Management Discussion and Analysis

Prelude

ACC Limited, a key constituent of the diversified Adani portfolio and along with its parent company Ambuja Cements is the world's ninth-largest building materials and solutions company, has been a leader in cement and ready-mix concrete for over nine decades. With a robust pan-India presence anchored by 20 cement plants and 117 ready-mix concrete units, the Company has established itself as a defining force in building and strengthening the nation's infrastructure with enduring performance and reliability. Guided by the philosophy of 'Reimaginaction', where ambition is validated through disciplined execution, ACC continues to translate scale into sustained competitive advantage. Rooted in a legacy of engineering excellence and uncompromising quality, ACC has built multi-generational trust among builders and institutions alike. Strategic partnerships with leading industry bodies such as Builders Association of India (BAI), NAREDCO and CREDAI further strengthen its engagement with the construction and real estate ecosystem, reinforcing collaborative growth and sectoral advancement.

ACC Limited stands stronger, more agile and future-ready, reaffirming its leadership in India's cement industry. The year has been defined by strategic capacity expansion through the commissioning of new grinding units, supported by debottlenecking and modernisation initiatives aligned with the nation's accelerating infrastructure growth

and rising construction demand. Building on this momentum, the Company achieved a record annual cement sales volume of 43.9 million tonnes in FY 2025–26, underpinned by best-in-class working capital of 45 days and a strengthened EBITDA margin. Operational benchmarks were further elevated through improved capacity utilisation, disciplined pricing and expected to deliver gradual cost optimisation, reinforcing EBITDA per tonne. Cost efficiencies are expected to be driven by optimised lead distances, a higher share of sea-based logistics and an increased proportion of green power in the energy mix, further enhancing operational competitiveness.

With Adani Cement's installed capacity of 109 MTPA, targeted to reach 119 MTPA by FY 2026–27 in a phased manner, the Company plays a crucial role in enabling sustainable infrastructure development. As part of the Adani Group's integrated industrial platform spanning energy, logistics and infrastructure, ACC benefits from coordinated capabilities that convert scale into operational resilience. ACC's products have contributed to several iconic infrastructure landmarks, including the Navi Mumbai International Airport (NMIA), and the Chenab Rail Bridge, projects that exemplify engineering excellence and nation-building at scale.

Management Discussion and Analysis

Sustainability remains central to ACC's strategy and is integral to how the Company grows. In pursuit of the Company's Net Zero 2050 commitment, ACC has made significant progress on its ESG agenda through increased alternative fuel use, reduced carbon intensity and advancing water positivity, demonstrating that responsible growth and strong business performance go hand in hand. Aligned with the Group's climate roadmap and adoption of globally recognised sustainability frameworks, sustainability considerations increasingly inform capital allocation and operational decision-making. The Company continues to expand blended cement offerings, improve thermal efficiency and optimise resource utilisation, recognising that durability and lifecycle performance are as critical as emissions reduction at source. Innovation and digital transformation continue to shape the Company's operating model. By leveraging data, artificial intelligence and automation across the value chain from 'Quarry to Lorry', ACC has strengthened operational metrics, enhanced customer engagement and improved overall productivity. Through its Cement Intelligent Network Operations Centre (CiNOC), the Company leverages predictive analytics, real-time insights and intelligent automation thereby optimising energy use, improving reliability and strengthening decision-making. Digital integration across planning, operations and markets enables faster decisions and more predictable infrastructure delivery at scale.

Backed by the trust of employees, partners and shareholders, and supported by strong credit credentials with CRISIL and CARE Ratings assigning AAA (Stable) long-term ratings and A1+ short-term ratings, ACC continues to build a resilient and future-focused organisation. Deep stakeholder engagement, industry partnerships and initiatives such as Adani Cement FutureX which engages 750+ institutions and over 1.3 million students, reinforcing trust, capability building and long-term value creation across the construction ecosystem. With its legacy of reliability, the enduring strength of the 'TRUST' factor and a renewed strategic momentum, ACC is well positioned to shape the future of construction in India with confidence and purpose.

Capacity Details (MTPA)

109
FY 2025-26

119
FY 2026-27 Target

Unifying Scale, Strength and Synergies under One Cement Platform

Adani Cement is realising its 'One Cement Platform' through the proposed amalgamation of ACC Limited and Orient Cement Limited with Ambuja Cements Limited, creating a unified, pan-India building materials leader with enhanced global competitiveness. Building on the successful integration of Sanghi Industries and Penna Cement, this consolidation is designed to unlock operational and financial synergies, streamline governance and strengthen execution agility. The integrated platform will support the journey towards 119 MTPA capacity by FY 2026–27, reinforce ESG leadership and enable sustained long-term value creation through a simplified, resilient and future-ready organisation.

Towards Net Zero

ACC, alongside its parent company Ambuja Cements Limited (ACL), is firmly committed to reducing its carbon footprint and achieving Net Zero by 2050. This commitment has been followed in letter and spirit as ACC is the leading cement company in India and one of the four large-scale cement companies globally to secure Science Based Targets initiative (SBTi) validation for both Near-Term (2030) and Net Zero (2050) targets under the Cement Sectoral Decarbonisation Approach. These targets cover Scope 1, 2 and 3 emissions and align with India's Nationally Determined Contributions under the Paris Agreement. Additionally, major initiatives include lowering the clinker factor, optimising energy efficiency, expanding waste heat recovery systems, and increasing renewable energy capacity. The Company is also investing in innovative approaching like rotodynamic heating by using green energy use and pilot on carbon capture and utilisation.

Management Discussion and Analysis

Aligning Vision with Transformation

The Board of Directors of Adani Cement undertook a strategic visit to the historic Kymore plant and the state-of-the-art Ametha facility, reaffirming its commitment to robust oversight and strategic alignment. The visit encompassed comprehensive plant walkthroughs alongside in-depth discussions on technology adoption, governance frameworks, talent development and community impact. Through structured strategy deliberations, leadership engagements and cultural interactions, the Board further strengthened its alignment with management, highlighting the Company's transition towards digitally enabled, purpose-driven and future-ready operations.

Showcasing Execution Strength to Capital Markets

Adani Cement hosted its first Capital Markets Plant Visit at the Marwar Mundwa Integrated Plant in Rajasthan, engaging 46 analysts from 38 institutions. Through immersive plant walkthroughs and leadership interactions, the Company highlighted its capacity expansion initiatives, digital integration and Group synergies, reinforcing investor confidence in its execution capabilities and long-term growth strategy.

During the year, Adani Cement hosted the second edition of its Capital Markets Plant Visit at the Sanghipuram integrated cement plant in Kutch, Gujarat, bringing together leading analysts and investors from prominent domestic and global institutions. The visit offered participants first-hand exposure to Sanghipuram's scale, operational capabilities and strategic significance within the Adani Cement ecosystem. Leadership interactions and guided plant walkthroughs highlighted the facility's robust natural resource base, integrated manufacturing infrastructure and digitally enabled operations. Discussions also underscored Sanghipuram's logistics advantage through its captive jetty and ongoing investments in rail connectivity. The engagement reaffirmed the plant's role in enhancing operational efficiency, ensuring resource security and supporting long-term value creation.

Economic Scenario

Global growth in 2025 remained stable despite the presence of divergent forces. While evolving trade policies introduced uncertainty and weighed on cross-border activity, sustained technology-led investments, particularly in artificial intelligence, provided a countervailing source of momentum, with growth more pronounced in North America and Asia than in other regions. Growth was further supported by fiscal and monetary interventions, broadly accommodative financial conditions and the resilience of the private sector. However, global uncertainties, including geopolitical developments and energy market volatility continued to pose risks to growth. Overall, global GDP is estimated to have expanded by 3.4% in 2025, while headline inflation is estimated at 4.1%.*

During the year, the country secured three sovereign credit rating upgrades. Manufacturing and construction recorded growth of approximately 7%. Investment momentum remained strong, with gross fixed capital formation (GFCF) increasing by 7.8% in FY 2025-26 and consistently contributing around 30% of GDP over the past three years.

Inflation moderated significantly, with average headline CPI inflation at 1.7% during April–December 2025, reflecting broad-based easing in food and fuel prices. Among major emerging markets, India recorded one of the sharpest declines in inflation in 2025**. Although input costs for sectors such as cement remained sensitive to global commodity trends. Infrastructure development gathered pace, with central capital expenditure increasing more than fourfold

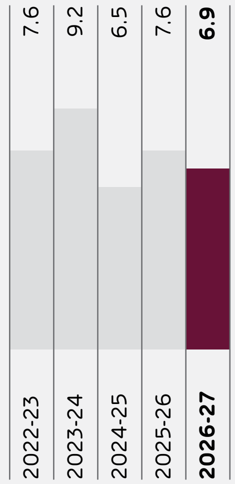
*IMF | **Press Information Bureau (PIB)

Management Discussion and Analysis

since FY 2017-18. Connectivity expanded considerably through highway development, near-universal rail electrification, enhanced aviation capacity and improved power availability, all of which support sustained long-term economic growth.

India's GDP Growth Trend

(%)



Economic Scenario Outlook

India's growth outlook is remains structurally strong over the medium to long term, supported by domestic demand, continued structural reforms and a stable macroeconomic environment. Over the medium term, strong domestic growth drivers are likely to maintain economic momentum even as global demand conditions evolve. However, prolonged geopolitical tensions in West Asia, particularly the Iran–Israel conflict, could pose risks to growth.

Ongoing infrastructure investments are anticipated to improve logistics efficiency, lower production costs and enhance overall competitiveness. Investment conditions are also expected to remain stable, with the real investment-to-GDP ratio projected to remain around current levels and capital productivity supported by sustained efficiency improvements.

Fiscal policy is expected to play a central role in advancing the vision of Viksit Bharat. This could involve a further increase in the share of capital expenditure within total Government spending, alongside a strategic focus on advanced technology sectors such as artificial intelligence, space, robotics, advanced infrastructure and defence. Such expansion is anticipated to be supported by improved tax compliance and revenue buoyancy rather than significant structural tax reforms.

Cement Industry

The operating environment during FY 2025–26 remained dynamic, with input cost pressures, particularly in fuel, logistics and energy continuing to influence margins across the industry. Demand conditions also remained variable across regions and periods, reinforcing the need for disciplined execution and cost management.

Demand has remained supported with variability across regions and periods, driven by strong construction activity. With acceleration in construction activity post monsoon, demand improved sequentially in H2 FY 2025-26 as compared to average growth of 6% to 6.5% in H1 FY 2025-26.

Further support is anticipated from a reduction in GST on cement and the government's continued emphasis on infrastructure spending, supporting demand trends, subject to execution pace and external factors.

In response to favourable demand prospects, leading cement producers are expanding capacity through organic and inorganic routes. Industry capacity additions are projected at 42–44 MTPA in FY 2026-27, following 50-55 MTPA in FY 2025-26. Capacity utilisation is expected to remain stable at around 70–71% in FY 2026-27, with higher utilisation in northern and central regions and relatively moderate levels in the south due to capacity overhang.*

*ICRA

Cement Industry Outlook

The Company expects cement demand in India to grow by around 5% in FY 2026–27, following a strong growth trajectory of 6.5-7.5%* in FY 2025–26, supported by sustained momentum across the housing and infrastructure sectors. Demand remained resilient during the year, driven by robust construction activity, although evolving geopolitical developments in West Asia have contributed to volatility in fuel and raw material markets. Looking ahead, a potential reduction in GST on cement, together with the Government's continued focus on infrastructure-led development, is expected to further support demand momentum in FY 2026–27, despite elevated input costs arising from global supply chain disruptions. Against this backdrop of healthy demand, leading cement manufacturers continue to pursue both organic and inorganic capacity expansion strategies to strengthen market presence, while actively managing cost pressures related to higher coal, petcoke and freight expenses, along with the impact of Rupee depreciation on imported inputs.

