TO THE MEMBERS

The Board of Directors are pleased to present the Company’s 85th Annual Report on business and operations, together with the audited financial statements (consolidated as well as standalone) for the year ended December 31, 2020.

1. STATE OF THE AFFAIRS OF THE COMPANY

The performance of the Cement Business and RMX Business are detailed out in the Management Discussion and Analysis Report, which forms part of the Annual Report.

2. FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Consolidated</th>
<th>Standalone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Revenue from Operations</td>
<td>13,785.98</td>
<td>15,657.55</td>
</tr>
<tr>
<td>Other Income</td>
<td>216.74</td>
<td>318.43</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>14,002.72</strong></td>
<td><strong>15,975.98</strong></td>
</tr>
<tr>
<td>Profit before Tax*</td>
<td>1,708.85</td>
<td>2,052.52</td>
</tr>
<tr>
<td>Tax Expenses</td>
<td>278.59</td>
<td>674.98</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>1,430.26</strong></td>
<td><strong>1,377.54</strong></td>
</tr>
<tr>
<td>Attributable to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of the Company</td>
<td>1,430.18</td>
<td>1,377.41</td>
</tr>
<tr>
<td>Non-controlling Interest</td>
<td>0.08</td>
<td>0.13</td>
</tr>
<tr>
<td>Other Comprehensive Income (OCI)</td>
<td>(14.58)</td>
<td>(49.23)</td>
</tr>
<tr>
<td><strong>Total Comprehensive Income</strong></td>
<td><strong>1,415.68</strong></td>
<td><strong>1,328.31</strong></td>
</tr>
<tr>
<td>Owners of the Company</td>
<td>1,415.60</td>
<td>1,328.18</td>
</tr>
<tr>
<td>Non-controlling Interest</td>
<td>0.08</td>
<td>0.13</td>
</tr>
<tr>
<td><strong>Opening Balance in retained earnings</strong></td>
<td><strong>7,713.34</strong></td>
<td><strong>6,702.10</strong></td>
</tr>
<tr>
<td>Amount available for appropriations</td>
<td>9,128.94</td>
<td>8,030.28</td>
</tr>
<tr>
<td><strong>Appropriations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interim Dividend Paid for 2019</td>
<td>262.90</td>
<td>-</td>
</tr>
<tr>
<td>Final Dividend Paid for 2018</td>
<td>-</td>
<td>262.90</td>
</tr>
<tr>
<td>Tax on Equity Dividend</td>
<td>-</td>
<td>54.04</td>
</tr>
<tr>
<td><strong>Closing balance in retained earnings</strong></td>
<td><strong>8,866.04</strong></td>
<td><strong>7,713.34</strong></td>
</tr>
</tbody>
</table>

*Profit before Tax for 2020 includes charge of ₹176.01 Crore towards impairment of assets and ₹128.92 Crore towards time value of money of Government Incentives.

3. OVERVIEW OF COMPANY’S OPERATIONAL AND FINANCIAL PERFORMANCE

- Consolidated Income, comprising Revenue from Operations and other Income, for the year was ₹14,002.72 Crore, 12% lower as compared to ₹15,975.98 Crore in 2019
- Total consolidated Revenue from Operations decreased to ₹13,785.98 Crore from ₹15,657.55 Crore in 2019
- Consolidated Profit before Tax for the year was ₹1,708.85 Crore vis-à-vis ₹2,052.52 Crore in 2019
- Consolidated Profit after Tax for the year was ₹1,430.26 Crore compared to ₹1,377.54 Crore in 2019
- No material changes or commitments have occurred between the end of the Financial Year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year
- Cement production decreased by 15% from 27.87 Million tonnes in 2019 to 23.77 Million tonnes in 2020
- Cement Sales Volume decreased by 12% from 28.89 Million tonnes in 2019 to 25.53 Million tonnes in 2020
- The net sales in cement decreased by 10% from ₹14,060.31 Crore in 2019 to ₹12,658.17 Crore in 2020
• RMX Production Volume has decreased by 36% from 35.24 Lakh m$^3$ in 2019 to 22.70 Lakh m$^3$ in 2020
• RMX Sales volume decreased by 36% from 35.32 Lakh m$^3$ in 2019 to 22.70 Lakh m$^3$ in 2020
• The net sales in RMX business decreased by 35% from ₹1,473.03 Crore in 2019 to ₹955.42 Crore in 2020.

