



ACC Limited

Minutes of the Seventy – Eighth Annual General Meeting of the Members of ACC Limited held at Birla Matushri Sabhagar, 19 Sir Vithaldas Thackersey Marg, Mumbai 400 020 on Wednesday, 9th April 2014 at 3.00 p.m.

The following Directors were present:-

Mr N S Sekhsaria (Chairman)
Mr Kuldip Kaura (CEO & Managing Director)
Mr Bernard Terver
Mr M L Narula
Mr Shailesh Haribhakti
Mr Aidan Lynam
Mr S K Roongta
Mr Ashwin Dani
Mr Farrokh Kavarana
Mr Vijay Kumar Sharma

2. Besides the above Directors, 150 Members were present in person and 214 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 Bernard Terver, failing him Mr Aidan Lynam, failing him Mr Niraj Bansal
Holderind Investments Limited	Mr Bernard Terver, failing him Mr Sanjeev Churiwala, failing him Mr Niraj Bansal
Life Insurance Corporation of India	Mr Dhanesh Agnihotri
The New India Assurance Company Limited	Mr Kamakhya Narayan
General Insurance Corporation of India	Mr Mahesh Nayak
Unit Trust of India	Mr Sumit Tripathy

3. The Directors' Report, Audited Statement of Accounts, the Register of Directors' Shareholding were placed before the Meeting.
4. Mr B D Nariman, Company Secretary & Head Compliance made some introductory announcement briefing the Members on safety arrangements made at the venue and other relevant announcements. He mentioned that after the Chairman's opening remarks the speakers would be invited in a sequential order and were expected to be brief and keep to the agenda of the Meeting.
5. Mr N S Sekhsaria, Chairman of the Board of Directors took the Chair. He welcomed the Members to the Seventy-Eighth Annual General Meeting of the Company and called the Meeting to order. He introduced the Directors present at the Meeting.
6. With the consent of the Members, the Notice convening the Meeting was taken as read.
7. The Chairman requested Mr B D Nariman, Company Secretary & Head Compliance to read the Auditors' Report, which was read out by him.
8. In his 'Opening Remarks' the Chairman shared the highlights of the Company's performance for the year ended 31st December, 2013. The Chairman stated that last year, the economic environment in India remained sluggish which adversely affected the Company's results. Cement volumes declined marginally, sales by value fell by 2%, EBITDA declined by 26% and the consolidated profit after tax was up by 3%. The Chairman explained that PAT was not comparable with that of the previous year as the Company had taken a tax write-back of ~ ₹ 216 crore during the year, whereas in the previous year there was an additional depreciation charge of ~ ₹ 335 crore because of a change in the method of calculating depreciation.

The Chairman mentioned that the Board of Directors had recommended a dividend of ₹ 30 per share, which included an Interim dividend of ₹ 11 per share paid by the Company in August, 2013. This dividend was the same as that paid by the Company for the year 2012.

The Chairman thereafter mentioned that the Indian economic scenario last year was disappointing, growth slowed down to 4.5%, the lowest in a decade, whilst inflation ran high. Despite lower sales realizations, the Company's focus on cost reduction under the on-going "Institutionalizing Excellence" programme helped partially absorb the impact of inflation whilst the thrust on increasing sales of premium products with other customer excellence initiatives helped the Company achieve some improvement in difficult times. The low growth scenario appears to have largely bottomed out and there would be a gradual improvement towards the latter part of the current year.

Members were informed that work on Company's ongoing expansion programme in Eastern India was making good progress and would be completed in a phased manner in 2015.

The Company's Ready Mixed Concrete business turned around during the year with its profitability improving substantially. It was mainly a result of good cost management and promotion of value added products and solutions.

The Chairman mentioned that the sustainable development was an integral part of the Company's business philosophy. The Company maintains a continuous thrust in the areas of safety, alternative fuels & raw material, renewable energy and community development. A new Waste Heat Recovery System was commissioned at the Gagal Plant which was capable of generating ~7.5 MW of electricity. This was an important achievement in the Company's sustainable development agenda.

