



ACC Limited

**Minutes of the proceedings of the Eighty Second Annual General Meeting
of the Members of ACC Limited held at Birla Matushri Sabhagar,
19 Sir Vithaldas Thackersey Marg, Mumbai 400 020 on
Wednesday, June 13, 2018 at 3.00 p.m.**

The following Directors were present:

Mr Martin Kriegner (Elected as Chairman of the Meeting by the Directors present at the Meeting as per Article 97 of the Articles of Association of the Company in the absence of the Chairman/Deputy Chairman from the Meeting)

Mr Neeraj Akhoury (Managing Director & CEO)

Mr S K Roongta

Mr Arunkumar Gandhi (Chairman, Audit Committee)

Mrs Falguni Nayar

Mr Farrokh Kavarana (Chairman,
Stakeholders' Relationship Committee)

Mr Ashwin Dani (Chairman,
Nomination and Remuneration Committee)

Also Present

Mr Sunil Nayak, Chief Financial Officer

Mr Ramaswami Kalidas, Company Secretary and Head-Compliance

Ms Saira Nainar (Partner, Deloitte Haskins Sells LLP
Statutory Auditors)

Mr Pramod S Shah, (partner of Pramod S Shah & Associates,
Company Secretaries in Practice and Scrutinizer)

Mr Saurabh Shah, Scrutinizer

2. Apart from the above named persons, 101 Members holding aggregatively 10,32,55,263 shares were present in person. The under mentioned Promoter Members were present through their representatives:

Name of the Institution	Name of the Representative	No of shares
Ambuja Cements Limited (Promoter)	Mr. Martin Kriegner	9,39,84,120
Holderind Investments Limited (Promoter)	Mr. Martin Kriegner	84,11,000

No valid Proxies were received by the Company.

3. At the outset, it was noted that Mr N S Sekhsaria, Chairman and Mr Jan Jenisch, Deputy Chairman of the Board of Directors were unable to attend the

Meeting due to unavoidable circumstances/engagements. Accordingly, pursuant to the provisions of Article 97 of the Company's Articles of Association, the Directors present at the Meeting had elected Mr Martin Kriegner as Chairman to preside over the proceedings of the Meeting.

4. It was noted that the following documents were available for inspection by the Members of the Company:

- i. Standalone and Consolidated Audited Financial Statements for the year ended December 31, 2017 and the Auditor's Reports thereon;
- ii. Report of the Board of Directors including the Section on MDA and Corporate Governance including Annexures thereto;
- iii. Secretarial Audit Report for the year ended December 31, 2017;
- iv. Register of Proxies and Representations;
- v. Register of Directors' and Key Managerial Personnel and their shareholdings;
- vi. Register of Contracts in which Directors and Key Managerial Personnel were interested; and
- vii. copies of all documents referred to in the Notice for the Meeting.

5. Mr Ramaswami Kalidas, Company Secretary & Head Compliance at the outset familiarized the Members on the safety arrangements made at the venue of the Meeting.

He then informed the Members that Mr N S Sekhsaria, Mr Jan Jenisch, Mr Christof Hassig, Mr Shailesh Haribhakti and Mr V K Sharma, Directors were unable to attend the Meeting due to unavoidable engagements/circumstances and have requested that their apologies be conveyed to the Members for their inability to be personally present at the Meeting.

Mr Kalidas mentioned that in compliance with the provisions of the Companies Act, 2013 and the relevant Rules framed thereunder, the Company had provided e-voting facility for the Members to vote electronically on the Resolutions set out in the Notice of the Meeting. The e-voting platform which was set up with National Securities Depository Limited (NSDL) was kept open from Saturday, June 9, 2018 to Tuesday, June 12, 2018. The Board had appointed Mr Pramod S Shah, Managing Partner or in his absence Mr Saurabh Shah, Corporate Advisor of M/s Pramod S Shah & Associates, Practicing Company Secretaries as the Scrutinizer to oversee and conduct the voting process in a fair and transparent manner. The sequence of the proceedings of the Meeting was also informed to the Members.

Mr Kalidas thereafter requested Mr Martin Kriegner, Chairman of the Meeting to address the Meeting.

6. Mr Martin Kriegner extended a warm welcome to the members present at the Meeting and after ascertaining from Mr Ramaswami Kalidas, Company Secretary & Head Compliance that the required quorum was present, called the Meeting to order. The quorum was present throughout the Meeting.

7. The Chairman introduced the Directors present at the Meeting.
8. With the consent of the Members, the Notice convening the 82nd Annual General Meeting was taken as read.
9. The Chairman informed the Members that the Auditors' Report on the Financial Statements for the year ended December 31, 2017 was an Unqualified Report. In terms of Section 145 of the Companies Act, 2013, only the qualifications, observations or comments, if any, stated in the Auditors' Report which have an adverse effect on the functioning of the Company, were required to be read at the General Meeting. The Auditors' Reports on the standalone and consolidated financial statements of the Company were, therefore, with the permission of the Members present, taken as read.

