

## CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the year ended December 31, 2018.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company models its effective governance on the pillars of ethics, values and professionalism all of which have been integrated into its DNA over the last eighty two years of its existence. As part of its growth strategy, ACC believes in emulating the 'best practices' that are followed in the area of Corporate Governance across various geographies.

The Company emphasizes on the need for complete transparency and accountability in all its dealings, in order to protect the interests of all its stakeholders. The governance framework encourages the efficient use of resources and equally calls for accountability for the stewardship of these resources. The Board considers itself as the repository of the trust and faith of the stakeholders and acknowledges its responsibilities towards them for creation of wealth in a sustainable manner.

Corporate Governance is the creation and enhancement of long term sustainable value for our stakeholders through ethically driven business processes. The Governance Philosophy of your Company is built on the bedrock of ethical values and the highest standards of professionalism, which the Company has effectively embraced, sustained and institutionalized for decades. Integrity, transparency, fairness, accountability and adherence with the law are inextricably embedded in the Company's business practices, ensuring ethical and responsible leadership both at the Board as well as the Management level. Your Company strongly believes that the solid Corporate Governance practices, which have evolved over the years from the dynamic culture, positive thought processes and past experiences, have been the key enablers in inculcating stakeholder trust and confidence, attracting and retaining financial and human capital, and in meeting societal aspirations.

The Company has rigorously stood by the core principles of Corporate Governance, which have been the edifice of its two-fold governance model, with the Board of

Directors and the Committees of the Board at the apex level, and the Management structure at the operational level. The Board and its Committees guide, support and complement the Management team, which in turn assumes accountability and endeavours to achieve the set objectives and enhancing stakeholder value.

### Board of Directors

ACC is a professionally managed Company functioning under the overall supervision of the Board of Directors. Its Board comprises of the required blend of Independent and Non-Independent Directors, including an Independent Lady Director in line with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") as amended from time to time. The Managing Director & Chief Executive Officer (MD&CEO) of the Company is the only Executive Director on the Board.

The Board of Directors is made up of eminent and qualified persons who ensure that the long standing culture of maintaining high standards of Corporate Governance is further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the Management to achieve these objectives for value creation through sustainable profitable growth. The Board seeks accountability of the Management in creating long term sustainable growth for ensuring fulfilment of stakeholders' aspirations. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

### Committee of Directors

Having regard to the significant contributions that Committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its following Committees closely monitors various areas of business viz. Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Corporate Social Responsibility (CSR) Committee. All these are Committees mandated under law and operate within the terms of reference laid down by the Board. Apart from the above, the Board has set up the Compliance Committee which oversees the legal compliance process and the status of litigations both by and against the Company.

## Managing Director & Chief Executive Officer (MD&CEO)

The MD&CEO is in overall operational control and responsible for the day-to-day working of the Company. He functions under the superintendence, direction and control of the Board. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees.

## Executive Committee (ExCo)

The ExCo comprises of persons belonging to the Senior Management Cadre. The composition of the Committee has been widened during the year to include the Chief Commercial Officer, Chief Marketing Officer & Head-New Products and Services, Head-Strategy in addition to the Chief Financial Officer, Chief Manufacturing Officer, Chief People Officer and Chief Procurement Officer. The Committee supports the MD & CEO and operates within the framework of the strategic policies laid down by the Board and is responsible and accountable for overall business deliverables. The ExCo meets on a regular basis to review and monitor the performance vis-à-vis the annual plans and budgets, discusses cross functional operational matters and addresses business challenges and issues.

## Organization Structure, Roles and Responsibilities

ACC has a function-based organization structure, which enables operational challenges to be addressed efficiently, swiftly and proactively. Led by the Managing Director and Chief Executive Officer, it comprises verticals for the functions of Sales & Marketing, Manufacturing, Human Resources, Finance, Procurement and miscellaneous Corporate Services. Cement Plants and Marketing Units are grouped into three regional clusters, viz. North, East and SouthWest. The Regional Heads for Sales, Logistics, Finance and HR have a direct reporting line to the respective Vertical Heads. The Heads of Plants report to the respective Manufacturing Cluster Head in the Region. Procurement activities are managed by the India Procurement Organization executed from five Procurement Cluster Offices. The Finance, Secretarial and Compliance functions report to the Chief Financial Officer whereas the Health & Safety and Legal functions report to the MD&CEO.

## BOARD OF DIRECTORS

Composition of the Board as on December 31, 2018

Category	No. of Directors
Non Executive & Independent Directors including Independent Woman Director	06
Other Non Executive Directors	05
Executive Director	01

## Directors' Profile

The Board of Directors comprises of professionals of eminence and stature drawn from diverse fields. They collectively bring to the fore a wide range of skills and experience to the Board, which elevates the quality of the Board's decision making process.

### Mr N S Sekhsaria (DIN:00276351) – Non Executive and Non Independent Director

Mr Sekhsaria is a doyen of the Indian Cement Industry and one of the most respected business personalities in India. He has introduced new standards in management, marketing, efficiency and corporate social responsibility to an industry which he has helped transform.

A first generation industrialist, Mr Sekhsaria obtained his Bachelors Degree in Chemical Engineering with honours and distinction from the University of Bombay. He is the Principal 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. He is the Chairman of the Company since the year 2006.

Mr Sekhsaria built Ambuja Cements Limited, setting up benchmarks for the Indian Cement Industry which had not been attained before. His acumen as an entrepreneur and technocrat transformed the company into the most efficient and profitable cement company in the country and redefined industry practices by changing the perception of cement from a commodity to a branded product. Mr Sekhsaria has championed the cause of community development by establishing the Ambuja Cement Foundation and transformed it into a model of excellence in social responsibility.

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

Mr Sekhsaria is a Member on the Nomination & Remuneration Committee.

Expertise in Specific Functional Areas	Doyen of the Cement Industry, he has been responsible for transforming the Cement Industry by setting benchmarks in the areas of Management, Marketing & Logistics and manufacturing efficiencies and sustainable development
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited; JM Financial Asset Reconstruction Company Limited

**Mr Jan Jenisch, (DIN:07957196) -  
Non Executive and Non Independent Director**

Mr Jenisch was inducted on the Board with effect from October 17, 2017 upon his appointment as the CEO of LafargeHolcim, the Parent Company.

Mr Jenisch is a German National and has joined LafargeHolcim as its Chief Executive Officer on September 1, 2017. Prior to his joining LafargeHolcim, Mr Jenisch has served with Sika AG since 1996 in various management functions and countries. He was appointed to the Management Board of Sika in 2004 as Head of the Industry Division and served as President Asia Pacific from 2007 to 2012. Mr Jenisch was the Chief Executive Officer of Sika AG from 2012. Under his leadership, Sika expanded into new markets and set new standards of performance in sales and profitability. Mr Jenisch graduated from the University of Fribourg, Switzerland and holds an MBA degree.

Expertise in Specific Functional Areas	Business Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited

**Mr Neeraj Akhoury (DIN:07419090) – MD&CEO**

Mr Akhoury brings with him over two decades of rich experience in the steel and cement industries with expertise in sales and distribution, marketing & supply chain operations, management & corporate strategy. He began his career with Tata Steel in 1993 and joined Lafarge SA Group (LafargeHolcim Group since July 2015) in 1999. He was a Member of the Executive Committee of Lafarge India, heading Corporate Affairs, followed by Sales in 2011. He moved to Nigeria as CEO & Managing Director of Lafarge AshakaCem PLC. Thereafter, he was

appointed Strategy & Business Development Director for Middle East & Africa at the Lafarge headquarters in Paris. He has also served as CEO of Lafarge Surma Cement Limited and as Country Representative of LafargeHolcim Bangladesh.

Mr Akhoury has a degree in Economics from Allahabad University, followed by a one year management programme from XLRI, India. He is an alumnus of the Harvard Business School (General Management).

Mr Neeraj Akhoury is a Member on the Compliance Committee, Risk Management Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of the Board.

Expertise in Specific Functional Areas	Corporate Strategy, Sales and Distribution Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Bulk Cement Corporation (India) Limited; Holcim Services (South Asia) Limited

**Mr Martin Kriegner (DIN:00077715) –  
Non Executive and Non Independent Director**

Mr Martin Kriegner is an Austrian national and a Member of LafargeHolcim's Executive Committee since August 2016, with overall responsibility for India and South East Asia. Since January 2018 he is also responsible for operations in Australia and New Zealand. He is a graduate from the Vienna University with a Doctorate in Law and has obtained an MBA at the University of Economics in Vienna.

Mr Martin Kriegner joined Lafarge in 1990 and became the CEO of Lafarge Perlmöser AG, Austria in 1998. He moved to India as the CEO of Lafarge's cement operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO of Lafarge India for the Cement, RMX and Aggregates business. In July 2015, he became Area Manager Central Europe for LafargeHolcim operations and was appointed Head of India effective March 1, 2016.

Mr Kriegner is a Member on the Audit Committee and Nomination & Remuneration Committee.

Expertise in Specific Functional Areas	Operations, Finance & General Management
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited

**Mr Shailesh Haribhakti (DIN:00007347) –  
Non Executive and Independent Director**

Mr Shailesh Haribhakti is a career Chartered Accountant, with over four decades of experience in developing and leading one of India's most respected and diversified Chartered Accounting firms-Haribhakti & Co. LLP, Chartered Accountants. He stepped away from the Company's management on attaining the age of 62 in 2018. He is now pursuing the establishment of high quality auditing globally through a "not for profit" initiative surrounding his recently authored book – "Audit Renaissance".

To provide universal dispersion of his knowledge & experience in corporate governance, he has teamed up with senior and highly respected professionals to manage Intuit Consulting Pvt. Ltd. which will provide digitally enabled Governance & Compliance support to corporations globally.

Apart from the directorships mentioned herein below Mr Haribhakti is on the Board of Gaja Capital Group and also serves on Advisory Boards of Doha Bank and Excellence Enablers Private Limited.

To serve the Micro Small and Medium Enterprise (MSME) community he has set up a verification, diligence and shared services firm known as New Haribhakti Business Services Group through a process of interactivity over the internet and digitization. This group will serve to support safe lending and timely recovery of finances in the MSME sector.

To give wings to equity investing in a "New India" he has established along with like minded professionals Mentorcap Management Pvt. Ltd. to invest in a new age car washing enterprise, alkaline water and solar refrigeration through the supply chain.