The Chairman thereafter informed the Members that Mr Paul Hugentobler who had been associated with the Company for more than eight years as Deputy Chairman, retired from services of Holcim and has stepped down from the Board of Directors of ACC. Mr Sam M Palia, another senior Director retired from the Board on completion of his term, after being associated with the Company for twelve years. The Chairman requested the Members to join him in thanking these stalwarts for their outstanding contributions to the Company.

The Chairman requested the Members to join the Board and him in thanking the employees of ACC and the management team for their commitment and hard work.

The Chairman concluded by thanking the Members for their unstinted support and encouragement which has enabled ACC to become one of India's most respected companies.

Finally the Chairman expressed his best wishes to the Members and their families.

9. The following Resolution was thereafter:

Proposed by: Mr Bernard Terver

Seconded by: Mr B D Nariman

"RESOLVED THAT the Audited Statement of Profit and Loss for the Financial Year ended December 31, 2013, 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.”

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.

10. **Mrs Ashalata Maheshwari:** Mrs Maheshwari spoke in Hindi. She mentioned that despite the fact that the economy was sluggish, the Management team had tried its best to ensure that the performance of the Company was more or less maintained. The Company had also maintained the dividend and ACC’s script was performing well on the bourse. The ongoing Capex expansion at Jamul was also progressing as planned. The various initiatives taken by the Company in institutionalizing excellence had earned it the respect of being one of the most admired companies in India.

Mrs Maheshwari mentioned that the Annual Report was very informative and well presented and thanked the Secretarial Department in this regard.

She congratulated the management on the many accolades and awards received during the year and stated that winning awards had become a way of life in ACC.

She reminded the Chairman that many shareholders were eagerly waiting for a Bonus Issue of shares and had also time and again requested the Board of Directors to fulfil their aspirations. She hoped that the Board would consider this request favourably.

Mrs. Maheshwari thereafter desired to have the following information:

- Capex expenditure during the current year and projections for the next two years;
- Referring to the premium products of the Company she inquired whether these were easily available on retail PAN India;
- Whether the shareholders of ACC would benefit from the proposed landmark merger of two equals Lafarge and Holcim.

She concluded by praising the management team and the employees for their commitment and dedication to the Company and stated that she strongly supported all the resolutions which were proposed to be passed.

11. **Ms Lekha Shah:** After introducing herself, Ms Lekha Shah mentioned that the Annual Report was received by her well in time. The Report was very informative, all facts were presented in a transparent manner and she

appreciated the efforts made in this regard. She wished the Company well in its future endeavours and mentioned that she supported all the resolutions.

12. **Mr Tehmton M Davar:** Mr Davar at the outset appreciated the arrangements made at the venue and mentioned that the shareholders felt welcomed with the innovative floral decoration at the venue.

Referring to the proposed merger of Lafarge and Holcim, he inquired whether the Board of Directors of ACC would announce an offer for buy back of shares so as to increase the promoter's shareholding. He requested the Board to ensure the interest of the minority shareholders many of whom have been closely associated with the Company since several years.

Mr Davar appreciated that the audited financial statements were prepared and the results announced promptly. Mr Davar appreciated that all the directors had signed the P&L Statement and Balance Sheet which reflected the directors' commitment to the Company and provided an assurance to the investors. He suggested that since there were only minor differences between the consolidated and standalone financial statements, the Company need not attach the annual reports of the subsidiary companies to its Annual Report. This would enable the Company to save on the cost of printing the Annual Report and would also be in the overall interest of the environment.

He was pleased to note that Mr Farrokh Kavarana was appointed on the ACC Board and mentioned that in his opinion Mr Kavarana would add value to the decision making process of the Board. Mr Davar recommended that taking into consideration the vast spread of the Company's operations it would be in the interest of the Company to appoint additional Executive directors to support the CEO & MD in his onerous responsibilities. He mentioned that he had made a similar suggestion in the past and requested the Board of Directors to consider his suggestion favourably. He noted that as per the Companies Act 2013, ACC would be required to appoint a lady director on its Board

Mr Davar requested to have the following queries answered:

- Whether the Company was adequately covered under an insurance policy against risk of terrorism ;
- The reasons why technical knowhow expenses which were nil last year showed a sizable change in the current year.

