

ACC Limited

Minutes of the Seventy – Seventh Annual General Meeting of the Members of ACC Limited held at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020 on Friday, 5th April 2013 at 3.00 p.m.

The following Directors were present:-

Mr N S Sekhsaria (Chairman)
Mr Paul Hugentobler (Deputy Chairman)
Mr Kuldip Kaura (CEO & Managing Director)
Mr S M Palia
Mr M L Narula
Mr Shailesh Haribhakti
Mr Aidan Lynam
Mr Ashwin Dani

2. Besides the above Directors, 175 Members were present in person and 233 Members were represented by proxy. The following Institutional Members were present by their representatives:-

Name of the Institution	Name of the Representative
Holcim India Private Limited	Mr Onne van der Weijde, failing him Mr Paul Hugentobler, failing him Mr Niraj Bansal
Holderine Investments Limited	Mr Onne van der Weijde, failing him Mr Paul Hugentobler, failing him Mr Niraj Bansal
Canara Robeco Asset Management Company Limited	Mr Gitesh Mane failing him Ms Sarika Sisodia
Life Insurance Corporation of India	Mr Dhanesh Agnihotri
New India Assurance Company Limited	Mr Krishna Rai
General Insurance Corporation of India	Mrs Madhuri R Naidu

3. The Directors' Report, Audited Statement of Accounts, the Register of Directors' Shareholding maintained under Section 307 of the Companies 1956 were placed before the Meeting.

4. Mr B D Nariman, Company Secretary & Head Compliance at the outset made an announcement informing the Members of the various safety measures to be adhered to at the venue and other announcements.

5. Mr N S Sekhsaria, Chairman of the Board of Directors took the Chair and called the Meeting to order.

6. The Chairman welcomed the Members to the Seventy-Seventh Annual General Meeting. He introduced the Directors present at the Meeting on the dais.

7. With the consent of the Members, the Notice convening the Meeting was taken as read.

8. The Chairman requested Mr B D Nariman, Company Secretary & Head Compliance to read the Auditors' Report, which was read out by him.

9. In his 'Opening Remarks' the Chairman gave the highlights of the Company's financial results for the year ended December 31, 2012. The Chairman stated that as compared to 2011, sales by volume increased by 2% and 11% by value. The operating EBITDA had increased by 14%. The consolidated profit after tax was ₹ 1,059 crore as compared to ₹ 1,301 crore in 2011. The Chairman said that the Consolidated Profit after Tax would have been higher by ₹ 246 crore if the Company had not changed the method of depreciation from Straight Line Method to Written Down Value Method in respect of its Captive Power Plants.

The Chairman mentioned that the Board of Directors had recommended, a higher dividend of ₹ 30/- per share, as compared to ₹ 28 paid last year. This was inclusive of the interim dividend of ₹ 11 paid by the Company in August 2012.

The Chairman thereafter mentioned that the Indian economy experienced a slowdown in the year 2012 which affected all sectors including the cement industry. However, following some signs of a general revival, the cement industry was expected to perform well in the coming years. Last year, the Company had launched a new excellence programme to deliver superior value to its customers and achieve leadership in cost of cement production. The programme targets improvements in manufacturing, sales, logistics, procurement and many other areas and the journey of excellence had started showing good results.

Members were informed that the Company had started work on the Jamul expansion project and the project would add ~ 5 million tonnes of capacity. The Project would be completed in a phased manner by mid 2015.

The Chairman mentioned that as always, sustainable development was a strong commitment for the Company, particularly in the areas of safety, alternative fuels and raw materials, renewable energy sources and community development. The Company would continue to lead the industry in this endeavor.

Referring to the two senior Directors - Mr Naresh Chandra and Mr R A Shah who were stepping down as Directors from the Board of the Company at this Annual General Meeting, as per the Company's Succession Policy. The Chairman stated that both Mr Naresh Chandra and Mr R A Shah had made immense contribution to the deliberation of the Board. The Chairman then invited the Members to join him in thanking the said Directors for their outstanding contributions to the Board.

Further, the Chairman invited the Members to join him and the Board of Directors, in thanking all the employees of ACC, led by its management team, for their performance of the Company and wished them all the best as they continued to work for the success of ACC.

Finally, the Chairman thanked all the Members for their enduring support. "Let us join hands, to work, towards building a stronger Company. My best wishes to all of you and your families" the Chairman said.

