

BOARD'S REPORT

TO THE MEMBERS

Your Directors are pleased to present 87th Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) of your company for the year ended March 31, 2023 (FY-2022-23).

1. STATE OF THE AFFAIRS OF THE COMPANY:

The performance of the Cement and Ready Mix Concrete business are detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

2. FINANCIAL PERFORMANCE 2022-2023:

(₹ in crore)

Particulars	Consolidated		Standalone	
	2022-23	2021	2022-23	2021
Revenue from Operations	22,210.18	16,151.67	22,209.97	16,151.35
Other Income	341.89	206.71	337.18	204.76
Total Income	22,552.07	16,358.38	22,547.15	16,356.11
Profit before Tax*	1,202.60	2,506.38	1,182.13	2,460.39
Tax Expenses	317.39	643.28	312.22	640.12
Profit for the year	885.21	1,863.10	869.91	1,820.27
Attributable to				
Owners of the Company	885.07	1,862.99	869.91	1,820.27
Non-controlling Interest	0.14	0.11	-	-
Other Comprehensive Income (OCI)	30.96	5.43	31.05	5.44
Total Comprehensive Income	916.17	1,868.53	900.96	1,825.71
Attributable to				
Owners of the Company	916.03	1,868.42	900.96	1,825.71
Non-controlling Interest	0.14	0.11	-	-
Opening Balance in retained earnings	10,471.56	8,866.04	10,396.83	8,834.02
Amount available for appropriations	11,387.59	10,734.46	11,297.79	10,659.73
Appropriations				
Final Dividend Paid for 2021	1,089.17	262.90	1,089.17	262.90
Closing balance in retained earnings	10,298.42	10,471.56	10,208.62	10,396.83

*Profit before Tax for 2022 – 23 includes charge of ₹66.42 Crore towards restructuring cost and ₹95.35 crore towards one time transition cost and for 2021 includes charge of ₹54.76 Crore towards restructuring cost and ₹38.10 Crore towards impairment of assets.

The performance of the current year is not comparable to that of the previous year due to change in accounting period, as the current year comprises of a period of 15 months as against 12 months of the previous year.

CHANGE OF MANAGEMENT – ENTRY OF ADANI GROUP

During FY 2022-23, the Company became a part of the Adani group, as Holcim divested their entire shareholding and control in the company by way of transfer of 100% shareholding of Holderind Investment Limited (Holderind) to Endeavour Trade and Investment Ltd.(Endeavour), a company belonging to Adani Group. In view of the above, Endeavour also became one of the Promoter of the company.

With the change in the promoters, there was a change in the Management of the company. The company also revised its financial year from January- December to April-March to comply with the provisions of the Companies Act, 2013 Accordingly, the financial

performance presented is for the period of 15 months i.e. from January 1, 2022 to March 31, 2023.

3. OVERVIEW OF COMPANY'S OPERATIONAL AND PERFORMANCE HIGHLIGHTS:

- Consolidated income, comprising Revenue from Operations and other income, for the FY 2022-23 was ₹22,552.07 Crore as compared to ₹16,358.38 Crore in 2021.
- Consolidated Profit before Tax for the year was ₹1,202.60 Crore vis-à-vis ₹2,506.38 Crore in 2021.
- Consolidated Profit after Tax for the FY 2022-23 was ₹885.21 Crore compared to ₹1,863.10 Crore in 2021.



- Cement production increased from 26.92 Million Tonnes in 2021 to 33.08 Million tonnes in 2022-23.
- Cement Sales Volume increased from 28.89 Million Tonnes in 2021 to 37.93 Million tonnes in 2022-23.
- The net revenue from operations in cement increased from 15,105 Crore in 2021 to 20,659 Crore in 2022-23
- RMX Production Volume has increased from 2,809 Million M³ in 2021 to 3,591 M³ in 2022-23.

4. DIVIDEND

The company has a robust track record of rewarding its shareholders with a generous dividend pay-out. In view of the strong operational and financial performance during the year under review, the Board of Directors is pleased to recommend a dividend of ₹9.25 per share (95 %) for the period ended March 31, 2023. This represents a pay-out ratio of 20%.

The Dividend payment is in accordance with the Company's Dividend Distribution Policy. In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations'), 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

5. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the period ended March 31, 2023.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the period under review, as stipulated under the Securities and Exchange Board of India (SEBI Listing Obligations and Disclosure Requirements), Regulations, 2015, ('SEBI Listing Regulations') is presented in a separate section, forming part of this Annual Report.