4. DIVIDEND
The Board of Directors has recommended a payment of dividend at a rate of ₹1.4 per equity share (140%) for the year ended December 31, 2020 subject to the approval of the Members at the 85th Annual General Meeting (‘AGM’).

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘the Listing Regulations’), the Company has formulated a Dividend Distribution Policy. The policy is given in Annexure A to this Report. It is also available on the Company’s website and can be accessed at www.acclimited.com/assets/new/new_pdf/Dividend_Distribution_Policy.pdf.

Unclaimed dividend pertaining to the 75th final dividend and the 76th interim dividend, respectively for the years December 31, 2012 and December 31, 2013 totalling to ₹4.56 Crore have been transferred to the Investor Education and Protection Fund (‘IEPF’) in accordance with statutory requirements.

5. TRANSFER TO RESERVES
The Company has not transferred any amount to the Reserves for the year ended December 31, 2020.

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

7. SHARE CAPITAL
The Company’s paid-up equity share capital continues to stand at ₹187.79 Crore as on December 31, 2020.

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 December 31, 2020 was ₹5,849.36 Crore vis-à-vis ₹4,492.53 Crore in the previous year.

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

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

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

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

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

At the beginning of each financial year, a risk-based annual audit plan is rolled out after it is approved by the Audit Committee of the Board. The annual 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.
Based on the reports of internal audit function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

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

The Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

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

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

14. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

14.1 Subsidiaries

\textbf{Bulk Cement Corporation (India) Limited (`BCCI')} During the year under review, BCCI’s revenue from operations decreased to ₹18.48 Crore compared to ₹18.78 Crore in 2019. The profit before tax for 2020 was ₹2.08 Crore as against ₹3.18 Crore in 2019.

\textbf{ACC Mineral Resources Limited (`AMRL')} The Company had a Joint Venture (JV) with Madhya Pradesh State Mining Corporation Limited (`\textit{MPSMC}') for the development of four (4) coal blocks allotted to MPSMC by the Government of India through its wholly-owned subsidiary AMRL.

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

\textbf{Other Subsidiaries}
The Company has two (2) other subsidiary companies, viz. Lucky Minmat Limited and Singhania Minerals Private Limited. Singhania Minerals Private Limited is operational, while Lucky Minmat Limited is not operational.

\textbf{Divestment of Wholly-Owned Subsidiary}
During the year, your Company had divested a non-operational wholly-owned subsidiary Company, viz. National Limestone Company Private Limited to M/s N. G. Ghadiya Group and the Company has received an amount of ₹20 Crore towards the said divestment.

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

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

14.3 JOINT VENTURE (‘JV’)/ASSOCIATE COMPANIES
OneIndia BSC Private Limited is a JV Company with equal participation with Ambuja Cements Limited to provide back-office services to the Company with respect to routine transactional processes. During the year, the Company migrated the back-office services to LH Global Hub Services Private Limited (`\textit{LHGHs}') which is the global shared services for the entire LH Group.
The Company also has a JV with Aakaash Manufacturing Company Private Limited for the manufacture and supply of ready-mix concrete. As on December 31, 2020, the following were the Associate Companies:
- Alcon Cement Company Private Limited
- Asian Concretes and Cements Private Limited

15. CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements of the Company for the Financial Year 2020 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors’ Report thereon forms part of the Annual Report.