10. The following Resolution was thereafter:

Proposed by: Mr Niraj Bansal, Representative of
Holcim India Private Limited

Seconded by: Mr Burjor D Nariman

"RESOLVED THAT the Audited Statement of Profit & Loss for the Financial Year ended December 31, 2012, the Balance Sheet as at that date and the Report of the Directors and Auditors thereon be and the same are hereby approved and adopted."

11. Before putting the Resolution to vote, the Chairman invited the Members to express their views on the performance of the Company and urged them in the interest of the Members present to speak briefly and to the point.

12. **Mrs Ashalata Maheshwari:** Mrs Maheshwari spoke in Hindi. She complimented the Chairman and the management team for the good performance of the Company in spite of a difficult and challenging year. She also complimented the Company Secretary and his team for a well presented Annual Report and for the excellent investor support provided by them.

Mrs Maheshwari noted that consolidated income and operating EBITDA had increased. The Profit Before Tax and Profit After Tax would also have been higher than the previous year but for a higher provision of tax and the change in the method of depreciation from Straight Line Method to Written Down Value.

Referring to the Jamul Project and other projects, Mrs Maheshwari observed that all the projects would be funded through internal accruals which showed that the Company had a very strong balance sheet.

She thanked the Chairman for increasing the dividend to ₹ 30 per equity share but expressed disappointment that the Directors had not considered the members repeated request for making a Bonus Issue of share.

She appreciated that the Company's Institutionalizing Excellence Programme had resulted new benchmarks in reducing thermal energy consumption and improvement in OPI and clinker factor.

The initiatives taken under the Logistic Excellence Programme to deliver superior value to the customers was laudable more particularly since it involved the use of RFID and GPS which was being used for the first time in the cement industry.

She noted that the sales volume in RMX was low due to a slowdown in the construction industry.

Mr Maheshwari appreciated the Company's CSR activities and the new advertisement launched by the Company.

Mrs. Maheshwari thereafter desired to have the following information:

- Projected growth of the Company during the year 2013
- Post Jamul, what would be the Company's installed capacity
- Prospects for growth in RMX business

She thanked the employees for a good performance and mentioned that she supported all the resolutions.

13. **Mr P A Vijayakar:** Mr Vijayakar thanked the Board for recommending a higher dividend of ₹ 30 per share.

Mr Vijayakar observed that the Company had a strong balance sheet and recommended that the 'Reserves' should be utilized in a productive manner for the benefit of the Company and its members.

As regards unclaimed dividend which would otherwise be transferred to Investor Education and Protection Fund (IEPF) he urged the Company to send reminders to the members from time to time.

Mr Vijayakar further suggested that the Company sub-divide its shares from face value of ₹ 10 to face value of ₹ 2 or ₹ 5 which he considered would be beneficial to the member. He appreciated that the Annual Report was received well in time. He requested the Management to arrange for a factory visit and the Board of Directors to consider issue of Bonus shares. Mr Vijayakar stated that he supported all the resolutions set out in the Notice of the Meeting.

He desired to have the following information:

- The reasons for reduction in Earnings Per Share (EPS)
- Reason for decrease in trade payable
- With regard to foreign exchange, whether any arbitrage or swap transaction have been undertaken by the Company
- number of Annual Report copies printed and the cost thereof
- Whether any donations had been made to any political party during the year

14. **Mr T M Davar:** Mr Davar in his opening remark recounted that he has been a member of this Company for a long time and he was happy to note that the Tata values still continue in ACC. He congratulated the Management for recommending a higher dividend of ₹ 30 per share. He appreciated the presentation of the Annual Report. He observed that the Annual Report was a model one and there was transparency in reporting specially in the presentation of the Statement of Accounts and Balance Sheet. Mr Davar suggested that details under section 217(2)(A) of the Companies Act, 1956 provided by the Company should be continued. He noted that the management team anticipates members queries and prepares FAQs with responses, which was unique and worth appreciating.

Mr Davar observed that ACC was totally committed to enhancing value for its members.

Referring to the composition of the Board, he suggested that the vacancies of Mr Naresh Chandra and Mr R A Shah should be filled by inducting experienced persons as Independent Directors. He also recommended that looking to the size of the Company's operations and the onerous responsibilities to be shouldered by the Chief Executive Officer and Managing Director it would be in the interest of the Company to appoint Executive Directors. The Company would also do well to appoint a lady director on the Board.

Mr Davar lauded the CSR activities undertaken by the Company and recommended that the Company should build homes for senior citizens in the city or in the suburbs which was the need of the hour. Mr Davar expressed satisfaction at the working of the Secretarial and Share Departments and recommended that the function of the Share Department should never be outsourced.