The Chairman then requested Mr Neeraj Akhoury, Managing Director & CEO to brief the Members on the performance of the Company.

10. Mr Akhoury greeted the Members and mentioned that it was a great honour for him to address the Members of the Company. He mentioned that he was indeed privileged to lead this exceptional Company with its extraordinary heritage and promising future.

He expressed his gratitude to the Company's customers and end-consumers who have reposed their trust in the Company and its products, the employees of the Company who have taken every challenge head-on and delivered an excellent performance, the Government and the communities for their support and the Board of Directors for their unstinted guidance and support throughout the year 2017.

Mr Akhoury mentioned that the past year has been one of transformation as the Company was required to reinvent itself to respond to various business challenges including those of modern construction, the ferocity of competition, and the changing policy landscape.

India Economic Scenario

In 2017, a number of key economic initiatives were implemented by the Government to bring about sustainable growth. It took some time for the country to adapt to these new measures, but, economic growth recovered shortly thereafter and by the year end there was rise in consumption demand and industrial output also improved. The GDP for Fiscal Year 2017 stood at 6.5%. For the first time in the last six years, the Indian Rupee closed positive against the USD and Moody's upgraded India's sovereign rating with a positive outlook after a period of fourteen years.

The Union Budget 2018 has provided a further thrust on infrastructure development and increased rural spending through measures aimed at reviving the rural economy. The significant increase in the budgetary outlays for infrastructure development including railways, roads, highways and irrigation projects, investment in smart cities and a sharper focus on the affordable housing segment are expected to drive further growth during 2018.

Cement Industry

Cement industry grew ~6% in 2017 as compared to 5.1% in the previous year driven to a large extent by Government spending on infrastructure and construction. The implementation of GST has to a large extent eased the movement of cement between states eliminating arbitrage in State levies, thus providing for a level playing field. On the other hand, the high GST rate of 28% imposed by the Government on cement, which is similar to a luxury goods rate, has not been encouraging, considering that cement is a commodity required for fulfilling one of our most basic needs - housing.

Inadequate availability of sand as well as railway wagons, and rising input costs of coal, fuel, pet coke and diesel added to the Industry's challenges.

Performance - Cement Business

Despite the challenges faced at the beginning of 2017, the Company registered a robust growth. This was achieved through various management initiatives which resulted in increasing production capacity, improving operational efficiencies, ensuring cost discipline and becoming more productive.

Consolidated income was higher by 13.31%, consolidated profit before tax was higher by 48% and consolidated profit after tax was up by 40% in 2017 as compared to the previous year. Cement volumes increased by 14% to 26.21 million tonnes from 22.99 million tonnes in 2016 and capacity utilization improved to 79% from 73% in the previous year. The Premium product range grew by 20% and the Company's market share improved by 1%.

Input cost per tonne of cement was significantly higher by 8.8% over the previous year on account of steep increases in material costs of slag, flyash, power and diesel which increases were to a large extent mitigated through improvements made in operating efficiencies and a reduction in fixed costs. The use of linkage coal was maximized, and the rising costs of coal were contained through judicious procurement from e-auctions and imports, and use of higher amount of petcoke as well as alternative fuels. Selling, General & Administration (SG&A) costs remained flat despite inflationary pressures.

Performance - Ready Mix Concrete

The Ready Mix Concrete (RMX) business has surpassed its earlier years' performance with a substantial growth of over 11% in volume and 17.94% in revenue. Six new commercial and ten dedicated RMX plants were added during the year. The business focus was to provide customized concrete solutions and Value Added Products to the infrastructure, commercial and realty segments. The Operating EBITDA margin of ~10.08 % for the Company's RMX business is best in class and there has been an improvement by 235 bps over the previous year.

The Management's focus on cost improvements, profitable revenue growth and its ability to create value for customers with innovative and specialized products bore fruit. "None of this was possible without the support of our loyal trade

customers and our end-consumers who trust ACC at the most important time in their lives-when building their homes.” Mr Akhoury stated.

Dividend

Mr Akhoury, MD&CEO mentioned that the Board of Directors has recommended payment of final dividend at ₹15/- per Equity Share of ₹10 face value aggregating to ₹339.02 crore (including tax on dividend). The total dividend for the year, including interim dividend of ₹11/- per Equity Share paid in August 2017, adds up to ₹26/- per Equity Share involving a total outflow of ₹587.64 crore (including tax on dividend). The Dividend recommended is in line with the Dividend Distribution Policy of the Company and the same has been recommended to the Members for approval at the Meeting.

Management Initiatives

Mr Akhoury, also mentioned that the Company’s performance in 2017 demonstrates ACC’s ability to remain ahead of the market challenges that have partially impacted both costs and market development. Although price competition in the market intensified, the Company was able to enjoy a good price premium because of its focus on innovative, premium products, its strong brand image as a superior quality product, its close engagement with customers and influencers, and proactive customer services.

