

ACC

ACC LIMITED
83rd ANNUAL REPORT 2018



Building a **FUTURE**
Cemented in **TRUST**

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ANNUAL GENERAL MEETING

On Friday, March 22nd, 2019 at 3.00 pm
Pama Thadani Auditorium,
Jai Hind College, A Road,
Churchgate (W), Mumbai 400 020

REGISTERED OFFICE

Cement House,
121, M K Road,
Mumbai 400 020
Website : www.acclimited.com



Strong Partnerships. Tailored Solutions



Chairman's Message



Dear Shareholders,

I am very pleased to inform you about ACC's performance in 2018 – a year when your Company transformed many parts of its business to deliver a strong performance on many fronts – financially, socially and sustainably. For decades now, ACC has stood for excellence in the quality of its products and in the delivery of its financial performance. 2018 was no exception, with your Company delivering healthy volume and profit growth. ACC's consolidated operating EBITDA grew by 11% and Profit Before Tax grew by 21% YoY, on a normalised basis.

The rising costs of fuel, power, raw materials and rake availability continued to be of concern, as did the continuance of 28% rate of GST levied on cement. On the other hand, cement demand continued to be healthy, buoyed by strong economic growth. The cement sector grew by ~8.5% in 2018 versus ~6% in the previous year.

Against this backdrop, ACC managed to improve its performance metrics in volume and market share gains, backed by sharper customer focus, innovative products, customised solutions, operational improvements and tighter cost management. During the year, we launched ACC F2R SUPERFAST – a revolutionary cement with superior strength, superfine quality and superfast setting and ACC LeakBlock – a high performance waterproofing compound, marking ACC's foray into the category of construction chemicals. Our ready mix concrete business continues to grow exponentially.

In Union Budget 2019, the Government has committed to further augment the infrastructure sector - railways, roads, highways and irrigation projects. We believe that their efforts to increase investment across several sectors will have a favourable impact which will stimulate cement demand and boost economic growth.

To serve the growing demand for cement, we are investing in capacity expansion projects that will add 5.9 million tonnes of cement capacity through a greenfield integrated cement plant at Ametha in Madhya Pradesh, with a grinding unit in Uttar Pradesh and expansion of our Tikaria and Sindri plants over a period of three years. This investment will further strengthen our market footprint and contribute to the Company's future growth.

Going beyond the economic returns, at ACC, we believe that economic, social and environmental values are interlinked and are part of an interdependent ecosystem comprising Consumers, Shareholders, Employees, Government, Partners, the Environment and Society.

We are proud to present the Company's first Integrated Report that articulates our holistic approach in creating shared value for our investors, customers, employees and the community at large. The report highlights the concept and deployment of the Six Capitals: Financial, Manufactured, Intellectual, Human, Natural and Social & Relationship.

Aligned with our Sustainable Development 2030 Plan, we are reducing our dependence on conventional energy using solar power at our units beginning with Kudithini, Thondebhavi and Jamul and improving water positivity through extensive rainwater harvesting projects. I am very proud to inform you that your Company became the first cement company in India to publish an Environment Product Declaration (EPD) for its blended cement products manufactured across all its plants. In 2018, your Company's community development programmes touched the lives of almost half a million people in 185 villages across India.

I would like to thank our ACC *parivar* of employees, our channel partners, suppliers, and others, who worked tirelessly to deliver a strong performance in 2018.

I thank you dear shareholders for your confidence and trust. I look forward to your continued support so that together we can build a company that delivers excellence, time and again.

Narotam Sekhsaria

Board of Directors



① Mr N S Sekhsaria
Chairman

② Mr Jan Jenisch
Deputy Chairman

③ Mr Neeraj Akhoury
Managing Director &
Chief Executive Officer

④ Mr Martin Kriegner

⑤ Mr Ashwin Dani

⑥ Mr V K Sharma

⑦ Ms Falguni Nayar

⑧ Mr Arunkumar R Gandhi

⑨ Mr Farrokh K Kavarana

⑩ Mr Sushil Kumar Roongta

⑪ Mr Christof Hässig

⑫ Mr Shailesh Haribhakti

Executive Committee



Mr Neeraj Akhoury

Managing Director &
Chief Executive Officer



Mr Sunil Nayak

Chief Financial Officer



Mr Behram Sherdiwala

Chief People Officer



Mr Philip Mathew

Chief Manufacturing Officer



Mr Procyon Mukherjee

Chief Procurement Officer



Mr Ashish Prasad

Chief Marketing Officer and
Head - New Products & Services



Mr B Sridhar

Chief Commercial Officer



Ms Sonal Shrivastava

Head of Strategy and Chief
Supply Chain Officer

AUDIT COMMITTEE

Mr Arunkumar R Gandhi, *Chairman*
Mr Martin Kriegner
Mr Sushil Kumar Roongta
Mr Ashwin Dani
Mr Farrokh K Kavarana