Mr Davar then desired to have the following information:

- Reason for loss on sale of assets and its appropriations under the head Miscellaneous expenditure
- Reasons why Competition Commission of India had levied penalty of ₹ 1,147 crore on the Company and whether this penalty has been paid by the Company
- Whether any risk management exercises has been undertaken by the Company and whether any consultants have been engaged by the Company to analyse and advise on risk management through adequate insurance cover etc

Mr Davar concluded his speech by supporting all the resolutions.

15. **Mrs C Mascarenhas:** At the outset, Mrs Mascarenhas thanked the Board of Directors for recommending a higher dividend.

She appreciated the presentation and contents of the Annual Report and mentioned that it was a model Annual Report as it was very informative and transparent in disclosures.

Mrs Mascarenhas desired to have the following information:

- The fees paid by the Company to D B Desai & Co., Chartered Accountants during the year 2012
- Whether the alliance between D B Desai & Co., Chartered Accountants and Haribhakti & Co., Chartered Accountants would affect the status of Mr Shailesh Haribhakti as a director on the Board of Directors

Mrs Mascarenhas desired that her observations be recorded in the Minutes and a copy of the Minutes be sent at her registered address.

16. **Mr R V Chari:** Mr R V Charvi compared the financials of the Company for the last 10 years and observed that the profit before tax and the profit after tax as a percentage to sales had declined steeply over the last few years. Further he noted that when the Company's Earnings Per Share (EPS) during the year 2009 was ₹ 85.60 the Company had declared a dividend of ₹ 23 per equity share whilst the EPS for the year 2012 was lower at ₹ 56.52 and the dividend proposed was ₹ 30 per equity share. Mr Charvi therefore desired to know the basis on which the dividend payout was calculated.

17. **Mr Vinit Kumar Parikh:** At the outset, Mr Parekh appreciated the courtesy extended to him by the staff of the Secretarial and Share Departments during his visits to the Company.

Mr Parikh suggested that in the Annual Report whilst showing the performance / financial highlights of the Company, percentage variation of the financials as compared to the previous year should be shown.

Mr Parikh was satisfied with the results and dividend declared by the Company, however he suggested that many of the loyal members may or may not witness the Company's centenary celebration and hence urged the Board of Directors for considering a Bonus Issue of shares.

With regard to the Green Initiative, he suggested that the size of the Annual Report should be reduced. Mr Parikh found it inconvenient to have a soft copy of the Annual Report.

He appreciated that the Company was the first to hold its Annual General Meeting in this current year.

In order to prevent the misuse of refreshment facilities provided by the Company at the Annual General Meeting, Mr Parikh suggested that coupons should be provided to the members for refreshments.

18. **Mr H V Sanghavi:** Mr Sanghvi whilst thanking the Board for declaring a higher dividend and for taking care of its members, recommended that looking to the inflation and high cost of living and taking into consideration the strong fundamentals of the Company, the Board of Directors should recommend a much higher dividend.

On behalf of the members, he thanked the employees for their dedication. He wished well for the Company and was confident that the Company would soar to great heights in the coming years.

He requested the Company to arrange for a Plant visit.

19. **Mr Joseph Martins:** Mr Martins mentioned that the Annual Report was excellent and the introductory profile drew his admiration. He also appreciated the financial summary which was lucidly presented.

He appreciated that the Company has embarked on the excellence journey in every sphere of corporate activity and was operating with cost efficiency, budget discipline, financial control, astute management decisions to achieve better performance.

Mr Martin shared his outlook of the exemplary corporate culture and wished the Board well.

20. **Mr Michael Martins:** Mr Michael Martins expressed his happiness to be a member of such a well managed company which has maintained an all around excellent performance by keeping special focus on essential aspects of business, employees and community development.

He praised the Company's manufacturing excellence programme which had set new benchmarks in performance and the Company's product which offer enhanced customer value.

He appreciated that the Company used RFID & GPS for better logistics management. Mr Martins stated that the Company's training of employees in leadership development has helped the Company maintain excellent performance. Referring to the various awards received by the Company, he appreciated in particular the gold rating award given for Sustainable Development.

He observed that in spite of a lower Profit After Tax, higher dividend was paid and thanked the management for the same.

21. **Mr Rusi Khambatta:** Mr Rusi Khambatta thanked the Board for paying a handsome dividend and the Secretarial Division for timely receipt of the Annual Report.