In keeping with changes in consumer expectations, innovative and specialized products were introduced and integrated value offering was provided to the customers. Towards this, strategic initiatives were taken to revisit customer value proposition and re-position the brand architecture. ACC now offers Gold range of premium products and Silver range of base products. “I am especially proud of our innovative products “Supercoat Premium” which allows a road to be opened for traffic within 15 minutes of application! You can imagine how useful a product like this will be in a crowded and traffic-prone country like India. In 2018, you will see even more innovation coming through”, Mr Akhoury remarked.

Mr Akhoury mentioned that for ACC, its customers were the bedrock of its success and with a view to service them better, the Company has embraced digital technology in many areas of business, particularly in the trade value-chain. “ACC Dealer Connect” is an On-line Web Sales platform which enables dealers to place and track orders online 24x7. New concepts such as the “ACC Dream Home App” has been introduced which helps individual home builders, dealers to connect with and draw on ACC’s expertise The “Construction Ka Doctor” programme offers information and technical assistance to end-consumers who need specialized advice when building their homes.

Building a Sustainable Business

- (i) Health & Safety – the overarching value
Drawing from the global best practices followed by LafargeHolcim, the Parent Company, ACC has put in place strong processes with respect to health & safety. The goal is to ensure “zero harm” to the employees and business partners. Employees and workers at the Plants are involved with safety from the planning stage itself and continuous training and re-training is given to the employees with a view to bring about a safety mind-set

behavioural change. The senior management is committed to building a safety culture within the Organization and demonstrates this commitment in a visible manner every time they visit a plant or office.

(ii) **Sustainable Development**

Sustainability is deeply embedded in ACC's business model. It focuses on the four pillars of Climate, Circular Economy, Water & Nature, and People & Communities. The robust initiatives taken during the year has resulted in the Company surpassing its target in each of these areas. The Company has reduced CO₂ emissions by 34%; utilized ~10 million tonnes of waste, reduced water withdrawals by 15%; and community programmes supported by the Company have benefitted half a million people across the country.

ACC's Green Building Centers (GBCs) support local entrepreneurs to make and distribute cement-based building materials such as flyash bricks, concrete blocks, paver tiles and more. GBCs have helped build over 19000 affordable homes in 2017 and this activity is proposed to be further scaled up in 2018.

(iii) **CSR Programmes**

The Company has spent 2.33% of its net profit on CSR activities in the areas of health and sanitation, education, livelihood and income generation opportunities, as well as empowerment of women. This has helped in transforming the lives of communities around the plants across the country. The Company's "DISHA Project" which is a livelihood and skilling initiative, supported 20,761 rural youth in learning employable skill. Vidya Utkarsh has impacted the lives of nearly 24,000 students and ACC ki Ladli has helped over 1400 girls from the under privileged strata of society to get back to school. The Company's "Clean & Green Madukkarai" initiative has put in place a waste management programme in Coimbatore in partnership with the State Government to segregate household waste at source and this programme has achieved 100% participation from the households in Madukkarai. The town has won itself a mention in the Guinness Book of World Records as the largest recycling lesson in the world.

ACC was felicitated by several awards including the prestigious 'Golden Peacock Award for CSR' for 2017 and a '2 good' rating by the Economic Times and KPMG for its CSR initiatives. A recent report released by IIM Udaipur on India's Top Companies for Sustainability and CSR 2017 had ranked ACC among top-10 in India.

(iv) **People**

The Company believes in investing in its employees. It has set in place robust processes for people development through regular training and a structured Performance Management System. The Talent Review and Succession Planning framework within the Company identifies potential talent and provides growth opportunities for them while at the same time building a pipeline of leaders for a robust succession plan. The Company also encourages gender diversity. During the year, 56 young women were inducted into a three year programme to be trained as Control

Room Operators-cum-Quality Analysts. The Company was ranked the best globally in LafargeHolcim's annual Pulse Survey which measures employee engagement.

Supporting Growth

Mr Akhoury informed the Members that pursuant to the approval given by the Members of the Company through a postal ballot, the Company has signed a Master Supply Agreement (MSA) with Ambuja Cements Ltd. for a period of three years. This arrangement will help the two Companies achieve synergies, economies of scale and reduce operational costs amongst other benefits. The Master Supply Agreement shall ensure equitable sharing of benefits and is therefore in the interest of both companies. Notwithstanding that the two Companies have entered into the MSA, merger of the two companies remains the ultimate goal.

It was recalled that the Members had in 2013, approved of the Company entering into an agreement with Holcim Technology Limited to provide technical knowhow and support in several business and management areas for a period of five years. This agreement having expired in December 2017, it is proposed, subject to the approval of the Members of the Company (as an Ordinary Resolution included under "Item 7" in the Notice of the Meeting), to renew the technology and knowhow agreement with LafargeHolcim for a further period of three years with effect from January,1, 2018. The fee payable under the renewed Agreement shall remain 1% of net sales or at the rate determined under BAPA, whichever is lower.

