

Sustainable Development – Creating value for stakeholders

ACC Limited
73rd Annual Report 2008



BOARD OF DIRECTORS

(As on February 5, 2009)

Mr. N. S. Sekhsaria
Chairman

Mr. Paul Hugentobler
Deputy Chairman

Mr. Sumit Banerjee
Managing Director

Mr. S. M. Palia
Mr. Naresh Chandra
Mr. Markus Akermann
Mr. M. L. Narula
Mr. D. K. Mehrotra
Mr. R. A. Shah
Mr. Shailesh Haribhakti
Mrs. Shikha Sharma
Mr. Onne van der Weijde

AUDIT COMMITTEE

Mr. Shailesh Haribhakti, Chairman
Mr. S. M. Palia
Mr. Naresh Chandra
Mr. Paul Hugentobler

COMPLIANCE COMMITTEE

Mr. R. A. Shah, Chairman
Mr. Naresh Chandra
Mr. Shailesh Haribhakti
Mr. Paul Hugentobler
Mr. Sumit Banerjee
Mr. Onne van der Weijde

COMPENSATION COMMITTEE

Mr. N. S. Sekhsaria, Chairman
Mr. Paul Hugentobler
Mr. Shailesh Haribhakti

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Mr. Paul Hugentobler, Chairman
Mr. M. L. Narula
Mr. Sumit Banerjee

MANAGING COMMITTEE

Mr. Sumit Banerjee
Mr. D. S. Ghai
Mr. Ramit Budhreja
Mr. Ravinder Mohan
Mr. T. N. Tiwari
Mr. N. Chadha
Mr. J. DattaGupta
Mr. Sunil Nayak
Mr. Anand Shukla
Mr. S. C. Sachdeva
Mr. Hans Fuchs

COMPANY SECRETARY

Mr. A. Anjeneyan

AUDITOR

S. R. Batliboi & Associates

COST AUDITOR

N. I. Mehta & Company

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
Industrial Development Bank
of India Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.

REGISTERED OFFICE

Cement House
121, Maharshi Karve Road
Mumbai 400 020.
Website: www.acclimited.com

CONTENTS

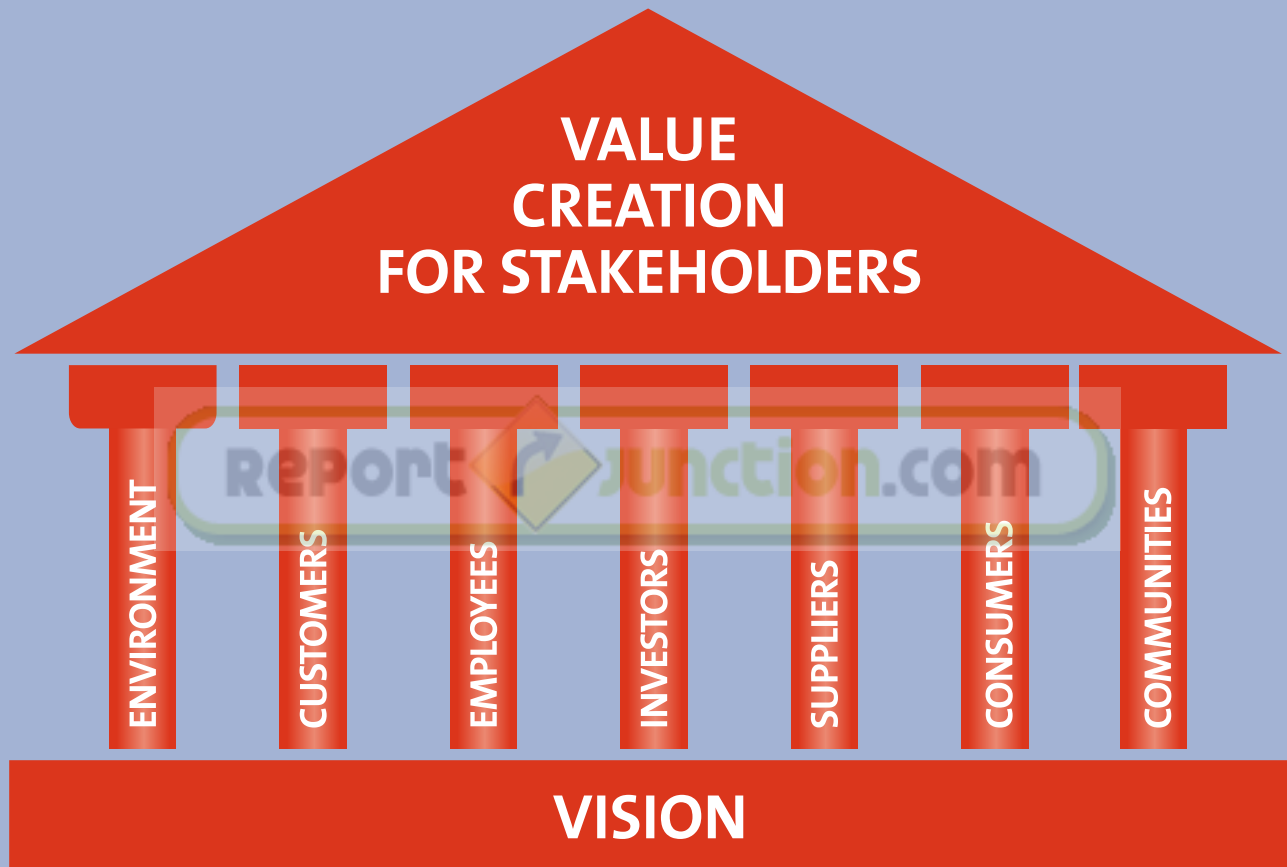
Vision Statement	1
Introductory Profile	2-9
Performance Highlights	10-12
Notice	13-17
Directors' Report and MDA	18-30
Annexures to Directors' Report	31-37
Corporate Governance	38-64
Financial Highlights	65-67
Auditor's Report	68-71
Balance Sheet	72
Profit and Loss Account	73
Cash Flow Statement	74
Schedules – 1 to 18	75-105
Balance Sheet Abstract and Company's General Business Profile	106
Statement under Section 212	107
Consolidated Financial Statements	108-136
Accounts – Subsidiary Companies	
- ACC Concrete Limited	137-152
- Bulk Cement Corporation (India) Ltd.	153-162
- Lucky Minmat Ltd.	163-173
- The Cement Marketing Company of India Limited	174-180