Mr Khambatta expressed the necessity of advertising and appreciated the advertisement recently launched by the Company.

He desired to know how as a consumer could check the genuineness of ACC's cement bag sold in the market. He recommended that a Plant visit be organised for the members.

Mr Khambatta concluded by supporting all the resolutions and wished well for the Company, its management and employees and the members.

22. **Ms Lekha Shah:** Ms Lekha Shah appreciated the timely dispatch of the Annual Report.

She thanked the Board of Directors for recommending a higher dividend of ₹ 30 per equity share.

Ms Lekha Shah wished the Company well in its future endeavours and she said that she supported all the resolutions.

23. **Mr Adi B Nalladaru:** Mr Nalladaru at the outset recommended that the Company should establish a Founder's Day and celebrate the event with members and employees.

Referring to the high inflation rate and increase in the costs of living, Mr Nalladuru suggested that the Industrialist should use their position to impress upon the Government to take effective measures to bring down the inflation.

He appreciated the quantum of dividend declared by the Company and desired that the Company make an issue of bonus shares.

He complimented the Company's initiative to preserve and protect the environment and reduce the carbon footprint through the use of green energy. He requested to be provided an opportunity to visit the Company's nearby Plant.

Mr Nalladaru expressed his concern on the advertisement campaigns of the Company.

He appreciated the good governance practices followed by the ACC Board and recounted that these ethical values were nurtured and reinforced by the former Chairman the Late Mr Nani Palkhivala.

Mr Nalladaru desired to have the following information:

- whether the Company was manufacturing any specialized cement for roofing
- tenure of Mr Naresh Chandra directorships in ACC
- Prospects of any amalgamation of Ambuja Cements Limited and ACC

He requested to have a copy of the Minutes provided to him and also wanted to receive a physical copy of the Annual Report. Mr Nalladaru mentioned that he supported all resolutions, especially the resolution for declaration of dividend.

24. **Mr N V Jhaveri:** Mr Jhaveri noted that the dividend was maintained despite a decline in the profits, Earnings Per Share and EVA.

Mr Jhaveri expressed dissatisfaction about the payment of Technology & Knowhow fees to Holcim Technology Limited and desired to know the advantages which would be derived by the Company from the Agreement. It was his personal view that the technology fee should be a one time payment.

Mr Jhaveri desired to have information on some of the routine matters:

- Details of the manner in which the use of Radio Frequency Identification Device (RFID) and Global Positioning System (GPS) was beneficial to the Company
- Reasons for the delay in the completion of the amalgamation process between Lucky Minmat Limited and National Limestone Company Private Limited with ACC
- Details of the Succession Policy for directors
- Sources of Alternate Fuel and Resources derived by the Company

25. **Mr Beruz F Pouredahi:** Referring to the points raised by Mr Jhaveri the previous speaker with regard to payment of Technology & Knowhow Fees to Holcim Technology Limited, Mr Pouredahi pointed out the cases of Nestle and Hindustan Unilever Limited and mentioned that when the royalty fees payable to the foreign promoters in the aforesaid companies had been increased, it had an adverse impact on the price of the share script of these companies on the bourse.

He thereafter referred to the newspaper article which spoke about the strategic alliance between two Chartered Accountant firms D B Desai & Co and Haribhakti & Co and mentioned that the new entity is expected to compete with the 'Big 4' Global Chartered Accountants firms.

Mr Pouredahi appreciated the Directors for recommending a higher dividend and hoped that this trend would continue. He appreciated the presentation of the Annual Report and in particular the financial highlights giving 10 years performance at a glance.

He thereafter sought the following information:

- The reasons why the royalty paid by the Company had come down as compared to the previous year and whether this amount includes any royalty paid / payable to the Promoter
- Reasons for increase in the rent, rates and taxes as compared to previous year
- Reasons why senior Directors Mr Naresh Chandra and Mr R A Shah have stepped down from the Board of Directors of the Company

26. **Mrs Homayun Pouredahi:** Mrs Homayun Pouredahi at the outset stated that she had provided a list of questions to the Company and was expecting a response from the Company.

Referring to Item xxi of the Annexure to the Auditors' Report, Mrs Pouredahi hoped that suitable disciplinary action had been taken and that adequate controls were in place.

