

Green products

ECOPact – The Green Concrete is a low CO₂ concrete with a minimum 30% reduction in embodied carbon. The product is designed for sustainable construction needs and makes possible 30-100% CO₂ reduction, which takes ACC a step ahead in its commitment to protect the environment and ensure intergenerational fairness when it comes to the environment. A GreenPro certified product, ECOPact has earned green points from Indian Green Building Council (IGBC).

ECOPact sales now make up 8% of the total RMX sales. The product was launched in Mumbai in January 2021 and rolled out across India by March 2021. The Company is focusing on capability building of the sales force, value communication for customers along with partnering nodal agencies and consultants, to scale up sales.

ACC RMX has both Environmental Product Declaration (EPD) and GreenPro certification. As on date, ACC RMX offers eight (8) products, which have also been certified as eco-labelled/green products. The RMX team is now diligently working on developing carbon-neutral concrete and Ultra High Performance Concrete (UHPC).

ACC has a nationwide network of 78 state-of-the-art RMX plants. For the past 29 years, the RMX business of the Company has shaped the country's construction sector while producing innovative products, enhancing service standards and delivering value to customers.

DISCUSSIONS ON FINANCIAL PERFORMANCE VIS-À-VIS OPERATIONAL PERFORMANCE

For details on financial performance vis-à-vis operational performance.

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INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

For details on internal control systems and their adequacy Board's Report [pg 111](#)



SUSTAINABLE DEVELOPMENT

Ever since ACC revisited its sustainability strategy and restated its targets for each pillar in 2019, it has made significant progress across each pillar. Although COVID-19 pandemic has impacted the Company's overall operations, it performed well in most of the pillars, the details of which are given below

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A. Climate and energy

CY 2021 has been a significant year for ACC for its climate related progress and efforts. The Company has reduced its specific carbon emissions to 488 kg/T of cementitious materials in comparison to 493 kg/T in 2020. Some of the levers affecting the CO₂ emissions, such as clinker factor and Thermal Substitution Rate ('TSR') have improved over the last year, resulting in reduced carbon footprint in 2021.

- **Clinker factor**

The Company has been reducing its average clinker factor across the entire range of its product portfolio. In 2021, ACC increased the contribution of its blended cements from 90.3% to 91.2% to the portfolio. These initiatives helped it significantly reduce the average clinker factor by 1.42%.

- **Thermal energy**

ACC continued its efforts to reduce thermal energy intensity. The thermal energy intensity during 2021 was retained at the same level as in 2020, i.e. 743kCal/kg clinker.

The Company will continue these efforts as they form an integral part of its efforts at carbon emissions reduction.

- **Green energy and power generation through waste heat recovery system**

In 2021, ACC's captive wind farms in Maharashtra, Tamil Nadu and Rajasthan together generated almost 31.55 Million units of renewable energy. Solar PhotoVoltaic plants at Jamul Cement Works, Chhattisgarh and at Kymore mines have generated 7.53 Million units in 2021. Additionally, Power Purchase Agreements and open access formed avenues through which renewable power of 66.26 Million units was sourced and consumed by the Company.

A total of 102 Million units of green energy were consumed in 2021, which is higher than last year's consumption; 43 Million units of power were consumed from the WHRS installed at Gagal Cement Works during the year. ACC's WHRS projects at two (2) plants in Jamul (Chhattisgarh) and Kymore (Madhya Pradesh) are in an advanced stage and slated to be completed in 2022.

- **Alternative fuels and raw materials**

Given its multiple benefits, co-processing of waste in cement manufacturing is gaining momentum in India. This makes it possible to conserve fossil fuel and raw materials and reduce the carbon footprint while saving public funds which would otherwise have been spent on waste disposal through landfilling

and incineration. This is also socially beneficial as it generates employment and curtails the spread of diseases caused by failure to adequately manage municipal solid waste. ACC has set up two (2) pre-processing facilities and enhanced co-processing at seven (7) plants in order to promote the efficient disposal of hazardous and non-hazardous waste, the use of municipal solid waste as Refuse Derived Fuel (RDF) and biomass (non-cattle feed) in its kilns, wherever this is legally permitted.

Geocycle, its waste management arm, helps ACC contribute to safe waste management solutions in industries and municipalities and increase the utilisation of alternative fuels in cement kilns. The Company has been building up stakeholders' awareness on these issues through its advocacy in appropriate forums. With consumption of alternative fuels of 284551 tonnes, recording growth of 19% YoY, the Company has achieved TSR of 7.25% in 2021 compared to 6.93% in 2020.

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7.25%

TSR in 2021, compared to 6.9% in 2020

B. Circular economy

ACC adopts and promotes the circular economy concept by utilising various types of waste from other industries, termed Waste Derived Resources ('WDR'), into the cement manufacturing process. The Company has been using waste materials from power and steel industries, such as fly ash and slag, as replacement for clinker in the cement, and making possible co-processing of waste as part of its efforts to promote a circular economy. During 2021, ACC consumed 6.71 MT of fly ash, 2.96 MT of slag, 0.91 MT of synthetic gypsum including Phosphogypsum, and 0.51 MT of alternative fuels and raw materials in cement manufacturing. Additionally, 0.27 MT of WDR, including fly ash and slag, were consumed in cement production. The total WDR consumption of the Company in 2021 was 11.36 MT.

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11.36 MT

Waste Derived Resources consumption in 2021

C. Environment

Several measures were undertaken during the year to promote water conservation and harvesting. These included close monitoring of water consumption and withdrawal, augmenting of water harvesting structures in communities, and optimisation of processes. Specific

freshwater consumption in cement operations has reduced from 78 litres/tonne of cementitious material to 74 in 2021. ACC also reduced its specific water consumption by 136 litres/tonne of cementitious material in 2021 as compared to 151 litres/tonne of cementitious material in 2020. Contribution of harvested water used in ACC's cement operation was 45.5% of its total water consumption.

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Biodiversity

During the year, ACC continued with its measures towards nature conservation and biodiversity preservation. Efforts to conserve specific flora and fauna formed part of the 'B-Buzz' project. Additionally, in 2021, the Company planted ~1 Lakh trees at its various plants and mining locations. Apart from this, plantations were set up at many plant locations and colonies.

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Emissions

Emissions are an inherent part of cement production. Aware of its responsibility to limit carbon emissions, the Company makes it mandatory for all its sites to measure and manage air emissions as much as possible. During the year, ACC worked towards improving its emissions and the surrounding environment. Brief details of these initiatives are given below:

• Dust emission control

During the year, maintenance activities were conducted through in-house and third-party teams for upgradation of Electrostatic Precipitators (ESP), replacement of damaged bags and so on. The measures together resulted in reduced stack dust emissions in cement plants at <30mg/Nm³.

• NOx emission control

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

• SOx emission control

Given that ACC's emissions are within limits prescribed by the pollution control authorities, the Company is not required to undertake major emission control measures with regard to SOx emissions. It is mandatory for cement plants to report on a real time basis ambient air quality, effluents and process emission on the websites of regulatory authorities, and ACC complies with this requirement. It monitors its plants' stack emissions (dust, NOx and SOx) through the Technical Information System (TIS) that has been commissioned at most of its plants. This provides information on process and emission parameters to senior management at the plant and the corporate office.

D. People and communities

Aspects related to this pillar are covered in the following section:

Corporate Social Responsibility initiatives

ACC conducts its social development interventions through the ACC TRUST. The usual community development programmes were continued with vigour during the year, which also saw a widening of the scope of these projects. This year, special focus was given to sustainable livelihood, malnutrition mitigation, water conservation and combating the COVID-19 pandemic situation along with initiatives on the regular CSR thematic areas of Sustainable Livelihood, Quality of Education and WASH (Water, Sanitation and Health-Hygiene). These programmes are in accordance with Schedule VII of the Companies Act, 2013 and in alignment with United Nations Sustainable Development Goals.

ACC's total CSR expenditure during the year was ₹35.95 Crore. This was 2.03% of the average net profit of the last three (3) years. Community development projects benefitted over 5 Lakh people in more than 150 villages and nine (9) municipal areas across the country. The sustainable livelihood (DISHA) initiative benefitted more than 44,000 lives, including youth, women and farmers.

ACC's agriculture related initiatives have helped 5,470 farmers to reduce input costs and increase agricultural production. ~1,643 youths were provided skill enhancement training and made employable. Women Self-help Groups ('SHGs') were created, which provided continued guidance and bank linkages. ~16,000 women have been associated with 1,529 SHGs and 4,497 SHG members were provided microenterprise development training during the year.

Education initiatives around the Company's plants reached ~25,000 students during 2021. Digital education, smart classes and interactive kiosks, learning aided the students to learn in a better way. More than 1,200 Vidyasarathi scholarships were provided to students for higher education.

ACC supports seven (7) government-run Industrial Training Institutes (ITIs) under the public-private partnership scheme with the Government of India.

WASH initiatives addressed community requirements for safe drinking water and better health through malnutrition eradication, health camps and waste management in collaboration with municipal bodies. 57 water conservation structures were created in villages across plant locations to conserve water and ensure its availability during lean periods for irrigation and drinking. The Company also helped recharge defunct borewells, dry wells and in-situ moisture conservation, which increases farm yields.

ACC's initiatives to eradicate malnutrition helped more than 20,000 children, and provided them access to better health and nutrition through 330 Anganwadi centres supported by the Company. General and special health camps benefited about 10,000 community members. Through the ART Centre, the Company provided valuable support to more than 900 patients through OPD counselling, testing and treatment for HIV/ AIDS; ~1,000 truck drivers benefited through the health screening programme.

₹35.95 Crore

CSR expenditure in 2021

5 Lakh+

Lives touched



COVID efforts

During the second wave of the COVID-19 pandemic, the Company, along with the district administration of the plant locations, reached out to more than 4 Lakh people. By mobilising oxygen cylinders and concentrators, medical oxygen was immediately provided to those in need in hospitals. The Company established eight (8) medical oxygen generation plants especially for COVID-19 patients. Ambulance services were arranged by the Company to take patients to hospital and isolation centres were established at plant locations for community members. Dry ration and cooked food were distributed to those in need in the neighbouring areas. ACC TRUST, through its empowered SHGs, manufactured and distributed over 3 Lakh masks to underprivileged populations. Regular disinfection and sanitisation drives were carried out within host communities. Mass scale awareness drives were conducted on the usage of masks, social distancing and hand washing. Frontline health workers were provided hand gloves, sanitisers and N95 masks to enable them to serve without fear.

3 Lakh

Masks manufactured and distributed to underprivileged population

HEALTH AND SAFETY ('H&S')

A new programme termed 'Critical Control Management' has been launched to focus on the eight Priority Unwanted Events ('PUEs') which cause maximum number of incidents in the cement business across the Holcim Group. The programme has laid down 35 'controls' under 8 PUEs, the implementation of which will help reduce incidents across the operations.

Boots on Ground ('BOG') is one of the most sustainable initiatives at ACC. In 2021, this initiative remained intrinsic to the Company's H&S governance and assurance system, which has reinforced the focus on the ground level and leadership engagement with frontline workers. Moreover, engagement on the shop floor has increased, which has increased the confidence of ground staff. Line Managers are spending more time on the field, which has helped the Company improve the Field Level Risk Assessment (FLRA), resulting in safe completion of jobs. The BOG hours have improved from 7,87,233 hours in 2020 to 10,91,145 hours in 2021.

19%

Reduction in LTIFR* in 2021

* LTIFR – Loss Time Injury Frequency Rate

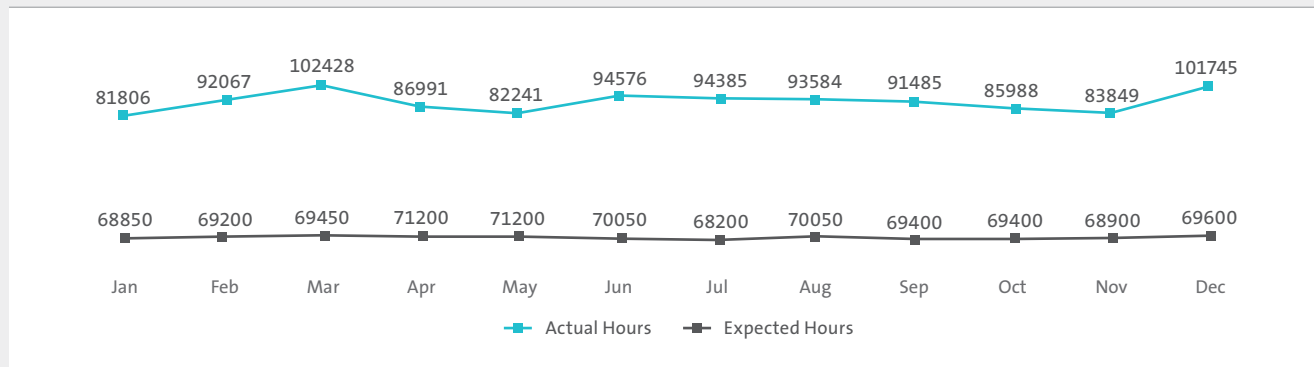


H&S Performance of ACC

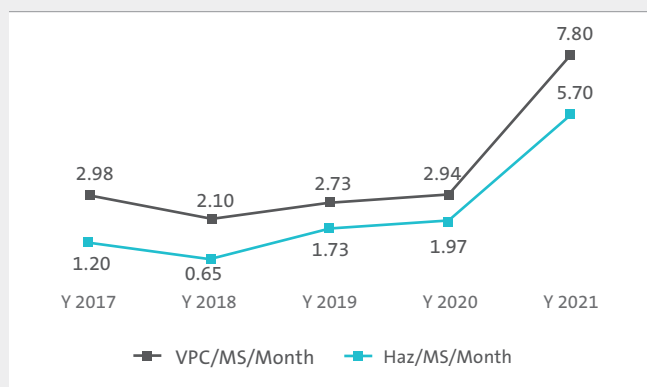
There has been substantial increase in Leading Indicators (BOG, Visible Personnel Commitment ('VPC'), Hazards and Near miss Reporting) in 2021. The details are as follows:

Leading indicators

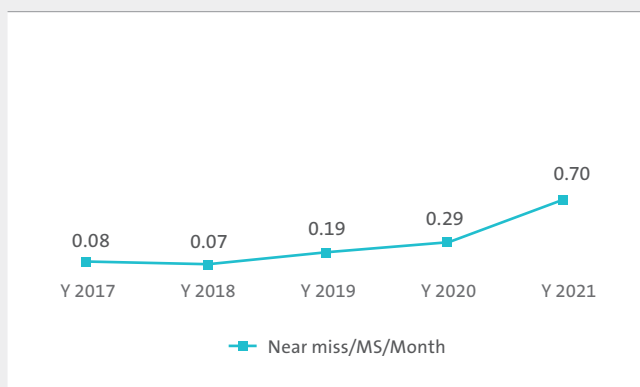
BOG hours



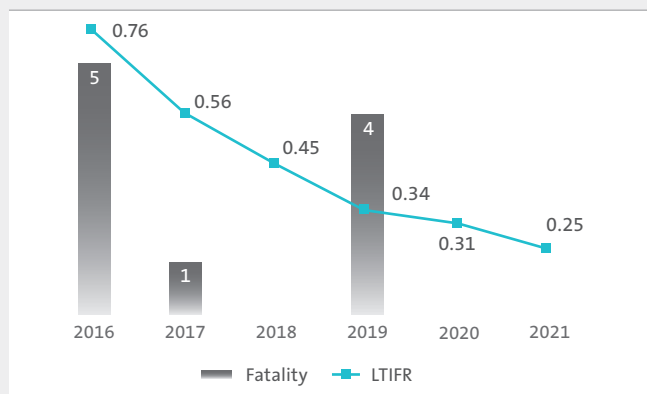
VPC & Hazards



Near Miss Reporting



Lagging indicators (Last six (6) years trend)



Health, Safety & Environment Improvement Plan ('HSEIP') 2021

The plan was developed at the beginning of the year through a focused group discussion to identify key actions for the year. The plan contains six (6) H&S objectives with clear ownership of the top management. Each objective of HSEIP is developed to build on improvements in the areas of H&S Leadership, Health Management, Fatality Elimination Control, Critical Control Management, Logistics & Supply Chain Safety and Environment. The team has worked relentlessly for effective implementation of actions under each objective despite the difficulties created by the pandemic.

- 123+ Million safe Man-hours spent without major accident (fatality free)
- 13+ Million safe man hours spent on 7 projects
- 19% reduction in LTIFR from 2020
- 38% reduction in TIFR from 2020

Critical Control Management ('CCM') programme

This CCM programme was launched to address the eight critical elements called PUEs in our operations, which were determined based on last five (5) years' data. Under CCM, ACC organised customised training for PUE owners, safety professionals and department heads at plants. This was followed by each plant conducting a detailed gap assessment for all PUEs leading to action plans to address the gaps. Internal audit for all the critical controls and 'Mission Focus', a virtual verification of critical operations, checked the effectiveness of controls at the sites in addition to providing a way sharing good practices across plants.



H&S Audit

The pandemic impacted the usual H&S audit undertaken by the Company. There were two (2) five-day long virtual group audits at Lakheri and Thondebhavi, along with one (1) two-day Group Verification audit at Bargarh. Five (5) internal audits were conducted in 2021, two (2) cross OpCo audits were conducted virtually and three (3) intra-plant audits were done physically after June 2021.

In July 2021, based on physical site visits and audits, safety gaps were found in LOTOTO and project sites. Hence dedicated audits were conducted on LOTOTO for all plants in August 2021 and at all seven (7) project sites between September-October, 2021.

Overall, audit compliance at the end of 2021 was 96%. Owing to the COVID-19 pandemic, the 2021 audit programme was restructured with five (5) man-days of remote audit with the audit team members and auditees around the globe with reduced scope of audit covering 15 Group standards. Audit was conducted with the use of digital technology such as

Google Meet/ Zoom meeting for interviews together with camera phones and headset for remote 'visits'.

Field Level Risk Assessment ('FLRA') certification programme

Our learnings from safety incidents in 2020 led to the launch of FLRA programme to address the issues to inadequate incident investigation and risk assessment. The program is based on 'Train the Trainer' model and was conducted in collaboration with our in-house learning team ACC-Ambuja Learning Academy (AALA). About 130 functional heads from across plants were trained and 47 were certified as FLRA champion, who have in turn trained 879 participants across ACC.

Process Safety Management ('PSM') programme

During the year, we stepped up the implementation of PSM programme, which identifies safety gaps in dealing with coal shop and conventional fuels, mining operation, hot metal handling, electrical safety and structural integrity including design, safety and construction quality. As a result, our safety compliance has improved from 89% in 2020 to 94% in 2021.

Global HSE Days

Global HSE Days were celebrated across ACC from September 27, 2021 to October 9, 2021. This is for the first time that environment became a part of the Global HSE Days, an event launched by the Company's senior management this year with a webcast for all employees. The period saw strong mobilisation of the Company's stakeholders to help ACC achieve its Ambition Zero. This year's theme was 'Find It and Fix It'. Finding and fixing a hazard is the best way to improve the Company's workplace safety. Various activities were conducted across ACC along the sub-theme, 'Back to Basics', which involved the Company's top priorities such as shop floor engagement and critical controls. The management, drivers, contractors and suppliers participated in these activities. A 'Find It, Fix It' video competition was conducted and a recognition programme, 'You can make a difference', was conducted, wherein individuals or teams that had gone the extra mile in safety were felicitated.

War on Waste ('WoW')

In continuation of the BOG initiative and to supplement 'Parvat', the cost reduction programme, the War on Waste initiative was launched in January 2020. The initiative focused on inefficiency, redundancy and excess and called for strengthening of the zone ownership concept (my area, I maintain) by eliminating wastage and improving the work environment. Under this initiative, the Company developed Mission WoW, a virtual audit of zone/area developed/ maintained by each plant. The initiative drew attention to losses in terms of consumption of process water, prevention of cement bag burst age, and improvement in housekeeping of plants with timely identification and disposal of scraps.

Health

As part of its H&S function, the Company prioritises employee health, and the focus goes a long way in making ACC a much sought-after workplace. The Company has been running lifestyle management programmes for employees in Cement Manufacturing Units ('CMUs') and their families. Their health risk factors are monitored twice a month and appropriate guidance and treatment given. All employees in CMUs undergo periodical medical examination and their health data is reviewed. Regular awareness sessions on various aspects of health are undertaken and guidance on the prevention of seasonal diseases are given to employees and their families.

Road Safety

Recovering from pandemic in Q1 2021, ACC's Logistics Safety Journey registered steady progress over that made in 2020. Logistics safety at ACC has seen zero offsite fatality during the reporting period. This is a big achievement considering

10,000+ drivers are involved with ACC and drive safely with more than 80% safe km each month. Below are the achievements for the Financial Year 2021:

- 20% reduction in offsite critical incidents;
- 30% increase in % of km by In-vehicle Monitoring System (iVMS);
- 70% increase in % of km by approved drivers;
- % safe km at 80%;
- 100% iVMS installed based trucks in Galag;
- Mirror stations at each plant for physical awareness of vehicle blind-spots;
- 100% Dose-1 vaccination of controlled drivers in coordination with government bodies;
- Two In-cab Master Trainer programmes and 12 additional in-cab trainers added to a total of 21 to further improve % of km by approved drivers in 2022.

Health and Safety Cultural Survey 2021

Health and Safety Cultural Survey was conducted across all manufacturing units, RMX plants and project sites. A total 7,295 respondents took part in this survey across the Company (16% more participation as compared to 2020). A set of 18 questions were sent out for the survey. The responses were analysed under eight (8) major elements (subjective risk assessment, rule enforcement, addressing problems and hazards, work planning, supervisory oversight, resource management, operational process, values and commitment). The analysis revealed concern in the supervisory oversight element as compared to work planning and rule enforcement in 2020.

Trend (2018-2021): Health and Safety Perception Index

	2018		2020		2021
Values & Commitment	71	+16.9%	83	+7.2%	89
Operational Process	82	+9.8%	90	+5.6%	95
Resource Management	86	+2.3%	88	+8.0%	95
Supervisory Oversight	80	+7.5%	86	+5.8%	91
Work Planning	83	+1.2%	84	+6.0%	89
Addressing Problems & Hazards	73	+17.8%	86	+4.7%	90
Rule Enforcement	83	+1.2%	84	+8.3%	91
Subjective Risk Assessment	72	+15.3%	83	+12.0%	93

15 cement plants + 6 RMX regions

(Analysis of mean scores of the 8 elements)

HUMAN RESOURCES

ACC prides itself for being known as a caring organisation not only among its employees but also among communities with which it engages through its operations. All the actions of the Company's leadership aim at reinforcing a fair, transparent and inclusive culture. Leading with empathy is part of the Company's DNA, which is what helped the organisation navigate the pandemic effectively. Through the combined efforts of its employees, ACC continued to promote its business priorities while protecting the best interests of its people and communities.

Building resilience in the organisation

Immediately following the outbreak of the COVID-19 pandemic, ACC established its Business Resilience Teams ('BRTs') to prioritise the health and safety of its employees and stakeholders. ACC was able to navigate through the second wave of the pandemic by reenergising and reinvigorating the BRTs. The Company conducted regular BRT meetings at the central level to monitor the situation. Guidelines and SOPs issued for running safe business operations were established and adhered to. Travel of

employees was restricted and only need based. The Company continually leveraged IT platforms for communication. ACC enforced RTPCR testing at all its plant locations and project sites to act proactively. Each employee was mapped to a Company doctor and tracked on a daily basis, and support provided as and when required. Health centres were equipped with oxygen supply and oxygen regulators. The Company identified pockets and entered tie ups with hospitals to manage any emergency. Vaccination camps were set up at all locations and employees and families encouraged to go for vaccination, which helped the Company achieve close to 100% vaccination. BRTs aimed to provide continued focus on H&S measures through regular monitoring, feedback and training. The Company ensured employee well-being through its flagship programme, Sparsh, and reached out to employees and their families through virtual sessions.

