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.
Annexure ‘B’ to the Board’s report

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL 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 prorata 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 & Sustainability Committee has decided not to accept any sitting fees and pursuant thereto, no sitting fees are paid to the Members of the CSR & Sustainability Committee for attending CSR & Sustainability 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 Key Managerial Personnel and the Executive Committee Members

i. In determining the remuneration of the Key Managerial Personnel (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 the 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 herein-above, 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, KEY MANAGERIAL PERSONNEL 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 qualified 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.
ANNEXURE ‘C’ TO THE BOARD’S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

   CSR Policy is stated herein below:

2. The Composition of the CSR & Sustainability Committee:
   − Mr. Shailesh Haribhakti, Chairman
     (Independent Director)
   − Ms. Falguni Nayar, Member
     (Independent Director)
   − Mr. Christof Hassig, Member
     (Non Independent Non-Executive Director)
     (appointed as member of the Committee w.e.f. March 27, 2019)
     (ceased to a Director w.e.f. February 20, 2020)
   − Mr. Vijay Kumar Sharma, Member
     (Non Independent Non-Executive Director)
     (appointed as member of the Committee w.e.f. March 27, 2019)
   − Mr. Neeraj Akhoury, Member
     (Executive Director, MD & CEO up till February 20, 2020)
     (appointed as an Additional Director w.e.f. February 21, 2020)
   − Mr. Sridhar Balakrishnan, Member
     (Executive Director)
     (appointed as MD & CEO w.e.f. February 21, 2020)

3. Average net profit of the Company for last three (3) financial years:
   ₹1,194.91 Crore

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
   ₹23.90 Crore

5. Details of CSR spent for the financial year:
   a) Total amount to be spent for the financial year:
      ₹23.90 Crore
      (However, in the financial year 2019, the Company’s total spending on CSR amounts to ₹25.07 Crore which is 2.10% of the average net profit after taxes in the previous three (3) financial years)
   b) Amount unspent, if any:
      Not Applicable
c) Manner in which the amount spent during the financial year is detailed below:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>CSR Projects/Activities</th>
<th>Sector</th>
<th>Locations - Districts (States)</th>
<th>Amount Outlay (Budget) Project or Programme-wise (₹ Crore)</th>
<th>Amount Spent on the project or programme (₹ Crore)</th>
<th>Cumulative Expenditure upto reporting period (₹ Crore)</th>
<th>Amount Spent: Direct or through implementation agency (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ACC DISHA</td>
<td>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)</td>
<td>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), Palghar (Maharashtra), Bellary (Karnataka), Chikkaballapur (Karnataka), Gulbarga (Karnataka), Coimbatore (Tamil Nadu), Erode (Tamil Nadu) and Kerala</td>
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<td>2.</td>
<td>ACC-LEISA</td>
<td>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)</td>
<td>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), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka) and Coimbatore (Tamil Nadu)</td>
<td>4.02</td>
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<td>3.</td>
<td>ACC-Swavlamban</td>
<td>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)</td>
<td>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), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), and Coimbatore (Tamil Nadu)</td>
<td>1.81</td>
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<tr>
<td>Sr. No.</td>
<td>CSR Projects/ Activities</td>
<td>Sector</td>
<td>Locations - Districts (States)</td>
<td>Amount Outlay (Budget) Project or Programme-wise (₹ Crore)</td>
<td>Amount Spent on the project or programmes (₹ Crore) Sub-Heads: 1. Direct Expenditure on Projects or Programmes 2. Overheads</td>
<td>Cumulative Expenditure upto reporting period (₹ Crore)</td>
<td>Amount Spent: Direct or through implementation agency (₹ Crore)</td>
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<td>4.</td>
<td>ACC Vidya Utkarsh</td>
<td>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)</td>
<td>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), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), Shravasti (Uttar Pradesh), Shahazanhapur (Uttar Pradesh), Jaunpur (Uttar Pradesh), Mirzapur (Uttar Pradesh), Mewat (Haryana), Sirmaur (Himachal Pradesh), Sheopur (Madhya Pradesh), Rudraprayag (Uttarakhand), Alwar (Rajasthan), Coimbatore (Tamil Nadu), Thane (Maharashtra), Mohali (Punjab), Kolkata (West Bengal), Bhubaneshwar (Odisha), Bengaluru (Karnataka), Raigad (Maharashtra)</td>
<td>5.09</td>
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<td>5.</td>
<td>ACC Vidya Saarathi</td>
<td>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)</td>
<td>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), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), and Coimbatore (Tamil Nadu)</td>
<td>0.68</td>
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<tr>
<td>Sr. No.</td>
<td>CSR Projects/ Activities</td>
<td>Sector</td>
<td>Locations - Districts (States)</td>
<td>Amount Outlay (Budget) Project or Programme-wise (₹ Crore)</td>
<td>Amount Spent on the project or programmes (₹ Crore)</td>
<td>Cumulative Expenditure upto reporting period (₹ Crore)</td>
<td>Amount Spent: Direct or through implementation agency (₹ Crore)</td>
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<td>6.</td>
<td>ACC - Arogyam Health</td>
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<td>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), Nagpur (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), and Coimbatore (Tamil Nadu)</td>
<td>2.73</td>
<td>2.73</td>
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<td>7.</td>
<td>ACC - Sampoorn Swachhata Sanitation</td>
<td></td>
<td>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), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), and Coimbatore (Tamil Nadu)</td>
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<td>8.</td>
<td>ACC Sanrakshit Paryavaran Conservation of Environment</td>
<td></td>
<td>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), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), Coimbatore (Tamil Nadu)</td>
<td>1.57</td>
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</table>

