

Corporate Governance

The Directors present the Company's report on Corporate Governance for the year ended December 31, 2012.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

ACC's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices most of which were implemented before they were mandatorily prescribed. Transparency, Accountability and Compliance with Laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. These main drivers of Corporate Governance together with the various initiatives taken by the Company for development of communities in the vicinity of its Plants through meaningful Corporate Social Responsibility has enabled your Company to fulfill the aspirations of its various stakeholders and earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates. Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges.

GOVERNANCE STRUCTURE

ACC's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the management to achieve the corporate objectives within a given framework thereby bringing about an enabling environment for value creation through sustainable profitable growth.

The Board of Directors – The ACC Board plays a pivotal role in the creation of shareholder value. Its functions, responsibility and accountability are clearly defined. As its primary role is fiduciary in nature, the Board is

responsible for ensuring that the Company runs on sound ethical business practices and that the resources of the Company are utilized to create sustainable growth and value for the Company's Members, its business partners and to fulfill the aspirations of the society and the communities in which it operates.

The Committee of Directors – With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Compliance Committee, Compensation Committee, Capex Committee and Shareholders' / Investors' Grievance Committee. Each of these Committees has been mandated to operate within a given framework.

Management Structure – Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

- a. **Chief Executive Officer and Managing Director** – The Chief Executive Officer and Managing Director (CEO & MD) is responsible for the day-to-day management of the Company subject to the supervision, direction and control of the Board of Directors. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.
- b. **Managing Committee** – The Company has formed a Managing Committee which comprises the Chief Executive Officer and Managing Director, Chief Executives of the Regions and Corporate Functional Heads. This Committee is a brain storming and consultative committee where important business issues are discussed, monthly performance reviewed and targets set. The various business challenges are also discussed and decisions taken within the framework of the strategic policies laid down by the Board.

- c. Chief Executives at the Regions** – The business operations of the Company have been divided into three regions, viz. North, East and South West. Each Region is managed by a Chief Executive who is responsible for the overall business and for the day-to-day management of operations within the Regions. He is supported by the Director Sales and Director Logistics who look after the sales operations and the logistics function within the Region. The Chief Executives of the Regions, report to the Chief Executive Officer and Managing Director.
- d. Director Plant** – The Director Plant is responsible for operation and maintenance of the Plant and all other functions relating to the day to day management of the Plant, including all local issues and compliances as applicable at plant level. The Director Plants report to the Chief Executives of their respective Regions.

BOARD OF DIRECTORS

Composition of the Board as on December 31, 2012

Category	No of Directors
Non Executive & Independent Directors including the Chairman	7
Other Non Executive Directors	4
Executive Director (CEO & Managing Director)	1
Total	12

Directors' Profile

The Board of Directors is comprised of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

Mr N S Sekhsaria (Chairman): Mr N S Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. In a career spanning over 30 years, he has introduced new standards in management, marketing, efficiency and corporate social responsibility to an industry he has helped transform.

Mr Sekhsaria is the Founder-Promoter and current Chairman of Ambuja Cements Limited. Mr Sekhsaria was invited to join the ACC Board in 1999 and was appointed Deputy Chairman in January 2000. In 2006, Mr Sekhsaria took over as Chairman of the Board.

Mr Sekhsaria built Ambuja Cements Limited into a benchmark for Indian Industry. His acumen as an entrepreneur and technocrat turned that Company into the most efficient and profitable cement company in India and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr Sekhsaria championed community development by establishing the Ambuja Cement Foundation and guiding it into a model of excellence in social responsibility.

With his considerable wealth of experience, Mr Sekhsaria brings immense value to the Board of ACC. Under his leadership, ACC has achieved significant improvements in the areas of project management, logistics and overall cost-competitiveness. The impact of this guidance shows in the high growth trajectory ACC has experienced since 1999.

Mr Paul Hugentobler (Deputy Chairman): Mr Paul Hugentobler obtained a degree in Civil Engineering from the ETH, Zurich, and a degree in Economic Science from the University of St. Gallen. He joined Holcim Group Support in 1980 as Project Manager and in 1994 was appointed as Area Manager for Holcim Limited. From 1999 until 2000, he also served as CEO of Siam City Cement Public Limited, Bangkok, Thailand. He is a Member of Holcim's Executive Committee since January 1, 2002 with the responsibility for South Asia and ASEAN excluding Philippines. He is the Vice Chairman of Ambuja Cements Limited.

Mr Kuldip Kaura (CEO & MD): Mr Kuldip Kaura holds a degree in Mechanical Engineering, BE (Hons.) from Birla Institute of Technology & Science (BITS) Pilani and has also attended various Executive Education Programmes at London Business School and Swedish Institute of Management, Stockholm. Mr Kaura has rich experience in leading businesses and companies in diverse sectors such as power, natural resources, metals, mining etc. and has deep understanding of Corporate Governance, brand building and Sustainable Development in India, U.K. and U.S. Regulatory Environment. He has served in senior capacities with various reputable companies including as Chief Executive Officer with Vedanta Resources Plc and as Managing Director of ABB Limited.

Mr S M Palia: B.Com., LL.B, CAIIB, CIIB (London). Mr Palia is a Development Banker by profession. He was with IDBI from 1964-1989 during which period he held various responsible positions including that of Executive Director. He has also acted as an Advisor to Industrial Bank of Yemen, Saana (North Yemen) and Industrial Bank of Sudan, Khartoum (Sudan) under World Bank assistance programmes. He was also the Managing Director of Kerala Industrial & Technical Consultancy Organization Limited, set up to provide consultancy service to micro, small and medium enterprises. He is a Director on the Boards of leading companies viz. Tata Steel Limited, Tata Motors Limited, The Bombay Dyeing & Manufacturing Co. Limited. He is a Trustee of Bombay Community Public Trust and Chairman of Foundation for Research in Community Health.

Mr Naresh Chandra, IAS (Retired): Mr Naresh Chandra is a post graduate in mathematics from Allahabad University. He was a member of the Indian Administrative Service (IAS) and former Cabinet Secretary to the Government of India. He has held various important positions including that of Governor of the State of Gujarat and India's Ambassador to the United States of America. He has served on numerous important Committees including as Chairman of Corporate Governance Committee instituted by

the Government of India. Mr Naresh Chandra, was Chairman of the Committee of Civil Aviation Policy, Ministry of Civil Aviation. He is a Director on the Boards of various companies. He is the recipient of Padma Vibhushan from the Government of India.