He concluded by saying that the Company should progress not only in terms of capacity but also have environment friendly plants

Finally, he mentioned that he supported all the resolutions.

13. **Mr Rusi Khambatta:** Mr Rusi Khambatta welcomed the new directors who had joined the ACC Board.

He thanked the Board of Directors for maintaining the dividend at ₹ 30/- per equity share. He appreciated the investor friendly initiative taken by the Company to send each year, reminders to those shareholders whose dividend remain unclaimed and gave examples on how this had benefitted many shareholders in claiming their dividend. He also appreciated the prompt and efficient services provided by the Share Department. He wished that other companies would also follow a similar practice.

Mr Khambatta appreciated the various projects being undertaken by the Company in the area of Corporate Social Responsibility.

He congratulated the Management on receiving several awards in the year 2013 and said that he was certain that the Company would receive many more awards and accolades in the future.

Mr Khambatta desired to have the following information:

- Technical information about the premium products of the Company;
- Details on the various initiatives taken by the Company in the area of logistics safety and in particular with regard to the 'driver's passport' ;
- The number of vehicles if any purchased by the Company, for road despatches and the types of vehicles;
- Whether all the plants had achieved a green status in reducing the carbon footprint ;
- Whether there was adequate provisioning made by the Company in respect of major litigations.

Mr Khambatta concluded by stating that he supported all the resolutions.

14. **Mr R V Chari:** Mr R V Chari appreciated the Chairman and Board of Directors decision to maintain the dividend of ₹ 30 per share, in spite of lower profits and on behalf of all the shareholders thanked the Board for this decision.

Referring to Chairman's opening statements wherein the Chairman had referred to the commissioning of the Waste Heat Recovery System, Mr Chari desired to know the details of likely savings on power consumption.

15. **Mr Dinesh Kotecha:** At the outset Mr Dinesh Kotecha mentioned that last year he had sent a letter to the Company seeking information / clarification on the 77th Annual Report which remained unanswered and stated that he was unhappy with the services provided to the investors by the Company. He desired that all his queried be replied.

He expressed disappointment on the Company's performance and recommended that the management team should look into inefficiencies within the Company and fine tune its working in every respect to bring about a step change in the overall performance of the Company.

Referring to the Annual Report, he mentioned that the details of the financial highlights presented therein covering the last ten years showed that the Company had not added value either in its top line or its bottom line Sales volume and growth as also the profitability were disappointing. He expressed his concern over the investments made by the Company in Shiva Cements and in Mutual Funds.

He further observed that in the Director Report there was a reference to only two subsidiaries where as the Company had other three subsidiaries which were not referred to in the Directors Report although their Annual Reports had been attached to ACCs Annual Report.

He recommended the inclusion of certain additional information in the Annual Report. In respect of unclaimed dividend, he suggested that the number of shareholders whose dividend remained unclaimed along with the total amount of dividend remaining unclaimed should be mentioned in the Annual Report. Further, a detailed analysis of the Company's strengths and weaknesses should be given in the Directors' Report and M&D. He also recommended that the number of days of closure of transfer book should be reduced to around 3 to 4 days to expedite the payment of the declared dividend.

He observed that the quarterly / half yearly and annual financial statements were being published in multiple newspapers and recommended that as a cost saving measure the financial statements should be published in one English and one vernacular language newspaper only as per the requirement of the Stock Exchanges.

Mr Kotecha desired to have the following information:

- Details of all the plants such as their date of inception, location, their installed capacity, manpower, cost of erection and turnover;
- Rationale for the acquisition of Singhanian Minerals Private Limited and the benefit to the shareholders from this investment;

- Summary of legal cases filed by and against the Company and their financial implications on the Company.
- With regard to the spend by the Company on CSR projects aggregating to ₹ 22.76 crore – the number of people who benefitted from the project;
- Status of the ongoing projects and when would the incremental benefits flow from these projects to the Company;
- Details of the deductions from the gross block, specifying the gain or loss made against each item;
- Concrete steps undertaken by the Company and the strategy of the Company to improve return on investment;
- Investment strategy.

