ACC LIMITED

Minutes of the Seventy – Fourth Annual General Meeting of the Members of ACC Limited held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020 on Thursday, 8th April 2010

The following Directors were present:-

Mr N S Sekhsaria (Chairman)
Mr Paul Hugentobler (Deputy Chairman)
Mr S Banerjee (Managing Director)
Mr S M Palia
Mr M L Narula
Mr R A Shah
Mr Shailesh Haribhakti
Mr Kuldip Kaura

2. Besides the above Directors, 297 Members were present in person and 98 Members were present by their proxies.

3 Mr N S Sekhsaria, Chairman of the Board of Directors took the Chair and called the Meeting to order.

4 The Directors' Report, Audited Statement of Accounts, the Register of Directors' Shareholding maintained under Section 307 of the Companies 1956 and the Auditor's Certificate in regard to the implementation of the Employee Stock Option Scheme in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, were placed before the Meeting.

5 The Chairman welcomed the Members to the Seventy-Fourth Annual General Meeting.

6 With the consent of the Members, the Notice convening the Meeting was taken as read.

7 The Chairman requested Mr B D Nariman, Company Secretary & Head Compliances to read the Auditors' Report, which was read.

8. In his "Opening Remarks" the Chairman stated as under:

Company's Performance

The Company posted good financial results during the year 2009. Consolidated income in the year 2009 was Rs 8,724 crore as compared to Rs 8234 crore during the previous year, an increase of 9 per cent. Sales volume grew marginally by 2.6 per cent. Consolidated Profit before Tax for the year 2009 was Rs. 2250.70 crore as compared to Rs. 1624.82 crore during the previous year, an increase of 38.5%. The operating EBITDA margin in 2009 was 30.4%, as against 23.3% in 2008. This was enabled by a combination of factors including higher prices and strict cost controls on all fronts.

Modernisation and Expansion Projects

The Chairman mentioned that two new satellite grinding units were commissioned at Thondebhavi and Kudithini in Karnataka, in the last quarter of 2009. These units form the first phase of the New Wadi expansion programme, which when completed, will add 3 million tonnes per annum of capacity in Karnataka.

The expansion at Bargarh Plant together with a 15 MW captive power plant was substantially completed during the year.

The new clinkering line at Chanda in Maharashtra is expected to be commissioned during the current year, which will add, another 3 million tonnes per annum.

By the end of 2010, the Company's cement capacity will stand increased to 30.5 million tonnes per annum, from the existing level of 26 million tonnes.

Energy

The Company's captive power plants performed well last year, providing quality power supply at competitive costs and at the same time, selling surplus power. The share of captive power in the total power consumption of our plants climbed to 71% from 66% in 2008.There was a growth of 15 per cent in captive power generation during the year 2009. Additional power capacity of 50 MW at Wadi, and 25 MW at Chanda, was expected to come up during the year.

Coal

In view of the demand supply mismatch, the Cement Industry does not receive adequate supply of appropriate Indian coal. Coal is a critical input for the Cement Industry and the Company was successful in getting four coal block allotments in Madhya Pradesh and one in West Bengal.

Sustainable Development

The Company continued to make progress in the area of Sustainable Development. Community development programmes focused on generating livelihoods particularly through self help groups. Local development schemes were strengthened by involving representatives of the community in the decision-making and monitoring pocess.

The Company continues to pursue the use of alternative fuels and raw materials through the co-processing of industrial waste in its plants.

The wind energy farms installed in Tamil Nadu and Rajasthan performed well. A new wind farm, near Satara in Maharashtra, was also recently commissioned.

Human Resources

Great importance is placed by the Company on human capital. The Company has a dedicated and talented pool of employees. The management has taken several strategic initiatives to strengthen and enhance the quality of human resources, and its organizational capabilities.

Directorate

The Chairman mentioned that Mr Kuldip Kaura had joined the Board of Directors as an Independent Director. He also acknowledged the contribution made by Mrs Shikha Sharma, Dr Nirmalya Kumar and Mr Onne van der Weijde who had resigned as Directors during the year.

Cement Industry

The Cement Industry performed well during 2009 with a good demand and stable pricing for most of the year. This was partly because a large part of the anticipated capacity expansions did not materialize in time. However, it was expected that the year 2010 will see cement capacity of about 70 million tonnes being added in the country. This was likely to intensify competition in some parts of the country.

Outlook for 2010

The outlook for the Cement Industry continued to be favourable. The demand for cement was expected to grow briskly at around 9 to 10 per cent, driven by infrastructure and a steady growth in housing construction. With capacity of 4.5 million tonnes being added during the year, the Company would be better placed capacity wise.

Acknowledgements & Conclusion

The Chairman mentioned that on behalf of the Board of Directors and on his own behalf, he would like to express appreciation and thanks to all the employees of ACC for their contribution and dedication which has helped the Company to pursue the path of growth and excellence. The Chairman also thanked the Members of the Company, for their unstinted support which has enabled the Company to retain and enhance its leadership position over the years.

1. The following Resolution was thereafter:

Proposed by: Chairman
Seconded by: Mr Paul Hugentobler

" **RESOLVED THAT** the audited Profit & Loss Account for the financial year ended December 31, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon be and the same are hereby approved and adopted."

