

**ACC Limited**  
**79<sup>th</sup> Annual General Meeting**

20<sup>th</sup> March 2015

Chairman's Statement

Friends,

A warm welcome to you all again.

**ECONOMY**

We started the year with sluggish industrial production. But a stable new Government has helped improve overall business sentiment. Inflation has slowed down and the economic environment looks better in the year ahead.

**PERFORMANCE HIGHLIGHTS**

- Cement volumes up by 1.2%.
- Selling price of cement up by 4%
- Consolidated Sales up by 5.4%
- Operating costs up by 7.6% despite use of better fuel mix and AFR
- EBITDA dropped by 7%.
- Consolidated profit after tax up by 6.1%. There was a tax write back of ₹ 309 crore against ₹ 217 crore in 2013.

**DIVIDEND**

I am pleased to inform you that the Board of Directors has recommended total dividend of ₹ 34/- per share. This includes interim dividend of ₹ 15/- paid in August 2014. The dividend paid last year was ₹ 30/- per share.

**PROJECTS**

The new plant with a grinding unit at Jamul is expected to be completed this year. In addition, a new grinding unit is also coming up at Sindri. This is part of the Jamul Project and is expected to be completed by Q1, 2016.

**READY MIXED CONCRETE**

RMC business performed well during the year. The business focused on sale of value added products and solutions. ACC Concrete has supplied RMC to several landmark projects in the country.

**COMMUNITY DEVELOPMENT**

Our community development initiatives were focused mainly on health, sanitation, education, livelihood and income generation. Our CSR activities are generally around the communities near our Plants. The Company spent ₹ 27.45 crore on CSR activities.

**SUSTAINABLE DEVELOPMENT**

Your Company is committed to ensure sustainable development. It has significantly reduced thermal and electrical energy, cut CO<sub>2</sub> emissions and reduced water consumption. Waste processing platforms were commissioned at Wadi and Kymore to increase the usage of Alternative Fuels.

## **OUTLOOK**

We see a modest but steady revival for the Indian economy in 2015. This will have a positive impact on infrastructure, housing and construction sectors and increase the demand for cement. The Company will continue to focus on cost reduction, increasing the sale of premium products and other customer excellence initiatives. This should deliver improved Company performance.

## **DIRECTORATE**

Two stalwarts, Mr M L Narula and Mr Kuldeep Kaura, retired from the Board of Directors in 2014.

Mr M L Narula has been associated with ACC for over five decades. Joining as a trainee engineer, Mr Narula rose to become the Managing Director of the Company. He retired from the Company in 2007. He was thereafter appointed as a director on the Board. Mr Narula has made a huge contribution to ACC and its Board.

Mr Kuldeep Kaura joined the Board in 2009 and was appointed CEO & MD in 2010. He retired in August 2014. His tenure was notable for the Institutionalizing Excellence programme in the Company.

Please join me in thanking these two stalwarts for their outstanding contributions.

Mr Harish Badami took charge as CEO & MD of the Company on 13<sup>th</sup> August 2014. Mr Badami is a B. Tech from IIT Mumbai and an MBA from IIM Kolkata. Before joining ACC, he was the Managing Director of Celanese India. He has over 25 years experience in the Chemical Industry with leading multinational companies.

Mr Arunkumar Gandhi and Mrs Falguni Nayar were appointed as Independent Directors of the Company with effect from April 24, 2014.

## **AWARDS**

You will be proud to know that in a Fortune India - Hay Group Survey your Company was ranked as "India's Most Admired Companies" in Cement Sector in the last two years.

The Company's Annual Report for 2013 won the prestigious Gold Shield from the Institute of Chartered Accountants of India for "Excellence in Financial Reporting". We have sought to maintain that standard in the Annual Report for 2014 now before you.

## **ACC PARIVAR**

I invite you to join the Board of Directors and myself in thanking the employees of ACC and its management team for their commitment and hard work.

## **CONCLUSION**

Before I close, I thank you, dear Members, for the tremendous support and encouragement you have extended to the Company which has enabled ACC to be counted year after year among India's most respected companies.

My best wishes to you all and your families.

N S Sekhsaria  
Chairman

Mumbai  
20<sup>th</sup> March 2015