In return, the Company expects to receive a wide range of benefits from the LafargeHolcim Group as set out in the Explanatory Statement forming part of the said Notice to the Members. Renewal of the agreement would allow the Company to leverage on the Lafarge Holcim group expertise in thermal energy, alternate fuel optimization, procurement and inventory management, health & safety, people initiatives and knowledge management, innovation and commercial excellence. The Company is also expanding into two new categories "manufactured sand and aggregates" and products". LafargeHolcim has an established presence in the said areas and the Company expects to draw support from their expertise.

Looking forward

Many new initiatives are in the pipeline. The Company has recently entered the "solutions space" by launching its first product "LeakBlock" which is a waterproofing solution.

The future holds tremendous potential. India is amongst the fastest growing markets in the world. As the nation marches towards long-term sustained growth trajectory, cement as a core sector promises to be one of the major beneficiaries. ACC is perfectly poised to leverage on the opportunities provided by India's growth story. "With its rich legacy of the past, a present that is ahead of the game in terms of technology juxtaposed with consumer understanding, we at ACC are determined to shape a new and glorious future" Mr Akhoury stated.

Closing Remarks

ACC is privileged to have the support of its Members many of whom have been associated with the Company since decades and have identified themselves as being an integral part of the Organization. On behalf of the Board of Directors, and himself, Mr Akhoury whilst thanking the Members for their unstinted support to the Company at all times, extended his best wishes to them and their families.

11. The Chairman thanked Mr Akhoury for his report on the performance of the Company. He then invited the Members' attention to the fact that the Resolutions as set out in the Notice for the Meeting were now being proposed and seconded. He mentioned as under:

Resolution No.1 pertaining to the Adoption of (i) Audited Standalone Financial Statements for the year 2017, the Report of the Board of Directors and the Auditor's thereon and (ii) the Consolidated Financial Statements for the year 2017 and the Auditor's Report thereon was proposed as an **Ordinary Resolution**.

The Chairman requested Mr Ramaswami Kalidas, Company Secretary & Head Compliance to read out the texts of the Resolutions proposed. However, with the consent of all the Members present at the Meeting, the Resolutions were taken as read.

- a. **"RESOLVED THAT** the Standalone Audited Financial Statement for the Company's Financial Year ended December 31, 2017 together with the notes annexed thereto and the Reports of the Board of Directors and the Statutory Auditors thereon be and are hereby approved and adopted."
- b. **"RESOLVED THAT** the Consolidated Audited Financial Statement for the Company's Financial Year ended December 31, 2017 together with the notes annexed thereto and the Report of the Statutory Auditors thereon be and are hereby approved and adopted."

The Resolution was thereafter –

Proposed by: Mr Martin Kriegner (as Authorized Representative for Ambuja Cements Limited & Holderind Investments Limited)

Seconded by: Mr Tehemton Davar

With the consent of the Members, Resolution Nos. 2 to 7 as per the Notice of the Annual General Meeting dated April 18, 2018 were taken as read.

Resolution No.2 – Declaration of final dividend and confirmation of Interim Dividend for the financial year ended December 31, 2017 was proposed as an **Ordinary Resolution**:

Proposed by: Mr Seshan Krishnamoorthy

Seconded by: Mr Hiranand Kotwani

“RESOLVED THAT the final dividend for the financial year ended December 31, 2017 at ₹15/- (Rupees Fifteen only) per equity share payable on 18,77,87,263 fully paid Equity Shares of ₹10/- each aggregating to ₹281,68,08,945/- (Rupees Two Hundred Eighty One Crore Sixty Eight Lakh Eight Thousand Nine Hundred Forty Five only) as recommended by the Board of Directors, be and is hereby declared and that the same be paid to those shareholders whose names appear in the Register of Members of the Company on May 25, 2018 in respect of shares held in physical form and in respect of shares held in electronic form to the beneficial owners of shares as on May 19, 2018 who are entitled to the dividend as per the list furnished by the Depositories for this purpose;

RESOLVED FURTHER THAT the Interim Dividend at the rate of ₹11/- per equity share paid on 18,77,87,263 fully paid equity shares of ₹10/- each aggregating ₹206,56,59,893/- (Rupees Two Hundred Six Crore Fifty Six Lakhs Fifty Nine Thousand Eight Hundred Ninety Three only) and declared by the Board at its Meeting held on July 17, 2017 be and is hereby approved and confirmed.”

Resolution No.3 – Re-appointment of Mr Vijay Kumar Sharma who retires by rotation and is eligible for re-appointment was proposed as an **Ordinary Resolution:**

Proposed by: Ms Lekha Shah
Secoded by: Mr Yusuf Rangwala

“RESOLVED THAT Mr Vijay Kumar Sharma, Non-Executive/Non Independent Director of the Company (Director Identification Number 02449088) who retires by rotation and is eligible for re-appointment be and is hereby re-appointed a Director of the Company.”