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

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

16. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

16.1 Directorate

A. Appointments/Re-appointments

Mr Neeraj Akhoury
Pursuant to the resignation of Mr Neeraj Akhoury as Managing Director and Chief Executive Officer ("MD & CEO") of the Company with effect from the close of business hours on February 20, 2020, the Board of Directors of the Company, basis the recommendation of the Nomination & Remuneration Committee ("N&RC") appointed Mr Akhoury as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from February 21, 2020 and the said appointment was approved by the Members of the Company at the AGM held on July 6, 2020.

Mr Sridhar Balakrishnan
The Board of Directors of the Company basis the recommendation of the N&RC has appointed Mr Sridhar Balakrishnan as the MD & CEO of the Company, not liable to retire by rotation, for a period of five (5) years commencing from February 21, 2020 to February 20, 2025 on such terms & conditions as decided by the Board of Directors and the said appointment was approved by the Members of the Company at the AGM held on July 6, 2020.

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

In terms of Section 152 of the Act, Mr Kriegner, Non-Executive, Non Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on July 6, 2020.

Mr Vijay Kumar Sharma
Mr Vijay Kumar Sharma was appointed as Non-Executive, Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company by the Members at the AGM held on April 9, 2014.

In terms of Section 152 of the Act, Mr Sharma, Non-Executive, Non-Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on July 6, 2020.

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

In terms of Section 152 of the Act, Mr Jenisch, Non-Executive, Non-Independent Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.
Mr Narotam S. Sekhsaria
Mr Sekhsaria was appointed as Independent Director for a period of five (5) years in the Extra-Ordinary General Meeting held on September 10, 2014 with effect from July 24, 2014.

However, with effect from August 12, 2016, consequent upon the amalgamation of Holcim (India) Pvt Ltd and Ambuja Cements Ltd, Mr Sekhsaria was classified as a Non-Independent Director, liable to retire by rotation. Mr Sekhsaria, Non-Executive, Non-Independent Director, being liable to retire by rotation, on the Board of Directors of the Company, was re-appointed by the Members at the AGM held on March 22, 2019.

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

Mr M. R. Kumar
The Board of Directors of the Company on October 19, 2020, basis the recommendation of the N&RC appointed Mr M. R. Kumar as an Additional Director with effect from October 19, 2020 and to hold office up to the date of the ensuing AGM. Further, the N&RC and Board of Directors of the Company have also recommended the appointment of Mr M. R. Kumar as Director (Non-Executive, Non-Independent), to the Members at the ensuing AGM, liable to retire by rotation.

The relevant details including profiles of Mr Jan Jenisch, Mr Narotam S. Sekhsaria and Mr M. R. Kumar are included separately in the Notice of AGM and Report on Corporate Governance of the Company, forming part of the Annual Report.

B. Cessation
Mr Vijay Kumar Sharma and Mr Christof Hassig have resigned as Non-Executive, Non-Independent Directors of the Company with effect from the close of business hours on July 20, 2020 and February 20, 2020 respectively, on account of pre-occupation and also due to their other personal commitments. Both the aforesaid Directors have confirmed that there is no other material reason other than those provided herein above.

The Board has placed on record its warm appreciation of the contribution made by the aforesaid Directors during their tenure as Directors on the Board of the Company.

16.2 Key Managerial Personnel
In terms of the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, Mr Sridhar Balakrishnan, MD & CEO (with effect from February 21, 2020), Mr Yatin Malhotra, Chief Financial Officer (CFO) (with effect from September 1, 2020) and Mr Rajiv Choubey, Chief Legal Officer & Company Secretary are the Key Managerial Personnel of the Company.

Mr Neeraj Akhoury, demitted office as MD & CEO and Key Managerial Personnel of the Company in terms of the provisions of Section 203 of the Act with effect from the close of business hours on February 20, 2020.

Mr Balakrishnan took charge as MD & CEO and Key Managerial Personnel of the Company in terms of the provisions of Section 203 of the Act for a period of five (5) years, with effect from February 21, 2020 up to February 20, 2025.

Mr Yatin Malhotra was appointed as the CFO and Key Managerial Personnel in terms of the provisions of Section 203 of the Act with effect from September 1, 2020 upon Ms Rajani Kesari demitting office as CFO with effect from the close of business hours on August 31, 2020.

