

Shaping up for a Great Future

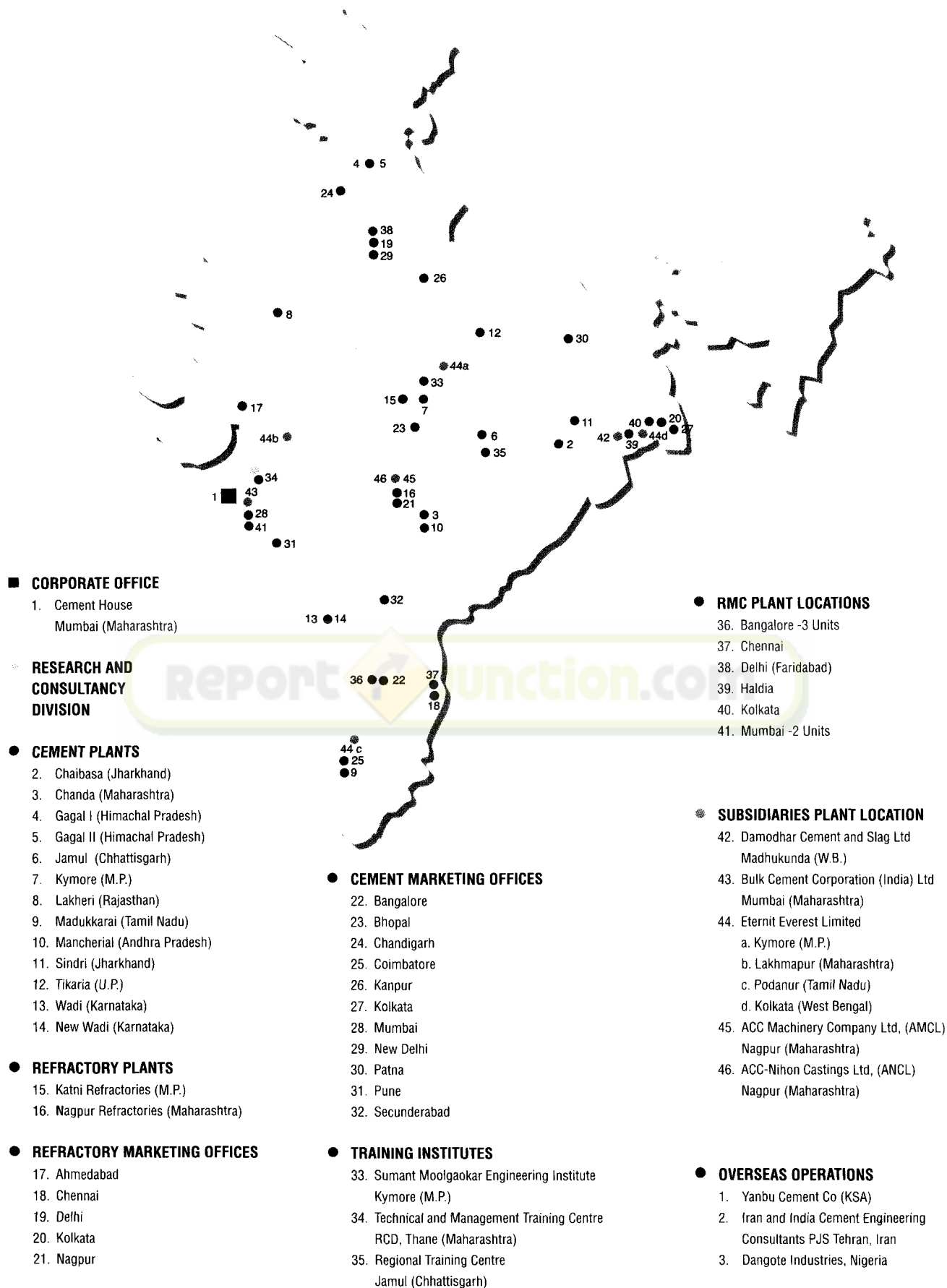


ACC

THE ASSOCIATED CEMENT COMPANIES LIMITED

**67th ANNUAL REPORT
2002-03**

THE NETWORK





THE ASSOCIATED CEMENT COMPANIES, LIMITED

Registered Office : Cement House, 121, Maharshi Karve Road, Mumbai 400 020.

PROXY FORM

I/We of
being a Member/Members of THE ASSOCIATED CEMENT COMPANIES, LTD. holding shares in Folio No./
Demat A/c No.: hereby appoint
.....
of or failing him
of or failing him
of as my/our Proxy to attend and vote for me/us
and on my/our behalf at the SIXTY-SEVENTH ANNUAL GENERAL MEETING of the said Company to be
held on 9th July, 2003 at 3.30 p.m. and at any adjournment thereof.

Signed this day of 2003.

Signature(s) of the Shareholder(s)

Affix 30 P.
Revenue
Stamp

.....

N.B. (i) This form must be deposited at the Registered Office of the Company not later than 48 hours
before the time of the Meeting.

(ii) A PROXY NEED NOT BE A MEMBER.