16. **Mr Gautam Tiwari:** Mr Tiwari referring to Mr Davar's suggestions agreed that the Company should discontinue the practice of attaching the Annual Report of its subsidiary companies to its Annual Report. He also seconded the suggestion that the Company should appoint Executive Director(s) to co-share the responsibilities of the Company's working with CEO & MD.

He appreciated the presentation of the Annual Report and mentioned that the all relevant information relating to the performance of the Company was stated in a transparent manner. He thanked the Board of Directors for maintaining the dividend at ₹ 30.00 per share.

He noted that the attendance record of the Directors at meetings of the Board/ various Committees of the Board as also the Annual General Meeting was good and even the foreign directors had attended most of the Board/ Committee Meetings and the Annual General Meeting.

He appreciated the initiatives taken for creation of value for the stakeholders under the Institutionalizing Excellence Programme which was started a few years ago under the leadership of the CEO & MD and observed that improvement in the overall performance was noticeable year on year.

Mr Gautam Tiwari sought to have the following information:

- Attrition rate of personnel from the Company;
- Details of capex plans for the next three years.

17. **Mr Hariram Chaudhary:** Mr Chaudhary observed that the Company was attentive to the suggestions made by the Members and many of the suggestions made by him and other Members at the previous meeting had been considered.

With regard to the working of the Company he mentioned that it was commendable that the Company was able to effectively control costs despite inflationary pressures. He also appreciated the focus of the Company on renewable energy and in particular the use of wind energy and the installation of Waste Heat Recovery systems at Gagal.

He appreciated the CSR activities pursued by the Company and mentioned that even before spending on CSR activities has been made mandatory for certain class of companies, ACC was undertaking CSR activities in and round the communities in which it operates. He desired that the amount spent on CSR activities should be separately disclosed under “Financial Highlights”.

He appreciated that all the Directors had signed the Financial Statements. This showed the collective responsibility of the Board and provided an assurance to the shareholders. Whilst noting that the Company had maintained the dividend, he inquired whether there was a dividend policy which was followed by the Board. He requested the Board of Directors to consider a Bonus Issue of shares as was requested by many shareholders over the years.

He also requested that the Company should consider a factory visit for its shareholders.

Mr Hariram Chaudhary desired to have the following information:

- The specifications of Waste Heat Recovery System installed at Gagal and whether there was a plan for having similar system installed at all other ACC plants;
- Whether a CSR Committee had been constituted as mandated by the law and whether there were Independent Directors on the said Committee.

Mr Chaudhary finally conveyed his best wishes to all.

18. **Mr H V Singhavi:** Mr Sanghavi remarked that the cement prices were high due to excise and other taxes. He envisaged that houses may cost less if the Government reduced its taxes. With regard to the 2% of the net profit to be spent on CSR activities, he suggested that some of the CSR spending could be in the nature of building shelters and homes for senior citizens who were unable to look after themselves.

Referring to the financial statements, he wanted an explanation on the Royalties paid by the Company. Whilst he appreciated that the Board of Directors had maintained the dividend, he requested the Board to consider a higher payout of dividend taking into consideration the level of inflation and the fact that many senior citizens live out of their savings.

Mr Sanghavi complimented the Secretarial and Share Department for their efficient and courteous service to the shareholders. He requested the Company to arrange a plant visit.

19. **Ms H S Patel:** Mrs H S Patel mentioned that she had received the Annual Report on time and thanked the Secretarial Department for the same. She also thanked the Board of Directors for maintaining the dividend at the previous year's level.

She thereafter compared the financials of the Company with other competitors and requested the Board to consider making a bonus issue of shares.

Ms Patel pointed out that the Company needs to appoint a lady director as per the law.

Ms Patel desired to have the following information:

- Were there any plans to further sub-divide ACC shares;
- The reason for decline in the Return of Capital as against the previous years;
- Information on sourcing of premium products and ready mixed concrete in retail;
- Number of directors representing the promoters and the number and percentage of shares held by them.