10. Before putting the Resolution to vote, the Chairman invited the Members to express their views on the performance of the Company briefly and to the point.

11. **Mrs Ashalata Maheshwari:** Mrs Maheshwari spoke in Hindi. At the outset she complemented the Chairman and the Board of Directors for the excellent performance of the Company. While thanking the Board of Directors for enhancing the dividend for the year 2009, from Rs 20/- per share to Rs 23/- per share (including the payment of interim dividend of Rs. 10/- per share), she recalled that last year she had requested the Chairman to consider making a Bonus Issue since the reserves were adequate. She hoped that this year the Board of Directors would make a Bonus Issue as it would be a fitting way to reward the shareholders in the Platinum Jubilee Year of the Company.

She complemented the Company on the various awards and accolades received by it and in particular on being conferred the Gold Shield by the Institute of Chartered Accountants of India for the year 2009 for excellence in financial reporting and mentioned that the Company has consistently maintained high standards and transparency of reporting in its Annual Reports.

Mrs Maheshwari appreciated the initiatives taken by the management to contain costs on all parameters and improve productivity which has enhanced the competitiveness of the Company in the face of fierce competition. ACC has strong brand equity and it was one of the first companies to introduce Ready Mixed Concrete (RMX) in India and sell branded cement, she recalled.

She appreciated the steps taken by the Company for the use of Alternative fuels and raw materials and for the laudable work carried out by the Company in the area of Sustainable Development

Mrs Maheshwari thereafter requested for the following information:

i. the total installed capacity after completion of expansion at Bargarh, Wadi and Chanda;
ii. steps proposed to be taken for increasing the use of Alternative fuels;
iii. impact of the Finance Bill 2010 on the working of the Company;
iv. whether the Company had a strategy in place for acquisitions, if any, during the year;
v. the reasons for drop in foreign exchange earnings during 2009;

Finally, she wished the Company, its Directors, shareholders and employees the very best in the years ahead.

12. **Mr T M Davar:** Mr Davar mentioned that the performance of the Company for the year 2009 was indeed laudable and thanked the Chairman for declaration of a higher dividend of 230%. He mentioned that he supported the Members' request for a Bonus Issue not only because this was a Platinum Jubilee Year of the Company, but also because the Company's Balance Sheet justified it. The Company has adequate reserves in the Share Premium Account from which Bonus shares could be issued. Many of the shareholders were holding shares in the Company for the last several years and it would be a befitting gesture on the part of the Company to reward these Members with a Bonus shares issued in the ratio of one bonus share for every one equity share held by them in the Jubilee year.

Mr Davar thereafter welcomed Mr B D Nariman who had recently taken charge as Company Secretary & Head Compliances and wished him a long and successful career with ACC. He recalled the contribution made by Mr N H Italia, former President Finance and Mr K Ravindran, former Director Controlling & Finance

He appreciated the presentation of the Annual Report and said that the Report was very informative and transparent in its disclosure and complemented the CFO and his team on the Company being conferred the Gold Shield by the Institute of Chartered Accountants of India for the year 2009 for excellence in financial reporting.

Mr Davar mentioned that when he visited "Cement House", the Registered Office of the Company, he was pleasantly surprised to find a completely renovated building. While the external heritage façade of the building had been retained, the interiors were modern and building has been converted into a state-of-the-art environmentally friendly building.

Mr Davar thereafter requested for the following information:

i. cost per copy of the Annual Report;
ii. cost of renovation of Cement House.

He mentioned that he supported all the Resolutions set out in the Notice of the Meeting.

13. **Mr Harshad Kesharuwala :** Mr Kesharuwala mentioned that he was a shareholder of the Company for the last several years, although he was speaking at the Company's AGM for the first time. He found the Company's Annual Report very interesting. Referring to page 35 of the Report, he mentioned that in its value statement viz. "Strength, Performance Passion" a reference to the Company's care for its Members and the esteem in which the Members held the Company should also be brought out under the value "Passion". Mr Kesharuwala mentioned that he recently had the occasion to interact with the Share Department of the Company and was satisfied with the manner in which they had redressed his queries. It was his considered view that those companies who maintain an in-house Share Department offer far better services to the Members as compared to other companies who have retained the services of Registrars & Share Transfer Agents and requested the Company to continue with the existing arrangements.

Finally he mentioned that share scrips of reputed companies like ACC & Ambuja are cherished by the investors and handed down from generation to generation. He thereafter wished the Company and all those associated with it the very best.

14. **Brig. G K Virmani:** Brig. Virmani at the outset mentioned that each year, he looked forward to receiving the Company's Annual Reports. He appreciated the graphs showing the performance highlights as also the additional information giving financial analysis of the ACC's standalone results which transparently summed up the working of the Company. He thereafter gave the following suggestion to further improve the contents of the Annual Report.

i. the unit of reporting was not consistent. This was also pointed out by him at the last AGM. He recommended that a uniform pattern of reporting either in "Rupees Crore or in Rupees Lakhs" should be followed;
ii. the information on Economic Value Addition (EVA) should be included in the Annual Report.

He also appreciated the Minutes of the Meeting and suggested that these should also including dissenting views, if any, expressed by the Members.