She desired to have the following information:

- Reason for decrease in the Earning Per Share and Profits of the Company in the current year, in spite the increase in Turnover
- Reasons why the subsidiaries of the Company were not contributing to the profits of the Company she desired to have a copy of the Profit & Loss Account & Balance Sheet of the subsidiary companies
- Status of the appeal before CAT against the CCI Order imposing penalty on the Company
- Details of the items included under the head 'Other expenses' and reasons for the increase in other expenses as compared to the previous year
- Details of the Foreign Exchange outgo appearing at page 37 of the Annual Report
- Percentage of shareholding held by the Company in Shiva Cements

27. **Mr Hiranand Kotwani:** Mr Kotwani at the outset desired to have the following information:

- The steps taken by the Company to insulate its Gagal Works from power outage in view of the scarcity of power in Himachal Pradesh and whether the Company was selling any power to the grid
- Details of Profit on sale of investments
- The nature and quantum of royalty paid by the Company

He appreciated the Company's current investment portfolio. He noted that the Profit Before Tax and Profit After Tax had declined for reasons explained in the Annual Report.

28. **Mr Seshan Krishnamoorthy:** Mr Krishnamoorthy congratulated the Secretarial Department for the timely dispatch of the Annual Report and its transparent presentation. He also appreciated the selection of venue and time of the Annual General Meeting which was extremely convenient.

Mr Krishnamoorthy desired to continue having physical copy of the Company's the Annual Report.

Mr Krishnamoorthy thanked the Company's Management for maintaining a good dividend and suggested that the Company should issue Bonus Shares.

With regard to the Company's CSR activity, Mr Krishnamoorthy suggested that the Company should build precast prefabricated concrete tanks in the drought affected regions of Maharashtra, to store and provide water with the assistance of the Local Government and NGOs.

Mr Krishnamoorthy desired to have the following information:

- Steps, if any initiated by the Company to export cement to Myanmar
- Steps initiated by the Company to reduce energy cost

He requested the Board of Directors to organize a Plant visit for the members so that they may be updated on the latest technology used in the cement industry and quality controls processes of the Company. He mentioned that he supported all the resolutions set out in the Notice of the Meeting.

29. **Mr Hariram Chaudhary:** Mr Chaudhary appreciated that all the Directors on the Board had signed the Company's balance sheet & Statement of Profit & Loss, which was a good practice and showed the collective responsibility of the Board of Directors. He appreciated the dividend payout.

He appreciated the Annual Report and mentioned that he had received the Annual Report on time. He recommended that in addition to the 10 years highlights provided by the Company the amount spent by the Company on CSR activities could also be provided.

Mr Chaudhary suggested that ACC may consider opening a Centre for Senior Citizen as one of its CSR activities.

He appreciated the use of RFID and GPS used by the Company in logistics.

Further, he congratulated the Company for winning several awards.

Mr Chaudhary concluded by conveying his best wishes to the Board of Directors in particular Mr Sekhsaria, Chairman and Mr Haribhakti, Director who were seeking re-appointment at the AGM.

30. **Mr Gautam Tiwari:** Mr Tiwari thanked the Board for the handsome dividend of ₹ 30 per equity share recommended by them despite a low Earning Per Share. He noted that this was the highest dividend that the Company had paid and praised the excellent dividend distribution policy of Company.

He thanked the Company Secretary and his team for sending the Annual Report on time. He considered the Annual Report to be a model one and mentioned that the Annual Report was colourful, informative and transparent.

Referring to item xxi of the Annexure to the Auditors' Report, Mr Tiwari expressed concern and hoped that adequate internal controls were in place.

He preferred to have a physical copy of the Annual Report and suggested that the Company should reduce the size of the Annual Report.

He praised the Managing Committee of the Company. He appreciated the healthy debt – equity ratio and the strong fundamentals of the Company. He stated that he did not approve the payment of Technology and Knowhow fees to Holcim Technology Limited and wanted to know the benefits which would be derived by the Company.

Mr Tiwari complimented the Company for the various CSR activities undertaken and supported the suggestion of Mr Davar, one of the speakers that the Company should build Senior Citizen Homes.

As regards the working of subsidiary companies Mr Tiwari desired to know what steps had been taken to improve their performance.

Mr Tiwari congratulated the Company for winning all the accolades this year.

He supported all the resolutions and requested the Company to arrange a Plant visit for its members.

31. **Mr Kirti Shah:** Mr Kirti Shah spoke in Hindi. He appreciated the CSR activities persuaded by the Company.

He was satisfied with the dividend payout. Mr Shah noted that whilst the overall performance of the Company was good, the Profit Before Tax and Profit After Tax were lower than the previous year and the sales volume had also increased marginally by 2%. He suggested maximizing unutilized capacity at the Plants.