She concluded by thanking the Board of Directors, the management and the employees for their commitment towards the Company.

20. **Ms Homayun Pouredahi:** Ms Pouredahi at the outset mentioned that she has sent a list of questions to the Company for their response by email, further to which she desired to have the following queries answered:

- the reasons for the losses incurred by the subsidiaries;
- names of recipients to whom royalty was paid by the Company and basis on which the said amount was calculated.

She appreciated the arrangements made at the venue.

Whilst welcoming the new directors on the Board, Ms Pouredahi wished the Board of Directors the very best. Mrs Pouredahi supported all the resolutions.

21. **Mr Joseph Martins:** Mr Joseph Martins mentioned that he considered it a privilege to be a shareholder of a great Company which has institutionalized excellence in its way of working.

He mentioned that the General Meetings were a great platform for the shareholders to express their views on the ethos and working of companies and give their valuable suggestions for the consideration of the Board of Directors. Mr Martins thereafter shared his views on some of the practices followed by various companies

Mr Martins appreciated the installation of a Waste Heat Recovery System at Gagal Plant. He appreciated and supported the Company's effort in enhancing the use of waste as alternative fuel (AFR) at the Plants, the initiatives taken by the company is conserving water, biodiversity and afforestation. He exhorted the management to persevere in these efforts.

Referring to the provisions in the new Companies Act 2013, which made it mandatory for certain class of companies to spend 2% of its average net profits on CSR activities, he mentioned that he was of the view that companies should not be burdened with CSR activities since it would divert their focus from business. He felt that it would be better if the CSR activities were channelized through charitable trusts and foundations.

Mr Martins concluded by conveying his good wishes to all present at the Meeting.

22. **Mr Michael Martins:** Referring to the recent news relating to the proposed merger of Lafarge and Holcim, two cement majors. Mr Michael Martins congratulated the representatives of Holcim on this decision and mentioned that whilst the combined spread of the two companies' world wise would be beneficial to both the companies, its effect on the shareholders of ACC needs to be evaluated. He appreciated the Management's vision and the initiatives taken to make ACC a safe workplace, customer focussed, compliant, efficient, people oriented thereby striving to deliver higher value to all stakeholders. Mr Martins praised the measures taken under institutionalizing excellence and noted the benefits. In particular he commended the initiatives taken by the Company in the area of renewable energy, higher use of Alternative fuels, and reduction in the carbon footprint.

He observed that the Company had a higher spend on foreign exchange and suggested that in order to reduce the gap of foreign exchange, the Company should export cement.

Mr Martins requested the management to explain the process for obtaining renewable energy certificates and its advantages for the Company.

Mr Martins concluded by conveying his good wishes to all present at the Meeting.

23. **Mr Adi Nalladaru:** Mr Adi Nalladaru appreciated the write-up on the Company's profile appearing in the initial pages of the Annual Report and suggested that captions should be given to explaining the photographs.

He suggested that in addition to the "MRP" printed on the cement bag, the company should also separately print the duties and levies to enable the customer calculate the percentage of duties and levies payable on the cement bag.

He further suggested that the Company should issue bonus shares and appoint a woman director on the Board of the Company

Mr Nalladaru desired to have the following information:

- Reasons for not issuing bonus shares since there was adequate reserves;
- Name of the vendors who are servicing / maintaining the vehicles of the Company;

24. **Mr Shailesh Mahadevia:** Mr Mahadevia appreciated the Annual Report and mentioned that the same was lucid, transparent and well presented. The Director's Report and MDA gave a fair idea to the investors to make their projections for the current year. He observed that the Company had spent ₹ 22.76 crore on CSR activities and was committed to sustainable business practices.

However, he also observed that considering the last five years data on Economic Value Add given in the Annual Report, the Company had not generated wealth, which meant huge assets of the Company were underutilized.

Based on the information provided by the Company in the Annual Report, Mr Mahadevia sought the following information:

- The reasons for the assets of the Company remaining underutilized and whether the Company would be able to utilize full capacity when the Jamul Project gets commissioned;
- The advantages to the Company from earning carbon credits;

He wished the Company and the Board of Directors the best in their endeavours.