He congratulated the Board of Directors and the management team for the excellent performance of the Company during the year 2009. While the net sales increased by 10.22% over the previous year, the Sundry Debtors were lower by 34.33% as compared to the previous year. The loans and advances had also come down and the manufacturing costs were kept under check. However there were certain areas of performance which required more focused attention. He had calculated EVA which showed a downward trend and the ratio of other expenses to sales had virtually doubled. He urged the Audit Committee to closely monitor these areas of performance to arrest the downslide.

Finally, he wished the Company the very best in its Platinum Jubilee year.

15. **Mr B C Dalal:** Mr Dalal complimented the Board of Directors and the management team for posting good results and thanked the Board for enhancing the dividend from Rs 20/- per share to Rs 23/- per share (including payment of an interim dividend). Analyzing the performance of the Company on various parameters, Mr Dalal mentioned that the Company had strong fundamentals. Given the capital intensive nature of the cement industry, the debt: equity ratio had gone down further which was creditable. Further, despite inflationary pressures, the manufacturing and other expenses had reduced and there was overall good working capital management. He hoped that the Company would be able to maintain its performance in the current year.

Mr Dalal mentioned that it was his view that one of the reasons for the good performance of the Company was the support given by the promoters i.e. Holcim Limited in building organizational capabilities

Referring to the contract with Yanbu Cement Company, Saudi Arabia for management and operation of its cement plants which had entered its thirtieth year, Mr Dalal stated that this showed the strong technical and managerial expertise and capabilities within the Organization which was being nurtured and further strengthened through the support of the promoters.

He observed that while the GDRs were extinguished and de-listed from the London Stock Exchange, the Company had un-hedged foreign currency exposure.

Referring to the acquisition of National Limestone Company Private Limited, and Encore Cement Private Limited and the investment made by the Company in Asian Concrete & Cement Private Limited, he hoped that these acquisitions/ investments would add value to the Company and desired to have details in regard to the same.

He appreciated the initiatives taken by the Company for sustainable community development in and around the Plants with a focus on health and education.

Mr Dalal requested for the following information:

i. nature of technology used for expansion at Madukkarai, Chanda and New Wadi Plant, whether it compared favorably with the best available technology and whether the other existing cement plans were operating on modern technology;
ii. whether the Company was dealing in financing/ foreign exchange derivatives;
iii. impact of costs increases on the profit margins of the Company during the current year 2010;
iv. whether ACC Concrete Limited would be able to turnaround its profitability during the year;

Finally, Mr Dalal mentioned that he hoped the Company would consider rewarding its Members with a Bonus Issue in its Platinum Jubilee Year.

16. **Mr P J Paymaster:** Mr Paymaster congratulated the Board of Directors and the management for the good performance of the Company. He mentioned that the Company had very strong fundamentals. It Reserves and Surplus were substantially higher than its Issued and Paid up Share Capital. During the year under review, the net sales had increased by 10%, manufacturing costs were reduced despite inflationary pressures, sundry debtors decreased by around 34.33% and a tight control was maintained over inventory. The Board of Directors had also recommended a higher dividend taking into consideration the good performance of the Company.

He welcomed Mr Kuldip Kaura on the Board of Director of the Company and stated that with his vast experience and expertise he would further enrich the deliberations at Board Meetings.

Mr Paymaster mentioned that the Company's brand equity was strong and wanted to know whether the Company was able to fetch a premium on cement prices on this account. Further, with additional capacities coming up during 2010, the Company would need to have a strong strategy to face the competition.

Mr Paymaster thereafter requested information on the following matters:

i. the total production of cement in the country during the year 2009;
ii. ACC's despatches vis a vis the Industry despatches;
iii. projected capacity additions during the years 2010 & 2011;
iv. percentage of blended cement sold by ACC during the year vis a vis competition;
v. whether the productivity of the employees in ACC compared favorably with those of its competitors;
vi. Costs of coal washery installed

Mr Paymaster finally wished the Company a bright future.

17. **Mr Vasantrao J Mahendale:** Mr Mahendale recited prayers in Sanskrit and invoked God's blessings on the Board of Directors, the employees and the shareholders of the Company.

He urged the employees to have lofty thoughts and work together in harmony toward achieving progress.

He appreciated the courtesy extended to him by the receptionist and the staff of the Secretarial Division and Share Department during his visits to the office.

Finally he offered a rose each to the Chairman, Deputy Chairman and the Managing Director along with his good wishes.

18. **Mr R B Khambatta:** Mr Khambatta congratulated the Board of Directors for the good performance of the Company and for rewarding the members with a higher dividend. However, despite the good performance of the Company, he observed that there were certain areas where the Company could improve its performance in the coming years. For instance, during the year 2009, the Company had registered a growth of around 2.3% as compared to the Industry's growth of 10.3%. Like wise, the capacity utilization of the Company's plants during the year 2009 was around 91% as compared to 93% during the previous year and the Company should strive to bring about improvement in these weak areas. Mr Khambatta wanted to know the reasons why the Company was unable to grow at the pace in which the Industry had grown during 2009.