Mr Haribhakti actively promotes "shared value" creation and a green environment through his own enterprise Planet People & Profit Consulting Private Limited and his leadership roles as Chairman of United Way and Chairman/Member of the CSR Committees of some of the Boards that he serves on. He has successfully established the concept of "Innovate to Zero" which is in alignment with the idea of making the impact of every intervention focused, widespread, co-operative and far-reaching.

Mr Haribhakti has a passion for teaching, writing and public speaking. He was associated with IIM-Ahmedabad as visiting faculty from 1981-83. He has led

BMA, IIA (Mumbai), ICAI (WIRC), IMC, FPSB and Rotary Club of Bombay over the last several decades. For two years he served on the Standards Advisory Council of the IASB in London and was Chairman of NPS (National Pension Scheme) Trust from 2015-2017. He frequently contributes his views on public forums, to the press and to the electronic media.

Mr Haribhakti is the Chairman of the Corporate Social Responsibility and Risk Management Committees of the Board and Member of the Stakeholders' Relationship, Nomination & Remuneration and Compliance Committees.

Expertise in Specific Functional Areas	Auditing, Tax and Risk Advisory Services
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited; Torrent Pharmaceuticals Limited; Blue Star Limited; NSDL E-Governance Infrastructure Limited; Mahindra Lifespace Developers Limited; Bennett Coleman & Company Limited; Future Lifestyle Fashions Limited; L&T Finance Holdings Limited; L&T Mutual Fund Trustee Limited

**Mr S K Roongta (DIN:00309302) –  
Non Executive and Independent Director**

Mr Roongta holds a Bachelors degree in 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 the All India Management Association (AIMA).

Mr Roongta has wide and varied experience in public sector undertakings. He is presently Non- Executive Chairman of Bharat Aluminium Company Limited (BALCO) and Talwandi Sabo Power Limited (TSPL). Earlier, during his tenure as Chairman of SAIL from August 2006 to May 2010, the ranking of SAIL among 'World Class Steel Makers' moved up to the second position from the seventeenth position, as per World Steel Dynamics, USA.

Mr Roongta headed a panel of Experts on the Reforms in the Central PSEs, constituted by the Planning Commission. He has also been a Member of the Committee formed by

the Ministry of Corporate Affairs, to formulate a Policy Document on Corporate Governance.

He is associated with several academic institutions, and has been the Chairman, Board of Governors, IIT Bhubaneswar (2012-2015) and is presently on the Board of Management of J.K. Lakshmi Pat University. He is also associated with apex Chambers of Commerce, being a member on National Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman of the National Expert Committee on Minerals & Metals of Indian Chambers of Commerce (ICC) and co-chairs Industry Committee of PHD Chamber of Commerce and Industry.

Mr Roongta is a recipient of several awards and accolades including SCOPE Award for excellence and for outstanding contribution to the Public Sector Management - Individual Category and IIM - JRD Tata award for Excellence in Corporate Leadership in Metallurgical Industries - 2016.

Mr Roongta is a Member on the Audit Committee, Risk Management Committee and Compliance Committees of the Board.

Expertise in Specific Functional Areas	General Management and expert knowledge in Mines and Metallurgy industries
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Jubilant Agri and Consumer Products Limited; Hero Steels Limited; Talwandi Sabo Power Limited; Jubilant Industries Limited; Jubilant Life Sciences Limited; CL Educate Limited; Bharat Aluminium Co. Ltd.; Great Eastern Energy Corporation Limited

**Mr Ashwin Dani (DIN:00009126) – Non Executive and Independent Director**

Mr Dani holds a BSc (Hons) degree from the Institute of Science, University of Mumbai. He completed B.Sc. (Tech) -Paints, Pigments and Varnishes from U.D.C.T. (now known as Institute of Chemical Technology), University of Mumbai. He holds a Masters Degree in Polymer Science (USA) and a Diploma in Colour Science (USA).

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 Ltd. in 1968 as Senior Executive and moved through successive senior positions like Director - R&D, Works Director, Whole-time Director and as Vice Chairman and Managing Director from December, 1998 to March, 2009. Mr Dani has an in-depth knowledge of supply chain management and is mainly responsible for the strong and committed dealer network at Asian Paints Limited which, *inter alia*, has contributed to that company's superior performance. Currently, he is the Non-Executive Chairman of Asian Paints Limited.

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 the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI). 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 (presently ICT) Alumni Association, Mumbai. Currently, he is a member on the Board of Management of ICT Mumbai.

Mr Dani is the Chairman of the Nomination & Remuneration Committee and is a Member on the Audit Committee of the Board.

Expertise in Specific Functional Areas	Rich experience in Supply Chain Management and Sustainable Development
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Resins and Plastics Limited; Hitech Corporation Limited; Asian Paints Limited; Gujarat Organics Limited

**Mr Farrokh Kavarana (DIN:00027689) – Non Executive and Independent Director**

Mr Kavarana holds a B.Com. (Hons.) degree from the University of Bombay and an MBA from the Wharton School, University of Pennsylvania. He is a Fellow of the Institute of Chartered Accountants of England & Wales and a Member of the Institute of Chartered Accountants of India.

Mr Kavarana retired in 2014 as a Director of Tata Sons Limited and Tata Industries Limited, the apex holding companies of the Tata Group, after a career spanning four decades with the Group. He was Chairman of

several Tata Companies in India and abroad - Tata AIG General Insurance Company Ltd., Tata AIA Life Insurance Company Ltd., Tata Projects Limited and Trent Limited. He was Executive Chairman of Tata Asset Management Ltd. from 2005 to 2009 and of Tata Infotech Ltd. from 2000 to 2005. He served as Executive Director of Tata Motors Limited from 1994 to 2000. He was Vice Chairman & Managing Director of Tata International AG, Switzerland and Tata Ltd., U.K., from 1975 to 1994 responsible for Tata Sons' overseas operations and investments. Prior to his association with Tata Group, Mr Kavarana was with McKinsey & Co. Inc. in London and Washington D.C. from 1970 to 1974.

Mr Kavarana is involved with several social and charitable institutions and is Chairman - Lady Tata Memorial Trust, Trustee - Nani Palkhivala Memorial Trust and the National Centre for the Performing Arts. He was a founder Trustee of Childline India Foundation from 1999 to 2014. He is a recipient of the Dadabhai Naoroji International Millennium Award 2005 and the Wharton India Alumni Award 2009.

He is a Member on the Audit Committee, the Nomination & Remuneration and the Corporate Social Responsibility Committees of the Board. He is the Chairman of the Stakeholders' Relationship Committee and of the Compliance Committees of the Board.

Expertise in Specific Functional Areas	Financial Management, good governance practices and rich exposure from his directorships in Tata Group Companies in India and abroad
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	The Great Eastern Shipping Company Limited

**Mr Vijay Kumar Sharma (DIN:02449088) – Non Executive and Non Independent Director**

Mr Vijay Kumar Sharma was the Chairman of Life Insurance Corporation of India (LIC) until he attained superannuation from the Corporation with effect from January 1, 2019. LIC has confirmed that Mr Sharma will continue to be their representative on the Company's Board after his superannuation. Prior to his taking over as Chairman of LIC on December 16, 2016, he served

as Chairman (In-charge) from September 16, 2016 and Managing Director, LIC from November 1, 2013. From December 2010 to November 2013, he served as Managing Director & Chief Executive Officer, LIC Housing Finance Limited (LICHFL), a premier housing finance company in the country.

Mr Sharma is a post graduate from Patna University. He joined Life Insurance Corporation of India as Direct recruit Officer in 1981 and grew up with the Corporation since then. He held various challenging assignments pan India and in all operational streams including 'in-charge' positions at different levels. Working across the length and breadth of the Country has added immensely to his experience and honed his understanding of demographics of the Country, socio-economic needs of different regions and multi-cultural challenges in the implementation of Corporate's objectives.

As MD&CEO of LICHFL, he stabilized the operations of the Company under most challenging circumstances of negative media glare, intense scrutiny by Regulator and others and turned it around to be the best Housing Finance Company in 2011.

He has been an inspirational leader who utilizes negotiation skills gained over thirty seven years of extensive experience in insurance and financial sectors. He has the ability to connect at grass root levels, believes in bottom-up approach and has the ability to see the big picture and translate it to reality. He is known as Growth Leader, leading the Organization to surge ahead and turnaround on its growth path in all the segments of performance.

Mr Vijay Kumar Sharma was Chairman, Board of Directors of LICHFL, LIC (International) Bahrain B.S. C. (C), Life Insurance Corporation Singapore Pte. Ltd. and other companies. He was also Director on Board of Kenindia Assurance Co. Ltd.

Expertise in Specific Functional Areas	Business strategy, Product Development & Branding, Risk Mitigation & Compliance
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Tata Steel Limited; Mahindra & Mahindra Limited; ICICI Bank Limited

**Mr Arunkumar Gandhi (DIN:00007597) –  
Non Executive and Independent Director**

Mr Arunkumar Gandhi is a Fellow Member of the Institute of Chartered Accountants of England & Wales and a Fellow Member of the Institute of Chartered Accountants of India.

He was with N M Rajji & Co., Chartered Accountants, as a partner from 1969 and in 1993 became a Senior Partner. He occupied this position till July 2003. As partner, Mr Gandhi audited several public and private sector entities. He is an expert on share valuation and corporate re-structuring (i.e. mergers/demergers).

He was the Executive Director of Tata Sons Limited from August 2003 till August 2008 and was thereafter appointed Director of Tata Sons Limited, on whose Board he served upto March 2013.

Mr Gandhi has been assisting the Tata Group in acquiring diverse assets and companies across the globe. This has enabled the Tata Group to acquire critical assets, resources access to world class R&D facilities. In these transactions, he advised on business valuation, financial due diligence, counter-party negotiations, financing and applicable merger control provisions.

Over the last twenty years, Mr Gandhi has served as a Director on the Board of several Indian and foreign companies.

Mr Gandhi is the Chairman of the Audit Committee and a Member of the Stakeholders' Relationship Committee of the Board.

Expertise in Specific Functional Areas	Auditing, Tax Planning, Corporate Restructuring and in particular the area of business valuation
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Huhtamaki PPL Limited; Walchandnagar Industries Limited

**Ms Falguni Nayar (DIN:00003633) –  
Non Executive and Independent Director**

Ms Falguni Nayar is a Graduate from Sydenham College of Commerce & Economics and a Post Graduate from Indian Institute of Management, Ahmedabad.