7. CAPITAL STRUCTURE OF THE COMPANY

The Company's paid-up equity share capital continues to stand at ₹187.79 Crore as on March 31, 2023.

During the year, 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 the Employees or Directors of the Company.

8. FINANCIAL LIQUIDITY

Cash and cash equivalent as on March 31, 2023 was ₹256.63 Crore vis-à-vis ₹7,366.59 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. CAPACITY EXPANSION AND NEW PROJECTS

The Company's current installed cement manufacturing capacity is 36.05 MTPA. Detailed information on capacity expansion and new projects is covered in the report on Management Discussion and Analysis, forming part of this Annual Report.

10. CREDIT RATING

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

11. DEPOSITS

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of the FY 2022- 23 or the previous financial years. Your Company did not accept any deposit during the period under review.

12. 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)

13. INTERNAL CONTROL SYSTEMS

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.

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee. 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.

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.

14. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for its employees and Directors to report concerns about any unethical and improper activity, without fear of retaliation. No person has been denied access to the Chairman of the Audit Committee. The Audit Committee monitors and reviews the investigations of the whistle blower complaints. During the FY 2022-23, 41 complaints were received under Whistle Blower Policy and were resolved after investigation.

The Whistle Blower policy is uploaded on the website of the Company at [Vigil Mechanism Whistle Blower Policy.pdf \(acclimited.com\)](https://www.acclimited.com/Vigil-Mechanism-Whistle-Blower-Policy.pdf).

15. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

As of March 31, 2023, the Company has four subsidiaries, five joint ventures and two associate companies.

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.

Pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules made thereunder and Regulation 33 of the SEBI Listing Regulations, your Company has prepared Consolidated Financial Statements of your Company and a separate statement containing the salient features of Financial Statement of subsidiary, joint venture and joint operation entities in Form AOC-1, which forms part of this Annual Report.

The Annual Financial Statements and related detailed information of the subsidiary / joint venture companies shall be made available to the shareholders of the holding and subsidiary / joint venture companies seeking such information on all working days during business hours. The financial statements of the subsidiary / joint venture companies shall also be kept for inspection by any shareholders during working hours at your Company's registered office and that of the respective subsidiary / joint venture companies concerned. In accordance with Section 136 of the Act, the Audited Financial Statements, including Consolidated Financial Statements and related information of your Company and audited accounts of each of its subsidiary joint venture, are available on website of your Company under Investor Section.

Pursuant to Section 134 of the Act read with rules made thereunder, the details of developments of subsidiaries and joint ventures of your Company are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.



16. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

16.1 Directorate

A. Appointments/Re-appointments

With effect from September 16, 2022, the Board was re-constituted as under:

Mr. Karan Adani, Non-Executive Chairman, Mr. Vinay Prakash, Non-Executive Director, Mr. Arun Kumar Anand, Non-Executive Director, Mr. Sandeep Singhi, Independent Director, Mr. Rajeev Agarwal, Independent Director, Mr. Nitin Shukla, Independent Director, and Ms. Ameera Shah, Independent Director, were appointed.

Mr. Ajay Kapur was appointed as Whole-time Director and CEO, being liable to retire by rotation, on the Board of Directors of the Company by the Members by way of postal ballot on January 14, 2023 with effect from December 3, 2022 till November 30, 2025.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act, read with rules made thereunder and Articles of Association of the Company, Mr. Vinay Prakash (DIN: 03634648) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

B. Cessation

During the year under review Non-Executive Directors- Mr. Jan Jenisch, Mr. Martin Kriegner, Mr. Vinayak Chatterjee, Mr. Shailesh Hairbhakti, Mr. S.K. Roongta, Ms. Falguni Nayar, Mr. Damodarannair Sundaram, Mr. Sunil Mehta, Mr. M R Kumar, Mr. Neeraj Akhoury and Mr. N.S. Sekhsaria resigned w.e.f September 16, 2022 due to change in management.

The Board placed on record its appreciation for the valuable services rendered by all outgoing Directors.