Building a high-performance culture

The Company's approach towards performance management focuses on high-quality, regular conversations covering topics that matter to its people. A flexible framework based on employee-initiated dialogue is supported with tools to build capabilities. Both managers and employees put their contributions, strengths and development at the core of the conversation.

With its unique performance management approach, ACC supports a high-performance culture through which it mobilises its employees to reach their full potential and help the Company outperform competitors. Performance is the main driver for the Company's people decisions and its continued efforts at creating a culture of life-long learning.

Focused on learning and development

The Company is continually leveraging its digital ecosystem of learning and development to support its employees in their developmental journey. To strengthen succession at the mid-management level, the Succession Development Programme (SDP) was conducted for the Manufacturing and Sales teams. The Sales Leader Coaching Programme was started for Sales Leaders. Synergy building workshops are conducted for project teams. A Group level Emerging Career Leader Programme (ECLP) is conducted to build a pipeline of future leaders through a six-month virtual training conducted for select young employees. ACC has continued to leverage its digital learning platform Super Assisted Intelligent Learning (SAIL) to reach out to employees at all levels effectively. The Company continues to focus on multiple models of learning to accelerate the development journey of its employees.

Industrial relations

The Company believes in collaborative work and maintains harmonious and healthy industrial relations. ACC maintains

a cordial and harmonious relationship with its unions, with which the Company maintains regular communication and open, two-way dialogue. For all business decisions, the Company ensures buy-in from its unions and makes them ACC's trusted business partner.

Prevention of sexual harassment of women at the workplace

For details pertaining to the prevention of sexual harassment of women at workplace.

Board's Report [pg 110](#)

BUSINESS RISKS AND OPPORTUNITIES

Risk management

The Company's comprehensive Business Risk Management ('BRM') framework helps it identify risks and opportunities and monitor them. It ranks each risk based on two parameters: one, likelihood of the event and two, the impact it is expected to have on the Company's operations and performance to form a risk heat map. The risks that fall under the purview of 'high likelihood' and 'high impact' are identified as primary risks. The BRM also identifies emerging risks.

This structured process of identifying risks supports the Executive Committee in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into the Company's planning cycle, which is a rolling process to, *inter alia*, periodically review the movement of risks on the heat map and the effectiveness of the mitigation plan.

Risks and their Management [pg 56](#)

Board Risk Management Committee

The Risk Management Committee is a separate Committee of the Board constituted for overseeing risk management systems of the Company and for risk governance. The Committee has framed the Risk Management Policy of the Company that is approved by the Board. The Committee updates the Board from time to time on risk management and mitigation. The Board oversees the risk management and governance process by establishing internal controls and systems that are amongst the best in the industry and are in line with global standards. The Company's internal control framework comprehensively covers financial, operational, compliance and information technology areas and is aligned to the Company's Risk Management Policy. ACC's robust risk management processes are well embedded within the business and enable it not only to identify significant risks but also mitigate them in an effective manner.

Statement of Direct Economic Value Generated and Distributed

		₹ Crore
	2021	2020
WEALTH GENERATED		
Gross Income ¹	22,752	19,345
Total costs ²	(12,012)	(10,260)
	10,739	9,085
WEALTH DISTRIBUTION		
As remuneration including retirement benefits for Employees	834	839
Contribution to Government as taxes and other levies ³	7,042	6,364
As dividend to Shareholders	263	263
Community investments - CSR	36	32
Finance Costs	55	57
Retained with the Business	2,510	1,530

Notes:

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

Value Added Statement

	2021	2020	2019	2018	2017
Equity	14,228	12,661	11,521	10,528	9,365
Capital employed	14,228	12,661	11,521	10,528	9,365
Average Capital Employed	13,445	12,091	11,024	9,947	9,099
Value Added					
Net operating profit after taxes (NOPAT)	1,820	1,415	1,359	1,006*	915
Cost of Capital	1,612	1,287	1,425	1,344	1,106
Value added	208	128	(66)	(338)	(191)
NOPAT/ Average Capital employed (%)	13.54	11.70	12.33	10.11	10.06
Weighted Average Cost of Capital (%)	11.99	10.64	12.93	13.51	12.16
Value added/ Average Capital Employed (%)	1.55	1.06	(0.60)	(3.40)	(2.10)
Enterprise Value					
Market Capitalisation (As at December, 31)	41,609	30,377	27,147	28,320	33,021
Less: Cash and Cash Equivalents	7,247	5,735	4,383	2,837	2,527
EV (Enterprise Value)	34,362	24,642	22,764	25,483	30,494
EV/ Year End Capital Employed (Times)	2.42	1.95	1.98	2.42	3.26

* Net Operating profit is excluding tax provisions write-back.

Horizontal Analysis of Standalone Balance Sheet

Particulars	₹ Crore								
	2021	2021 Vs 20 (%)	2020	2020 Vs 19 (%)	2019	2019 Vs 18 (%)	2018	2018 Vs 17 (%)	2017
ASSETS									
Non-current assets									
Net Fixed assets (including CWIP)	7,809	10.39	7,074	(4.75)	7,427	(0.20)	7,442	(0.81)	7,503
Right of use assets	155	19.23	130	-	-	-	-	-	-
Non-current investments	193	(12.67)	221	(3.91)	230	-	230	-	230
Non-current – loans and other financial assets	919	18.58	775	3.89	746	53.50	486	(22.36)	626
Non-Current Tax Assets (Net)	1,002	6.36	942	9.92	857	27.34	673	128.14	295
Other non-current assets	595	(8.88)	653	63.66	399	(34.80)	612	(0.81)	617
	10,673	8.96	9,795	1.41	9,659	2.29	9,443	1.86	9,271
Current assets									
Inventories	1,273	41.44	900	(21.12)	1,141	(32.04)	1,679	19.59	1,404
Financial Assets									
Trade receivables	489	8.19	452	(28.03)	628	(27.65)	868	29.94	668
Cash and cash equivalents	7,247	26.36	5,735	30.85	4,383	54.49	2,837	12.27	2,527
Bank balances other than Cash and Cash Equivalents	157	0.64	156	0.65	155	(4.91)	163	(3.55)	169
Loans and other financial assets	268	(17.79)	326	7.95	302	(2.58)	310	520.00	50
Current Tax Assets (Net)	-	(100.00)	71	-	-	-	-	-	-
Other current assets and assets held for sale	812	17.51	691	(15.11)	814	12.28	725	(9.38)	800
	10,246	22.99	8,331	12.23	7,423	12.78	6,582	17.16	5,618
TOTAL	20,919	15.41	18,126	6.11	17,082	6.60	16,025	7.63	14,889
EQUITY AND LIABILITIES									
Equity									
Equity Share capital	188	-	188	-	188	-	188	-	188
Other Equity	14,040	12.56	12,473	10.06	11,333	9.60	10,340	12.67	9,177
	14,228	12.38	12,661	9.89	11,521	9.43	10,528	12.42	9,365
Liability									
Non-current liabilities									
Financial Liability									
Lease Liabilities	101	20.24	84	-	-	-	-	-	-
Provisions	214	-	214	(8.55)	234	68.35	139	(2.11)	142
Deferred tax liabilities (Net)	383	1.86	376	(41.43)	642	(3.17)	663	22.55	541
	698	3.56	674	(23.06)	876	9.23	802	17.42	683
Current liabilities									
Financial Liability									
Borrowings	-	-	-	-	-	-	-	(100.00)	59
Trade payables	1,899	34.13	1,416	(3.74)	1,471	(23.50)	1,923	6.18	1,811
Other financial liabilities	1,151	12.18	1,026	9.85	934	20.67	774	7.65	719
Other current liabilities	2,261	13.39	1,994	4.13	1,915	7.04	1,789	3.23	1,733
Provisions	16	-	16	(30.43)	23	(14.81)	27	(47.06)	51
Current Tax Liabilities (Net)	666	96.46	339	(0.88)	342	87.91	182	(61.11)	468
	5,993	25.09	4,791	2.26	4,685	(0.21)	4,695	(3.02)	4,841
TOTAL	20,919	15.41	18,126	6.11	17,082	6.60	16,025	7.63	14,889

Vertical Analysis of Standalone Balance Sheet

	₹ Crore									
Particulars	2021	(%)	2020	(%)	2019	(%)	2018	(%)	2017	(%)
ASSETS										
Non-current assets										
Net Fixed assets (including CWIP)	7,809	37.34	7,074	39.03	7,427	43.46	7,442	46.44	7,503	50.39
Right of use assets	155	0.74	130	0.72	-	-	-	-	-	-
Non-current investments	193	0.92	221	1.22	230	1.35	230	1.44	230	1.54
Non-current – loans and other financial assets	919	4.39	775	4.27	746	4.37	486	3.03	626	4.20
Non-Current Tax Assets (Net)	1,002	4.79	942	5.20	857	5.02	673	4.20	295	1.99
Other non-current assets	595	2.84	653	3.60	399	2.34	612	3.82	617	4.14
	10,673	51.02	9,795	54.04	9,659	56.54	9,443	58.93	9,271	62.26
Current assets										
Inventories	1,273	6.09	900	4.97	1,141	6.68	1,679	10.48	1,404	9.43
Financial Assets										
Trade receivables	489	2.34	452	2.49	628	3.68	868	5.42	668	4.49
Cash and cash equivalents	7,247	34.64	5,735	31.64	4,383	25.66	2,837	17.70	2,527	16.97
Bank balances other than Cash and Cash Equivalents	157	0.75	156	0.86	155	0.91	163	1.02	169	1.14
Loans and other financial assets	268	1.28	326	1.80	302	1.77	310	1.93	50	0.34
Current Tax Assets (Net)	-	-	71	0.39	-	-	-	-	-	-
Other current assets and assets held for sale	812	3.88	691	3.81	814	4.76	725	4.52	800	5.37
	10,246	48.98	8,331	45.96	7,423	43.46	6,582	41.07	5,618	37.74
TOTAL	20,919	100.00	18,126	100.00	17,082	100.00	16,025	100.00	14,889	100.00
EQUITY AND LIABILITIES										
Equity										
Equity Share capital	188	0.90	188	1.04	188	1.10	188	1.17	188	1.26
Other Equity	14,040	67.12	12,473	68.81	11,333	66.34	10,340	64.53	9,177	61.64
	14,228	68.02	12,661	69.85	11,521	67.44	10,528	65.70	9,365	62.90
Liability										
Non-current liabilities										
Financial Liability										
Lease Liabilities	101	0.48	84	0.46	-	-	-	-	-	-
Provisions	214	1.02	214	1.18	234	1.37	139	0.87	142	0.95
Deferred tax liabilities (Net)	383	1.83	376	2.07	642	3.76	663	4.13	541	3.64
	698	3.33	674	3.72	876	5.13	802	5.00	683	4.59
Current liabilities										
Financial Liabilities										
Borrowings	-	-	-	-	-	-	-	-	59	0.40
Trade payables	1,899	9.08	1,416	7.81	1,471	8.61	1,923	12.00	1,811	12.16
Other financial liabilities	1,151	5.50	1,026	5.66	934	5.47	774	4.83	719	4.83
Other current liabilities	2,261	10.81	1,994	11.00	1,915	11.22	1,789	11.16	1,733	11.64
Provisions	16	0.08	16	0.09	23	0.13	27	0.17	51	0.34
Current Tax Liabilities (Net)	666	3.18	339	1.87	342	2.00	182	1.14	468	3.14
	5,993	28.65	4,791	26.43	4,685	27.43	4,695	29.30	4,841	32.51
TOTAL	20,919	100.00	18,126	100.00	17,082	100.00	16,025	100.00	14,889	100.00

Horizontal Analysis of Statement of Profit and Loss

Particulars	₹ Crore								
	2021	2021 Vs 20 (%)	2020	2020 Vs 19 (%)	2019	2019 Vs 18 (%)	2018	2018 Vs 17 (%)	2017
Revenue from Operations	16,151	17.16	13,785	(11.95)	15,657	5.78	14,801	11.60	13,263
Other Income	205	0.49	204	(34.45)	311	123.89	139	5.30	132
Total Income	16,356	16.92	13,989	(12.39)	15,968	6.88	14,940	11.53	13,395
Cost of materials consumed	2,120	26.72	1,673	(25.91)	2,258	(4.72)	2,370	19.52	1,983
Purchase of traded goods	921	32.14	697	92.71	362	306.39	89	8,800.00	1
Changes in inventories	(174)	(222.54)	142	40.86	101	(180.65)	(125)	733.33	(15)
Employee benefits expense	834	(0.60)	839	(2.89)	864	(1.93)	881	7.57	819
Power and fuel	3,361	30.68	2,572	(17.86)	3,131	4.45	2,998	10.46	2,714
Freight and Forwarding expense	3,845	12.03	3,432	(15.26)	4,050	0.97	4,011	16.23	3,451
Finance costs	55	(3.51)	57	(33.89)	86	(3.12)	89	(12.75)	102
Depreciation and amortisation expense	597	(5.98)	635	5.31	603	0.49	600	(6.25)	640
Other expenses	2,244	7.99	2,078	(16.25)	2,481	(2.01)	2,532	5.41	2,402
Total expenses	13,803	13.84	12,125	(13.00)	13,936	3.65	13,445	11.14	12,097
Exceptional items	93	(47.16)	176	-	-	-	-	-	-
Profit before tax	2,460	45.73	1,688	(16.91)	2,031	35.88	1,495	15.18	1,298
Tax expenses	640	134.57	273	(59.43)	673	37.54	(12)	(103.13)	383
Profit for the year	1,820	28.61	1,415	4.14	1,359	(9.83)	1,507	64.70	915

Vertical Analysis of Statement of Profit and Loss

Particulars	₹ Crore									
	2021	%	2020	%	2019	%	2018	%	2017	(%)
Revenue from Operations	16,151	100.00	13,785	100.00	15,657	100.00	14,801	100.00	13,263	100.00
Other Income	205	1.27	204	1.48	311	1.99	139	0.94	132	1.00
Total Income	16,356	101.27	13,989	101.48	15,968	101.99	14,940	100.94	13,395	101.00
Cost of materials consumed	2,120	13.13	1,673	12.14	2,258	14.42	2,370	16.01	1,983	14.95
Purchase of traded goods	921	5.70	697	5.06	362	2.31	89.00	0.60	1	0.01
Changes in inventories	(174)	(1.08)	142	1.03	101	0.64	(125)	(0.84)	(15)	(0.11)
Employee benefits expense	834	5.16	839	6.09	864	5.52	881	5.95	819	6.18
Power and fuel	3,361	20.81	2,572	18.66	3,131	20.00	2,998	20.26	2,714	20.46
Freight and Forwarding expense	3,845	23.80	3,432	24.90	4,050	25.87	4,011	27.10	3,451	26.02
Finance costs	55	0.34	57	0.41	86	0.55	89	0.60	102	0.77
Depreciation and amortisation expense	597	3.70	635	4.61	603	3.85	600	4.05	640	4.82
Other expenses	2,244	13.89	2,078	15.07	2,481	15.85	2,532	17.11	2,402	18.11
Total expenses	13,803	85.46	12,125	87.96	13,936	89.01	13,445	90.84	12,097	91.21
Exceptional items	93	0.57	176	1.28	-	-	-	-	-	-
Profit before tax	2,460	15.23	1,688	12.24	2,031	12.98	1,495	10.10	1,298	9.79
Tax expenses	640	3.96	273	1.98	673	4.30	(12)	(0.08)	383	2.89
Profit for the year	1,820	11.27	1,415	10.26	1,359	8.68	1,507	10.18	915	6.90

Board's Report

TO THE MEMBERS

The Board of Directors are pleased to present the Company's 86th Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) for the year ended December 31, 2021.

1. STATE OF THE AFFAIRS OF THE COMPANY

The performance of the Cement Business and Ready Mix Concrete ('RMX') Business are detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

2. FINANCIAL PERFORMANCE

Particulars	Consolidated		Standalone	
	2021	2020	2021	2020
Revenue from Operations	16,151.67	13,785.98	16,151.35	13,784.54
Other Income	206.71	216.74	204.76	203.98
Total Income	16,358.38	14,002.72	16,356.11	13,988.52
Profit before Tax*	2,506.38	1,708.85	2,460.39	1,687.78
Tax Expenses	643.28	278.59	640.12	272.84
Profit for the year	1,863.10	1,430.26	1,820.27	1,414.94
Attributable to				
Owners of the Company	1,862.99	1,430.18	1,820.27	1,414.94
Non-controlling Interest	0.11	0.08	-	-
Other Comprehensive Income (OCI)	5.43	(14.58)	5.44	(14.54)
Total Comprehensive Income	1,868.53	1,415.68	1,825.71	1,400.40
Owners of the Company	1,868.42	1,415.60	1,825.71	1,400.40
Non-controlling Interest	0.11	0.08	-	-
Opening Balance in retained earnings	8,866.04	7,713.34	8,834.02	7,696.52
Amount available for appropriations	10,734.46	9,128.94	10,659.73	9,096.92
Appropriations				
Final Dividend Paid for 2020	262.90	-	262.90	-
Interim Dividend Paid for 2019	-	262.90	-	262.90
Closing balance in retained earnings	10,471.56	8,866.04	10,396.83	8,834.02

* Profit before Tax for 2021 includes charge of ₹54.76 Crore towards restructuring cost and ₹38.10 Crore towards impairment of investment (only in Standalone) and for 2020 includes charge of ₹176.01 Crore towards impairment of assets and ₹128.92 Crore towards time value of money of Government Incentives.

3. OVERVIEW OF COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE

- Consolidated Income, comprising Revenue from Operations and other income, for the year was ₹16,358.38 Crore, 17% higher compared to ₹14,002.72 Crore in 2020
- Total consolidated Revenue from Operations increased to ₹16,151.67 Crore from ₹13,785.98 Crore in 2020
- Consolidated Profit before Tax for the year was ₹2,506.38 Crore vis-à-vis ₹1,708.85 Crore in 2020
- Consolidated Profit after Tax for the year was ₹1,863.10 Crore compared to ₹1,430.26 Crore in 2020
- No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year
- Cement production increased by 13% from 23.77 Million Tonnes in 2020 to 26.92 Million tonnes in 2021
- Cement Sales Volume increased by 13% from 25.53 Million Tonnes in 2020 to 28.89 Million tonnes in 2021

- The net sales in cement increased by 17% from ₹12,658.17 Crore in 2020 to ₹14,772.36 Crore in 2021
- RMX Production Volume has increased by 24% from 22.70 Lakh m³ in 2020 to 28.09 m³ in 2021
- RMX Sales volume increased by 24% from 22.70 Lakh m³ in 2020 to 28.09 Lakh m³ in 2021
- The net sales in RMX increased by 30% from ₹955.42 Crore in 2020 to ₹1,241.66 Crore in 2021.

4. DIVIDEND

The Board of Directors has recommended payment of dividend at a rate of ₹58/- per equity share (580%) for the year ended December 31, 2021 subject to the approval of the Members at the 86th Annual General Meeting ('AGM').

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'), the Company has formulated a Dividend Distribution Policy. The policy is given in **Annexure A** to this Report.

It is also available on the Company's website and can be accessed at www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf

Unclaimed dividend pertaining to the 76th final dividend and the 77th interim dividend, respectively for the years December 31, 2013 and December 31, 2014 totalling to ₹6.07 Crore have been transferred to the Investor Education and Protection Fund ('IEPF') in accordance with statutory requirements.

5. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the financial year ended December 31, 2021.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

7. SHARE CAPITAL

The Company's paid-up equity share capital continues to stand at ₹187.79 Crore as on December 31, 2021.

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

8. FINANCIAL LIQUIDITY

Consolidated cash and cash equivalent as on December 31, 2021 stood at ₹7,366.59 Crore *vis-à-vis* ₹5,849.36 Crore in the previous year.

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

9. CREDIT RATING

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

10. DEPOSITS

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Rules framed thereunder during the year under review.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Notes to the Financial Statements (Refer Note No. 47).

12. INTERNAL CONTROL SYSTEMS

12.1 Internal audit and its adequacy

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

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

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

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

The onset of COVID-19 pandemic and consequent lockdowns and restrictions imposed to curb its spread, made the conduct of physical audits extremely difficult. Under such challenging circumstances and considering the safety and well-being of employees, Corporate Internal Audit envisioned and adopted a 'remote audit' approach by leveraging technology to ensure continuity in audit and assurance processes. A comprehensive plan, scoping and deployment of data analytics, facilitated seamless and effective conduct of remote internal audits during the year.

12.2 Internal Controls over Financial Reporting

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

The Company has put in place robust policies and procedures, which *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely

preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

13. VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance for any form of unethical behaviour. EthicalView Reporting Policy ('EVRP') is the vigil mechanism instituted by the Company to report concerns about unethical behaviour in compliance with the requirements of the Act and the Listing Regulations. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct. Details of the EVRP have been disclosed on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf

During the year, the Company reached out to employees through e-learning and online training modules for creating greater awareness with respect to its Fair Competition Directive and Anti-Bribery and Corruption Directive. This has helped in achieving a high level of engagement and compliance among the employees.

14. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

14.1 Subsidiaries

Bulk Cement Corporation (India) Limited ('BCCI')

During the year under review, BCCI's revenue from operations increased to ₹22.04 Crore compared to ₹18.48 Crore in 2020. The profit before tax for 2021 was ₹2.59 Crore as against ₹2.08 Crore in 2020.

ACC Mineral Resources Limited ('AMRL')

The Company had a Joint Venture with Madhya Pradesh State Mining Corporation Limited ('MPSMC') for the development of four (4) coal blocks allotted to MPSMC by the Government of India through its wholly-owned subsidiary AMRL.

Consequent upon the cancellation of the allocation of the four (4) coal blocks to MPSMC by the Government of India as per the orders of the Supreme Court passed in September 2014, AMRL does not have any business activity and correspondingly did not have any operating income during the period under review.

Other Subsidiaries

The Company has two (2) other Subsidiary Companies viz. Lucky Minmat Limited and Singhania Minerals Private Limited. Singhania Minerals Private Limited is operational, while Lucky Minmat Limited is not operational.

14.2 Material Subsidiaries

None of the subsidiaries mentioned in para 14.1 supra is a material subsidiary as per the thresholds laid down under the Listing Regulations, as amended from time to time.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries in line with the Listing Regulations. The Policy has been uploaded on the Company's website and can be accessed at www.acclimited.com/assets/new/pdf/CG/Determiningmaterialsubsidiaries.pdf

14.3 Joint Ventures ('JV')/ Associate Companies

OneIndia BSC Private Limited is a JV Company with equal participation with Ambuja Cements Limited to provide back-office services to the Company with respect to routine transactional processes. During the last year, the Company migrated the back-office services to LH Global Hub Services Private Limited ('LHGH') which is the global shared services for the entire Holcim Group.

The Company also has a JV with Aakaash Manufacturing Company Private Limited for the manufacture and supply of ready-mix concrete. As on December 31, 2021, the following is the list of Associate Companies:

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

15. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the financial year 2021 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon form part of the Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of the subsidiaries, associates and JV Companies in the prescribed Form AOC-1 forms part of the Annual Report.

The Financial Statements of the subsidiaries are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the Financial Statements of its Subsidiary Companies to the Members upon their request. The statements are also available on the website of the Company and can be accessed at www.acclimited.com under the 'Investors' section.

16. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

16.1 Directorate

A. Appointments/ Re-appointments

Mr Narotam S. Sekhsaria

Mr Sekhsaria was appointed as Independent Director for a period of five (5) years in the Extra-Ordinary General Meeting held on September 10, 2014 with effect from July 24, 2014.