ANNUAL GENERAL MEETING

On Wednesday, April 8, 2009
at 3.00 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.

A New Vision



Our New Vision Statement

“To be one of the most respected companies in India;
recognised for challenging conventions and
delivering on our promises.”

Our Sustainable Development Perspective

At ACC, we take pride in helping the nation build with confidence. It can be safely stated that nation-building is our top priority.

ACC believes that sustainable development is an outcome of value creation brought about by multi-stakeholder orientation and actions. The stakeholders comprise environment, customers, employees, investors, suppliers, consumers and communities. This entails a fostering of mindsets among people so as to deliver economic and social development, and environmental protection.

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Environment

Going Beyond Regulation

According to the Pollution Control Board, the acceptable levels of dust emissions vary from state to state – 50mg/Nm³ to 150mg/Nm³. However, ACC has voluntarily decided to maintain dust emission norms at less than 30mg/Nm³.

Recognising that we need to be in the forefront of change in the climate change space, we have been involved in the TERI-BCSD India Draft Corporate Action Plan on Climate Change developed as a part of the National Action Plan for Climate announced by the Government of India.

Optimising Resource Extraction

Quarry management (QM) system integrates information pertaining to quarry topography, quality data, equipment, correctives and long-term planning, in order to achieve efficiency in the operations of the mines. Quarry master system implementation has taken place at some of ACC's mines.

Before implementation, sub-grade material, mainly waste material/high magnesium limestone and shale, was dumped which resulted in faster depletion of resource base and higher cost of mining.

Post-QM, waste rejects have come down by 82% because a lot of so called waste is now blended with the ore. Cost of mining (without considering the non-controllables like cess and royalty) has come down by 22% due to optimised operations.

It can thus be seen that sustainability initiatives in mining while doing environmental good also serve to reduce costs.

Energy Conservation

For the first time in the Indian cement industry, ACC has installed continuous emission monitoring systems for online monitoring of various emissions from the kiln at Kymore Cement Works. We have also made inroads into clinker factor reduction so as to preserve precious elements like limestone.

Renewable Energy

We continue to explore for renewable energy and build that into our energy basket. We had commissioned a wind mill project in Tamil Nadu in 2007. In 2008, we have added another one in Rajasthan. The combined capacity of both these projects is approximately 37MU per annum. We have also initiated the use of solar energy for colony lighting, street lighting, water heating, etc. in some sites.

Water Conservation

ACC started many initiatives in the area of water conservation. A few of the major initiatives are upgrading coolers' efficiency, recycling, water conservation, etc. In addition to the water conservation activities, ACC is seriously pursuing water harvesting.

Clean Development Mechanism

During the year, two projects having clean development mechanism potential in the area of captive power generation have been identified, one each in our Chaibasa and Wadi plants.



