



Build with confidence



Shared Values  
**Shared Ambition**

**ACC Limited**  
75th Annual Report 2010

75 years of  
**Strength**  
**Performance**  
**Passion**



## Board of Directors

(As on February 3, 2011)

**Mr N S Sekhsaria**  
Chairman

**Mr Paul Hugentobler**  
Deputy Chairman

**Mr Kuldip Kaura**  
Chief Executive Officer &  
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**

**Mr Aidan Lyman**

**Mr Sushil Kumar Roongta**

## 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 Kuldip Kaura

## 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 Kuldip Kaura

## Managing Committee

Mr Kuldip Kaura, Chairman

Mr T N Tiwari

Mr Sunil Nayak

Mr J Datta Gupta

Mr Ramit Budhraj

Mr Rajiv Prasad

Mr Vivek Chawla

Dr Rajen Mehrotra

Mr Shakti Arora

## Company Secretary & Head Compliance

Mr Burjor D Nariman

## Auditor

S R Batliboi & Associates

## Cost Auditor

N I Mehta & Company

## Bankers

State Bank of India

Bank of Baroda

State Bank of Hyderabad

State Bank of Bikaner & Jaipur

Standard Chartered Bank

Citibank, N.A.

The Hongkong & Shanghai

Banking Corporation Limited

HDFC Bank Limited

ICICI Bank Limited

## Registered Office

Cement House

121 Maharshi Karve Road

Mumbai 400 020

**Website: [www.acclimited.com](http://www.acclimited.com)**

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

## Getting To Platinum



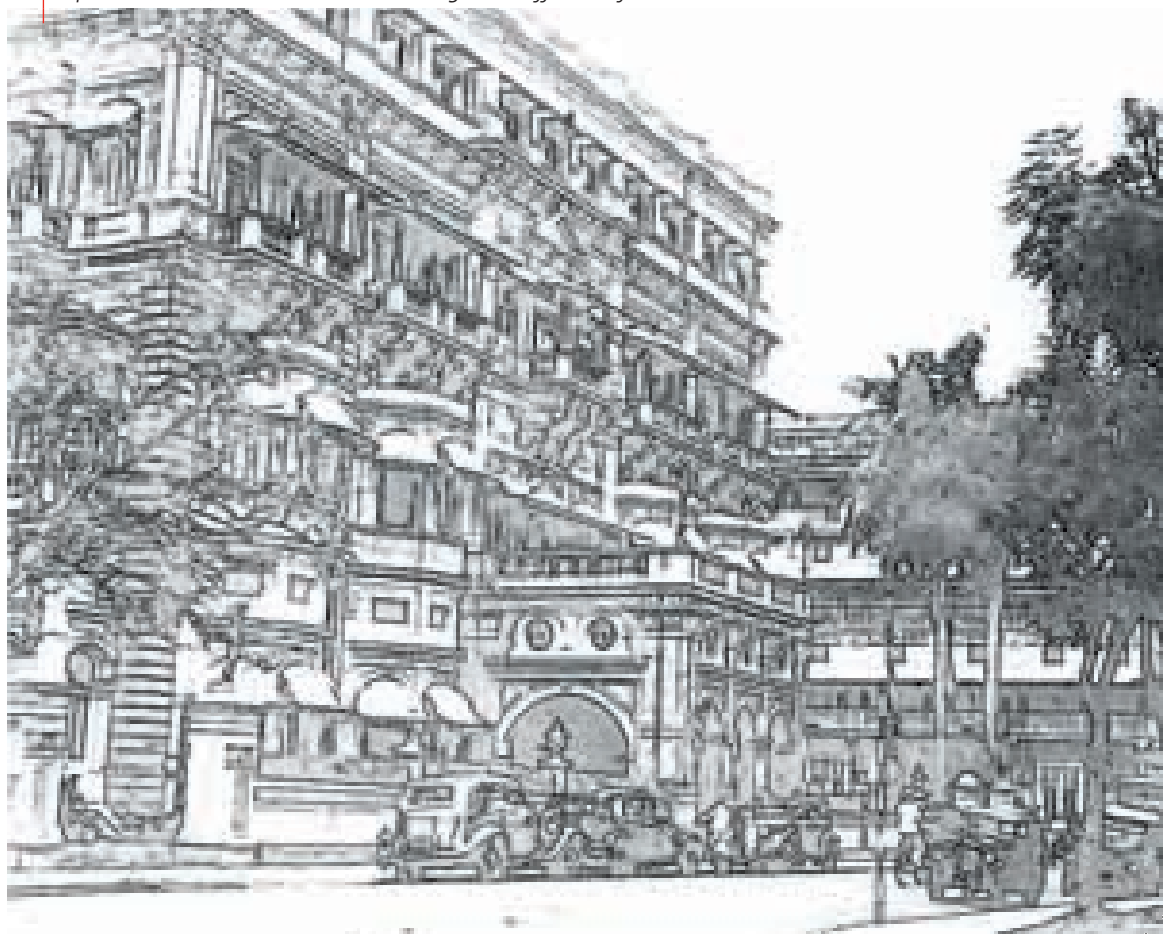
Our history makes an interesting business case study. The essence of our story begins with the formation of an Indian company in 1936 when ten existing cement companies integrated as one in a momentous amalgamation - the country's first notable merger at a time when the term mergers and acquisitions was not yet coined.