However, with effect from August 12, 2016, consequent upon the amalgamation of Holcim (India) Pvt Ltd and Ambuja Cements Ltd, Mr Sekhsaria was classified as a Non-Independent Director, liable to retire by rotation.

In terms of Section 152 of the Act, Mr Sekhsaria, Non-Executive Non-Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on April 7, 2021.

Mr Jan Jenisch

Mr Jan Jenisch was appointed as Non-Executive Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on June 13, 2018.

In terms of Section 152 of the Act, Mr Jenisch, Non-Executive Non-Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on April 7, 2021.

Mr Martin Kriegner

Mr Martin Kriegner was appointed as Non-Executive Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 13, 2016.

In terms of Section 152 of the Act, Mr Kriegner, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Mr Neeraj Akhoury

Mr Neeraj Akhoury was appointed as Non-Executive Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on July 6, 2020.

In terms of Section 152 of the Act, Mr Akhoury, Non-Executive Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

The relevant details including profiles of Mr Martin Kriegner and Mr Neeraj Akhoury are included separately in the Notice of AGM and Report on Corporate Governance of the Company forming part of the Annual Report.

B. Cessation

There was no instance of resignation/ cessation of Directorship during the year under review.

16.2 Key Managerial Personnel ('KMP')

There is no change in the KMP of the Company during the financial year 2021 and the KMP of the Company are as under:

1. Mr Sridhar Balakrishnan (MD & CEO)
2. Mr Yatin Malhotra (Chief Financial Officer)
3. Mr Rajiv Choubey (Chief Legal Officer & Company Secretary)

16.3 Independent Directors

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

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

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute.

16.4 Board effectiveness

a) Familiarisation programme for Independent Directors

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

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

b) Formal annual evaluation

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

16.5 Remuneration policy and criteria for selection of candidates for appointment as Directors, KMP and Senior Leadership positions

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

The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination & Remuneration Committee and the Board of Directors while selecting candidates. The policy on remuneration of Directors, KMP and Members of the ExCo is given in **Annexure B** to this Report and is also available at the website of the Company and can be accessed at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

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

17. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

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

During the year, seven (7) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.

The Company has the following seven (7) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee
2. Risk Management Committee
3. Corporate Social Responsibility Committee*
4. Nomination and Remuneration Committee
5. Stakeholders' Relationship Committee
6. Compliance Committee
7. Sustainability Committee*

* Corporate Social Responsibility (CSR) & Sustainability Committee is split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

The Committee meetings were held during the year, including Audit Committee and Stakeholders' Relationship Committee Meetings, which met six (6) and three (3) times, respectively during the year. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

18. AUDIT COMMITTEE

The Audit Committee comprises of five (5) members. The Committee is chaired by Mr Sundaram (Independent Director). The other Members of the Committee are Mr Kriegner (Non-Executive Director), Mr Chatterjee (Independent Director), Mr Mehta (Independent Director) and Mr Roongta (Independent Director). The Committee comprises of majority of Independent Directors.

Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of the Annual Report.

During the year under review, the recommendations made by the Audit Committee were accepted by the Board.

19. CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The CSR & Sustainability Committee is split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee with effect from January 1, 2022.

The CSR Committee comprises of four (4) members of which two (2) are Independent Directors. The Committee is chaired by Mr Haribhakti (Independent Director). During the year under review, the other members of the Committee were Ms Nayar (Independent Director), Mr Akhoury (Non-Executive Director) and Mr Balakrishnan (MD & CEO). The Committee met thrice (3) during the reporting period. Details of the role and functioning of the Committee are given in the Report on Corporate Governance, which forms part of the Annual Report.

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

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

20. RISK MANAGEMENT FRAMEWORK

The Company's governance structure has well-defined roles and responsibilities, which enable and empower the Management to identify, assess and leverage business opportunities and manage risks effectively. There is also a comprehensive framework for strategic planning, implementation and performance monitoring of the

business plan, which *inter alia* includes a well-structured Business Risk Management process. To systematically identify risks and opportunities and monitor their movement, a heat map has been designed comprising two (2) parameters:

- a) likelihood of the event and
- b) the impact it is expected to have on the Company's operations and performance.

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

The detailed section on key business risks and opportunities forms part of the Integrated Report, which forms part of the Annual Report.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

The policy on RPTs as approved by the Board of Directors has been uploaded on the Company's website and can be accessed at <https://acclimited.com/assets/new/pdf/CG/Related-Party-Transactions-Policy-20210824.pdf>

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

None of the Directors and the KMP has any pecuniary relationships or transactions *vis-à-vis* the Company.

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

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

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

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

It was reported in detail in reports of earlier years, that a penalty of ₹1,147.59 Crore was levied on the Company by the Competition Commission of India ('CCI') based on a complaint filed by the Builders' Association of India for alleged violation of the provisions of the Competition Act, 2002.

The National Company Law Appellate Tribunal ('NCLAT') dismissed the appeal of the Company dated July 25, 2018 upholding the levy of penalty of ₹1,147.59 Crore as imposed by the CCI vide its order dated August 31, 2016.

The Company preferred an appeal before the Hon'ble Supreme Court against the above order of NCLAT. The Hon'ble Supreme Court vide its order dated October 5, 2018 has admitted the Company's Civil Appeal and ordered for continuance of the interim orders passed by NCLAT towards stay of the demand subject to deposit of 10% of the penalty amount. The matter is currently subjudice and as on December 31, 2021, the penalty amount of ₹1,147.59 Crore and interest thereon has been disclosed as a contingent liability in the Notes to Financial Statements [Refer Note 40(A)(a)].

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

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

An appeal is pending before NCLAT in the said matter against the orders of the CCI. In the intervening period,

there was no progress due to Covid related lockdowns and limited virtual functioning. As on December 31, 2021, the penalty amount of ₹35.32 Crore is disclosed as a contingent liability in the Notes to Financial Statements [Refer Note 40(A)(b)]. There are no further developments during the year under review in respect of the above cases.

Reference is drawn to the 'Emphasis of Matter' by the Auditors in their reports on the above matters.

24. RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS

The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation and legal matters.

In the normal course of business, provisions and contingencies may arise due to uncertain tax positions and legal matters.

Based on the nature of matters, the management applies significant judgement when considering evaluation of risk, including how much to provide for the potential exposure of each of the matters.

These estimates could change substantially over time as new facts emerge as each matter progresses, hence these are reviewed regularly. For matters where expert opinion is required, the Company involves the best legal counsel.

Reference is drawn to the 'Key audit matters' by the auditors in their reports on the above matters.

25. AUDITORS

25.1 Statutory Auditor

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/ W-100018) were appointed as Statutory Auditor of the Company at the 81st AGM held on March 29, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 86th AGM to be held in the year 2022. The term of office of M/s Deloitte Haskins & Sells LLP, as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company at its meeting held on February 9, 2022 appointed M/s S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/ E300003) as the Statutory Auditor of the Company to hold office from the conclusion of the 86th AGM till the conclusion of the 91st AGM to be held in the year 2027 based on the recommendation of the Audit Committee and subject to the approval of the shareholders at the ensuing 86th AGM. The Statutory Auditors have confirmed their independent status and eligibility for the said appointment.

The Shareholders' attention is drawn to a Resolution proposing the appointment of M/s S R B C & Co. LLP as Statutory Auditors of the Company which is included at Item No. 5 of the Notice convening the 86th AGM.

25.2 Cost Auditor

The cost accounts and records are required to be maintained under Section 148(1) of the Act. They are duly made and maintained by the Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee appointed M/s D. C. Dave & Co., Cost Accountants, Mumbai (Firm Registration No. 000611), to conduct the cost audit of the Company for the financial year ending December 31, 2022, at a remuneration as mentioned in the Notice convening the 86th AGM.

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

M/s D. C. Dave & Co. have confirmed the cost records for the financial year ended December 31, 2020 are free from any disqualifications as specified under Section 141 (3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

25.3 Secretarial Auditor and Secretarial Audit Report

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Mehta & Mehta, Company Secretaries in Practice, Mumbai, as the Secretarial Auditor for conducting Secretarial Audit of the Company for the financial year ended December 31, 2021.

The report of the Secretarial Auditor is given in **Annexure E**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ('ICSI').

26. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company, i.e. December 31, 2021 and the date of this Board's Report, i.e. February 9, 2022.

27. AWARDS AND RECOGNITIONS

In 2021, the Company committed to Net Zero Pledge by signing the Business Ambition 1.5° C. ACC has also validated its CO₂ emission reduction targets under Science Based Target Initiative (SBTi) under well below 2° C scenario. ACC is the first Indian Cement Company to have both of these.

ACC has also been recognised for demonstrating leadership in climate change efforts by global environmental non-profit CDP, securing a place on its prestigious 'A List' for its climate change disclosure. ACC has also received B rating by CDP in Water disclosure for which the Company participated for the first time.

ACC has scored 73 in Dow Jones Sustainability Index and is among the top 15 companies across construction material sector globally.

28. ENHANCING SHAREHOLDER VALUE

ACC is committed to creating and returning value to shareholders. Accordingly, the Company is dedicated to achieving high levels of operating performance, cost competitiveness, enhancing the productive asset and resource base and striving for excellence in all areas of operations.

The Company firmly believes that its success in the marketplace and good reputation are among the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. With decades of expertise and know-how, ACC offers its customers solutions that enhance their projects and builds trust.

Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. ACC continues to develop this strength by institutionalising sound commercial processes and building world-class commercial capabilities across its marketing and sales teams.

The Company uses an innovative approach in the development of its products and services, as well as execution of growth opportunities. The Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

29. CORPORATE GOVERNANCE

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's

auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

30. BUSINESS RESPONSIBILITY REPORTING

A separate section on Business Responsibility forms part of this Annual Report as required under Regulation 34(2)(f) of the Listing Regulations.

31. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure F** to this Report.

In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours at the Registered Office of the Company and the Report & Accounts as set out therein are being sent to all the Members of the Company. Any Member, who is interested in obtaining these, may write to the Chief Legal Officer & Company Secretary at the Registered Office of the Company.

32. REPORTING OF FRAUDS BY AUDITORS

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

33. ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft of the Annual Return of the Company for the financial year December 31, 2021 is uploaded on the website of the Company and can be accessed at www.acclimited.com

34. COMPLIANCE WITH SECRETARIAL STANDARDS

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

35. STATUTORY DISCLOSURES

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

A. Conservation of energy

A1. Power cost optimisation

During the year, efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid power through consumption of Open Access ('OA') power from comparatively cheaper sources. The plants which actively participated in OA procurement of power were Kudithini, Thondebhavi, Galgal, Madukkarai, Wadi and Bargarh. Overall purchase of power from OA has resulted in a saving of ~₹5.7 Crore.

In addition, the Waste Heat Recovery System (WHRS) at Galgal generated ~48.7 Million units for internal consumption in place of grid power.

A2. Renewable power obligation

Your Company is putting all efforts to increase the share of Renewable Energy.

The captive wind power generation from Tamil Nadu and Rajathan wind farms contributed considerably in this front. This has resulted in a saving of ~₹1 Crore on account of RPO cash outgo. Besides this, the Company sourced Solar power at Thondebhavi, Kudithini and Wadi and Non Solar power at Thondebhavi to fulfill the Solar RPO and partly Non Solar RPO. This resulted in savings in total cash outgo of ~₹12.7 Crore.

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

- Energy efficiency improvement through installation of efficient equipment such as fans, blowers, compressors and motors across all ACC plants;
- Conduction of mandatory energy audits and identification of energy conservation projects;

- Implementation of projects identified as part of Mandatory Energy audits;
- Focus on Productivity Rate Index ('PRI') improvement through Computational Fluid Dynamics ('CFD') studies and through other inhouse modification at Jamul, Wadi, Kymore and Madukkarai, Tikarai;
- Installation of medium voltage variable frequency drives ('MVVFD') and low;
- voltage variable frequency drives ('LVVFD') for process fans across all ACC plants.

Some of the additional proposals being implemented for further conservation of energy

- Installation of variable frequency drives and high efficiency fans, across ACC plants;
- Conducting CFD Study for modification of cyclones at Bargarh;
- Installation of active Volt-ampere reactive ('VAR') compensation for 132kV substation at Bargarh;
- Reduction of Preheater pressure drop through enlargement of kiln inlet neck and reduction of pressure drop across V-separator of Roller Press ('RP');
- Improve the Raw mill PRI by improving feeding and increasing the roller grinding pressure at Jamul at Jamul;
- Installation of new design cooler plates at Wadi.

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

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

The capital investment on energy conservation equipment

Your Company invested ~₹378.5 Crore on productivity/ efficiency improvement, besides implementation low-cost measures to reduce energy consumption.

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

Besides the use of Renewable Energy (Solar and Non-Solar), your Company utilised 0.3 Million tonnes of Alternative Fuels during the cement manufacture.

B. Technology Absorption

Research and Development (R&D)

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

- Conservation of resources through maximisation of the use of low-grade limestone for cement manufacturing, improvement in the quality of blended cement through innovative process utilising industrial by-products for improved quality and performance of ACC plants;
- Maximisation of industrial wastes utilisation and looking into possibilities of environmentally friendly co-processing of wastes in cement manufacture leading to thermal substitution and conservation of natural resources;
- Optimisation of fuel mix for lowering the cost;
- Effective replacement of the costlier natural Gypsum by other form of gypsum and byproducts without affecting the quality of cement;
- Productivity research for increased efficiency in use of resources development of application oriented cements with decreased CO₂ emissions;
- Development of Integral waterproofing Compound;
- Development of cement based niche products like water repellent and self-curing Dry Mix Mortar, thin bed jointing mortar, plasters, tile adhesives range;
- Development of Concrete Admixture for ACC RMX.

2. Benefits derived as result of above R&D

- Effective use of marginal quality raw materials and fuels with improved clinker quality;
- Reduction in raw material cost—gypsum and mineral components;
- Launch of special high-performance products like F2R, Concrete+, ACC Gold for specific market segments/ market climatic conditions;
- Launch of Leak Block—an integral waterproofing compound/ dry-mix mortars for plasters, tile fixing, thin-bed jointing for blocks;

- e) Increased absorption of blending materials like fly ash and slags in blended cements;
- f) Fuel efficiency;
- g) Reduction in special power consumption for grinding;
- h) ACC Concrete admixture project resulted in cost savings on admixture buying cost with a consistent quality.

3. Plan of action

- a) Development of application oriented cement focusing customer pain points with reduced carbon footprint;
- b) Development of cement-based niche products;
- c) Exploratory research works on the above specified areas;
- d) Maximisation of use of waste/byproducts in cement manufacture as alternative materials;
- e) Improve product quality particularly with respect to long-term durability and reduction in cost of manufacture;
- f) Implementing & developing complete range of concrete admixture for ACC RMX to maximise the potential for quality & cost.

4. Expenditure on R&D

	₹ Crore
a) Capital	Nil
b) Recurring (Gross)	0.63
c) Total	0.63
d) Total R&D expenditure as percentage of total turnover	-

C. Foreign Exchange Earnings and Outgo

	₹ Crore
Foreign Exchange earned	4.19
Foreign exchange outgo	473.87

36. OTHER DISCLOSURES

- 36.1 There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.
- 36.2 The Company has not issued any shares with differential voting rights/ sweat equity shares.
- 36.3 There was no revision in the Financial Statements.

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

36.5 There are no proceedings, either filed by ACC or filed against ACC, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2021.

36.6 Prevention of Sexual Harassment of Women at the Workplace

ACC is an equal employment opportunity Company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. As an organisation, the Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity. The Company has zero tolerance towards any act on the part of any executive, which may fall under the ambit of 'sexual harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman executive working in the Company.

Further, to provide an empowering and enabling atmosphere to women employees, the Company has continuously endeavoured to build the work culture, which promotes the respect and dignity of all women employees across the organisation. The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH'). The said policy has been made available on the internal portal of the Company as well as the website of the Company.

The Company has constituted of Internal Complaints Committee ('ICC') under the POSH and has complied with the provisions relating to the same. The ICC has been set up comprising four (4) female employees of whom one female employee (1) is the Chairperson of the ICC and two (2) male employees of whom one (1) is the secretary of the ICC. There are two (2) external Members on the Committee who are specialists in dealing with such matters. The employees are sensitised from time to time in respect of matters connected with prevention of sexual harassment. Awareness programmes are conducted at unit levels to sensitise the employees to uphold the dignity of their female colleagues at workplace. The Company also conducted an E-learning programme for employees to cover various aspects of the subject matter. Number of cases filed and their disposal under Section 22 of the POSH is as follows:

Particulars	Numbers
Number of complaints pending as on the beginning of the financial year	1
Number of complaints filed during the financial year	0
Number of complaints pending as on the end of the financial year	0

37. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual Financial Statements for the year ended December 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- that such accounting policies as mentioned in Note 1 of the Notes to the Accounts have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on December 31, 2021, and of the profit of the Company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a going concern basis.
- that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively.
- that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

38. INTEGRATED REPORTING

For the fourth (4th) year, the Company has drawn up an Integrated Report, which encompasses both financial and non-financial information to enable Members to have a more holistic understanding of the Company's long-term perspective. This year, the Integrated Reporting is more robust than before and details such as the organisation's strategy, governance framework,

performance and prospects of value creation based on the six (6) forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital have been added. The Integrated Report for the year 2021 is presented in a separate section, forming part of the Annual Report and also hosted on the Company's website www.acclimited.com

The Annual Report also carries a detailed section containing the 'Business Responsibility Report'. Since 2007, the Company has been publishing an annual Corporate Sustainable Development Report ('SD Report') conforming to the guidelines of the Global Reporting Initiative. From the year 2016, these reports are based on the GRI standards in accordance with the 'Comprehensive' option and have been externally assured. This year also the SD Report has been combined with the Integrated Report.

39. ACKNOWLEDGEMENTS

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

40. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events or otherwise.

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

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Annexure ‘A’ to the Board’s Report

DIVIDEND DISTRIBUTION POLICY

This Policy is called “ACC Limited – Dividend Distribution Policy” (hereinafter referred to as **“the Policy”**). The Policy is framed pursuant to Regulation 43A of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 for the time being in force. The Policy shall come into effect from the receipt of the Board’s approval (Effective Date).

The Policy lays down the broad criteria which the Company would take into consideration for the purpose of ascertaining the amount of dividend to be declared keeping in mind the need to maintain a balance between the payout ratio and retained earnings, in order to address future needs of the Company. The policy serves as a guideline for the Board of Directors and the decision of the Board of Directors with respect to the amount of dividend declared for any given period will be final and shall not be open to challenge by any person on the basis of the Policy.

Dividend would continue to be declared on per share basis on the Ordinary Equity Shares of the Company having face value ₹10 each. The Company currently has no other class of shares. Dividend other than interim dividend shall be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board of Directors has the authority to declare interim dividend.

Subject to the provisions of the applicable law, the Company’s dividend payout will be determined based on available financial resources, growth/ investment requirements and fair shareholder return. The Company will broadly take into consideration the following financial parameters and/ or internal and external factors to determine whether or not to declare dividend or to determine the quantum of dividend to be declared.

INTERNAL FACTORS

- Profits earned during the financial year and the retained profits of the previous years in accordance with the provisions of Section 123 and other applicable provisions of the Companies Act, 2013 read with rules framed thereunder;
- Cash flow position of the Company and the debt: equity ratio;
- Projections with regard to the performance of the Company;
- Fund requirement to finance Capital Expenditure;
- Fund requirement to finance any organic/ inorganic growth opportunities or to finance working capital needs of the Company;
- Opportunities for investment of the funds of the Company to capture future growth;
- Dividend payout history.

EXTERNAL FACTORS

- Business cycles and long-term/ short-term Industry outlook;
- Cost of external financing;
- Changes in the Government policies, rate of inflation and taxes structure etc.;
- Quantum of dividend payout by other comparable concerns etc.

The Company may recommend additional special dividend in special circumstances.

In the event of a loss or inadequacy of profits in a given year, Company may, taking into consideration the shareholder expectations, past dividend payout history etc., declare payment of dividend out of its reserves as may be permitted by the law.

Likewise, in the event of challenging circumstances such as adverse economic cycles and industry projections, the performance of the Company in the coming years, pressure on cash flow on account of various factors such as higher working capital requirements, etc., the Company may, decide not to declare a dividend even when in a given year, the Company had generated profits.

In case it is proposed not to declare dividend during any financial year, the grounds thereof and the information on the manner in which the retained profits of the Company, if any, are being utilised shall be disclosed to the Members in the Board’s Report forming part of the Annual Report of the Company for the given financial year.

The Chief Executive Officer & Managing Director and the Chief Financial Officer, considering various internal and external factors and the overall performance of the Company, shall jointly make a recommendation to the Board of Directors with regard to whether or not to declare a dividend and in case a dividend is recommended, the quantum of dividend to be declared.

The retained earnings of the Company may be used in any of the following ways:

- Capital expenditure, and for the purpose of any organic and/ or inorganic growth;
- Declaration of dividend;
- Issue of Bonus shares or buy back of shares;
- Other permissible usage as per the Companies Act, 2013.

The policy may be modified as may, in the opinion of the Board of Directors be deemed necessary.

The Policy will be available on the Company’s website at www.acclimited.com and will also be disclosed in the Company’s Annual Report.

For and on behalf of the Board of Directors
For ACC Limited

Mumbai
February 9, 2022

N S Sekhsaria
Chairman

Annexure 'B' to the Board's Report

POLICY FOR REMUNERATION OF DIRECTORS, KMP AND MEMBERS OF THE EXECUTIVE COMMITTEE

Remuneration Philosophy

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

Remuneration

The remuneration of the Non-Executive Directors is determined within the limits prescribed under Section 197 read with the rules framed thereunder and Schedule V to the Companies Act, 2013 (hereinafter collectively referred to as '**the Act**') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '**SEBI Regulations**').

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

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

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

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

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

Remuneration Policy for the CEO & MD

- i. The CEO & MD shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the CEO & MD, within the overall limits prescribed under the Act.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

- iii. The remuneration of the CEO & MD shall be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retirement benefits. The variable component comprises performance bonus and other long-term incentives.
- iv. In determining the remuneration the Nomination & Remuneration Committee shall consider the following:
 - a) the relationship between remuneration and performance;
 - b) balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - c) responsibility required to be shouldered by the CEO & MD, the industry benchmarks and current trends;
 - d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs/ KPIs;
 - e) in keeping with best industry practices, to ensure that the remuneration is competitive and that it compares favourably with the Industry.

Remuneration Policy for the KMP and the Executive Committee Members

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

CRITERIA FOR SELECTION OF CANDIDATES FOR APPOINTMENT AS DIRECTORS, KMP AND MEMBERS OF THE EXECUTIVE COMMITTEE

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

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

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

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

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

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

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

In the selection of the CEO & MD, the Nomination & Remuneration Committee identifies persons of integrity who possess relevant expertise and experience, domain and functional knowledge required for such office and who demonstrate positive attributes as explained above. The ability of the candidate to adapt to the organisational culture and ethos are also considered. The Committee also ensures that the identified candidate is not disqualified for appointment as a Director. In this regard, the Committee also takes into consideration the recommendations received from any Member of the Committee/ Board of Directors. In case of appointment of persons to the Executive Committee, the Nomination & Remuneration Committee considers the recommendation of the CEO & MD in this regard, who shall base his recommendation on the assessment of the qualifications, expertise and experience functional knowledge and skills of the candidate, his/ her positive attributes and the ability and agility of the candidate to adapt to the overall organisational culture and ethos.