Mr Bernard Fontana (appointed w.e.f. 28.03.2012): Mr Fontana holds a degree in engineering from the Ecole Polytechnique and Ecole Nationale Supérieure des Techniques Avancées in Paris. He started his career with Groupe SNPE in France and in 1998, he was appointed Head – US Operations. From 2001 to 2004, Mr Fontana was a Member of the Executive Committee of the said Company. Mr Fontana thereafter joined Arcelor Mittal where he was given the responsibility for HR, IT and business development at Flat Carbon. He was also a Member of their Management Committee with responsibility for the Automotive Worldwide Business Unit. He was also subsequently responsible for HR and the global alliance with Nippon Steel. In 2010, Mr Fontana took over as Chief Executive Officer of Aperam, a Luxembourg-domiciled listed corporate group that was spun off from Arcelor Mittal. Mr Fontana is presently the Chief Executive Officer of Holcim Limited with effect from February 1, 2012.

Mr M L Narula: B.Sc. Engineering (Electrical). Graduate from Punjab University and Fellow, Institute of Engineers. Mr Narula has been closely associated with the Company for over 46 years in various senior positions at the plants and in the Corporate Office including that of the Managing Director of the Company from December 1, 2002 till his retirement on March 31, 2007. Mr Narula has vast experience and in-depth knowledge of the Cement Industry. He is presently a Non-Executive Director on the Company's Board with effect from April 1, 2007. Mr Narula is also a Director on the Boards of other Indian and Foreign Companies.

Mr R A Shah: Mr R A Shah is a leading Solicitor and a Senior Partner of M/s Crawford Bayley and Co., a firm of Advocates & Solicitors. He specializes in a broad spectrum of corporate laws in general, with

special focus on Foreign Investments, Joint Ventures, Technology and Licence Agreements, Intellectual Property Rights, Mergers and Acquisitions, Industrial Licensing, Anti Trust Laws, Company Law and Taxation. He is a Director on the Board of various public limited companies and is Chairman of the Board in many of these companies. He is also on the Audit Committee of some of the companies on which he is a Director.

Mr Shailesh Haribhakti: Fellow Chartered Accountant. Mr. Shailesh Haribhakti is a Chartered and Cost Accountant, and a Certified Internal Auditor, Financial Planner & Fraud Examiner. During a career span of four decades, he has successfully established and led many innovative services. His current passions involve outsourcing of knowledge processes, engaged investing, and efficiency & effectiveness enhancement in social, commercial and Governmental organizations. He strongly believes in 'shared value' creation, good public and corporate governance and promoting a green environment. He actively promotes these causes, and contributes towards their evolution by participating in the process of framing regulations and standards.

Mr Aidan Lynam: Mr Aidan Lynam holds a degree in Engineering from the University College of Dublin and an MBA from IMD, Lausanne, Switzerland. In addition to the above, Mr Lynam is a Member of the Institute of Engineers in Ireland (M.I.E.I), Chartered Member of the British Institute of Manufacturing Engineers (C.Eng M.I.E.E.).

Mr Lynam is presently in the services of Holcim Limited and is Area Manager responsible for Vietnam, Sri Lanka, Bangladesh, Singapore, Malaysia and Cambodia. Mr. Lynam also represents South Asia/ASEAN region for IT shared services (HSEA), Geocycle and OH&S Core Group.

Mr Sushil Kumar Roongta: Mr Roongta holds a degree in Bachelor of Engineering from Birla Institute of Technology & Science (BITS), Pilani and a Post Graduate

Diploma in Business Management – International Trade from the Indian Institute of Foreign Trade (IIFT), New Delhi. He is a Fellow of All India Management Association (AIMA).

Mr Roongta is presently the Managing Director of Vedanta Aluminium Limited. He was also the Executive Chairman of Steel Authority of India Limited (SAIL) which position he held till his retirement from that Company. Under his leadership, SAIL achieved new benchmarks in operational and financial performance and was ranked the second among "World Class Steel Makers" by World Steel Dynamics, USA. SAIL was conferred the status of "Maharatna" by the Government of India in 2010, being one of the four PSUs to be awarded this status.

Mr Roongta was on the Governing Boards of reputable academic institutions, and is on certain Committees constituted by the Government of India and Chambers of Commerce & Industry.

Mr Roongta is a recipient of a number of awards including SCOPE Award for excellence and outstanding contribution to the Public Sector Management – Individual Category 2008.

Mr Ashwin Dani: Mr Dani was the Vice Chairman and Managing Director of Asian Paints Limited from December 1998 to March 2009. Currently, he holds the position of Non-Executive Vice Chairman of Asian Paints Limited and was the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). In addition to his Directorship in ACC Limited, he is also a member of the Board on Sun Pharmaceuticals Limited one of the leading pharmaceutical companies in the country.

Mr Dani started his career in 1967, as a Development Chemist with Inmont Corp., (now known as BASF) Detroit, USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints in 1968 as Senior Executive and moved through successive senior positions like Director – R&D, Works Director, Whole-time Director and Vice Chairman.

Mr Dani is the past President of the Indian Paint Association (IPA) and has received a number of awards for his contributions to the Paint Industry. He was a member of the Central Board of Trustees – Employees Provident Fund of the Government of India and was also the President of the Board of Governors of the UDCT Alumni Association, Mumbai. Currently, he is the member on the Board of Management of Institute of Chemical Technology (formerly UDCT), Mumbai.

Mr Dani is former managing Trustee of “Light on Yoga”, a trust created by the world famous Yogacharya, Shri B.K.S. Iyengar and his disciples.

Mr Markus Akermann (resigned w.e.f. 28.03.2012):

Mr Markus Akermann obtained a degree in Business Economics from the University of St. Gallen in 1973 and studied Economics and Social Sciences at the University of Sheffield, U.K. He began his professional career in 1975 with the former Swiss Bank Corporation. In 1978, he joined Holcim Limited where he was active in a number of roles including as an Area Manager for Latin America and Holcim Trading. In 1993, he was appointed to the Executive Committee with responsibility for Latin America and international trading activities. He was the Chief Executive Officer of Holcim Limited from 2002 to 2012.

