



**Embracing Tomorrow**  
Building Capabilities

**ACC LIMITED**  
78th Annual Report 2013



## BOARD OF DIRECTORS

(As on 6th February 2014)

### Mr N S Sekhsaria

Chairman

### Mr Paul Hugentobler

Deputy Chairman

### Mr Kuldeep Kaura

Chief Executive Officer &  
Managing Director

### Mr S M Palia

### Mr Bernard Fontana

### Mr M L Narula

### Mr Shailesh Haribhakti

### Mr Aidan Lynam

### Mr Sushil Kumar Roongta

### Mr Ashwin Dani

### Mr Farrokh K Kavarana

### Mr Bernard Terver

### Mr Vijay Kumar Sharma

## AUDIT COMMITTEE

### Mr S M Palia

Chairman

### Mr Paul Hugentobler

### Mr Sushil Kumar Roongta

### Mr M L Narula

### Mr Ashwin Dani

### Mr Farrokh K Kavarana

## SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

### Mr Paul Hugentobler

Chairman

### Mr M L Narula

### Mr Bernard Terver

### Mr Kuldeep Kaura

## COMPENSATION COMMITTEE

### Mr N S Sekhsaria

Chairman

### Mr Paul Hugentobler

### Mr Shailesh Haribhakti

### Mr Farrokh K Kavarana

### Mr Bernard Terver

## COMPLIANCE COMMITTEE

### Mr Paul Hugentobler

Chairman

### Mr Shailesh Haribhakti

### Mr Bernard Terver

### Mr Kuldeep Kaura

## CAPEX COMMITTEE

### Mr Paul Hugentobler

Chairman

### Mr S M Palia

### Mr M L Narula

### Mr Aidan Lynam

### Mr Sushil Kumar Roongta

### Mr Bernard Terver

### Mr Kuldeep Kaura

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Mr S M Palia

Chairman

### Mr M L Narula

### Mr Kuldeep Kaura

## MANAGING COMMITTEE

### Mr Kuldeep Kaura

Chairman

### Mr Sunil Nayak

### Mr J Datta Gupta

### Mr Vivek Chawla

### Mr Rajiv Prasad

### Mr P N Iyer

### Mr Joydeep Mukherjee

### Mr Ranjan Sachdeva

## COMPANY SECRETARY & HEAD - COMPLIANCE

### Mr Burjor D Nariman

## AUDITOR

### S R Batliboi & Co. LLP

## COST AUDITOR

### N I Mehta & Company

## BANKERS

### State Bank of India

### Citibank, NA

### HDFC 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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## Accounts - Subsidiary Companies

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|----------------|---|
| <b>S1-S11</b>  | - ACC Mineral Resources Limited                 |
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| <b>S52-S62</b> | - Singhania Minerals Private<br>Limited         |

## ANNUAL GENERAL MEETING

On Wednesday, April 9, 2014 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.



## EMBRACING TOMORROW - BUILDING CAPABILITIES


We are making steady progress towards our vision of transforming ACC into an organization that is safe, customer-oriented, compliant, efficient and people-minded.

Your company confidently faced the challenges of coping with a generally sluggish economy. That is because in the ongoing Institutionalizing Excellence journey, we built on our achievements, step by step.

We kept a sharp focus on our main priorities - of delivering higher customer value and operational excellence to strive for continuous growth with motivational people processes, due regard for sustainable development and above all nurturing a safety culture.

The progress we have made in respect of the Institutionalizing Excellence journey so far helped us defuse inflationary pressures and improve operating costs. Above all it took us further on the path of enabling us to serve our customers better.

This has also helped us in enhancing our capabilities, improving our processes - thus enabling us to participate in India's growth story.



# Customer Excellence - Cement

To reinforce the customer value proposition, our marketing and sales teams demonstrated a new sense of vitality and innovation while facing the challenges involved in dealing with a slow-moving market.



ACC's young and energetic sales force engaged itself with strengthening and nurturing the company's brand advantage, to maintain its share in an increasingly competitive market. Reaching out to our customers, listening to them so we can get to know them better, to understand their needs and address their concerns with a valuable offer and differentiated customer experience - Cementing Relationships.