He welcomed Mr B D Nariman who had joined the organization as Company Secretary and Head Compliances and wished him a long and successful career with the Company. He remarked that there were many employees in the Organization who had put in a long service and, while appreciating their contribution to the Company, Mr Khambatta wished to know whether the Company had a policy of rewarding these employees.

As regards the celebrations for the Platinum Jubilee year, Mr Khambatta suggested that in addition to making a Bonus Issue, the Company should come up with a publication commemorating seventy five years of the Company which could be distributed among the members, the Company's employees and business partners. It was also a fitting occasion to request the postal authorities to issue a commemorative stamp since perhaps Company has plants and sales units located across the country.

Finally, Mr Khambatta stated that he supported all the Resolutions set out in the Notice of the Meeting and wished the Board of Directors, the employees of the Company and its Members the very best in the years ahead

19. **Mr Joseph Martins:** Mr Martins mentioned that he had read with admiration the vision statement of ACC and its core values viz "Strength, Performance and Passion." The management believes that the true index of a company's greatness lies in its human resources. As the members form an integral part of any organization, it would be worthwhile for the organization to invite the views of interested members on matters relating to human resource policies. The members could also be invited to share their thoughts on the Accelerate portal.

Referring to the performance of the Company, Mr Martins mentioned that the Company had performed well during the year 2009. The share scrip at the bourse was presently quoted in the rage of around Rs 850 – Rs 900 per Equity share. However, the members were not given their rightful share in the profits of the Company as the dividend declared of Rs 23/- per share was meager in comparison to the profits made by the Company.

Mr Martins mentioned that ACC has its plants situated throughout the country including in the poor States of Chhatisgarh and Jharkhand and Company should to include in its sustainable development policy, programmes for the upliftment of the poor and the underprivileged strata of the society particularly in those poor States.

20. **Mr Michael Martins:** Mr Martins at the outset congratulated the Company and the management team for the various awards and recognitions received during the year. He also appreciated the write-up on the Companies core values viz "Strength Performance and Passion" each conveyed the lofty goals the Company had set for itself.

He mentioned that he was happy that the mark "ACC" was the strongest among its key competitors. This, coupled with a dedicated helpline "ACCHelp" would greatly enhance customer loyalty. He appreciated the steps taken by the Company for all round sustainable development and for environment protection through various measures such as setting up of wind farms and the use of industrial waste as an alternative fuel.

21. **Mr H V Sanghvi:** Mr Sanghvi complimented the Board of Directors and the management team for the good performance of the Company. He also thanked the Board of Directors for a higher dividend of Rs 23/- per Equity Share (including payment of an interim dividend). He mentioned that while he supported the other shareholders in their request for considering an issue of Bonus shares during the Platinum Jubilee year, he urged the Board to also consider a higher dividend pay out ratio in this Jubilee Year as inflation had eroded the value of money in absolute terms. He stated that he was an old Members of the "ACC Parivar" and recalled the history of the formation of this Company. He wanted to know the plans made by ACC to celebrate its 75th year of existence.

22. **Mr Hariram Chaudhary :** Mr Chaudhary at the outset complemented the Board of Directors and the management for the good performance of the Company during the year 2009, although the yield had gone down as compared to the previous year. He also appreciated the awards won by the Company and in particular the Gold Shield conferred on the Company by the Institute of Chartered Accountants of India (ICAI) for excellence in financial reporting for the year 2008 and mentioned that the Report was informative and transparent. In particular, he appreciated the information relating to the financial analysis of the Standalone results and financial highlights over 10 year period. He also appreciated the fact that the audited accounts for the financial year ended 31st December 2009 were signed by the majority of the directors and urged the Company to continue this good practice. He requested the Company to distribute the Chairman's opening remarks to the interested persons prior to the commencement of the Meeting

Mr Chaudhary opined that the current year should also be a good year for the Cement Industry as the Government has laid a great emphasis on infrastructure development.

He suggested that the Company should have a Department to liaise with the Housing Societies and through his Department, advise these Housing Societies in rain water harvesting. The Company would thereby earn good will and it would also d promote the use of ACC Cement.

He thereafter requested for the following information:

i the impact of hardening of the interest rates on the profitability of the Company;
ii whether ACC was considering to issue Infrastructure bonds;
iii newspapers in which the results of the Company are published.

23. **Mr Beruze Framroze Pouredehi:** Mr Pouredehi at the outset requested the Company to print and distribute the Chairman's Opening Remarks for the benefit of the Members.

Referring to the performance of the subsidiary companies, he stated that the Managing Director of ACC should take proactive steps to improve the profitability of these companies.

He mentioned that the Share Transfer Books should be closed for a shorter period and the dividend should be distributed immediately after it is declared at the Annual General Meeting.

He thereafter requested for the following information:

i. the amount of sitting fees paid to the directors;

ii. whether the company informs the shareholders regarding unclaimed dividends before transferring the amounts to the Investor Education & Protection Fund;
iii. break up of contingent liabilities;
iv. reasons for sale of ACC Machinery Company Limited which was a profit making subsidiary of the Company.
v. reasons for investment in Encore Cements & Additives Private Limited

Finally, he hoped that the Company would adequately reward its Members in the Platinum Jubilee Year.