Overall, the industry is positioned for long-term growth, despite near-term demand and cost fluctuations. Rapid capacity expansion, increased technology adoption and advancing sustainability initiatives are enhancing competitiveness and operational resilience.
Backed by policy reforms, green innovation and expanding export opportunities, India's cement sector is well positioned to support the country's long-term infrastructure ambitions and enable sustainable growth in the years ahead.

*ICRA

Key Demand Drivers

Urbanisation and Housing Development	Increasing Per Capita Consumption	Government Infrastructure Push
Rapid urbanisation, rising housing demand and Government-led affordable housing programmes continue to drive sustained growth in cement consumption. Expanding investments in commercial real estate, logistics, manufacturing and data centres are diversifying demand streams. Improving rural incomes and infrastructure provide stability, while enhanced multimodal logistics reduce freight costs and expand market reach, supporting long-term structural growth in an underpenetrated economy.	India's per capita cement consumption continues to remain significantly below global averages, indicating substantial long-term growth potential as economic development and construction activity accelerate. At approximately 290 kg per capita, compared to the global average of nearly 540 kg, cement consumption in India is expected to witness sustained growth over the coming decade, supported by rapid urbanisation, rising household formation and increasing penetration of formal housing. These structural demand drivers are likely to underpin long-term industry expansion, even as the sector navigates near-term volatility in input and operating costs.	Rising capital expenditure on highways, ports, metro rail networks and industrial corridors is accelerating construction activity and strengthening cement demand. Long-term consumption is further supported by Production Linked Incentive (PLI) schemes, Smart Cities initiatives, sustained FDI inflows and manufacturing shifts driven by the China+1 strategy. The $ 2.6 trillion National Infrastructure Pipeline, together with strong capital expenditure allocations in FY 2025–26, continues to reinforce sustained infrastructure-led growth for the sector. **$ 2.6 trillion** National Infrastructure Pipeline expected to reinforce sustained infrastructure-led growth

Management Discussion and Analysis

Business Review

Sustainability and Climate Strategy

ACC's sustainability strategy aligns with India's Nationally Determined Contributions, the Paris Agreement and the UN Sustainable Development Goals, focusing on emissions reduction, resilience and progress towards Net Zero. ACC is the first large-scale Indian cement company to have its Net Zero targets validated by the SBTi. Climate risk assessments conducted across all plants in line with Task Force on Climate-related Financial Disclosures (TCFD) and International Financial Reporting Standards (IFRS) S2 guidelines have identified key physical and transition risks while highlighting opportunities such as increased renewable energy adoption and expanded Waste Heat Recovery Systems to enhance long-term resilience and sustainability.

Environmental Management System

ACC's Environmental Management System is aligned with leading industry standards to proactively manage climate risks, water stewardship, circular economy practices and biodiversity conservation. Overseen by the Corporate Responsibility Committee, the framework integrates climate action with national and global policy commitments, reinforcing sustainability across all operations.

Climate-related Risks and Opportunities

ACC recognises both physical and transition climate risks, including regulatory, technological, market and extreme weather-related disruptions. The Company has undertaken a comprehensive Climate Change Risk Assessment across multiple time horizons and embedded these risks within its Enterprise Risk Management (ERM) framework. Alongside mitigation planning, ACC leverages emerging opportunities to drive innovation, strengthen sustainability leadership and enhance competitive advantage.

Acute Physical Risks	Chronic Risks	Transitional Risks	Climate related Opportunities
• Fluvial flooding • Coastal flooding • Pluvial flooding • Cyclone • Drought • Wildfire	• Temperatures extremes • Water stress	• Policy and Legal • Technology • Market	• Energy source • Resource efficiency • Products and services

Read more about ACC's climate related risks and opportunities on page 160.

Internal Carbon Pricing

ACC has implemented an Internal Carbon Pricing mechanism at $ 28 per tonne of CO_2 to embed climate accountability into strategic and operational decision-making. This shadow pricing model assesses financial exposure at both plant and organisational levels, encouraging emission reduction, informed investment decisions and low-carbon growth pathways. By integrating carbon considerations into capital allocation, supplier selection, operational efficiency and compliance planning, the initiative strengthens employee engagement and supports disciplined, forward-looking carbon management across the business.

Net Zero

ACC has secured Science Based Targets initiative validation for both its Near-Term 2030 and long-term Net Zero 2050 targets, including alignment under the Cement Sectoral Decarbonisation Approach. These commitments cover Scope 1, 2 and 3 emissions and align with India's Nationally Determined Contributions under the Paris Agreement.

In a landmark step, Adani Cement has become the first Indian cement company to adopt TNFD recommendations, reinforcing its commitment to nature-positive growth through transparent disclosures, strong ESG practices and measurable sustainability initiatives.

The partnership with Coolbrook for the world's first commercial deployment of the RotoDynamic Heater™ technology, marks its first industrial-scale application to advance cement decarbonisation and support the Company's Net Zero 2050 ambition.

ACC's parent company, Ambuja Cements has secured an Indo-Swedish grant to undertake a pre-pilot feasibility study on Carbon Capture and Utilisation with IIT Bombay and Eco Tech, Sweden, reinforcing its commitment to innovation-led decarbonisation and global collaboration.

Energy Management

ACC strengthens energy performance through ISO 50001-certified systems, regular audits and structured governance supported by focused training. Given the energy-intensive nature of cement manufacturing, the Company closely monitors thermal and electrical energy intensity through periodic reviews, driving improvements through process optimisation, renewable energy integration and Waste Heat Recovery Systems. Participation in the Perform, Achieve and Trade (PAT) scheme further supports reductions in specific energy consumption and enhances sustainable manufacturing performance.

Renewable and Green Power

Adani Cement is accelerating its transition to clean energy with a target of achieving 60% green power by 2028. The roadmap includes 1 GW of solar and wind capacity and 376 MW of Waste Heat Recovery Systems, strengthening decarbonisation efforts and reducing dependence on fossil fuels.

Co-processing of Waste

ACC deploys co-processing technologies to substitute fossil fuels with alternative fuels derived from agricultural, municipal and industrial waste. Dedicated infrastructure and laboratory controls ensure safe kiln operations while diverting waste from landfills and advancing circular economy practices, this year the Company has co-processed 4.5 lakh tonnes of waste.

Thermal Substitution Rate (TSR)

The Thermal Substitution Rate measures the share of thermal energy derived from alternative fuels instead of conventional fossil fuels. ACC aims to achieve a TSR of 28% TSR by 2030, supporting fuel diversification and reducing carbon emissions.

Optimising the Clinker Factor

ACC focuses on lowering the clinker factor by increasing the use of supplementary cementitious materials such as fly ash and slag. This approach reduces CO_2 emissions per tonne while maintaining product strength and durability.

Use of Supplementary Cementitious Materials

Supplementary cementitious materials such as fly ash, slag, calcined clay and waste gypsum are incorporated into blended cements including PPC and PSC. Their use reduces clinker intensity, lowers emissions and supports circular economy principles through the productive reuse of industrial by-products.

Use of Technology

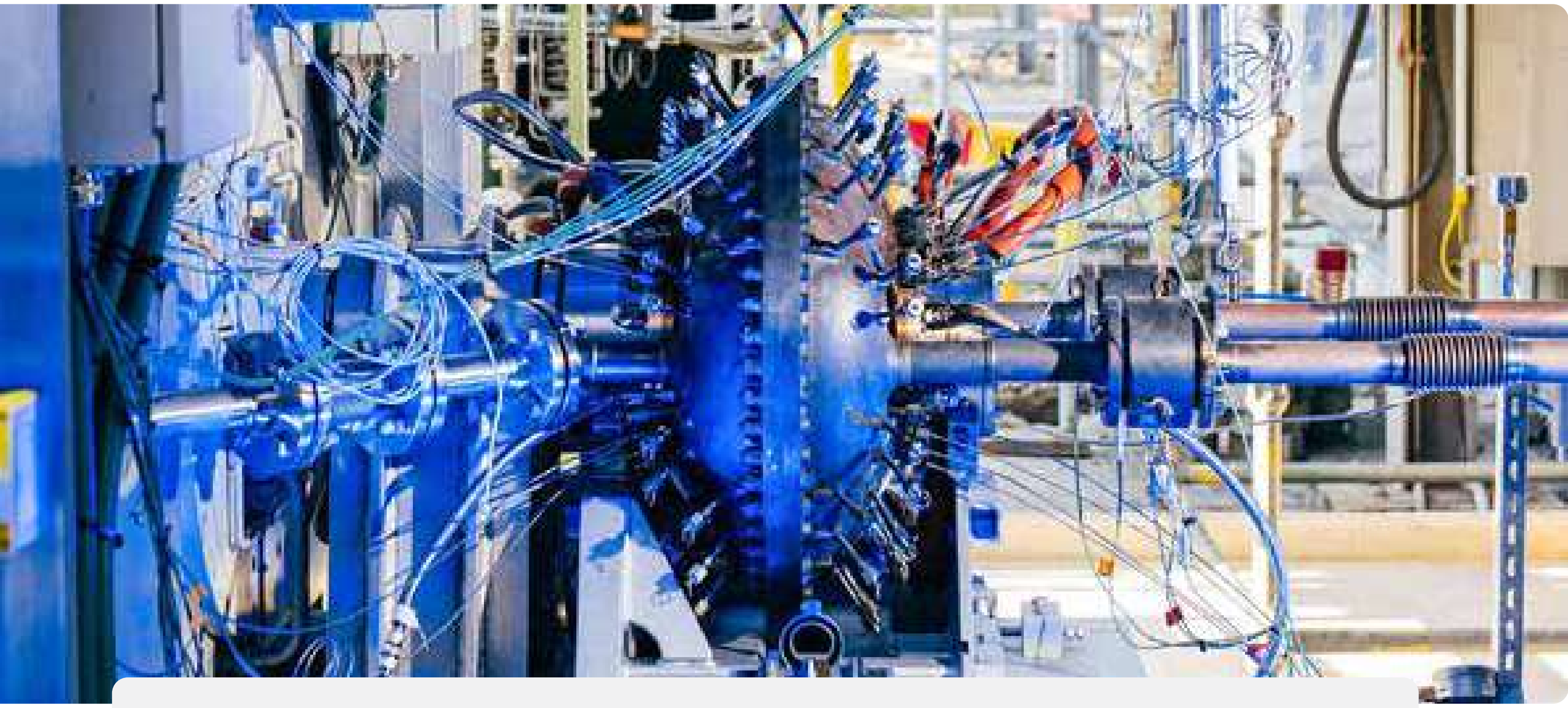
ACC leverages advanced technologies including AI-driven optimisation, smart sensors and real-time monitoring to enhance energy efficiency and operational performance. Digital tools and engineering innovations improve thermal efficiency, reduce energy consumption and support intelligent, low-carbon manufacturing.

Management Discussion and Analysis

Technical Centre of Excellence (TCoE)

The Technical Centre of Excellence (TCoE) serves as a strategic hub for advancing the Company's transition towards digitally enabled, low-carbon and high-efficiency manufacturing. It drives improvements in reliability, productivity and process efficiency across operations through the deployment of best-in-class technologies, systems and engineering practices.

In addition to operational optimisation, the TCoE supports new product development, provides technical due diligence for expansion projects and evaluates potential acquisition opportunities. Through these capabilities, it ensures that technological advancement, innovation and sustainability remain closely aligned with the Company's long-term growth strategy.