25. **Mr N V Jhaveri:** Mr Jhaveri expressed his disappointment at the performance of the Company and commented that had the Company performed better the shareholders would have earned a better return on their investment and higher dividend.

He observed that the Company had paid a large sum of money as technology and knowhow fees to Holcim and hoped that the Company had gained equivalent technology and knowhow benefit from Holcim particularly in the area of alternative fuel since this would help the company to further reduce its fuel consumption.

He requested the Board to consider the repeated request of the shareholders to arrange for a plant visit.

He suggested that the response to the shareholders' queries should be broken up in two parts i.e. the first set of response could be given after a sufficient number of speakers had raised their questions and the next response should be given after all speakers were heard.

Mr Jhaveri sought the following information:

- Whether all Plants were substituting the use of conventional fuel with AFR;
- Reasons for change in auditors;
- Grounds for the penalty levied by Competition Commission of India on cement manufacturers.

26. **Mr P S Mapara:** Mr Mapara spoke in Hindi. He expressed his sentiments at the recent announcement of the proposed merger between Lafarge and Holcim and inquired whether it had any implications for the Company. He hoped that the Board of Directors of the Company would safeguard the interest of the small shareholders.

He appreciated that the dividend was maintained at the previous year's level and requested the Board of Directors to consider making a bonus issue of shares. He also requested the management to consider arranging a factory visit for the shareholders.

27. **Mr Hiranand Kotwani:** Mr Hiranand Kotwani observed that the cement sales volumes were lower than the previous year. He commented on the proposed merger of Lafarge and Holcim and hope that it would not adversely impact the shareholders of ACC.

He lauded the CSR initiatives of the Company and suggested that the Company could look at a model where it could invite its Members to volunteer to help in the Company's CSR initiative.

Mr Kotwani requested for the following information:

- Details of the matter pending before the Competition Appellate Tribunal against the Order of the CCI levying penalty on certain cement manufacturers;
- The method of calculating the technical knowhow fees, the nature of technical inputs received from Holcim and the value addition derived by the Company.

28. **Mr Vispi Khambatta:** Mr Khambatta expressed his views on the proposed merger of Lafarge and Holcim and hoped that this would not adversely impact the shareholders of ACC. He appealed to the Independent Director to safeguard the interest of the minority shareholders.

29. **Chairman's Response:** The Chairman thanked the members for their participation and their constructive suggestion and comments.

Referring to the concerns and apprehensions expressed by some Members in regard to the proposed merger between Lafarge and Holcim, the Chairman explained that the proposed merger would in the long run be beneficial for the cement industry. He mentioned that the Board of Directors of ACC has always acted in the best interest of the minority shareholders and various decisions in the past amply demonstrate the same.

Referring to the payment of technical knowhow fees to Holcim Technology Limited, the Chairman explained that speaking from his knowledge and experience, Holcim has over the last eight years added immense value to the Company by giving technical knowhow support and sharing its best practices in management. For example, ACC's robust practices were further strengthened by upgradation of IT systems and knowledge base which has enabled the management to have an integrated real time view of the core business processes and sharpened the decision making process within the Organization. Likewise, ACC was way ahead of other competitors in the use of AFR. The valuable inputs received from Holcim has made ACC more competitive and poised for growth. It was explained that keeping in mind the views of the Board of Directors, Holcim had agreed to charge Technical and Knowhow fees at a rate much lower than that charged by many other multinational companies. The Chairman assured the Members that the Board of Directors would continue to act in fair manner and keep and uphold the interest of minority shareholders.

As regards the performance of the Company, the Chairman mentioned that the same was impacted on account of the present state of economic conditions in the country. He explained that most comparable cement companies in India

were presently having the lowest capacity utilization and lowest return on capital employed. The problem was universal as the demand for cement had reduced. However, as a good management practice, it was necessary to foresee the demand and plans ahead as it takes several years for commissioning a cement Plant. With these concluding remarks the Chairman requested Mr Kuldip Kaura, CEO & Managing Director to answer the queries raised by the shareholders, specific to this meeting.