24. **Mr Gautam Tiwari** : Mr Tiwari at the outset welcomed Mr Kuldip Kaura on the Board of Directors of the Company and Mr B D Nariman as the Company Secretary and Head Compliances. Mr Tiwai thereafter mentioned that he was a member of the Company for over 50 years and has seen both the down side and upside of the Company's performance during these years. He held the Board of Directors in high esteem. It was a well balanced Board comprising of professional from different fields. He appreciated the performance of the Company for the year 2009 but felt disappointed that despite this good performance, the Company's scrip had not performed well on the Stock Exchange as compared to the scrip of some of the other competing cement companies. He hoped that the Company would continue to maintain its level of performance over the years and that the performance of the Company's scrip on the bourse would also improve.

He appreciated the working of the Share Department and stated that the service was professional and courteous.

Mr Tiwari thereafter desired to have the following information:

i. the number of copies of the Annual Report printed; the cost of printing and posting;
ii. Capital Expenditure for the year 2010 and the funding thereof;

Finally, he stated that he supported all the resolutions set out in the notice of the meeting and requested the Board of Directors to reward the Members handsomely in the Platinum Jubilee Year.

25. **Mr Manu I Parekh:** Mr Parekh mentioned that he was not in favour of the Company making a Bonus Issue of shares in the Jubilee Year since the Company would have to maintain the dividend on the increased equity . Instead, it would be a good idea to reward the Members with a special dividend on the occasion of its Platinum Jubilee Year.

He thereafter desired to know whether all ACC plants were modernized.

Finally he wished the Company the very best in the years ahead.

26. **Mr S P Mahadevia:** Mr Mahadevia complemented the Board of Directors and the management team for the good performance of the Company for the year 2009. He mentioned that the performance of the subsidiary companies had also improved as compared to the year 2008.

He suggested that the Directors' Report and the Management Discussion and Analysis (MDA) should be separately given in the Annual Report and the MDA reporting should be in greater detail.

He thereafter requested for the following information:

i. the steps taken by the company for environment protection and for Organization health and safety and whether the company has obtained ISO certification in this regard;
ii. whether the Company enjoys carbon credits;
iii. the amount of expenditure incurred on CRS activities;

27. **Mr Vinitkumar Parikh:** Mr Parikh suggested to the Chairman to consider shifting the venue of the meeting to a location closer to the Churchgate Railway station as this would greatly facilitate the Members. He made certain observations/ suggestions in regard to the arrangements made at the Annual General Meeting and recommended giving coupons for tea /coffee and cold drinks against pre-printed attendance slips to prevent misuse of facilities provided by the Company. He also recommended that the practice of attaching the reports of subsidiary companies to the Annual Reports of ACC should be discontinued after seeking proper Government approval in this regard.

Mr Parikh mentioned that although the working and the financial results were consistently good, the Company should voluntarily imposed certain cost cutting measures particularly in the areas of managerial remuneration and employee costs. He recommended that the Company should follow a prudent remuneration policy for the Managing Director and other employees of the Company.

He appreciated working of the Share Department and said that the services given to the shareholders were efficient and courteous.

He mentioned that Platinum Jubilee comes once in the lifetime of an individual as also the Company. He was therefore strongly in favour of the Company making a Bonus Issue

of shares on this auspicious occasion more particularly since the Company had adequate reserves.

Finally, he wished the Directors and the management the very best in the years ahead.

28. **Mr N V Jhaveri:** Mr Jhaveri mentioned that the results of the Company for the year 2009 were impressive. However, he was dissatisfied with the dividend recommended by the Board of Directors since the Company's performance justified declaration of a higher dividend. He requested the Board of Directors to review the dividend policy with a view ensure that the Members are treated in a fair manner.

He supported the request of the other Members for a Bonus Issue in the Platinum Jubilee Year. He also suggested that a souvenir be released during the year tracing the history of ACC over the past seventy five and also to organize a plant visit to Wadi .

He thereafter sought the following information:

i. returns from investment in mutual funds;
ii. percentage of alternative fuel used in the total fuel requirement of the Company;
iii. whether the Company had increased the price of cement bags after 1st April 2010;
iv. whether the Company was considering a stock split

29. **Mrs Shobhana Mehta:** Mrs Mehta spoke in Hindi. She appreciated the presentation of the Annual Report and said that the Report was very informative and transparent in its disclosure. The working of the Company for the year 2009 was indeed impressive. Although the Company had increased the dividend for the year 2009 by 30% over the previous year, the dividend policy followed by the Company was too conservative, and the Board should have considered a higher pay out ratio since the PAT was substantially higher than the previous year.

The Company's Reserves & Surplus position was very healthy and its cash management was good. She requested the Board to consider making a Bonus Issue of shares and also to declare a Special dividend of Rs 75/- per share on the occasion of the Company's Platinum Jubilee Year

Referring to the request made by the earlier speaker to arrange a plant visit for the Members, Mrs Mehta mentioned that keeping in mind the nature of the industry, it may not be possible for the Company to organize a pant visit. However, she suggested that a video screening showing cement manufacturing process at some of its plants and other

relevant activities of the Company could be arranged for the interested Members prior to the Meeting. Alternatively, a CDs could be distributed at the venue of the Meeting.