For and on behalf of the Board of Directors
For ACC Limited

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Annexure 'C' to the Board's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES OF THE COMPANY

1. A brief outline on CSR Policy of the Company:

CSR Policy Statement

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

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

To pursue these objectives, we will continue to:

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

2. Composition of the CSR committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr Shailesh Haribhakti	Chairman, Independent Director	3	3
2.	Ms Falguni Nayar	Member, Independent Director	3	2
3.	Mr Neeraj Akhoury	Member, Non-Executive Non-Independent Director	3	3
4.	Mr Sridhar Balakrishnan	Member, Managing Director and Chief Executive Officer	3	3

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

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

https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf

<https://www.acclimited.com/assets/new/pdf/CG/CSR Projects approved by the Board 2021>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Impact assessment study has been initiated in the month of December, 2021 and is currently in progress.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set off from preceding financial years	Amount required to be set off for the financial year, if any
		Not Applicable	

6. Average net profit of the Company as per Section 135(5): ₹1,771.98 Crore

7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹35.44 Crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹35.44 Crore

8. (a) CSR amount spent or unspent for the financial year: ₹35.95 Crore (Spent)

Total Amount Spent for the Financial Year (₹ Crore)	Amount Unspent (₹ Crore)			
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)	
	Amount	Date of transfer	Name of the Fund	Date of transfer
35.95	NA	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)			(6)	(7)	(8)	(9)	(10)	(11)							
Location of the project																			
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (₹ Crore)	Amount spent in the current financial Year (₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	Mode of Implementation – Direct (Yes/No)	CSR Registration number	Name							
1.	ACC DISHA	Youth Employability (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	3.47	3.47	NA	Both	Direct and through implementing agency	ACC Trust (CSR00002142)	Head Held High Foundation (CSR00000919)	Mahashakti Foundation(CSR00002561)	American India Foundation (CSR00001977)	DILASA Janvikas Pratishthan (CSR 0000000098)	ALIG Society (CSR000000778)	Centre for Total Development (CSR000003712)	LOKA KALYAN PARISHAD (CSR000004267)	Mahatma Gandhi Samekit vikas evam shikshan sansthan (CSR00004433)
2.	ACC- LEISA	Sustainable Agriculture (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	4.56	4.56	4.56	Both	Direct and through implementing agency									

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
				Location of the project							Mode of Implementation – Through Implementing Agency
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (₹ Crore)	Amount spent in the current financial Year (₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	Mode of Implementation – Direct (Yes/ No)	
3.	ACC - Swavlamban	Women Empowerment (Schedule VII – (iii) Promoting gender, equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	2.27	2.27	2.27	Both Direct and through implementing agency	Forum For Rural Development (CSR00004360) UDYOGINI (CSR00001487) Manav Jeevan Vikas Samiti (CSR00010810) Naad Gunjan Kala Parishad (CSR00004150) Jan Mangal Sansthan (CSR00005106)	
4.	ACC Vidya Utkarsh	Quality Education (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	4.49	4.49	4.49	Both Direct and through implementing agency	MYRADA (Mysore Resettlement And Development Agency) (CSR00001099) Rural Development Org. Trust (CSR00001452) Development Association – for Human Advancement – DEHAT (CSR00001181) Baba Shri Gurubachan Educational Social and Welfare Society (CSR00004369) Jan Sevak Samiti (CSR00018176) Janki Foundation (CSR00007303) Ranthambhore Seva Sansthan (CSR00003704)	
5.	ACC Vidya Saarthi	Scholarship and support (Schedule VII – (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement project)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	1.81	1.81	1.81	Both Direct and through implementing agency		

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)
				Location of the project							
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (₹ Crore)	Amount spent in the current financial Year (₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	Mode of Implementation – Direct (Yes/ No)	CSR Registration number
6.	ACC-Arogyam	Health (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	12.19	12.19			Both Direct and through implementing agency	
7.	ACC - Sampoon Swachhata	Sanitation (Schedule VII – (i) Eradicating hunger poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	3.10	3.10			Both Direct and through implementing agency	
8.	ACC Samrakshit Paryavaran	Conservation of Environment (Schedule VII – (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;)	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)	Ongoing	1.41	1.41			Both Direct and through implementing agency	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
				Location of the project								
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (₹ Crore)	Amount spent in the current financial Year (₹ Crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ Crore)	Mode of Implementation – Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	CSR Registration number
9.	ACC -Drona	Promoting Local, Arts and Culture (Schedule VII – (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports) (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;	Yes	Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Bargarh (Odisha), West Singhbhum (Jharkhand), Purulla (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Bellary (Karnataka), Chikkaballarpur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu)		Ongoing	0.95	0.95		Both Direct and through implementing agency		
Total							34.25	34.25				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	State	District	Amount spent for the project (₹ Crore)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – Through implementing agency	CSR registration number
</									

(d) Amount spent in Administrative Overheads: ₹1.56 Crore

(e) Amount spent on Impact Assessment, if applicable: ₹0.14 Crore

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹35.95 Crore

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹ Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	35.44
(ii)	Total amount spent for the Financial Year	35.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.51
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not Applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (₹ Crore)	Amount spent in the reporting Financial Year (₹ Crore)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ Crore)
				Name of the Fund	Amount (₹ Crore)	Date of transfer	
				NIL			

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ Crore)	Amount spent on the project in the reporting Financial Year (₹ Crore)	Cumulative amount spent at the end of reporting Financial Year. (₹ Crore)	Status of the project – Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s):

(b) Amount of CSR spent for creation or acquisition of capital asset:

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5): **Not Applicable**

Sridhar Balakrishnan
MD & CEO

Shailesh V. Haribhakti
Chairman, CSR Committee

Yatin Malhotra
CFO

Annexure 'D' to the Board's Report

FORM NO. AOC-2

January-December 2021

Particulars of contracts/ arrangements made with related parties

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended December 31, 2021, which are not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended December 31, 2021 are as follows:

Name of the Related Party	Nature of Relationship	Duration of Contract	Salient Terms	Amount (₹ Crore)
Nature of Contract				
Purchase of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	889.37
Sale of Goods				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	477.44
Receiving of Services				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	46.97
Rendering of Services				
Ambuja Cements Limited	Holding Company	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	69.17
Use of Technology and Knowhow				
Holcim Technology Limited	Fellow Subsidiary	January 1, 2021 – December 31, 2021	Based on Transfer Pricing Guidelines	154.51
Total				1637.46

The transactions mentioned above are not material as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. However, the same are disclosed under AOC-2 as a matter of good corporate governance practice.

For and on behalf of the Board of Directors
For ACC Limited

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Annexure 'E' to the Board's Report

FORM MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

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

To,
The Members,
ACC LIMITED
Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on December 31, 2021, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2021, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(during the period under review not applicable to the Company);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(during the period under review not applicable to the Company);**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(during the period under review not applicable to the Company);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(during the period under review not applicable to the Company);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(during the period under review not applicable to the Company);**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(during the period under review not applicable to the Company);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(during the period under review not applicable to the Company);**

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

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

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

We further report that:

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

Adequate notices are given to all Directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent 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, if any, are captured and recorded as part of the minutes.

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

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

- The shareholders of the Company at their Annual General Meeting held on April 7, 2021 had approved a final dividend of ₹14/- per equity share of face value ₹10/- each for the financial year ended December 31, 2020.

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

Dipti Mehta

Partner

FCS No.: 3667

CP No.: 23905

Place: Mumbai

UDIN: F003667C002478911

Date: February 9, 2022

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' to MR-3 and forms an integral part of this report.

Annexure A to MR-3

To,
The Members,
ACC LIMITED
Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
7. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Dipti Mehta

Partner

FCS No.: 3667

CP No.: 23905

Place: Mumbai
Date: February 9, 2022

UDIN: F003667C002478911

Annexure 'F' to the Board's Report

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Disclosure
1.	The percentage increase in remuneration of CFO and CS in the financial year	Disclosed in point no. 7
2.	The percentage increase in the median remuneration of employees in the financial year	2.6%
3.	The number of permanent employees on the rolls of the Company	6,082
4.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the salaries of the employees other than Managerial Personnel is 6.5%. The average increase in remuneration of employees other than the Managerial Personnel is in line with the industry practice and is within normal range.
5.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed
6.	Median Remuneration of all the employees of the Company (₹ Lakh)	₹6.33 Lakh

7. Ratio of Remuneration of each Director and KMP to the median remuneration of all the employees of the Company for the year 2021.

Name of Director and KMP	Remuneration (₹ Lakh)		% Increase in remuneration in the financial year 2021	Ratio to median Remuneration of all employees #
	2021	2020		
NON-EXECUTIVE DIRECTORS				
Mr N S Sekhsaria, Chairman	55.00	56.70	(3.00)	8.69
Mr Jan Jenisch, Deputy Chairman	21.50	22.50	(4.44)	3.40
Mr Martin Kriegner*	-	-	-	-
Mr Christof Hassig (Up to February 20, 2020)	-	3.59	-	-
Mr Vijay Kumar Sharma (Up to July 20, 2020)	-	14.14	-	-
Mr M. R. Kumar (Appointed w.e.f. October 19, 2020)	22.00	4.54	-	3.48
Mr Neeraj Akhoury* (Appointed as Non-Executive Director w.e.f. February 21, 2020)	-	-	-	-
INDEPENDENT DIRECTORS				
Mr Shailesh Haribhakti	44.00	47.20	(6.78)	6.95
Mr Sushil Kumar Roongta	44.10	47.30	(6.77)	6.97
Ms Falguni Nayar	24.40	26.40	(7.58)	3.85
Mr Sunil Mehta	43.20	47.70	(9.43)	6.82
Mr D Sundaram	53.00	56.70	(6.53)	8.37
Mr Vinayak Chatterjee	44.30	48.00	(7.71)	7.00
EXECUTIVE DIRECTOR				
Mr Neeraj Akhoury MD & CEO (Up to February 20, 2020)	56.69 ^	615.17	-	-
Mr Sridhar Balakrishnan, MD & CEO (Appointed as MD & CEO w.e.f. February 21, 2020)	515.00**	332.45	-	81.36
COMPANY SECRETARY				
Mr Rajiv Choubey	194.66##	226.57	(14.08)	30.75
CHIEF FINANCIAL OFFICER				
Ms Rajani Kesari (up to August 31, 2020)	28.39 ^^	409.77	-	-
Mr Yatin Malhotra (with effect from September 1, 2020)	207.00***	59.59	-	32.70

Notes:

#The ratios of remuneration to median remuneration of all the employees is provided only for those Directors & KMPs who have drawn remuneration for full financial year 2021.

*Mr Martin Kriegner and Mr Neeraj Akhoury have waived their right to receive Directors' commission and sitting fees.

**The remuneration of Mr Sridhar Balakrishnan includes the Performance Linked Incentive of ₹151.79 Lakh for the year 2020 and the performance shares of Holcim Ltd. (Ultimate Holding Company) of ₹54.95 Lakh.

^Received performance incentive for the year 2020 in April 2021 on pro-rata basis for the period January 1, 2020 to February 20, 2020.

^^ Received performance incentive for the year 2020 in April 2021 on pro-rata basis for the period January 1, 2020 to August 31, 2020.

*** The remuneration of Mr Yatin Malhotra includes the Performance Linked Incentive of ₹16.09 Lakh for the year 2020 and the performance shares of Holcim Ltd. (Ultimate Holding Company) of ₹11.76 Lakh.

##The remuneration of Mr Rajiv Choubey includes the Performance Linked Incentive of ₹34.92 Lakh for the year 2020.

The details given herein above are on accrual basis.

The % increase of remuneration is provided for only those Directors and KMPs who have drawn remuneration from the Company for full financial years 2020 & 2021.

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

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

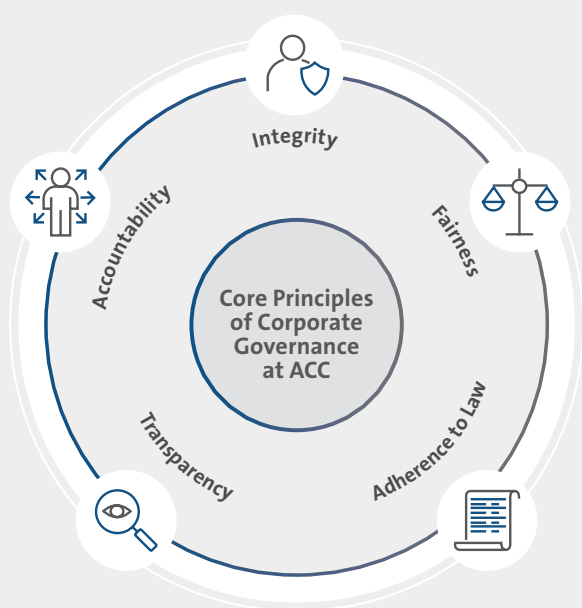
Report on Corporate Governance

ACC'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests. Our governance framework drives optimal utilisation of resources and accountability for stewardship. The Board remains at the top of the governance pyramid as a custodian of trust, with the employees at the base which ensures sustainable long term wealth creation.

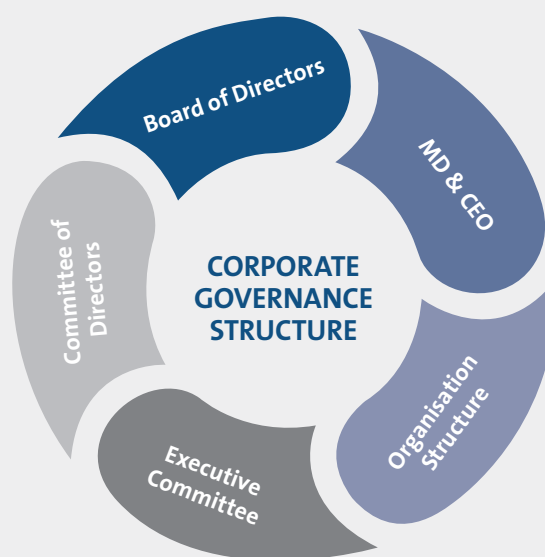


The above-mentioned principles are integral to our business practices and have evolved, over the years, from the Company's culture of agility, continuous innovation and rich experiences gleaned from the past. This distilled wisdom has reinforced stakeholder trust and confidence, attracting and retaining financial and human capital and has helped us enormously in fulfilling societal aspirations.

Our core principles represent the edifice of our two-tier governance model, with the Board of Directors and the Committees of the Board at the apex and the management structure at the operational level. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn

assumes accountability, strives to achieve the set objectives and enhances value creation for all.

ACC's Corporate Governance Structure has evolved over the years and it provides a comprehensive framework to enhance accountability to shareholders and other stakeholders, ensures timely implementations of the plans and adequate disclosures of as well as fair dealings with shareholders and other stakeholder interests and maintenance of high standards of business ethics and integrity.



Board of Directors

ACC is a professionally managed Company functioning under the overall supervision of the Board of Directors ('**Board**'). Its Board comprises the required combination of Independent and Non-Independent Directors, including an Independent Woman Director in line with the provisions of the Companies Act, 2013 ('**the Act**') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('**the SEBI Listing Regulations**'). The Company's Managing Director and Chief Executive Officer is the only Executive Director on the Board.

The Board of Directors comprises of highly experienced persons of repute and eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth.

The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

Committee of Directors

Having regard to the significant contributions that Committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its following Committees closely monitor various areas of business.

The Committees of the Board are:

- (i) Audit Committee
- (ii) Nomination & Remuneration Committee
- (iii) Corporate Social Responsibility ('CSR') Committee*
- (iv) Sustainability Committee*
- (v) Risk Management Committee and
- (vi) Compliance Committee.

The Board has voluntarily set up the Compliance Committee, which oversees the legal compliance process, other legal matters and key litigation.

*w.e.f. January 1, 2022, the CSR & Sustainability Committee was split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee

Managing Director & Chief Executive Officer ('MD & CEO')

The MD & CEO is at the helm of operations and responsible for the Company's day-to-day operations. MD & CEO functions under the guidance and directions of the Board and provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board and its various Committees.

Executive Committee ('ExCo')

The ExCo comprises of executives of the senior management cadre who are drawn from a cross-section of functions and responsibilities. The ExCo supports the MD & CEO and operates within the framework of the policies laid down by the Board and is responsible & accountable for overall business deliverables.

The ExCo meets regularly to review and monitor the performance *vis-à-vis* the annual plans & budgets, discusses cross-functional operational matters and addresses business challenges and issues.

Organisational structure, roles and responsibilities

ACC operates its business with a functional organisational structure. ExCo and other functional heads provide the expertise to face operational challenges with agility and efficiency.

Led by the MD & CEO, it comprises verticals for the functions of Sales & Marketing, Manufacturing, Human

Resources, Finance, Procurement, Supply Chain, Legal & RMX functions. The business operates through three (3) regional manufacturing clusters (North, East, South West and Central) and three (3) regional Sales & Marketing Offices (North, East and Central, South and West).

The regional Heads for Sales, Logistics, Finance and Human Resource have a direct reporting line to the respective vertical heads. The heads of plants report to the respective manufacturing cluster head in the region. The procurement activities are managed by the India Procurement Organisation executed from five (5) procurement cluster offices. The Heads of the Finance, Human Resource, Procurement, Supply Chain, Sales & Marketing, Legal, Secretarial & Compliance, Health & Safety departments report to the MD & CEO.

BOARD OF DIRECTORS

The composition of the Board is in conformity with Regulation 17 and Regulation 17A of the SEBI Listing Regulations read with Section 149 of the Act.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on a periodical basis. On the basis of such disclosures, it is confirmed that as on December 31, 2021, none of the Directors of the Company:

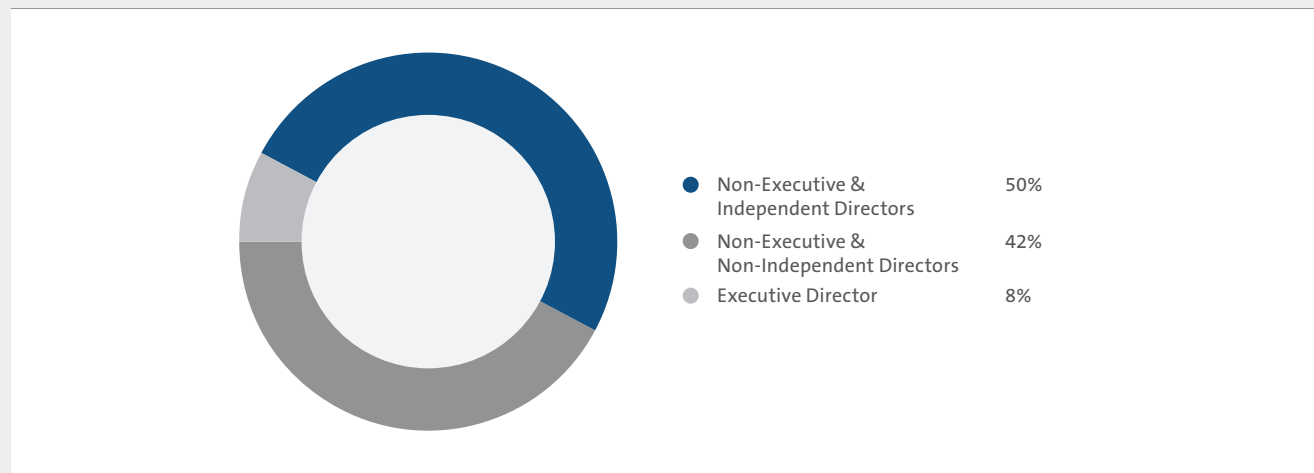
- holds Directorship positions in more than twenty (20) companies [including ten (10) public limited companies and seven (7) listed companies];
- holds Executive Director position and serves as an Independent Director in more than three (3) listed companies; and
- is a Member of more than ten (10) Committees and/ or Chairperson of more than five (5) Committees, across all the Indian public limited companies in which they are Directors.

For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee ('AC') and the Stakeholders' Relationship Committee ('SRC') have been considered in terms of Regulation 26 of the SEBI Listing Regulations.

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

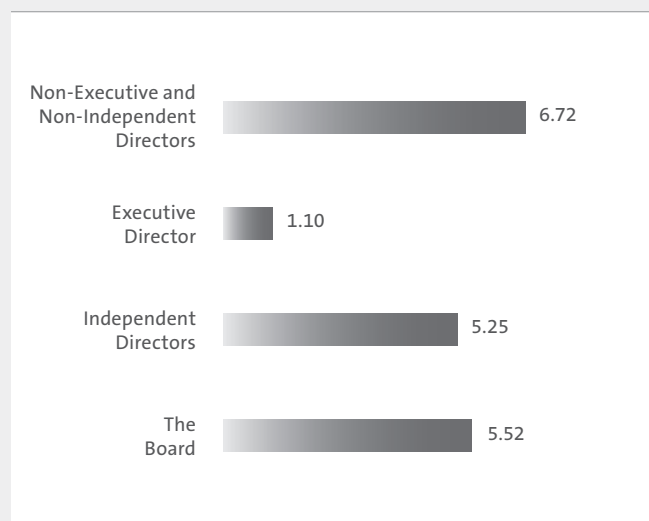
Size and Composition of the Board as on December 31, 2021

Composition of Board



Tenure Analysis of the Board as on December 31, 2021

Average Tenure in years (category-wise)



Present Tenure of Directors in years



Key Board qualifications, expertise and attributes

The ACC Board comprises professionals of eminence and stature drawn from diverse fields. The Board of Directors collectively bring to the fore a wide repertoire of skills and experience, which elevates the quality of the Board's decision-making and allows them to make effective contribution to the Board and its Committees.

The Board takes care of the business and stakeholders' interest. The Non-Executive Directors, including the Independent Directors are well qualified, experienced and renowned persons from the fields of manufacturing/ Cement manufacturing, finance, infrastructure, governance, mining/ metallurgy, retail mergers and acquisitions and technology, amongst others. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others. The Board's guidance provides foresight, enhances transparency and adds value in decision-making.

The table below summarises the key skills, attributes and competencies identified by the Board of Directors to function effectively:

Definition of key skills/ attributes/ competencies



Financial Literacy

Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising, private equity, venture capital investments and internal controls.



Sustainability

Experience in guiding the sustainability and ESG visions of organisations and promoting integration of these into the overall strategy and value chain of the Company as well as helping the organisation in fulfilling its responsibility towards the society.



Sales & Marketing Management

Understanding the market dynamics, experience in developing strategies to increase sales and market share, build brand awareness and equity, enhancing brand reputation, experience in overseeing large supply chain operations and optimum resource utilisation, realisation of market potential and the competitive advantages.



Industry Acumen

Expertise and knowledge of business related issues in general and those of Cement business in particular, oversight and knowledge of working of similar industries in which the Company operates, perspective on markets and opportunities.



Innovation & Technology

Experience in innovative use of information technology across the value chain and use of IT to enhance the business practices, anticipating technology driven changes and disruptions, ability to analyse the information and share innovative approaches and solutions to the problems, appreciation of latest IT trends and promoting use of cyber security controls across the organisation.



General Management

Experience in leading well-governed large organisations, possessing intrinsic leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture.



Strategy & Operations

Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company's policies & priorities and Demonstrated strengths in developing talent, succession planning, driving change and long-term growth.