16.2 Key Managerial Personnel Cessation

During the year under review Mr. Rajiv Choubey, Company Secretary resigned w.e.f April 27, 2022, Mr. Yatin Malhotra, Chief Financial Officer resigned w.e.f August 31, 2022, Ms. Rashmi Khandelwal, Company Secretary resigned w.e.f November 15, 2022 and Mr. Sridhar Balakrishnan

WTD and CEO resigned w.e.f December 3, 2022 from the Company.

The Board placed on record its appreciation for the valuable services rendered by Mr. Sridhar Balakrishnan, Mr. Rajiv Choubey, Mr. Yatin Malhotra and Ms. Rashmi Khandelwal.

The Company appointed Mr. Vinod Bahety as Chief Financial Officer w.e.f September 16, 2022 and Mr. Ajay Kapur as WTD & CEO w.e.f December 3, 2022.

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 finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, mining and mineral industries and e-marketing; and they hold highest standards of integrity.

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 and Corporate Social Responsibility Committees as mandated under the Act and SEBI 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 this Annual Report.

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

The Company has in place, a policy for remuneration of Directors, Key Managerial Personnel 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), Key Managerial Personnel.

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 while selecting candidates. The policy on remuneration of Directors, Key Managerial Personnel 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 has 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 FY 2022-23, twelve (12) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of this Annual Report.

During the FY 2022-23, with an objective of further strengthening the governance standards so as to match with internationally accepted better practices, the Board had reconstituted certain existing Committees to bring more independence; constituted certain new Committees and Sub-committees; and amended / adopted the terms of reference of the said Committees. All Committees are chaired by an Independent Director. Details of the various Committees constituted by the Board, including the Committees mandated pursuant to the applicable provisions of the Act and SEBI Listing Regulations, are given in the Corporate Governance Report, which forms part of this Annual Report.

18. INDEPENDENT DIRECTORS' MEETING

The Independent Directors met on March 23, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of your Company, taking into account the views of Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

19. CORPORATE SOCIAL RESPONSIBILITY

Your Company has constituted a Corporate Social Responsibility (CSR) Committee and framed a CSR Policy. The brief details of CSR Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the statutory



disclosures with respect to the CSR Committee and an **Annual Report on CSR Activities** forms part of this Report as **Annexure-2**.

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://www.acclimited.com/assets/new/pdf/ACC-CSR-policy.pdf>

Further, the Chief Financial Officer of your Company has certified that CSR spends of your Company for the FY 2022-23 have been utilised for the purpose and in the manner approved by the Board of the Company.

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 (BRM).

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 ManCom 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 Management Discussion and Analysis Report, which forms part of this Annual Report.

21. TRANSACTIONS 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 WTD & CEO and the CFO.

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-3** to this Report.

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

Your Company did not enter into any related party transactions during the year which could be prejudicial to the interest of minority shareholders. No loans / investments to / in the related party have been written off or classified as doubtful during the year under review.

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://www.acclimited.com/assets/new/pdf/Related%20Party%20Transaction%20Policy.pdf>

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

In line with the statutory requirements, your 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 time lines 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

As has been reported in detail in the earlier years 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 Builder's

Association of India for alleged violation of the provisions of the Competition Act, 2002.

By Order dated July 25, 2018, the National Company Law Appellate Tribunal ('NCLAT') dismissed the appeal of the company upholding the levy of penalty of ₹1,147.59 Crore as imposed by the CCI vide its order dated August 31, 2016. The NCLAT on November 7, 2016 initially stayed the operation of the CCI's order subject to deposit of 10% of the penalty amount.

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 sub-judice and as on March 31, 2023 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 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. The "Note of Submission" as directed is filed. As on March 31, 2023, 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.

24. AUDITORS

24.1 Statutory Auditor & Auditors' Report

M/s. S R B C & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 324982E/E300003) were appointed as the Statutory Auditors of the Company for a period of 5 years to hold office from the conclusion of the 86th AGM till the conclusion of the 91st AGM to be held in the year 2027. The Auditors

have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company. The Audit Committee reviews the independence of the Auditors and the effectiveness of the Audit process. The Auditors attend the Annual General meeting of the Company. The Auditor's Report for FY 2022-23 on the financial statement (standalone and consolidated) of the Company forms part of this Annual Report.

The Notes to the financial statements referred in the Auditors' Report are self-explanatory. The Auditors' Report is enclosed with the financial statements forming part of this Annual Report.