Pioneering Zero-Carbon Cement Technologies

ACC's parent company Ambuja Cements, part of the Adani Cement ecosystem, is taking a significant step towards decarbonisation through breakthrough technologies and global partnerships. In collaboration with Coolbrook, the Company will host the world's first commercial-scale deployment of the RotoDynamic Heater™ (RDH™), addressing the carbon-intensive calcination stage with zero-carbon industrial heat powered by renewable energy. This initiative supports Adani Cement's SBTi-validated net-zero ambition for 2050 and demonstrates the feasibility of electrified, low-emission cement manufacturing.

The Company has also secured an Indo-Swedish grant to undertake a Carbon Capture and Utilisation (CCU) feasibility study with IIT Bombay and Eco Tech, supported by the Department of Science and Technology and the Swedish Energy Agency. The study will assess pathways to capture CO_2 and convert it into value-added products, reinforcing ACC's commitment to climate leadership and circular carbon solutions.

Air Emissions

ACC manages air emissions through strict regulatory compliance and advanced pollution control systems such as electrostatic precipitators, bag filters, enclosed conveyors and dust suppression measures. Continuous Emission Monitoring Systems track NOx, SOx and particulate matter in real time, while green belt development helps mitigate dust and noise, ensuring environmental accountability.

Water Stewardship

Water stewardship remains a key pillar of ACC's Sustainable Development 2030 agenda. Despite cement being a largely dry process, water used for cooling, dust suppression and domestic purposes is carefully managed. The Company has achieved water-positive status and is progressing towards a fivefold water-positivity target by 2030, supported by recycling systems, rainwater harvesting, mine-pit utilisation and community water conservation initiatives.

Waste Management and Circular Economy

ACC promotes responsible resource use through structured waste management and circular economy practices. Waste segregation, recycling and co-processing help minimise landfill disposal while increasing the use of waste-derived resources. Plastic waste, used oil and other materials are largely co-processed in cement kilns, while e-waste and hazardous waste are handled through authorised recyclers and treatment facilities, while mining overburden is repurposed for mine backfilling.

Strengthening circularity further, ACC utilised 11.57 million tonnes of waste-derived resources during the year, including 0.45 million tonnes of alternative fuels and 11.12 million tonnes of waste-derived raw materials such as fly ash, gypsum and slag. This integrated approach conserves natural resources, supports blended cement production and advances long-term sustainability and decarbonisation goals.

Management Discussion and Analysis

Biodiversity Management

Biodiversity is a material priority for ACC, recognising the role of healthy ecosystems in climate resilience and ecological balance. Guided by its Biodiversity Policy, the Company follows a mitigation hierarchy of avoid, minimise, restore and offset, with regular monitoring across operations and partners. ACC is committed to No Net Deforestation through afforestation and aims to achieve No Net Loss of Biodiversity across all sites, progressing towards Net Positive Gain.

Adani Cement, comprising Ambuja Cements and ACC, became the first Indian cement company to adopt the TNFD recommendations, strengthening its approach to identifying, assessing and disclosing nature-related risks and opportunities. A comprehensive Nature and Biodiversity Risk Assessment using the TNFD LEAP framework has been conducted within a 10 km radius of plants and mines, evaluating ecosystem dependencies and potential risks linked to natural capital.

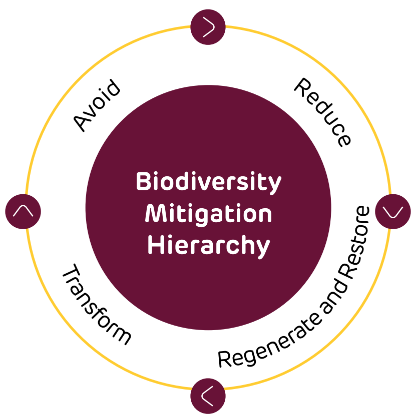
Supported by strong on-ground action, including over 4.54 million till FY'26 trees planted, 1.7x water positivity and biodiversity conservation initiatives, the Company continues to embed responsible resource management into core business decisions while advancing targets for green cement, AFR and renewable energy targets.

Biodiversity Risk Assessment

ACC's operations depend on natural capital such as minerals and water, as well as ecosystem services including climate and water regulation. Using the TNFD LEAP framework, the Company mapped nature interfaces, assessed dependencies and identified potential risks such as extreme weather events, ecosystem degradation and regulatory changes.

Biodiversity Action Plan

To address identified risks, ACC has implemented a Biodiversity Action Plan aligned with the IUCN (International Union for Conservation of Nature) mitigation hierarchy and nature-based solutions. Site-specific measures include greenbelt development, wildlife monitoring, rainwater harvesting and ecosystem restoration initiatives.



Biodiversity Protection and Enhancement Measures

ACC complies with environmental regulations including the Forest Conservation Act and CAMPA (Compensatory Afforestation Fund Act), supported by compensatory afforestation and structured mine closure plans. The Company has planted over 4.54 million trees against a target of 5 million by 2030, alongside habitat restoration and environmental protection measures. Employee training and stakeholder awareness initiatives further reinforce biodiversity stewardship.

Sustainable Construction

ACC remains focused on reducing its carbon footprint while enhancing product performance and delivering on its brand promise. The Company develops solutions that help customers lower environmental impact, improve construction quality and optimise lifecycle costs. During the year, ACC strengthened its sustainable portfolio with offerings under ACC Certified Technology, including Instant Concrete Mix Proportion and Modular Curing solutions, and introduced Compocem Cement at its Kudithini plant. These innovations advance greener construction practices, enhance execution efficiency and support resource optimisation, reinforcing ACC's commitment to sustainable and performance-led construction.

Regulatory Compliance

ACC upholds strict regulatory compliance as a foundation of responsible operations, adhering to all applicable environmental laws and securing required statutory approvals. Compliance is monitored through the Legatrix software, ensuring transparency and accountability. Key regulations include Environmental Clearances, the Water and Air (Prevention and Control of Pollution) Acts, the Environment (Protection) Act and applicable waste management rules.

ASCENT: Institutionalising Sustainable Growth

Adani Cement's ASCENT framework establishes a structured, enterprise-wide approach to strengthening environmental performance, governance and data-driven decision-making. By embedding sustainability, circularity and innovation into core strategy, ASCENT enables responsible, resilient and future-ready growth aligned with India's Viksit Bharat 2047 vision.

Management Discussion and Analysis

Sales Volume

In FY 2025–26, ACC's Cement sales volume recorded strong growth, reaching 43.9 million tonnes as compared to 39.0 million tonnes in FY 2024–25. Individual Home Builders and ground-plus-three (G+3) residential projects continued to represent the largest retail segments, contributing significantly to both volumes and profitability. During the year, the Company intensified its focus on enhancing the share of premium products within its portfolio. This was supported by improved affordability following the Government's rationalisation of GST rates, targeted brand-building initiatives and deeper engagement with influencers through dedicated technical teams. This momentum is expected to continue over the medium term, supported by structural demand drivers, while remaining subject to near-term variability.

Market Development and Distribution Strength

ACC is supported by a strong pan-India distribution network of approximately 15,000 channel partners and 40,000 retailers and sub-dealers, contributing nearly 55% of total cement sales through the retail segment. This extensive reach enables the Company to effectively meet India's growing demand for quality cement and building materials.

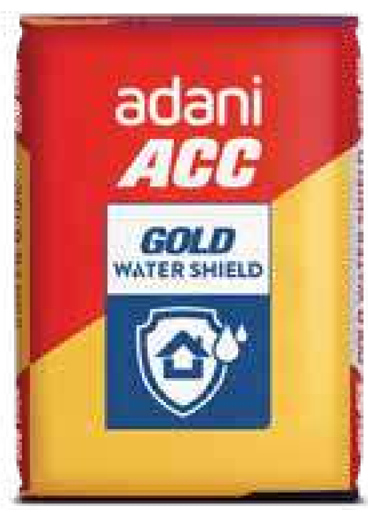
40,000
Retailers and sub-dealers part of the pan-India distribution network

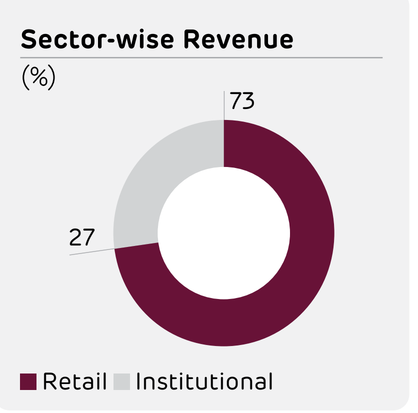
Leveraging deep market insights, ACC's Sales and Marketing teams continuously refine product mix and optimise capacity utilisation while enhancing supply chain efficiency through active dealer engagement. In line with its sustainability strategy, the Company is progressively reducing the share of OPC in its portfolio and strengthening its blended cement offerings. Strategic expansion of the channel network and increased wallet share per counter in key markets have further deepened retail penetration and strengthened customer connect. Region-specific, value-added solutions and calibrated enhancements to market-facing infrastructure further strengthened customer experience and elevated brand visibility. Going forward, the Company will maintain a sustained focus on premium and solution-oriented offerings, underpinned by disciplined cost management and integration synergies across the cement business and the broader Group platform, to drive stable profitability and improved returns.

ACC's Products and Solutions

Adani ACC Gold Water Shield

A part of ACC's premium portfolio, Adani ACC Gold Water Shield is recognised for its superior water-repellent properties, enhanced durability and long-lasting protection. Positioned at the top end of the Company's product range, it commands a strong premium and is supported by integrated brand visibility across outdoor, in-shop and digital platforms, along with technical service engagement at site. The product is among the select ACC offerings listed in GRIHA (Green Rating for Integrated Habitat Assessment) green product catalogue, reinforcing its sustainable credentials.





ACC's Key Products

Gold Range

Silver Range

Ready-Mix Concrete (RMX)

Adani ACC's Ready-Mix Concrete business operates a nationwide network of 117 technologically advanced plants across 42 cities, playing a vital role in India's urban and infrastructure development. With over three decades of expertise, Adani ACC Concrete combines innovation, service excellence and sustainability, supported by GRIHA-certified practices. The business continues to expand capacity, commissioning new plants and strengthening its footprint, particularly in the captive and infrastructure segments. Value-added solutions such as Adani ACC Feathercrete, alongside digital-enabled customer interfaces, technical training and quality-focused initiatives, reinforce Adani ACC Concrete's leadership in delivering high-performance, sustainable construction solutions.

Management Discussion and Analysis

RMX Business Performance

Particulars	Unit	FY 2025-26	FY 2024-25
Sales Volume	lakh m^3	38.5	28.6
Revenue from Operations	₹ crore	1,936	1,382
EBITDA	₹ crore	300	188
EBITDA margin	%	15.5	13.6

Value-added and Green Solutions

ACC's advanced R&D capabilities continue to drive innovation, enabling the development of value-added solutions tailored to evolving construction needs. These specialised offerings contribute 36% of total RMX sales and remain a key growth lever for the business. Flagship products such as Adani ECOMaxX, ACC Coolcrete and ACC Bagcrete have strengthened the Company's differentiated portfolio across infrastructure and urban construction segments.