Now the organisation enters its seventy-fifth year. A platinum jubilee is a proud occasion and a befitting analogy as platinum is one of the noble metals. Quite sober in appearance, platinum represents determination and true grit and is revered for its endurance.

Only a handful of companies in the country are known to have reached such a milestone while remaining in the same business in a position of eminence. We wear that distinction with humility and look forward to another glorious innings in the cement industry when we can be of service to the nation.

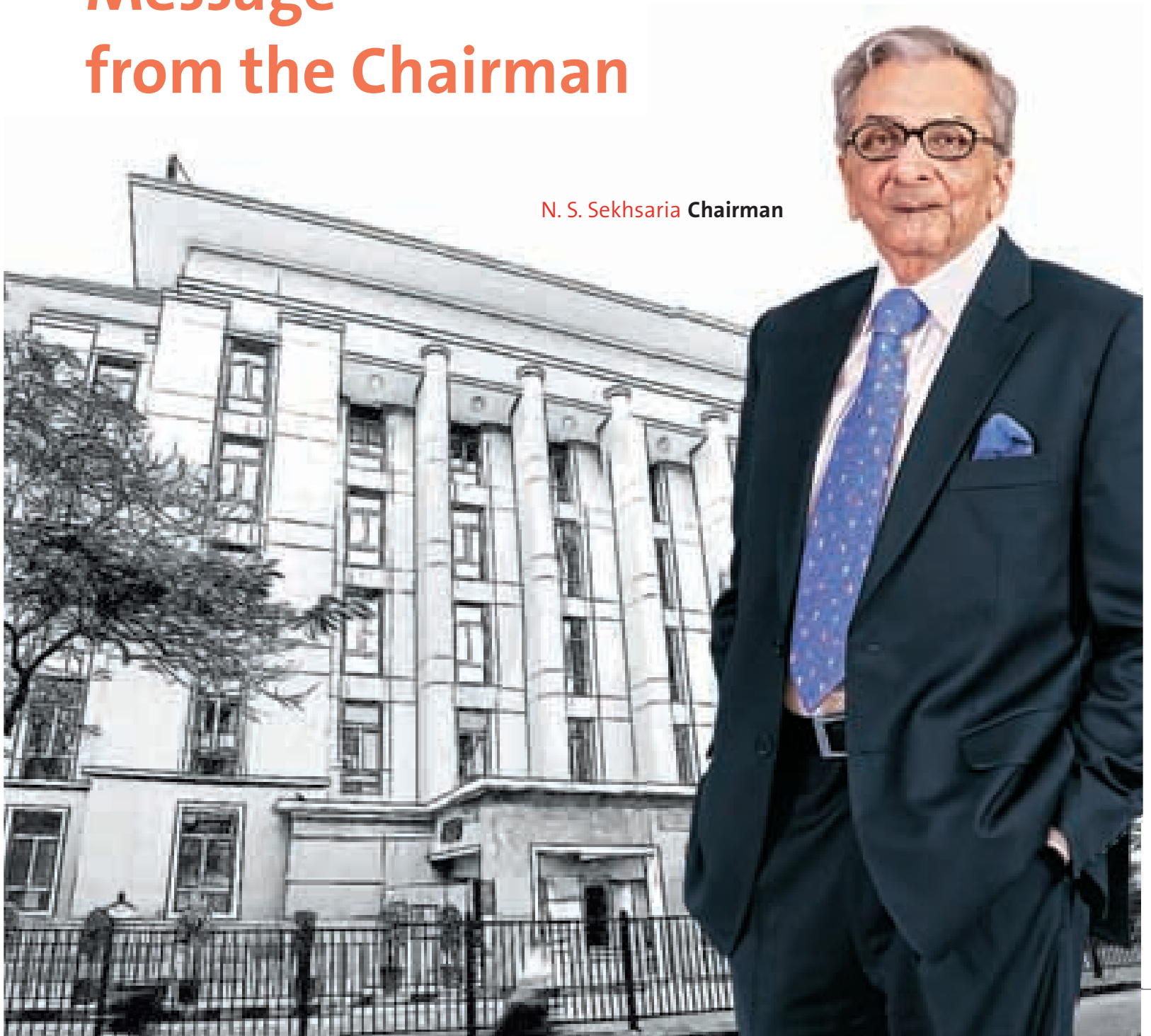
In these pages we bring you some highlights of our journey of getting to this platinum jubilee, capturing the memorable achievements of all our people.