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

16.4 Board effectiveness

a) Familiarisation programme for Independent Directors

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act and other related regulations. This process inter alia includes providing an overview of the cement industry, the Company’s business model, the risks and opportunities, the new products, Innovations, Sustainability measures, digitization 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 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 and Compliance Committees as mandated under the Act and the Listing Regulations, as amended from time to time. The criteria applied in the evaluation process are explained in the Report on Corporate Governance, which forms part of the Annual Report.

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

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

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

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

17. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

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

During the year, twelve (12) Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report.
The Company has the following six (6) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

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

The Committee meetings were held during the year, including Audit Committee and Stakeholders’ Relationship Committee Meetings, which met seven (7) and three (3) times, respectively during the year. The details with respect to the composition, terms of reference, number of meetings held, etc. of these Committees are included in the Report on Corporate Governance, which forms part of the Annual Report.

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

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

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

19. CORPORATE SOCIAL RESPONSIBILITY (‘CSR’) AND SUSTAINABILITY COMMITTEE
The CSR and Sustainability Committee comprises of four (4) members out of which two (2) are Independent Directors. The Committee is chaired by Mr Haribhakti (Independent Director). During the year under review, the other members of the Committee were Ms Nayar (Independent Director), Mr Hassig (Non-Executive Director till close of business hours of February 20, 2020), Mr Sharma (Non-Executive Director till close of business hours of July 20, 2020) and Mr Neeraj Akhoury (MD & CEO till close of business hours of February 20, 2020 and Non-Executive Director with effect from February 21, 2020). With effect from February 21, 2020, Mr Sridhar Balakrishnan, MD & CEO was inducted as one of the Member of the CSR and Sustainability Committee. The Committee met thrice (3) during the reporting period. Details of the role and functioning of the Committee are given in the Report on Corporate Governance, which forms part of the Annual Report.

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

The CSR Policy as recommended by the CSR and Sustainability Committee and as approved by the Board is available on the website of the Company and can be accessed at www.acclimited.com/assets/new/new_.pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf

20. RISK MANAGEMENT FRAMEWORK
The Company’s governance structure has well-defined roles and responsibilities, which enable and empower the Management to identify, assess and leverage business opportunities and manage risks effectively. There is also a comprehensive framework for strategic planning, implementation and performance monitoring of the business plan, which includes a well-structured Business Risk Management (BRM) process. To systematically identify risks and opportunities and monitor their movement, a heat map has been designed comprising two (2) parameters:

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

The risks that fall under the purview of high likelihood and high impact are identified as key risks. This structured process in identifying risks supports the ExCo in strategic decision-making and in the development of detailed mitigation plans. The identified risks are then integrated into the Company’s planning cycle, which is a rolling process to periodically review the movement of the risks on the heat map and the effectiveness of the mitigation plan.
The detailed section on business risks and opportunities forms part of Management Discussion and Analysis Report, which forms part of the Annual Report.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has developed a Related Party Transactions (‘RPTs’) Manual and Standard Operating Procedures to identify and monitor RPTs. All transactions with related parties are placed before the Audit Committee as well as the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the RPTs, which are foreseeable and repetitive. The RPTs are entered with prior approvals of the Audit Committee and the same are subject to audit. A statement giving details of all RPTs is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from the MD & CEO and the CFO.

The policy on RPTs as approved by the Board of Directors has been uploaded on the Company’s website and can be accessed at www.acclimited.com/assets/new/pdf/CG/Related-party-transactions-policy.pdf

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

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

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

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

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

Complaint filed under the Competition Act, 2002 by the Builders Association of India against cement manufacturers — Appeal before the Supreme Court of India

As reported in detail in reports of 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 Builders’ Association of India for alleged violation of the provisions of the Competition Act, 2002.