Mr Kirti Shah desired to have the following details:

- Details of the new CDM Project and its benefits
- Does the Company use solar energy
- Benefits attained by the Plants which used 100% petcoke and the names of those Plants

Mr Shah recommended that the Company should set up a cement Plant in Gujarat since the State is in a growth trajectory and the demand for cement would be high.

32. **Mr Dinesh G Bhatia:** Mr Dinesh Bhatia spoke in Hindi. Mr Bhatia thanked the Board for recommending a higher dividend despite the fact that the profit after tax was lower than the previous year.

He suggested that in the synopsis of the 10 years financials provided by the Company in the Annual Report, the Company should also provide details of Share Capital and Reserves.

He suggested to the Board to consider making a Bonus Issue of shares. Mr Bhatia congratulated the Company for receiving several awards.

Mr Bhatia desired to have the following information:

- Details of the sale of fixed assets
- Details of ₹ 86 crores towards gain on sale of current investment appearing at page 151 of the Annual Report.

Mr Bhatia desired that the Company should arrange a Plant visit at least for those members who had attended the meeting today.

33. **Mr Janak Mathuradas:** Mr Mathurdas noted that the cement manufacturers had gone in appeal against the Order of the CCI and wanted to know the development in the matter. He suggested the Company should proactively encourage members to dematerialize its shares since it was beneficial for both the Company and its members.

Mr Janak Mathurdas desired to know the following information:

- The extent of technical and managerial knowhow received from Holcim Technology Limited and the benefits derived by the Company there from
- Whether ACC Cement was available in small quantities for retail consumption
- Do any of the Company's Plants operate on wet process technology
- Percentage of cement used in readymix concrete; Percentage of RMX sale; Minimum quantity available for purchase of RMX

- Average percentage of loss per bag on account of fugitive emission
- Whether the Company was printing the price on cement bags and whether it was compulsory for the Company to print MRP; Is there a price difference in the cost of OPC cement and blended cement

Lastly, Mr Mathurdas suggested to the Company to examine the possibility of packing cement in smaller packaging.

34. Chairman's Response: The Chairman thanked the members for their participation and their constructive suggestion and comments. Mr Kuldip Kaura, CEO & Managing Director was then requested to respond to the questions which were of general interest to the members.

At the outset Mr Kuldip Kaura thanked the members for their constructive suggestions and thereafter responded to the queries raised which were of general interest to the members.

Mr Kuldip Kaura mentioned that since the second half of 2012, the demand for cement declined following a slowdown. The market growth in cement was less than expected. The market was currently not doing well, despite this the Company was able to maintain its market share. There were cost challenges such as increase in the cost of diesel and railway freight and to meet these costs challenges the Company has embarked on a programme called as 'Institutionalizing Excellence' where the Company continued to work on all three important processes – Manufacturing, Logistics & Transportation and Marketing and serving of end customers.

Under the Manufacturing Excellence Programme steps had been initiated to reduce thermal and electrical energy consumption, optimization of coal mix consumption by increasing the use of petcoke which also helps in improving the clinker factor. The various initiatives taken by the Company under the Manufacturing Excellence Programme helped improve the overall manufacturing performance of the Company and bring down input cost.

With regard to Logistics Excellence Programme, the Company had introduced the use of modern technology such as Radio Frequency Identification Device (RFID) & Global Positioning System (GPS). RFID had been fitted on the trucks to monitor their movements and thereby reduce their waiting time at the factory gate. This would result in improving the turnaround time of the trucks for better utilization and thus reduce the cost of truck operators who then would transfer part of the benefits to the Company.

With regard to Jamul expansion, Mr Kaura mentioned that ground breaking was done in December, 2012. The project was progressing well and within the timelines given. Post Jamul expansion capacity of ~ 5 mio tones, would be added taking the total aggregate installed capacity of the Company to 35 mio tones.

Around 87% of the Company's production is blended cement. However, this ratio could vary within the market demand for OPC cement.

As regards the observations made by some members with regard to the working of the Company, Mr Kaura mentioned that Profit Before Tax and Profit After Tax were lower than the previous year mainly on account of a change in the method of providing depreciation on captive power plants from Straight Line Method to Written Down Value Method. This was explained in the Annual Report and also by the Chairman in his opening remarks. If there was no change in the method of depreciation as stated above, the Profit Before Tax and Profit After Tax would have been higher than that of the previous year.