Adani ECOMaxX, the Company's green concrete solution, is engineered to support sustainable construction by reducing CO_2 emissions by 30–70%. Certified under GreenPro and recognised by the Indian Green Building Council (IGBC), it currently accounts for 9% of total RMX sales. The Company continues to build sales capability, enhance value communication and deepen engagement with consultants and nodal agencies to scale adoption of green solutions.

adani ECOMaxX Expert Green Concrete

Business Performance (Consolidated)

Particulars	FY 2025-26	FY 2024-25
Sales Volume Cement (MMT)	43.9	39.0
Revenue from operations (₹ crore)	25,962	21,920*
Operating EBITDA (₹ crore)	2,950.2	3,061
Operating EBITDA Margin (%)	11.4	14.0

*Regrouped, refer Note 66 of Consolidated Financial Statement

Key Financial Ratios (Standalone)

Particulars	FY 2025-26	FY 2024-25
Operating EBITDA Margin (%)	11.3	13.8
Net Profit Margin (%)	9.2	11.7
Return on Net Worth (%)	11.2	13.3
Net Worth (₹ crore)	20,416	18,271
Net Debt Equity Ratio	NA	NA
Debtors Turnover (Times)	10.3	20.6
Inventory Turnover (Times)	8.6	6.7
Debt Service Coverage Ratio (Times)	15.3	4.4

Management Discussion and Analysis

Cost Efficiency in Cement Business

During FY 2025-26, ACC implemented several targeted cost management strategies, including:

Cost of Materials Consumed

Raw material costs reduced by 1% per tonne of cement year-on-year during the year. To enhance cost efficiency, ACC strengthened long-term tie-ups for key raw materials, optimised the clinker factor and expanded the use of wet fly ash across plants. These measures supported cost moderation while reinforcing sustainability objectives. Margins remained impacted by input cost volatility and pricing dynamics, particularly in the latter part of the year, underscoring the importance of ongoing cost optimisation initiatives.

Power and Fuel

Lower coal prices and a higher share of green power contributed to reduced power and fuel costs by 7% during the year. The green power mix increased by 12 pp to 30%. Kiln fuel cost at ₹ 1.61 per thousand kilocalories. The Company continues to optimise its energy mix, increase captive and alternative fuel usage, and enhance sourcing efficiency to drive sustainable cost savings.

Freight and Forwarding Expenses

ACC witnessed a marginal increase in freight and forwarding expenses. Cost will be optimised further by reducing lead due to increased footprints, improving dispatch efficiency, rationalising warehousing, maximising direct dispatches, negotiating competitive freight rates and reducing lead distances. Increased adoption of multimodal logistics through rail and sea transport, along with higher volumes under Master Supply Agreements, further supported savings. The Company remains focused on digital supply chain integration and network optimisation to sustain long-term efficiency gains.

Master Supply Agreement (MSA)

ACC Limited maintains a Master Supply Agreement (MSA) with its parent company, Ambuja Cements Limited (ACL), and fellow subsidiaries including Asian Fine Cement Private Limited and Adani Cement Industries Limited (ACIL). These agreements establish a structured system for the movement of cement, clinker and other materials among group companies, facilitating efficient inter-company transactions. During FY 2025-26, the Company sold 11.6 million tonnes of Cement and Clinker (CLC) under this arrangement, underscoring the significance and scale of this integrated supply network.

The current year marked a further enhancement of this collaborative ecosystem with the introduction of a new MSA involving Orient Cement Limited (OCL) with ACC's parent company Ambuja Cements. This agreement reinforces intra-group collaboration within the Adani portfolio, enabling reciprocal sourcing of specified materials and services. The agreement is governed by transparent pricing mechanisms, clearly defined operational parameters and arm's length principles, with all requisite related-party approvals in place.

The framework permits either party to function as manufacturer or procurer, thereby optimising capacity utilisation, enhancing network efficiencies and facilitating agile allocation of cement, clinker, fly ash, coal and other critical inputs. Cement supplied under this arrangement is marketed under the procuring entity's brand, preserving brand distinctiveness while leveraging shared operational infrastructure and resources.

Collectively, such MSAs deepen synergies across business operations, unlock structural cost efficiencies and promote environmentally responsible resource utilisation. The Company remains committed to strengthening these collaborative models, aiming to enhance competitiveness, resilience and long-term sustainable value creation.

Capacity Expansion

Adani Cement has raised its FY 2026-27 target capacity to 119 MTPA in a structured and phased manner. ACC's parent company, Ambuja Cements accelerated its capacity expansion programme in FY 2025-26, with consolidated cement capacity reaching 109 MTPA during the year.

Customer Engagement and Relationship

ACC remains focused on addressing the needs of Individual Home Builders while promoting sustainable construction practices. Recognising the significant investment made by IHBs, the Company supports their construction journey through quality materials, sound construction methods and access to skilled professionals. GRIHA-certified products and on-site sustainable solutions enhance build quality and ensure a seamless customer experience.

ACC Certified Technology (ACT)

ACC Certified Technology is an integrated, customer-centric platform that connects dealers, influencers and individual home builders (IHBs) with specialised products, technical guidance and trained contractors. Designed for IHBs and small project builders (SPBs), ACT combines men, materials and methods to ensure proper construction practices and durable outcomes. Through its Identify, Enrol, Acquire and Retain (IEAR) engagement model, ACC strengthened customer relationships, with ACT implemented at over 64,854 sites during the year.

64,854
Sites where ACT is implemented

Instant Concrete Mix Proportion

The instant mix proportioning solution optimises aggregates, sand and water usage based on material properties, improving concrete strength and durability. During the year, the solution was enhanced at 47,850 customer sites.

47,850
Customer sites improved through instant mix proportioning solution

Modular Curing Solution

ACC's Zero Water Curing solution enables efficient slab curing without water usage. During the year, 3,040 of the solutions were given across construction sites, conserving water.

Slab Supervision

ACC's technical experts provided on-site slab casting guidance across various customer locations, reinforcing construction quality and reliability.

Influencer Engagement and Relationship

Knowledge Sharing Initiative

ACC continues to engage architects and engineers through a nationwide knowledge-sharing platform that promotes sustainable construction practices and advanced building materials. Through in-person and virtual sessions, more than 4,500 professionals participated in diverse technical and knowledge-led engagements during the year, strengthening industry capability and awareness.

4,500+
Professionals participated in diverse knowledge sharing activities

Executive Excellence Programme (EEP)

Recognising the pivotal role of the engineering and architectural fraternity in nation-building, ACC, in collaboration with Ambuja Cements Limited and IIT Kanpur, introduced the Executive Excellence Programme. This four-day residential certification course, curated by IIT faculty, is designed to deepen technical expertise and equip professionals with advanced industry insights and contemporary best practices.

Celebration of Engineers' Day

Engineering is not merely about structures or materials, but about transforming ideas into enduring impact. On Engineer's Day, ACC celebrates the ingenuity, discipline and resilience of engineers who power progress across infrastructure, manufacturing and sustainable innovation. From landmark national projects to everyday homes, their commitment to precision, safety and continuous improvement ensures that every solution is built to last while remaining accountable to future generations. At ACC, engineering excellence drives operational strength, low-carbon advancement and nation-building momentum. This Engineer's Day, the Company honours engineers as the true architects of progress, shaping a stronger, more sustainable India with every milestone achieved.

Rewards Connect Initiative

ACC's contractor loyalty programme, now powered by the upgraded Rewards Connect initiative, is designed to recognise, strengthen and enrich long-term partnerships with influencers. By promoting ACC Certified Technology and quality construction practices, the platform incentivises contractors while supporting their professional growth. Over 3,82,368 lakh contractors are enrolled, benefiting from structured rewards, engagement initiatives and development opportunities.

3.82 lakh+
Contractors enrolled in ACC influencer loyalty programme this year

Management Discussion and Analysis

Channel Partner and Contractor Engagement

Customer-centric engagement remains central to ACC's approach. The Company conducts structured contractor and channel partner meets across India, recognising contributions through standardised appreciation platforms and impactful on-ground initiatives. These programmes strengthen relationships, foster loyalty and reinforce a performance-driven partner ecosystem.

Dhanvarsha

ACC benefited from Adani Cement's launch of Dhanvarsha – Gruhalaxmi Soubhagya Awards, a digitally enabled, pan-India initiative recognising dealers and their families. With participation from 50,000+ stakeholders and 10,000+ families, the programme strengthened emotional connect, rewarded performance transparently and set a new benchmark in stakeholder engagement.

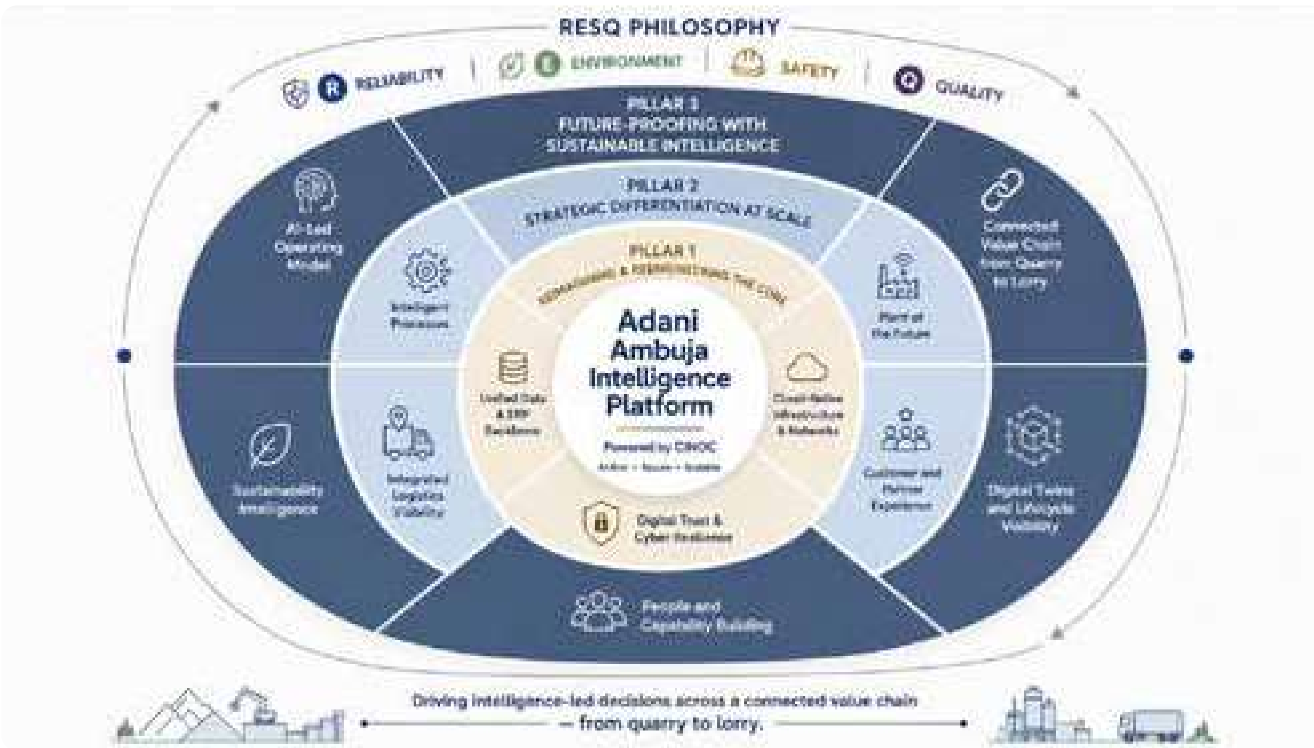
CEO Club

ACC's CEO Club engaged around 245 high-performing dealers achieving record monthly sales average. The platform combined strategic dialogue with formal recognition, aligning business priorities, addressing channel feedback and celebrating record sales achievements to deepen collaboration across the dealer network.