Explanation to Auditors' Comment

The Auditors' Qualification has been appropriately dealt with in Note No.58 and 61 of the Notes to the Audited Financial Statements on Standalone and Consolidated basis respectively.

24.2 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 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 March 31, 2023, at a remuneration as mentioned in the Notice convening the 87th 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, 2021 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.

The cost audit report for the FY 2021 was filed before the due date with Ministry of Corporate Affairs.



24.3 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 March 31, 2023.

The report of the Secretarial Auditor is given in **Annexure-4**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

25. 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 FY 2022-23 and the date of this report.

26. 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 this Annual Report.

BOARD POLICIES

The details of the policies approved and adopted by the Board, as required under the Act and SEBI Listing Regulations, are provided in **Annexure - 1** to this report.

27. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Report, describing the initiatives taken by your Company from environment, social and governance perspective, for the FY 2022-23, Business Responsibility and Sustainability forms part of this Annual Report as required under Regulation 34(2) (f) of the Listing Regulations.

28. PARTICULARS OF EMPLOYEES

Your Company had 5,472 employees on standalone basis as on March 31, 2023. 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-5** to this Report.

Further, a statement showing the names and other particulars of employees drawing remuneration in excess of limits set out in the Rules 5(2) and 5(3) of the aforesaid Rules forms part of this Report. However, in terms of the first proviso of Section 136(1) of the Act, the Annual Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of your company during business hours. Any Member, who is interested in obtaining these, may write to the Company Secretary at the Registered Office of the Company.

29. REPORTING OF FRAUDS BY AUDITORS

During the FY 2022-23, 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.

30. 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 March 31, 2023 is uploaded on the website of the Company and can be accessed at www.acclimited.com

31. 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 (SS1 and SS2), relating to Meetings of the Board and its Committees respectively, which have mandatory application during the year under review.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosures required to be made under Section 134(3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, on 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 period Jan'22 – Mar'23, efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid and CPP power through consumption of Renewable energy initiatives power from comparatively cheaper sources. The plants which actively participated in procurement of power were Jamul, Lakheri, Tikaria, Thondebhavi, Kudithini, and Thondebhavi & Madukkarai. Overall purchase of power from OA has resulted in a saving of ~ ₹57.1 Crore. In addition, the Waste Heat Recovery System (WHRS) at Gagal, Kymore & Jamul generated ~103 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 Rajasthan wind farms contributed considerably in this front. This has resulted in a saving of ~ ₹0.44 Crore on account of RPO cash outgo.

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 Wadi, Bargarh & Lakheri.
- 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;
- Reduction of Preheater pressure drop through enlargement of kiln inlet neck and improving heat exchange within cyclones by checking / installation of new flap damper in kiln feed pipes;
- Installation of water spray system in pre-heater down comer duct & modification of clinker cooler inlet;
- Installation of vacuum pumps & energy efficient screw compressor in CPP

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 ~₹387.00 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 0.56 Million tonnes of Alternative Fuels during the cement manufacture, with an investment for ~₹16.00 Cr.

B. Technology Absorption Research and Development (R&D)

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

- a) 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;
- b) 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;
 - Effective replacement of dry fly ash with wet / conditioned fly ash, by installation of dryers & additional feeding system in cement mills;
 - 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 RM.

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 fly ash;
- Increased production of high-performance products like F2R, Concrete+, ACC Gold for specific market segments/ market climatic conditions;
- Increased absorption of blending materials like fly ash and slags in blended cements;
- Fuel efficiency;
- Reduction in special power consumption for grinding;
- ACC Concrete admixture project resulted in cost savings on admixture buying cost with a consistent quality.

3. Plan of action

- Development of application oriented cement focusing customer pain points with reduced carbon footprint;
- Development of cement-based niche products;
- Exploratory research works on the above specified areas;
- Maximisation of use of waste/ by-products in cement manufacture as alternative materials;
- Improve product quality particularly with respect to long-term durability and reduction in cost of manufacture;
- Implementing & developing complete range of concrete admixture for ACC RMX to maximise the potential for quality & cost;
- Maximisation of utilisation of renewal power & energy from WHRS system.

4. Expenditure on R&D

	₹ in Crore
a) Capital	NIL
b) Recurring (Gross)	1.05
c) Total	1.05
Total R&D expenditure as percentage of total turnover	0.0004

C. Foreign Exchange Earnings and Outgo

	₹ in Crore
Foreign Exchange earned	1.50
Foreign exchange outgo	1,310.00

33. OTHER DISCLOSURES

33.1 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.