Tear Here

THE ASSOCIATED CEMENT COMPANIES, LIMITED

Registered Office : Cement House, 121, Maharshi Karve Road, Mumbai 400 020.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at the SIXTY-SEVENTH ANNUAL GENERAL MEETING held at The Birla
Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on 9th July, 2003 at 3.30 p.m.

Folio No./Demat A/c No.:

Full Name of the Shareholder
(in block letters)

Signature

*Full Name of Proxy
(in block letters)

Signature

*(To be filled in if the Proxy attends instead of the Member)



THE ASSOCIATED CEMENT COMPANIES LIMITED

Share Department : Cement House, 121, Maharshi Karve Road, Mumbai 400 020.

Tel : 022 - 22039122 Ext. 473/304 Fax 91-22-56317458.

Dear Shareholder,

RE: PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)

The Securities and Exchange Board of India (SEBI) has advised companies to mandatorily use ECS facility wherever available for distributing dividends to the investors. This facility provides instant credit of dividend amount to your bank account electronically at no extra cost. ECS also eliminates the delay in postal transit and fraudulent encashment of warrants. Only individual transactions upto Rs. 5,00,000/- would be covered under the scheme.

Under this facility the amount of dividend payable to you would be directly credited to your bank account. Your bank's branch will credit your account and indicate the credit entry as 'ECS' in your pass book/statement account. We would be issuing an advice to you directly after the transaction is effected.

In respect of shareholders holding shares in dematerialised form, the Company will make payment through ECS if the bank account details have been furnished by the shareholder to the concerned depository participant with whom the shareholder is maintaining his demat account. In case you are holding shares in demat form and the bank details have so far not been furnished to the depository participant, we would request you to kindly submit the same to the depository participant. In case you are holding the Company's shares in physical form and have so far not furnished the bank account details, you may kindly return the said ECS Mandate form duly completed and signed by you at our address stated above.

The Company's Bankers are providing ECS facility at the following locations viz Ahmedabad, Bangalore, Baroda, Kolkata, Chennai, Hyderabad, Jaipur, Mumbai, New Delhi, Pune, Chandigarh, Coimbatore and Nagpur.

In locations where ECS facility is not available the Company will print the bank account details on the Payment Instrument.

We request you to kindly submit the ECS Bank details latest by 20th June, 2003 to enable us to include the same for the payment of the current year's dividend.

Thanking you,

Yours sincerely,
For The Associated Cement Companies Limited,

A handwritten signature in dark ink, appearing to read 'P. K. Sinor'.

(P. K. Sinor)

Whole-time Director & Company Secretary

Mumbai, May 27, 2003



THE ASSOCIATED CEMENT COMPANIES, LIMITED

Share Department : Cement House, 121, Maharshi Karve Road, Mumbai 400 020.

Tel : 2203 9122 Extn : 473/304

Fax : 91-22-56317458

Electronic Clearing Service (Credit Clearing) ECS Mandate form for payment of dividend on equity Shares

1 First Shareholder's Name :
(in Block Letters)

2. Shareholders' Folio No. :

3. Particulars of Bank Account :

A. Bank Name : _____

B. Branch Name : _____

C. Account No. : _____
(as appearing on the cheque book)

D. Account Type :

10. S.B.	
----------	--

11. Current	
-------------	--

13. Cash Credit	
-----------------	--

(SB Account/Current A/c or Cash Credit) with codes 10/11/13 (tick the correct box)

E. Ledger Folio No. of the Bank A/c (If appearing on the cheque book) : _____

F. 9 Digit Code No. of the Bank & Branch appearing on the MICR Cheque issued by the bank. :

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Important:

- Please attach the photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers.
- I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date :

Signature of the First Shareholder

TEAR HERE

A Tribute



N A Palkhivala

(1920 - 2002)

Chairman Emeritus

We the ACC Parivar place on record our deep admiration for Mr N A Palkhivala's outstanding achievements and for his very special affection for ACC. In a statement to shareholders at one of our Annual General Meetings, he said of ACC "Your Company will always strive to remain a torchbearer in the business world, with the values of public spirit, integrity and compassion." It would be appropriate to say the same of him — that he will always remain a torchbearer for us and the business world.

We salute his memory.



ANNUAL REPORT 2002-2003

BOARD OF DIRECTORS

Mr. Tarun Das

Chairman

Mr. N. S. Sekhsaria

Deputy Chairman

Mr. M. L. Narula

Managing Director

Mr. N. A. Soonawala**Mr. O. P. Dubey****Mr. A. L. Kapur****Mr. S. M. Palia****Mr. Cyril S. Shroff****Mr. P. K. Sinor**

Wholtime Director & Company Secretary

Mr. A. K. Jain

Wholtime Director

Mr. Amitabha Ghosh

Nominee Director of Unit Trust of India

Mr. B. RamakrishnaSpecial Director nominated by
State Government of Andhra Pradesh**Mr. P. V. Rao, IAS (Retd.)**Special Director nominated by
State Government of Andhra Pradesh

BANKERS

STATE BANK OF INDIA
BANK OF BARODA
BANK OF INDIA
CENTRAL BANK OF INDIA
CANARA BANK
STATE BANK OF HYDERABAD
STATE BANK OF BIKANER & JAIPUR
STANDARD CHARTERED BANK
BANK OF AMERICA
CITIBANK, N.A.
THE HONGKONG & SHANGHAI
BANKING CORPORATION LIMITED

AUDITORS

MESSRS A.F. FERGUSON & CO.
MESSRS K.S. AIYAR & CO.

