



**Embracing Tomorrow
Enhancing Value**

ACC LIMITED
77th Annual Report 2012



BOARD OF DIRECTORS

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 Bernard Fontana

Mr M L Narula

Mr R A Shah

Mr Shailesh Haribhakti

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Ashwin Dani

AUDIT COMMITTEE

Mr Shailesh Haribhakti
Chairman

Mr S M Palia

Mr Naresh Chandra

Mr Paul Hugentobler

Mr Sushil Kumar Roongta

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Mr Paul Hugentobler
Chairman

Mr M L Narula

Mr Kuldip Kaura

COMPENSATION COMMITTEE

Mr N S Sekhsaria
Chairman

Mr Paul Hugentobler

Mr Shailesh Haribhakti

COMPLIANCE COMMITTEE

Mr R A Shah
Chairman

Mr Naresh Chandra

Mr Shailesh Haribhakti

Mr Paul Hugentobler

Mr Kuldip Kaura

CAPEX COMMITTEE

Mr Paul Hugentobler
Chairman

Mr S M Palia

Mr M L Narula

Mr Aidan Lynam

Mr Sushil Kumar Roongta

Mr Kuldip Kaura

MANAGING COMMITTEE

Mr Kuldip Kaura
Chief Executive Officer & Managing Director

Mr Sunil Nayak
Chief Financial Officer

Mr J DattaGupta
Chief Commercial Officer

Mr Rajiv Prasad
Chief Executive, North Region

Mr Vivek Chawla
Chief Executive, East Region

Mr P N Iyer
Chief Executive, South & West Region

Mr Shakti Arora
Chief Central Procurement Officer

COMPANY SECRETARY & HEAD - COMPLIANCE

Mr Burjor D Nariman

AUDITOR

S R Batliboi & Co.

COST AUDITOR

N I Mehta & Company

BANKERS

State Bank of India

Citibank, NA

The Hongkong & Shanghai Banking
Corporation Limited

HDFC Bank Limited

REGISTERED OFFICE

Cement House
121 Maharshi Karve Road
Mumbai 400 020

Website: www.acclimited.com

CONTENTS

Introductory Profile	01-13
Performance Highlights	14-16
Financial Highlights	17
Economic Value Added	18
Notice	19-21
Directors' Report and Management Discussion & Analysis	22-33
Annexures to Directors' Report	34-38
Corporate Governance	39-61
Business Responsibility Report	62-73
Financial Analysis	74-80
Auditors' Report	81-83
Balance Sheet	84
Statement of Profit and Loss	85
Cash Flow Statement	86-87
Notes to Financial Statements	88-125
Statement under Section 212	126
Consolidated Financial Statements	127-166

Accounts - Subsidiary Companies

- ACC Mineral Resources Limited ...	S1-S10
- Bulk Cement Corporation (India) Limited	S11-S22
- Lucky Minmat Limited	S23-S36
- National Limestone Company Private Limited	S37-S47
- Singhania Minerals Private Limited	S48-S56

ANNUAL GENERAL MEETING

On Friday, April 5, 2013
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.*



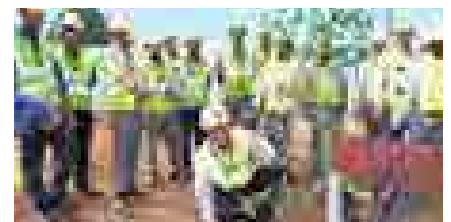
Our journey to enhance customer value and pursue cost leadership continues through improvements in manufacturing, sales & marketing, logistics and procurement of major inputs.

We aim to maintain special focus on the following:

- ▶ Safety; Zero Harm anywhere to anyone associated with ACC.
- ▶ Enhancing Customer Value. Meeting and exceeding their expectations in supplying best quality cement consistently, with service levels aspiring to exceed their rising expectations.
- ▶ Building organisation and capability and implementing step changing ideas and innovations to realise our growth aspirations.
- ▶ Creating a great place to work.
- ▶ A special focus on input costs of coal and energy.
- ▶ Aim to move efficiently and move less.
- ▶ Continuing our good work with communities with a renewed focus.

Through these efforts, we have aimed to realise our complete potential and achieve benchmark level of performance - to pursue what it takes to sustain superior performance over time.

At the close of the year 2012, we took a step forward in our growth journey by ordering the Jamul expansion project and groundbreaking at Jamul project site in Chhattisgarh.





New benchmarks in performance have been created by several plants with notable achievements in reducing specific thermal energy consumption, specific electrical energy and outstanding results in reducing the percentage of clinker factor.