The National Company Law Appellate Tribunal (‘NCLAT’) dismissed the appeal of the Company dated July 25, 2018 upholding the levy of penalty of ₹1,147.59 Crore as imposed by the CCI vide its order dated August 31, 2016. The 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 subjudice and as on December 31, 2020, 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. As on December 31,
2020, the penalty amount of ₹35.32 Crore is disclosed as a contingent liability in the Notes to Financial Statements [Refer Note 40(A)(b)]. There are no further developments during the year under review in respect of the above cases.

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

24. RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS
The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation and legal matters.

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

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

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

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

25. AUDITORS
25.1 Statutory Auditor
M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration Number 117366W/W-100018) were appointed as Statutory Auditor of the Company at the 81st AGM held on March 29, 2017 to hold office from the conclusion of the said meeting till the conclusion of the 86th AGM to be held in 2022 subject to ratification of their appointment by the Members at every intervening AGM held thereafter. The requirement of seeking ratification of the Members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Hence, the resolution seeking ratification of the Members for their appointment is not being placed at the ensuing AGM.

25.2 Cost Auditor
The cost accounts and records are required to be maintained under Section 148(1) of the Act. They are duly made and maintained by the Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee appointed M/s D. C. Dave & Co., Cost Accountants, Mumbai (Firm Registration No. 000611), to conduct the cost audit of the Company for the Financial Year ending December 31, 2021, at a remuneration as mentioned in the Notice convening the 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, has confirmed the cost records for the Financial Year ended December 31, 2019 are free from any disqualifications as specified under Section 141 (3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

25.3 Secretarial Auditor and Secretarial Audit Report
In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s Mehta & Mehta, Company Secretaries in Practice, Mumbai as the Secretarial Auditor for conducting Secretarial Audit of the Company for the Financial Year ended December 31, 2020.

The report of the Secretarial Auditor is attached as Annexure E. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except as detailed in MR-3 annexed to this Report. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India (‘ICSI’).

26. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY
There are no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of the financial year for the Company, i.e. December 31, 2020 and the date of the Board’s Report, i.e. February 11, 2021.
27. AWARDS AND RECOGNITIONS
During the year under review, the Company received numerous awards and accolades conferred by reputable organisations and distinguished bodies for achievements in diverse fields such as health and safety, manufacturing and environment management, corporate governance and others.

August 2020
- ACC Bargarh Cement Works was adjudged as Excellent Energy Efficient by Confederation of Indian Industries (CII)
- ACC Wadi Cement Works won the award for ‘Energy Efficient Unit’

September 2020
- Won CII’s – Climate Action Programme (CAP) award 2019 – Orient category in EMHM Sector
- Jamul plant achieved 4.5 star rating in the large-scale category of Energy conservation award (ENCON) 2020 in CII Eastern region

December 2020
SAFA Best Presented Annual Report Awards 2019
- Second Runner Up in the manufacturing sector for the Best Presented Annual Report

59th Association of Business Communicators of India Annual Awards
- The Company's Sustainability Development Report 2018 won the Gold trophy in Environmental Communications category
- Won the Bronze Award in the External Magazines category for Indian Concrete Journal (ICI)
- ACC’s ‘Together For Communities’ initiative won a Bronze trophy in the Social Responsibility Communication category

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

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

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

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

29. CORPORATE GOVERNANCE
The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company’s auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of the Annual Report.

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

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

In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, is kept open for inspection during working hours at the Registered Office of the Company and the Report & Accounts as set out therein are being sent to all the Members of the Company. Any Member, who is interested in obtaining these, may write to the Chief Legal Officer & Company Secretary at the Registered Office of the Company.
32. REPORTING OF FRAUDS BY AUDITORS
During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

33. ANNUAL RETURN
Pursuant to the provisions of Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the Financial Year December 31, 2020 is uploaded on the website of the Company and can be accessed at www.acclimited.com.

34. COMPLIANCE WITH SECRETARIAL STANDARDS
The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS) issued by the ICSI (SS1 and SS2), respectively relating to Meetings of the Board and its Committees, which have mandatory application during the year under review.