Directors' profile

Brief details of Directors as on December 31, 2021 are mentioned as under:-



MR N S SEKHSARIA

(DIN: 00276351)

(Non-Executive and Non-Independent Director)

Nationality	: Indian
Age	: 72 years
Date of Initial Appointment	: December 27, 1999
Term ending date	: NA
Shareholding	: Nil

Areas of expertise



MR JAN JENISCH

(DIN: 07957196)

(Non-Executive and Non-Independent Director)

Nationality	: German
Age	: 55 years
Date of Initial Appointment	: October 17, 2017
Term ending date	: NA
Shareholding	: Nil

Areas of expertise



MR NEERAJ AKHOURY

(DIN: 07419090)

(Non-Executive and Non-Independent Director)

Nationality	: Indian
Age	: 53 years
Date of Initial Appointment	: December 16, 2016
Term ending date	: NA
Shareholding	: Nil

Areas of expertise



MR MARTIN KRIEGNER

(DIN: 00077715)

(Non-Executive and Non-Independent Director)

Nationality	: Austrian
Age	: 60 years
Date of Initial Appointment	: February 11, 2016
Term ending date	: NA
Shareholding	: Nil

Areas of expertise



MR SHAILESH HARIBHAKTI

(DIN: 00007347)

(Non-Executive and Independent Director)

Nationality	: Indian
Age	: 65 years
Date of Initial Appointment	: February 17, 2006
Term ending date	: July 23, 2024
Shareholding	: Nil

Areas of expertise



MR SUSHIL KUMAR ROONGTA

(DIN: 00309302)

(Non-Executive and Independent Director)

Nationality	: Indian
Age	: 71 years
Date of Initial Appointment	: February 3, 2011
Term ending date	: July 23, 2024
Shareholding	: Nil

Areas of expertise



**MS FALGUNI NAYAR**

(DIN: 00003633)

(Non-Executive and Independent Director)

Nationality	: Indian
Age	: 58 years
Date of Initial Appointment	: April 24, 2014
Term ending date	: April 23, 2024
Shareholding	: Nil

Areas of expertise**MR D SUNDARAM**

(DIN: 00016304)

(Non-Executive and Independent Director)

Nationality	: Indian
Age	: 68 years
Date of Initial Appointment	: March 22, 2019
Term ending date	: March 21, 2024
Shareholding	: Nil

Areas of expertise**MR VINAYAK CHATTERJEE**

(DIN: 00008933)

(Non-Executive and Independent Director)

Nationality	: Indian
Age	: 62 years
Date of Initial Appointment	: March 22, 2019
Term ending date	: March 21, 2024
Shareholding	: Nil

Areas of expertise**MR SUNIL MEHTA**

(DIN: 00065343)

(Non-Executive and Independent Director)

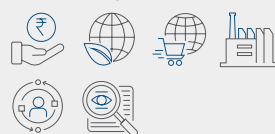
Nationality	: Indian
Age	: 64 years
Date of Initial Appointment	: March 22, 2019
Term ending date	: March 21, 2024
Shareholding	: Nil

Areas of expertise**MR SRIDHAR BALAKRISHNAN**

(DIN: 08699523)

(MD & CEO)

Nationality	: Indian
Age	: 51 years
Date of Initial Appointment	: February 21, 2020
Term ending date	: February 20, 2025
Shareholding	: Nil

Areas of expertise**MR M R KUMAR**

(DIN: 03628755)

(Non-Executive and Non-Independent Director)

Nationality	: Indian
Age	: 60 years
Date of Initial Appointment	: October 19, 2020
Term ending date	: NA
Shareholding	: Nil

Areas of expertise

The detailed profiles of Directors is available on the Company's website and can be accessed on web link at <https://www.acclimited.com/about/board-of-directors>

Directorships and Memberships of Committees

The total number of Directorship(s) held by the Directors and the Memberships/ Chairmanships on Committees held by them as mentioned hereunder, is in compliance with the provisions of the Act and the SEBI Listing Regulations. None of the Directors are related *inter se*.

Name of the Director	Category	*Number of Directorship(s) held in other Public Companies	*Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC)	
				Member	Chairman
Mr N S Sekhsaria (Chairman)	Non-Executive/ Non-Independent	4	1. ACC Limited@%; 2. Ambuja Cements Limited@%; 3. Everest Industries Limited@	0	0
Mr Jan Jenisch (Deputy Chairman)	Non-Executive/ Non-Independent	2	1. ACC Limited@; 2. Ambuja Cements Limited@	0	0
Mr Neeraj Akhoury	Non-Executive/ Non-Independent	4	1. ACC Limited@; 2. Ambuja Cements Limited^	1	0
Mr Martin Kriegner	Non-Executive/ Non-Independent	3	1. ACC Limited@; 2. Ambuja Cements Limited@	2	0
Mr Shailesh Haribhakti	Non-Executive/ Independent	10	1. ACC Limited#; 2. Ambuja Cements Limited#; 3. Torrent Pharmaceuticals Limited#; 4. L&T Finance Holdings Limited#%; 5. Blue Star Limited#%; 6. Future Lifestyle Fashion Limited#%; 7. Bajaj Electricals Limited#	10	4
Mr S K Roongta	Non-Executive/ Independent	8	1. ACC Limited#; 2. JK Paper Limited@; 3. Jubilant Pharmova Limited#; 4. Jubilant Ingrevia Limited#; 5. Titagarh Wagons Limited#	5	2
Ms Falguni Nayar	Non-Executive/ Independent	4	1. ACC Limited#; 2. Dabur India Limited#; 3. FSN e-commerce Ventures Limited^	1	0
Mr D Sundaram	Non-Executive/ Independent	5	1. ACC Limited#; 2. Infosys Limited#; 3. Crompton Greaves Consumer Electricals Limited#; 4. GlaxosmithKline Pharmaceuticals Limited#	7	5
Mr Vinayak Chatterjee	Non-Executive/ Independent	4	1. ACC Limited#; 2. Apollo Hospitals Enterprise Limited#; 3. Indraprastha Medical Corporation Limited#; 4. KEC International Limited@	2	0
Mr Sunil Mehta	Non-Executive/ Independent	3	1. ACC Limited#; 2. Yes Bank@%	3	1
Mr Sridhar Balakrishnan	MD & CEO/ Executive	3	1. ACC Limited^	1	0
Mr M R Kumar	Non-Executive/ Non-Independent	6	1. ACC Limited@; 2. LIC Housing Finance Ltd\$%; 3. IDBI Bank Ltd@%	0	0

*excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

**Committees considered are AC & SRC.

None of the Directors hold Chairmanship/ Committee memberships across companies with which they are associated as Directors beyond the threshold stipulated in the Listing Regulations.

Category of Directorship held:

@Non-Executive & Non-Independent

#Non-Executive & Independent

^Executive

\$Nominee

% Chairman

Board diversity

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

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

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken D&O for all its Directors and members of the Senior Management for such quantum and for such risks as determined by the Board of Directors.

Independent Directors

Independent Directors play a significant role in the governance processes of the Board. By virtue of their varied expertise and experience, they enrich the Board's decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders, particularly the minority shareholders.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes its recommendations to the Board.

Mr Haribhakti and Mr Roongta were re-appointed by the Members for a second term of five (5) years with effect from July 24, 2019 whilst Ms Nayar has been re-appointed for a second term with effect from April 24, 2019 for a period of five (5) consecutive years.

Mr D Sundaram, Mr Vinayak Chatterjee and Mr Sunil Mehta have been appointed by the members as Independent Directors for the first term at the Annual General Meeting held on March 22, 2019 for a period of five (5) consecutive years.

All the Independent Directors on the Board of the Company have submitted their respective declarations confirming that they meet the criteria of independence as mentioned in Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. Also, in terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board, all the Independent Directors fulfil the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act and are independent of the Management.

The maximum tenure of the Independent Directors is in compliance with the provisions of the SEBI Listing Regulations and the Act. No Independent Director of the Company has resigned or was re-appointed during the financial year under review.

Meeting of Independent Directors

During the year under review, the Independent Directors met on December 15, 2021, *inter alia* to discuss:

- evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties; and
- other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the meetings and the openness and transparency with which the Management discusses various subject matters specified in the agendas of meetings. The consolidated Evaluation Report of the Board, based on inputs received from the Directors was discussed at the meeting of the Board held on December 16, 2021 and the action areas identified in the process are being implemented to ensure a better interface at the Board/ Management level.

Induction programme for new Directors and on-going familiarisation programme for existing Independent and Non-Independent Directors

A formal induction programme for new Directors and an on-going familiarisation process with respect to the business/ working of the Company, the Company's business model for all Directors is a major contributor to familiarise the Directors with the dynamics of the cement industry to facilitate their engagement in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, *inter alia*, explains the role, functions, duties and responsibilities of the Director and the Board's expectations from him/ her. The requirement of obtaining declarations from a Director under the Act, the SEBI Listing Regulations and other relevant regulations are also explained in detail to the Directors and necessary affirmations are taken from them in respect thereto.

By way of an introduction to the Company, the Directors are presented with a book on the rich legacy of the Company, which traces its history of over eight (8) decades of its existence, past Annual Reports, the Sustainable Development Reports, brochure on the CSR activities pursued by the Company and brochure which discusses various topics related to cement, its applications, etc. and ACC Parivar, the Company's house magazine.

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

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/ her to effectively fulfil his/her role. In addition, Board Members are regularly informed about significant developments in the cement industry, regulatory changes and other developments, which impact the Company.

Directors are also encouraged to visit the Company's plants to have a better insight of the manufacturing processes, facilities and the social environment in which the Company functions. Further, as an on-going process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the cement industry, analysis of the circumstances which have helped or adversely impacted the Company's performance with its peers in the industry based on the information as available in the public domain and the initiatives taken/proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plans and so on.

The Independent Directors of the Company were provided with an induction booklet containing details such as industry overview, manufacturing and operations, logistics, procurement, branding, introduction to Global Digital Hub, sustainability and CSR initiatives as well as governance and compliance framework of the Company.

Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through the weblink at <https://acclimited.com/assets/new/pdf/CG/Familiarization-Programme-2021.pdf>

Performance evaluation of the Board and individual Directors

Pursuant to the provisions of the Act and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance as well as the working of its Audit, Nomination & Remuneration, Compliance, Risk Management, Stakeholders' Relationship and CSR & Sustainability Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors which covered aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/ Committees, *inter alia*, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/ Committees, independence of judgement exercised by Independent Directors, interpersonal relationship and so on.

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

Remuneration of Directors

The remuneration of the Board of Directors during the year is set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by Members of the Company. None of the Directors of the Company have any pecuniary relationship with the Company apart from receiving the remuneration as mentioned below. The remuneration paid to the Non-Executive Directors does not exceed the threshold specified in Regulation 17(6) (ca) of the SEBI Listing Regulations and no approval of the shareholders by Special Resolution was called for.

The details of remuneration for the year ended December 31, 2021 are given hereunder:

(₹ Lakh)				
Name of the Director	Salary/ Incentive	Commission	Sitting Fees	Total
Mr N S Sekhsaria, Chairman	-	50.00	5.00	55.00
Mr Jan Jenisch, Deputy Chairman	-	20.00	1.50	21.50
*Mr Neeraj Akhoury (MD up to February 20, 2020)	56.69	-	-	56.69
*Mr Neeraj Akhoury (Non-Executive Director w.e.f. February 21, 2020)	-	-	-	-
*Mr Martin Kriegner	-	-	-	-
Mr Shailesh Haribhakti	-	36.00	8.00	44.00
Mr S K Roongta	-	36.00	8.10	44.10
Ms Falguni Nayar	-	20.00	4.40	24.40
Mr D Sundaram	-	45.00	8.00	53.00
Mr Vinayak Chatterjee	-	36.00	8.30	44.30
Mr Sunil Mehta	-	36.00	7.20	43.20
**Mr Sridhar Balakrishnan	515.00	-	-	515.00
Mr M R Kumar	-	20.00	2.00	22.00

#Received performance incentive for the year 2020 in the year 2021 on pro rata basis for the period January 1, 2020 to February 20, 2020.

*Mr Martin Kriegner and Mr Neeraj Akhoury have waived their right to receive Directors' commission and sitting fees.

**The remuneration of Mr Sridhar Balakrishnan includes the Performance Linked Incentive of ₹151.79 Lakh for the year 2020 and the performance shares of Holcim Ltd. (Ultimate Holding Company) of ₹54.95 Lakh.

In accordance with the SEBI Listing Regulations, no employee including Key Managerial Personnel or Director or Promoter of a listed entity, shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from shareholders by way of an ordinary resolution. No such instances were reported during the financial year ended December 31, 2021.

The policy for payment of remuneration to Directors, Key Managerial Personnel and members of the Executive Committee is set out on the website of the Company and can be accessed through the weblink at www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf

Employment agreement entered with MD & CEO

The Company had entered into an agreement with Mr Sridhar Balakrishnan, MD & CEO and the same can be accessed at the website of the Company through the weblink at <https://acclimited.com/securepdf/Agreement-bsridhar>

Meetings

Board meetings held during the year under review

Dates on which the Board meetings were held in 2021	Total strength of the Board	Number of Directors present
February 11, 2021	12	11
March 25, 2021	12	11
April 19, 2021	12	12
July 19, 2021	12	11
August 3, 2021	12	11
October 19, 2021	12	10
December 16, 2021	12	11

The gap between any two (2) Board meetings did not exceed one hundred and twenty (120) days in line with the requirements of the Act and the SEBI Listing Regulations.

Attendance of Directors at Board meetings and Annual General Meeting

Name of the Director	Attendance at the Board meetings held on							Attendance at the AGM held on April 7, 2021
	February 11, 2021	March 25, 2021	April 19, 2021	July 19, 2021	August 3, 2021	October 19, 2021	December 16, 2021	
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓	✓	LOA
Mr Jan Jenisch	LOA	✓	✓	LOA	LOA	LOA	✓	✓
Mr Neeraj Akhoury	✓	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	✓	✓	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓	✓	✓
Mr S K Roongta	✓	✓	✓	✓	✓	✓	✓	✓
Ms Falguni Nayar	✓	✓	✓	✓	✓	✓	✓	✓
Mr D Sundaram	✓	✓	✓	✓	✓	✓	✓	✓
Mr Vinayak Chatterjee	✓	✓	✓	✓	✓	✓	✓	✓
Mr Sunil Mehta	✓	✓	✓	✓	✓	✓	✓	✓
Mr Sridhar Balakrishnan	✓	✓	✓	✓	✓	✓	✓	✓
Mr M R Kumar	✓	LOA	✓	✓	✓	LOA	LOA	LOA

LOA – Leave of Absence

Duties and functions of the Board

The Board of Directors' primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business and thereby create value for its stakeholders. To this end, the Board of Directors sets out the corporate culture, lays down high ethical standards of corporate behaviour and ensures transparency in its dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, who is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensuring that robust policies and procedures are in place. The Board through its various Committees also reviews the identified risks and the

mitigation measures undertaken/ to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Health & Safety (H&S) performance and reviews such other items which require the Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. The agenda for the Board meetings

covers items as set out in the SEBI Listing Regulations to the extent that they are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The agenda is sent to the Directors within the period stipulated in the Secretarial Standards. The Board processes are also in consonance with the requirements of the Secretarial Standard-1 relating to the meetings of the Board and its Committees.

All the recommendations of the various Committees of the Board have been accepted by the Board of Directors and none of the Directors are influenced by the Management.

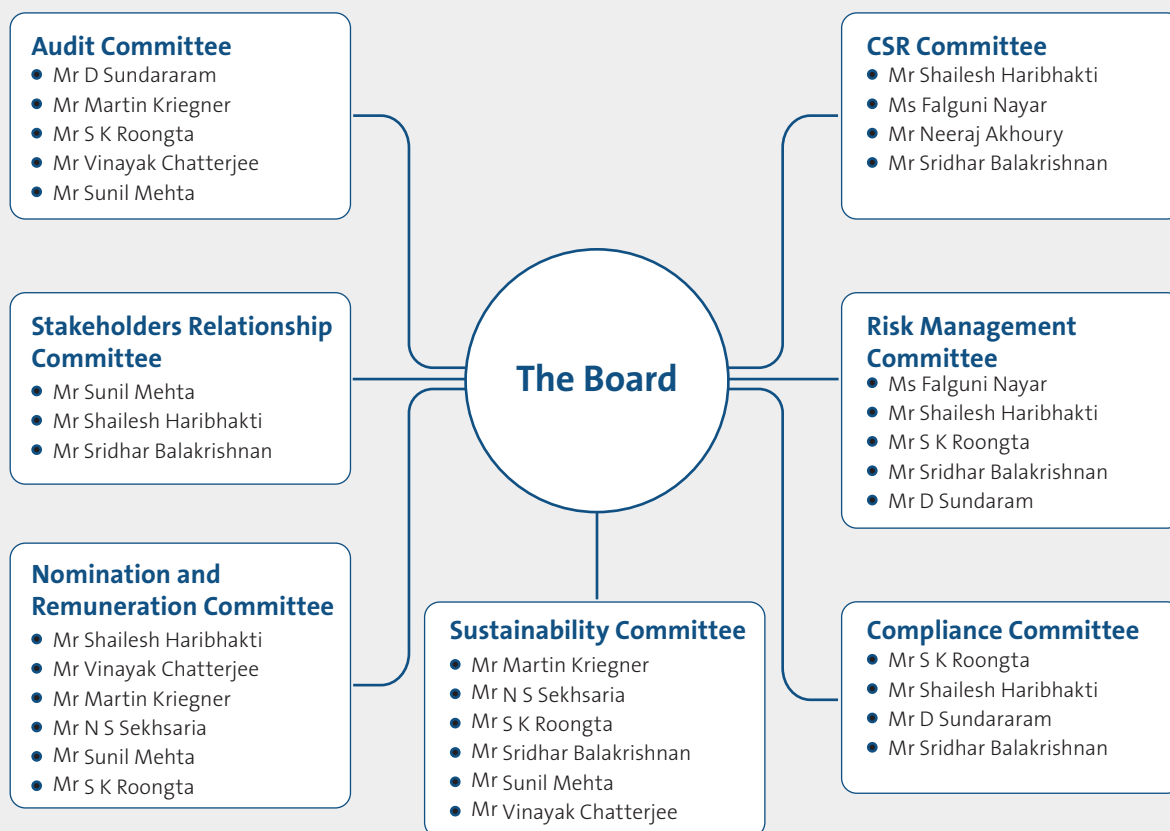
COMMITTEES OF THE BOARD

The Company has over the years maintained the highest standards of corporate governance processes and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements. For instance, the Board of Directors had constituted the Audit Committee in 1986. A Share Committee was constituted in 1962 to evaluate share-related matters of the Company and investor relations, which has transformed into the Stakeholders' Relationship Committee. Likewise, a Compensation

Committee was constituted in 1992. The Committee has subsequently been re-constituted as the Nomination & Remuneration Committee with wider terms of reference as per statutory requirements.

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained hereunder. Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support, enhancing the qualitiveness of the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

The meetings of each of these Committees are convened by the respective Chairpersons, who also apprise the Board about the summary of discussions held at their meetings. The minutes of the Committee meetings are sent to all Directors individually for their approval/ comments as prescribed in Secretarial Standards-1 and after the minutes are duly approved, these are circulated to the Board of Directors and presented at the Board meetings.



AUDIT COMMITTEE

The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance and reviews the Company's statutory and internal audit processes.

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. More than two-third (2/3rd) of the members of the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations. All the members on the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. The Chairman of the Committee possesses professional qualifications in the field of Finance and Accounting.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee meetings. They have attended all Audit Committee meetings held during the year at which the Financial Statements have been placed for review. The representative of the Cost Auditor is invited to attend the meeting of the Audit Committee at which the Cost Audit Report is presented for discussion. The MD & CEO, the Chief Financial Officer ('CFO'), the Chief Internal Auditor and the Chief Manufacturing Officer attend the meetings of the Committee. The Chief Legal Officer & Company Secretary is the Secretary of the Committee.

During the year under review, the Audit Committee also held a separate one-to-one meeting with the Statutory Auditors and the Chief Internal Auditor to obtain their inputs on significant matters relating to their respective areas of audit without the presence of the MD & CEO, CFO and others representing the Management.

The Terms of Reference of the Committee *inter alia* include:

A. General

- i. Develop, with the appropriate assistance from the statutory auditors, the internal auditors and management, an annual audit plan, internal audit plan and other plans/ matters to be reviewed as part of the responsibilities of the Committee;
- ii. Perform such other role as mandated to the Committee by the Board of Directors and under the applicable rules/ regulations/ laws.

B. Financial Reporting and Financial Reporting Processes

- i. Oversight of the Company's financial reporting process and the disclosure of financial statements/ results and information submitted to the stock exchanges, regulatory authorities or the

shareholders to ensure that the financial statement reflect a true and fair view correct and the same time sufficient and credible;

- ii. Review with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act;
 - b) Changes, if any, in the accounting policies and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of the judgement by the management;
 - d) Significant adjustments, if any, made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements concerning financial statement;
 - f) Disclosure in financial statements including related party transactions;
 - g) Qualification/ modified opinion, if any, in draft audit report.
- iii. Review accounting adjustments, if any, that are noted or proposed by the statutory auditors but were 'passed' (as immaterial or otherwise);
- iv. Scrutiny of inter-corporate loans and investments;
- v. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vi. Monitoring the end use of funds raised through public offers and related matters;
- vii. Review with the management the quarterly financial statements before submission to the Board for approval;
- viii. Review of the Management Discussion & Analysis of financial and result of operations;
- ix. Consider and discuss with the statutory auditors its judgements about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting with reference to Generally Accepted Accounting Principles in India;
- x. Review financial statements including details of significant transactions/ investments by the subsidiaries.

C. Risk Management, Internal Control and Governance Processes

- i. Review and discuss with Management the adequacy of the Company's system of business risk assessment including the risk of fraud. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- ii. Review and discuss with the statutory auditors, the internal auditors and management the adequacy and effectiveness of the Company's system of internal controls;
- iii. Review any material defalcations or acts of fraud/ misconduct as reported by the Risk Management Committee.

D. Statutory Audit

- i. Recommend to the Board the appointment, re-appointment, terms of reference and, if required the replacement or removal of the Statutory Auditors, Cost Auditors and Secretarial Auditors considering their independence and effectiveness and also recommend the audit fees;
- ii. Give approval of all auditing and permissible non-auditing services (services other than those services which cannot be rendered by the Statutory Auditors as per Section 144 of the Act) to be rendered by the Statutory Auditors and determining the remuneration for all such services;
- iii. Annually review and discuss with the Statutory Auditors all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence;
- iv. Review the performance of the Statutory Auditors;
- v. Review and discuss the nature and scope of the Statutory Auditors' annual audit as well as post-audit discussion with the Auditors to ascertain any area of concern;
- vi. Mandatory review of Management Letters/letters of internal control weaknesses and any significant findings and recommendations issued by the Statutory Auditors together with Management's response thereto;
- vii. Following completion of the annual audit, review and discuss with the Statutory Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- viii. Meet at least once every six (6) months, separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed separately;

- ix. Review the annual Cost Audit report submitted by the Cost Auditors.

E. Internal Audit

- i. Review the Internal Audit scope and recommend changes, if any;
- ii. To approve appointment, removal and terms of remuneration of Chief Internal Auditor;
- iii. Review with the Management the performance of the internal auditors and adequacy of the internal controls;
- iv. Consider and approve, in consultation with the Statutory Auditors and the Head of Internal Audit, the annual scope and plan of the Company's Internal Audit and any significant changes thereto;
- v. Review the adequacy of the Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- vi. Review with the Internal Auditor and the Statutory Auditors the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts and the effective use of audit resources;
- vii. Review internal audit reports relating to internal control weaknesses;
- viii. Review any significant findings and recommendations of Internal Audit, together with Management's responses thereto;
- ix. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature and reporting the matters to the Board;
- x. Review with the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- xi. Meet at least once every six (6) months, separately with the Chief Internal Auditor to discuss any matters that the Committee or the Chief Internal Auditor believes should be discussed separately.