Cemented by relationships. Growing with vision.
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>CSR Projects/Activities</th>
<th>Sector</th>
<th>Locations - Districts (States)</th>
<th>Amount Outlay ( ₹ Crore)</th>
<th>Amount Spent on the project or programmes ( ₹ Crore)</th>
<th>Cumulative Expenditure upto reporting period ( ₹ Crore)</th>
<th>Amount Spent: Direct or through implementation agency ( ₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>ACC-Drona Promoting Local, Arts and Culture (Schedule VII – (vii) Training to promote rural sports, nationally recognised 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</td>
<td>Bilaspur (Himachal Pradesh), Katni (Madhya Pradesh), Bundi (Rajasthan), Gauriganj (Uttar Pradesh), Barghar (Odisha), West Singhbhum (Jharkhand), Purulia (West Bengal), Durg (Chhattisgarh), Dhanbad (Jharkhand), Chandrapur (Maharashtra), Yavatmal (Maharashtra), Gulbarga (Karnataka), Bellary (Karnataka), Chikkaballapur (Karnataka), and Coimbatore (Tamil Nadu)</td>
<td>0.76</td>
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<td>10</td>
<td>Overheads</td>
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<td>1.20</td>
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<td>TOTAL</td>
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<td>25.07</td>
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</tbody>
</table>

Details of some of the implementing agencies –

6. In case, the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its board report:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the Company:

ACC CSR projects were designed, implemented and periodically monitored based on need assessment reports and CSR Policy of the Company, which in turn is based on and implemented with statutory requirements.

Sd/
Neeraj Akhoury
MD & CEO

Sd/
Shailesh V. Haribhakti
Chairman, CSR & Sustainability Committee
Annexure ‘D’ to the Board’s report

FORM NO. AOC-2
January to December - 2019

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, 2019, 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, 2019 are as follows:

<table>
<thead>
<tr>
<th>Name of the related party</th>
<th>Nature of Relationship</th>
<th>Duration of Contract</th>
<th>S ailent Terms</th>
<th>Amount (₹ Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nature of Contract</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Purchase of goods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ambuja Cements Limited</td>
<td>Holding Company</td>
<td>January 1, 2019 - December 31, 2019¹</td>
<td>Based on Transfer Pricing Guidelines</td>
<td>95.4</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>95.4</td>
</tr>
<tr>
<td><strong>Sale of Goods</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ambuja Cements Limited</td>
<td>Holding Company</td>
<td>January 1, 2019 - December 31, 2019¹</td>
<td>Based on Transfer Pricing Guidelines</td>
<td>104.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>104.5</td>
</tr>
<tr>
<td><strong>Use of Technology and Knowhow</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holcim Technology Limited</td>
<td>Fellow Subsidiary</td>
<td>January 1, 2019 - December 31, 2019²</td>
<td>Based on Transfer Pricing Guidelines</td>
<td>152.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>152.3</td>
</tr>
</tbody>
</table>

Notes:

1. On April 16, 2018, the Shareholders approved the Master Supply Agreement between the Company and Ambuja Cements Limited for sale of purchase of cement, clinker, raw materials and spare parts.
2. On June 13, 2018, the Shareholders approved the execution of the Technical Know How Agreement with Holcim Technology Ltd for 3 years from January 1, 2018.
Annexure ‘E’ to the Board’s report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ACC LIMITED

Dear Sir/Madam,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by ACC Limited (hereinafter called “the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for valuating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company’s Books, Papers, Minute Books, Forms and Returns filed with regulatory authorities 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 December 31, 2019, 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 year ended December 31, 2019 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time;

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

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
2. Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 &SS-2).

We further report that

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

Adequate notice is given to all directors to schedule the Board/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.

It is noted that majority decisions are carried through and proper systems are in place which facilitates/ensures to capture and record, the dissenting member’s views, if any, as part of the minutes. During the period, all the decisions in the Board Meetings were carried unanimously.

We have relied on the representation made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We further report that there are adequate systems and processes in the Company which are
commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and during the audit period there were no specific events/actions which have a major bearing on the Company’s affairs.

We further report that during the audit period there were no specific events/actions which have a major bearing on the Company’s affairs.