Ms Nayar has a rich experience of over two and half decades. She started her career as a Manager and Consultant at A F Ferguson & Company. In 1993, she joined Kotak Mahindra Group to lead the M&A and Project Advisory Initiatives. She has held senior positions

in various capacities and was the Managing Director and Chief Executive Officer of Kotak Investment Bank from 2006 to 2012. Ms Nayar is the founder and Chief Executive Officer of Nykaa.com, a beauty retail platform which she launched in 2012.

Ms Nayar was recognized as a Top Woman in Business by Business Today in 2011 and 2017. She has also received the FICCI Ladies Organization Award for Top Woman Achiever in the field of banking in 2008. In 2017 Ms Nayar has won the "Woman Ahead" award at The Economic Times Start-Up Awards 2017.

Ms Nayar is a Member on the CSR Committee and Risk Management Committees of the Board.

Expertise in Specific Functional Areas	Financial services and e-marketing
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Tata Motors Limited; Endurance Technologies Limited; Dabur India Limited; Tata Technologies Limited; Kotak Securities Limited

**Mr Christof Hassig (DIN:01680305) –  
Non Executive and Non Independent Director**

Mr Christof Hassig heads the Corporate Strategy and Mergers & Acquisitions function in LafargeHolcim, reporting directly to the Chief Executive Officer.

Before joining the former Holcim Limited in 1999, Mr Christof Hassig worked for twenty five years at UBS in many different functions, including as Global Relationship Manager and Investment Banker for multinational corporates in Switzerland and other countries.

Within the former Holcim Limited, he was reporting directly to the Chief Financial Officer with many direct links to all other Executive Directors including Chief Executive Officer. For the past fifteen years, he has built and led the department of Corporate Financing & Treasury. This function spans across all the geographic regions and includes matrix organizations with the finance department of the operating companies in various countries.

In December 2012 he took over additional responsibilities as head of the newly created Mergers & Acquisitions function at Group level. In March 2013, the Group's Insurance Department was moved and integrated into the Corporate Finance & Treasury Department.

He started his career with a three year apprenticeship in Banking followed by a Masters in Banking and Advanced Management Programme at Harvard Business School in 2006.

Expertise in Specific Functional Areas	Corporate Finance & Treasury, Mergers & Acquisitions
List of Directorships held in other companies (excluding foreign, private and Section 8 Companies)	Ambuja Cements Limited

### Directorships and Memberships on Committees:

The total number of Directorship(s) held by the Directors, and the position of Membership/Chairmanship on Committees held by them is given below. All the Directors are compliant with the provisions of the Act and SEBI Listing Regulations. None of the Directors are interested inter-se.

Name of Director	Category	Date of Appointment	*Number of Directorship(s) held in Indian public listed companies (including ACC)	**Committee(s) position (including ACC)	
				Member	Chairman
Mr N S Sekhsaria (Chairman)	Non Executive/Non Independent	27.12.1999	2	0	0
Mr Jan Jenisch (Deputy Chairman)	Non Executive/Non Independent	17.10.2017	2	0	0
Mr Neeraj Akhoury (Managing Director & Chief Executive Officer)	Executive	16.12.2016	1	1	0
Mr Martin Kriegner	Non Executive/Non Independent	11.02.2016	2	2	0
Mr Shailesh Haribhakti	Non Executive/ Independent	17.02.2006	7	7	3
Mr Sushil Kumar Roongta	Non Executive/ Independent	03.02.2011	6	3	1
Mr Ashwin Dani	Non Executive/ Independent	15.12.2011	3	3	2
Mr Farrokh Kavarana	Non Executive/ Independent	03.05.2013	2	3	1
Mr Vijay Kumar Sharma	Non Executive/ Non Independent	06.02.2014	4	0	0
Mr Arunkumar Gandhi	Non Executive/ Independent	24.04.2014	3	3	1
Ms Falguni Nayar	Non Executive/ Independent	24.04.2014	4	2	0
Mr Christof Hassig	Non Executive/Non Independent	09.12.2015	2	0	0

\*Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies

\*\*Committees considered are Audit Committee & Stakeholders' Relationship Committee.

### Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board.

Pursuant to SEBI Listing Regulations, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The policy on diversity is posted on the Company's website and can be accessed on web link [http://www.acclimited.com/assets/new/new\\_pdf/Policyondiversityoftheboard.pdf](http://www.acclimited.com/assets/new/new_pdf/Policyondiversityoftheboard.pdf)

### Independent Directors

Independent Directors play a significant role in the governance processes of the Board. With different points of views arising from their expertise and experience, they enrich the Board's decision making and also

prevent possible conflicts of interest that may emerge in such decision making.

The appointment of Independent Directors is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The Nomination & Remuneration Committee identifies candidates based on certain laid down criteria and takes into consideration the need for diversity of the Board and accordingly makes recommendations to the Board.

The Company has appointed Independent Directors for a term of five years from their respective dates of appointment as per the requirements of the Act and SEBI Listing Regulations. The appointments of Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta, Mr Ashwin Dani and Mr Farrokh K Kavarana were effective from July 24, 2014 while those of Mr Arunkumar Gandhi and Ms Falguni Nayar were effective from April 24, 2014.

The Company's Succession Policy as applicable to the Directors provides that a person shall not be eligible for appointment as a Director upon reaching the age of seventy five years.

In consequence thereof, Mr Ashwin Dani, Mr Farrokh K Kavarana and Mr Arunkumar Gandhi, all of whom have completed/will complete the age of seventy five years during their present tenure of appointment, have expressed their inability to continue as Directors from the conclusion of the ensuing Annual General Meeting. In view of the above, the Board has, based on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on February 5, 2019, recommended for approval by the shareholders at the ensuing Annual General Meeting, the appointment of the following persons as Independent Directors from the conclusion of this Annual General Meeting for a consecutive period of five years:

- Mr Damodarannair Sundaram
- Mr Vinayak Chatterjee
- Mr Sunil Mehta

The detailed profile of the persons proposed to be appointed has been provided as part of the Explanatory Statement accompanying the Notice for the Annual General Meeting.

In addition, as Mr Shailesh Haribhakti, Mr Sushil Kumar Roongta and Ms Falguni Nayar, will be completing their first term of appointment of five years during the course of the current year, it is proposed to re-appoint them at this Annual General Meeting for another term of five consecutive years subject to approval of the Members by Special Resolution.

None of the existing or proposed Independent Directors serve as "Independent Directors" in more than seven listed companies in line with the requirements of the SEBI Listing Regulations. The said Independent Directors have also confirmed that they meet the criteria of independence as laid down under the Act and the SEBI Listing Regulations as amended.

#### **Confirmation as regards independence of Independent Directors**

In the opinion of the Board, both the existing Independent Directors and those who are proposed to be appointed at the Annual General Meeting, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

#### **Meeting of Independent Directors**

During the year under review, the Independent Directors met twice on April 18, 2018 and December 12, 2018, *inter alia* to:

- Review and recommend the renewal of Technology & Knowhow Agreement with Holcim Technology Ltd. for a further period of three years effective from January 1, 2018.
- Review of the performance of Non Independent Directors and the Board of Directors as a whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Assessment of the quality, content and timelines for the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties;
- Evaluation of the performance of the Corporate Secretarial function; and
- Other related matters.

The Independent Directors have expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express its views on matters transacted at the Meetings and the openness and transparency with which the Management discusses various subject matters specified on the agenda of meetings. The consolidated Evaluation Report of the Board was discussed at the Meeting of the Board held on December 12, 2018 and the action areas identified in the process are being implemented to ensure a better interface at the Board/Management level.

#### **Induction Programme for new Directors and Ongoing Familiarization Programme for existing Independent and Non Independent Directors**

A formal induction programme for new Directors and an ongoing familiarization process with respect to the business/working of the Company for all Directors is a major contributor to familiarize the directors with the dynamics of the cement industry to facilitate engaging them in meaningful deliberations and in taking informed decisions.

While inducting a Director on the Board, a formal letter of appointment is issued to such Director which, *inter alia*, explains the role, function, duties and responsibilities of the Director and the Board's expectations from him/her. The compliances required from a Director - under the Act, SEBI Listing Regulations and other relevant

regulations are also explained in detail to the Directors and necessary affirmations obtained from them in respect thereto.

By way of an introduction to the Company, the Director is presented with a book on the rich legacy of the Company which traces its history of over 82 years of its existence, past Annual Reports, Sustainable Development Report, brochure on the CSR activities pursued by the Company, copies of "The Indian Concrete Journal" which is a well accepted journal on civil engineering and construction, published by the Company which, *inter alia*, discusses topics on various types of cement and their applications and "ACC Parivar" the Company's house magazine.

A presentation is also shared with the newly appointed director which provides an overarching perspective of the cement industry, organizational set up of the Company and governance model, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, brand equity, internal control processes and other relevant information pertaining to the Company's business.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role. In addition to the above, Board Members are regularly informed through mailers about developments in the cement industry, regulatory developments and changes which impact the Company.

Directors are also encouraged to visit the Company's plants to have a better insight of the manufacturing processes, facilities and the social environment in which the Company functions. Further, as an ongoing process, the Board is updated on a regular basis through presentations and discussions on the overall economic trends, the legal and regulatory framework and amendments thereto, the performance of the Company and that of the cement industry, analysis of the circumstances which have helped or adversely impacted the Company's performance with its peers in the industry as available in the public domain and the initiatives taken/proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks, mitigation plan etc.

With a view to familiarize the Directors with the best practices in the cement industry, the Company had, in June 2018, arranged a visit for the Directors

to LafargeHolcim's state-of-the-art Research and Development Center in Lyon, France, one of their cement/RMX Plants and construction sites in the area. LafargeHolcim, the ultimate Holding Company of ACC is by a distance, the leading international player in the business of cement, aggregates and construction materials and the visit of our Directors to their R&D Centre was very informative and insightful particularly with respect to the initiatives taken by LafargeHolcim for substituting, wherever possible in production, natural raw materials with alternative materials to conserve non-renewable natural resources and also for reduction of CO<sub>2</sub> emissions. The Directors also had interactions with the Directors of the Ultimate Holding Company to understand the Group's vision and the 2030 Sustainability Plan with a view to align local operations in India to the Group's vision.