Other Relevant Details of Directors:

Name of the Director	Date of Appointment	Category	*Number of Directorship(s) held in Indian public limited companies (including ACC)	**Committee(s) position (including ACC)	
				Member	Chairman
Mr N S Sekhsaria	27.12.1999	Non-Executive/Independent	3	-	-
Mr Paul Hugentobler	06.05.2005	Non-Executive	3	2	1
Mr Kuldip Kaura	05.08.2010	Executive	5	2	-
Mr S M Palia	25.01.2002	Non-Executive/Independent	7	5	2
Mr Naresh Chandra IAS (Retd.)	05.05.2004	Non-Executive/Independent	12	8	1
Mr Bernard Fontana	28.03.2012	Non-Executive	2	-	-
Mr M L Narula	01.04.2007	Non-Executive	2	2	-
Mr R A Shah	24.01.2006	Non-Executive/Independent	15	5	4
Mr Shailesh Haribhakti	17.02.2006	Non-Executive/Independent	14	5	5
Mr Aidan Lynam	22.04.2010	Non-Executive	1	-	-
Mr Sushil Kumar Roongta	03.02.2011	Non-Executive/Independent	9	3	1
Mr Ashwin Dani	15.12.2011	Non-Executive/Independent	7	3	2
Mr Markus Akermann (resigned w.e.f. 28.03.2012)	06.05.2005	Non-Executive	2	-	-

*Excludes directorships held in Private Limited Companies, Foreign Companies and Section 25 Companies.

** Only mandatory committees considered viz. Audit Committee & Shareholders' / Investors' Grievance Committee.

Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
February 9, 2012	12	12
April 19, 2012	12	10
July 26, 2012	12	11
October 18, 2012	12	12
December 13, 2012	12	10

Attendance of Directors at Board Meetings and Annual General Meeting

Name of the Director	Attendance at the Board Meetings held on					Attendance at the AGM held on March 28, 2012
	February 9, 2012	April 19, 2012	July 26, 2012	October 18, 2012	December 13, 2012	
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓
Mr Paul Hugentobler	✓	✓	✓	✓	✓	✓
Mr Kuldip Kaura	✓	✓	✓	✓	✓	✓
Mr S M Palia	✓	✓	✓	✓	Leave of Absence	✓
Mr Naresh Chandra IAS (Retd.)	✓	✓	✓	✓	✓	Leave of Absence
Mr Bernard Fontana (appointed w.e.f. 28.03.2012)	Not Applicable	✓	Leave of Absence	✓	Leave of Absence	Leave of Absence
Mr M L Narula	✓	✓	✓	✓	✓	✓
Mr R A Shah	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓
Mr Aidan Lynam	✓	Leave of Absence	✓	✓	✓	Leave of Absence
Mr Sushil Kumar Roongta	✓	Leave of Absence	✓	✓	✓	✓
Mr Ashwin Dani	✓	✓	✓	✓	✓	✓
Mr Markus Akermann (resigned w.e.f. 28.03.2012)	✓	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Leave of Absence

The Board periodically reviews the items required to be placed before it as per Clause 49 of the Listing Agreement and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual accounts, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, OH&S performance, progress of major projects and reviews such other items which require Board's attention. It directs and guides the activities

of the Management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

COMMITTEES OF THE BOARD

Audit Committee – (Constituted in 1986)

The Audit Committee acts as the link between the Statutory and the Internal Auditors and the Board of Directors.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292(A) of the Companies Act, 1956. These broadly include:

- approval of the Annual Internal Audit Plan;
- review of the financial reporting system and internal control systems;
- approve quarterly, half yearly and annual financial results including major accounting entries involving exercise of judgement by the management;
- representation by the Statutory Auditors to the management in regard to any internal control weaknesses observed by them during the course of their audit and the action taken by the management thereon;
- discussions with Statutory, Internal and Cost Auditors on matters related to their area of audit;
- review of Internal Audit Report and implementation of action points arising therefrom;

- review of Risk Management framework concerning the critical operation of the Company;
- Management Discussion & Analysis of the Company's operations;
- review of significant related party transactions;
- review of implementation of the Fraud Risk Management Policy and the Fraud Risk Assessment Reports;
- recommendation for appointment of Statutory and Cost Auditors and their remuneration;
- appointment, removal and terms of remuneration of the Chief Financial Officer and the Chief Internal Auditor.

The Audit Committee and the Internal Audit Department of the Company are governed by their respective Charters to ensure effective compliance with Clause 49 of the Listing Agreement. These charters are reviewed from time to time with a view to bring them in line with the regulatory framework.

The Internal Audit Department is headed by the Chief Internal Auditor who functions independently and reports to the Chairman of the Audit Committee.

The Company has implemented well structured Internal Audit Control Systems to ensure reliability of financial and operational information and statutory/regulatory compliances.

The composition of the Audit Committee and details of the Members participation at the Meetings of the Committee are as under:

Name of the Director	Category	Attendance at the Audit Committee Meetings held on						
		February 7, 2012	February 8, 2012	March 28, 2012	April 18, 2012	July 25, 2012	October 17, 2012	December 12, 2012
Mr Shailesh Haribhakti, (Chairman)	Non-Executive/ Independent	✓	✓	✓	✓	✓	✓	✓
Mr S M Palia	Non-Executive/ Independent	✓	Leave of Absence	Leave of Absence	✓	✓	✓	✓
Mr Naresh Chandra, IAS (Retd.)	Non-Executive/ Independent	Leave of Absence	✓	Leave of Absence	✓	✓	✓	✓
Mr Paul Hugentobler	Non-Executive	✓	✓	✓	✓	✓	✓	✓
Mr Sushil Kumar Roongta	Non-Executive/ Independent	Leave of Absence	Leave of Absence	✓	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee Meetings during the year. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The CEO & MD, the Chief Financial Officer (CFO), the Chief Internal Auditor and the Chief Executives at the Regions attend all the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. A representative of Holcim Group's internal audit team is also invited to attend the meeting and share Holcim's expertise in international best practices in Internal Audit.

During the year under review, the Audit Committee met the Statutory Auditors and the Internal Auditor separately with a view to get their inputs on any significant matters relating to their areas of audit.

Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The

assessment broadly covers composition, structure and committee meetings; business and risk management; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

Shareholders' / Investors' Grievance Committee - (Constituted in 1962)

The Shareholders' / Investors' Grievance Committee deals with various matters relating to:

- transfer / transmission of shares / debentures;
- issue of duplicate share certificates;
- issue and allotment of rights / bonus shares / shares against Employee Stock Options;
- review of shares dematerialized and all other related matters;
- monitoring expeditious redressal of investors' grievances;
- non receipt of Annual Report and declared dividend;
- all other matters related to shares / debentures.

The composition of the Shareholders' / Investors' Grievance Committee and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Shareholders' / Investors' Grievance Committee Meetings held on				
	February 9, 2012	April 19, 2012	July 26, 2012	October 18, 2012	December 13, 2012
Mr Paul Hugentobler (Chairman)	✓	✓	✓	✓	✓
Mr M L Narula	✓	✓	✓	✓	✓
Mr Kuldip Kaura	✓	✓	✓	✓	✓

The Company Secretary also functions as the Compliance Officer.

During the year, 54 complaints were received from shareholders, all of which have been attended / resolved. No investor grievance has remained unattended / pending for more than thirty days.

The Company had one share transfer pending as on December 31, 2012. This transfer deed was lodged on the last day of the year.

Compensation Committee (Non Mandatory Committee – Constituted in 1993)

The terms of reference of the Compensation Committee, inter alia, consists of reviewing the overall compensation policy, the remuneration structure, service agreement and other employment conditions of the CEO & MD with a view to retaining

and motivating the best managerial talents. In determining the remuneration, the Committee takes into consideration the industry trend, remuneration paid by comparable concerns, responsibilities to be shouldered by the CEO & MD and the Company's and individual performance.

The composition of the Compensation Committee and the details of Members participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Compensation Committee Meetings held on			
	February 8, 2012	April 19, 2012	October 18, 2012	December 13, 2012
Mr N S Sekhsaria (Chairman)	✓	✓	✓	✓
Mr Paul Hugentobler	✓	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓

Compliance Committee (Non Mandatory Committee – Constituted in 2008)

The Compliance Committee plays an important role in building a regime of zero tolerance to any form of non compliance which is essential for sustainable growth.

The terms of reference of the Committee broadly comprises:

- reviewing the legal environment in which the Company operates with a view to understand the implications of major legislative and regulatory developments and their interpretation by the Courts of law that may significantly affect the Company;
- reviewing compliance with the provisions of Competition Law and to provide guidance in regard to the development of the laws in India and abroad;
- reviewing the compliance with all applicable statutes, rules and regulations based on reports received from the CEO & MD, Chief Executives of the Regions, CFO, President Human Resources and the Company Secretary & Head Compliance and recommend corrective actions where required;
- reviewing significant legal cases filed by and against the Company.

The composition of the Compliance Committee and the details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Compliance Committee Meetings held on					
	February 8, 2012	April 18, 2012	June 25, 2012	July 25, 2012	August 22, 2012	October 17, 2012
Mr R A Shah (Chairman)	✓	✓	Leave of Absence	✓	✓	✓
Mr Naresh Chandra, IAS (Retd.)	✓	✓	Leave of Absence	✓	✓	✓
Mr Shailesh Haribhakti	✓	✓	✓	✓	✓	✓
Mr Paul Hugentobler	✓	✓	✓	✓	Leave of Absence	✓
Mr Kuldip Kaura	✓	✓	✓	✓	✓	✓

Capex Committee (Non Mandatory Committee – Constituted in 2010)

The Capex Committee was constituted to undertake a detailed examination of various large project proposals and report/recommend the same to the Board. The terms of reference of the said Committee are as under:

- to evaluate the financial viability of all major capex proposals for recommendation to the Board;
- to monitor the projects with regard to the committed expenditure and time schedules;
- to discuss post audit evaluation of above completed projects;
- to evaluate acquisition proposals and make appropriate recommendations to the Board;
- such other duties relating to capex projects as may be assigned to the Committee from time to time by the Board.

The composition of the Capex Committee and the details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Attendance at the Capex Committee Meetings held on		
	January 23, 2012	October 16, 2012	December 11, 2012
Mr Paul Hugentobler (Chairman)	✓	✓	✓
Mr S M Palia	Leave of Absence	✓	✓
Mr M L Narula	✓	✓	✓
Mr Aidan Lynam	✓	Leave of Absence	✓
Mr Sushil Kumar Roongta	Leave of Absence	Leave of Absence	Leave of Absence
Mr Kuldip Kaura	✓	✓	✓

REMUNERATION POLICY

(a) Remuneration Policy for Executive Director:

Subject to the approval of the Members and other approvals as may be required under the Companies Act, 1956, the remuneration of the CEO & MD is decided by the Board of Directors on the recommendation of the Compensation Committee. In determining the remuneration, the Compensation Committee takes into consideration the size of the Company's operations and the onerous responsibility required to be shouldered by the incumbent, the remuneration paid by comparable concerns and the performance of the Company.

The remuneration structure of Mr Kuldip Kaura, CEO & MD and the terms of appointment which have been approved by the Members of the Company are as under:

Terms of appointment and remuneration of Mr Kuldip Kaura, CEO & MD

Period of Appointment:

From 05.08.2010 to 12.08.2010 as CEO & MD (Designate) and as CEO & MD w.e.f. 13.08.2010 to 31.12.2013

Salary Grade:

₹ 11,00,000 - ₹ 25,00,000

Allowances:

- Special Allowance as may be decided by the Board on the recommendation of the Compensation Committee;
- Housing : Free furnished residential accommodation or HRA at the rate of 40% of the basic salary;

- iii. LTA: An amount not exceeding 12.5% of the basic salary. The entitlement for any one year to the extent not availed of shall be allowed to be accumulated up to the next two Corporate financial years.

Perquisites:

- i. Membership of two clubs;
- ii. Personal Accident Insurance Policy as per the rules of the Company;
- iii. Medical Reimbursement: Such amount as may be decided by the Board on the recommendation of the Compensation Committee including Group Medical Insurance Policy as per the rules of the Company;
- iv. Other Perquisites as may be decided by the Board on the recommendation of the Compensation Committee subject to the overall ceiling on managerial remuneration as prescribed under the Companies Act, 1956.