F. Other Responsibilities

- i. (a) Approval of Related Party Transactions ('RPTs') or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPTs subject to conditions specified in Regulation 23 of the SEBI Listing Regulations;
- (b) Review of RPTs on a quarterly basis;

- ii. Review of internal control systems, policies and procedures under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
- iii. Review of key new developments in Tax, Incentive and Legal matters;
- iv. Perform other activities as required by law or determined by the Board;
- v. Approval of appointment of CFO after assessing his qualification, experience & background etc.;
- vi. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter;
- vii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- viii. Institute and oversee special investigations as needed;
- ix. Periodically report to the Board or Committee of the Board *inter alia* all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/ regulatory compliances;
- x. Confirm annually that all responsibilities outlined in this Charter have been carried out by the Committee;
- xi. Self-evaluation of the Committee's performance once every year.

G. Vigil Mechanism

To oversee and review the Vigil Mechanism/ whistle-blower function established by the Company to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company's Code of Conduct.

The Company will provide adequate safeguards against victimisation of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.

The composition of the Audit Committee as on December 31, 2021 and details of the member's participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Audit Committee meeting held on					
		February 11, 2021	April 19, 2021	June 14, 2021	July 19, 2021	October 19, 2021	November 22, 2021
Mr D Sundaram, Chairman	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓	✓
Mr S K Roongta	Non-Executive/ Independent	✓	✓	✓	✓	LOA	✓
Mr Vinayak Chatterjee	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Sunil Mehta	Non-Executive/ Independent	✓	✓	✓	✓	✓	LOA

LOA – Leave of Absence

Mr D Sundaram, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

Performance review of the Audit Committee

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire which broadly covers composition of the Committee, frequency of meetings, engagement of the Members, the quality of discussions, overview of the financial reporting process, adequacy of internal control systems and overview of internal and external audits. The results of the assessment are presented to the Committee along with the action plan in the areas requiring improvement, if any, which are suitably addressed.

STAKEHOLDERS' RELATIONSHIP COMMITTEE ('SRC')

The composition of the SRC of the Board is in line with the requirements of Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The SRC comprises three (3) members of which two-thirds (2/3rd) of the members including the chairman are Independent Directors. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- To review the steps taken to resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.;
- To review the measures taken for effective exercise of voting rights by shareholders;
- To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
- To approve issue of duplicate share certificates for shares reported lost, defaced or destroyed as per the laid down procedure;
- To issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates;
- To issue and allot right shares/ bonus shares pursuant to a Rights Issue/ Bonus Issue subject to such approval as may be required;
- To monitor dematerialisation of shares and all matters incidental or related thereto;
- To authorise the Company Secretary & Head Compliance/ other officers of the Company to attend to take such actions as necessary or deemed fit by the Committee for any matter and to monitor action taken;
- To monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- Review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund of the Government of India in line with the relevant Rules thereunder;
- All other matters incidental or related to shares of the Company;
- Perform such other functions as may be required by law, the Company's Articles of Association or as may be assigned by the Board of Directors.

The composition of the SRC as on December 31, 2021 and details of the members participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Stakeholders' Relationship Committee meeting held on		
		February 10, 2021	July 16, 2021	October 18, 2021
Mr Sunil Mehta, Chairman	Non-Executive/ Independent	✓	✓	✓
Mr Shailesh Haribhakti	Non-Executive/ Independent	✓	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓	✓

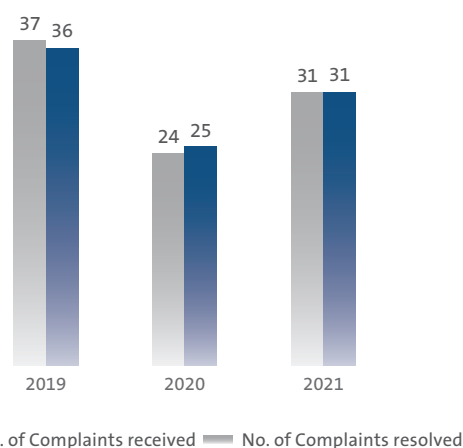
Mr Sunil Mehta, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

Mr Rajiv Choubey, Chief Legal Officer and Company Secretary, functions as the compliance officer. He has also been appointed as the nodal officer in line with statutory requirements.

During the year, Twenty-four (24) complaints were received from shareholders relating to transfers/ transmission of shares, issue of duplicate share certificates and related matters. These complaints were attended within a period of thirty (30) days from the date of receipt by the Company as on December 31, 2021 which now stands resolved as on the date of this Report.

Analysis of Complaints received and resolved during the year ended December 31, 2021 and previous years:

Details of Complaints received and resolved



NOMINATION & REMUNERATION COMMITTEE ('N&RC')

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations. The Chairman of the Committee is an Independent Director and two-third (2/3rd) of the Members of the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Committee.

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

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulate criteria for determining qualifications, attributes and Independence of a Director;
- Devising a policy on Board Diversity;
- Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company;

- Formulate the criteria for evaluating the performance of the Board of Directors;
- Formulate a policy relating to the remuneration for the Directors, Key Managerial Personnel ('KMP') and Senior Management employees;
- Identifying individuals for appointment as KMP and other Senior Management positions, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and/ or parent company in this regard;
- Specify the manner for effective evaluation of performance of Board, its Committees, individual Directors and review its implementation and compliance;
- Review the performance evaluation of the Directors, KMP and Senior Management Employees;
- Administration of the Employee Stock Option Schemes (ESOS), if any.

The composition of the N&RC as on December 31, 2021 and details of the Members participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the N&R Committee meetings held on				
		March 10, 2021	March 19, 2021	June 9, 2021	November 17, 2021	December 15, 2021
Mr Shailesh Haribhakti, Chairman	Non-Executive/ Independent	✓	✓	✓	✓	✓
Mr N S Sekhsaria	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non-Executive/ Non-Independent	✓	✓	✓	✓	✓
Mr Vinayak Chatterjee	Non-Executive/ Independent	✓	✓	✓	✓	✓

Mr Shailesh Haribhakti, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries. Mr S K Roongta and Mr Sunil Mehta, Independent Directors, have been appointed as the members of the N&RC w.e.f. January 1, 2022, in line with the amended provisions of SEBI Listing regulations.

CORPORATE SOCIAL RESPONSIBILITY ('CSR') COMMITTEE

The Company has always been conscious of its obligations *vis-à-vis* the communities it impacts and has been pursuing various CSR activities long before these were mandated by law. The CSR Committee was set up by the Board of Directors on February 7, 2013 to assist the Board in fulfilling its corporate social responsibility and to strive for overall sustainable development in the conduct of the Company's business. The Committee was renamed as the Corporate Social Responsibility & Sustainability Committee with effect from October 15, 2019 in accordance with the approval of the Board of Directors.

However, considering the fact that Environment, Social and Governance (ESG) aspect requires special attention and focus the CSR & Sustainability Committee was split into two (2) separate Committees i.e. CSR Committee and Sustainability Committee by the Board of Directors of the Company with effect from January 1, 2022.

Committee is constituted in line with the provisions of Section 135 of the Act.

The terms of reference of the CSR Committee broadly includes the following:

- To review from time to time the CSR policy of the Company and to ensure that the CSR policy is in line with Schedule VII of the Companies Act, 2013 as amended from time to time;
- To review CSR projects with a view to ensure that they are in line with CSR objectives and CSR Policy of the Company;
- To ensure that the Company's overall business strategy reflects its long-term objectives on corporate social responsibility;
- To consider and advise the Board and the Management on various CSR projects to be implemented by the Company either directly or through the "ACC TRUST" of which the Company is the Settlor, established for this purpose in furtherance of its social obligations;
- To review the annual CSR budget and recommend to the Board the amount of expenditure to be incurred on various

CSR programmes/ activities either directly or through the “ACC TRUST” or any other trusts;

- To oversee impact assessment of CSR projects of the Company;
- To advise the Board on significant stakeholder concerns relating to CSR;
- To review and recommend to the Board for its approval any other reporting on CSR;

- Such other related matters which the Committee may deem appropriate, required by law or assigned to the Committee by the Board of Directors from time to time.

The Committee’s scope will encompass Company policies and performance related to CSR as described above. The Committee shall review the Company’s objectives, plans and performance and recommend actions, as necessary, to ensure continuous performance improvement and alignment with the expectations of stakeholders (both internal and external).

The composition of the CSR Committee as on December 31, 2021 and details of the members’ participation at the meetings of the Committee are as under:

Name of the Director	Category	Attendance at the CSR & Sustainability Committee meetings held on		
		March 26, 2021	August 6, 2021	December 14, 2021
Mr Shailesh Haribhakti, Chairman	Non-Executive/ Independent	✓	✓	✓
Ms Falguni Nayar	Non-Executive/ Independent	✓	✓	LOA
Mr Neeraj Akhoury	Non-Executive/ Non-Independent	✓	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓	✓

LOA – Leave of Absence

Mr Shailesh Haribhakti, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders’ queries.

The Company’s CSR Policy is comprehensive and is in alignment with the requirements of the Act and the United Nations Sustainable Development Goals. The Policy can be accessed at the Company’s website at https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf and the CSR Report forms an integral part of the Board’s Report.

RISK MANAGEMENT COMMITTEE (‘RMC’)

The Company has constituted the above Committee in line with the SEBI Listing Regulations as it is in the list of top 1,000 Companies in the country based on its market capitalisation for the immediately preceding financial year.

The RMC was constituted by the Board of Directors in the year 2014. The Members of the Committee are drawn from the Members of the Board. The majority of the Committee members include Independent Directors.

Business Risk Evaluation and Management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks as also to identify business opportunities.

The Committee is governed by a charter and its terms of reference comprises the following:

- Developing Risk Management Policy and Risk Management system framework for the Company;
- Overseeing key risks including identification, assessment, monitoring, and mitigation and reporting of various risks including strategic, financial, operation and compliance risks;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Assist the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the Risk Policy;
- The Committee shall review the adequacy of Risk Management Process applied by the management;
- The role and responsibilities of the Committee shall include such other items as may be applicable under the relevant Regulations and/or included within the scope by the Board.

The composition of the RMC as on December 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Risk Management Committee meetings held on	
		July 16, 2021	December 14, 2021
Ms Falguni Nayar, Chairperson	Non-Executive/ Independent	✓	✓
Mr Shailesh Haribhakti	Non-Executive/ Independent	✓	✓
Mr S K Roongta	Non-Executive/ Independent	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓

Ms Falguni Nayar, Chairperson of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders’ queries. Mr D Sundaram, Independent Director, has been appointed as a member of the Risk Management Committee w.e.f. January 1, 2022.

COMPLIANCE COMMITTEE

Recognising the importance of the Company to be compliant with various laws and regulations which impacts its business, the Board of Directors constituted the Compliance Committee in 2008. The Compliance Committee plays an important role in building a regime of 'zero tolerance' to any form of non-compliance, which is a pre-requisite for a robust governance mechanism.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the courts of law that may significantly affect the interests of the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing compliance with all applicable statutes, rules and regulations based on reports received from the MD & CEO, ExCo members and the Chief Legal Officer & Company Secretary and to recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company to determine *inter alia*, the probability of liabilities arising therefrom which are of a contingent nature.

The composition of the Compliance Committee as on December 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Compliance Committee meetings held on			
		February 10, 2021	April 16, 2021	July 16, 2021	October 18, 2021
Mr S K Roongta, Chairman	Non-Executive/ Independent	✓	✓	✓	✓
Mr Shailesh Haribhakti	Non-Executive/ Independent	✓	✓	✓	✓
Mr D Sundaram	Non-Executive/ Independent	✓	✓	✓	✓
Mr Sridhar Balakrishnan	Executive/ Non-Independent	✓	✓	✓	✓

Mr S K Roongta, Chairman of the Committee was present at the Annual General Meeting held on April 7, 2021 to address the shareholders' queries.

SUBSIDIARY COMPANIES

The Company does not have any 'material subsidiary' as defined in the SEBI Listing Regulations.

Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company as Regulation 24 of the SEBI Listing Regulations does not apply.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any is placed before the Board for review. Copies of Minutes of the Board and Committee Meeting(s) of the Subsidiary Companies are placed at the Board Meeting of the Company.

The Audited Annual Financial Statements and the Unaudited Quarterly Financial Results, along with the Auditors Limited Review thereon of Subsidiary Companies are presented at the

meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation with the Parent Company.

The Company does not have a material subsidiary and the requirement of secretarial audit as specified in Regulation 24A of the SEBI Listing Regulations is not applicable. However, pursuant to the requirements of Section 204 of the Act, its subsidiary, ACC Mineral Resources Limited is subjected to a Secretarial Audit. Secretarial Audit was conducted for the year ended December 31, 2021 and no adverse remarks have been made by the Secretarial Auditors in their Report.

The Company's policy on material subsidiary is available on the Company's website and can be assessed through the weblink at <https://www.acclimited.com/assets/new/pdf/CG/Policy-for-determining-material-subsiadiary.pdf>

DISCLOSURES

Compliance with Regulations 17 to 27 & Regulation 46 of SEBI Listing Regulations

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under Regulations 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

Particulars	Numbers
a) Number of complaints at the beginning of the financial year	1
b) Number of complaints filed during the financial year	0
c) Number of complaints disposed of during the financial year	1
d) Number of complaints pending as on end of the financial year	0

Disclosure of Non-Compliance of any Requirement of Corporate Governance Report, with Reasons

The Company has complied with and disclosed all the mandatory corporate governance requirements mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.

Indian Accounting Standards (Ind AS)

The Company has prepared its Standalone and Consolidated Financial Statements in accordance with Indian Accounting Standards as notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

FEES PAID TO STATUTORY AUDITORS

For the year ended December 31, 2021, the Company and its subsidiaries have paid a consolidated sum of ₹3.37 Crore to the statutory auditor and all its entities.

Particulars	(₹ Crore)		
	By Company	By Subsidiary	Total
Statutory Audit fees including fees for tax accounts	2.13	0.06	2.19
Limited Reviews	1.05	0.06	1.11
Reimbursement of Expenses & Other Services	0.07	-	0.07
Total	3.25	0.12	3.37

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company during the year with related parties were in the ordinary course of business and on arm's length pricing basis and were approved by the Audit Committee. These transactions are also subject to review by an external independent agency. The policy on related party transactions has been placed on the Company's website and can be accessed at <https://acclimited.com/assets/new/pdf/CG/Related-Party-Transactions-Policy-20210824.pdf> In line with the amended SEBI Listing Regulations, the policy has been amended suitably.

There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company. Where any material related party transaction is proposed, approval of the shareholders is obtained. No related party whether or not it is a party to the particular transaction or not is allowed to vote to approve the transaction in line with the SEBI Listing Regulations.

NON-COMPLIANCES/ STRICTURES AND PENALTIES IMPOSED

There has been no instance of non-compliance by the Company on any matter related to capital markets and no strictures or penalties have been imposed on the Company by the Stock Exchanges or by the SEBI or by any statutory authority on any matters related to capital markets during the last three (3) years.

VIGIL MECHANISM/ WHISTLE-BLOWER POLICY

The Company is committed to the high standards of corporate governance and stakeholder responsibility.

The Company has an 'EthicalView Reporting' ('EVR') Policy to deal with instances of fraud and mismanagement, if any. The EVR Policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no discrimination is meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline 'ACC Ethics Helpline' has been set-up, which is managed by an independent professional organisation. The Ethics Helpline

can be contacted to report on any suspected or confirmed incident of fraud/misconduct on:

- E-mail: acc@ethicalview.com
- Online reporting on <https://integrity.lafargeholcim.com/>
- National Toll-free Number: 18002092008
- Fax Number: +91 (22) 66459575
- Address: P.O. Box No. 137, Pune – 411 001

EthicalView Committee consisting of Senior Employees headed by Chief Legal Officer & Company Secretary has been constituted which investigates the complaints raised and recommends appropriate action where necessary. The Committee reports to the Audit Committee which in turn apprises the Board on such matters as necessary. No personnel have been denied access to the Audit Committee.

The scope of vigil mechanism has been extended during the year to enable reporting if any, on leakage of Unpublished Price Sensitive Information relating to the Company.

The EthicalView Reporting Policy is available on the Company's website and can be accessed on weblink at <https://www.acclimited.com/assets/new/pdf/ethicalview-reporting-policy.pdf>

Compliance with non-mandatory provisions

The status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of the SEBI Listing Regulations is as under:

- The Chairman's office is separate from that of the MD & CEO and that Company has not reimbursed the expenses incurred by him in performance of his duties
- The audit report of the Company's Financial Statements for the year ended December 31, 2021 is unmodified
- The Chief Internal Auditor reports directly to the Audit Committee
- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading 'Means of Communication'

CREDIT RATING

The Company has not issued any debt instruments which necessitates any credit rating. However, CRISIL has rated the Company as CRISIL AAA/Stable for Fund-based Working Capital Facilities and CRISIL A1+ for Non-fund based Working Capital Facilities. The same can be accessed at www.acclimited.com/investor-relations/credit-rating

LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an on-line legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations, RMX facilities, sales and corporate offices.

The Compliance Committee is informed about the progress and the status of legal compliances through this tool.

CONFIRMATION BY THE BOARD OF DIRECTORS' ACCEPTANCE OF RECOMMENDATION OF MANDATORY/ NON-MANDATORY COMMITTEES

The Board of Directors have confirmed that during the year, it has accepted the recommendations received from its mandatory/ non-mandatory Committees. None of the recommendations made by any of the Committees has been rejected by the Board.

CODE OF BUSINESS CONDUCT

The Board of Directors has approved a Code of Business Conduct ('Code'), which is applicable to the members of the Board and to all employees. The Company follows a policy of 'Zero Tolerance' to bribery and corruption in any form and the Board has laid down the Anti-Bribery & Corruption Directive, which forms an Appendix to the above Code. The code has been posted on the Company's website at www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity of the workplace, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management staff are required to complete an e-learning module on the above subject, in addition to the undergoing training conducted by the compliance team of the Company from time to time.

FAIR COMPETITION DIRECTIVE PROGRAMME

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

Under these programmes, training sessions are conducted on an annual basis for the concerned employees of the Company, particularly those in sales and purchase functions, on various aspects of competition law and on behavioural aspects for ensuring fair competition in the marketplace. E-learning training is imparted to all such employees in addition to face-to-face training and a specific module on 'Do's and Don'ts' in a tender bidding process.

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

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI Listing Regulations, the Company has formulated the 'Code of Conduct for Prevention of Insider Trading' and the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' ('ACC Code'), which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of the Company's shares by the Directors and their immediate relatives, designated persons and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed. The codes have been revised in line with the amendments to the SEBI Prohibition of Insider Trading Regulations, as amended from time to time.

Pursuant to the above, the Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the Prohibition of Insider Trading Regulations.

A structured digital database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the Prohibition of Insider Trading Regulations.

The Board of Directors have also formulated a Policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure and Conduct as per the requirements of the Prohibition of Insider Trading Regulations.

The Chief Legal Officer & Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the codes for fair disclosure and conduct.

The Board of Directors, designated persons and other connected persons have affirmed compliance with the ACC Code.

The Company's Whistle-Blower Policy (Vigil Mechanism) has also been amended to make employees aware of the existence of policies and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information to enable them to report on leakages, if any, of such information.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr Umashankar Hegde of U. Hegde & Associates, Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory Authority. The certificate is enclosed with this section as **Annexure 1.**

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and by placing relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five (45) days of the close of the quarter. The audited annual results are announced within sixty (60) days from the close of the financial year, as required under the SEBI Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty (30) minutes from the close of the Board meetings at which these are considered and approved. The results are published in leading English daily newspapers having nation-wide circulation and the Marathi translation of the same is published in leading Marathi daily newspapers.

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

The Annual Report of the Company, the quarterly/ half-yearly and the annual audited financial statements and the press releases of the Company are also placed on the Company's website at <https://www.acclimited.com/> and can be downloaded.

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

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations, including material information which have a bearing on the performance/ operations of the Company or which is price sensitive in nature. All information is filed electronically on BSE Limited's (BSE) on-line portal, BSE Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of The National Stock Exchange of India Limited (NSE).

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchanges. An internal management Committee comprising the MD & CEO, the CFO and the Chief Legal Officer & Company Secretary has been constituted and empowered to decide on the materiality of information for the purpose of making disclosures to the stock exchanges. The policy for determining materiality of events has been placed on the Company's website and can be accessed at https://www.acclimited.com/assets/new/new_pdf/Policy-for-Dissemination-of-Information-and-Determining-Information-Events-for-reporting-to-the-Stock-Exchanges.pdf

Disclosures made to the Stock Exchanges are also made available on the Company's website under the heading 'Announcements' and can be accessed through weblink at <https://www.acclimited.com/>

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

A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education & Protection Fund Authority, Ministry of Corporate Affairs.

Quarterly Compliance Reports and other relevant information of interest to the Investors are also placed under the Corporate Governance Section on the Company's website.

The Company also uploads on the BSE Listing Centre and on NSE's NEAPS portal, details of analysts and institutional investor meetings, which are either held by the Company or in which the Company participates.

Reminders to shareholders are sent for enabling them to claim returned undelivered share certificates, unclaimed dividend, among others.

GENERAL INFORMATION TO SHAREHOLDERS

Annual General Meeting

- Date: Thursday, April 21, 2022
- Time: 3.00 p.m.
- Mode: Video conference and other audio-visual means
- Venue: Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (Registered Office)
- Financial Year: January-December 2021
- Dividend Payment Date: On or after April 27, 2022

Investor services

With effect from September 16, 2019, with the approval of the Board of Directors, KFin Technologies Private Limited have been appointed as the Registrar and Share Transfer Agents ('RTA' or 'KFintech'). Advance intimation to this effect was provided to the stock exchanges and the investors through notices issued in leading newspapers.

In consequence of the above, the Company's In-house Share Department has been dismantled with effect from the above date. All share related services to the Company's investors with effect from September 16, 2019 are being provided by KFintech.

Address for correspondence with the RTA and Company

KFIN Technologies Private Limited,
Selenium Building, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Gachibowli, Hyderabad – 500 032, Telangana.

ACC Limited, Cement House, 121, Maharshi Karve Road,
Mumbai – 400 020

Communication to Members

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is also intimated to the stock exchanges and

available on the website of the Company. Attention of the Members holding shares of the Company in physical form is invited to go through the said important communication under the web link at <https://acclimited.com/newsite/pdf/Communication-to-the-Shares-holders-holding-shares-in-Physical-Form.pdf>

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the link at https://acclimited.com/assets/new/pdf/IEPF_Dividend/Form-ISR-4.pdf

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

SMS reach outs

During the financial year under review, the Company partnered with NSDL for reaching out to its Shareholders through SMS, to register for e-communications by updating their e-mail Ids directly with the depositories through a secured one-time password based facility.

Plant locations

The locations of the Company's plants are given on page 7 of the Integrated Report. The details of the plants, along with their addresses and telephone numbers are also available on the Company's website.