Resolution No.4 – Ratification of the appointment of Statutory Auditors was proposed as an **Ordinary Resolution:**

Proposed by: Mr Yusuf Rangwala
Secoded by: Mr Gautam Tiwari

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s Deloitte Haskins and Sells LLP, Chartered Accountants, (ICAI Firm Registration Number-117366W/W-100018), who have been appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the 81st Annual General Meeting till the conclusion of the 86th Annual General Meeting of the Company, and who have confirmed their eligibility for continuing with their appointment as Statutory Auditors of the Company, be and is hereby ratified on a remuneration to be determined by the Board of Directors.”

Resolution No.5 – Appointment of Mr Jan Jenisch as Non-Executive/ Non Independent Director was proposed as an **Ordinary Resolution:**

Proposed by: Mr Gautam Tiwari

Seconded by: Mr Hemant Panchakshari

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr Jan Jenisch (Director Identification Number 07957196), who was appointed by the Board of Directors, as an Additional Director with effect from October 17, 2017, pursuant to Section 161 of the Act and the Articles of Association of the Company, who holds office up to the date of this Annual General Meeting, being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in the category of a Non-Executive/Non Independent Director liable to retire by rotation.”

Resolution No 6 – Ratification of Remuneration to Cost Auditor proposed as an Ordinary Resolution:

Proposed by: Ms Ashalata Maheshwari

Seconded by: Mr Rusi Khambatta

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. D C Dave & Co., Cost Accountants (Firm Registration No. 000611), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending December 31, 2018, amounting to ₹11.00 lakhs (Rupees Eleven Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”

RESOLVED FURTHER THAT Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”

Resolution No 7 – Renewal of Technology and Knowhow Agreement with Holcim Technology Ltd., a Related Party.

As the Chairman of the Meeting, Mr Martin Kriegner was deemed to be interested or concerned with the Resolution, Mr Ashwin Dani was requested to move the resolution.

The Resolution was proposed as an **Ordinary Resolution**:

Proposed by: Mrs Ashalata Maheshwari

Seconded by: Mr Hiranand Kotwani

“RESOLVED THAT pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Members of the Company be and is hereby accorded to the Company for renewal of the “Technology and Knowhow Agreement” (“TKH Agreement”) with Holcim Technology Ltd. on the terms and conditions set out therein including, without limitation, the “Technology and Knowhow fee” (“TKH Fees”) payable to Holcim Technology Ltd. for a period of 3 (three) financial years commencing with effect from January 1, 2018 and up to December 31, 2020 at lower of the following rates:

- a) 1% (One Percent) of the Net Sales of the Company for each financial year; or
- b) such rate as may be determined by the Competent Authorities of India and Switzerland under the Bilateral Advance Pricing Agreement (BAPA) under which applications have been filed by the Company and Holcim Technology Ltd., to confirm the arm’s length rate for payment of TKH Fees under the TKH Agreement, which applications are still pending with the concerned authorities.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorized to finalize and execute TKH Agreement and all other documents and writings as it may deem fit, to amend or modify the TKH Agreement (save and except the rate of TKH Fees), to settle any question, difficulty or doubt that may arise with regard to the said TKH Agreement and to do all such acts, deeds and things as it may, in its absolute discretion deem necessary, proper or desirable in the best interest of the Company without being required to seek any further consent or approval of the Members of the Company to the intent that the Members shall be deemed to have given their approval thereto by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or to the Managing Director and Chief Executive Officer (MD&CEO) of the Company as it may consider appropriate in order to give effect to this Resolution.”

12. After the above Resolutions were moved and seconded, the Chairman mentioned that e-voting facility has been made available at the venue of the Meeting to facilitate voting by those shareholders who had not cast their votes earlier. The e-voting facility would remain open during the Q&A session and till the conclusion of the Meeting. The representatives from NSDL were available to assist those Members who required assistance in casting their votes.

13. The Chairman thereafter invited the Members to express their views on the Resolutions proposed and seconded as aforesaid and urged them in the

interest of all other Members present at the Meeting to be brief and restrict themselves to the Agenda of the Meeting.

14. The following Members came forward to express their views on the performance of the Company and to seek clarification/answers to their queries in respect of various matters:

Sr. No.	Name of the Member (Speaker)	Sr. No.	Name of the Member (Speaker)
1.	Ms Lekha S Shah	2.	Mr Yusuf Rangwala
3.	Mr T M Davar	4.	Mrs Ashalata Maheshwari
5.	Mr Seshan Krishnamoorthy	6.	Mr Ankit Shukla
7.	Mr Michael Martins	8.	Mr Beruz F Pouredahi
9.	Ms Homayun B Pouredahi	10.	Mr M M Chandiramani
11.	Mr Rusi B Khambatta	12.	Mr Gautam Tiwari
13.	Mr Adi K Nalladaru	14.	Mr Hiranand Kotwani
15.	Mr Hemant Panchakshari	16.	Ms Hutokxi S Patel
17.	Mr Dinesh Kotecha	18.	Mr Ashish S Bansal
19.	Mr Adarsh M Keswani		

The following Members who had registered their names as Speakers were not present when their names were called out:

Sr. No.	Name of the Member (Speaker)
1	Mr R Venkatachari
2	Mr Usha Ratnakar Karnad

15. Some of the speakers requested Mr Martin Kriegner, Chairman of the Meeting to convey their good wishes and regards to Mr N S Sekhsaria, Chairman of the Board of Directors who was unable to attend the Meeting.