The goal for Marketing & Sales was to enrich customer services, to seek stronger customer-pull and price improvements - particularly by leveraging enhanced brand building initiatives and value based pricing in partnership with the company's channel members.

Apart from the point of purchase in the company's vast retail network, ACC's brand visibility was widened across several mediums making effective use of television advertising, print and social media and synergizing sales efforts. New products and services were launched during the year supported by vigorous campaigns.

Additional revenue generation was pursued through an increase in the sale of premium products which increased by almost 90 per cent during the year.



## Customer Excellence - Concrete



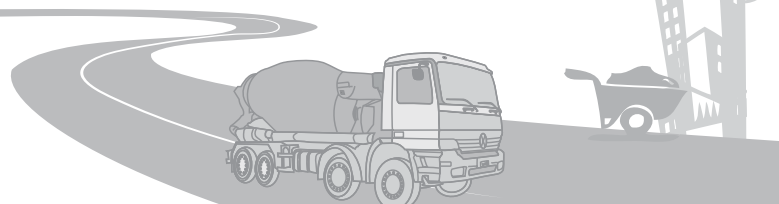
On-time service also holds the key to Customer excellence in the Ready Mix Concrete (RMX) business. ACC RMX posted a stellar performance in 2013, overriding the conditions of a stagnant market to turnaround after many years. This was made possible by simultaneously addressing

- ▶ customer oriented product development leading to several new value added products and services
- ▶ enhanced quality
- ▶ operational efficiencies
- ▶ better logistics management targeting increased transit mixer utilization and turnarounds
- ▶ enhanced customer service through faster on-time service and delivery

Our product range now provides one stop solutions from small basic requirements up to higher grades of concrete to build the country's tallest structures.

With a wider portfolio of new Value Added Solutions of as many as 19 products for different applications, all tailored to meet specific customer requirements, and by leveraging the company's vast and competent cement sales network to target the retail segment, ACC Concrete has been successful in widening its customer base.

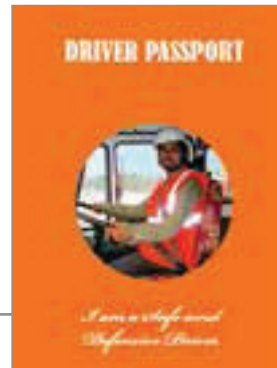
ACC RMX is ready to participate in the growth of India's construction and infrastructure development sector by striving to further enhance service levels and increasing volumes from its existing assets, through on-site and commercial projects.





# Logistics Excellence

The company is making steady progress as it moves ahead with its structured plan to achieve best-in-class performance in logistics management in terms of cost-to-serve and time-to-serve with a whole new focus on logistics safety.



*Driver and Vehicle Passports introduced to ensure drivers are competent to drive the vehicles on company's business and the vehicles are safe to be driven. So far 14,000 Driver Passports and 12,600 Vehicle Passports have been issued.*

The Logistics Excellence journey saw visible and significant initiatives to reduce lead distances and eliminate multiple handling.

Best-in-class logistics management demands excellence in logistics infrastructure at our plants, warehouses and other points critical in storage and handling. We are equipping plants with facilities for drivers and their crew such as rest rooms, canteens, clean drinking water and maintenance facilities. At Chanda we have built an impressive state-of-the-art parking yard with concrete surfacing, among the largest and most modern in the country, which is likely to become a benchmark in itself.





*'Wear Seat Belt' campaign started in plants*

RFID (Radio Frequency Identification Device) and GPS (Global Positioning Systems) modules which were successfully deployed at three plants are being replicated at all plants of the company in a phased manner. These technologies have demonstrated their effectiveness in managing in-plant loading time and tracking vehicles in transit to help improve turn-around time. The end result is better customer service.