MARKET INFORMATION

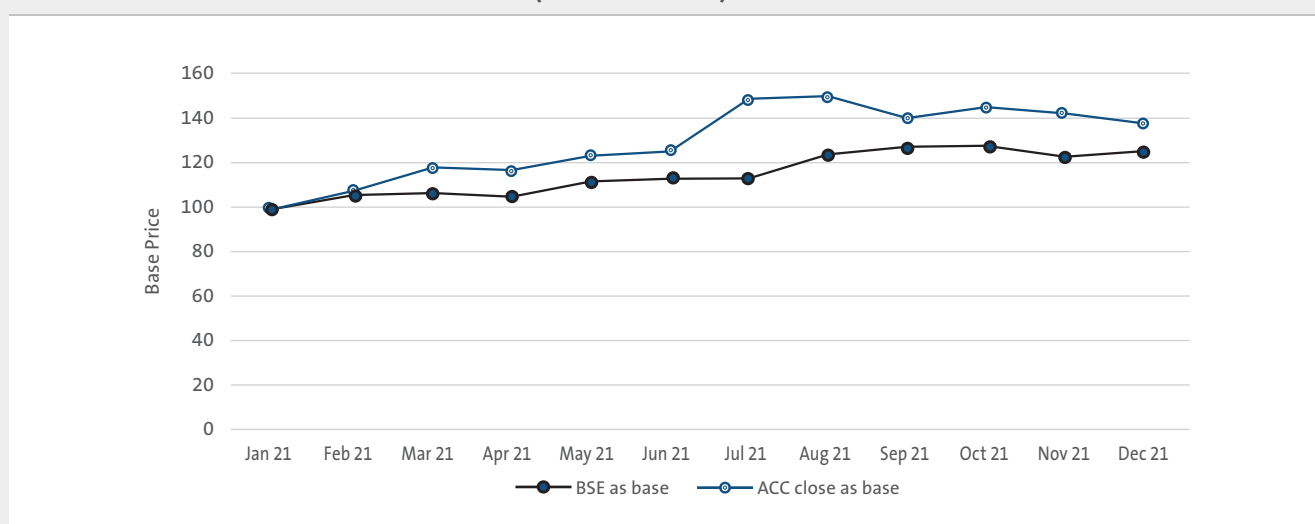
Listing on Stock Exchanges

The Company's shares are listed on the following stock exchanges and the listing fees have been duly paid to the exchanges:

Name & Address of stock exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/ CDSL (Dematerialised shares)
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500410	INE012A01025
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	ACC	

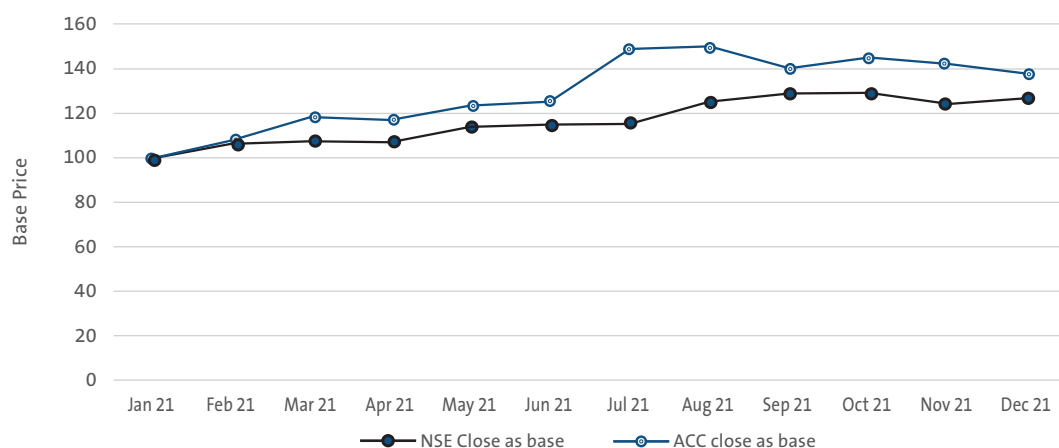
ACC Share Price on BSE vis-à-vis BSE Sensex January-December 2021

Months	BSE Sensex Close	ACC Share Price			No. of shares traded during the month	Turnover (₹ Crore)
		High ₹	Low ₹	Close ₹		
Jan-21	46,285.77	1,813.40	1,594.25	1,604.80	8,77,778	149.46
Feb-21	49,099.99	1,850.00	1,584.35	1,732.95	1,174,658	206.94
Mar-21	49,509.15	1,924.50	1,690.85	1,902.55	8,11,023	148.12
Apr-21	48,782.36	2,022.75	1,784.15	1,882.3	9,02,743	169.78
May-21	51,937.44	2,039.25	1,852.85	1,985.95	4,39,471	85.44
Jun-21	52,482.71	2,078.50	1,960.30	2,016.05	5,57,434	113.55
Jul-21	52,586.84	2,414.85	1,975.00	2,393.15	9,26,697	207.7
Aug-21	57,552.39	2,456.40	2,231.35	2,413.05	4,26,789	100.56
Sep-21	59,126.36	2,506.35	2,245.65	2,254.5	4,43,930	105.94
Oct-21	59,306.93	2,360.00	2,141.75	2,333.5	6,69,992	151.76
Nov-21	57,064.87	2,587.95	2,240.05	2,288.05	2,97,900	72.52
Dec-21	58,253.82	2,339.20	2,086.25	2,217.40	2,98,417	65.54

ACC Share Price on BSE and BSE Sensex Trend (Base Price basis)

ACC Share Price on NSE vis-à-vis S&P CNX Nifty January-December 2021

Month	S & P CNX Nifty Close	ACC Share Price			No. of shares traded during the month	Turnover (₹ Crore)
		High ₹	Low ₹	Close ₹		
Jan-21	13,634.60	1,814.00	1,593.40	1,603.85	2,41,15,000	4,113.43
Feb-21	14,529.15	1,847.00	1,584.20	1,733.20	2,51,90,000	4,452.04
Mar-21	14,690.70	1,925.00	1,692.00	1,903.25	2,41,43,000	4,413.24
Apr-21	14,631.10	2,022.85	1,782.25	1,882.75	2,40,92,000	4,545.43
May-21	15,582.80	2,040.00	1,853.20	1,986.05	1,27,71,000	2,479.99
Jun-21	15,721.50	2,078.00	1,959.75	2,014.80	81,38,000	1,652.58
Jul-21	15,763.05	2,415.00	1,975.00	2,394.10	2,09,06,000	4,678.15
Aug-21	17,132.20	2,454.95	2,230.55	2,413.20	97,49,000	2,278.27
Sep-21	17,618.15	2,509.00	2,245.10	2,254.50	76,49,000	1,825.94
Oct-21	17,671.65	2,364.00	2,142.05	2,333.40	1,36,65,000	3,111.75
Nov-21	16,983.20	2,589.00	2,240.00	2,286.40	69,94,000	1,706.46
Dec-21	17,354.05	2,340.85	2,087.80	2,215.75	72,94,000	1,623.18

ACC Share Price on NSE and CNX Nifty Trend (Base Price basis)



SHARE TRANSFER SYSTEM/ DIVIDEND AND OTHER RELATED MATTERS

Nomination facility for shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website through the weblink at https://acclimited.com/assets/new/pdf/IEPF_Dividend/Form-SH13-Nomination-Form.pdf

Members holding shares in dematerialised form should contact their Depository Participants (DP) in this regard.

Permanent Account Number

Members who hold shares in physical form are advised that SEBI has made it mandatory for all holders and claimants of physical securities to furnish PAN vide Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021.

Subdivision of shares

The Company subdivided the face value of its equity shares from ₹100 to ₹10 in 1999. Shares having the face value of ₹100 are no longer traded on the stock exchanges. The members still holding share certificates of ₹100 are requested to contact the RTA for obtaining subdivided shares.

Dividend

Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. The SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their depository participant, whereas members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed dividends

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of seven (7) years from the date the dividend is due for payment to the Investor Education & Protection Fund ('IEPF') established by the Government. Accordingly, during the financial year 2022, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 77th final dividend for the year ended December 31, 2014
- 78th interim dividend for the year ended December 31, 2015

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The information on unclaimed dividend is also posted on the Company's website at www.acclimited.com

The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Date for transfer to IEPF
December 31, 2014 (77 th Final)	March 20, 2015	19.00	May 24, 2022
December 31, 2015 (78 th Interim)	July 17, 2015	11.00	September 20, 2022
December 31, 2015 (78 th Final)	April 13, 2016	06.00	June 17, 2023
December 31, 2016 (79 th Interim)	July 26, 2016	11.00	September 29, 2023
December 31, 2016 (79 th Final)	March 29, 2017	06.00	June 2, 2024
December 31, 2017 (80 th Interim)	July 17, 2017	11.00	September 21, 2024
December 31, 2017 (80 th Final)	June 13, 2018	15.00	August 18, 2025
December 31, 2018 (81 st Final)	March 22, 2019	14.00	May 27, 2026
December 31, 2019 (82 nd Interim)	May 12, 2020	14.00	July 17, 2027
December 31, 2020 (83 rd Final)	April 7, 2021	14.00	June 13, 2028

Transfer of shares into IEPF (in cases where dividend has not been paid or claimed for seven consecutive years or more)

In terms of Section 124(6) of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is

required to transfer the shares in respect of which dividends have remained unpaid/ unclaimed for a period of seven (7) consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, during the year the Company has transferred 99,943 and 32,049 shares on July 3, 2021 and October 7, 2021 respectively to the IEPF.

Guidelines for Investors to file claim in respect of the unclaimed dividend or shares transferred to the IEPF

Investors/ depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/ or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/ guidelines stated as follows:

1

Login to website of MCA at <https://www.mca.gov.in/content/mca/global/en/home.html> and click on 'Investor Relations' tab under 'MCA Services' section for filing the web-based form IEPF-5 for the refund of dividend/ shares. Read the instructions provided on the website/ instruction kit carefully before filling the form.

2

Submit the duly filled form by following the instructions given on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

3

Take a print out of the duly filled Form No. IEPF-5 and the acknowledgement issued after uploading the form.

4

Submit an indemnity bond in original, copy of the acknowledgement and self-attested copy of the Form, along with other documents as mentioned in the Form No. IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked 'Claim for refund from IEPF Authority/ Claim for shares from IEPF' as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.

5

Form IEPF-5 completed in all respects will be verified by the Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhaar-linked bank account through electronic transfer and/ or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Rajiv Choubey, Chief Legal Officer & Company Secretary and the Deputy Nodal Officer is Ms Pooja Bhanushali whose e-mail id is HSSA-CompanySecretarial-Team@acclimited.com

Dealing with securities which have remained unclaimed

Regulation 39(4) of the SEBI Listing Regulations read with Schedule VI 'Manner of dealing with Unclaimed Shares', had directed Companies to dematerialise such shares, which have been returned as 'undelivered' by the postal authorities and hold these shares in an 'Unclaimed Suspense Account' to

be opened with either one of the Depositories viz. National Securities Depository Limited ('NSDL') or Central Depository Services (India) Limited ('CDSL').

All corporate benefits on such shares viz. bonus, etc. shall be credited to the unclaimed suspense account as applicable for a period of seven (7) years and thereafter it will be transferred to IEPF in accordance with the provisions of IEPF Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

UNCLAIMED SUSPENSE ACCOUNT

The details of operations of the demat 'Unclaimed Suspense Account' of ACC Limited during the year are as under:

Particulars	Number of shareholders	Number of shares
Aggregate number of shareholders and outstanding shares held in the Unclaimed Suspense Account as on January 1, 2021	519	63,315
Number of shareholders/ legal heirs to whom the shares were transferred from the Unclaimed Suspense account upon receipt and verification of necessary documents	1	80
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	86	6,869
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on December 31, 2021	432	*56,366

*Voting Rights in respect of the aforesaid 56,366 shares held in the Unclaimed Suspense Account are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

Pending investors' grievances

Any Member whose grievance has not been resolved satisfactorily by the RTA, may kindly write to the Chief Legal Officer & Company Secretary at the Registered Office with a copy of the earlier correspondence, if any or through e-mail ID of the Company at ACC-InvestorSupport@acclimited.com

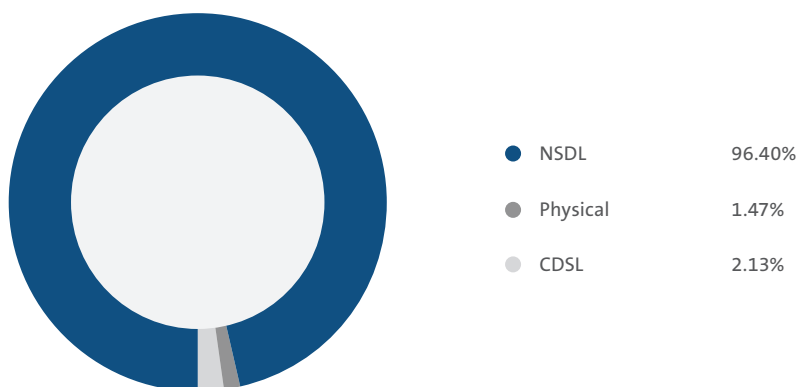
Reconciliation of share capital audit

As required by the SEBI Listing Regulations, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and the NSE and is also placed before the SRC and Board of Directors.

Distribution of shareholding as on December 31, 2021

No. of shares Slab	No. of shareholders	Percentage	Number of Shares						Total Number of Shares	Percentage of share capital (%)
			Physical	Percentage of share capital (%)	NSDL	Percentage of share capital (%)	CDSL	Percentage of share capital (%)		
1 – 51	89,828	70.75	1,24,066	0.07	7,20,140	0.38	4,27,926	0.23	12,72,132	0.68
51 – 100	12,732	10.03	1,30,570	0.07	6,56,330	0.35	2,56,964	0.14	10,43,864	0.56
101 – 200	8,870	6.99	2,01,485	0.11	8,43,313	0.45	2,87,232	0.15	13,32,030	0.71
201 – 500	7,725	6.08	3,86,545	0.21	17,08,912	0.91	4,59,685	0.24	25,55,142	1.36
501 – 1000	3,699	2.91	3,51,562	0.19	18,64,848	0.99	4,74,934	0.25	26,91,344	1.43
1001 – 5000	3,192	2.51	7,68,291	0.41	47,63,440	2.54	9,66,226	0.51	64,97,957	3.46
5001 – 10000	392	0.31	2,07,207	0.11	22,22,455	1.18	3,19,062	0.17	27,48,724	1.46
10001 and above	524	0.41	5,90,860	0.31	16,82,43,933	89.59	8,11,277	0.43	16,96,46,070	90.34
TOTAL	1,26,962	100.00	27,60,586	1.47	18,10,23,371	96.40	40,03,306	2.13	18,77,87,263	100.00

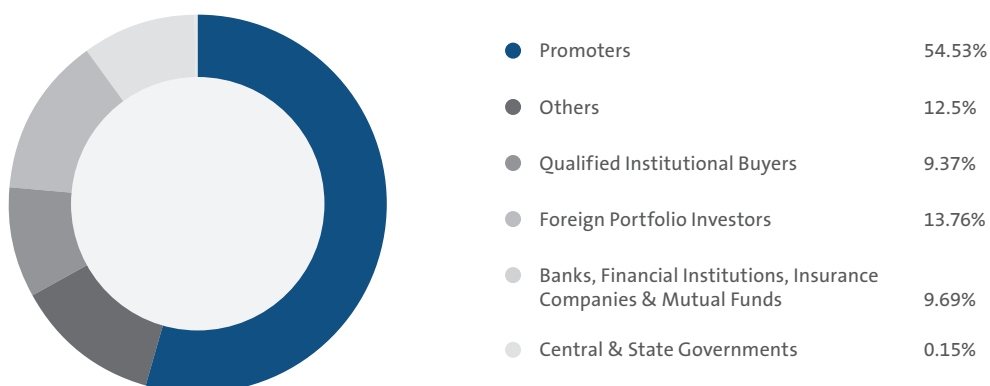
Distribution of Shareholding as on December 31, 2021



Shareholding pattern as on December 31, 2021

Category	Number of shares held	Percentage
Promoter:		
Ambuja Cements Limited	9,39,84,120	50.05
Holderind Investments Limited	84,11,000	4.48
		54.53
Public:		
Banks/ Financial Institutions	15,76,861	0.84
Insurance Companies	500	0.00
Mutual Funds	1,66,26,031	8.85
		9.69
Central & State Governments	2,87,815	0.15
Foreign Portfolio Investors	2,58,45,640	13.76
Qualified Institutional Buyers	1,75,88,607	9.37
Directors	0	0.00
Others	2,34,66,689	12.50
Total	18,77,87,263	100.00

Percentage Holding as on December 31, 2021



Statement showing shareholding of more than 1% of the capital as on December 31, 2021

Sl. No.	Name of the shareholders	Number of shares	Percentage of Share Capital (%)
1.	Ambuja Cements Limited	9,39,84,120	50.05
2.	Holderind Investments Limited	84,11,000	4.48
3.	Life Insurance Corporation of India	1,08,27,402	5.77
4.	Franklin India Bluechip Fund	28,50,000	1.52
5.	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Equity Fund	19,55,538	1.04
6.	Tata Infrastructure Fund	23,14,144	1.23
8.	DSP Equity Savings Fund	21,54,391	1.15
9.	NPS Trust – A/c SBI Pension Fund Scheme – Central Government	30,45,461	1.62
Total		12,55,42,056	66.86

Global Depository Receipts (GDR) or any convertible instrument, conversion dates and likely impact on equity: NIL

Commodity price risk or foreign exchange risk and hedging activities

For details on Commodity price risk, please refer to Page 264. The Company has Fx exposure for both revenue and capex items. However, the Company has in place a Board-approved Fx Hedging Policy to deal with such exposures.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NIL

Particulars of past three (3) Annual General Meetings

AGM	Financial Year	Venue	Mode	Day, Date	Time (IST)	Special Resolutions passed
85 th	Calendar Year 2020	Cement House, 121, Maharshi Karve Road, Mumbai – 400 020	Video conference and other audio-visual means	Wednesday, April 7, 2021	3:00 p.m.	No Special Resolution was passed
84 th	Calendar Year 2019	Cement House, 121, Maharshi Karve Road, Mumbai – 400 020	Video conference and other audio-visual means	Monday, July 6, 2020	2:30 p.m.	No Special Resolution was passed
83 rd	Calendar Year 2018	Pama Thadani Auditorium Jai Hind College, “A” Road Churchgate (West) Mumbai – 400 020	Physical	Friday, March 22, 2019	3.00 p.m.	Re-appointment of Independent Directors for a second term of five (5) consecutive years commencing from the dates on which their present appointment with the Company expires

Extraordinary General Meeting ('EGM')

No EGM was held during the period under reference.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern: NIL

Financial Calendar 2022

Board meeting for consideration of accounts for the Financial Year ended December 31, 2021 and recommendation of dividend	Wednesday, February 9, 2022
Sending of Annual Reports	On or before Saturday, March 26, 2022
Cut-off Date (for e-voting)	Thursday, April 14, 2022
Record Date (for dividend)	Tuesday, April 5, 2022
Date, Time and Venue of the 86 th Annual General Meeting	Thursday, April 21, 2022 at 3.00 p.m. Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (Registered Office)
Dividend Payment Date	On or after Wednesday, April 27, 2022*
Probable date of despatch of warrants	On or after Wednesday, April 27, 2022*
Board meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2022	Within forty-five (45) days from the end of the quarter, as stipulated under the SEBI Listing Regulations
Audited Results for the current financial year ending December 31, 2022	Within sixty (60) days from the end of the Financial Year, as stipulated under the SEBI Listing Regulations

* The Company shall ensure the payment of Dividend within 30 days from the date of declaration of the dividend at the AGM.

The Board in its Meeting held on February 9, 2022 has approved the Report on Corporate Governance for the Financial Year 2021.

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 9, 2022

Compliance with Code of Conduct

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended December 31, 2021.

For ACC Limited

Sridhar Balakrishnan

Managing Director & Chief Executive Officer

Mumbai

February 9, 2022

Managing Director & Chief Executive Officer and Chief Financial Officer Certification

We the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of ACC Limited ("**the Company**") to the best of our knowledge and belief certify that:

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended **December 31, 2021** and based on our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the quarter, which are fraudulent, illegal or violative of the Company's Code of Business Conduct.
- c) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company. We are not aware of deficiencies in the design or operation of such internal controls, and accordingly have not communicated any such matters to the Auditors and the Audit Committee.
- e) We have indicated, based in our most recent evaluation, to the Auditors and the Audit Committee:
 - (a) significant changes, if any in internal control over financial reporting during the year ended December 31, 2021;
 - (b) significant changes, if any in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements;
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any of the Management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully,

Sridhar Balakrishnan

Managing Director & CEO

Mumbai

February 1, 2022

Yatin Malhotra

Chief Financial Officer

ANNEXURE 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
ACC Limited

Cement House, 121,
Maharshi Karve Road, Mumbai – 400 020

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ACC Limited** having CIN L26940MH1936PLC002515 and having registered office at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal at www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on December 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr Narotam Satyanarayan Sekhsaria	00276351	27/12/1999
2.	Mr Sridhar Balakrishnan	08699523	20/02/2020
3.	Mr Jan Jenisch	07957196	17/10/2017
4.	Mr Neeraj Akhoury	07419090	16/12/2016
5.	Mr Martin Kriegner	00077715	11/02/2016
6.	Mr Mangalam Ramasubramanian Kumar	03628755	19/10/2020
7.	Mr Shailesh Vishnubhai Haribhakti	00007347	17/02/2006
8.	Mr Sushil Kumar Roongta	00309302	03/02/2011
9.	Ms Falguni Sanjay Nayar	00003633	24/04/2014
10.	Mr Damodarannair Sundaram	00016304	22/03/2019
11.	Mr Vinayak Chatterjee	00008933	22/03/2019
12.	Mr Sunil Mehta	00065343	22/03/2019

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **U. HEGDE & ASSOCIATES,**
Company Secretaries

Umashankar K. Hegde
Proprietor

C.P. No. 11161 # M. No. ACS 22133
ICSI UDIN: A022133C002356861

Place: Mumbai
Date: January 31, 2022

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
ACC Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference no. SN/2021-22/09A dated April 12, 2021.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of ACC Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENTS' RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2021.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Saira Nainar
Partner
(Membership No. 040081)
(UDIN: 22040081ABALPH9286)

Place: Mumbai
Date: February 9, 2022

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identification Number (CIN)** : L26940MH1936PLC002515
2. **Name of the Company** : ACC Limited
3. **Registered address** : Cement House 121, Maharshi Karve Road, Mumbai – 400 020
4. **Website** : www.acclimited.com
5. **E-mail ID** : brr.info@acclimited.com
6. **Financial year reported** : January 1, 2021 to December 31, 2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Group	Class	Sub-class	Description
239	2394	23941 and 23942	Manufacture of clinker and cement

8. List three key product/ services that the Company manufactures/ provides (as in balance sheet)

The Company manufactures different varieties of cement viz., Ordinary Portland Cement (OPC), Portland Pozollana Cement (PPC), Portland Slag Cement (PSC) and Composite Cement and Ready Mix Concrete (RMX).

9. Total number of locations where business activity is undertaken by the Company

- i. **Number of international locations** : Nil
- ii. **Number of national locations** : 17 Cement Plants, 78 Ready Mixed Concrete Plants and 26 offices, including Registered Office, Regional Offices and Sales Office

10. Markets served by the Company

: Across all markets in India

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. **Paid up capital (INR)** : ₹187.79 Crore
2. **Total turnover (INR)** : ₹15,814.40 Crore
3. **Total profit after taxes (INR)** : ₹1,820.27 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**
The Company's total spending on CSR is 2.03% of the average profit after taxes in the previous three (3) financial years.

5. List of activities in which expenditure in 4 above has been incurred

Sustainable Livelihood

- a) **ACC DISHA**: for youth employability
- b) **ACC Swavlamban**: focusing on women empowerment and livelihood
- c) **ACC LEISA**: for farmer's livelihood – Low External Input for Sustainable Agriculture (LEISA)

Education

- d) **ACC Vidya Utkarsh**: improving quality of education in government schools
- e) **ACC Vidya Saarathi**: student scholarships

Water, Sanitation, Health & Hygiene (WASH)

- f) **ACC Arogyam**: preventive, promotive and curative healthcare
- g) **ACC Sampoorana Swachhata**: promoting personal hygiene, open defecation free environment and safe disposal of waste.