*Esplanade House, Mumbai – where ACC's registered office was first located.*



# Message from the Chairman

N. S. Sekhsaria **Chairman**



Dear Friends,

*This is a special year as ACC completes 75 successful years. A Platinum Jubilee is a significant milestone that is reserved for special organizations who wear this mantle not by financial excellence or scale of operations alone, but by the blessings of enduring relationships with all the stakeholders they serve. ACC has built India for 75 years in a manner that its name is now familiar in every part of the country. We can all take pride in being a part of this great Company. A large part of the credit for this achievement must go to you the shareholders for your unwavering commitment to the values this organisation has steadfastly demonstrated.*

From the beginning, Your Company has been a pioneer and trendsetter in cement and concrete, promoting innovative research and product development. This has made ACC an important benchmark for the Indian cement industry. The relationships and associations we formed with Ambuja Cements and with the Holcim Group have offered considerable opportunities for learning and adapting global best practices.

Today, we cannot imagine the variety and magnitude of the tests and trials that ACC encountered since its inception. In all these years, the challenges were many, the journey was difficult, but the spirit was unflinching. Even the last year we have just been through could have been daunting as it made the industry grapple with rising input costs and declining selling prices alongside heightened competition. But Your Company negotiated these uncertainties effectively to put itself in a position of strength.

ACC is proud to announce the commissioning of the expanded Wadi 2 kiln in September 2010. With a daily capacity of 12,500 tonnes, it is said to be the largest cement kiln worldwide. Another successful project is the new clinkering line at Chanda in Maharashtra that

commenced trial production in November 2010, which would ultimately result in additional capacity of about 3 million tonnes per annum. The completion of these two projects puts ACC on the threshold of achieving 30 million tonnes annually.

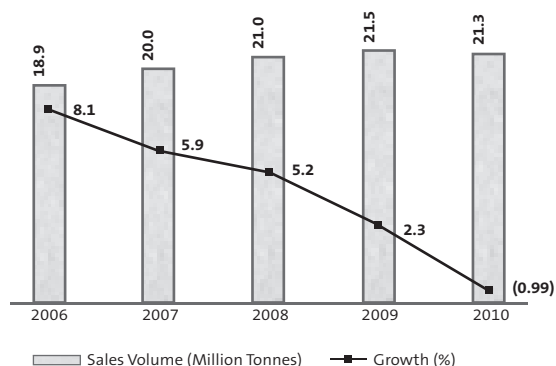
With Government retaining a determined focus on infrastructure development and an optimistic outlook for overall GDP growth, we have no doubt these will offer a considerable boost to the demand for cement. The future for Your Company looks bright even as it passes through competitive times. ACC is poised to grow much faster in coming decades based on its technical excellence, human resources, brand equity and market growth. As ACC gears up for another important phase in its growth, I have no doubt the company will continue to enjoy the same dedication and faith from all its stakeholders and associates that will inspire it to reach greater heights.

Thank you.