Based on suggestions received from some Independent Directors during the previous year's evaluation process, a new initiative has been rolled out through the initiative of the Chairman to organize a Directors' Conclave wherein eminent personalities from various disciplines shall be invited to share their experiences and insights with the Board as well as the members of the Senior Management to widen their horizon on different issues. To begin, the first conclave was flagged off in November 2018 through an interactive session with Mr Nandan Nilekani, Chairman, Infosys Limited who addressed the gathering and provided his incisive insight on the impact of emerging digital technologies on businesses.

Details of the programme for familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link <http://www.acclimited.com/sh/FPID.pdf>

### **Performance Evaluation of the Board and Individual Directors**

Pursuant to the provisions of the Act, and the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, as well as the working of its Audit, Nomination and Remuneration, Compliance and Risk Management Committees. A structured questionnaire was prepared after taking into consideration, inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual directors. The Chairman of the Board of Directors interacted with all the Directors individually to get an overview of the functioning of the Board/Committees, *inter alia*, on the following broad criteria i.e. attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

Based on the inputs received from the Directors, an action plan has been drawn up in consultation with the Directors to encourage greater engagement of the Independent Directors with the Company.

### Remuneration of Directors

The policy for payment of remuneration to Directors, Key Managerial Personnel and Members of the Management Executive Committee is set out in the website of the Company at [http://www.acclimited.com/assets/new/pdf/CG/Policy\\_remuneration\\_selection\\_for\\_appointment.pdf](http://www.acclimited.com/assets/new/pdf/CG/Policy_remuneration_selection_for_appointment.pdf)

### Terms of remuneration of Mr Neeraj Akhoury, Managing Director & Chief Executive Officer (MD&CEO)

The terms and conditions of appointment and remuneration of Mr Neeraj Akhoury, MD&CEO, were approved by the Members of the Company at the Annual General Meeting held on March 29, 2017 and can be accessed through web link <http://www.acclimited.com/sh/NT.pdf>

### Remuneration of the Directors and the Key Managerial Personnel

Remuneration of the Directors during the year is set out below. The remuneration paid to the Directors is in accordance with the provisions of the Act and has been duly approved by the shareholders of the Company. None of the Directors of the Company have any pecuniary relationship with the Company.

₹ Lakhs

Name of the Director	Salary	Commission	Sitting Fees	Total
Mr N S Sekhsaria, Chairman	-	50.00	4.10	54.10
Mr Jan Jenisch, Deputy Chairman	-	20.00	1.00	21.00
Mr Neeraj Akhoury, MD&CEO	^713.10	-	-	713.10
*Mr Martin Kriegner	-	-	4.30	4.30
Mr Shailesh Haribhakti	-	36.00	6.70	42.70
Mr Sushil Kumar Roongta	-	36.00	8.90	44.90
Mr Ashwin Dani	-	36.00	6.10	42.10
Mr Farrokh K Kavarana	-	36.00	6.90	42.90
Mr Vijay Kumar Sharma	-	20.00	0.50	20.50
Mr Arunkumar Gandhi	-	45.00	8.30	53.30
Ms Falguni Nayar	-	20.00	3.10	23.10
Mr Christof Hassig	-	20.00	3.00	23.00

\*Mr Martin Kriegner has waived his right to receive Directors' commission from the year 2018 and sitting fees with effect from the meeting held on 17.10.2018

^The remuneration of MD&CEO includes the Performance Linked Incentive of ₹243.63 lakhs for the year 2017

The remuneration drawn by the Key Managerial Personnel during the year, other than the MD&CEO whose remuneration has been stated above, is as under:

₹ Lakhs

Name of Key Managerial Personnel	Salary	Commission	Sitting Fees	Total
Mr Sunil Nayak, Chief Financial Officer	336.15	-	-	336.15
Mr Ramaswami Kalidas, Company Secretary & Head Compliance	103.31	-	-	103.31

## MEETINGS

### Board Meetings held during the Year

Dates on which the Board Meetings were held	Total Strength of the Board	No of Directors Present
February 8, 2018	12	09
February 26, 2018	12	10
April 18, 2018	12	10
July 23, 2018	12	11
October 17, 2018	12	11
December 12, 2018	12	07

The gap between any two Board Meetings did not exceed one hundred and twenty days in line with the requirements of the Act and the SEBI Listing Regulations.

### 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 13.06.2018
	08.02.2018	26.02.2018	18.04.2018	23.07.2018	17.10.2018	12.12.2018	
Mr N S Sekhsaria	✓	✓	✓	✓	✓	✓	Leave of Absence
Mr Jan Jenisch	Leave of Absence	Leave of Absence	Leave of Absence	✓	✓	Leave of Absence	Leave of Absence
Mr Neeraj Akhoury	✓	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	✓	✓	✓	✓	✓	✓	✓
Mr Shailesh Haribhakti	Leave of Absence	✓	✓	✓	✓	✓	Leave of Absence
Mr Sushil Kumar Roongta	✓	✓	✓	✓	✓	✓	✓
Mr Ashwin Dani	✓	✓	✓	✓	✓	Leave of Absence	✓
Mr Farrokh Kavarana	✓	✓	✓	✓	✓	Leave of Absence	✓
Mr Vijay Kumar Sharma	Leave of Absence	Leave of Absence	Leave of Absence	Leave of Absence	✓	Leave of Absence	Leave of Absence
Mr Arunkumar Gandhi	✓	✓	✓	✓	✓	✓	✓
Ms Falguni Nayar	✓	✓	✓	✓	Leave of Absence	Leave of Absence	✓
Mr Christof Hassig	✓	✓	✓	✓	✓	✓	Leave of Absence

The Act facilitates the participation of a Director in Board/ Committee Meetings through video conference or other audio visual modes. Accordingly, the option to participate at the Meetings through video conference was made available for the Directors except in respect of such items which are not permitted to be transacted under the statute through the use of such facility.

### **Duties and Functions of the Board**

The Board of Directors' primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business and thereby create value for its stakeholders. To this end, the Board of Directors sets out the corporate culture, lays down high ethical standards of corporate behavior and ensures transparency in its dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, which is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensures that robust policies and procedures are in place. The Board, through its various Committees, reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board reviews and approves quarterly/half yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Health & Safety (H&S) performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. The Agenda for the Board Meetings covers items set out as guidelines in SEBI Listing Regulations 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. The Agenda is sent out to the Directors within the period stipulated in the Secretarial Standards. The Board processes are also in consonance with the requirements of the Secretarial Standard-1 relating to Meetings of the Board and its Committees.

### **COMMITTEES OF THE BOARD**

The Company has over the years maintained the highest standards of Corporate Governance processes, and has had the foresight to set up corporate governance practices much before their implementation was mandated through the introduction of regulatory requirements. For instance, the Board of Directors had constituted the Audit Committee in 1986. A Share Committee was constituted in 1962 to look into various matters relating to the shares of the Company and investor relations, which has transformed into the 'Stakeholders' Relationship Committee'. Likewise, a Compensation Committee was constituted in 1992. This Committee has subsequently been re-constituted as the 'Nomination & Remuneration Committee' with wider terms of reference as per statutory requirements.

The constitution, terms of reference and the functioning of the existing Committees of the Board is explained hereunder. Each of these Committees demonstrates the highest levels of integrity and has the requisite expertise to handle issues relevant to their field. These Committees spend considerable time and give focused attention to the various issues placed before it and the guidance provided by these Committees lend immense value, support and enhances the qualitiveness of the decision making process of the Board. The Board reviews the functioning of these Committees from time to time.

The Meetings of each of these Committees are convened by the respective Chairmen, who also apprise the Board about the summary of discussions held at their Meetings. The Minutes of the Committee Meetings are sent to all Directors individually for their approval/comments as per the prescribed Secretarial Standard-1 and after the Minutes are duly approved, these are circulated to the Board of Directors and tabled at the Board Meetings.

#### **Audit Committee - Mandatory Committee**

The Audit Committee acts as an interface between the statutory and internal auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviews the Company's statutory and internal audit processes. More than two thirds of the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Act and SEBI Listing Regulations. All the Members of the Committee have the ability to read

and understand the financial statements. The Chairman is a Chartered Accountant of immense repute.

The functions of the Committee *inter alia* include:

### Financial Reporting and Related Processes

- Effective oversight of the Company's financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with the Management (i) the quarterly unaudited financial results drawn up both on a standalone and consolidated basis and the Auditors' Limited Review Reports thereon, (ii) audited annual financial statements (standalone and consolidated) and Auditors' Report thereon before submission to the Board for approval. This would, *inter alia*, include reviewing changes in the accounting policies and practices and reasons for such changes, major accounting entries involving estimates based on exercise of judgement by the Management.
- Review the Management Discussion & Analysis of the financial condition and results of the Company's operations.
- Review of management letters /letters of internal control weaknesses, if any, issued by the Statutory Auditors.
- Review of internal audit reports relating to internal control weaknesses, if any
- Discuss with the Statutory Auditors, its judgement about the quality and appropriateness of the Company's accounting principles with reference to relevant Accounting Standards and the relevant Rules under the Act as amended from time to time.
- Scrutiny and review of the investments and inter-convertible loans made by the Company.

### Internal Financial Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's Accounting system and internal financial controls.
- Review and discussion with the Management on the Company's major financial risk exposures and steps taken by the Management to monitor and mitigate such risks.
- To oversee and review the functioning of the vigil mechanism implemented in the Company as EthicalView Reporting Policy (EVR Policy) and

to review the findings of investigations into cases of material nature, if any, and the actions taken in respect thereof.

### Audit

- Review the scope of the Statutory Audit, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review and monitor the auditors' independence and performance and effectiveness of the audit process.
- Review and discuss the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors, considering their independence and effectiveness and their replacement and removal, if necessary.
- Approve such additional services which are to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Act, and payment for such services.
- Recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- Discussions with the Chief Internal Auditor on significant findings and follow-up thereon.
- Reviewing the annual Cost Audit Report submitted by the Cost Auditors.

### Other Functions

- To review the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer after assessing the qualifications and experience of the candidates.
- To grant prior approval to all related party transactions including any subsequent modifications thereto, grant of omnibus approvals for related party transactions which are repetitive in nature, are in the ordinary course of business and on an arms' length pricing basis and to review and approve such transactions subject to the approval of the Board or shareholders, as the case may be.
- The scope and terms of reference of the Committee will be widened further effective from April 1, 2019, in line with the amendments made to the listing regulations which become applicable from the said date.