33.2 The Company has not issued any shares with differential voting rights/sweat equity shares.

33.3 There was no revision in the Financial Statements.

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

33.5 There are no proceedings, either filed by the company or filed against the company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company

Law Tribunal or other courts during the FY 2022-23.

33.6 The WTD & CEO of your Company is not drawing any remuneration or commission from any of the subsidiary of the Company.

33.7 Your Company has taken appropriate insurance for all assets against foreseeable perils.

33.8 Prevention of Sexual Harassment of Women at the Workplace

As per the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committees (ICs) at all relevant locations across India to consider and resolve the complaints related to sexual harassment. The ICs includes external member with relevant experience. The ICs, presided by senior women, conduct the investigations and make decisions at the respective locations. The ICs also work extensively on creating awareness on relevance of sexual harassment issues, including while working remotely. During FY 2022-23, there were no complaints pertaining to sexual harassment. All new employees go through a detailed personal orientation on anti-sexual harassment policy adopted by the Company.

34. 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:

- a) that in the preparation of the annual Financial Statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any
- b) that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of

the Company as on March 31, 2023, and of the profit of the Company for the year ended on that date;

- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis;
- e) that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

35. INTEGRATED REPORTING

For the 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.

36. 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.

For and on behalf of the Board of Directors

For ACC Limited

Ahmedabad
April 27, 2023

Karan Adani
Chairman
DIN:03088095



ANNEXURE 1 BOARD POLICIES

Name of Policies	Legislation	Weblink
Vigil Mechanism/ Whistle Blower Policy	Regulation 22 of SEBI Listing Regulations and as defined under Section 177 of the Act.	https://www.acclimited.com/assets/new/pdf/Vigil%20Mechanism%20Whistle%20Blower%20Policy.pdf
Policy for procedure of inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information	Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015.	https://www.acclimited.com/assets/new/pdf/Policy%20for%20procedure%20of%20inquiry%20in%20case%20of%20leak%20or%20suspected%20leak%20of%20UPSI.pdf
Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders	Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015.	https://www.acclimited.com/assets/new/pdf/Code%20of%20Internal%20Procedures%20and%20Conduct%20for%20Regulating,%20Monitoring%20and%20Reporting%20of%20Trading%20by%20Insiders.pdf
Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Act.	https://www.acclimited.com/source/new/corporate_governance/Terms-and-Conditions-of-Appointment.pdf
Familiarisation Program	Regulations 25(7) and 46 of SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Familiarization%20programme%20for%20Independent%20Directors.pdf
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act.	https://www.acclimited.com/assets/new/pdf/Related%20Party%20Transaction%20Policy.pdf
Policy on Material Subsidiaries	Regulation 24 of the SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Policy%20for%20determining%20Material%20Subsidiaries.pdf
Material Events Policy	Regulation 30 of SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Material%20Events%20Policy.pdf
Website content Archival Policy	SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Archival%20Policy.pdf
Nomination and Remuneration Policy of Directors, KMP and other Employees	Regulation 19 of the SEBI Listing Regulations and Section 178 of the Act.	https://www.acclimited.com/assets/new/pdf/Remuneration-Policy.pdf
CSR Policy	Section 135 of the Act.	https://www.acclimited.com/assets/new/pdf/ACC-CSR-policy.pdf
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Dividend%20Distribution%20Policy.pdf
Code of Conduct for Board of Directors and Senior Management of the Company	Regulation 17 of the SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Code%20of%20Conduct%20for%20Board%20of%20Directors%20and%20Senior%20Management%20of%20the%20Company.pdf
Policy on Board Diversity	Regulation 19 of the SEBI Listing Regulations.	https://www.acclimited.com/assets/new/pdf/Policy%20on%20Board%20Diversity.pdf

ANNEXURE 2

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. A brief outline on Corporate Social Responsibility (CSR) Policy of the Company:

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 programs;
- 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:

1.	Mr. Nitin Shukla	Chairman	Non-Executive, Independent Director
2.	Mr. Rajeev Agarwal	Member	Non-Executive, Independent Director
3.	Mr. Vinay Prakash	Member	Non-Executive Director and Non Independent Director

3. 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://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28-Nov-2016-Board-CSR-Committee-meeting.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Impact assessment study has been initiated in the month of December 2022 and is currently in progress.