Pramod S. Shah & Associates
(Practicing Company Secretaries)

Pramod S. Shah – Partner
M/s. Pramod S. Shah & Associates
Membership No.: FCS 334

Place: Mumbai  C.P No.: 3804
Date: January 28, 2020  UDIN:F000334B000102997
**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**

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:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Requirements</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>(i) The percentage increase in remuneration of CFO and CS in the financial year and (ii) Ratio of Remuneration of each KMP to the median remuneration of all the employees of the Company for the year 2019</td>
<td>Figures are not comparable as employee worked only part of the year as detailed below: Notes: 1. Mr. Sunil Nayak demitted the office as Chief Financial Officer w.e.f. August 1, 2019 2. Mr. Kalidas Ramaswami demitted office as Company Secretary &amp; Head Compliance w.e.f. September 26, 2019 3. Ms. Rajani Kesari took charge as Chief Financial Officer w.e.f. August 1, 2019 4. Mr. Rajiv Choubey Chief Legal Officer and Company Secretary was appointed w.e.f. September 26, 2019</td>
</tr>
<tr>
<td>2.</td>
<td>The percentage increase in the median remuneration of employees in the financial year</td>
<td>15%</td>
</tr>
<tr>
<td>3.</td>
<td>The number of permanent employees on the rolls of the Company</td>
<td>6643</td>
</tr>
<tr>
<td>4.</td>
<td>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</td>
<td>The average percentile increase in the salaries of the employees other than Managerial Personnel (i.e. MD &amp; CEO) is 7.5%. The average increase in remuneration of employees other than the Managerial Personnel is in line with the industry practice and is within normal range.</td>
</tr>
<tr>
<td>5.</td>
<td>Affirmation that the remuneration is as per the remuneration policy of the Company</td>
<td>Yes, it is confirmed</td>
</tr>
<tr>
<td>6.</td>
<td>Median Remuneration of all the employees of the Company (₹ Lakh)</td>
<td>₹5.63 Lakh</td>
</tr>
</tbody>
</table>
7. Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for the year 2019

<table>
<thead>
<tr>
<th>Name of Director and KMP</th>
<th>Remuneration (Lakh)</th>
<th>% Increase in remuneration in financial year 2019</th>
<th>Ratio to median Remuneration of all employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. N. S. Sekhsaria, Chairman</td>
<td>53.70</td>
<td>54.10</td>
<td>(1) 10</td>
</tr>
<tr>
<td>Mr. Jan Jenisch, Deputy Chairman</td>
<td>21.00</td>
<td>21.00</td>
<td>-- 4</td>
</tr>
<tr>
<td>Mr. Martin Kriegner*</td>
<td>--</td>
<td>4.30</td>
<td>--</td>
</tr>
<tr>
<td>Mr. Christof Hassig</td>
<td>22.30</td>
<td>23.00</td>
<td>(3) 4</td>
</tr>
<tr>
<td>Mr. Vijay Kumar Sharma</td>
<td>23.10</td>
<td>20.50</td>
<td>13 4</td>
</tr>
<tr>
<td><strong>Independent Directors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Shailesh Haribhakti</td>
<td>42.50</td>
<td>42.70</td>
<td>-- 8</td>
</tr>
<tr>
<td>Mr. Sushil Kumar Roongta</td>
<td>45.00</td>
<td>44.90</td>
<td>-- 8</td>
</tr>
<tr>
<td>Mr. Ashwin Dani (up to March 22, 2019)</td>
<td>9.29</td>
<td>42.10</td>
<td>-- 2</td>
</tr>
<tr>
<td>Mr. Farrokh K Kavarana (up to March 22, 2019)</td>
<td>9.89</td>
<td>42.90</td>
<td>-- 2</td>
</tr>
<tr>
<td>Mr. Arunkumar Gandhi (up to March 22, 2019)</td>
<td>11.29</td>
<td>53.30</td>
<td>-- 2</td>
</tr>
<tr>
<td>Ms. Falguni Nayar</td>
<td>22.60</td>
<td>23.10</td>
<td>(2) 4</td>
</tr>
<tr>
<td>Mr. Sunil Mehta (appointed w.e.f. March 22, 2019)</td>
<td>32.01</td>
<td>--</td>
<td>-- 6</td>
</tr>
<tr>
<td>Mr. D. Sundaram (appointed w.e.f. March 22, 2019)</td>
<td>40.34</td>
<td>--</td>
<td>-- 7</td>
</tr>
<tr>
<td>Mr. Vinayak Chatterjee (appointed w.e.f. March 22, 2019)</td>
<td>32.81</td>
<td>--</td>
<td>-- 6</td>
</tr>
<tr>
<td><strong>EXECUTIVE DIRECTOR</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Neeraj Akhoury MD &amp; CEO</td>
<td>889.78@</td>
<td>713.10</td>
<td>25 158</td>
</tr>
<tr>
<td>(appointed as MD &amp; CEO w.e.f. February 07, 2017)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(ceased to be MD &amp; CEO w.e.f. February 20, 2020)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>(appointed as an Additional Director w.e.f. February 21, 2020)</td>
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</tbody>
</table>

**Notes:**

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 year 2019. 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 2019.

*Mr. Martin Kriegner has waived his right to receive Directors’ commission and sitting fees for the year 2019.

@The remuneration of Mr. Akhoury includes the Performance Linked Incentive of ₹227.57 Lakh for the year 2018.