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr Farrokh K Kavarana, *Chairman*
Mr Shailesh Haribhakti
Mr Arunkumar R Gandhi
Mr Neeraj Akhoury

NOMINATION & REMUNERATION COMMITTEE

Mr Ashwin Dani, *Chairman*
Mr N S Sekhsaria
Mr Martin Kriegner
Mr Shailesh Haribhakti
Mr Farrokh K Kavarana

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr Shailesh Haribhakti, *Chairman*
Ms Falguni Nayar
Mr Farrokh K Kavarana
Mr Neeraj Akhoury

RISK MANAGEMENT COMMITTEE

Mr Shailesh Haribhakti, *Chairman*
Ms Falguni Nayar
Mr Sushil Kumar Roongta
Mr Neeraj Akhoury

COMPLIANCE COMMITTEE

Mr Farrokh K Kavarana, *Chairman*
Mr Shailesh Haribhakti
Mr Sushil Kumar Roongta
Mr Neeraj Akhoury

CHIEF FINANCIAL OFFICER

Mr Sunil Nayak

COMPANY SECRETARY & HEAD COMPLIANCE

Mr Ramaswami Kalidas

AUDITORS

Statutory Auditor
Deloitte Haskins & Sells LLP

Cost Auditor
D C Dave & Co.

Secretarial Auditor
Pramod S Shah & Associates

BANKERS

State Bank of India
Citibank NA
HDFC Bank

At a Glance

ACC

India's leading cement brand



17

Cement plants



75

Ready Mix
Concrete plants



28.4

Million tonnes
of cement sold



₹14,477

Crore net sales



6,731

Employees



50,000+

Dealers & Retailers



4,80,000

People benefited from
CSR Initiatives



3,79,883

Tonnes of waste
processed



27,769

Houses built through
Green Building
Centres

ACC has received the highest recognition of
'Outstanding Accomplishment' in the Corporate Excellence category at the

CII-ITC Sustainability Awards 2018



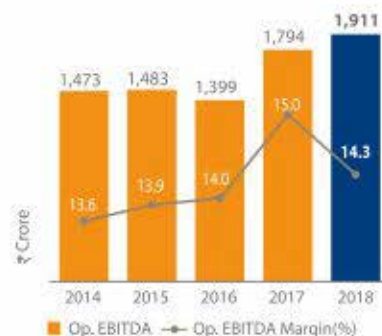
Performance Highlights*

(Standalone Financial)

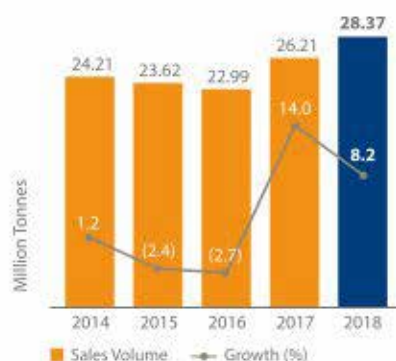
Net Sales, Operating EBITDA & Operating EBITDA Margin



Cement Operating EBITDA & Operating EBITDA Margin



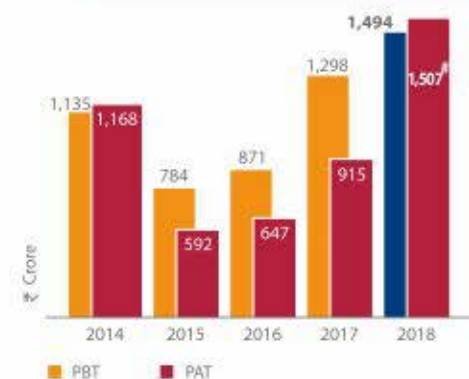
Cement Sales Volume & Growth



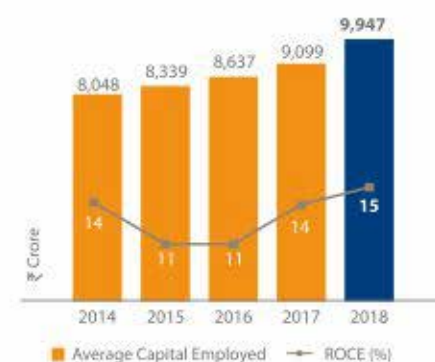
Ready Mix Concrete Operating EBITDA & Operating EBITDA Margin



Profit Before Tax & Profit After Tax



Average Capital Employed & Return on Capital Employed (ROCE)



* Includes write-back of ₹ 501 Crore relating to tax provisions

* Figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP

Performance Highlights*

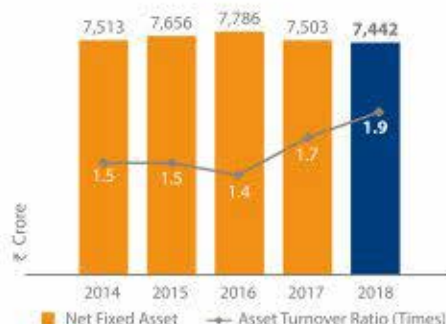
(Standalone Financial)