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

Referring to the Chairman's explanation on the payment of technical Knowhow fees to Holcim Technology Limited, Mr Kaura further explained the areas in which ACC had benefitted from Holcim's experience and guidance. He pointed out that Holcim had over a hundred years experience in the global cement industry and had garnered some of the global best practices which were shared with its Operating Companies.

Referring to the queries relating to Alternative Fuels and Resources (AFR), Mr Kaura explained that AFR, substitutes ~ 4.6% of fossil fuel. This had not only reduced fuel costs but was also a positive move in terms of sustainable development and environment protection.

With regard to the performance of the Company, Mr Kaura mentioned that this was a tough year for the manufacturing sector and in particular for the cement industry. The economy grew by ~ 4.5% whilst the cement demand grew by ~ 1%. The Cement Industry's capacity utilization fell to 69% from 74% which in turn put pressure on the margins. This was the main factor responsible for the drop in the EBITDA. Mr Kaura hoped that the economy would fare better in the current year.

It was explained that the return on capital employed was low, because of comparatively lower earnings but more so because of higher capital work in progress (viz. ₹ 819.61 crore in 2013 as compared to ₹ 311.30 crore in 2012) on account of the expansion project at Jamul. Once the projects get commissioned and the assets start producing results in the years to come, then these numbers will improve significantly.

The Institutionalizing Excellence Programme touched all major areas of management. The Company was simultaneously working on various initiatives which has helped in reducing the cost of production, logistics and transportation cost, fixed and support process costs. This in turn helped the Company to partially offset the impact of increases in prices of raw materials,

power and fuel cost. These efforts were ongoing and were expected to yield desired results.

With regard to the query on the availability of premium products of the Company in retail market, it was mentioned that the premium products were sold in most of the markets across the country. These products had special qualities and applications for which reason they fetched a premium over the normal cement.

Mr Kaura confirmed that the insurance policy taken by the Company was comprehensive and adequate for its business requirements.

On a question relating to logistics safety initiatives, road despatches, driver's passport, Mr Kaura informed the members that the Company did not own any trucks. The Company enters into contracts with transporters who provide the vehicles and drivers on an ongoing basis. In order to maintain a good safety record and ensure safe transportation practices, the Company initiated a system of issuing a document called "drivers' passport" wherein all relevant data of the driver including his medical record, the periodicity of health check up, his driving capabilities, road worthiness of the vehicle are captured therein. This enables the Company to ensure that only certified drivers and vehicles were used by the Company for transportation of the cement and other raw materials.

Referring to the interest of some Members in the specifications of the Waste Heat Recovery System, installed at Gagal, Mr Kaura explained that the Plant was commissioned in November 2013 and presently produced ~ 6 MW of power. The advantage of this initiative was sustainable power which is green power and a low cost power because it utilizes only waste gases. This project has a payback period of ~ 3-4 years.

The Members were informed that Royalty was paid to the various State Governments on extraction of limestone for use in the manufacture of cement. The Royalty paid on limestone extraction was presently ₹ 64 / tonne. Certain State Governments were charging Royalty on a higher conversion ratio which was not justified. The Company was contesting the matter legally and has a strong case.

Referring to the appreciation by some Members on the efforts made by the Company in the area of conservation of environment, Mr Kaura mentioned that ACC Plants were not only water positive but also there was zero effluence discharged in the water.

Referring to the suggestion made by a shareholder to indicate separately the levies and duties paid on bag of cement, it was mentioned that the total payment to exchequer during 2013 amounted to ₹ 3,705 crore.

On matters relating to Corporate Social Responsibility, it was informed that the Company has set up a CSR Committee which was earlier chaired by Mr S M Palia and is now chaired by Mr Shailesh Haribhakti. The other members on this Committee were Mr Narula and Mr Kuldip Kaura. The Company has an approved CSR policy and the Committee Members meet regularly to discuss and review the CSR programmes. The thrust of CSR activities was in areas of education, health and sanity and livelihood generation. A large number of people were positively impacted by these initiatives the details of these were available on page 9 of the Annual Report.