16. Some of the observations made by the Member speakers were as under:

- **Annual Report:** The Members confirmed that the Annual Report was received on time. The Annual Report was very informative and there was transparency in financial reporting. Some of the Members however suggested that going forward, to save on cost of printing, the Company should only send the Abridged Report which would contain information which is of relevance and importance for the Members. The Full Report could be made available on the Website of the Company for anyone who may wish to peruse the same.
- **Annual General Meeting:** Some of the Members observed that this year there was an undue delay in convening of the Annual General Meeting. This in turn had resulted in delay in the payout of final dividend. Although statutorily the Company could hold its Annual General Meeting within six months from the close of its financial year, the Members urged the Board of Directors to revert to

the earlier practice of holding the Annual General Meeting in March/April.

- **Performance for the year 2017:** The Members expressed their appreciation at the transformational performance of the Company under the leadership of Mr Neeraj Akhoury, MD&CEO despite many challenges faced in 2017. In particular, it was observed that during the year under review, the Company had done exceedingly well on all parameters within its control. The Members noted with appreciation that capacity utilization of the Plants has improved to 79% from 73% in the previous year, cement production and sales, Operating EBITDA and EBITDA margins had improved significantly and consolidated profit after tax was 40% higher than the previous year. Members particularly appreciated the performance of RMX business which was rated as the best-in-class among LafargeHolcim Group companies.
- **Dividend for the year 2017:** The Members thanked the Board of Directors for recommending a higher dividend (including an interim dividend of Rs.11/ per share already paid in August 2017) of ₹26/- (Rupees Twenty Six only) per Equity share of ₹10 face value for the year 2017.
- **Marketing:** Many Members appreciated the initiatives taken by Mr Akhoury and his Marketing & Sales team. They recognized Management's initiative to revisit the brand architecture and to reposition the Company's products into the Gold and Silver range. In particular Members pointed out that the Company had a very strong Brand Equity which should be nurtured and leveraged to increase market share.

New Products initiatives: The Members noted that the Company has introduced many new and innovative products and positioned these in niche market space. They were excited about "*Supercoat Premium*" and "*LeakBlock*" which they believed would open up new avenues of business and help the Company remain ahead of competition.

They also lauded the Company's initiatives towards affordable housing through setting up of "Green Building" centers and appreciated the products which were on display at the Meeting venue.

- **CSR & Sustainability:** The Members appreciated the sustainable business practices followed by the Company as a good Corporate citizen and the laudable CSR work done in the areas of sanitation, education and skilling of youth through Disha Centers, schooling for underprivileged girls and empowerment of women through Self Help Groups. One Member recommended that the Company could also consider projects such as drip irrigation, rain water harvesting, setting up of overhead water tanks in draught prone areas and building of granaries and silos for proper storing of grains/farm produce as part of its CSR initiatives.
- **Renewal of Technology & Knowhow agreement with LafargeHolcim Limited (LH):** The Members present at the Meeting were in general supportive of the Management's proposal for entering

into a Technology and Knowhow Agreement with LH for a further period of three years as set out at Item 7 of the Notice of the Meeting.

- **Status of ACC & Ambuja Merger:** Referring to the study undertaken by the Management of ACC & Ambuja Cements Limited to evaluate the synergies which could be extracted through the merger of the two companies, some Members desired to know the current status in the matter. Many Members expressed the view that ACC is a pioneer of cement in India and has a rich legacy and heritage which should be preserved. Further, many shareholders of the Company have been holding shares in the Company as heirloom for over 60 to 65 years and had sentimental affinity for the Company. They therefore did not want the Company and Ambuja Cements Limited to merge.
- **Implementation of GST:** Some of the Members observed that whilst the Government on the one hand was promoting infrastructure development, on the other hand the GST rate of 28% made applicable on cement was onerous and almost on par with the GST rate applicable on luxury items. It was therefore recommended that the cement industry should make a representation to the Government through various Chambers' of Commerce to reduce the GST rate on cement.

Other general comments/queries:

- The Members welcomed Mr Ramaswami Kalidas as Company Secretary & Head Compliance. Except for one Member who had a grievance with regard to the quality of service rendered by the Share Department, the other Members appreciated the functioning of the Secretarial Division and the Share Department of the Company;
- Most Members requested the Management to arrange for a factory visit;
- There was a query on the benefits of entering into a Master Supply Agreement with Ambuja Cements Limited;
- Most of the Members requested the Board of Directors to consider making an Issue of Bonus Shares more particularly since the Company has substantial free reserves standing in its Balance sheet.
- Status of the CCI matters pending before National Company Law Appellate Tribunal;
- Details of CSR expenditure and nature of activities carried out, beyond the communities which the Company impacts;
- The amount spent by the Company for organizing con-calls with Institutional investors after the quarterly/ half yearly/annual results are announced;
- Some Members observed that despite the good performance of the Company, ACC Scrip was not performing as well on the bourses as compared to the share price of some of the other cement companies.
- Management should consider accepting Fixed Deposits from its Members.