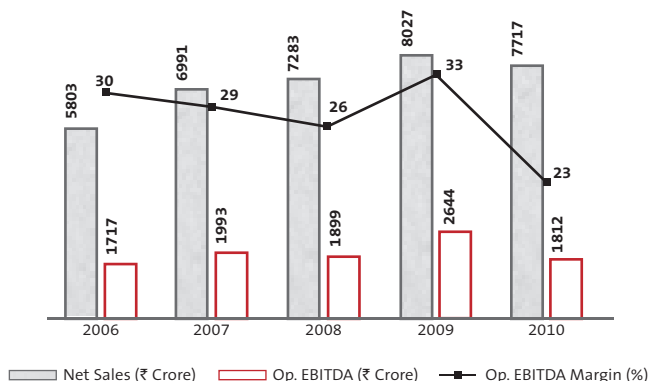
**Narotam Sekhsaria**

# Performance Highlights

Sales Volume & Growth %



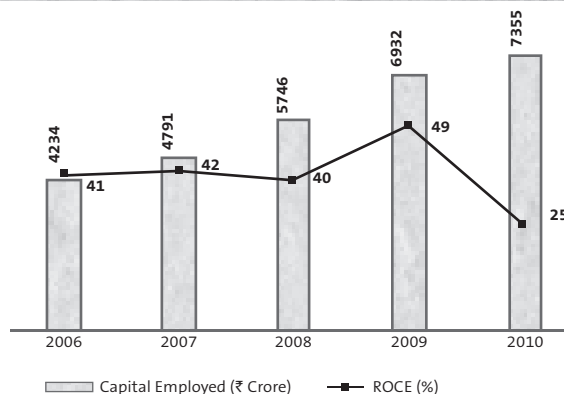
Net Sales, Operating EBITDA & Operating EBITDA Margin



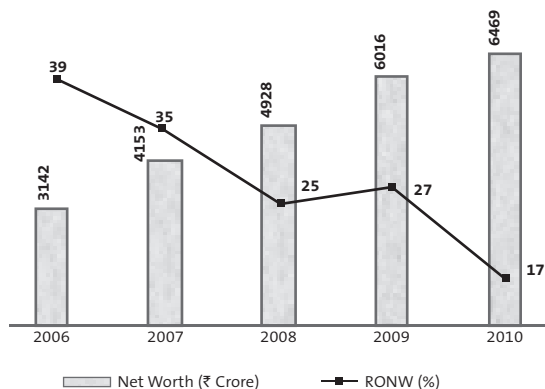
Profit Before Tax & Profit After Tax



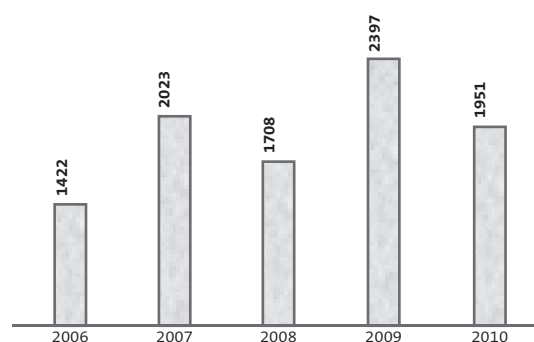
Capital Employed & Return on Capital Employed



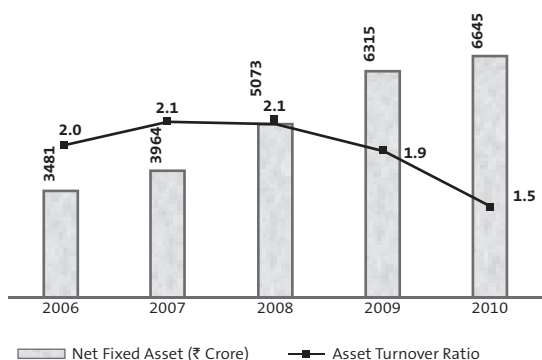
Net Worth & Return on Net Worth



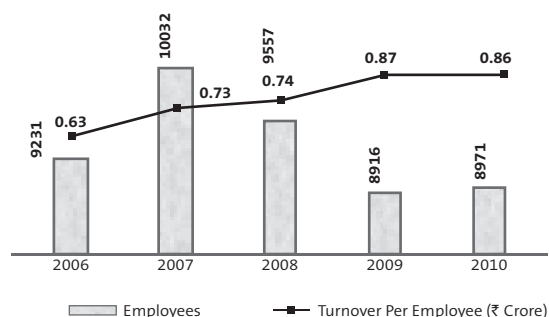
Net Cash Generated from Operations (₹ Crore)