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

A. Conservation of energy

A1. Power cost optimisation
During the year, efforts were made to reduce the impact of increasing electrical energy cost by partly replacing grid power through consumption of Open Access (OA) power from comparatively cheaper sources. While enhanced intake of solar power through Power Purchase Agreements (PPA) at Thondebhavi increased the OA consumption to 95% from 90.1%, at Kudithini, the OA power increased from 91.3% to 94%. Similarly, among integrated units, at Gagal, the OA quantum increased to 44% from 14% and at Wadi, the OA percentage increased from 46% to 51% of grid power consumption. At Madukkarai plant, OA power accounted for 62% of grid power. Overall purchase of power from open access has resulted in a saving of ₹13.2 Crore. In addition, the Waste Heat Recovery System at Gagal generated ~470 Million units for internal consumption in place of grid power.

A2. Renewable power obligation
Your Company is putting all efforts to reduce the cash outflow for purchase of Renewable Energy Certificate (‘RECs’) against Renewable Power Obligation (‘RPO’).

The captive wind power generation sources contributed considerably in this front. This has resulted in a saving of ₹1.64 Crore on account of RPO cash outgo. Besides this, the Company has sourced 49 Million units of solar power collectively at Thondebhavi, Kudithini, Wadi to fulfill the Solar RPO and excess units are being used to fulfill partly Non-solar RPO. Additionally, the Company sourced 5.0 Million units of Non-solar power at Thondebhavi which resulted in a total saving of ₹20.6 Crore.

A3. Conservation of energy
The year 2020 was full of challenges primarily posed by COVID-19 Pandemic. However, even in these difficult times, energy conservation and efficiency measures were undertaken in various areas of the cement manufacturing and Captive Power Plants (CPPs), through Operational and Capex measures. Some of them are as follows:

- Focus on Productivity Rate Index (PRI) improvement through Computational Fluid Dynamics (CFD) studies
- Implementation of projects identified as part of Mandatory Energy audits of all integrated plants
- Installation of high-level controllers for kiln & cement mill
- Installation of medium voltage variable frequency drives (MVVFD) and low voltage variable frequency drives (LVVFD) for process fans
- Replacement of conventional lights with LED light across the plants

ACC Bargarh Cement Works was adjudged as Excellent Energy Efficient by Confederation of Indian Industries (CII) during the year. ACC Wadi Cement Works was also amongst the shortlisted cement plants and won the award for ‘Energy Efficient Unit’. Jamul plant achieved 4.5 star
rating in the large-scale category of Energy conservation award (ENCON) 2020 in CII Eastern region.

**Plant-wise energy efficiency installation**
- **Jamul**: Installed Automatic Power Factor Controller (APFC) system to maintain unity power factor resultant and achieved 0.99 average power factor after commissioning of system
- **Gagal**: Installation of high efficiency Positive Displacement blower along with variable speed drive for primary air in kiln-1; installation of nozzles at kiln-1 burner tip to reduce the primary air percentage from 8.5% to 6.5% and NOx at kiln inlet
- **Chanda**: Vertical Roller Mill (VRM) inlet duct modification based on Computational Fluid Dynamics (CFD) study to reduce pressure drop; Modification for Slag VRM Bag house through CFD study to improve velocity to avoid drop down of material; Installation of MVVFD along with motor for kiln string fan; Installation of high-level controller for mills at Wadi 2
- **Kymore**: Installation of New DCS system for kiln-2; Installation of High efficiency Cooler ESP Fan impeller for Kiln-1, Installation of high efficiency fan impeller for Kiln string fan Kiln 2; Two Cooler Fan’s inlet modified through CFD study to reduce the pressure drop at K1. Commissioning 380 KW(p) Solar at Kymore mines
- **Bargarh**: VRM circuit modification based on CFD study to reduce the pressure drop; Modification for Slag VRM Bag house through CFD study to reduce pressure drop; Cement Mill 3 cyclones modified through CFD to improve cyclone collection efficiency; Installation of New Energy Management System and integration with DCS system; Installation of high level controller for kiln;
- **Tikaria**: Upgradation of Distributed Control System (DCS) for Cement Mills 2 & 3
- **Lakheri**: Installation of LVVFDS for 6 fans in Air cooled condenser for Captive Power Plant; replacement of 9 pumps with high efficiency pumps
- **Chaibasa**: Installation of LVVFDS – one in Slag Dryer ID Fan, three in cooler fans, two in Cooling Tower pump and one in Condensate Extraction Pump