Retiral Benefits:

Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.

Performance Incentive:

Amount equivalent to a maximum of 37.5% of the basic salary and allowances (which includes 7.5% as Holcim's Global Performance Incentive Scheme). The component of tax, if any, applicable on the share so granted by Holcim shall be borne by the Company.

Minimum Remuneration:

Where in the financial years during the currency of the tenure of the CEO & MD, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified, subject to requisite approvals being obtained.

Notice Period & Severance Fees:

Six months notice or six months salary in lieu of notice may be given either by the Company or the CEO & MD.

(b) Remuneration Policy for Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees of ₹ 20,000/- for each meeting of the Board / Committee of the Board attended by them. The total amount of sitting fees paid during the financial year ended December 31, 2012 was ₹ 25.60 lakhs.

In recognition of their contribution and the time spent on the Company's business and taking into consideration the size and complexity of the Company's operations, the stringent accounting standards and governance norms, the Members of the Company have at the 74th Annual General Meeting held on April 8, 2010 sanctioned the payment of commission to the Non-Executive Directors of an amount not exceeding one percent of the net profits of the Company as computed in the manner provided under Section 198(1) of the Companies Act, 1956.

Pursuant thereto, the Company has provided for the payment of commission of ₹ 13.00 lakhs to each of the Non-Executive Directors for the financial year 2012, which is payable pro rata to those Directors who were in office for part of the year. The Company has also provided for payment of additional commission of ₹ 9.00 lakhs for each of the Non-Executive Member Directors of the Audit Committee and Compliance Committee payable pro rata to those who occupied the office for part of the year. The maximum commission payable to each Non-Executive Director has been fixed at ₹ 22.00 lakhs. The commission is being paid on a uniform basis to reinforce the principle of collective responsibility.

Details of Remuneration paid / payable to Directors for the financial year ended December 31, 2012

₹ Lakhs

Name	Salary	Commission	Sitting Fees	Total
Mr N S Sekhsaria	-	13.00	1.80	14.80
Mr Paul Hugentobler	-	22.00	5.80	27.80
Mr Kuldip Kaura	527.83	-	-	527.83
Mr S M Palia	-	22.00	2.20	24.20
Mr Naresh Chandra	-	22.00	3.00	25.00
Mr Bernard Fontana (appointed w.e.f. 28.03.2012)	-	9.90	0.40	10.30
Mr M L Narula	-	13.00	2.60	15.60
Mr R A Shah	-	22.00	2.00	24.00
Mr S Haribhakti	-	22.00	4.40	26.40
Mr Aidan Lynam	-	13.00	1.20	14.20
Mr Sushil Kumar Roongta	-	22.00	1.00	23.00
Mr Ashwin Dani	-	13.00	1.00	14.00
Mr Markus Akermann (resigned w.e.f. 28.03.2012)	-	3.10	0.20	3.30

Notes:

1. Mr Bernard Fontana and Mr Markus Akermann, Non-Executive Directors have been paid commission on a prorata basis.
2. Salary includes basic salary, performance incentive, allowances, contribution to provident fund, superannuation and gratuity fund and perquisites (including monetary value of taxable perquisites) etc.

SUBSIDIARY COMPANIES

The Company does not have a material non-listed Indian subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Internal Audit Report of the Subsidiary Companies are placed before and reviewed by the Audit Committee.

Copies of the Minutes of the Audit Committee/ Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

DISCLOSURES

There are no materially significant transactions with related parties viz. Promoters, Directors, Management or their subsidiaries or relatives conflicting with the

Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended). The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements. The Company is gearing up to become compliant with International Financial Reporting Standards (IFRS) and will be ready to implement IFRS when it becomes applicable.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/ regulatory compliances. The Company's business processes are on SAP-ERP and SAP-HR platforms and has a strong monitoring and reporting process resulting in financial discipline and accountability.

Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed from time to time. Among the non mandatory requirements adopted by the Company, is the introduction of the Fraud Risk Management Policy which contains features of the Whistle Blower Policy.

CEO & MD / CFO Certification

The CEO & MD and the CFO have issued a certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct and Ethics which is applicable to the Members of the Board and all employees in the Management grade. The Code has been posted on the Company's website www.acclimited.com.

The Code lays down the standard of conduct which is expected to be followed by the concerned Directors and the designated employees in their business dealings and in particular on matters relating to conflict of interests, bribery and corruption, integrity of accounting and financial reporting, fair competition, Corporate Social Responsibility, concern for sustainable development / sustainable performance, concern for occupational

health and safety, use of licensed software, email and internet connectivity and corporate communications.

All the Board Members and the senior management personnel have confirmed compliance with the Code.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

Communication with the Members

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to various news agencies / analysts and are published within forty-eight hours in leading English and Marathi daily newspapers.

The audited financial statements form a part of the Annual Report which is sent to the members prior to the Annual General Meeting.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same

The Annual Report of the Company as well as the quarterly/half yearly and the annual results and the press releases of the Company are also placed on the Company's website: www.acclimited.com and can be downloaded by the shareholder or members of the public.

In compliance with Clause 52 of the Listing Agreement with the Stock Exchanges, the Annual Report, the quarterly / half yearly and annual financial statements, the quarterly shareholding pattern, quarterly Corporate Governance Compliance Report are regularly being filed on Corporate Filing & Dissemination System "Corp Filing" and are available for viewing by the Shareholders / Investors by visiting the website of www.corpfiling.co.in.

Individual reminders are sent each year to those members whose dividends have remained unclaimed, before transferring the monies to the Investors' Education & Protection Fund (IEPF). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

GENERAL INFORMATION FOR MEMBERS

Investor Services

The Company has an in-house Share Department located at its Registered Office which offers all share related services to its Members and investors. These services include transfer / transmission / dematerialisation of shares, payment of dividends, sub-division / consolidation / issue of duplicate share certificates and investor grievances.

The Secretarial and Compliance Division and the Share Department had received ISO 9001:2008 certification in 2011 from Det Norske Veritas AS Certification Services (DNV) for the robustness of its internal processes. During the year under review, successful follow up audit was carried out by DNV.