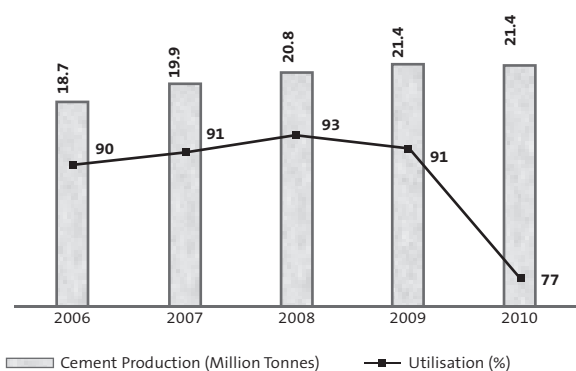
### Net Fixed Assets & Asset Turnover Ratio



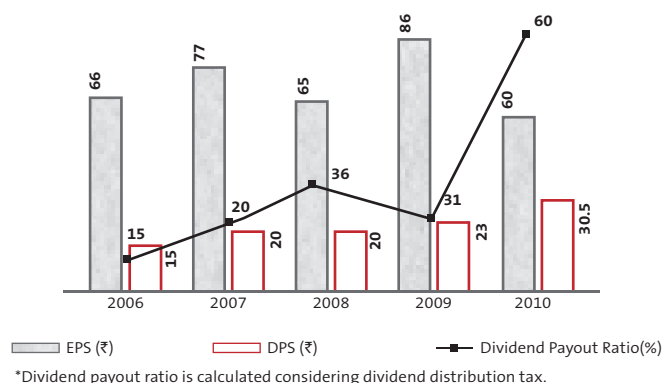
### Employees at the year end & Turnover per Employee



### Cement Production & Capacity Utilisation

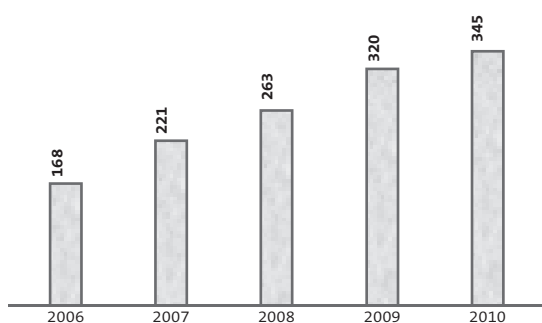


### Dividend per Share, Earning per Share and Dividend Payout Ratio\*

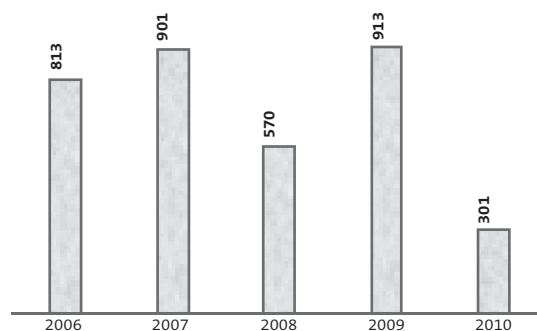


\*Dividend payout ratio is calculated considering dividend distribution tax.