With regard to the observation made by some members that despite a reduction of Earning Per Share the payout ratios of dividend was higher than that of last year. Mr Kaura mentioned that cash EPS had gone up from ₹ 96 per share to ₹ 105 per share, thus showing an improvement and therefore the dividend was also higher in keeping up with this improvement. The Board follows a judicious dividend payout policy. It takes into account the interest of the members but also needs to balance and conserve its cash reserves.

With regard to political donation, Mr Kaura mentioned that there were no political donations made by the Company during the year under review.

Mr Kaura thanked the members for appreciating the services given by the Directors Mr Naresh Chandra and Mr R A Shah and stated that the Board had also placed on record its appreciation of the valuable services rendered by the said directors. He thereafter explained the Succession Policy and mentioned that generally a Director does not seek re-appointment on attaining the age of 75 years.

As regards the suggestion to appoint a Lady Director on the Board, Mr Kaura mentioned that the Board would consider the proposal at an appropriate time.

With regard to the information sought by the members on CSR, Mr Kaura mentioned that during the year under review, the Company had approximately spent 2% on CSR activities. Mr Kaura mentioned that the Company was very conscious about conserving water. The Company converts its used mines into water tanks / lakes and provides water for the villagers daily needs as well as for agriculture. Even in the drought stricken areas of Maharashtra the Company has been actively working with the Government and NGOs to provide drinking water to the villages.

Mr Kaura then informed the members that D B Desai & Co; Chartered Accountants have been retained by the Company as Tax Consultant. During the year 2012, the Company paid a remuneration of ₹ 22 crores to D B Desai & Co. for the services rendered by them.

Mr Kaura stated that there was a suggestion to celebrate ACC's Founders Day and he was pleased to inform the members that as part of the 75th Anniversary celebration, the Company increased the size of its internal trust, to provide scholarship for employees children and give gifts to the employees on the occasion of their marriage / their children's marriage etc.

On matter pertaining to Competition Commission, Mr Kaura informed the members that the Company has appealed to Competition Appellate Tribunal and the matter was subjudice.

With regard to the amalgamation of Company's two wholly owned subsidiaries, viz. Lucky Minmat Limited and National Limestone Company Private Limited with ACC it was explained that certain clearances from Rajasthan Government, Ministry of Mines were awaited..

With regard to the performance of the Company's subsidiaries, Mr Kaura stated that the Company had only one major subsidiary company, viz. ACC Concrete Limited which was amalgamated with the Company during the year under review and its business was integrated with that of ACC.

As regards the details of royalty payment appearing in the Annual Report, Mr Kaura explained that the royalty was paid by the Company to the Government for limestone extraction and should not be confused as payment of royalty to the promoters. As regards the payment of Technology Knowhow fees to Holcim Technology Limited, the sentiments expressed by the members were noted. However, Holcim was a 100 year old Company and had over the years gained expertise and experience not only in the manufacturing processes but also in best management practices. Further Holcim has a global presence and the advantage of working in various markets, Holcim with its rich experience provides ACC with valuable information and valuable technology inputs.

As regards the concern raised by a member regarding the power situation in Himachal Pradesh, Mr Kaura stated that the Company has no power generation facility at Gagal Cement Works. In fact the Company purchases power from the grid. However Gagal Plant is in the process of erecting a Waste Heat Recovery Plant for tapping the gases from the exhaust tubes and once the project is commissioned, the Plant would generate 7 MW of power. The project was scheduled to be completed in 3 to 4 months.

Mr Kaura said that suggestions on the smaller packing size of cement bags would be looked into. However for RMX, the Company had introduced 'Bucketcrete' concrete which was available in smaller quantities and sold in special buckets. Further, Mr Kaura mentioned that the Company had an informative website for any technical information and if the issues were not satisfied the Company was happy to help the customers.

The Chairman thereafter requested the members to permit him to move the Resolutions set out in the Notice of the Annual General Meeting.

The Resolution pertaining to the adoption of the Audited Statement of Profit and Loss for the financial year ended December 31, 2012, the Balance Sheet as at that date, the Cash Flow Statement and the Reports of the Directors and Auditors thereon which was earlier proposed by Mr Niraj Bansal and seconded by Mr B D Nariman was thereafter put to vote and declared to have been carried unanimously.

