ACC Limited

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

POSTAL BALLOT NOTICE

To,
The Members,

The Board of Directors of the Company has re-appointed Mr Kuldip Kaura as the Chief Executive Officer & Managing Director (CEO & MD) of the Company for a period of one year with effect from 1st January 2014.

Under Section 309(1) of the Companies Act 1956, the Company is required to obtain the approval of the Members of the Company for the appointment/re-appointment and terms of remuneration of Managerial Personnel. With a view to have greater participation of the Members, it is proposed to move an Ordinary Resolution by means of a Postal Ballot for seeking your approval for the re-appointment and remuneration of Mr Kuldip Kaura as CEO & MD of the Company as aforesaid.

The Resolution along with the Explanatory Statement is set out below for your consideration. A Postal Ballot Form is also enclosed.

The Companies Act 2013, has been enacted with effect from 29th August 2013. Under the said Act 2013, the provisions relating to the managerial appointment and remuneration are similar to those contained in the Companies Act 1956. However, the relevant sections of the Companies Act 2013 are yet to be notified. In view of the above, the Company is following the legal obligations as provided under the Companies Act, 1956 in the above matter.

The Company has appointed Ms Shirin Bharucha, Advocate, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed in the enclosed self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before Wednesday, 29th January 2014. The Scrutinizer will submit her report to the Chairman after completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced at the Registered Office of the Company at Cement House, 121 Maharshi Karve Road, Mumbai 400 020, on Friday, 31st January 2014 during business hours of the Company.

By Order of the Board of Directors
For ACC Limited

B D Nariman
Company Secretary & Head Compliance

Notice pursuant to Section 192A(2) of the Companies Act, 1956

NOTICE IS HEREBY GIVEN to the Members of ACC Limited pursuant to Section 192A(2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that consent of the Members of the Company is sought for the undermentioned Resolution by way of a postal ballot.

To consider, and if thought fit, to pass the following Resolution as an Ordinary Resolution.

Re-Appointment and terms of remuneration of the Chief Executive Officer & Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and remuneration of Mr Kuldip Kaura as the Chief Executive Officer & Managing Director (CEO & MD) of the Company for a period of one year with effect from 1st January 2014, upon and subject to the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in the financial year) as set out in the Explanatory Statement annexed to the Notice, and which terms and conditions have been incorporated in the draft Agreement between the Company and Mr Kuldip Kaura, 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 Kuldip Kaura."

By Order of the Board of Directors
For ACC Limited

B D Nariman
Company Secretary & Head Compliance

Notes :

1. The Notice is being sent to all the Members of the Company whose names appear in the Register of Members and List of Beneficial Owners received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on 13th December 2013.

2. In compliance with the provisions of Section 192A of the Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, electronic voting (e-voting) facility will be available to the Members as an alternate mode of voting. For this purpose, the Company has entered into an agreement with CDSL for providing the electronic voting platform to enable e-voting for those Members who would prefer to cast their votes electronically. The instructions for e-voting are given in the enclosed Postal Ballot Form.

3. The period of voting will begin from 30th December 2013 and will remain open till the closing hours of the business on 29th January 2014. For those Members who will opt for casting their votes in physical mode, the duly completed Postal Ballot Forms should reach the Scrutinizer not later than by the close of business hours on Wednesday, 29th January 2014. For those Members who wish to use the e-voting facility, the electronic voting platform will open on Monday, 30th December 2013 from 9.00 a.m. onwards and will remain open till Wednesday, 29th January 2014, 5.00 p.m.

Mumbai
16th December 2013

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the aforesaid Resolution

The Members of the Company had, by an Ordinary Resolution passed through a postal ballot on 29th September 2010, appointed Mr Kuldip Kaura as Chief Executive Officer & Managing Director (CEO & MD) of the Company for the period commencing from 15th August 2010 upto 31st December 2013.

Thereafter, the Board of Directors at its Meeting held on 4th December 2013 has, subject to the approval of the Members, re-appointed Mr Kuldip Kaura as CEO & MD of the Company for a period of one year commencing from 1st January 2014.