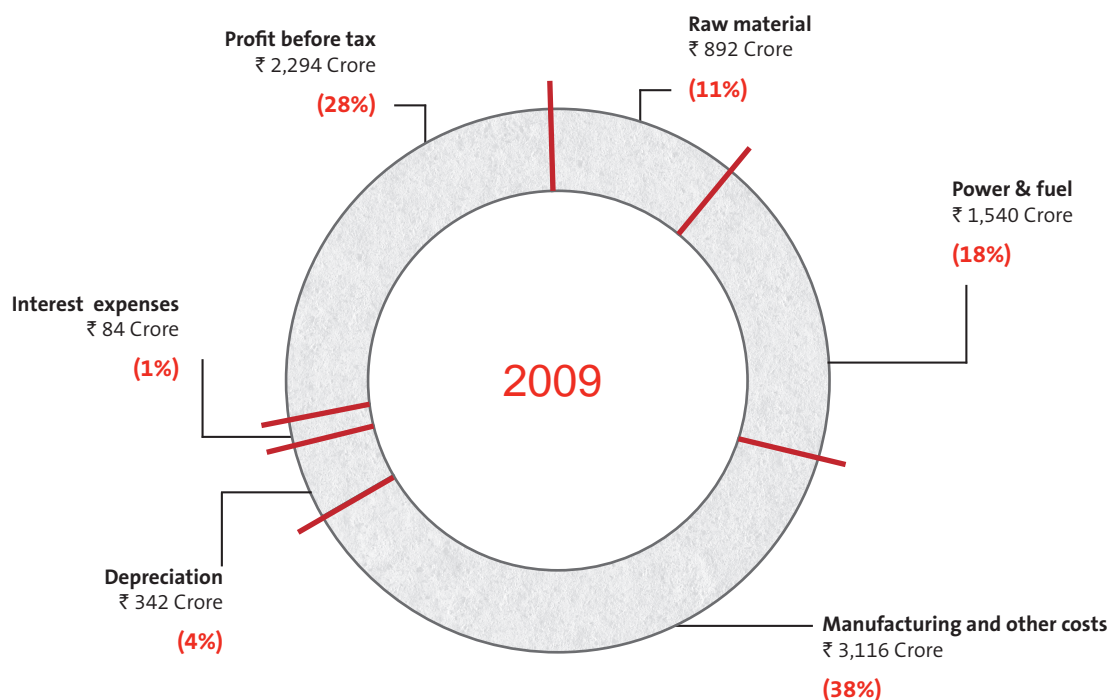
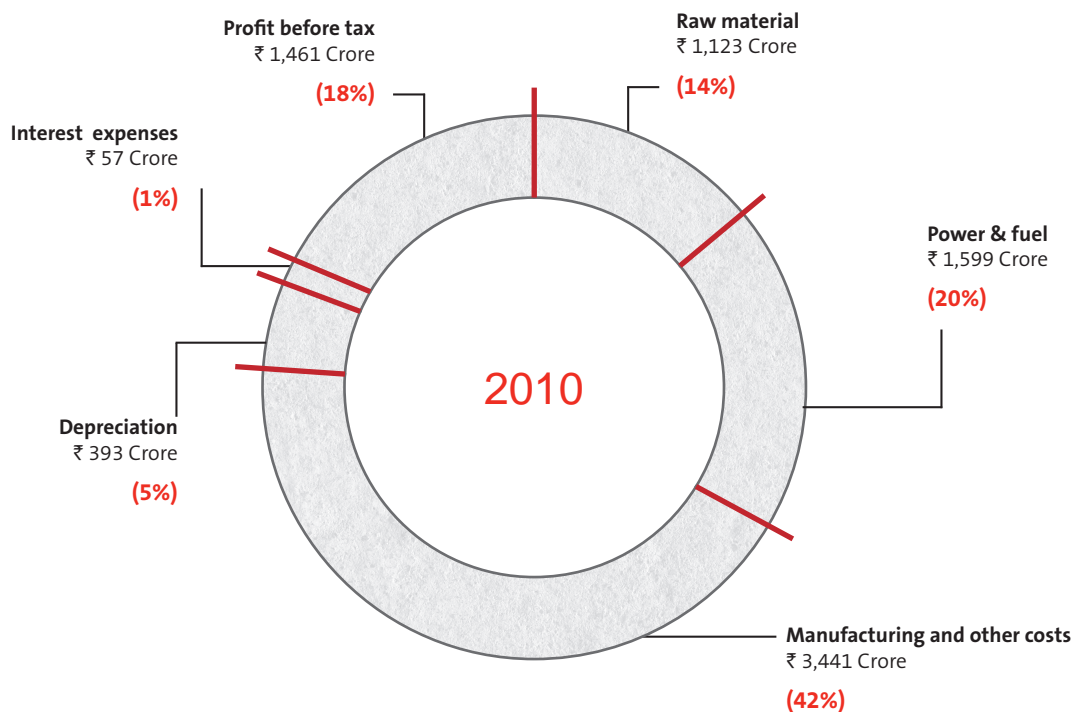
### Book Value per Share (₹ Crore)