An essential component of efficient logistics is the safety and well-being of the people who play the most important part in it - the drivers and transport crew. ACC is committed to mitigating and eliminating risks in Logistics. We are implementing this through a host of measures focused on People, Vehicles and Processes. These include upgrading amenities for truck drivers at our plants, improving traffic management within our plants, screening of drivers to ensure they are fit to drive vehicles on company's business, assessment of vehicles for their safety and roadworthiness and enhancing competence of drivers through defensive driver training.



*Drivers are regularly briefed about risks and hazards*



*A Seat Belt Convincer is used to stress the importance of wearing a seat belt*



*Truck simulator in use for driver training. About 600 drivers benefited from simulator training*



*A Defensive driving training in session - 8,600 drivers were trained this way*

# Manufacturing Excellence

The improvement engine that was kick-started two years ago as an essential part of the Manufacturing Excellence journey, advanced full steam ahead - demonstrating consistent progress during the year in terms of strengthening the company's basic health, operating performance and input cost.

Communities of excellence for different pillars and communities of practice for key performance indicators helped achieve overall improvements in clinker factor, thermal and electrical efficiency. Thanks to the hard work of our project management offices and plant teams, overall performance efficiencies and productivity parameters have risen appreciably.

Among the objectives in our manufacturing excellence programme was 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. And despite difficult economic conditions last year, successful cost reductions enabled by the manufacturing excellence journey, made it possible for the company to subdue the impact of rising prices of our majors of coal, energy, mineral components like gypsum, slag and flyash.







There is a noticeable change in the language used by employees for target setting. What looked impossible like reaching for the moon became the aspiration. Many plants have achieved and surpassed their individual “moon” or aspirational targets. Now efforts are being directed to make it possible for the company as a whole to raise its overall efficiency parameters closer to the moon.

The concept of creating model plants paid rich dividends and went beyond the organization when one of our plants was named as model plant in the Holcim region, characterized by its best performance in respect of Electrical Energy.

By year end, all but one of our plants was green in Holcim’s global Operational Performance Index. Several of our plants were recognized by reputable bodies for demonstrating high standards of manufacturing excellence, energy efficiency, mines operations and safety.

Work on the new Jamul project in Chhattisgarh is progressing well and had reached its half way mark during the year.



# Sustainable Development



In less than 25 years, we slashed our overall carbon footprint by 32 per cent.

Our active participation as members of the Cement Sustainability Initiative in India culminated last year in the charting of the Low Carbon Technology Roadmap for cement industry. We are working diligently as per our Technology Roadmap to cut emissions by a further 20 per cent by 2040.

**Our approach to sustainable development is proactive and holistic to create value for all stakeholders. It embodies**

- ▶ Safety by ensuring Zero harm to anybody associated with ACC
- ▶ Conservation of energy and natural resources
- ▶ Preserving the environment and biodiversity
- ▶ Water stewardship
- ▶ and well-being of our host communities

**We continued to contribute to the global effort to cut direct greenhouse gas (GHG) emissions by successfully using the proven levers:**

- ▶ manufacturing blended cements that consume less clinker
- ▶ pursuing continuous improvements in thermal and electrical energy efficiency
- ▶ improving the usage of Alternative Fuels and Raw materials (AFR) and
- ▶ adopting clean and green technologies

## Waste Heat

ACC's first ever Waste Heat Recovery Boiler was commissioned at Gagal plant, an important milestone in our sustainable development journey.

## Alternative Fuels and Raw Materials

Sustainable waste management solutions are offered under the GEOCYCLE brand to industry, civic bodies and other waste generators. A wide range of industrial, municipal and agricultural wastes and by-products are treated at our cement plants either as alternative fuels or as raw material replacement. We also engage with local communities to source biomass, thus creating livelihood opportunities.

We aim to achieve a step change in handling increased volumes by setting up waste pre-processing facilities for three cement plants with the augmentation of feeding and storage systems and incorporating suitable safety arrangements. With newer facilities and improved technical capabilities, we are confident of serving a larger client base.

## Water

We strive to maintain Zero Discharge. Several initiatives have been undertaken at all plants to reduce specific water consumption for cement manufacture while simultaneously enhancing water harvesting efforts in plants and mines.