As regards the investments made by the Company, these were in line with the Company's policy which has been duly approved by the Board of Directors. The policy is fairly conservative and the investments were periodically reviewed by CRISIL to give an assurance on the quality of the investments.

As regards the dividend policy, it was explained that the Board of Directors follows a balanced dividend policy and as far as possible tries to maintain a steady rate of dividend payout.

With regard to the capital work in progress, the major project was the Jamul expansion which was expected to be commissioned in the year 2015. The Company was also setting up AFR prepossessing and co-processing platforms at three plants which are under advanced stage of construction and were being meant for using alternate fuels and raw materials in large quantities.

It was informed that the Company did not have plans for further subdivision of its shares.

The queries of Mr & Mrs Pouredahi have already been answered by the Company through email.

With regard to matter pending before the Competition Appellate Tribunal it was informed that the Company had gone in appeal against the Order of the Competition Commission of India holding the Company and other cement manufacturers guilty of unfair trade practices under the Competition Act, 2002 and the imposition of penalty.

30. 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, 2013, 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 Bernard Terver 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: Ms Ashalata Maheshwari

Seconded by: Mr R V Chari

“RESOLVED THAT the final dividend for the financial year ended December 31, 2013 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 fifty six crore seventy one lakh sixty one thousand seven hundred sixty four only) as recommended by the Board is hereby declared and the same be paid to those shareholders whose names stand on the Register of Members of the Company on April 9, 2014 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 25, 2014 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 25, 2013 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: Mr J P Maheshwari

Seconded by: Ms Lekha Shah

“RESOLVED THAT Mr Aidan Lynam, a Director of the Company who retires by rotation but is eligible for re-appointment be and is hereby re-appointed 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 Gautam Tiwari

Seconded by: Mr V L Thakker

“RESOLVED THAT Mr Sushil Kumar Roongta, a Director of the Company who retires by rotation but is eligible for re-appointment be and is hereby re-appointed 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 Joseph Martins

Seconded by: Mr Dinesh Kotecha

“RESOLVED THAT Mr M L Narula, a Director of the Company who retires by rotation but is eligible for re-appointment be and is hereby re-appointed a Director of the Company.”

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 Hariram Chaudhary

Seconded by: Mr Vishal Gala

“RESOLVED THAT in place of Messrs S R Batliboi & Co. LLP, the retiring Auditors, who have expressed their inability to continue, Messrs S R B C & CO LLP (ICAI Firm Registration No. 324982E), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company for the Company’s financial year ending December 31, 2014, to hold office from the

conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company and in respect of whom the Company has received a special notice from a Member, pursuant to the provisions of Section 190 read with Section 225 of the Companies Act, 1956, signifying its intention to propose the appointment of Messrs S R B C & CO LLP as Statutory Auditors on such remuneration as may be determined by the Board of Directors or a Committee thereof in consultation with the Auditors.”

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

Resolution No 7 was proposed as an Ordinary Resolution

Proposed by: Ms Rusi Khambatta

Seconded by: Mr P S Mapara

“RESOLVED THAT Mr Farrokh K Kavarana who was appointed as an Additional Director of the Company with effect from 3rd May 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company be and is hereby appointed a Director of the Company.”

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

Resolution No 8 was proposed as an Ordinary Resolution

Proposed by: Ms H S Patel

Seconded by: Mr H V Sanghvi

“RESOLVED THAT Mr Bernard Terver who was appointed as an Additional Director of the Company with effect from 4th December 2013 and who holds office upto the date of the forthcoming Annual General Meeting of the Company be and is hereby appointed a Director of the Company.”



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

Resolution No 9 was proposed as an Ordinary Resolution

Proposed by: Ms H S Patel

Seconded by: Mr P S Mapara

"RESOLVED THAT Mr Vijay Kumar Sharma who was appointed as an Additional Director of the Company with effect from 6th February 2014 and who holds office upto the date of the forthcoming Annual General Meeting of the Company be and is hereby appointed a Director of the Company."

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