Address for Correspondence with the Company

ACC Limited
Share Department
"Cement House"
121, Maharshi Karve Road,
Mumbai 400020

Telephone Nos: (022) 3302 4473; 3302 4469

Fax No: (022) 6631 7458

Communication by e-mail:

For transfer/ transmission/ subdivision/ demat and investor grievance remaining unattended:	sujata.chitre@acclimited.com
For loss of shares/ dividend/ general inquiries and investor grievance remaining unattended :	krishnan.chidambaram@acclimited.com

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non receipt of dividend, non receipt of annual reports, or on matters relating to the working of the Company should be sent to the Company.

Members who hold shares in physical form should address their queries to the Company.

Members are requested to ensure that correspondence for change of address, change in Bank details, processing of unclaimed dividend, subdivision of shares, renewal / split / consolidation of share certificates issue of duplicate share certificates should be signed by the first named shareholder as per his specimen signature lodged with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers / fax numbers to facilitate prompt response from the Company.

Exclusive E-Mail ID & Toll Free Number

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is ACC-InvestorSupport@acclimited.com

The Company has also set up a toll free number 1800-3002-1001 to facilitate the Members / Investors to contact the Company. The toll free services will be available on all working days of the Company from 9.15 a.m. till 5.00 p.m.

Plant Location

The location of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

MARKET INFORMATION

Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

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

The Privately placed Non-Convertible Debentures are listed on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

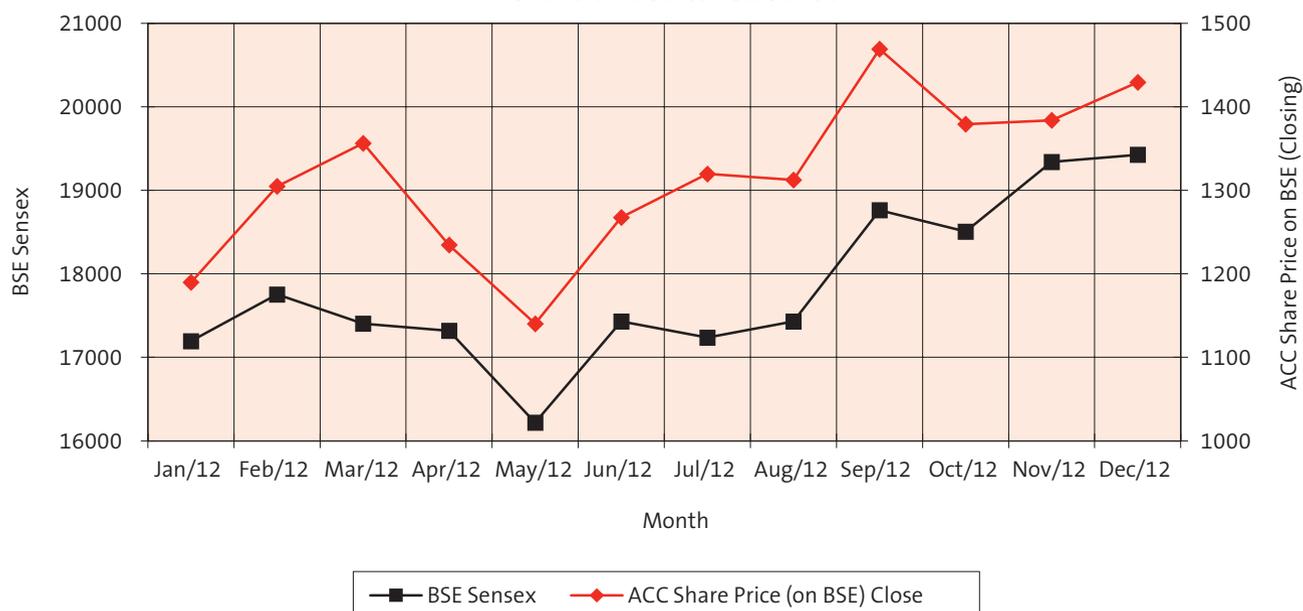
ISIN Numbers for Privately Placed Debentures:

NSDL & CDSL	INE012A07188
	INE012A07196

ACC Share Price on BSE vis-à-vis BSE Sensex January – December 2012

Month	BSE Sensex Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High ₹	Low ₹	Close ₹		
Jan-12	17193.55	1206.70	1083.10	1189.90	6,45,730	73.47
Feb-12	17752.68	1421.95	1188.00	1304.90	17,02,700	226.07
Mar-12	17404.20	1405.00	1272.45	1356.35	10,58,067	140.27
Apr-12	17318.81	1372.10	1186.05	1234.65	9,05,225	113.68
May-12	16218.53	1258.45	1117.25	1140.20	11,06,849	130.35
Jun-12	17429.98	1279.90	1105.05	1267.55	16,24,146	196.28
Jul-12	17236.18	1329.00	1244.00	1319.60	9,93,363	127.51
Aug-12	17429.56	1370.00	1300.00	1312.45	4,04,654	54.06
Sep-12	18762.74	1474.50	1285.20	1469.20	5,39,059	74.25
Oct-12	18505.38	1514.95	1366.00	1379.30	9,11,654	131.04
Nov-12	19339.90	1487.00	1351.15	1383.95	3,72,232	52.67
Dec-12	19426.71	1454.00	1368.00	1429.40	4,36,038	61.61