### Economic Value Added (EVA) (₹ Crore)



## Cost and Profit as a Percentage of Total Income





# Financial Highlights

₹ Crore

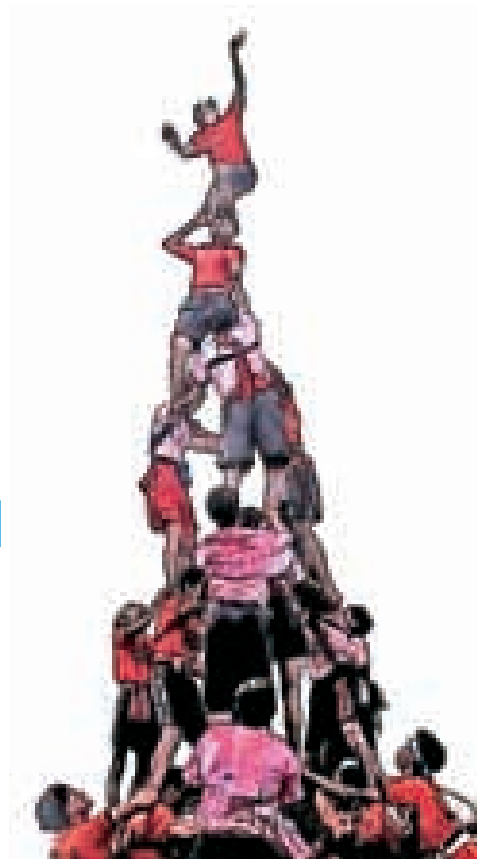
	2010	2009	2008	2007	2006	2005*	2004-05	2003-04	2002-03	2001-02
<b>INCOME STATEMENT</b>										
Net Sales	7,717	8,027	7,283	6,991	5,803	3,221	3,902	3,284	2,860	2,831
Operating EBIDTA	1,812	2,644	1,899	1,993	1,717	616	715	496	353	482
Profit before Tax	1,461	2,294	1,737	1,930	1,620	684	444	254	118	164
Profit after Tax	1,120	1,607	1,213	1,439	1,232	544	378	200	104	130
<b>BALANCE SHEET</b>										
Net Worth	6,469	6,016	4,928	4,153	3,142	2,130	1,585	1,319	1,024	946
Borrowings	524	567	482	306	771	1,071	1,408	1,353	1,405	1,508
Net Fixed Assets	6,645	6,315	5,073	3,964	3,481	3,122	2,872	2,472	2,456	2,317
Cash and cash equivalents#	2,388	1,876	1,438	1,489	1,080	348	57	114	35	27
Current Assets	2,753	2,256	2,760	2,203	1,921	1,421	1,214	1,040	891	896
Current Liabilities	3,746	3,114	2,766	2,221	1,672	1,335	1,076	941	807	700
Capital Employed	7,355	6,932	5,746	4,791	4,234	3,508	3,301	2,982	2,720	2,761
<b>SIGNIFICANT RATIOS</b>										
Operating EBIDTA / Net sales	23%	33%	26%	29%	30%	19%	18%	15%	12%	17%
Return on Capital Employed	25%	49%	40%	42%	41%	19%	18%	12%	9%	13%
Return on Net Worth	17%	27%	25%	35%	39%	34%	24%	15%	10%	14%
Current Ratio	0.73	0.72	1.00	0.99	1.15	1.06	1.13	1.11	1.10	1.28
Debts Equity Ratio	0.08	0.09	0.10	0.07	0.25	0.50	0.89	1.02	1.37	1.59
Price Earning Ratio	18.04	10.23	7.39	13.74	16.44	17.74	17.25	21.62	23.60	20.15
Dividend Yield Ratio	3%	3%	4%	2%	1%	2%	2%	2%	2%	2%
Net worth per Share (₹)	345	320	263	221	168	115	89	74	60	55
Dividend per Share (₹)	30.50	23.00	20.00	20.00	15.00	8.00	7.00	4.00	2.50	3.00
Basic Earnings per Share (₹)	59.66	85.60	64.63	76.75	66.02	30.02	21.23	11.68	6.08	7.64
<b>CASH FLOWS</b>										
Net cash provided by / (used in)										
Operating activities	1,951	2,397	1,708	2,023	1,422	644	598	478	442	484
Investing activities	(802)	(1,505)	(1,170)	(824)	(483)	(181)	(519)	(415)	(159)	(129)
Financial activities	(637)	(455)	(297)	(1,075)	(423)	(419)	(87)	(33)	(275)	(355)

\* Pertains to nine months period

# Cash and cash equivalents includes investment in mutual funds

# Vision

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



# Values

## Strength

Building strong and lasting relationships. Conducting everyday operations internally in true team spirit. Acting responsibly with integrity and demonstrating strength of character, demonstrating excellence in everything we do.

## Performance

Delivering on our promises to each other and to our stakeholders. Always ensuring excellence. Working together and striving to delight customers with best solutions.

## Passion

Caring, being dedicated, committed and passionate about everything we do, demonstrating excellence in everything we do.