17. The Chairman of the Meeting thanked the speakers for their participation and their constructive suggestions and comments. Mr Neeraj Akhoury MD&CEO was requested by the Chairman to respond to the queries which were of general

interest to the Members. The Chairman requested the Members to contact the Company Secretary in case any specific information was required.

18. Response by MD&CEO on the queries raised by the Members

Mr Neeraj Akhoury at the outset thanked the Members for their kind words and their support to the Company. He thereafter responded to the following queries/suggestions/observations of the Members:

- As regards the current status to evaluate the synergies arising from a possible merger of the Company and Ambuja Cements Limited, Mr Akhoury explained that certain challenges exist due to which, it has been considered prudent not to pursue the merger at this stage, although the ultimate objective is to carry out a merger of the two companies. The main advantage of merger would be that it would enable optimization of resources and create greater value for the shareholders.
- Referring to the query on the advantages of entering into a Master Supply Agreement with Ambuja Cements Limited, it was explained that the Master Supply Agreement is an overarching Agreement which enables the Company and Ambuja Cements Limited who are related parties to enter into transactions for purchase and sale of clinker, cement, raw materials and spare parts, undertaking tolling arrangements for cement grinding, procurement of services etc. The advantages of the Agreement are that it would help the two Companies achieve significant synergies and economies of scale, strengthen sustainability of businesses and conserve natural resources.
- The advantages of renewing the Technology & Knowhow Agreement with LafargeHolcim are that LafargeHolcim is a global leader in cement and building materials. They provide to the Company, on a continuous basis world class technology and best practices which has benefitted the Company substantially. The benefits derived by the Company from the Technology & Knowhow Agreement have been assessed and validated by independent agencies and third party experts. The Management believes that it is in the interest of the Company to continue with the Technology & Knowhow Agreement which will enable the Company perform better in the coming years.
- Referring to the observation that the Annual General Meeting has been delayed this year, it was explained that normally the Annual General Meetings are held latest in April. However, this year the schedule was affected due to the fact that the Company has moved a postal ballot for seeking Members approval for entering into a Master Supply Agreement with Ambuja Cements Limited, and this postal ballot process could be completed only in April 2018. Keeping the comments of the Members in mind, the Management would revert to the original schedule of holding the Annual General Meeting by April each year.
- With regard to the Members request to the Board of Directors to make an issue of Bonus Shares, it was explained that the Company was exploring opportunities for increasing its manufacturing capacities which will be mainly funded out of internal accruals. In view of this, presently there was no proposal to make a Bonus Issue. Mr Akhoury requested the Members to be

- patient and allow the Company to grow and become a stronger and a more profitable Organization. The last Bonus Issue was made in 1996.
- With regard to the high GST rate of 28% on cement, Mr Akhoury mentioned that both the Company individually and the cement industry have made representations to the GST Council in the matter through the CII, FICCI and are rigorously following up in the matter.
 - During the year, the Company has spent ₹21.82 crore on CSR activities which constitutes ~2.33% of the average profits of the last three financial years, a little more than the statutory requirement under the Companies Act 2013. There are also a range of social responsibility interventions undertaken by the Company which are beyond the local communities such as organizing health camps, safety orientation programmes for truck drivers, health card distribution and providing assistance to the drivers and contractors to get medical insurance. The Members were also informed that recently the Company has sponsored a team of girls for training in soccer with a hope that at least some of them would reach the level required to be selected for the Indian women Soccer team.
 - In response to the query raised on the development in the CCI matters pending before the National Company Law Appellate Tribunal (NCLAT), it was informed that in the matter relating to the complaint filed by the Builders Association of India against several cement manufacturers including the Company, the matter has been heard and the Order has been reserved.
 - As regards the request for a Plant visit, the Members were informed that the Cement Plants of the Company are at remote locations and not easily accessible. The nearest Plants from Mumbai viz. Wadi and Chanda were ~600 Kms. away.
 - The breakup of “expenditure in foreign currency” and “Other payables” under Current Non-financial liabilities which was sought by some shareholders was provided.
 - The Company continued to enjoy cordial Industrial Relations during the year. The attrition rate in 2017 was ~8%.
 - The Company does not organize con-calls with Institutional Investors after the quarterly/half yearly/annual results are announced. Accordingly, during the year no expenditure has been incurred by the Company in this regard.
 - Referring to an observation that except Bulk Cement Corporation (India) Limited, the other subsidiary companies were non-operational, it was explained that the investment made by the Company in Lucky Minmat Limited, National Limestone Company Private Limited and Singhania Minerals Private Limited were strategic investments since these hold mining leases for limestone whilst ACC Mineral Resources Limited had acquired the right to develop four coal blocks in Madhya Pradesh which coal blocks were subsequently cancelled by the Government.