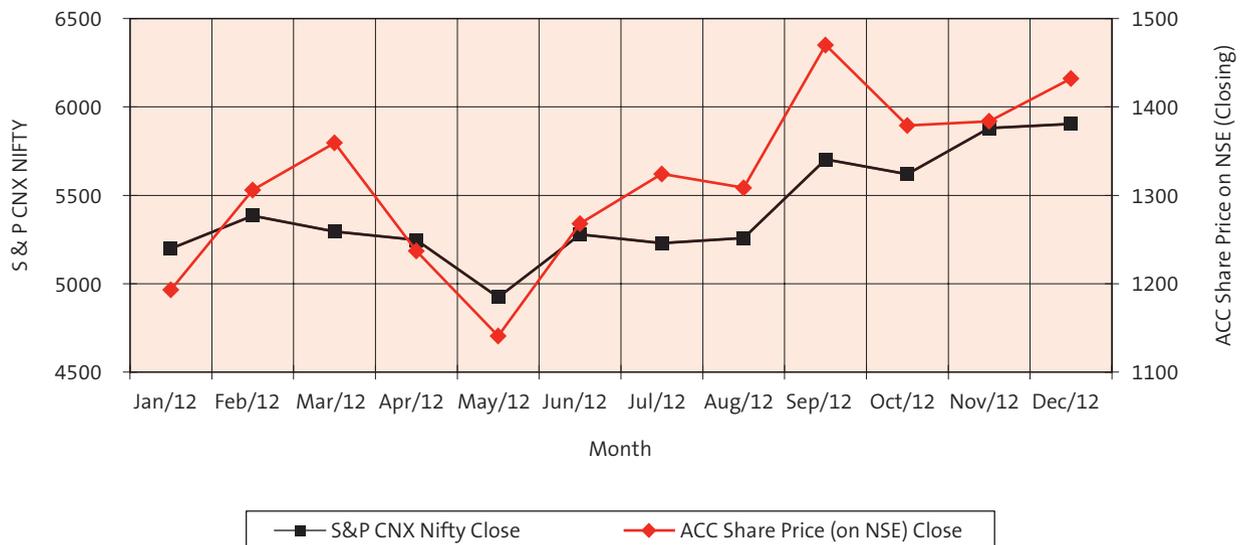
ACC Share on BSE & BSE Sensex



ACC Share Price on NSE vis-à-vis S&P CNX Nifty January – December 2012

Month	S&P CNX Nifty Close	ACC Share Price			No of shares traded during the month	Turnover (₹ Crores)
		High ₹	Low ₹	Close ₹		
Jan-12	5199.25	1207.00	1082.30	1193.20	61,68,971	703.63
Feb-12	5385.20	1421.75	1188.00	1306.05	1,03,61,707	1370.00
Mar-12	5295.55	1405.00	1273.00	1359.45	75,91,901	1015.84
Apr-12	5248.15	1373.25	1188.00	1237.15	88,37,161	1113.06
May-12	4924.25	1250.00	1116.20	1140.95	81,70,602	957.67
Jun-12	5278.90	1282.70	1104.05	1268.05	1,07,95,635	1303.69
Jul-12	5229.00	1332.30	1242.45	1324.20	72,59,149	930.65
Aug-12	5258.50	1370.80	1304.00	1308.50	44,86,347	598.66
Sep-12	5703.30	1477.50	1284.45	1470.05	50,42,644	696.24
Oct-12	5619.70	1545.35	1365.10	1379.05	81,07,918	1164.90
Nov-12	5879.85	1487.95	1351.45	1383.90	40,59,626	573.37
Dec-12	5905.10	1454.00	1367.15	1432.20	49,11,960	694.51

ACC Share Price on NSE & S&P CNX NIFTY



SHARE TRANSFER SYSTEM/DIVIDEND AND OTHER RELATED MATTERS

i. Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

ii. Nomination facility for shareholding

As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

iii. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate shares.

iv. Subdivision of shares

The Company had subdivided the face value of its Equity Shares from ₹ 100 face value to ₹ 10 face value in 1999. The old shares having face value of ₹ 100 face value are no longer tradeable on the Stock Exchanges. Members holding share certificates of the face value of ₹ 100 face value are requested to send the certificates to the Share Department of the Company for exchange.

v. Payment of dividend through National Electronic Clearing Service (NECS)

The Company provides the facility for remittance of dividend to the Members through NECS.

To facilitate dividend payment through NECS, Members who hold shares in demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company/Depository Participant, the Company will issue dividend warrants to the Members.

vi. Unclaimed Dividends

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in June 2013 transfer, the dividends for the year ended December 31, 2005 which have remained unclaimed / unpaid.

vii. Pending Investors' Grievances

Any Member / Investor whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

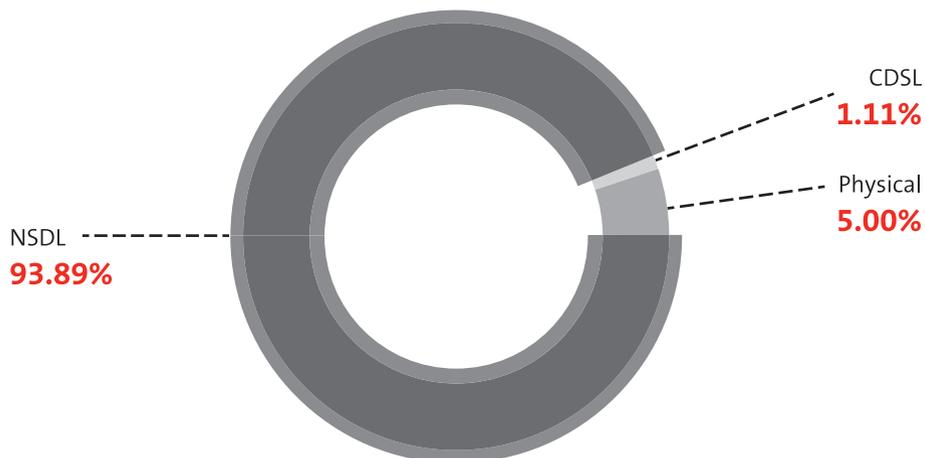
viii. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and The National Stock Exchange of India Limited and is also placed before the Shareholders'/Investors' Grievance Committee and the Board of Directors.

Distribution of Shareholding as on December 31, 2012

No. of shares slab	No. of shareholders	% of shareholders	No. of Shares							
			Physical	% of share capital	NSDL	% of share capital	CDSL	% of share capital	Total No. of Shares	% of share capital
1-50	58305	56.91	270602	0.14	641814	0.34	156852	0.08	1069268	0.57
51-100	13326	13.01	301890	0.16	666735	0.36	125441	0.07	1094066	0.58
101-200	10746	10.49	499074	0.27	949194	0.51	152915	0.08	1601183	0.85
201-500	9918	9.68	980694	0.52	1994666	1.06	290797	0.15	3266157	1.74
501-1000	4900	4.78	947944	0.50	2307749	1.23	298259	0.16	3553952	1.89
1001-5000	4281	4.18	2207713	1.18	5834790	3.11	695704	0.37	8738207	4.65
5001-10000	460	0.45	605313	0.32	2398502	1.28	186325	0.10	3190140	1.70
>10000	509	0.50	3568215	1.90	161481954	86.01	182214	0.10	165232383	88.01
Total	102445	100.00	9381445	5.00	176275404	93.89	2088507	1.11	187745356	100.00

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories.