The composition of the Audit Committee as at December 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Audit Committee Meeting held on					
		07.02.2018	26.02.2018	18.04.2018	23.07.2018	17.10.2018	10.12.2018
Mr Arunkumar Gandhi, Chairman	Non Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Martin Kriegner	Non Executive/ Non Independent	✓	✓	✓	Leave of Absence	✓	Leave of Absence
Mr Sushil Kumar Roongta	Non Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Ashwin Dani	Non Executive/ Independent	✓	✓	✓	✓	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	✓	✓	Leave of Absence	Leave of Absence

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on June 13, 2018.

All the Members on the Audit Committee are financially literate and possess sound knowledge in finance, accounting practices. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all Audit Committee Meetings held during the year at which the financial statements have been placed for review. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee at which the Cost Audit Report is tabled for discussion. The Managing Director & Chief Executive Officer (MD&CEO), the Chief Financial Officer (CFO), the Chief Internal Auditor and the Chief Manufacturing Officer attend the Meetings of the Committee. The Company Secretary is the Secretary to the Committee.

During the year under review, the Audit Committee held a separate one-to-one meeting with the Statutory Auditors and the Chief Internal Auditor to obtain their inputs on significant matters relating to their respective areas of audit without the presence of the MD&CEO, CFO and others representing the Management.

#### Performance Review of the Audit Committee

The performance of the Audit Committee is assessed annually by the Board of Directors through a structured questionnaire which broadly covers composition of the Committee, frequency of meetings; engagement of the Members, the quality of discussion, overview of the financial reporting process; adequacy of internal control systems and overview of internal and external audits. The results of the assessment are presented to the Committee along with the action plan in the areas

requiring improvement, if any, which are suitably addressed.

#### Stakeholders' Relationship Committee - Mandatory Committee

The Stakeholders' Relationship Committee comprises four Members, of which three Members are Independent Directors. The Committee is governed by a Charter.

The terms of reference of the Committee are:

- to approve transfer/transmission of shares/debentures and such other securities, as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/certificates relating to other securities;
- to issue and allot right shares/bonus shares pursuant to a rights issue/bonus issue, subject to such approvals as may be required;
- to oversee the implementation of ESOS scheme, if any, implemented by the Company;
- to issue and allot debentures, bonds, and other securities as approved by the Board of Directors and subject to such other approvals of the Regulators as may be required;

- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary & Head Compliance/other officers of the Share Department to attend to matters relating to:
  - transfer/transmission of shares, issue of duplicate share certificates for shares reported lost, defaced or destroyed, to issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
  - non receipt of annual reports, notices, non receipt of declared dividend, change of address for correspondence etc. and to monitor action taken;
- to monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors;
- to monitor expeditious redressal of grievances of shareholders/security holders and all other matters incidental or related to issue of shares, debentures and other securities if any of the Company;
- to review reports relating to grievances of investors, shareholding pattern and other reports which are to be submitted to the Stock Exchanges periodically in line with the requirements of the SEBI Listing Regulations;
- to review overall functioning of the Share Department;
- in line with the changes brought about to the SEBI Listing Regulations which are applicable from April 1, 2019, the scope of the Committee shall be widened to cover the following new areas:
  - review of measures taken for effective exercise of voting rights by shareholders;
  - review of adherence to the service standards adopted by the Company in respect of various services rendered by the in-house Share Department, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
  - any other matters as may be assigned to the Committee by the Board of Directors from time to time.

The composition of the Stakeholders' Relationship Committee as at December 31, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Stakeholders' Relationship Committee			
		07.02.2018	17.04.2018	19.07.2018	17.10.2018
Mr Farrokh Kavarana, Chairman	Non Executive/Independent	✓	✓	✓	Leave of Absence
Mr Shailesh Haribhakti	Non Executive/Independent	✓	✓	✓	✓
Mr Arunkumar Gandhi	Non Executive/Independent	✓	✓	✓	✓
Mr Neeraj Akhoury	Executive	✓	✓	✓	✓

The Chairman of the Committee was present at the last Annual General Meeting of the Company held on June 13, 2018

Mr Ramaswami Kalidas, Company Secretary & Head Compliance, functions as the Compliance Officer.

During the year, 44 letters were received from shareholders, following up on their pending matters/queries relating to transfers/transmission of shares,

issue of duplicate share certificates and related matters. These letters were attended within a period of 30 days from the date of receipt, by the Company and as of December 31, 2018, all matters/queries were resolved.

All share transfer documents which were lodged with the Company duly complete in all respects were processed within the statutory period except for 19 share transfers which were received by the Company on December 31, 2018. These transfers have been subsequently processed within the statutory period.

### **Nomination and Remuneration (N&R) Committee - Mandatory Committee**

The Nomination and Remuneration Committee is governed by a Charter. The Chairman of the Committee is an Independent Director and more than half the Members on the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Meetings of the Committee.

The terms of reference of the Committee *inter alia*, include the following:

- Succession planning of the Board of Directors and Senior Management Personnel;
- Identifying and selecting candidates who are qualified for appointment as Directors/ Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to recommend to the Board of Directors their appointment and removal;
- Review the performance of the Board of Directors, and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors, Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company;
- To recommend to the Board of Directors the extension or continuance in office of the Independent Directors on the basis of the report of their performance evaluation.
- In line with the amendments made to the Listing Regulations, effective from April 1, 2019, the functions of the Committee shall be extended to recommend to the Board, all remuneration, in whatever form, which is payable to Senior Management.

The composition of the Nomination and Remuneration Committee as at December 31, 2018 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the N&R Committee Meetings held on	
		10.04.2018	12.12.2018
Mr Ashwin Dani, Chairman	Non Executive/ Independent	✓	Leave of Absence
Mr N S Sekhsaria	Non Executive/Non Independent	✓	✓
Mr Martin Kriegner	Non Executive/ Non Independent	✓	✓
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	Leave of Absence

The Chairman of the Committee was present at the Annual General Meeting of the Company held on June 13, 2018

### **Corporate Social Responsibility (CSR) Committee - Mandatory Committee**

The Company has always been conscious of its obligations vis-a-vis the communities it impacts and has been pursuing various CSR activities long before these were mandated by law. As required under the Act, a Committee of the Board was constituted in 2013 to oversee and give direction to the Company's CSR activities.

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly includes:

- To review CSR projects with a view to ensure that they are in line with the CSR objectives and Policy of the Company and are aligned with Schedule VII of the Act;
- To have oversight for ensuring that CSR projects are designed, implemented and periodically

monitored based on “need assessment” of the communities;

- To review the annual CSR budget and recommend the same to the Board of Directors for approval;
- To approve the amount of expenditure to be

incurred on the various CSR initiatives;

- Providing guidance in the manner in which the CSR projects undertaken by the Company could make an impactful intervention across the communities in which the Company operates.

The composition of the CSR Committee as at December 31, 2018 and the details of Members’ participation at the Meetings of the Committee is as under:

Name of the Member	Category	Attendance at Corporate Social Responsibility Committee Meetings held on		
		17.04.2018	19.07.2018	03.12.2018
Mr Shailesh Haribhakti, Chairman	Non Executive/ Independent	✓	✓	✓
Ms Falguni Nayar	Non Executive/ Independent	✓	✓	✓
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	Leave of Absence
Mr Neeraj Akhoury	Executive	✓	✓	✓

The Company’s CSR Policy is comprehensive and is in alignment with the requirements of the Act and the United Nations Sustainable Development Goals. The CSR Policy can be accessed at the Company’s website at [http://www.acclimited.com/assets/new/new\\_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf](http://www.acclimited.com/assets/new/new_pdf/ACC-CSR-Policy-sd-by-MD-CEO-Neeraj-Akhoury.pdf) and the CSR Report forms part of the Board’s Report.

#### **Risk Management Committee - Mandatory Committee as per Listing Regulations**

Business Risk Evaluation and Management is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimize risks as also to identify business opportunities.

The Risk Management Committee was constituted by the Board of Directors in 2014. The Committee is

governed by a charter and its objectives and scope broadly comprise of:

- Reviewing the Business Risk Management (BRM) Policy and framework in line with local legal requirements and SEBI Listing Regulations;
- Review risks trends, exposure, their potential impact analysis, and mitigation plans;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Reviewing risks including cyber security and evaluating the treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Reviewing the robustness of the risk management processes followed by the Management;

The composition of the Committee as at December 31, 2018 and the details of Members’ participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee Meetings held on	
		16.10.2018	03.12.2018
Mr Shailesh Haribhakti, Chairman	Non Executive/ Independent	✓	✓
Ms Falguni Nayar	Non Executive/ Independent	Leave of Absence	✓
Mr S K Roongta	Non Executive/ Independent	✓	✓
Mr Neeraj Akhoury	Executive	✓	✓

#### **Compliance Committee - Non Mandatory Committee**

Recognizing the importance of the Company being compliant with various laws and regulations which impact its business, the Board of Directors constituted the Compliance Committee in 2008. The Compliance Committee plays an important role in building a regime of “zero tolerance” to any form of non-compliance, which is a pre-requisite for a robust governance mechanism.

The terms of reference of the Committee broadly comprises of:

- 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 interests of 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 compliance with all applicable statutes, rules and regulations based on reports received from the MD&CEO, Executive Committee Members and the Company Secretary & Head Compliance and to recommend corrective actions, if any, where required;
- reviewing significant legal cases filed by and against the Company to determine, *inter alia*, the probability of liabilities arising therefrom which are of a contingent nature.

The composition of the Compliance Committee as at December 31, 2018 and the details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Compliance Committee Meetings held on			
		07.02.2018	17.04.2018	19.07.2018	16.10.2018
Mr Farrokh Kavarana	Non Executive/ Independent	✓	✓	✓	Leave of Absence
Mr Shailesh Haribhakti	Non Executive/ Independent	✓	✓	✓	✓
Mr S K Roongta	Non Executive/ Independent	✓	✓	✓	✓
Mr Neeraj Akhoury	Executive	✓	✓	✓	✓

## SUBSIDIARY COMPANIES

The Company does not have any “material subsidiary” as defined in the SEBI Listing Regulations.

Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company as per Regulation 24 of the SEBI Listing Regulation does not apply.