Mr Kaura holds a B.E. (Honours) degree in Mechanical Engineering from Birla Institute of Technology & Science (BITS), Pilani and has the benefit of management education from reputable business institutions like London Business School and Swedish Institute of Management which has given him a deep appreciation of the national and international business environment.

Mr Kaura has a wide and varied experience in metals/mining and engineering sectors having worked with Vedanta Resources for around seven years, initially as the Managing Director of Hindustan Zinc Limited and thereafter as Chief Executive Officer of Vedanta Resources Plc till 2008 and played a significant role in transformation and rapid growth of its group companies. Prior to this, Mr Kaura has served with ABB India Limited in various key positions and was Managing Director of that Company from 1998 to 2001.

During his tenure as CEO & MD of the Company, Mr Kaura has successfully steered the "Institutionalizing Excellence" journey, a programme aimed at strengthening the Company's internal processes through continuous improvements in manufacturing, sales & marketing, logistics, procurement and workmen development thereby seeking a leadership position in the cement industry and deliver superior value to the stakeholders. The benefit of this programme is visible in the numerous awards and accolades received by the Company from independent reputable organizations.

Subject to the approval of the Members, the Board has, on the recommendation of the Compensation Committee, determined the terms of re-appointment and remuneration of Mr Kuldip Kaura as CEO & MD of the Company for a period of one year with effect from 1st January 2014, the salient features of which are as under:

1. **Remuneration:**

   a. **Salary**

   Such monthly salary per month as may be approved by the Board on the recommendation of the Compensation Committee in the grade ₹ 11,00,000 – ₹ 25,00,000.

   b. **Allowances**

   a. House Rent Allowance (HRA) - Free furnished residential accommodation **OR** HRA at the rate of 40% of the basic salary.

   b. Leave Travel Concession - Reimbursement of all expenses (like travel fare, lodging, boarding, conveyance and other expenses) incurred for self and family during the leave / holiday travel periods, whenever undertaken, whether in India or overseas for an amount not exceeding 12.5% of the basic salary. The entitlement to the extent not availed of shall be encashed and paid out at the end of the tenure of the CEO & MD.

   c. Special Allowance - As may be decided by the Board of Directors on the recommendation of the Compensation Committee.

d. Medical Reimbursement - Such amount as may be decided by the Board of Directors on the recommendation of the Compensation Committee including Group Mediclaim policy as per the rules of the Company.

2. Performance Incentive:

Such remuneration by way of performance incentive payment upto an amount equivalent to a maximum of 37.5% of the basic salary, allowances and perquisites as stated above, in addition to the salary, perquisites and allowances payable, during the tenure of the CEO & MD as may be determined by the Board of Directors of the Company at the end of the tenure, subject to the overall ceilings stipulated in the Companies Act, 1956. The specific amount payable to the CEO & MD will be decided by the Board on the recommendation of the Compensation Committee of the Board.

The aforesaid ceiling of 37.5% includes 7.5% as Holcim's Global Performance Incentive. Tax, if any, payable on the Holcim's Global Performance Incentive granted to the CEO & MD would be borne by the Company.

3. Perquisites:

a. Personal Accident Insurance - Group Personal Accident Insurance Policy, as applicable, as per the rules of the Company.

b. Club Membership - Membership of two clubs, the membership fee whereof shall be borne by the Company.

c. Leave - Leave with full pay or encashment thereof, as per the rules of the Company.

d. Other Perquisites - As may be decided by the Board of Directors on the recommendation of the Compensation Committee, subject to the overall ceiling on managerial remuneration.

Explanation: Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

4. Retirement Benefits:

a. Contribution to Provident Fund and Superannuation Fund

The Company's contribution to Provident Fund not exceeding 12% of the basic salary, as per the rules of the Company.

The Company's contribution to the Superannuation Fund will be 15% of the basic salary, as per the rules of the Company.

b. Gratuity

Gratuity at the rate of half-month's basic salary for each completed year of service or pro-rate thereof.