While welcoming Mr Kuldip Kaura on the Board of Directors of the Company, Mrs Mehta inquired of the reasons for Mrs Shikha Sharma resignation form the ACC Board. She hoped that the Board would consider appointing a lady Director.

She requested for the following information:

i. Capital Expenditure incurred during the year under review and projections for 2010
ii. Details of investment acquired and sold during the year;

She stated that she supported all the Resolutions set out in the AGM Notice and while congratulating the Company on the various awards received, wished the Company the very best in the years ahead.

30. **Mr Arvind Vyas:** Mr Vyas observed that the Company had performed well during the year 2009. He was confident that the thrust given by the Government for infrastructure development would generate the demand for cement during the current year and the Company was therefore expected to perform well in the current year.

He congratulated the Company for receiving various awards and honors during the year and in particular the Gold Shield conferred on it by the Institute of Chartered Accountants of India for excellence in financial reporting for the year 2008 and mentioned that receiving awards had become a way of life in ACC.

He expressed disappointment at the working of the subsidiary companies and suggested that these should be merged with ACC.

He appreciated the steps taken by the Company in engaging local communities in and around the plants in various need based development and welfare schemes through Community Advisory Panels and in particular lauded the initiative taken by ACC through Public Private Partnership for upgrading certain Industrial Training Institutes with the objective of improving the quality of training and thereby improve the employability of these trainees.

As regards overseas activities, Mr Vyas noted that the operations and management contract with Yanbu Cement Company, Saudi Arabia had entered its thirtieth year. The Company had also entered into a contract with Mugher Cement Enterprises, Ethopia for providing project engineering and consultancy services for setting up of a 3000 TPD Greenfield clinkering line along with a satellite grinding and packing plant. This spoke volumes of the technical and managerial capabilities of ACC employees.

He also appreciated the initiatives taken by the Company for use of industrial waste as Alternative Fuels and for setting up of wind farms earlier in Tamil Nadu and Rajasthan and recently in Maharashtra.

Mr Vyas thereafter desired to have the following information:

i. reasons for lower capacity utilization of the Company's plants;
ii. capital expenditure incurred in 2009 and projections for 2010;
iii. total expenditure on CSR related activities;
iv. the capacity of the coal washery and the costs of setting up of the washery;
v. percentage of the total power requirement met through captive power generation;
vi. percentage of alternative fuel used in the total fuel requirement of the company.

Mr Vyas finally wished the Directors and the management the very best in their endeavours.

31. **Mr Prakash Vijayakar:** Mr Vijaykar requested the management to include the name of the Cost Auditor in the Annual Report. He mentioned that although the overall performance of the Company was good, there were certain areas for improvement.

He requested the Company to organize plant visit for the shareholders and requested the Board of Directors to consider a Bonus Issue of shares.

He desired to have the following information:

i. the percentage of dividend declared by the Company for the year 2009;
ii. the name of the Cost Auditor and period of appointment;
iii. the arrangement made by the Company for undertaking internal audits;
iv. whether the Company proposes to accept fixed deposits from the shareholders/ public;
v. details of donations made to political parties;
vi. costs of printing the Annual Report;

Finally, he stated that he supported all the Resolutions set out in the Notice of the Meeting

Mrs Hoami Pouredehi: Mrs Pouredehi inquired about the plans ACC had for the celebration of its Platinum Jubilee. She mentioned that the expectation of the Members was very high, as befitting the occasion and hoped that the management would reward the Members not only with a Bonus Issue but also with a Special Jubilee Dividend

She thereafter requested the Chairman to issue coupons against pre-printed attendance slips to prevent misuse of the refreshment facilities provided for the members. She stated that she had noticed many outsiders consuming refreshments and genuine members like her were deprived of the refreshment as the stock was consumed.

She also suggested that each speaker should be given a maximum time of three minutes so that the member's time is not wasted and that the meeting can be concluded quickly.

She finally wished the Company the very best always.

32. **Chairman's Response**: The Chairman thanked the shareholders for their valuable contribution and constructive suggestions/comments. He mentioned that he would respond to those questions which were of general interest to the shareholders. In case some queries remained unanswered, the information/ details with regard to those could be obtained from the Company. Thereafter the Chairman replied as under:-

The Chairman mentioned that the Board has noted the sentiments expressed by the Members in regard to the manner in which the Platinum Jubilee year should be celebrated and will keep in mind these sentiments while taking a deciding in the matter.

In response to a query on the total installed capacity of ACC, the Chairman explained that the total installed capacity of ACC as on 1st January 2010 was 26 million tonnes. After completion of the Chanda and the Wadi expansion projects, ACC's installed capacity would reach 30.5 MTPA by December 2010.

As regards the projected capacity additions for the Cement Industry, the Chairman explained that in 2010, additional capacity of around 70 million tonnes was expected to materialize, more than half of which was coming up in South West India. These capacity additions may create surpluses in some parts of the country.

Most of ACC's plants had been modernized and the Company was constantly taking steps to update its technology and make improvements where required.

During the year 2009, the Company has incurred CAPEX of around Rs 1600 crore. The Company's total CAPEX outgo for 2010 was expected to be approximately Rs. 1300 crore.