The Company’s policy on “material subsidiary” is placed on the company’s website and can be accessed through weblink <http://www.acclimited.com/sh/DMS.pdf>

The Audited Annual Financial Statements and the Unaudited Quarterly Financial Statements along with the Auditors Limited Review thereon of Subsidiary Companies are tabled at the Meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation with the Parent Company.

Copies of the approved Minutes of Nomination & Remuneration Committee and Audit Committee as applicable to the Subsidiary Company and the approved Minutes of the Board Meetings of all Subsidiary Companies are provided to the ACC Directors and tabled at the Board Meeting of the Parent Company.

## DISCLOSURES

### INDIAN ACCOUNTING STANDARDS (IND AS)

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements.

### RELATED PARTY TRANSACTIONS

All Transactions entered into by the Company during the year with related parties were in the ordinary course of business and on an arm’s length pricing basis. These transactions are also subject to scrutiny by an external Independent Agency. The policy on related party transactions has been placed on the Company’s website and can be accessed at <http://www.acclimited.com/sh/RPT.pdf> In line with the amended SEBI Listing Regulations, this Policy will be amended suitably effective from April 1, 2019.

### LEGAL COMPLIANCE MANAGEMENT TOOL

The Company has in place an on-line legal compliance management tool, which is devised to ensure compliance with all applicable laws which impact the Company’s business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company.

### **CONFIRMATION BY THE BOARD OF DIRECTORS' ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES**

In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

### **STRICTURES AND PENALTIES**

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.

### **CODE OF BUSINESS CONDUCT**

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and to all employees. The Company follows a policy of "Zero Tolerance" to bribery and corruption in any form and the Board has laid down the "Anti -Bribery & Corruption Directive" which forms an Appendix to the above Code. The Code has been posted on the Company's website [www.acclimited.com](http://www.acclimited.com)

The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management Personnel have confirmed compliance with the Code. All Management Staff were required to complete an e-learning module on the above subject, in addition to the face-to-face training conducted by the Compliance team of the Company from time to time.

### **FAIR COMPETITION DIRECTIVE PROGRAMME**

Fair Competition Directive programme which was earlier known as Value Creation in Competitive Environment (VCCE) was introduced in the Company as early as 2008 and the Company has been carrying out extensive training sessions for creating awareness among relevant employees on fair competitive practices.

Under the fair competition programmes, training sessions are conducted on an annual basis for the concerned employees of the Company, particularly those in sales and purchase functions, on various aspects of competition law and on behavioral aspects for ensuring fair competition in the market place. E-Learning training is imparted to all such employees in

addition to face-to-face training and includes a specific module on "Do's and Don't's" in a tender bidding process.

In addition to the above, the processes of the Company are subject to periodic reviews and where required, are being further strengthened.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has an "EthicalView Reporting" (EVR) Policy to deal with instances of fraud and mismanagement, if any. The EVR Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also ensures that no discrimination is meted out to any person for a genuinely raised concern. Pursuant thereto, a dedicated helpline "ACC Ethics Helpline" has been set-up which is managed by an independent professional organization. The Ethics Helpline can be contacted to report on any suspected or confirmed incident of fraud/misconduct on:

- E-Mail: [acc@ethicalview.com](mailto:acc@ethicalview.com)
- Online reporting on <https://integrity.lafargeholcim.com>
- National Toll Free Number: 18002092008
- Fax Number: +91(22) 66459575
- Address: PO Box 137, Pune 411 001

A Committee consisting of Senior Employees has been constituted which looks into the complaints raised and recommends appropriate action where necessary. The Committee reports to the Audit Committee which in turn apprises the Board on such matters as may be necessary.

### **PREVENTION OF INSIDER TRADING**

Pursuant to SEBI Listing Regulations, the Company has formulated the "Code of Internal Procedures and Conduct for Regulating, Monitoring And Reporting of Trading by Insiders" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (ACC Code) which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed.

The Company Secretary & Head Compliance is responsible for implementation of the ACC Code.

The Board of Directors, designated employees and connected persons have affirmed compliance with the ACC Code.

In line with the amendments introduced recently by SEBI, the above Code will be amended suitably to align it with the amendments which are effective from April 1, 2019.

### **MEANS OF COMMUNICATION**

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications viz. through dissemination of information on the on-line portal of the Stock Exchanges, Press Releases, the Annual Reports and placing relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year, as required under SEBI Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meetings at which these are considered and approved. The results are published in leading English daily newspapers and the Marathi translation of the same is published in leading Marathi daily newspapers.

The audited financial statements form a part of the Annual Report which is sent to the Members within the statutory period and in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half yearly and the annual audited financial statements and the press releases of the Company are also placed on the Company's website: [www.acclimited.com](http://www.acclimited.com) and can be downloaded.

The presentations on the performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company discloses to the Stock Exchanges, information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Listing Regulations including material information which have a bearing on the performance/operations of the Company or which is price sensitive in nature. All information is filed electronically on BSE's on-line Portal – BSE Listing Centre (Listing Center) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges. An internal Management Committee comprising the MD&CEO, the

Chief Financial Officer and the Company Secretary & Head Compliance has been constituted and empowered to decide on the materiality of information for the purpose of making disclosure to the Stock Exchanges. The policy on the above is being modified in line with the amendments made to the SEBI Listing Regulations which are effective from April 1, 2019.

Disclosures made to the Stock Exchanges are also made available on the Company's website under the heading 'Announcements' and can be accessed through weblink <http://www.acclimited.com/an>

Facility has been provided by SEBI for investors to place their complaints/grievances on a centralized web-based complaints redress system viz. SEBI Complaints Redress System (SCORES). The salient features of this system are: centralized database of all complaints, on-line upload of Action Taken Reports (ATRs) by the concerned companies and on-line viewing by investors of actions taken on the complaints and their current status.

A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education & Protection Fund Authority – Ministry of Corporate Affairs.

Quarterly compliance reports and other relevant information of interest to the investors are also placed under the Corporate Governance Section on the Company's website.

The Company also uploads on the BSE Listing Centre and on NSE's NEAPS portal, details of analysts and institutional investor meetings which are either held by the Company or in which the Company participates.

Reminders to shareholders are sent for enabling them to claim returned undelivered share certificates, unclaimed dividend etc.

### **COMPLIANCE WITH NON-MANDATORY PROVISIONS**

The status with regard to compliance by the Company with discretionary requirements as listed out in Part E of Schedule II of SEBI Listing Regulations is as under:

- The position of the Chairman of the Board of Directors and that of the Managing Director & Chief Executive Officer are separate.
- Chairman's office is separate from that of the Managing Director & Chief Executive Officer.
- The audit report on the Company's Financial Statements for the year ended December 31, 2018 is unmodified.
- The Chief Internal Auditor reports directly to the Audit Committee.

- The Company follows a robust process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication".

## GENERAL INFORMATION TO SHAREHOLDERS

### Annual General Meeting

**Date** : Friday, March 22, 2019  
**Time** : 3.00 P.M.  
**Venue** : Pama Thadani Auditorium,  
 Jai Hind College, "A" Road,  
 Churchgate, Mumbai 400 020

**Financial Year** : January - December, 2018

**Dividend Payment Date** : March 28, 2019, if declared

### 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/dematerialization of shares/payment of dividends/sub-division/consolidation/ renewal of share certificates and resolutions of investor grievances.

The Company is registered with SEBI as a Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent and the Registration Code is INR000004124.

### Address for Correspondence with the Company

ACC Limited  
 Share Department  
 "Cement House"  
 121, Maharshi Karve Road, Mumbai 400020  
 Telephone No.: (022) 33024469  
 Communication by E-mail: [sujata.chitre@acclimited.com](mailto:sujata.chitre@acclimited.com)

### Communication by Members

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account/s for queries relating to shareholding, updation of change of address, updation of bank details for electronic credit of dividend. 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 addressed to the Company.

Members who hold shares in physical form should address their requests to the Company 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 and such requests should be signed by the first named Member, as per the specimen signature registered 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 proof of identity and/or address as considered appropriate in addition to the requirement of certified copies of PAN cards.

Members are requested to state their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their E-mail addresses and telephone 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 during the office hours except Saturdays, Sundays and all public holidays of the Company from 9.15 a.m. till 5.00 p.m.

### Plant Locations

The locations 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

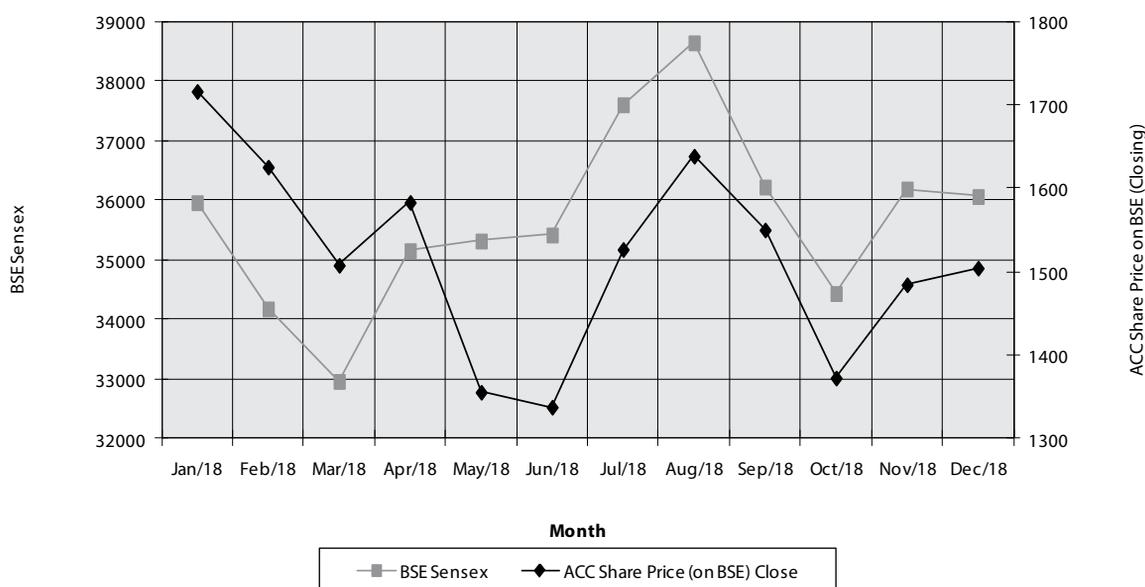
The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been duly paid to the Exchanges:

Name and 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	
The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051	ACC	INE012A01025

### ACC Share Price on BSE vis-à-vis BSE Sensex January-December 2018

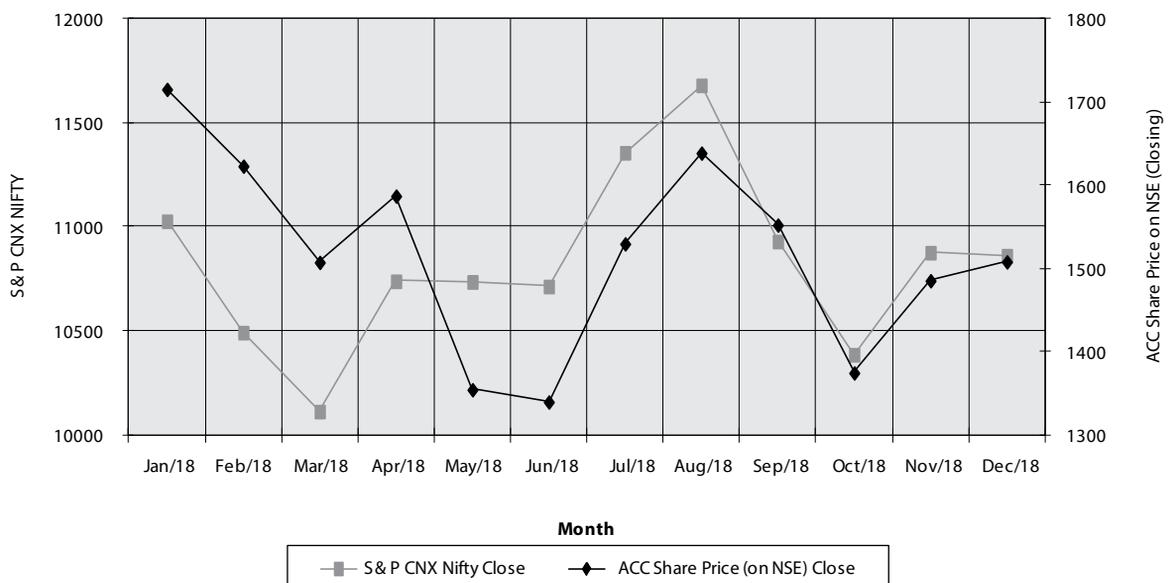
Month	BSE Sensex Close	ACC Share Price			No. of shares traded during the month	Turnover (₹) crores
		High ₹	Low ₹	Close ₹		
January 2018	35965.02	1856.00	1702.00	1716.40	1000377	181.05
February 2018	34184.04	1745.15	1562.65	1625.80	327759	53.95
March 2018	32968.68	1641.00	1503.30	1508.20	244297	38.15
April 2018	35160.36	1621.50	1500.00	1583.50	289216	45.19
May 2018	35322.38	1594.50	1291.95	1356.20	485282	66.94
June 2018	35423.48	1400.00	1261.00	1338.30	559565	73.83
July 2018	37606.58	1551.25	1255.00	1527.15	1507091	216.84
August 2018	38645.07	1670.00	1500.50	1638.90	587624	93.09
September 2018	36227.14	1676.00	1441.85	1550.50	572239	89.79
October 2018	34442.05	1588.05	1322.20	1373.20	1958640	270.32
November 2018	36194.30	1528.70	1378.05	1484.90	495391	72.39
December 2018	36068.33	1572.95	1369.70	1504.80	594695	89.00

### ACC Share Price on BSE & BSE Sensex



**ACC Share Price on NSE vis-à-vis S&P CNX Nifty January - December 2018**

Month	S&P CNX Nifty (Close)	ACC Share Price			No. of shares traded during the month	Turnover ₹ Crore
		High ₹	Low ₹	Close ₹		
January 2018	11027.70	1857.45	1700.05	1715.25	6313022	1130.00
February 2018	10492.85	1744.85	1565.00	1623.05	7458451	1226.85
March 2018	10113.70	1642.90	1498.95	1507.50	5458094	849.42
April 2018	10739.35	1629.00	1509.40	1587.15	5997525	937.40
May 2018	10736.15	1595.30	1290.00	1354.60	13366347	1838.01
June 2018	10714.30	1371.00	1260.15	1339.90	11839573	1557.94
July 2018	11356.50	1552.00	1255.65	1529.75	21501084	3067.29
August 2018	11680.50	1669.55	1499.05	1638.75	13294208	2114.12
September 2018	10930.45	1678.90	1433.05	1552.35	11820084	1858.07
October 2018	10386.60	1588.20	1322.55	1374.80	19262126	2761.73
November 2018	10876.75	1528.00	1378.10	1485.50	11681615	1711.02
December 2018	10862.55	1573.00	1385.00	1508.10	11323549	1690.30

**ACC Share Price on NSE & S&P CNX NIFTY**

## SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

### i. Share Transfers

Share Transfer Forms (SH-4) for shares held in physical mode which are received by the Company, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of fifteen days from the date of receipt of transfer. Share transfer forms which are incomplete or cases where the Company has noticed irregularities in the document are immediately returned to the transferees by registered post.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 amended Regulation 40 of SEBI Listing Regulations pursuant to which after December 5, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline has been extended by SEBI to April 1, 2019.

Pursuant thereto, the Company has sent letters to those shareholders holding shares in physical form advising them to dematerialize their holding.

**Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.**

### ii. Nomination facility for shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), 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 transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Members attention is invited to SEBI's circular no SEBI/HO/MIRSD/0081/CIR/P/2018/73 dated April 20, 2018 pursuant to which the Company has written to shareholders holding shares in physical form requesting them to furnish details regarding their PAN as also their bank details for payment of dividend through electronic mode. Those shareholders who are yet to respond to the Company's request in this regard are once again requested to take action in the matter at the earliest.

### iv. Subdivision of shares

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

### v. Dividend

#### a. Payment of dividend through Automated Clearing House (ACH)

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail this facility to ensure safe and speedy credit of their dividend into their bank account through the Banks' "Automated Clearing House" mode. Members who hold shares in demat mode should inform their Depository Participant, whereas Members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

#### b. Unclaimed Dividends

The Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date, the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by

the Government. Accordingly, during the financial year 2019, unclaimed dividends pertaining to the following periods will be transferred to IEPF:

- 74<sup>th</sup> Final Dividend for the year ended December 31, 2011.
- 75<sup>th</sup> Interim Dividend for the year ended December 31, 2012.

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer so as to enable them to claim the dividends before the due

date for such transfer. The information on unclaimed dividend is also posted on the website of the Company [www.acclimited.com](http://www.acclimited.com).

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the bankers to the dividend accounts opened by the Company for the earlier years have credited back the amount of dividend lying unpaid beyond the validity period into the relevant bank accounts. The Company is in the process of reconciling the above accounts for necessary action.

The dates by which the dividend amounts will be transferred to IEPF are as under:

Financial Year	Date of Declaration	Rate of Dividend per share (₹)	Due date for transfer to IEPF
31.12.2011 (74 <sup>th</sup> Final)	28.03.2012	17.00	01.06.2019
31.12.2012 (75 <sup>th</sup> Interim)	26.07.2012	11.00	29.09.2019
31.12.2012 (75 <sup>th</sup> Final)	05.04.2013	19.00	09.06.2020
31.12.2013 (76 <sup>th</sup> Interim)	25.07.2013	11.00	28.09.2020
31.12.2013 (76 <sup>th</sup> Final)	09.04.2014	19.00	13.06.2021
31.12.2014 (77 <sup>th</sup> Interim)	24.07.2014	15.00	27.09.2021
31.12.2014 (77 <sup>th</sup> Final)	20.03.2015	19.00	24.05.2022
31.12.2015 (78 <sup>th</sup> Interim)	17.07.2015	11.00	20.09.2022
31.12.2015 (78 <sup>th</sup> Final)	13.04.2016	6.00	17.06.2023
31.12.2016 (79 <sup>th</sup> Interim)	26.07.2016	11.00	29.09.2023
31.12.2016 (79 <sup>th</sup> Final)	29.03.2017	6.00	02.06.2024
31.12.2017 (80 <sup>th</sup> Interim)	17.07.2017	11.00	21.09.2024
31.12.2017 (80 <sup>th</sup> Final)	13.06.2018	15.00	18.08.2025

**c. Transfer of the 'Shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more)**

In terms of Section 124(6) of the Act read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

**Guidelines for Investors to file claim in respect of the Unclaimed Dividend or Shares transferred to the IEPF**

With effect from September 7, 2016, Investors/Depositors whose unpaid dividends, matured deposits or debentures etc. have been transferred to IEPF under Companies Act, 1956 and/or the Act, can claim the amounts. In addition, claims can also be made in respect of shares which have been transferred into the IEPF, as per the procedures/guidelines stated below:

- Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for the refund of dividend/shares. Read the instructions provided on the website/instruction kit alongwith the e-form carefully before filling the form.

- ii. After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- iii. Take a print out of the duly filled Form No.IEPF-5 and the acknowledgement issued after uploading the form.
- iv. Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form along with other documents as mentioned in the Form No.IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority" / "Claim for shares from IEPF" as the case may be. Kindly note that submission of documents to the Company is necessary to initiate the refund process.
- v. Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund

will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer and/or the shares shall be credited to the demat account of the claimant, as the case may be.

The Nodal Officer of the Company for IEPF Refunds Process is Mr Naresh Motiani whose e-mail id is [naresh.motiani@acclimited.com](mailto:naresh.motiani@acclimited.com)

**vi. Dealing with securities which have remained unclaimed**

Regulation 39(4) of SEBI Listing Regulations read with Schedule VI "Manner of dealing with Unclaimed Shares", had directed Companies to dematerialize such shares which have been returned as "Undelivered" by the postal authorities and hold these shares in an "Unclaimed Suspense Account" to be opened with either one of the Depositories viz. NSDL or CDSL.

All corporate benefits on such shares viz. bonus, dividends etc. shall be credited to the unclaimed suspense account as applicable for a period of seven years and thereafter be transferred in accordance with the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 (IEPF Rules) read with Section 124(6) of the Act.