Digitalisation and Innovation

Driven by its RESQ philosophy - Reliability, Efficiency, Sustainability and Quality, the Company's digital strategy is centred on three priorities: modernising core platforms, transforming processes for scalable growth and building future-ready intelligent systems. This evolving approach reflects the shift from digital as a business enabler to digital at the core of the business, enabling decisions, processes and operations to become increasingly data-driven, agile and resource-efficient.

Digital Strategy and Approach



Pillar 1: Reimagining and Reengineering the Core

The Company continued to strengthen its digital foundation through the development of an AI-first, cloud-native ecosystem designed to support scale, agility and intelligent decision-making. Platforms such as the Adani Ambuja Intelligence Platform and CiNOC are enabling enterprise-wide integration of ERP, IoT, analytics and fleet systems to enhance operational visibility and decision efficiency. A standardised ERP backbone and software-defined network architecture are further improving resilience, operational consistency and financial governance. Simultaneously, the Company reinforced digital trust and cyber resilience through a comprehensive OT cybersecurity framework covering asset visibility, risk monitoring and automated recovery systems, supported by ISO 27001 certification.

Pillar 2: Strategic Differentiation at Scale

The Company continued to leverage digital technologies to improve operational efficiency, responsiveness and customer

Management Discussion and Analysis

experience. Intelligent and touchless solutions, including ePOD and automated invoice-to-pay systems, are streamlining workflows, enhancing accuracy and strengthening planning through AI-enabled forecasting tools. Enhanced visibility across a fleet of more than 60,000 trucks, supported by initiatives such as DIGIPIN, is improving logistics efficiency, route discipline and delivery precision. Manufacturing operations are also evolving through the deployment of over 10,000 IoT sensors across 38 units, enabling predictive maintenance, AI-led optimisation and automated controls that improve throughput and equipment reliability. In parallel, digital engagement platforms are simplifying dealer onboarding, strengthening customer interactions and improving service responsiveness.

Pillar 3: Future-Proofing with Sustainable Intelligence

The Company is embedding intelligence and sustainability across the value chain to build more connected, agile and future-ready operations. AI-enabled systems are supporting faster decision-making, improving operational responsiveness and strengthening control across functions. Digital integration from quarry to lorry, including drone-based inspections, voice-enabled interfaces and automated traceability solutions, is enhancing visibility, execution and safety on the ground. The adoption of digital twins is improving lifecycle visibility and enabling more efficient planning and operational management, while sustainability dashboards are supporting better monitoring of greenhouse gas emissions, material efficiency and greener logistics planning. Alongside technology adoption, the Company continues to invest in workforce capability building through structured learning initiatives and cross-functional collaboration, ensuring digital transformation is embedded across the organisation.

Read more about our digital initiatives on Page 121

Advancing Intelligent Digital Operations

The Company continues to strengthen its digital infrastructure to support more efficient and sustainable operations. The initiative also enables the gradual adoption of advanced digital solutions, including Digital Twins, aimed at enhancing reliability, forecasting capabilities and operational efficiency across plants.

ACC also continued to advance its digital manufacturing capabilities through the implementation of the Technical Information System (TIS), a centralised platform designed to improve operational visibility and efficiency across the value chain. The platform enables real-time monitoring, predictive maintenance and data-driven decision-making, while supporting improved resource efficiency and more streamlined operations.

Management Discussion and Analysis

Branding

ACC drives brand strength through integrated traditional and digital marketing, impactful on-ground visibility and targeted regional campaigns. Backed by a strong nationwide distribution network and tailored solutions for diverse customer segments, the Company enhances engagement, deepens trust and sustains competitive advantage. Strategic film partnerships and a robust digital presence further amplify brand recall, visibility and long-term market growth.

A new digital video commercial (DVC) promoting ACC's premium products garnered over 16 million views, supported by cinema campaigns and audio advertising on leading music streaming platforms, enhancing premium product awareness and consumer engagement.

To deepen community connect and strengthen premium positioning, the Company executed high-impact brand activations across cultural and sporting events. During the Rath Yatra in Gujarat, water kiosks served pilgrims while ACC-branded umbrellas enhanced both utility and brand recall, sustaining visibility despite challenging circumstances.

On-ground Activation

Adani Cement strengthened its on-ground brand presence through a strategic, multi-touchpoint approach across high-footfall locations, transit networks and culturally significant clusters. By integrating site-level branding with targeted deployments in urban and semi-urban markets, the Company supported brand visibility and customer engagement.

A key element of this strategy was the effective utilisation of Group synergies, with ACC products prominently showcased across Adani Airports and CNG stations, supported by partnerships such as Agrifresh. This enabled broader reach and delivered a unified brand experience across multiple touchpoints.
The Company also deepened its community connect through targeted branding across pilgrimage corridors and participation in major cultural events. High-impact activations, including branded utilities and sponsorships, further reinforced visibility and strengthened premium positioning.

In addition, a strong emphasis on out-of-home (OOH) media and point-of-purchase visibility through hoardings, transit media and innovative formats such as green net installations, significantly amplified on-ground presence. Brand visibility was further enhanced through sports marketing during the India–England Test Series, leveraging on-ground placements across pitch mats, jerseys and sight screens.

Digital Engagement

Adani Cement continues to build strong brand affinity through purposeful storytelling, culturally relevant campaigns and integrated digital engagement initiatives. By celebrating people, traditions and shared values, the Company has fostered meaningful emotional connections with stakeholders across platforms.

Festive campaigns, including Ganesh Chaturthi and Diwali, effectively combined cultural relevance with brand messaging, strengthening engagement and emotional resonance. The Diwali film, centred on themes of home, belonging and relationships, reflected the Company's commitment to storytelling that resonates at a personal level. Similarly, Independence Day and thematic campaigns around Children's Day and International Men's Day generated over 25 million views, enhancing digital visibility and engagement.

Targeted campaigns such as Black Friday delivered strong outcomes, with over 29 million impressions and significant audience reach driven by focused content and segmentation. The Company further expanded its reach through a multi-platform strategy, engaging over 200 million audiences across television, cinema, news integrations and digital channels, ensuring sustained brand salience. Additionally, Adani Cement explored emerging platforms by piloting its presence on quick commerce channels, generating over 40 million impressions within a short period and improving brand discoverability among urban consumers.

Generations of Trust, Built to Last

Built over decades, Adani Cement's journey is defined by enduring partnerships that extend across generations. Kushal Kant Jain exemplifies this legacy as a third-generation partner guiding the fourth, with over 50 years of association rooted in trust, perseverance and shared purpose. His journey reflects how strong relationships underpin strong structures, going beyond business to uphold the brand's heritage and future. 'Heroes of Adani Cement' celebrates such contributors whose commitment continues to shape the Company's legacy.

High-impact Sports Engagement

Adani Cement enhanced brand visibility through strategic sports associations, including the Indian Premier League, Pro Kabaddi League (PKL) and Adani Marathon. These initiatives delivered extensive reach, connecting with over 400 million viewers and engaging diverse audiences across the country. Through compelling storytelling and on-ground activation, the Company strengthened brand recall while aligning with themes of performance, aspiration and community engagement.

Management Discussion and Analysis

Channel Enablement

Adani Cement continues to strengthen its partner ecosystem through structured engagement platforms that foster collaboration, recognition and shared growth. Initiatives such as the Dealer CEO Club and Gruh Laxmi Utsav brought together top-performing partners, facilitating strategic dialogue, recognising excellence and aligning stakeholders with the Company's growth vision. These efforts are further supported by regional meets and annual conferences that build trust, deepen relationships and reinforce a sense of belonging among partners and their families.

The Company has also adopted innovative approaches such as influencer marketing and festive engagement to enhance visibility and deepen connections. Campaigns like Maha Dhanvarsha and curated festive gifting initiatives have strengthened goodwill, improved in-store visibility and enhanced brand recall across the channel network.

Focused engagement with professionals and contractors has further strengthened the ecosystem. Engineer's Day initiatives, including technical sessions and knowledge-sharing platforms, enhanced brand affinity among industry stakeholders. At the same time, large-scale contractor programmes such as Reward Connect witnessed record participation, driving loyalty and preference for premium offerings. Unique storytelling initiatives, such as the launch of Adani Cement Playing Cards, further reinforced brand identity by celebrating shared values, heritage and partnerships.

Driving Partner Engagement through Dhanvarsha

Dhanvarsha, a quarterly flagship initiative, brings together channel partners, influencers and contractors to celebrate shared success through a structured and transparent reward platform. Combining digital and on-ground engagement, the programme recognises contributions across stakeholders and their families, engaging over 50,000 stakeholders nationwide, with more than 10,000 families. It stands as a strong reflection of partnership, trust and collective growth within the Adani Cement ecosystem.

Product-led Communications

Adani Cement strengthened its brand presence through a cohesive blend of cultural activations, creative refreshes and multi-channel media strategies, enhancing premium positioning and consumer engagement. High-impact digital campaigns and influencer initiatives drove strong visibility, while sports marketing and regional outreach extended reach across diverse audiences.

The Company further reinforced brand equity through refreshed creatives for key products, improving differentiation and recall. A comprehensive 360° media approach spanning digital, outdoor, cinema and innovative audio formats amplified premium messaging, reaching over 300 million audiences and strengthening brand salience across markets.

Additionally, a new DVC promoting ACC's premium products garnered over 16 million views, supported by cinema campaigns and audio advertising across leading music streaming platforms, enhancing awareness and engagement for premium offerings.

Logistics

ACC progressed its strategic logistics transformation in FY 2025–26 to reduce delivered costs, improve service levels and support capacity expansion. Through coastal modal shift, rolling-stock modernisation, network densification and enhanced digital control, the Company shortened lead distances and increased direct dispatch. Lead distance is expected to reduce further with increasing footprints, with sea logistics targeted at 5%, will contribute to significant reduction of logistics cost.

Major Developments across Logistics

- Marine Expansion
- Terminal network & coastal footprint
- Rolling-stock modernisation
- Blenders & localisation
- Digital control & visibility
- Demand-supply optimisation
- Strategic partnerships
- Greening logistics
- Process automation

Collectively, these initiatives are strengthening the Company's supply chain resilience and cost efficiency while progressively reducing its environmental footprint.

Internal Control Systems and their Adequacy

ACC has established a strong internal control framework and best-in-class processes commensurate with its size and operational complexity.

- Clearly articulated policies and standard operating procedures govern all significant activities, ensuring smooth business functioning while maintaining high standards of governance.
- A formal delegation of authority structure, with defined approval thresholds for revenue and capital expenditure at various organisational levels, enables efficient day-to-day decision-making and effective execution of both short- and long-term strategies.
- Financial oversight is driven through a robust Annual Budgeting process, with performance tracked through monthly reviews across operational and support functions.
- The Company leverages an advanced ERP platform to capture data for accounting, consolidation and management reporting, seamlessly integrating operations across locations. Processes and controls continue to be aligned with global best practices.
- To ensure adherence to statutory requirements, an integrated online Compliance Management System has been deployed, combining technology with legal frameworks. The system provides comprehensive visibility of applicable regulations and real-time compliance tracking through a centralised management dashboard.
- The Company has a well-established, multidisciplinary Management Audit & Assurance Services (MA&AS) function comprising experienced professionals, including accountants, engineers and SAP specialists. The team conducts comprehensive audits throughout the year across all functions and reports findings to Management and the Audit Committee.
- These reports evaluate compliance with internal controls, assess operational effectiveness and highlight key process risks. During the year, MA&AS introduced an AI-enabled duplicate invoice detection mechanism, enabling review of the complete universe of vendor invoices instead of sample-based checks.
- MA&AS operates under a Risk-Based Annual Internal Audit Plan approved by the Audit Committee of the Board, with the entire audit lifecycle managed through a web-based Audit Management System (AMS).
- Internal audits are undertaken in line with recognised auditing standards to assess the design and operating effectiveness of internal controls, risk management systems and monitoring mechanisms. The process ensures policy compliance and recommends process enhancements.
- The Audit Committee periodically reviews the progress of the audit plan, evaluates the adequacy and effectiveness of internal audit systems, and monitors implementation of audit recommendations, including improvements in risk management and governance practices to drive continuous enhancement.