Dividend Per Share, Earnings Per Share and Dividend Payout Ratio**

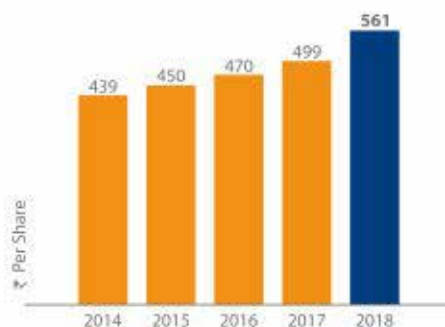


**Dividend payout ratio is calculated without considering dividend distribution tax.
*EPS is calculated excluding write back of tax provision

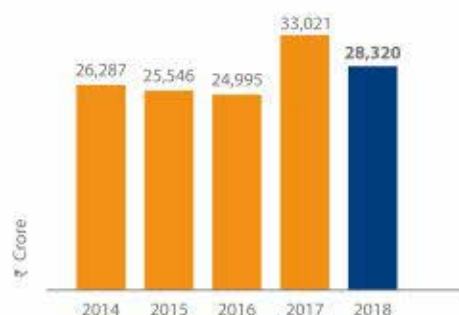
Net Fixed Assets & Asset Turnover Ratio



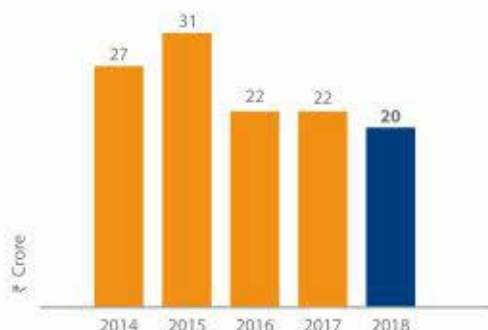
Book Value Per Share



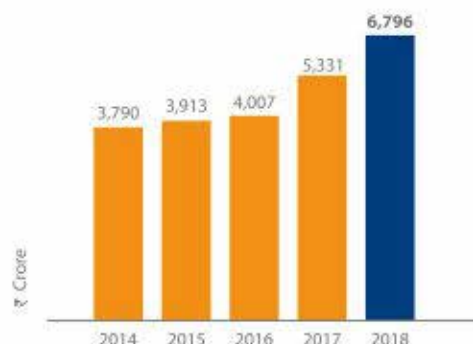
Market Capitalisation at Year End



Corporate Social Responsibility Expenditure



Contribution to Exchequer



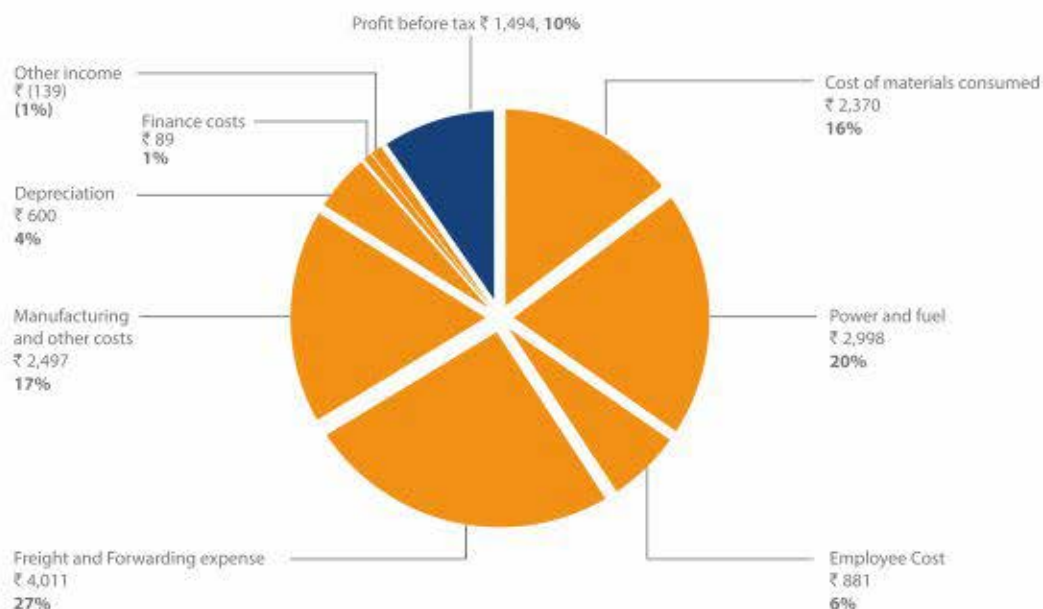
* Figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP



Cost & Profit as a Percentage of Revenue from Operations (Net)

All figures are in ₹ crore

2018



2017