19. Before concluding the Meeting, the Chairman reminded those Members who had not cast their vote earlier on the Resolutions to do so now. He mentioned that the Scrutinizer would oversee the voting process. The Meeting would stand concluded after Members cast their votes.

20. The results of the voting would be declared on or before Friday, 15th June 2018. The results would be communicated to the Stock Exchanges and NSDL.

The results would also be posted on the Company's website and displayed at the Registered Office of the Company.

21. Thereafter, the Chairman concluded the Meeting, by thanking the Members for attending and wholeheartedly participating in the Meeting and for the excellent support provided by them to the Company as always. He conveyed his best wishes to all the Members and their families.

22. The Meeting was declared closed on completion of the electronic voting process which was available to the Members at the venue for those who had not cast their vote earlier. A vote of thanks was proposed to the Chair.

23. Mr Pramod Shah, of Pramod Shah & Associates, scrutinizer conducted the e-voting process at the venue. After the completion of the voting, the Meeting concluded at 5.45 p.m.

24. After the e-voting concluded at the venue of the Annual General Meeting, the votes cast electronically were unblocked by the Scrutinizer. The votes cast were subsequently reconciled by the Scrutinizer with the records maintained by the Company and the authorization/proxies lodged with the Company. The votes which were incomplete and/or which were otherwise found to be defective were treated as invalid by the Scrutinizer. A tally of the votes cast electronically both at the venue and through remote e-voting and by ballot forms was thereafter taken. Based on the tally of all votes which were cast, the Scrutinizer prepared and submitted to the Chairman of the Meeting, his duly signed report dated June 14, 2018 on the results of the voting in Form No.MGT-13.

25. The Results of the voting are set out as under:

Ordinary Resolution No 1 – Adoption of (i) Audited Standalone Financial Statements for the year 2016, the Report of the Board of Directors and the Auditor’s thereon and (ii) the Consolidated Financial Statements for the year 2016 and the Auditor’s Report thereon									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	152099211	99.9969	318	0.0002	152099529	99.9971	4426	0.0029	1521031955
Total No. of Ballots	637	95.22	11	1.64	648	96.86	21	3.14	100

Resolution No. 1 was declared as having been **passed with the requisite majority**.

Ordinary Resolution No 2 – Declaration of final dividend and confirmation of Interim Dividend for the financial year ended December 31, 2017									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	155119623	99.9973	188	0.0001	155119811	99.9974	4056	0.0026	155123867
Total No. of Ballots	654	96.04	7	1.03	661	97.06	20	2.94	100

Resolution No 2 was declared as having been **passed with the requisite majority**.

Ordinary Resolution No 3 – Appointment of Mr Vijay Kumar Sharma who retires by rotation and is eligible for re-appointment									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	139223111	92.0418	12033481	7.9555	151256592	99.9973	4056	0.0027	151260648
Total No. of Ballots	489	73.64	155	23.34	644	96.99	20	3.01	100

Resolution No 3 was declared as having been **passed with the requisite majority**.

Ordinary Resolution No 4 – Ratification of appointment of M/s. Deloitte Haskins & Sells LLP as Statutory Auditors									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	154951763	99.8892	167542	0.1080	155119305	99.9972	4406	0.0028	155123711
Total No. of Ballots	631	92.93	26	3.83	657	96.76	22	3.24	100

Resolution No 4 was declared as having been **passed with the requisite majority**.

Ordinary Resolution No 5 – Appointment of Mr Jan Jenisch as Non Executive/Non Independent Director									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	152809788	99.5074	752503	0.4900	153562291	99.9974	4056	0.0026	153566347
Total No. of Ballots	606	90.18	46	6.85	652	97.02	20	2.98	100

Resolution No 5 was declared as having been **passed with the requisite majority**.

Ordinary Resolution No 6 – Ratification of Remuneration to Cost Auditor									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	155118716	99.9968	558	0.0004	155119274	99.9972	4406	0.0028	155123680
Total No. of Ballots	635	93.93	19	2.81	654	96.75	22	3.25	100

Resolution No 6 was declared as having been **passed with the requisite majority**.

Ordinary Resolution No 7 – Renewal of Technology and Knowhow Agreement with Holcim Technology Ltd., a Related Party									
	Assent	%	Dissent	%	Total	%	Invalid	%	Total Votes Cast
Total No. of Shares on voting	43017300	85.7828	7125323	14.2089	50142623	99.9917	4156	0.0083	50146779
Total No. of Ballots	619	92.53	29	4.33	648	96.86	21	3.14	100

Resolution No 7 was declared as having been **passed with the requisite majority**.

26. The Scrutinizer's Report along with information required to be submitted pursuant to Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was sent to the Stock Exchange on Thursday, June 14, 2018 and the Scrutinizer's Report was also placed on the Company's website and on the website of NSDL and was also displayed at the Company's Registered Office.

CONFIRMED

Sd/-
CHAIRMAN
DIN:00077715

Place: Mumbai
Date: 11.06.2018