Customers

Value Chain Excellence

To ensure customer delight, ACC has undertaken a new initiative called Value Chain Excellence (VCX). It is an organisational transformation initiative to create excellence within the value chain aiming at customer satisfaction with sustainable growth.





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Employee Wellbeing

Employee wellbeing is an integral part of ACC. With a host of employee motivation schemes, we strive to be recognised as an employer of first choice. ACC has initiated the ACC Employment Value Proposition (AEVP) to find out attributes that employees perceive as the value gained through employment in our organisation. ACC also engages in a periodic exercise called Engaging for Results (EFR), a survey for measuring employee satisfaction. These have led to many positive changes within the company.





Investors

ACC Audit Committee was awarded the Best Audit Committee Award 2008 by the Asian Centre of Corporate Governance & Sustainability and Indian Merchants' Chamber.

ACC strongly believes in fair competition. Fair competition can be described as the combined effort of persons and/or undertakings to win customers for their specific products, and rival with their competitors, by independently determining their own performance. The company has come up with guidelines which need to be abided by all employees.

ACC encourages its employees to report suspicious cases of fraud/misconduct. A fraud risk management committee has been set up to enforce the policy.

Suppliers

Going beyond its business operations, ACC has started integration of CSR and occupational health & safety (OH & S) with the procurement function. The idea is to inculcate responsible behaviour in its sphere of influence. All the suppliers who approach ACC with enquiry receive a standard questionnaire on CSR and OH & S at suppliers' premises. It is mandatory for the suppliers to provide details before entering into a business relationship.

Consumers

ACC Help

ACC is driven by a strong consumer-centric focus. Hence, all our initiatives are aimed at improving their lives in every way possible. With a slew of services to help out the individual home builder, ACC is the consumer's helping hand. 'ACC Help' is a multi-platform effort launched by the company to help customers in building their own homes. This includes ACC Help Centres, a website (www.askacc.com), ACC Retail Centres, ACC Home Guides, etc.

Sustainable Construction

ACC believes that the emerging trends with respect to climate, consumer demographics, etc. will result in new construction value propositions. With a view to experiencing this proposition as a user, the company undertook a major renovation and refurbishment programme to transform its 70-year-old corporate office in Mumbai using green building principles. This has been registered under the LEED New Construction and Major Renovation rating of the Indian Green Building Council. ACC continued the partnership with the Holcim Foundation for Sustainable Construction and assisted the Foundation in organising the Asia-Pacific Region awards for sustainable construction.

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Communities

ACC engages with communities for their economic, education and health-related development.

Economic

In an effort to make technical training of the community youth more appropriate to industry requirements and involving them to make it more relevant, and in order to increase employment opportunities, ACC has signed a Memorandum of Agreement (MoA) with the Government of India covering ITIs (Industrial Training Institutes) near seven of its plant locations.

- | | |
|--|---|
| i) Bargarh Cement Works – Orissa | v) Kymore Cement Works – Madhya Pradesh |
| ii) Chaibasa Cement Works – Jharkhand | vi) Lakheri Cement Works – Rajasthan |
| iii) Gagal Cement Works – Himachal Pradesh | vii) Wadi Cement Works – Karnataka |
| iv) Jamul Cement Works – Chhattisgarh | |

In a related development, the ACC Cement Technology Institute was set up at Jamul (Chhattisgarh) in order to train and recruit fresh engineering talent.

Education

Each ACC plant runs schools for children of employees that are also open to other children of the vicinity. ACC schools and colleges maintain high standards of education and are often the best in the district.

Health

ACC's healthcare services cover over three lakh people. In places like Chaibasa and Kymore, mobile health van services are also provided to the community round the year. ACC ambulances are provided to the community during emergencies. ACC runs the first-of-its kind, standalone corporate anti-retroviral treatment (ART) centre at Wadi (Karnataka) that is a global landmark. The second ART centre – ACC CMC Trust for Infectious Diseases (ACTFID) – has been launched in collaboration with Christian Medical College, Vellore (Tamil Nadu).

Volunteering

ACC AHEAD

ACC Ladies Clubs formed a new chapter, ACC AHEAD (Association for Health, Education and Development), in January 2008 to support and supplement social volunteering and community development programmes of the company. ACC AHEAD volunteers have initiated projects for creating livelihood opportunities for women, adult vocational education, health and hygiene for the underprivileged in the communities around ACC plants.

Natural disasters

ACC has also been quick to respond to natural disasters. During the year, most of its employees and dealers contributed to relief and rehabilitation in flood-struck Bihar.