5. (a) Average net profit of the Company as per Section 135(5): **₹2,132.78 crore**
- (b) Two percent of average net profit of the Company as per section 135(5): **₹42.66 crore**
- (c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **NIL**
- (d) Amount required to be set-off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year [(b) +(c)-(d)]: **₹42.66 crore**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹43.32 crore**
- (b) Amount spent in Administrative Overheads: **₹2.15 crore**
- (c) Amount spent on Impact Assessment, if applicable: **NIL**
- (d) Total amount spent for the Financial Year (a +b +c) : **₹45.47 crore**



- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year 2022-23 (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
45.47 crore	NIL	NIL	NIL	NIL	NIL

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs. crore)
(i)	Two percent of average net profit of the company as per section 135(5)	42.66
(ii)	Total amount spent for the Financial Year	45.47
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.81
(iv)	Surplus arising out of the CSR projects or programs 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

7. Details of Unspent CSR amount for the preceding three financial years: **None**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (In Rs.)	Amount spent in the Financial Year (In Rs.)	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. (In Rs.)	Deficiency, if any
					Amount (In Rs.)	Date of transfer.		
1.	FY 2019	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.	FY 2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3.	FY 2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **NIL**
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: **NA**

For and on behalf of ACC Limited

Sd/-

(Ajay Kapur)

WTD & CEO

DIN: 03096416

Sd/-

(Nitin Shukla)

Chairman – CSR Committee

DIN: 00041433

ANNEXURE 3**FORM NO. AOC-2****January 2022 to March 2023****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 period ended March 31, 2023, 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 (net of GST) for the period ended March 31, 2023 are as follows;

Name of the related party	Nature of Relationship	Duration of Contract	Terms ⁽¹⁾	Amount (in ₹Crs.)
Nature of Contract				
Purchase of goods or fixed Assets				
Ambuja Cements Limited	Holding Company	January 01, 2022 - March 31, 2023	Based on Transfer Pricing Guidelines	2,158.55
Sale of goods or fixed assets				
Ambuja Cements Limited	Holding Company	January 01, 2022 - March 31, 2023	Based on Transfer Pricing Guidelines	1,153.54
Rendering of Services				
Ambuja Cements Limited	Holding Company	January 01, 2022 - March 31, 2023	Based on Transfer Pricing Guidelines	75.26
Receiving of Services				
Ambuja Cements Limited	Holding Company	January 01, 2022 - March 31, 2023	Based on Transfer Pricing Guidelines	54.16

1. All related party transactions entered during the year were in Ordinary course of business and at Arm's length basis.
2. Appropriate approvals have been taken from Audit Committee, Board and Shareholders (wherever required) for the related party transactions entered by the Company and advances paid have been adjusted against bills, wherever applicable



ANNEXURE 4

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

{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 – 400020, Maharashtra

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 March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, 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,
- (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 and Sweat Equity) Regulations, 2021 **(during the period under review not applicable to the company);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 **(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, 2021 **(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, Standards, etc.

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 to all the directors 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.

- a. **The Board at its meeting dated February 09, 2022 recommended dividend of ₹58/- (Rupees Fifty Eight only) per Equity Share of ₹10/- each (fully paid-up) for the financial year ended December 31, 2021.**

- b. **During the year, the Holcim Group entered into a share purchase agreement to sell its entire shareholding in Holderind Investments Limited, the former promoter of Ambuja Cements Limited and the Company to Endeavour Trade and Investments Limited (Adani Group) on May 15, 2022. The said acquisition was completed on September 15, 2022.**
- c. **The Board of Directors of the Company at their meeting held on September 16, 2022, accorded their consent for the extension of the previous financial year till March 31, 2023 and change in the financial year of the Company from January 1, – December 31, every year to April 1, – March 31, every year.**
- d. **The members of the Company via Postal Ballot dated December 14, 2022 approved the shifting of the Registered office of the Company from Maharashtra to Gujarat and the consequent alteration of Memorandum of Association.**

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

Dipti Mehta

Partner

FCS No: 3667

CP No: 23905

UDIN:F003667E000212436

Place: Mumbai

Date: April 27, 2023

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



ANNEXURE A

To,
The Members,
ACC LIMITED
Cement House
121 Maharshi Karve Road
Mumbai – 400020, Maharashtra