The details of operations of the demat "Unclaimed Suspense A/c" of ACC Limited during the year are as under:

Particulars	No. of shareholders	No. of shares
Aggregate no. of shareholders and outstanding shares held in the Unclaimed Suspense Account as on 01.01.2018	1925	195454
Number of shareholders/legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	12	810
Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF authority MCA Demat Suspense Account	1303	78710
Aggregate number of shareholders and outstanding shares in the Unclaimed Suspense Account as on 31.12. 2018	610	*115934

\*Voting rights in respect of the aforesaid 115934 shares held in the Unclaimed Suspense A/c are frozen till the time such shares are claimed by the concerned shareholders and the shares are re-transferred in their names.

As on December 31, 2018, 30 claimants have lodged claims with the Company reclaiming in the aggregate of 5,020 shares which have been transferred in to the Unclaimed Suspense A/c of ACC Limited. The Company is yet to receive necessary documentation from these claimants.

**vii. Pending Investors' Grievances**

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

**viii. Reconciliation of Share Capital Audit**

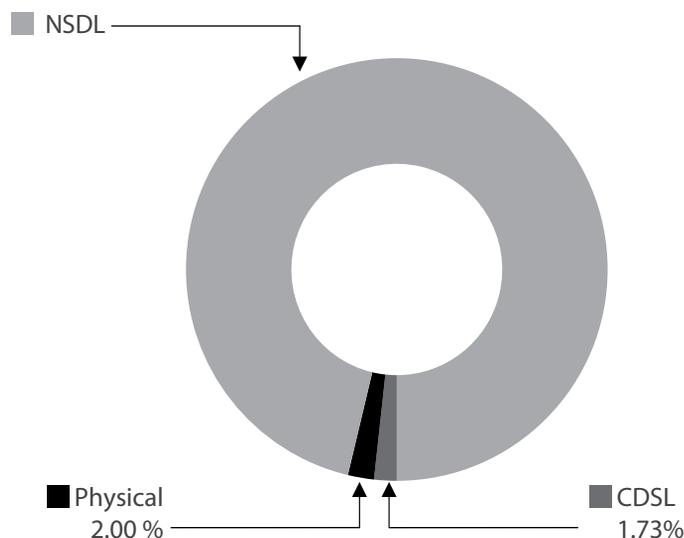
As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by

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 Auditor's Certificate in regard to the same is submitted to BSE Limited and The National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

**Distribution of shareholding as on 31<sup>st</sup> December, 2018**

No. of shares slab	No. 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	61793	62.22	154340	0.08	685820	0.37	242494	0.13	1082654	0.58
51-100	12176	12.26	165322	0.09	659490	0.35	178028	0.09	1002840	0.53
101-200	9004	9.07	263853	0.14	873300	0.47	216565	0.12	1353718	0.72
201-500	8149	8.21	509972	0.27	1796253	0.96	386646	0.21	2692871	1.43
501-1000	3988	4.02	459272	0.24	2032200	1.08	407062	0.22	2898534	1.54
1001-5000	3473	3.50	1034275	0.55	5085947	2.71	931357	0.50	7051579	3.76
5001-10000	359	0.36	336337	0.18	1834433	0.98	331570	0.18	2502340	1.33
>10000	373	0.38	834295	0.44	167819604	89.37	548828	0.29	169202727	90.10
<b>Total</b>	<b>99315</b>	<b>100.00</b>	<b>3757666</b>	<b>2.00</b>	<b>180787047</b>	<b>96.27</b>	<b>3242550</b>	<b>1.73</b>	<b>187787263</b>	<b>100.00</b>

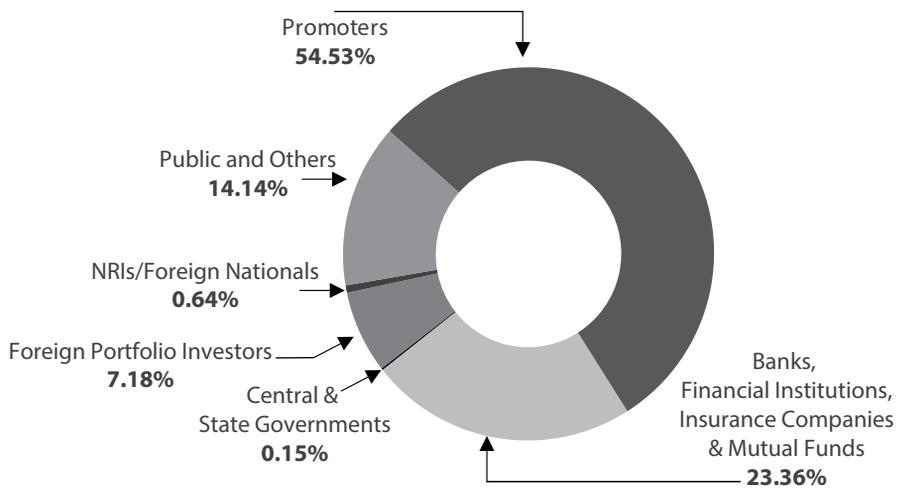
The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialize their shares with either of the depositories.

**DISTRIBUTION OF SHAREHOLDING AS ON DECEMBER 31, 2018**

### Shareholding Pattern as on 31<sup>st</sup> December, 2018

Category	No. of Shares held	%	
<b>Promoter</b>			
i. Ambuja Cements Limited	93984120	50.05	} 54.53
ii. Holderind Investments Ltd.	8411000	4.48	
<b>Banks, Financial Institutions, Insurance Companies &amp; Mutual Funds</b>			
i. Banks	571830	0.30	} 23.36
ii. Financial Institutions	22137431	11.79	
iii. Insurance Companies	4401283	2.34	
iv. Mutual Funds	16762376	8.93	
Central & State Governments	287815		0.15
Foreign Portfolio Investors	13483478		7.18
NRIs / Foreign Nationals	1204802		0.64
Directors	0		0.00
Public and Others	26543128		14.14
<b>TOTAL</b>	<b>187787263</b>		<b>100.00</b>

### SHAREHOLDING PATTERN AS ON DECEMBER 31, 2018



**Statement showing Shareholding of more than 1% of the Capital as on December 31, 2018**

Sr. No.	Names of the shareholders	Number of shares	Percentage of Capital
1	Ambuja Cements Limited (Promoter)	93984120	50.05
	Holderind Investments Ltd (Promoter)	8411000	4.48
2	Life Insurance Corporation of India	19405142	10.33
<b>TOTAL</b>		<b>121800262</b>	<b>64.86</b>

**Global Depository Receipts (GDR) or any Convertible instrument, conversion dates and likely impact on Equity**

NIL

**Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company does not have any exposure to commodity price risk. However, foreign exchange exposure risks have not been hedged by any derivative instrument or otherwise.

**Particulars of past three Annual General Meetings**

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
82 <sup>nd</sup>	Calendar Year 2017	Birla Matushri Sabhagar, 19, Sir Vithaldas	13.06.2018	3.00 p.m.	No Special Resolution was passed
81 <sup>st</sup>	Calendar Year 2016	Thackersey Marg, Mumbai 400 020	29.03.2017	3.00 p.m.	No Special Resolution was passed
80 <sup>th</sup>	Calendar Year 2015		13.04.2016	3.00 p.m.	Special Resolution for adoption of Articles of Association was passed

**Extraordinary General Meeting (EGM)**

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**

Pursuant to Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Notice dated February 26, 2018 was sent to the Members seeking their

approval through Postal Ballot for passing of an Ordinary Resolution for approval for Related Party Transactions with Ambuja Cements Limited. Ambuja Cements Limited and Holderind Investments Limited being "related parties" of the Company under the Companies Act and SEBI Listing Regulations, abstained from voting on the said Resolution as stipulated under Regulation 23(7) of the SEBI Listing Regulations. Mr Pramod S Shah, Managing Partner of M/s Pramod S Shah & Associates, Practicing Company Secretaries (Scrutinizer) conducted the postal ballot process.

Particulars	Number of Ballots	Number of Votes	% of Votes
Total Postal Ballot Forms received	1671	51843405	100
Less: Invalid Forms received	169	30971	0.06
Net valid Postal Ballot Forms received	1502	51812434	99.94
Postal Ballot Forms with assent for the Resolution	1307	48569705	93.69
Postal Ballot Forms with dissent for the Resolution	195	3242729	6.25

The Ordinary Resolution as per Notice dated February 26, 2018 for the approval for Related Party Transactions with Ambuja Cements Limited was accordingly passed with the requisite majority.

## FINANCIAL CALENDAR 2018:

Board Meeting for consideration of Accounts for the financial year ended December 31, 2018 and recommendation of dividend	February 5, 2019
Posting of Annual Reports	On or before February 25, 2019
Book Closure Dates	March 7, 2019 to March 12, 2019 (both days inclusive)
Last date for receipt of Proxy Forms	March 20, 2019 before 3.00 p.m.
Date, Time and Venue of the 83 <sup>rd</sup> Annual General Meeting	March 22, 2019 at 3.00 p.m. Pama Thadani Auditorium, Jai Hind College, "A" Road, Churchgate, Mumbai 400 020
Dividend Payment Date	March 28, 2019
Probable date of despatch of warrants	On or before March 27, 2019
Board Meeting for consideration of unaudited quarterly results for the financial year ended December 31, 2019	Within forty five days from the end of the quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges
Audited results for the current financial year ending December 31, 2019	Within sixty days from the end of the last quarter, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges

For and on behalf of the Board

N S Sekhsaria  
Chairman

Mumbai  
February 5, 2019

## COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended December 31, 2018.

For ACC Limited

Mumbai:  
February 5, 2019

Neeraj Akhoury  
Managing Director & Chief Executive Officer

## MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER (MD&CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Executive Officer and Chief Financial Officer of ACC Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed Financial Statements and the Cash Flow statement for the financial year ended December 31, 2018 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any 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. We further state that 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 Business Conduct.
- c. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.
- d. 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 of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies during the year and that the same has 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 significant role in the Company's internal control system over the financial reporting.

Yours faithfully

Neeraj Akhoury  
Managing Director & Chief Executive Officer

Sunil Nayak  
Chief Financial Officer

Mumbai  
February 5, 2019

# INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of ACC LIMITED**

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 29, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **ACC LIMITED** ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on December 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

## **Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

## **Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended December 31, 2018.
9. We 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 **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**B.P.Shroff**

Partner

(Membership No. 034382)

Place : Mumbai

Date : February 5, 2019