Management Discussion and Analysis

In support of governance oversight, the following independent Committees have been constituted to supervise the efficiency and effectiveness of internal controls:

Risk Management Committee

The Risk Management Committee (RMC) is constituted in line with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 and reports to the Board of ACC Limited. It assists the Board in overseeing risk appetite, risk management framework and governance structure. The Committee comprises of four members, with 50% Independent Directors and is chaired by an Independent Director elected from among them.

Mergers & Acquisitions Committee

The Mergers & Acquisitions Committee functions as a sub-committee of the Risk Management Committee (RMC) of ACC Limited and reviews acquisition strategy, proposed mergers, investments, divestments and associated due diligence processes. Accountable to the RMC, it comprises of four members of which two Directors (50%) are Independent Directors and is chaired by an Independent Director elected from among them. The Committee meets as and when required, follows defined quorum norms and reports its recommendations to RMC. convenes as required, adheres to prescribed quorum norms and submits its recommendations to the RMC.

Legal, Regulatory & Tax Committee

The Legal, Regulatory & Tax Committee, a sub-committee of the Risk Management Committee (RMC) of ACC Limited, reviews legal, regulatory and taxation matters, including compliance programmes. Accountable to RMC, it comprises of four members with three members (75%) being Independent Directors and is chaired by an Independent Director elected from among them. The Committee meets at least twice annually, follows defined quorum norms and reports its recommendations to the RMC.

Reputation Risk Committee

The Reputation Risk Committee, a sub-committee of the Risk Management Committee (RMC) of ACC Limited oversees risks related to the Company's reputation while fostering a culture of strong conduct and risk awareness. Accountable to RMC, it comprises of three members with two members (66.67%) are Independent Directors and is chaired by an Independent Director elected from among them. The committee meets at least twice annually, follows definitive quorum norms, and reports recommendations to the RMC.

Commodity Price Risk Committee

The Commodity Price Risk Committee, a sub-committee of the Risk Management Committee (RMC) of ACC Limited, reviews risks arising from commodity price exposures and promotes strong risk awareness and conduct standards. Accountable to RMC, it comprises of four members with two members (50%) being Independent Directors

and is chaired by an Independent Director elected from among them.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, and reports to the Board of ACC Limited.

It oversees the effective servicing and protection of stakeholders' interests, including shareholders and other security holders. The committee comprises of four members with two members (50%) being Independent Directors and is chaired by an Independent Director from among them.

Corporate Responsibility Committee

The Corporate Responsibility Committee is a voluntary committee constituted by and accountable to the Board of ACC Limited. It oversees significant strategies, policies and the Company's key strategies, policies and programmes relating to social responsibility and sustainability. The Committee comprises of three members with two members (66.67%) being Independent Directors and is chaired by an Independent Director. The committee meets at least four times annually, and follows defined quorum norms, with the Company Secretary serving as a Secretary.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, and reports to the Board of ACC Limited.

It evaluates the Board's skill, knowledge and experience, considering diversity, time commitment and suitability, identifies and recommends candidates with the requisite roles and capabilities. The committee comprises of three members, all being non – executive and Independent Directors and is chaired by an Independent Director from among them. The committee meets at least twice annually, and follows defined quorum norms, with the Company Secretary serving as a Secretary.

Information Technology and Data Security Committee

The Information technology and Data Security Committee is a voluntary committee constituted by and accountable to the Board of Ambuja Cements Limited. It oversees the adoption of advanced IT tools to drive process automation and value creation across the Company, while ensuring robust cybersecurity, data protection policies and sustainable safeguarding of critical information. The Committee comprises of four members with two members (50%) are Independent Directors and is chaired by an Independent Director.

Public Consumer Committee

The Public Consumer Committee is a voluntary committee constituted by and accountable to the Board of Ambuja Cements Limited. It formulates the consumer services policy and oversees consumer relationship management to ensure fair treatment and effective delivery of the Company's consumer-facing policies, practices and services. The Committee comprises three members, all being Independent Directors and is chaired by an Independent Director.

Corporate Social Responsibility (CSR)

The Committee is constituted in accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, and reports to the Board of ACC Limited. The Committee comprises of three members with two members (6.67%) being Independent Directors and is chaired by an Independent Director. The committee meets at least twice annually, and follows defined quorum norms, with the Company Secretary serving as a Secretary.

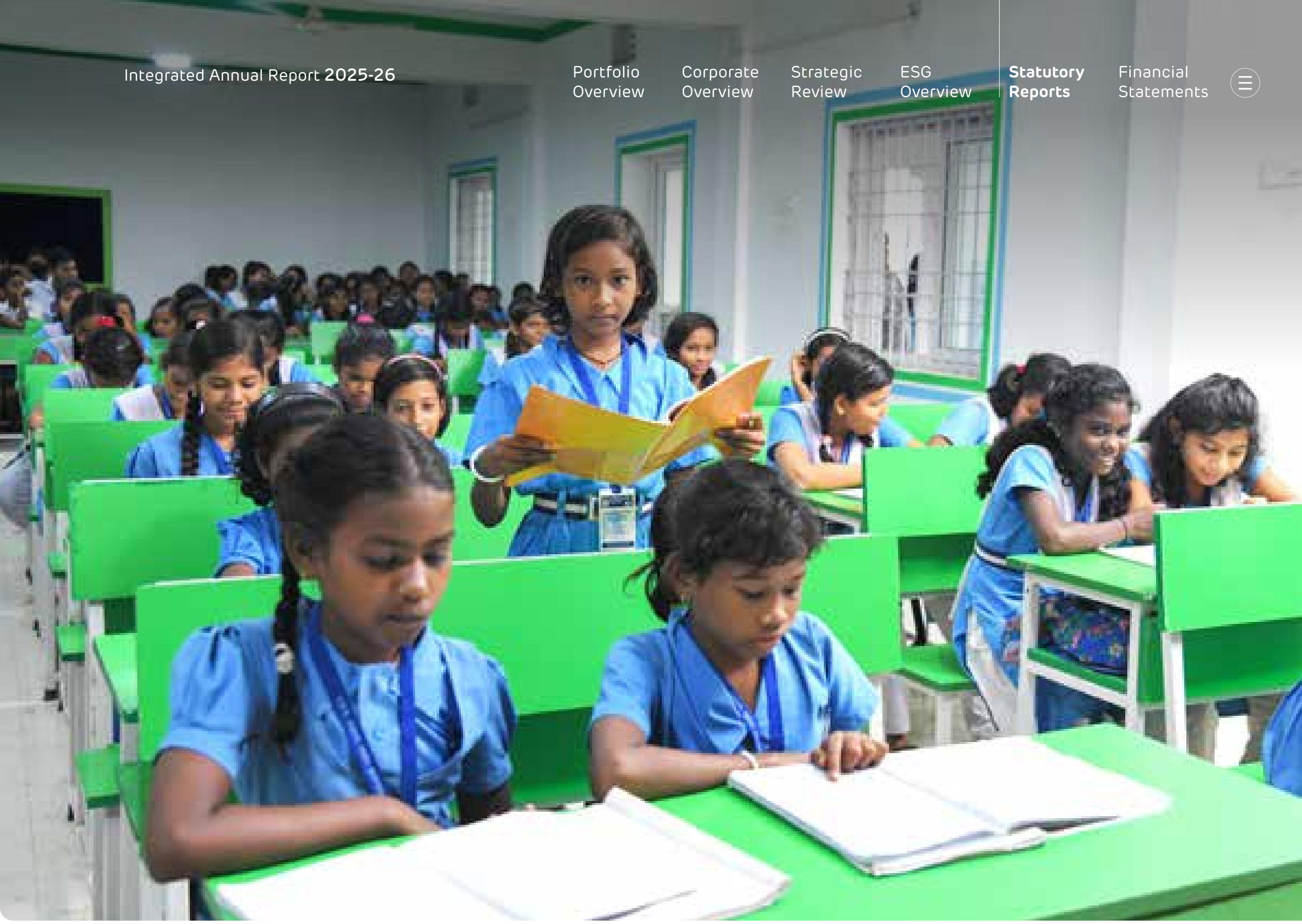
Community engagement remains integral to ACC's corporate responsibility approach. Through its CSR programmes, the Company has positively influenced millions of people across multiple villages and districts, guided by the UN Sustainable Development Goals (SDGs). Supported by active stakeholder participation, dedicated CSR Committees and community advisory panels, ACC promotes sustainable development, builds trust and strengthens local partnerships.

As part of the Adani Foundation, ACC's CSR initiatives focus on education, healthcare, livelihoods, skill development and infrastructure, aligned with national priorities and global SDGs. Across ACC locations, interventions extend to 212 villages in 21 states, reaching over 5.7 lakh outreach through sustainable and transformative programmes.

Community Health

ACC adopts a community-led, last-mile approach to healthcare, bringing services closer through mobile medical units, clinics, health camps and upgraded village centres supported by telemedicine and portable diagnostics. Local health workers and partnerships with government and medical institutions ensure accessible, continuous and reliable care. Through sustained interventions, the Adani Foundation has reached 71,597 beneficiaries across cement CSR and CER locations.

71,597
Beneficiaries impacted through community health initiatives



Sustainable Livelihood Development

ACC adopts an ecosystem-based approach to livelihoods, strengthening on-farm, off-farm and non-farm income sources to build resilient rural economies. Initiatives focus on sustainable agriculture, water and soil management, crop diversification and farmer capacity-building, supported by allied activities such as dairy and animal husbandry. Aligned with government schemes and community participation, these efforts promote long-term income stability. In FY 2025–26, the Adani Foundation reached 26,399 individuals through its livelihood programmes across cement locations.

26,399
Beneficiaries impacted through sustainable livelihood development initiatives

Education

ACC supports education across all stages through infrastructure upgrades, teacher training, academic support and inclusive programmes, alongside skill development and career-oriented training for youth. The Adani Foundation's UTHAAN project strengthened government schools through improved infrastructure, teaching practices and activity-based learning, benefiting 2,302 students across 18 schools. Overall, education initiatives at cement locations reached 33,684 beneficiaries in FY 2025–26, enhancing learning outcomes and access to quality education.

33,684
Beneficiaries impacted through education initiatives

Skill Development

Through industry-aligned training centres, ACC equips youth with skills tailored to market needs, preparing them for both employment and entrepreneurship. The programme combines technical training with linkages to government schemes, financial inclusion and local employment networks, ensuring sustainable livelihood outcomes. By bridging aspiration with opportunity, it fosters resilience, confidence and long-term economic independence, enabling youth to build secure futures and contribute to their communities.

5,480 students enrolled in the skill development programme under which, 4,706 have been trained. 1,180 youth successfully got placements in various companies, and 475 had opted for self-employment

5,480
Beneficiaries impacted through skill development initiatives

Community Development

Through a need-based, community-led approach, the Adani Foundation identifies infrastructure priorities in close consultation with residents and local institutions. Interventions such as roads, lighting, water solutions and community spaces improve quality of life, enhance safety and strengthen social cohesion while fostering long-term sustainability and community ownership. During the year, over 115 community infrastructure projects were completed, positively impacting more than 3,61,677 beneficiaries.

