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

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

Strong Partnerships. Tailored Solutions
Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

Narotam Sekhsaria
Board of Directors

1. Mr N S Sekhsaria
   Chairman
2. Mr Jan Jenisch
   Deputy Chairman
3. Mr Neeraj Akhoury
   Managing Director & Chief Executive Officer
4. Mr Martin Kriegner
5. Mr Ashwin Dani
6. Mr V K Sharma
7. Ms Falguni Nayar
8. Mr Arunkumar R Gandhi
9. Mr Farrokh K Kavarana
10. Mr Sushil Kumar Roongta
11. Mr Christof Hässig
12. Mr Shailesh Haribhakti
Executive Committee

Mr Neeraj Akhoury
Managing Director & Chief Executive Officer

Mr Sunil Nayak
Chief Financial Officer

Mr Behram Sherdiwala
Chief People Officer

Mr Philip Mathew
Chief Manufacturing Officer

Mr Procyon Mukherjee
Chief Procurement Officer

Mr Ashish Prasad
Chief Marketing Officer and Head - New Products & Services

Mr B Sridhar
Chief Commercial Officer

Ms Sonal Shrivastava
Head of Strategy and Chief Supply Chain Officer

AUDIT COMMITTEE
Mr Arunkumar R Gandhi, Chairman
Mr Martin Krieger
Mr Sushil Kumar Roongta
Mr Ashwin Dani
Mr Farrokh K Kavarana

STAKEHOLDERS’ RELATIONSHIP COMMITTEE
Mr Farrokh K Kavarana, Chairman
Mr Shailesh Haribhakti
Mr Arunkumar R Gandhi
Mr Neeraj Akhoury

NOMINATION & REMUNERATION COMMITTEE
Mr Ashwin Dani, Chairman
Mr N S Sekhsaria
Mr Martin Krieger
Mr Shailesh Haribhakti
Mr Farrokh K Kavarana

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr Shailesh Haribhakti, Chairman
Ms Falguni Nayar
Mr Farrokh K Kavarana
Mr Neeraj Akhoury

RISK MANAGEMENT COMMITTEE
Mr Shailesh Haribhakti, Chairman
Ms Falguni Nayar
Mr Sushil Kumar Roongta
Mr Neeraj Akhoury

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

CHIEF FINANCIAL OFFICER
Mr Sunil Nayak

COMPANY SECRETARY & HEAD COMPLIANCE
Mr Ramaswami Kalidas

AUDITORS
Statutory Auditor
Deloitte Haskins & Sells LLP
Cost Auditor
D C Dave & Co.

SECRETARIAL AUDITOR
Pramod S Shah & Associates

BANKERS
State Bank of India
Citibank NA
HDFC Bank
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement plants</td>
<td>17</td>
</tr>
<tr>
<td>Ready Mix Concrete plants</td>
<td>75</td>
</tr>
<tr>
<td>Million tonnes of cement sold</td>
<td>28.4</td>
</tr>
<tr>
<td>Crore net sales</td>
<td>14,477</td>
</tr>
<tr>
<td>Employees</td>
<td>6,731</td>
</tr>
<tr>
<td>Dealers &amp; Retailers</td>
<td>50,000+</td>
</tr>
<tr>
<td>People benefited from CSR Initiatives</td>
<td>4,80,000</td>
</tr>
<tr>
<td>Tonnes of waste processed</td>
<td>3,79,883</td>
</tr>
<tr>
<td>Houses built through Green Building Centres</td>
<td>27,769</td>
</tr>
</tbody>
</table>

ACC has received the highest recognition of 'Outstanding Accomplishment' in the Corporate Excellence category at the **CII-ITC Sustainability Awards 2018**
Performance Highlights*
(Standalone Financial)

Net Sales, Operating EBITDA & Operating EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Op. EBITDA</th>
<th>Op. EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11,481</td>
<td>13</td>
<td>1.507</td>
</tr>
<tr>
<td>2015</td>
<td>11,433</td>
<td>13</td>
<td>1.537</td>
</tr>
<tr>
<td>2016</td>
<td>10,772</td>
<td>14</td>
<td>1.474</td>
</tr>
<tr>
<td>2017</td>
<td>12,909</td>
<td>15</td>
<td>1.909</td>
</tr>
<tr>
<td>2018</td>
<td>14,477</td>
<td>14</td>
<td>2.045</td>
</tr>
</tbody>
</table>