MANUFACTURING EXCELLENCE

manufacturing
excellence

The objective in our manufacturing excellence programme has been to achieve reduction in the cost of production both on an overall basis and at each plant. Dedicated project teams were formed to drive improvement projects on important cost performance indicators across all plants. In addition, companywide communities of practice were set up for key performance indicators to achieve improvements in the clinker factor, thermal and electrical efficiency. These initiatives created a basis for providing opportunities for regular sharing of best practices and ideas across the organisation as well as for internal and external benchmarking. A notable feature of the programme is the creation of model plants characterized by their best performance, best practices, infrastructure and setting up a good training culture.

We have also targeted improvements in the Coal Value Chain to address our fuel bill. Coal is among the most critical inputs for cement. Accordingly, we examined sourcing strategies for different types of coal, identifying the optimal coal mix for all plants and creating a roadmap for plants to use their optimal coal mix.

New benchmarks in performance have been created by several plants with notable achievements in reducing specific thermal energy consumption, specific electrical energy and outstanding results in reducing the percentage of clinker factor. A new milestone was also achieved by one plant when it successfully switched to 100 per cent use of petcoke.





ENHANCING CUSTOMER VALUE

enhancing
customer
value



New methods and tools have been designed to assess and benchmark marketing performances. There are new systems in place to garner customer feedback and insights as well as to gauge customer expectations.

The aim to secure superior value for the customer has generated a lot of excitement and energy in the young and dynamic sales team of the company. In the process, we have set about developing leaders, coaches and empowered teams in the sales function to drive the change needed to nurture and strengthen the company's brand advantage, sustain market share and aim for top-line growth.

New methods and tools have been designed to assess and benchmark marketing performances. There are new systems in place to garner customer feedback and insights as well as to gauge customer expectations. Simultaneously action has been initiated to improve customer service levels.


The company's core customers continue to comprise the individual house builder in our cities and towns. At the same time, urbanization and infrastructure development unfold new growth segments for our cement and concrete.





LOGISTICS EXCELLENCE

logistics
excellence

 **R**adio Frequency Identification (RFID) and Global Positioning Systems (GPS) technology are being deployed in our logistics operations in phases to identify and locate vehicles both within and outside our plants.

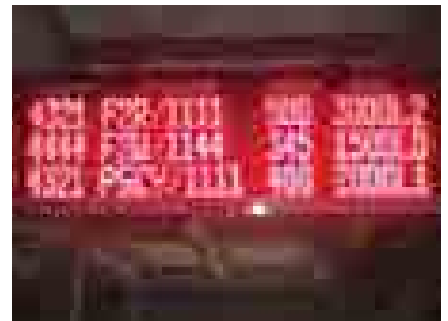
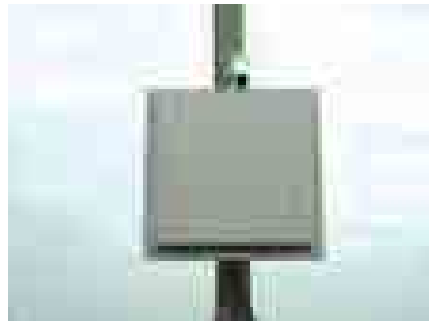


Cement is a vital building material that demands well-organized distribution and timely delivery. Inward and outward transportation form a significant share of our overall costs. Through a structured programme launched last year, the company aspired to achieve best-in-class logistics performance in terms of cost-to-serve and time-to-serve. This called for active collaboration between all internal and external stakeholders from the plant and sales offices to transporters, railways, clearing agents and channel partners. The guiding principles are simple - move less, handle less, move efficiently, contract efficiently and manage growth. Each of these generated several operational and strategic improvement initiatives across the company.

Radio Frequency Identification (RFID) and Global Positioning Systems (GPS) technology are being deployed in our logistics operations in phases to identify and locate vehicles both within and outside our plants. These help in minimising in-plant loading time and in tracking vehicles in transit to end-consumer destinations, thus cutting down delays, enhancing vehicle turn-arounds. RFID and GPS solutions hold the promise to revolutionize cement logistics operations.

Safety in logistics received special focus through concerted interventions in people development. Health and safety checks in our

plants are being carried out in phases with the help of external consultants who examine aspects such as truck parking yards, traffic flow for inbound and outbound material, storage points, packing house, road and rail infrastructure and guidelines for safe and efficient evacuation management. Additionally, driver training and health camps are also carried out at all plants.





RESPONSIBLE BUSINESS

responsible
business



The company maintained its ongoing thrust on reducing the overall carbon footprint of its operations using the recognized levers of (a) manufacturing blended cements that consume less clinker, (b) pursuing continuous improvements in thermal and electrical energy efficiency, (c) improving the usage of Alternative Fuels and Raw materials (AFR) and (d) adopting clean and green technologies.



In the Corporate Sustainability Label programme initiated by CII-ITC Centre of Excellence for Sustainable Development (said to be the world's first evaluation of its kind), ACC was awarded the rating of "Sustainable Plus" in category Gold.