Resolution No. 2 was proposed as an Ordinary Resolution

Proposed by: Mr Adi Nalladaru

Seconded by: Mr R B Khambatta

"RESOLVED THAT the final dividend for the financial year ended December 31, 2012 at the rate of ₹ 19 (Rupees Nineteen only) per equity share on 18,77,45,356 fully paid Equity Shares of ₹ 10/- each aggregating ₹ 356,71,61,764/- (Rupees Three hundred and fifty six crore seventy one lakh sixty one thousand seven hundred and sixty four only) as recommended by the Board is hereby declared and the same be paid to those members whose names stand on the Register of Members of the Company on April 5, 2013 in respect of shares held in physical form and in respect of shares held in electronic form to the beneficial owners of shares as on March 22, 2013 who are entitled to the dividend as per the list furnished by the Depositories for this purpose,

"RESOLVED FURTHER that the Interim Dividend at the rate of ₹ 11 per equity share on 18,77,45,356 fully paid equity shares of ₹ 10/- each aggregating ₹ 206,51,98,916/- (Rupees Two hundred six crore fifty one lakh ninety eight thousand nine hundred sixteen only) declared by the Board at its Meeting held on July 26, 2012 be and is hereby approved ratified and confirmed."

The Resolution was thereafter put to vote and declared to have been carried unanimously.

Resolution No.3 was proposed as an Ordinary Resolution:

Proposed by: Mrs Ashalata Maheshwari

Seconded by: Mr Gautm Tiwari

“RESOLVED THAT Mr N S Sekhsaria, a Director of the Company who retires by rotation but is eligible for re-appointment be and is hereby reappointed a Director of the Company.”

The Resolution was put to vote and declared to have been carried unanimously.

Resolution No 4 was proposed as an Ordinary Resolution:

Proposed by: Mr Dinesh Bhatia

Seconded by: Mr Kirti Shah

“RESOLVED THAT Mr Shailesh Haribhakti, a Director of the Company who retires by rotation but is eligible for re-appointment be and is hereby reappointed a Director of the Company.”

The Resolution was put to vote and declared to have been carried unanimously.

Resolution No 5 was proposed as an Ordinary Resolution

Proposed by: Ms H V Sanghvi

Seconded by: Mr Pravin Sampat

“RESOLVED THAT Mr Naresh Chandra, a Director liable to retire by rotation does not seek re-appointment as per the Succession Policy and is therefore not re-appointed a Director of the Company;

RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not filled.”

The Resolution was put to vote and declared to have been carried unanimously.

Resolution No 6 was proposed as an Ordinary Resolution:

Proposed by: Mr Hiranand Katwani

Seconded by: Mr P S Mapara

“RESOLVED THAT Mr Rajendra A Shah, a Director liable to retire by rotation does not seek re-appointment as per the Succession Policy and is therefore not re-appointed a Director of the Company;

RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not filled.”

The Resolution was put to vote and declared to have been carried unanimously.

The Chairman informed the members that Messrs S R Batliboi & Co., Chartered Accountants had intimated to the Company that they were now registered as a Limited Liability Partnership (LLP) with effect from 1st April, 2013 and their name has been amended to reflect this changed status. It was therefore proposed to amend Resolution No 7 pertaining to the appointment of Statutory Auditor to reflect the change in the firm’s name and its LLP status. The Chairman thereafter requested Mr B D Nariman, Company Secretary and Head Compliance to read out the text of the amendment to the Resolution which was read out.

The amendment to Resolution No. 7 was thereafter proposed as an Ordinary Resolution:

Proposed by: Mr Adi Nalladaru

Seconded by: Mr J P Maheshwari

“RESOLVED THAT in partial modification to Resolution No 7 in the Notice of the Annual General Meeting in the name of the Statutory Auditors firm appearing therein viz. S. R. Batliboi & Co. (Membership No. 301003E) be substituted with the changed name of the firm viz. S R Batliboi & Co., LLP and that except for the amendment as aforesaid the terms of their appointment shall remain unaltered.”

The Resolution was thereafter put to vote and declared carried with the requisite majority.

The amended Resolution No 7 was thereafter read out by Mr B D Nariman, Company Secretary & Head Compliance and was proposed as an Ordinary Resolution.

Proposed by: Mr Gautam Tiwari

Seconded by: Mr Pravin Sampat

“RESOLVED THAT Messrs S R Batliboi & Co., LLP (Membership No. 301003E) Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses incurred in connection with the audit of the Accounts of the Company for the year ending December 31, 2013.”

The Resolution was put to vote and declared to have been carried unanimously.

There being no other item the Meeting concluded with a vote of thanks to the Chair.

CONFIRMED

Sd/-

CHAIRMAN