During the year under review, ACC did lose its market share for various reasons. While the Cement Industry witnessed a growth of around 10.3 % in 2009, ACC's growth was 2.3% . However, steps have been initiated to regain the market share in the current year.

The percentage of blended cement produced by ACC during the year 2009 was around 91% as compared to 75% blended cement produced by the Industry. This meant that during 2009, ACC produced 91% PPC cement/ PSC cement and 9% OPC cement.

The capacity of the CPP was expected to grow from 259 MW in 2008 to 354 in 2010. A a policy the Company proposes to steadily increase the generation of power year on year. Presently, approximately 70% of the Company's power requirements were met from captive power generation.

The Company has set up two wind turbines of 1.25 MW capacity near Satara in Maharashtra. These turbines have been commissioned in March 2010 and commercial generation of power has started.

ACC realizes a higher sale price in those markets where the brand image is strong.

In response to a query on the impact of costs increases on the profit margins of the Company for the current year 2010, it was explained that the costs of raw materials and distribution was expected to go up in the current year. This would have an adverse impact on the profit margins. However, the Company would try to mitigate the impact through management actions.

In response to a query on the extent of the impact of the Finance Bill 2010 on the working of the Company, it was explained that the impact on the profitability would be around Rs 250 core approximately.

The impact of the hardening of the interest rates on the Company would be negligible.

There were presently no plans for acquisitions.

The costs of printing of the Annual Report was Rs 28/- per copy. One lakh thirty five thousand copies of the Annual Report were printed.

The cost of renovation of Cement House was Rs 29.00 crore.

As regards the investments made by the Company in Asian Concrete & Cement Private Limited and in Encore Cements and Additives Private Limited, it was explained that the investment in Asian Concrete & Cement Private Limited was strategic. Through this investment, the Company got access to additional grinding capacity. There were also certain tax incentives available to the Company. As regards Encore Cements and Additives Private Limited, the enterprise value of the acquisition was around Rs 42 crore. The Company would grind slag based cement at Vizag which will benefit ACC in the long run.

As regard the reasons why ACC Machinery Company Limited, a former subsidiary company was sold in the earlier years although that Company was making a profit, it was explained that ACC Board had decided to exit from all non core businesses.

In response to a query on whether the Company was dealing in financing/ foreign exchange derivatives, the Chairman answered in the negative.

In response to a query on whether ACC was considering issue of infrastructure bonds, it was explained that ACC was not permitted to issue such bonds.

The cost of the setting up of a 100 TPD the coal washery was approximately Rs 25.00 crore.

In response to a query on whether there was a scheme to reward employees who had put in long service with the Company, the Chairman explained that the employees who had put in 25, 30 and 35 year of service with the Company were being monetarily rewarded and felicitated for their long and meritorious service at a special function organized for this purpose.

The unaudited quarterly / half yearly financial results and the audited annual financial results were being published as required by the Listing Agreement with the Stock Exchanges The results were generally published in the Economic Times, Business Standard, Maharashtra Times and Nav Shakti.

As regards the query whether the members whose dividend had remained unclaimed were alerted in the matter before the amounts were transferred to the Investor Education & Protection Fund (IEPF), the Chairman explained that the Company sends out individual letters to those Members whose dividend has remained unclaimed to contact the Company in the matter to enable the Company to verify the claims and issue demand drafts before the amounts are transferred to IEPF. This was also mentioned in the Notes to the Notice of the Annual General Meeting sent to the Members.

In response to an observation made by a member that the Chairman's opening Remarks should be printed and distributed to the Members, it was mentioned that the text of the speech is included in its entirety in the Minutes of the proceedings of the Annual General Meeting. These Minutes are sent individually to all the "Speakers" and such other Members of the Company who may request for the same.

The sitting fees paid to the Directors was Rs 20,000 /- for each meeting of the Board or Committee of the Board attended by them.

As regards the reason why Mrs Shikha Sharma had resigned from the ACC Board, the Chairman mentioned that the ACC Board was indeed very sorry that Mrs Sharma had to

resign. RBI follows a strict rule that any person who becomes a whole-time Director of any Bank is not allowed to serve on the Board of Directors of other Companies. The ACC Board had placed on record its appreciation of the contribution made by Mrs Shikha Sharma during her association with the Company.

The Company has spent Rs 35.38 crore on CSR activities during the year 2009.

As regard the steps taken by the Company for environment protection and whether the Company enjoys carbon credits, the Chairman mentioned that ACC was very conscious of its environment. Further, Holcim as a policy has taken a stand to reduce CO2 emission and lot of work is being done by Holcim and ACC jointly in this regard. ACC has installed various equipment at its Plants for controlling air pollution such as bag filters, upgraded ESPs, continuous emission monitoring instruments etc. As regards carbon credits (CDM), ACC has a few CDM projects under various stages of approval/ verification. These relate to wind turbines and blended cement. Further, among the Cement Industry, ACC is the highest consumer of flyash and slag, since 91% of its production comprises of blended cement. This helps in reducing CO2 emission.

The Company's Costs Auditors were Messrs N I Mehta & Co. this information appears on the inside of the front cover page of the Annual Report.

As regards the Internal Auditors, the Company has an in-house Department which is provided with adequate resources to carry out Audits. Hence this function is not outsourced.