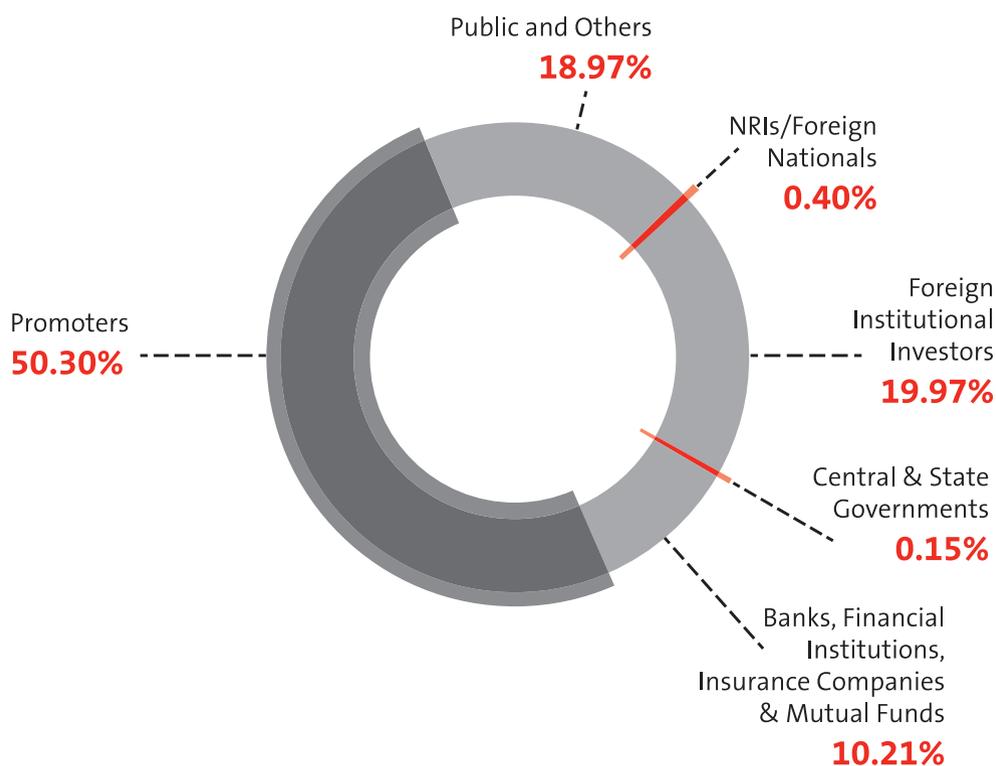
**Distribution Shareholding
as on December 31, 2012**

Shareholding Pattern as on December 31, 2012

Category	No. of Shares held	%	
Promoters:			
Holcim (India) Private Limited	93888120	50.01	50.30
Holderind Investments Limited	541000	0.29	
Banks, Financial Institutions, Insurance Companies & Mutual Funds:			
i. Banks	369710	0.20	10.21
ii. Financial Institutions	15150970	8.07	
iii. Insurance Companies	-	-	
iv. Mutual Funds	3647975	1.94	
Central & State Governments	287815		0.15
Foreign Institutional Investors	37488785		19.97
NRIs / Foreign Nationals	760298		0.40
Public and Others	35610683		18.97
TOTAL	187745356		100.00

The Company is a subsidiary of Holcim (India) Private Limited and an ultimate subsidiary of Holcim Limited, Switzerland.

Shareholding Pattern as on December 31, 2012



Statement showing Shareholding of more than 1% of the Capital as on December 31, 2012

Sr. No.	Names of the shareholders		Number of shares	Percentage of Capital
1	Holcim (India) Private Limited (Promoter)	93888120	94429120	50.30
	Holderind Investments Ltd (Promoter)	541000		
2	Life Insurance Corporation of India		13497566	7.19
3	ICICI Prudential Life Insurance Company Ltd		3134855	1.67
4	JP Morgan Funds – Emerging Markets Equity Fund		2977958	1.59
5	Flagship Indian Investment Company (Mauritius) Ltd		2708176	1.44
6	JF India Fund		2050852	1.09
	TOTAL		118798527	63.28

Global Depository Receipts (GDR) or any Convertible instrument, conversion dates and likely impact on Equity
NIL**Particulars of past three Annual General Meetings:**

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
76 th	Calendar Year 2011	Birla Matushri Sabhagar, 9, Sir Vithaldas Thackersey Marg, Mumbai 400 020	28.03.2012	3.00 p.m.	No Special Resolution was passed
75 th	Calendar Year 2010		13.04.2011	3.00 p.m.	No Special Resolution was passed
74 th	Calendar Year 2009		08.04.2010	3.00 p.m.	Payment of commission to Non-Executive Directors

No Extraordinary General Meeting was held during the period under reference.

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

During the year under review, no resolution has been passed through the exercise of postal ballot.

FINANCIAL CALENDAR 2013:

First Quarter Results	:	May 2013
Second Quarter / Half yearly Results	:	July 2013
Third Quarter Results	:	October 2013
Annual Results for the year ending December 31, 2013	:	February 2014
Annual General Meeting for the year ended December 31, 2013	:	April 2014

For and on behalf of the Board

N S Sekhsaria
Chairman

Mumbai
February 7, 2013

DECLARATIONS

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended December 31, 2012.

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Mumbai
February 7, 2013

CEO / CFO Certification

- a. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee in regard to:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For ACC Limited

For ACC Limited

Kuldip Kaura
Chief Executive Officer & Managing Director

Sunil Nayak
Chief Financial Officer

Mumbai
February 7, 2013

**S.R. Batliboi & Co.
Chartered Accountants**

**The Ruby, 14th Floor,
29, Senapati Bapat Marg,
Dadar (West),
Mumbai – 400 028.**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF ACC LIMITED

We have examined the compliance of conditions of Corporate Governance by ACC Limited, for the year ended December 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. R. Batliboi & Co
Firm Registration number: 301003E
Chartered Accountants

per Ravi Bansal
Partner
Membership No.: 49365

Mumbai
February 7, 2013