Conservation of Environment

h) ACC Sanrakshit Paryavaran: solar, biodiversity and soil & water conservation

Promoting Sports, Arts and Culture

i) ACC Drona: to promote rural sports and traditional Indian culture

SECTION C: OTHER DETAILS**1. Does the Company have any subsidiary company/ companies?**

The Company has four (4) subsidiaries:

- ACC Mineral Resources Limited
- Bulk Cement Corporation (India) Limited
- Lucky Minmat Limited
- Singhanian Minerals Private Limited

2. Do the subsidiary company/ companies participate in the BR initiatives of the parent company, If yes, then indicate the number of such subsidiary company(s)?

Business Responsibility initiatives of the Parent Company have been adopted by Bulk Cement Corporation (India) Limited. While Singhanian Minerals Private Limited is operational, the remaining two (2) subsidiaries are inoperative.

3. Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]

Business associates of the Company have helped the Company in reaching people to continue relief work for people affected by COVID-19 pandemic.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION**1. Details of Director/ Directors responsible for BR**

Details of the Director/ Directors responsible for implementation of the BR policy/policies:

Director Identification Number (DIN): 08699523

Name: Mr Sridhar Balakrishnan

Designation: Managing Director and Chief Executive Officer

Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	08699523
2.	Name	Mr Sridhar Balakrishnan
3.	Designation	Managing Director and Chief Executive Officer
4.	Telephone Number	(022) 4159 3321
5.	E-mail ID	brr.info@acclimited.com

Principle-wise (as per NVGs) BR policy/ policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

- P1:** Businesses should conduct and govern themselves with ethics, transparency and accountability.
- P2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3:** Businesses should promote the well-being of all employees.
- P4:** Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5:** Businesses should respect and promote human rights.
- P6:** Businesses should respect, protect and make efforts to restore the environment.
- P7:** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8:** Businesses should support inclusive growth and equitable development.
- P9:** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Business ethics P1	Product responsibility P2	Well-being of employees P3	Stakeholder engagement and CSR P4	Human rights P5	Environment P6	Public policy P7	CSR P8	Customer relations P9
1.	Do you have a policy/policies for...	Y	Y The policy is embedded in the Company's quality and environment policies, which <i>inter alia</i> relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR Policies and other various HR practices	Y	N	Y	N
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
3.	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y Bureau of Indian Standards (BIS)	Y	Y This policy conforms to Guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-	Y This policy conforms to the Ministry of Environment, Forest and Climate Change (MoEF) guidelines of Corporate Environment Responsibility under EIA Notification 2006	-	Y Policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets	-
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	-	N	Y	-	Y	-	Y	-
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y At Executive Committee Meetings	Y	Y	Y	Y	-	Y	-

Sl. No.	Questions	Business ethics P1	Product responsibility P2	Well-being of employees P3	Stakeholder engagement and CSR P4	Human rights P5	Environment P6	Public policy P7	CSR P8	Customer relations P9
6.	Indicate the link for the policy to be viewed online?	*	-	-	***	-	**	-	***	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	-	Y	Y	-	Y	-	Y	-
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	The Company has a redressal mechanism to address product related complaints i.e. customer complaint portal	Y	Y	Y	Y	-	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y The implementation of the policy is subject to an Independent Audit by the Statutory Auditors and also has an oversight mechanism from the Parent Company	-	N	Y	Y	Y	-	Y	-

* www.acclimited.com

** https://acclimited.com/assets/new/new_pdf/Corporate_Environment_Policy.pdf

*** https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf

2(a). If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	The Company has a track record of pioneering achievements, long experience and leadership position which has benefited the cement industry at large in initiating dialogue with Government. However, no need for a formal policy has been felt	-	The Company has a systematic process of assessing customer needs fulfilling them with innovative products and services. It also has customer complaint redressal system

3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the business responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

3 to 6 months.

Does the Company publish a BR or Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?

Yes, the Company has been publishing its Sustainability Report annually since 2007 (www.acclimited.com/sustainable). Since the financial year ended December 2019, the sustainability disclosures became a part of the Integrated Annual Report and can be accessed at www.acclimited.com/investor-relations/financial-annual-results.

has a Code of Business Conduct (along with Anti-Bribery and Corruption Directive) and a vigil mechanism named as EthicalView Reporting Policy ('EVRP') that has been approved by the Board of Directors. These are applicable to all Directors and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption Directive and the EthicalView Reporting Policy also extend to the Company's business partners, including vendors/ service providers/ customers. The Company as part of JV compliance framework of the Holcim Group, has encouraged JV partners to adopt the best practices with respect to ethics, transparency and governance. The Code is available on the Company's website at: www.acclimited.com/assets/new/pdf/ACC-Code-of-Conduct-Final-signed-18-04-2017.pdf

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 128 complaints under the EthicalView Reporting Policy, out of which 88 complaints were addressed and the balance 40 complaints are under various stages of investigation and completion. The update on EthicalView is presented to the Audit Committee, who in turn briefs to the Board.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company considers Corporate Governance as an integral part of responsible management. The Company

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to three (3) of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

- i. **Blended cements:** Cements, where clinker, an intermediate product, is partially replaced by and blended with industrial wastes like fly ash and slag are called blended cements. Such replacement results in saving natural limestone as well as reduce CO₂ emissions. ACC manufactures three (3) types of blended cements i.e. Portland Pozzolana Cement (PPC), Portland Slag Cement (PSC) and Composite Cements. In 2021, out of the total cement produced, ~90% was blended cements.
- ii. **Co-processing services:** For more than a decade now, the Company is on the forefront of providing waste management solutions to stakeholders, communities and industries. Under the brand name of 'Geocycle', the Company has provided a safe and sustainable solution for safe disposal of 0.8 Million Tonnes of waste in 2021, which otherwise would have been disposed of in landfills and dumpsites. Through the co-processing technology, the Company provides a 'Zero Landfill' solution that doesn't create any additional emission and in addition avoids soil contamination, water and air pollution coming from landfill sites, recovering energy and minerals from the waste materials.

Two (2) examples of projects/services rendered to different stakeholders in different regions

- **Plastic Free Himalayas (Gagal)**
With growing tourism in the Himalayas especially in the famous hill stations like Shimla, Kangra and Kullu and Manali and the increased use of packaged food and beverages in these tourist destinations, the beautiful mountains are becoming dumping yards of plastic wastes. It is very difficult to establish public private partnership models for collection and transportation of plastic waste in these small districts.

Geocycle through its end to end plastic waste management services through Extended Producer Responsibility (EPR) was able to support Himachal Pradesh Government in cleaning up the state. Geocycle established a mechanism for collection, transportation and co-processing of single use plastics in ACC's cement plant at Gagal. Through this initiative, Geocycle has cleaned up various districts in Himachal Pradesh namely Shimla,

Bilaspur, Hamirpur, Kangra, Baddi and helped the beautiful state come a step closer to becoming plastic free.

- **Leave Behind No Waste (#LbnW)**
ACC had partnered with the Board of Control for Cricket in India (BCCI) to take on the onus of collecting and managing waste, during the T20 series held in November 2021. ACC has encapsulated the entire idea through led by a digital film titled 'Leave behind No Waste' depicting the brand teaming up with its waste management arm, Geocycle to collect and co-process all the plastic waste which is left behind in the cricket stadium. The voice in the film has been lent by the renowned veteran actor and voice-over artist, Piyush Mishra.

In the film, the cricket term of getting 'OUT' is used in juxtaposition with the plastic waste that does not get OUT easily from the environment. The brand then takes charge to throw out the single-use plastic from the stadium to be re-purposed and safely managed in its cement kiln. A challenging game environment has been created between ACC and plastic waste, where the former succeeds in stimulating a greener and smarter environment.

- **Supporting Clean Bhopal Mission (Kymore)**
The city of Bhopal generates approximately 800 tonnes per day of municipal solid waste and it is expected that the generation will go up to 2,000 tonnes per day by 2035. Bhopal is one of the top 10 cities in the Swachh Survekshan 2021. Bhopal has taken many steps to manage its municipal solid waste effectively.

ACC is helping the city of Bhopal manage its municipal solid waste by safely co-processing the segregated combustible waste generated from the municipal solid waste safely at its cement plant in Kymore, Katni. With this initiative, ACC supports the city's endeavour to become cleanest city in India by moving thousands of tonnes of wastes away from dumps and landfills; thereby cleaning the environment and improving the lives of millions of people.

- iii. **ACC ECOPact (The Green Concrete):** ACC ECOPact is an IGBC certified green product and a Low CO₂ concrete with 30% minimum reduction in embodied carbon, designed for sustainable construction needs. CO₂ reduction ranges from 30% to 100%. This is one

step forward to protect our environment and make it a better place to live for the upcoming generations. ECOPact makes a positive impact towards the environment every time we build something. Types: 1) ECOPact (30%-50% reduction in embodied carbon), 2) ECOPact Prime (50%-70% reduction in embodied carbon), 3) ECOPact Max (70%-90% reduction in embodied carbon) with reference OPC Mix.

- iv. **Green Building Centres (GBCs):** This is an initiative to facilitate low-cost housing development in India, by promoting sustainable building materials, building techniques and locally trained workforce.

Local entrepreneurs set up these centres by entering into a franchisee arrangement with ACC to make these sustainable products and services. The Green Building Centres have positively impacted the climate, water and nature as well as the communities at Large. The impact on the environment can be easily measured by reduction in CO₂ emission, fertile topsoil conservation and utilisation of waste materials. ACC has 94 GBCs operational on a PAN-India basis as at the end of December, 2021.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain:**

Consumption per unit of production	Current year (January – December 2021)	Previous year (January – December 2020)
Electrical Energy (kWh/ Tonnes of cement)	78.55	80.65
Thermal Energy (K Cal/ kg of clinker)	743	742
CO ₂ Emissions (kg CO ₂ / Tonnes of cementitious material)	488	493

- ii. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

While the Company does not collect information from the customers on energy and water, it manufactures many sustainable products which helps the customers in reducing energy and water consumption during the use/construction phase. The Company's ACC Gold cement with water repellent property requires a comparatively lower water for curing post construction phase, which helps to conserve water. The Company's product such as Insulocrete is a thermal insulating concrete which helps maintain inner temperatures of buildings thereby reducing cooling/heating costs during the use phase of buildings. Some of the Company's concrete products like permacrete is a pervious concrete which allows easy percolation of water through it into the soil below, hence recharging ground water and avoiding wastage through storm water runoffs. The Company's concrete products like insulating concrete/ thermocrete and fly ash/ slag based Green Building Centre products will reduce energy intensity in the use phase of the built environment.

such as ISO 14001 (Environment Management System) and ensures compliance to the local and national laws and regulations. The Company has a procedure in place for sustainable sourcing of energy, water and transportation. It is also increasing the usage of Alternate Fuel and Raw Materials (AFR) year-on-year to decrease dependency on traditional fuel, i.e. coal.

The Company has engaged Avetta, a leading global consultant in Supplier Qualification. As a result, it has qualified contractors into various counts related to sustainable procurement such as Health and Safety (H&S), Labour, Environment, Bribery and Corruption. The Company prefers to engage with Avetta certified suppliers and supplier performance is ascertained on a periodic basis. Avetta also covers the Company's primary road transporters operating from plants. Evaluation through Avetta encourages safe transportation in line with the Company's goal of ZERO HARM.

3. Does the Company have procedures in place for sustainable sourcing (including transportation) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company seeks to engage in long-term relationships with the suppliers. It adheres to international standards

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

The Company is currently working with ~2,100 Small and Medium-sized Enterprise (SME) and Micro, Small & Medium Enterprise (MSME) vendors across the country. The services taken from these vendors fall into categories like housekeeping, painting, catering, small repair works, technicians, welders, transportation and stationery, food and vegetable suppliers. Special consideration is always provided for these vendors in

terms payment for their goods and services made on priority. The vendors are trained on various aspects like safety inside and outside the plant. The employees of vendors also undergo periodic health checks. The Company has always worked on overall development of these vendors and support their employees in areas like education, employment etc. Some of these vendors have expanded their operations to other locations of the Company as well and indeed other corporate and social entities in the country.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so.

Cement manufacturing process does not generate any process-related wastes. However, there are ancillary activities like maintenance, housekeeping etc. that

generate waste materials like oil-soaked cotton waste, steel scrap, used oil, used filter bags, electrical waste like used bulbs, batteries and others. Sometimes wastes like oil-soaked cotton, used oil, used filter bags are co-processed in the kilns (where the Company has permissions), remaining quantum of these waste and other wastes like electrical, electronic waste and steel scrap are sold to the authorised recyclers. For hazardous waste, the relevant returns are filed to the respective regulatory authorities from time to time. Apart from this, the Company also co-processes waste materials generated by other industries or municipalities (segregated municipal waste) and its kiln. In the year 2021, the Company has co-processed 0.51 Million Tonnes of waste materials in its cement kilns. It uses flyash, a waste from thermal power stations and slag, a waste from the steel industry as a substitution to coal/pet coke in cement manufacturing.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate total number of employees

Sl. No.	Category of Employees	Number of Employees
1.	Management staff	3,647
2.	Shop floor associates	2,435
Total		6,082

2. Please indicate total number of employees hired on temporary/contractual/casual basis

Sl. No.	Category of Employees	Number of Employees
1.	Third-party Full-time Employees	6,940
2.	Casual employees	-
Total		6,940

3. Please indicate the number of permanent women employees

Number of permanent women employees: 247

4. Please indicate the number of permanent employees with disabilities

Number of permanent employees with disabilities: 13

5. Do you have an employee association that is recognised by the Management?

Yes, there are recognised trade unions affiliated to various central trade union bodies. The Company's shop floor associates are members of their respective unions.

6. What percentage of permanent employees are members of this recognised employee association?

Approximately 40% of permanent employees are members of recognised employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sl. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

A. Permanent employees	: 100%
B. Permanent women employees	: 100%
C. Casual/temporary/contractual employee	: 100%
D. Employees with disabilities	: 100%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders? Yes/ No

Yes, the Company has mapped its stakeholders through materiality matrix as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders with the help of Participatory Rural Appraisal tool and secondary socio-demographic data of the community.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, all CSR interventions of the Company are purposed to target the disadvantaged, vulnerable and marginalised stakeholders. For instance, the Company's education projects are largely focused on government schools situated in remote rural pockets of India. The scholarship initiative of the Company named Vidya Saarthi targeted disadvantaged students who needed financial support to pursue their dreams of higher education.

The Company continues to run an Anti-Retroviral Therapy (ART) centre to support people affected by HIV/AIDS through medical treatment and counseling.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for supporting national missions on Skills development and Water conservation measures.

The Company continues to engage with the vulnerable and marginalised stakeholders for their sustainable livelihood. Skills training to youth; farmers benefitted through low external input for Sustainable Agriculture projects, institutionalising women SHG into registered federations and supporting vulnerable community during COVID-19 pandemic are some of the accomplishment during the year 2021.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the group/joint ventures/ suppliers/ contractors/ Non-Governmental Organisations (NGOs)/ others?

All aspects of the human rights are in-built and covered under the Code of Business Conduct as well in various human resource practices/policies. The Company has a separate policy on Human Rights as well.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment

1. Does the policy pertaining to Principle 6 cover only the Company or extends to the group/joint ventures/ suppliers/ contractors/ NGOs/ others?

The Company's Corporate Environment Policy, pertaining to Principle 6, extends to cover the Company and its subsidiaries.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyper-link for webpage etc.

Climate change is among the most pressing issues facing humanity, with all nations being urged to meet the goals of UN SDG 13 Climate Action. As a leading building materials Company, the Company is committed to meeting the rising demands for sustainable cities, while conforming to a low-carbon circular economy. While ACC has already validated its Science Based Targets initiative (SBTi) in 2021 and committed to Net Zero pledge, the Company focuses on following levers for reduction of CO₂ Emissions:

- Clinker substitution by making blended cements
- Alternative Fuel and Raw Materials (AFR)
- Thermal and electrical energy efficiency
- Waste Heat Recovery System (WHRS)
- Newer technologies and renewable energy through own assets as well as Open Access
- Exploring futuristic technologies like Carbon Capture, Utilisation and Storage

This information is available in the Company's webpage: <https://www.acclimited.com/sustainable/climate-and-energy>

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a process to identify and assess potential environmental risks at plant level as well as corporate level. Potential environmental risks also form a part of Enterprise Risk Management Model and Materiality analysis where all business-related risks are identified and their mitigation strategies and plans are worked upon. For details, please refer to the Business Risks and Opportunities section of the Annual Report.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company has three (3) registered projects under the Clean Development Mechanism (CDM) and Environmental Compliance Report (Validation and Verification Reports) have been filed and Certified Emission Reductions Reports were issued. Due to the prevailing market mechanisms of CDM, the Company has not pursued this mechanism during 2021 and has not filed any environmental compliance report (validation and verification reports).

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyper-link to web page etc.

Yes, the Company has made significant strides in attaining energy efficiency in its cement plants/captive power plants by following initiatives:

- Three wind farms – one (1) each in Maharashtra, Tamil Nadu and Rajasthan with total capacity of 19 MW
- Solar power procurement through open access
- Waste Heat Recovery System ('WHRS') at Galgal Cement Works
- Waste pre-processing and co-processing in cement plants
- Solar photovoltaic plant of 5.35 MW at Jamul Cement Works, Chhattisgarh and 380 KW Solar PV at Kymore mines
- Various energy efficiency improvement initiatives in operations

Details on the above initiatives can be seen at the link: <https://www.acclimited.com/sustainable/climate-and-energy>

6. Are the emissions/ waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB) for the financial year being reported?

Yes, the emissions/ waste generated by the Company was all within the permissible limits given by CPCB/ SPCB with occasional exceedances.

7. Number of show cause/ legal notices received from CPCB/ SPCB, which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Few of the Company's plants received notices from the SPCB. However, all notices were addressed accordingly by the end of the year 2021.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

Yes, the Company is a member of:

1. Cement Manufacturing Association (CMA)
2. Confederation of Indian Industries (CII)
3. Federation of Indian Chambers of Commerce and Industry (FICCI)
4. National Safety Council (NSC)
5. Swiss India Chamber of Commerce (SICC)
6. Global Cement and Concrete Association India (GCCA)
7. Indian Merchant Chamber (IMC)
8. Bombay Chamber of Commerce and Industry (BCCI)
9. Indian Green Buildings Council (IGBC)

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company actively works with above associations and advocate in the following broad areas which impact the Cement Industry:

1. Sustainable mining practices
2. Extended producers responsibility and safe management of plastic waste
3. New environmental regulations
4. Co-processing of municipal and industrial hazardous and non-hazardous wastes
5. Use of recycled waste materials (construction and demolition waste) in cement and concrete
6. Manufactured sand and aggregate from industrial waste
7. RPO-REC regulations for cement and power plants, PAT regulations
8. Green energy status for WHRS
9. Development of new product standards for low-carbon cement and concrete products

10. Environment product declaration and green pro-label of products
11. Green buildings
12. Flyash-based, pre-fab building materials
13. Promotion of concrete roads

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has specific programmes/ initiatives/ projects in pursuance of its CSR policy (Reference: https://acclimited.com/assets/new/new_pdf/CSR-Policy.pdf)

All sections in the host communities are engaged by the Company for developing their village micro plans through participatory methods of planning. Individual projects are thereafter designed to address various needs of the host communities as per the priority expressed by the communities. Conscious efforts were made to prioritising women-headed, landless and small and marginal land-holding families. Special drive for exclusive skilling of women and ensuring half of the

scholarship of higher education goes to girls has been ensured. HIV+ and differently able beneficiaries are specially tracked within all social and business measures.

Implementations of these projects are thereafter monitored by the representatives of the villagers at all locations and course corrections measures are suggested by them if needed. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR Interventions i.e. planning of CSR projects and process monitoring. The CSR project participants include the disadvantaged, vulnerable and marginalised sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

- a) Sustainable livelihood
- b) Quality of education
- c) Water, Sanitation, Health and Hygiene (WASH)

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structure/ any other organisation?

The Company's CSR projects are implemented through in-house CSR department, ACC Trust, corporates, academic and government institutions.

3. Have you done any impact assessment of your initiative?

After conducting social audit of CSR projects for five (5) consecutive years, the Company has decided to do it every alternate year to provide enough room for necessary actions on ground. Impact assessment is on-going.

4. What is the Company's direct contribution to community development projects – Amount in INR and details of the projects undertaken?

The Company spent an amount of ₹35.95 Crore on development projects as mentioned below:

Sl. No.	Focus Areas	Expenditure (in Crore)
1.	ACC DISHA: for youth employability	3.47
2.	ACC Swavlamban: focusing on women empowerment and livelihood	2.27
3.	ACC LEISA: for farmer's livelihood – Low External Input for Sustainable Agriculture (LEISA)	4.56
4.	ACC Vidya Utkarsh: quality of education in government schools	4.49
5.	ACC Vidya Saarathi: student scholarships	1.81
6.	ACC Arogyam: preventive, promotive and curative healthcare	12.19
7.	ACC Sampoorana Swachhata: towards open defecation free villages	3.10
8.	ACC Sanrakshit Paryavaran: solar, biodiversity and soil and water conservation	1.41
9.	ACC Drona: to promote rural sports and traditional Indian culture	0.95
10.	Impact Assessment	0.14
11.	Overheads	1.56
Total		35.95

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.

Yes, all the community development initiatives of the Company are implemented through participatory approach. The portfolio of CSR projects is drawn from need assessments done by third parties through

participatory rural appraisal method based micro plan. A Community Advisory Panel (CAP), comprising different stakeholders from community representatives and opinion leaders of the community i.e., functional at ACC plant locations, regularly monitors the implementation of CSR initiatives and suggests measures for course corrections. The community ownership and

sustainability are the criteria that are built in CSR initiatives from the start by creating community managed organisations. Community contribution is always a priority as it ensures continuance of the project through self-governance model.

Community management principles are inbuilt in all the CSR projects from need assessment stage to project graduation stage. Capacity building and institutional sustainability are integral part of all CSR projects.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year 2021?

A total of 4,189 complaints were received from different stakeholders (consumers, channel partners, contractors and engineers) in 2021, out of which 155 (accounting for 3.7%) were pending as on December 31, 2021.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A./ Remarks (additional information)

No, the Company only displays information as mandated by local laws. No additional information is being provided on the cement bags. The Company follows the guidelines shared by the respective authorities.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

- a) The Builders Association of India (BAI) had filed a complaint in July 2010 before the Competition Commission of India (CCI) alleging anti-competitive behaviour on the part of major cement manufacturers including the Company. The CCI

investigated the matter and post which an order was passed against the cement manufacturers and a penalty of ₹1,147.59 Crore was levied on the Company. The CCI order was challenged by the Company before the National Company Law Tribunal (NCLAT), who vide its judgement dated July 25, 2018, dismissed the appeal of the Company. The Company preferred an appeal before the Hon'ble Supreme Court of India against the NCLAT Order/ judgement. The Hon'ble Supreme Court vide its Order dated October 5, 2018, has admitted the Company's Civil Appeal and ordered for continuance of the same interim orders passed by NCLAT towards stay on the demand subject to continuance of deposit of 10% of the penalty amount.

- b) On a complaint filed by the Director General (Supply & Distribution), Department of Civil Supplies, Government of Haryana, CCI registered a case of alleged anti-competitive behaviour (allegations of bid rigging) against cement companies including the Company. The CCI vide order dated January 19, 2017 imposed a penalty of ₹35.32 Crore. The Company has filed an appeal in NCLAT against the above order and the appeal is pending before NCLAT.
- c) On complaints received from BAI and other persons, the CCI vide order dated July 1, 2019 has ordered an investigation against the cement companies and has asked the office of Director General (DG) to submit its report. The Company received the intimation for the first time in December 2020 and has duly furnished the information as sought by the office of the DG in the Requests for Information. Currently the matter is with the DG CCI and no order has been passed.

4. Did the Company carry out any consumer survey/ consumer satisfaction trends?

Multiple surveys were carried out for contractors and IHBs to understand market trends and customer feedback.