The Company was presently not accepting Fixed Deposit.

As regards the particulars of the last Bonus Issue, the Chairman stated that the last Bonus Issue was made in the ratio of three bonus shares for every five shares held. in the year 1996.

As regards donations made to political parties, it was explained that no donations had been paid to political parties during the year.

There were no immediate plans to merge the Subsidiary companies in the near future.

33. The Chairman thereafter requested the shareholders to permit him to move the Resolutions set out in the Notice of the Annual General Meeting.

The Resolution pertaining to the adoption of the Audited Profit and Loss Account for the financial year ended December 31, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon which was earlier proposed by the Chairman and seconded by Mr Paul Hugentobler was then put to vote and declared -

Carried unanimously.

Resolution No. 2 was proposed as an Ordinary Resolution

Proposed by: Mr P J Paymaster

Seconded by: Mr Harshad K Kesharuwala

"RESOLVED THAT the final dividend for the financial year ended December 31, 2009 at the rate of Rs. 13/- (Rupees Thirteen only) per share on 18,77,44,956 fully paid Equity Shares of Rs. 10/- each aggregating Rs. 284,60,51,608/- (Rupees Two hundred eighty four crore sixty lakh fifty one thousand six hundred eight only) including tax on distributed profits amounting to Rs 40,53,67,180/- (Rupees Forty crore fifty three lakh sixty seven thousand one hundred eighty only) as recommended by the Board is hereby declared and the same be paid to those shareholders whose names stand on the Register of Members of the Company on April 8, 2010 in respect of shares held in physical form and in respect of shares held in the electronic form to the beneficial owners of shares as on March 25, 2010 who are entitled to the dividend as per the list furnished by the Depositories for this purpose.

"RESOLVED FURTHER that the Interim Dividend at the rate of Rs. 10/- per share on 18,77,01,422 fully paid equity shares of Rs. 10/- each aggregating Rs. 219,60,12,786/- (Rupees Two hundred nineteen crore sixty lakh twelve thousand seven hundred eighty six only) including tax paid on distributed profits amounting to Rs 31,89,98,566/- (Rupees Thirty one crore eighty nine lakh ninety eight thousand five hundred sixty six only) declared by the Board at its Meeting held on July 23, 2009 and paid to the Members on August 12, 2009 be and is hereby ratified and confirmed."

The Resolution was thereafter put to vote and declared

Carried unanimously

Resolution No.3 was proposed as an Ordinary Resolution:

Proposed by: Mr Harshad K Kesharuwala

Seconded by: Mr H V Sanghavi

"**RESOLVED THAT** Mr. S M Palia, a Director of the Company who retires by rotation but is eligible for reappointment be and is hereby reappointed a Director of the Company."

The Resolution was put to vote and declared

Carried unanimously

Resolution No 4 was proposed as an Ordinary Resolution:

Proposed by: Brigadier G K Virmani

Seconded by: Mr Joseph Martins

"**RESOLVED THAT** Mr Naresh Chandra, a Director of the Company who retires by rotation but is eligible for reappointment be and is hereby reappointed a Director of the Company."

The Resolution was put to vote and declared

Carried unanimously

Resolution No 5 was proposed as an Ordinary Resolution

Proposed by: Mr J P Maheshwari

Seconded by: Mr R B Khambatta

"**RESOLVED THAT** Mr Shailesh Haribhakti, a Director of the Company who retires by rotation but is eligible for reappointment be and is hereby reappointed a Director of the Company."

The Resolution was put to vote and declared

Carried unanimously

Resolution No 6 was proposed as an Ordinary Resolution:

Proposed by: Mr H V Sanghvi

Seconded by: Mr R B Khambatta

" **RESOLVED THAT** Messrs S R Batliboi & Associates, Chartered Accountants, having Registration no 101049W be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditor, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company for the year ending December 31, 2010 ".

The Resolution was put to vote and declared

Carried unanimously

Resolution No 7 was proposed as an Ordinary Resolution:

Proposed by :Mr T M Davar

Seconded by Mr P J Paymaster

"**RESOLVED THAT** Mr Kuldip Kaura who was appointed as a Director of the Company with effect from October 28, 2009 in the casual vacancy caused by the resignation of Ms Shikha Sharma and who holds office upto the date of the forthcoming Annual General Meeting of the Company be and is hereby appointed as a Director of the Company."

The Resolution was put to vote and declared

Carried unanimously

Resolution No 8 was proposed as a Special Resolution:

Proposed by Mrs Ashalata Maheshwari

Seconded by Mr P J Paymaster

"**RESOLVED THAT** in accordance with the provisions of Sections 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, the consent of the Company be and is hereby accorded to the payment of commission for a period of five years commencing from 1st January 2010, to the Non-Executive Directors of the Company as may be decided by the Board from time to time provided that the total commission payable to the Non-Executive Directors per annum shall not exceed one percent of the net profits of the Company for that year as computed in the manner referred to under Section 198(1) of the Companies Act, 1956, with authority to the Board to determine the manner and proportion in which the amount be distributed among the Non-Executive Directors."

There being no other item the Meeting concluded with a vote of thanks to the Chair.

CONFIRMED

Sd/-

CHAIRMAN