3,61,677
Beneficiaries impacted through community development initiatives

Climate Action

The Adani Foundation drives climate action through locally tailored, ecosystem-based solutions such as water body rejuvenation, rainwater harvesting and tree plantation. These initiatives enhance water security, support climate-resilient agriculture and build community resilience through active participation and ownership. During the year, climate interventions positively impacted 35,968 individuals, reinforcing the commitment to environmental stewardship and a low-carbon future.

35,968
Beneficiaries impacted through climate action initiatives

Human Resources

ACC's people strategy recognises that the Company's ability to deliver on its operational, sustainability and innovation ambitions is intrinsically linked to the quality, engagement and well-being of its workforce. Anchored in a people empowerment philosophy, the strategy seeks to promote holistic employee well-being by embedding fairness in remuneration and employment practices, ensuring equitable access to opportunities and safeguarding human rights. It further prioritises the continuous strengthening of technical competencies, leadership capabilities and technology-enabled readiness to build a future-ready organisation.

Structured around four core themes — fostering an inclusive culture grounded in DEI principles; attracting and developing talent aligned with evolving capability needs; sustaining high levels of engagement and well-being; and reinforcing safety as a foundational business value — the strategy supports sustainable livelihoods and long-term organisational growth through an inclusive and forward-looking approach to nurturing ACC's human capital.

The Company remains committed to building a resilient and future-ready workforce anchored in capability development, meritocracy and strong cultural alignment. During the year, several focused initiatives were undertaken to strengthen talent acquisition, accelerate internal career progression and ensure smooth organisational integration across the expanding business platform.

Cadre Hiring and Future Talent Pipeline

Cadre hiring continued to be a strategic priority, with targeted induction of Graduate Engineer Trainees (GETs), Diploma Engineer Trainees (DETs) and Management Trainees (MTs). This structured approach strengthened the long-term talent pipeline and ensured sustained availability of technical, operational and leadership capabilities aligned with evolving business requirements.

Internal Career Progression and Promotions

During the year, the Cement Business recorded a significant number of promotions within a single financial year, underscoring the Company's strong focus on internal career advancement, merit-based progression and structured performance management and succession planning across functions and geographies.

M&A Workforce Integration

Following the M&A transition, the Orient Cement workforce was seamlessly integrated into the Adani Cement ecosystem. The process ensured continuity of employment, operational stability and alignment with common people policies, governance frameworks and organisational values.

Management Discussion and Analysis

Diversity, Equity and Inclusion

DEI is central to ACC's people strategy, anchored in equal opportunity and zero tolerance for discrimination. The Company's POSH framework, equitable performance-linked remuneration practices and regular training on inclusive behaviours strengthen transparency and mutual trust. The 'BeConnected' initiative is advancing gender diversity in critical roles, with representation targets set for 2030. The workforce includes employees with disabilities across operations, engineering, logistics and leadership functions.

Talent Acquisition and Development

A multi-channel recruitment approach spanning digital platforms, professional networks, internal mobility and campus outreach enables access to diverse talent. Structured career pathways, recognition programmes and a digital learning ecosystem including the e-Vidyalaya portal to support capability building. The Digital Dexterity Programme enhances IoT, cloud and AI skills, while the #Dronacharya Spirit initiative integrates mentorship with advanced simulators and digital labs to foster innovation and knowledge sharing.

Strengthening Industry–Academia Collaboration

The FutureX initiative has scaled significantly, now engaging over 750+ institutions and reaching more than 1.3 million students, thereby building a strong, future-ready talent pipeline for manufacturing and sustainability. Since its inception, the programme has deepened industry–academia linkages through impactful interventions, including live CEO addresses, the development of cement plant working models for partner institutions and the organisation of a national-level quiz. Together, these initiatives have enriched experiential learning, strengthened industry awareness and enhanced student engagement at scale.

Employee Engagement and Well-being

Inclusive initiatives such as sports events, cinema evenings and open town halls encourage collaboration and dialogue. Recognition platforms, including spot awards, Employee of the Month and Long Service Awards, celebrate excellence, while regular surveys guide continuous improvement and well-being.

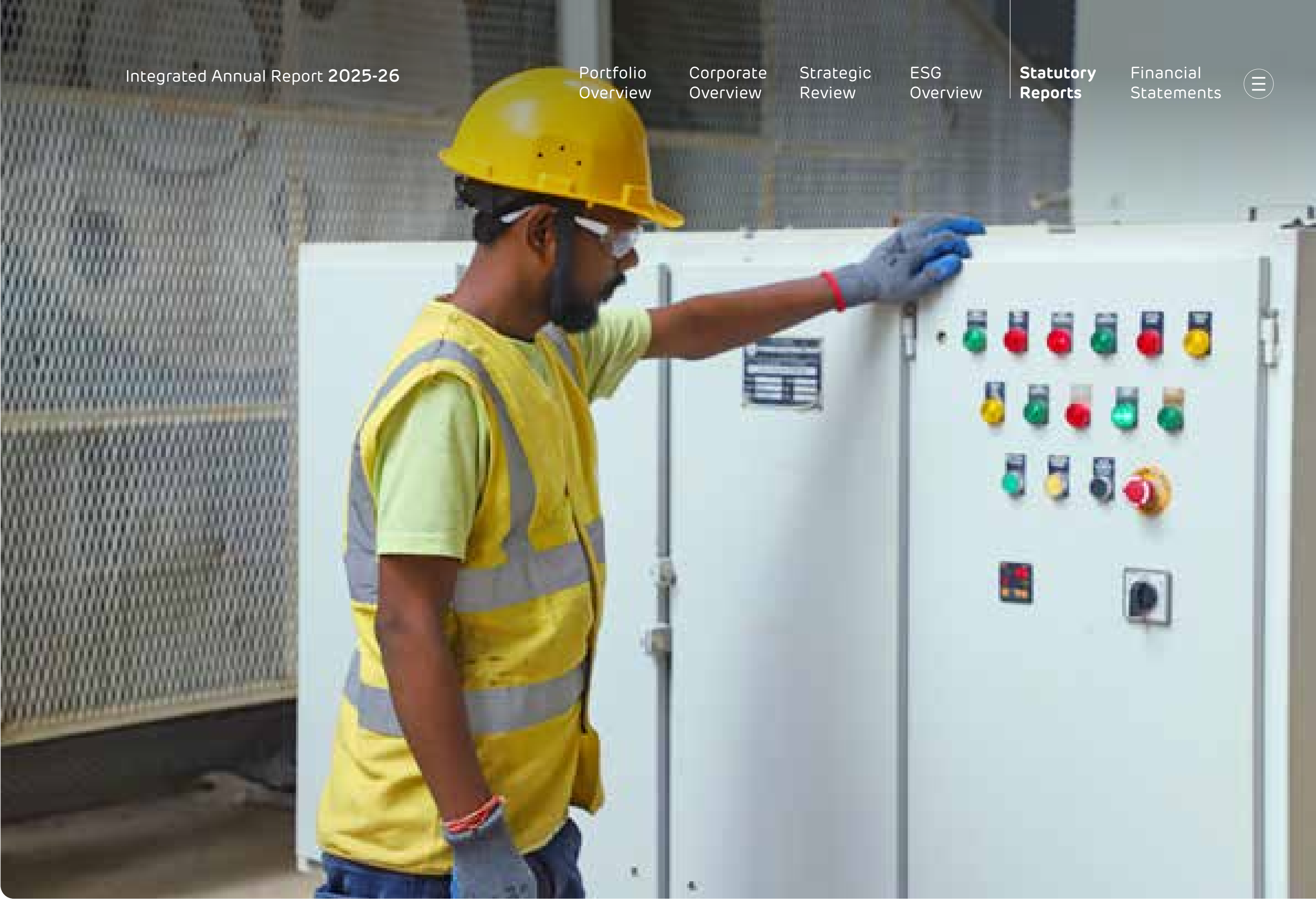
Holistic well-being is supported through flexible work arrangements, health insurance, medical check-ups, childcare support and fitness initiatives. Mental health resources under the Adani Cares platform and healthcare access via the Adani Emcare app reinforce support for employees and families. Community-building platforms such as the Adani Ahmedabad Marathon (#Run4OurSoldiers), the Adani Cement Cricket League and Dhanvarsha further strengthen unity, pride and shared purpose.

Performance and Productivity

The performance management framework aligns individual objectives with organisational priorities through SMART targets, periodic reviews and 360-degree feedback. A fair and transparent appraisal system differentiates performance, guides rewards and career progression, and ensures accountability across all eligible employees.

Industrial Relations

The Company nurtures constructive employee–management relations through open communication, transparent decision-making and regular engagement forums, fostering mutual respect, collaboration and an inclusive workplace culture.



Health and Safety

Safety is managed at ACC as a strategic business enabler, integral to productivity, reliability and the Company's long-term value proposition. The RESQ (Reliability, Environment, Safety and Quality) framework provides the governing architecture, supported by over 10,000 IoT sensors, drone-based confined-space inspections, automated clinker sampling, portable safety cages and AI-enabled monitoring systems that embed risk mitigation into operational processes. The ROKO-TOKO initiative empowers every employee to stop unsafe acts; near-miss reporting through a dedicated application is actively incentivised; and safety KPIs are embedded into senior leadership appraisals, ensuring accountability at the highest level.

Redefining Silo Safety

Adani Cement has re-engineered silo overhauling (traditionally a high-risk and complex process) through meticulous planning, cross-functional collaboration and defined accountability. By integrating drone-based inspections and Cardox blast systems with stringent safety protocols, operational control and risk mitigation have been significantly strengthened across ACC sites. This safety-led approach ensures predictable execution while embedding continuous improvement and engineering excellence.

The Silo Championship Workshop 2025 convened 43 champions to advance Zero Harm practices, standardise best practices and accelerate man-less cleaning innovations. The results are measurable: cleaning cycles were reduced from over 150 days to 90 days, dead stock declined materially and zero injuries were recorded, demonstrating that safety-led process redesign and operational efficiency are not competing objectives but mutually reinforcing ones.

Management Discussion and Analysis

Safety Governance

ACC maintains a strong safety governance architecture anchored in clear policies, structured committees and active workforce participation. The Corporate Responsibility Committee provides strategic oversight, supported by a comprehensive Safety Management System with defined group-level responsibilities. An Apex Council comprising senior leadership ensures governance direction, complemented by a Steering Safety Council of business safety heads. Dedicated taskforces at group and site levels oversee implementation, while quarterly site committee reviews drive continuous improvement. During the year, multiple safety committee meetings were conducted, and safety KPIs were embedded into senior leadership appraisals, reinforcing accountability and a culture of safety across the organisation.

Embedding Zero Harm

In FY 2025–26, ACC reinforced its Zero Harm culture by recognising safety excellence across sites through structured engagement and reward initiatives. The Company honoured 267+ Safety Heroes for exemplary practices, extending appreciation to their families through Letters of Honour to strengthen shared accountability. A festive ‘Dhanvarsha Lucky Draw’ further acknowledged Safety Heroes, Safety Evangelists and drivers, encouraging vigilance during high-risk periods.

Focused campaigns on road, electrical and tools safety, supported by initiatives such as ROKO TOKO and NO Repeat which embedded safe behaviours through micro-learning modules, toolbox talks and peer recognition. These measures improved procedural adherence, increased near-miss reporting and reduced repeat incidents, advancing a proactive and ownership-led safety culture.