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 in 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

Place: Mumbai
Date: April 27, 2023

CP No: 23905
UDIN: F003667E000212436

ANNEXURE 5

to the Directors' Report

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**(A) RATIO OF THE REMUNERATION OF EACH DIRECTOR/KMP TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR:**

Name of Director and KMP	Ratio of remuneration of each Director to median remuneration of employees(a)	% increase in remuneration in the Financial Year 2022-23
Non-Executive Directors		
Mr. Karan Adani (from 16.09.2022)	NIL	NIL
Mr. Vinay Prakash (from 16.09.2022)	NIL	NIL
Mr. Arun Kumar Anand (from 16.09.2022)	2.09	NA
Mr. N. S. Sekhsaria (upto 16.09.2022)	2.97	NA
Mr. Jan Jenisch (upto 16.09.2022)	2.47	NA
Mr. Martin Kriegner (upto 16.09.2022)	NIL	NIL
Mr. Neeraj Akhoury (upto 16.09.2022)	NIL	NIL
Mr. M.R. Kumar (upto 16.09.2022)	2.39	NA
Mr. Sunil Mehta (upto 16.09.2022)	3.57	NA
Independent Directors		
Ms. Ameera shah (from 03.12.2022)	1.02	NA
Mr. Sandeep Singhi (from 16.09.2022)	3.02	NA
Mr. Rajeev Agarwal (from 16.09.2022)	2.80	NA
Mr. Nitin Shukla (from 16.09.2022)	2.90	NA
Mr. S. V. Haribhakti (upto 16.09.2022)	3.44	NA
Ms. Falguni Nayar (upto 16.09.2022)	2.81	NA
Mr. S. K. Roongta (upto 16.09.2022)	3.79	NA
Mr. D. Sundaram (upto 16.09.2022)	3.55	NA
Mr. V. Chatterjee (upto 16.09.2022)	3.44	NA
Executive Director		
Mr. Ajay Kapur, WTD& CEO (from 03.12.2022)	NIL	NA
Mr. Sridhar Balakrishnan, WTD & CEO (upto 03.12.2022)	265.35	NA
Other KMPs		
Mr. Vinod Bahety, CFO (from 16.09.2022)	NIL	NA
Ms. Rashmi Khandelwal, CS (upto 15.11.2022)	13.63	NA
Mr. Rajiv Choubey, CS (upto 27.04.2022)	20.68	NA
Mr. Yatin Malhorta, CFO (upto 31.08.2022)	43.47	NA

- (1) (a) The ratio of remuneration to the median remuneration is based on the remuneration paid during the period January 1, 2022 to March 31, 2023;
- (b) The remuneration to Directors includes sitting fees paid for attending Board and Committee Meeting and commission payable to them for the year ended March 31, 2023.
- (c) Remuneration to WTD & CEO and KMPs includes salary, performance bonus, allowances & other benefits on payment basis and applicable perquisites and contribution to approved Pension Fund but except for the accrued Gratuity Fund.
- (d) Mr. Neeraj Akhoury and Mr. Martin Kriegner have waived their right to receive Director's commission and sitting fees
- (2) There were changes in the Director and KMP including the CEO and CFO during the previous year and hence the figures are not comparable and percentage increase in remuneration is not provided.



(B) MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23	6,36,306
(C) PERCENTAGE INCREASE IN THE MEDIAN REMUNERATION OF EMPLOYEES IN THE FINANCIAL YEAR	0.52
(D) NUMBER OF PERMANENT EMPLOYEES ON THE ROLLS OF THE COMPANY AS ON 31ST MARCH 2023	5,472

(E) AVERAGE PERCENTILE INCREASE IN THE SALARIES OF EMPLOYEES OTHER THAN THE MANAGERIAL PERSONNEL AND ITS COMPARISON WITH THE PERCENTILE INCREASE IN THE MANAGERIAL REMUNERATION AND JUSTIFICATION THEREOF:

- (i) Average percentile increase over the previous year in the salaries of employees other than the Managerial Personnel (i.e. WTD&CEO) is 7.8%.
- (ii) There is no change in remuneration of the Managerial Personnel (i.e. WTD & CEO) during the year.
- (iii) Average increase in the remuneration of the employees other than the Managerial Personnel is in line with the industry practice and is within the normal range.

(F) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms remuneration is as per the Remuneration Policy of the Company.