Cement Operating EBITDA & Operating EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Op. EBITDA</th>
<th>Op. EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,473</td>
<td>13.6</td>
</tr>
<tr>
<td>2015</td>
<td>1,483</td>
<td>13.9</td>
</tr>
<tr>
<td>2016</td>
<td>1,399</td>
<td>14.0</td>
</tr>
<tr>
<td>2017</td>
<td>1,794</td>
<td>15.0</td>
</tr>
<tr>
<td>2018</td>
<td>1,911</td>
<td>14.3</td>
</tr>
</tbody>
</table>

Cement Sales Volume & Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Volume</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>24.21</td>
<td>1.2%</td>
</tr>
<tr>
<td>2015</td>
<td>23.62</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>2016</td>
<td>22.99</td>
<td>0.7%</td>
</tr>
<tr>
<td>2017</td>
<td>26.21</td>
<td>14.0%</td>
</tr>
<tr>
<td>2018</td>
<td>28.37</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Ready Mix Concrete Operating EBITDA & Operating EBITDA Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Op. EBITDA</th>
<th>Op. EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>34.12</td>
<td>4.5</td>
</tr>
<tr>
<td>2015</td>
<td>54.29</td>
<td>5.6</td>
</tr>
<tr>
<td>2016</td>
<td>74.78</td>
<td>7.7</td>
</tr>
<tr>
<td>2017</td>
<td>114.98</td>
<td>10.1</td>
</tr>
<tr>
<td>2018</td>
<td>133.83</td>
<td>10.2</td>
</tr>
</tbody>
</table>

Profit Before Tax & Profit After Tax

<table>
<thead>
<tr>
<th>Year</th>
<th>PBT</th>
<th>PAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,135</td>
<td>1,168</td>
</tr>
<tr>
<td>2015</td>
<td>784</td>
<td>742</td>
</tr>
<tr>
<td>2016</td>
<td>647</td>
<td>614</td>
</tr>
<tr>
<td>2017</td>
<td>915</td>
<td>907</td>
</tr>
<tr>
<td>2018</td>
<td>1,494</td>
<td>1,507</td>
</tr>
</tbody>
</table>

Average Capital Employed & Return on Capital Employed (ROCE)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Capital Employed</th>
<th>ROCE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>8,048</td>
<td>14%</td>
</tr>
<tr>
<td>2015</td>
<td>8,339</td>
<td>11%</td>
</tr>
<tr>
<td>2016</td>
<td>8,637</td>
<td>11%</td>
</tr>
<tr>
<td>2017</td>
<td>9,099</td>
<td>14%</td>
</tr>
<tr>
<td>2018</td>
<td>9,947</td>
<td>15%</td>
</tr>
</tbody>
</table>

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

ANNUAL REPORT 2018
Performance Highlights*
(Standalone Financial)

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

Net Fixed Assets & Asset Turnover Ratio

Book Value Per Share

Market Capitalisation at Year End

Corporate Social Responsibility Expenditure

Contribution to Exchequer

*Figures for 2018, 2017 and 2016 are as per Ind AS and remaining figures are as per Previous GAAP
Cost & Profit as a Percentage of Revenue from Operations (Net)

All figures are in ₹ crore

2018

- Profit before tax: ₹ 1,494, 10%
- Cost of materials consumed: ₹ 2,370, 16%
- Power and fuel: ₹ 2,598, 20%
- Employee Cost: ₹ 881, 6%
- Other income: ₹ (139), (1%)
- Finance costs: ₹ 89, 1%
- Depreciation: ₹ 600, 4%
- Manufacturing and other costs: ₹ 2,497, 17%
- Freight and Forwarding expense: ₹ 4,011, 27%

2017

- Profit before tax: ₹ 1,298, 10%
- Cost of materials consumed: ₹ 1,983, 15%
- Power and fuel: ₹ 2,714, 20%
- Employee Cost: ₹ 819, 6%
- Other income: ₹ (132), (1%)
- Finance costs: ₹ 102, 1%
- Depreciation: ₹ 640, 5%
- Manufacturing and other costs: ₹ 2,387, 18%
- Freight and Forwarding expense: ₹ 3,451, 26%