Initiatives undertaken to Strengthen Safety Performance

Leadership Commitment and Governance

- Huge investment on structural integrity on enhancing safety in plant infrastructures
- No budget constrains for safety related improvements
- In the projects, integrating 'safety by design' in ongoing and upcoming projects
- Investment in safety capability building across sites and functions
- A five days, 6-8 members and led by Unit head from another unit first party safety audit for strengthening the safety system. time spent - 420 mandays

invested in first party safety audit which is lead by site head of another plant and supported by 6-8 members from different disciplines and different sites

Training and Capability Building

- Subject Matter experts were deployed for strengthening capability building at sites.
- Process safety, incident investigation, and controls for silo cleaning, coal mills
- Conducted safety workshops on process safety, silo cleaning, coal mill safety, and shared incident-learning videos
- Conducted Saksham training for contract workers using video-based learning modules.

1,95,088
Man-hours spent on Saksham training

1,26,949
Workers trained under this programme

2.66
Mandays/ FTE

Management Discussion and Analysis

#WeCare

ACC prioritises people and is committed to achieving zero harm across its workforce, including employees, associates, and contractors. By focusing on hard controls safety audits, and robust reviews, the Company drives its WeCare framework, a care-based safety management system. competency building, and cultural shift initiatives at the core, ACC fosters a robust safety culture. Additionally, various programmes and assurance audits are implemented to strengthen risk awareness and mitigation across its plants.

19
Safety audits conducted during the year

338
Audit man-days

Technological Intervention for System Assurance

ACC uses the SafeX tool for reporting safety indicators, aligning with group standards. The Company also adopted advanced technologies like drones for high-risk processes such as shutdowns and silo cleaning, Life Saving Control, Boots on Ground Critical safety parameters are managed and monitored through the One India dashboard, enabling effective safety oversight. Additionally, system compliances are ensured through regular safety management system audits.

Business Risks and Opportunities

Risks and Areas of Concern

Enterprise Risk Management (ERM) at ACC is an annual, structured process for identifying, assessing, monitoring and mitigating risks at every level of the organisation, with the objective of sustaining a risk-intelligent, adaptive organisation. The Company fosters a risk 'aware' culture

supported by a standardised framework that promotes a common risk language across the organisation. This approach enables proactive identification, assessment and management of risks, ensuring preparedness ahead of emerging challenges.

A functional approach enables each department to assess current and emerging exposures, which are then consolidated to present an enterprise-wide risk perspective.

For critical risks, detailed mitigation plans are formulated and closely monitored by senior management, reinforcing operational effectiveness, regulatory compliance and long-term resilience. While growth opportunities remain strong, the business continues to operate in an environment characterised by cost volatility, competitive intensity and regulatory evolution.

Key Risks and Mitigation Measures

R1 Maintaining Market Position in a Dynamic Industry Environment

Definition	Mitigating Factors
The Indian cement market is evolving rapidly, with consolidations and ongoing capacity additions increasing competitive pressure on market share and profitability.	To mitigate this risk, ACC is focusing on capacity expansion, thereby strengthening its market position across India. In addition, the Company is enhancing its brand equity through innovation and digitalisation to remain competitive and profitable.

R2 Compliance with Changes in Regulatory Landscape

Definition	Mitigating Factors
Regulatory requirements are evolving rapidly across countries in response to climate and environmental concerns. Non-compliance with these new standards introduces significant complexity, with potential reputational and financial consequences. Addressing these challenges necessitates transformation, which entails upgrading and modifying strategies, which can often involve substantial costs.	The Company is investing in various initiatives across its operations to lower carbon emissions and comply with the new emission standards for dust, SOx and NOx, as mandated by the Ministry of Environment, Forest and Climate Change (MoEF&CC). These initiatives help ensure compliance with environmental regulations and minimise any adverse impact.

Management Discussion and Analysis

R3 Fuel and Raw Material Security Challenges

Definition	Mitigating Factors
The cement industry is capital-intensive and heavily reliant on energy and resources (like limestone, fly ash and coal), which constitute a significant portion of operating costs. Consequently, effective cost management and efficiency improvements are critical to the industry's sustainability and competitiveness.	ACC prioritises long-term supply agreements to ensure business continuity by optimising its fuel mix, enhancing plant efficiency, and increasing the use of alternative fuels such as WHRS and solar energy. , while also ensuring reliable fly ash availability through long-term sourcing agreements.

R4 Cybersecurity Threats

Definition	Mitigating Factors
Cybersecurity is of utmost importance within the organisation. ACC continuously identifies and mitigates potential data leakages that could threaten its information systems. Simultaneously, measures are being implemented to establish a secure and monitored environment for the use of AI tools and solutions. As the digital landscape evolves nationally and globally, ACC recognises the need for the construction sector to adapt, driving the development of more efficient and effective solutions.	ACC operates within a secure environment, supported by advanced cybersecurity solutions and air-gapped, cyber-safe backup procedures to protect critical systems. Regular upgrades, patching, policy reviews and user awareness programmes strengthen resilience across networks, cloud infrastructure, data centres, business applications and cybersecurity frameworks.

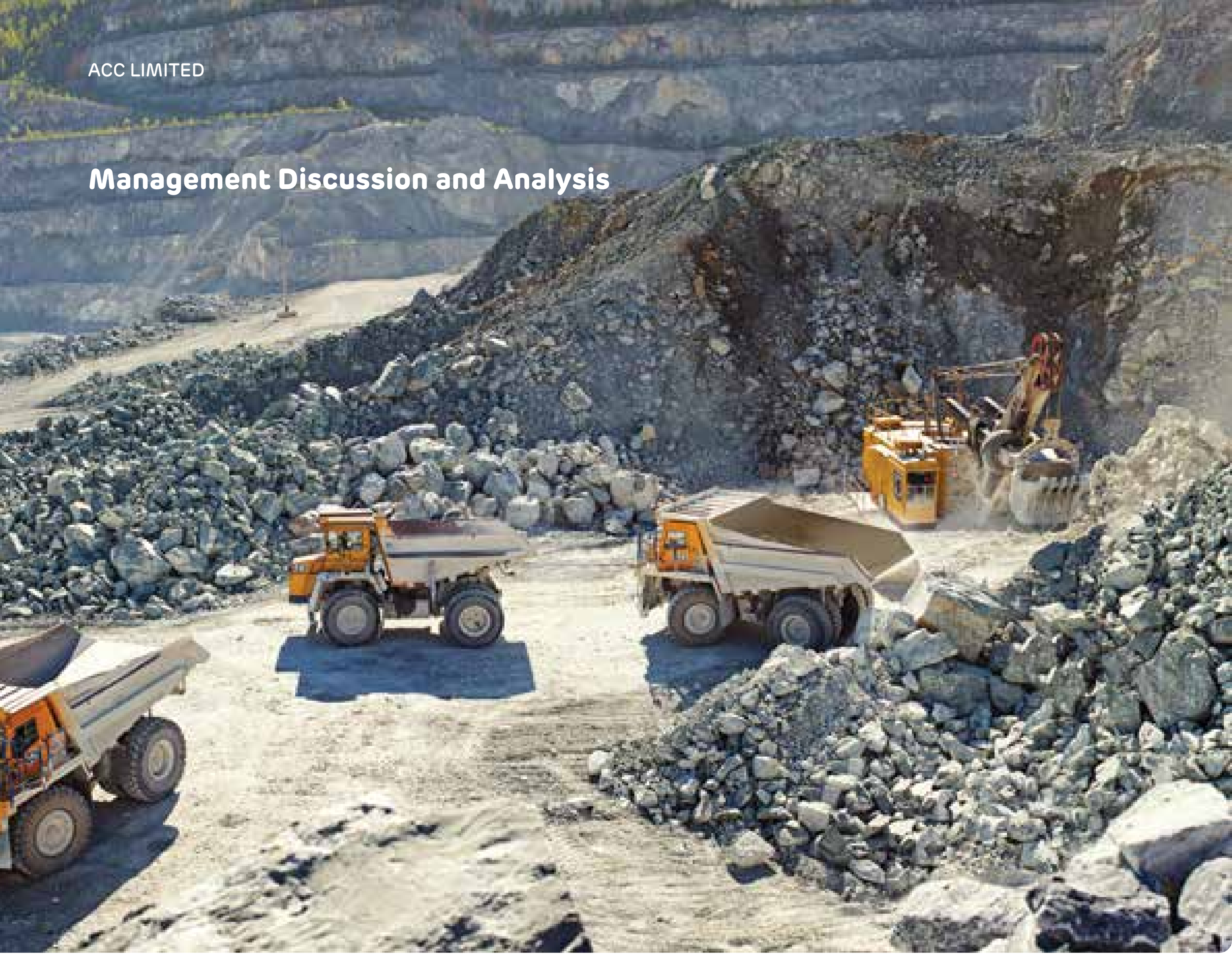
R5 Health and Safety Priorities

Definition	Mitigating Factors
Health and safety are fundamental to how ACC operates, requiring a multidisciplinary, collaborative approach, with a strong commitment from all stakeholders across every level of the organisation.	ACC continuously reviews systems and processes to enhance frontline safety. Initiatives such as Unchaai Kendra and Life-saving Safety Rules raise awareness and help prevent accidents, while regular risk assessments further support onsite and offsite measures in ACC's commitment to achieving 'Zero Harm'.

R6 ESG Risk

Definition	Mitigating Factors
The main ESG Risks fall under the category of climate risk, water risk and biodiversity risk. Climate risks consists of physical risks (acute: flooding, droughts, etc; chronic: heat stress, water stress, etc.) and transitional risks (regulatory, technology, market, and reputation risks) which may impact operations and supply chains. The water stress in certain areas may impact water availability for operations as well as communities around. The dependencies and impact of our operations on the surrounding ecosystems may cause biodiversity risks.	A strong climate governance mechanism is in place, supported by clear metrics, resilient infrastructure planning, emergency preparedness, and continuous monitoring aligned with climate targets, water efficiency and conservation initiatives and biodiversity conservation and enhancement.

Management Discussion and Analysis



R7 Natural Resource Availability

Definition	Mitigating Factors
The cement industry is heavily reliant on natural resources such as limestone and coal. Ensuring a continuous supply of these essential materials, while maintaining optimal cost and quality standards, is critical for smooth business operations.	To mitigate risks associated with natural resources, ACC is enhancing operational efficiency to optimise resource utilisation. The Company is also prioritising resource conservation, reuse and recycling, implementing initiatives to improve the clinker factor and thermal substitution rate, alongside investments in renewable energy and WHRS systems to reduce reliance on non-renewable sources. Additionally, ACC is investing in coal and limestone mines to secure the supply of key raw materials, aiming to enhance sustainability, minimise environmental impact and build a more resilient supply chain.

R8 Energy Security

Definition	Mitigating Factors
Energy security is critical for ACC, as it directly affects both operations and overall production costs. With energy expenses constituting a significant portion of production costs, particularly during the energy-intensive kilning and grinding processes, efficient management of energy consumption is essential for the Company.	Recognising the significance of mitigating the risks associated with energy price inflation, ACC implements a strategy to diversify fuel sources, including deploying alternative fuels. This approach minimises the impact of fluctuating energy prices and supports sustainability. The Company continually evaluates energy procurement options and implements innovative technologies to improve energy efficiency and operational resilience, ensuring it remains competitive in a dynamic cement industry.

R9 Project Execution

Definition	Mitigating Factors
Project execution is central to the Company's vision of achieving 119 MTPA by FY 2026-27, with large-scale projects already underway at multiple sites. Ensuring timely completion, upholding the highest safety and quality standards, and adhering to budgetary targets remain ACC's foremost priorities.	The Company leverages synergies with the Adani Group's project management arm to execute large-scale projects efficiently. Strong cash flow through internal accruals and an EPC-led project delivery model with global suppliers and streamlined processes under the Projects team's 5S approach help achieve maximum efficiency, speed and scale.