**Green power**
Among the total Renewable Energy, ACC’s portfolio consists of

- Wind Energy Portfolio of 19 MW in the form of Wind Farms across 3 states and has generated approximately 32.30 Million units of green power. (Rajasthan – 11.96 Million units, Tamil Nadu – 17.34 Million units, Maharashtra – 3.00 Million units). These units helped ACC to meet the Renewable Purchase Obligation (Non-solar) for Madukkarai Plant (TN) & Lakheri Plant (Rajasthan) fully, besides getting power at a very cheaper cost. In Maharashtra, ACC Thane complex and BCCI, Kalamboli are operating mainly on renewable energy with negligible cost through the ACC wind turbines at Satara, Maharashtra. This has resulted in power cost avoidance of ₹2.42 Crore
- ACC also installed and commissioned 5.35 MWp solar plant within the premises of Jamul Cement works at Chhattisgarh during the year to add to its renewable energy portfolio. The plant generated 2.35 Million units since August 2020. In addition to substituting grid power, it would also be used for the Renewable Purchase Obligation (Solar) compliance
- ACC also commissioned a 380 kWp Solar PV Plant at Kymore mines and consumed 0.14 Million units from it

The Renewable Power Obligations of other plants are met by purchasing Renewable Energy Certificates (Solar & Non-solar). Trading of REC was postponed on Energy Trading platforms since July 2020 as few associations have
challenged the New floor and forbearance price order issued by CERC.

Additional Proposals being implemented for further conservation of energy
- Set up new Waste Heat Recovery System (WHRS) based power plants at Jamul and Kymore
- Installation of dynamic reactive power compensation system to improve the power factor at Kymore
- Replacement of Medium Voltage & Low Voltage capacitor Banks & harmonic filters at Wadi
- Projects being implemented at Kymore – Installation of New DCS system for kiln-1; Installation of High efficiency Sepax Fan for Cement Mill 1 & 9; Energy Management System upgradation; Cooler Fan’s inlet modified through CFD study to reduce the pressure drop at K1
- Installation of Feeding System for Wet Ash/Slag/Phosphogypsum at Thondebhavi
- Installation of four number Low Pressure cyclones in Raw Mill 1 for Wadi 2
- Replacement of Kiln string fan with higher capacity fan at Gagal 1
- Installation of VFDs across ACC plants
- Installation of high-level controller for kiln at Wadi 2 and Lakheri is in progress and planned for Kymore. Installation of high-level controller for mill optimisation is in progress for Chaibasa and is planned for mills at Sindri, Tikaria, Jamul, Gagal and Bargarh

Impact of the above measures for reduction of energy consumption and consequent impact on cost of production
The measures stated in point (A) would further improve the thermal and electrical energy efficiency of the ACC Plants.

The capital investment on energy conservation equipments
Your Company invested ~₹71.8 Crore on productivity/efficiency improvement, besides implementation of 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 0.29 Million tonnes of Alternative Fuels during the cement manufacture.