SOLICITORS

MESSRS PAYNE & CO.
MESSRS GAGRAT & CO.

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REGISTERED OFFICE

CEMENT HOUSE
121, MAHARSHI KARVE ROAD,
MUMBAI 400 020.

Website: www.acclimited.com

ANNUAL REPORT OF SUBSIDIARY COMPANIES

ACC Machinery Company Limited
ACC-Nihon Castings Limited
Bulk Cement Corporation (India) Ltd.
Damodhar Cement and Slag Limited
Eternit Everest Limited
The Cement Marketing Company of
India Limited

ANNUAL GENERAL MEETING

On Wednesday, July 9, 2003
at 3.30 p.m.
at Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai 400 020

Members are requested to kindly
bring their copies of the Annual
Report to the Meeting.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SEVENTH ANNUAL GENERAL MEETING OF THE ASSOCIATED CEMENT COMPANIES LIMITED will be held at **Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 on Wednesday, July 9, 2003 at 3.30 p.m.** to transact the following business:-

1. To receive and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2003, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. N A Soonawala who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. A L Kapur who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. P K Sinor who retires by rotation and is eligible for reappointment.

**APPOINTMENT &
TERMS OF
REMUNERATION OF
MR. M L NARULA,
MANAGING DIRECTOR**

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the appointment and terms of remuneration of Mr M L Narula as Managing Director of the Company, for the period December 1, 2002 upto October 31, 2005 upon the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Directors and Mr Narula.”

**EMPLOYEES' STOCK
OPTION SCHEME
(ESOS)**

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :-

“RESOLVED that in accordance with the provisions of Sections 79A, 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof) and in accordance with the provisions of the Articles of Association of the Company and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant to such employees as are in the permanent employment of the Company in the management cadre, at such time the grant is made including the



Directors of the Company, as may be decided solely by the Board, an aggregate of upto 15,00,000 (Fifteen lakh) options under the Employees' Stock Option Scheme (ESOS) during the financial year 2003-2004, each option convertible into one equity share of face value of Rs. 10/- each on payment of such exercise price as may be decided by the Board and therefore to issue or allot, such number of Equity Shares of the Company at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, as set out in the Explanatory Statement hereto, not exceeding 15,00,000 (Fifteen lakh) Equity Shares of the Company.'

'RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required in pursuance of the above Issue, and that the Equity Shares so issued or allotted shall rank in all respects *pari passu* with the existing Equity Shares of the Company.'

'RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary or desirable for such purpose, and to make and accept any modifications in the proposal, including to withdraw, suspend or revive the Scheme from time to time, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue.'

**ESOS – EXTENSION
OF THE SCHEME TO
EMPLOYEES OF THE
COMPANY'S
SUBSIDIARIES**

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:-

“RESOLVED that in accordance with the provisions of Sections 79A, 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and in accordance with the provisions of the Articles of Association of the Company and the regulations/guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall also include a committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to extend the benefits of the Employees' Stock Option Scheme (ESOS) proposed in the Resolution under Item 7 of this Notice to such employees in the management cadre as are in the permanent employment of the Company's Subsidiaries including Directors as may from time to time be allowed under the prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board.'

'RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required in pursuance of the above

Issue, and that the Equity Shares so issued or allotted shall rank in all respects *pari passu* with the existing Equity Shares of the Company.'

'RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary or desirable for such purpose, and to make and accept any modifications in the proposal, including to withdraw, suspend or revive the Scheme from time to time, as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the Issue.'

REAPPOINTMENT OF AUDITORS

9. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:-

"RESOLVED THAT Messrs A F Ferguson & Co. and Messrs K S Aiyar & Co., Chartered Accountants, be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending March 31, 2004."

Notes : (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

- (b) The Register of Members and Transfer Books of the Company will be closed from Tuesday, July 1, 2003 to Wednesday, July 9, 2003, both days inclusive.
- (c) The Dividend, after declaration, will be paid to those shareholders whose names stand on the Register of Members on July 9, 2003. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of shares whose names appear in the list furnished by the Depositories for this purpose as on June 30, 2003. The dividend will be paid on and from July 22, 2003.
- (d) The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
- (e) During the current financial year viz. 2003-2004, the Company will be required to transfer to the Investor Education & Protection Fund, the Final Dividend for the year ended March 31, 1996. Those shareholders who have not encashed their warrants are requested to immediately return the outdated warrants to the Company to enable the Company to issue Demand Drafts in lieu thereof.