



## Chairman's Message

Dear Shareholders,

At ACC, 2017 was a year of new momentum, focused cost discipline and an emphasis on performance — and the results are commendable.

The year came with major challenges — the post-demonetisation slowdown, teething troubles of GST migration, and rising input costs of fuel and power for the cement industry. However, economic growth picked up during the year with consumption-related indicators and industrial output improving in the latter half of the year.

Your company worked diligently to mitigate the headwinds of the year and has come out well ahead, setting a strong foundation to shape a great future in the years to come. Through concerted efforts, ACC improved its delivery on all important performance metrics — volume share, margins and market share. Our consolidated operating EBITDA grew by 29% from ₹ 1,478 crore to ₹ 1,912 crore.

I am even more proud of the fact that our success in business went hand in hand with our pursuit to conserve the environment and uplift communities. Committed to ensuring sustainable development aligned to our SD 2030 plan, your company has significantly reduced energy consumption, cut CO<sub>2</sub> emissions and improved water positivity.

The current year holds out exciting possibilities. The strong allocation towards infrastructure development made in the Union Budget 2018 augurs well for the cement industry. We believe that the Government's impetus in creating smart cities, new infrastructure and affordable housing will act as a stimulus for further growth.

However, we do hope the government reviews and lowers the GST rate of 28% on cement which is currently in the highest 'luxury goods' category whereas housing, and therefore cement, is the basic requirement to fulfil a person's fundamental right to live a life of dignity.

The building blocks that your company put in place during 2017 have set us up well for the next year. We have ambitious goals and bold plans for 2018, and are going after them with a sense of purpose and belief. I'd like to thank the ACC Parivaar, led by its management team, for their outstanding performance.

As always, I'd like to thank you, our shareholders, for your support and encouragement as we embrace new opportunities and new thinking that will help us scale greater heights as one of India's leading corporate houses.

**Narotam Sekhsaria**