5. Amenities:

a. Conveyance facilities

The Company shall provide a suitable vehicle for use by the CEO & MD. Repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company.

b. Telephone and other communication facilities

The Company shall provide a mobile phone to the CEO & MD and shall also provide telephone and other communication facilities at his residence. All the expenses incurred in this regard shall be paid or reimbursed by the Company as per the rules of the Company.

6. Overall Remuneration:

The aggregate of salary, allowances, perquisites and performance incentive in the financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act.

7. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in the financial year, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, allowances and perquisites as specified above, subject to the requisite approvals being obtained in that behalf.

8. Income Tax:

Income Tax will be deducted at source as per applicable laws / rules.

9. Other Terms And Conditions of Appointment:

a. The CEO & MD will use the best of his skills and ability and will endeavour to promote the interests of the Company and to conform to and comply with the directions and regulations of the Company and also such instructions and directions as may from time to time be given to him by the Directors of the Company.

b. The CEO & MD will devote the whole of his time and attention to the business of the Company and will not engage

directly or indirectly in any other business, occupation or employment, provided, however, he may with the prior approval of the Board, hold Directorships in other companies and/or provide services to other group companies.

c. The CEO & MD will not be entitled to supplement his earnings with any buying or selling commission. So long as he functions as the CEO & MD of the Company, he shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government. He will cease to be the CEO & MD immediately upon any contravention of the undertaking.

d. The Company shall indemnify and keep indemnified Mr Kaura against all the costs, expenses, losses, damages, penalties that he may incur or suffer in the course of attending or performing the Company's work including the legal costs and expenses incurred by him in defending any dispute or proceedings in any Court of law, Arbitration etc.

e. The terms and conditions of his appointment and remuneration may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 1956.

f. Mr Kaura's appointment as CEO & MD of the Company is by virtue of his employment in the Company and his appointment will be subject to the provisions of Section 283(1)(l) of the Companies Act, 1956. So long as the CEO & MD continues to be in the employment of the Company, he will be a Director not liable to retire by rotation.

g. If at any time the CEO & MD ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the CEO&MD of the Company.

h. If at any time the CEO & MD ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.

i. This Agreement may be terminated by either party giving to the other party three months' notice in writing of such termination or the Company paying three months' salary in lieu of the notice.

The draft Agreement proposed to be entered into between the Company and the CEO & MD is available for inspection upto 29th January 2014 at the Registered Office of the Company during business hours on all working days.

The Board commends the resolution for approval by the Members.

None of the Directors of the Company except Mr Kaura is interested in the said Resolution which is proposed to be moved by means of a postal ballot.

This may be treated as an Abstract of the terms of appointment of the CEO & MD as required under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors
For ACC Limited

B D Nariman
Company Secretary & Head Compliance

Mumbai, 16th December 2013

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

Encl. 1. Postal Ballot Form
2. Prepaid Postage envelope

ACC Limited

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

Serial No.

POSTAL BALLOT FORM

(1) Name(s) of Member(s)
including joint holders, if any

(2) Registered Address of the Sole/
First named Member

(3) Registered Folio No./
DPID No./Client ID No.

(4) No. of shares held

(5) I/We hereby exercise my/our vote in respect of the Ordinary Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated 16th December 2013 by sending my/our assent or dissent to the said Resolution by placing the tick (✓) mark in the appropriate box(es) below :

Item No.	Description	No. of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1.	Ordinary Resolution under Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act, approving the terms and conditions of re-appointment and remuneration of Mr Kuldip Kaura as Chief Executive Officer & Managing Director of the Company for a period of one year with effect from 1st January 2014.			

Place:

Date: (Signature of the Member)

ELECTRONIC VOTING PARTICULARS

E-Voting Sequence Number (EVSN)	User ID	Password No.	PAN	Default No. (in case the PAN has not been furnished to the Company)

NOTE: PLEASE READ THE INSTRUCTIONS ENCLOSED BEFORE VOTING.