B. Technology absorption

Research and Development (R&D)
1. Specific areas in which R&D is carried out by the Company
   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
   c) Optimisation of fuel mix for lowering the cost
   d) Effective replacement of the costlier natural Gypsum by cheaper byproducts without affecting the quality of cement
   e) Development of new products based on market requirements
   f) Productivity research for increased efficiency in use of resources development of application Oriented Cements with decreased CO₂ emissions
   g) Quality Benchmarking exercise for different market clusters of ACC products
   h) Development waterproofing of Internal Compound
   i) Development of cement-based niche products like water repellent and self-curing Dry Mix Mortar, thin bed jointing mortar, plasters, tile adhesives range
j) Development of Concrete Admixture for ACC RMX

2. Benefits derived as a result of above R&D
   a) Effective use of marginal quality raw materials and fuels with improved clinker quality
   b) Reduction in raw material cost-gypsum and mineral components
   c) Maintain a lead position in all the market clusters of the country
   d) Launch of special high-performance products like F2R, Concrete+, ACC Gold for specific market segments/market climatic conditions
   e) Launch of Leak Block—an internal waterproofing compound/dry-mix mortars for plasters, tile fixing, thin-bed jointing for blocks
   f) Increased absorption of blending materials like fly ash and slags in blended cements
   g) Fuel efficiency
   h) Reduction in special power consumption for grinding
   i) ACC Concrete admixture project resulted in cost savings on admixture buying cost with a consistent quality

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

4. Expenditure on R&D

<table>
<thead>
<tr>
<th>Description</th>
<th>₹ Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Capital</td>
<td>Nil</td>
</tr>
<tr>
<td>b) Recurring (Gross)</td>
<td>0.61</td>
</tr>
<tr>
<td>c) Total</td>
<td>0.61</td>
</tr>
<tr>
<td>d) Total R&amp;D expenditure</td>
<td>-</td>
</tr>
<tr>
<td>as percentage of total</td>
<td></td>
</tr>
<tr>
<td>turnover</td>
<td></td>
</tr>
</tbody>
</table>

C. Foreign Exchange Earnings and Outgo

<table>
<thead>
<tr>
<th>Description</th>
<th>₹ Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Exchange earned</td>
<td>3.26</td>
</tr>
<tr>
<td>Foreign Exchanged outgo</td>
<td>553.22</td>
</tr>
</tbody>
</table>

36. OTHER DISCLOSURES

36.1 There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

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

36.3 There was no revision in the Financial Statements.

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

36.5 Prevention of Sexual Harassment of Women at the Workplace

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

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of complaints pending as on the</td>
<td>4</td>
</tr>
<tr>
<td>beginning of the financial year</td>
<td></td>
</tr>
<tr>
<td>Number of complaints filed during the</td>
<td>1</td>
</tr>
<tr>
<td>financial year</td>
<td></td>
</tr>
<tr>
<td>Number of complaints pending as on the</td>
<td>1</td>
</tr>
<tr>
<td>end of the financial year</td>
<td></td>
</tr>
</tbody>
</table>

37. DIRECTORS’ RESPONSIBILITY STATEMENT

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

a) that in the preparation of the annual Financial Statements for the year ended December 31, 2020, 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 Accounts 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 December 31, 2020, 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

38. INTEGRATED REPORTING

For the third (3rd) year, the Company has drawn up an Integrated Report, which encompasses both financial and non-financial information to enable Members to have a more holistic understanding of the Company’s long-term perspective. This year, the Integrated Reporting is more robust than before and details such as the organisation’s strategy, governance framework, performance and prospects of value creation based on the six (6) forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital have been added. The Integrated Report for the year 2020 is presented in a separate section, forming part of the Annual Report and also hosted on the Company’s website and can be accessed at www.acclimited.com.

The Annual Report also carries a detailed section containing the ‘Business Responsibility Report’. Since 2007, the Company has been publishing an annual Corporate Sustainable Development Report (‘SD Report’) conforming to the guidelines of the Global Reporting Initiative. From the year 2016, these reports are based on the GRI standards in accordance with the ‘Comprehensive’ option and have been externally assured. This year SD Report has been combined with the Integrated Report.
39. ACKNOWLEDGEMENTS
The Directors express their deep sense of gratitude to the Central and State Government Ministries and departments, shareholders, customers, business associates, bankers, employees, trade unions and all other stakeholders for their support and look forward to their continued assistance in future.

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

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

N. S. SEKHSARIA
Chairman

Mumbai
February 11, 2021