CHAIRMAN'S SPEECH – 74th Annual General Meeting, SDCC

Dear Shareholders,

I warmly welcome you to the 74th Annual General Meeting of your Company. It's indeed a pleasure to apprise you of your Company's performance during the financial year ended 31st March, 2019.

Despite global challenges, India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economies of the world over the next 10-15 years, backed by its strong democracy, policies and initiatives. Though Indian economy advanced 5.8% year-on-year in the first quarter of 2019, it is expected to grow over 6.5% during 2019-20.

India is the second largest producer of cement in the world. No wonder, India's cement industry is a vital part of its economy, providing employment to more than a million people, directly or indirectly. India has a lot of potential for development in the infrastructure and construction sector and the cement sector is expected to largely benefit from it.

The domestic cement production full year rose by around 13% during FY 2018-19 as compared to 6% year-on-year growth in FY18. The domestic cement demand is likely to grow by 7-8% this fiscal which may push the capacity utilization even higher predominantly expected on infrastructure development through the construction of roads, metro rail projects, airports renovation, irrigation projects etc.

Against this backdrop, Your Company's performance was good. Cement production was 10.57 lakhs MT as against 9.62 lakhs MT in previous year. Clinker production was 8.51 lakhs MT as against 8.02 lakhs MT in previous year. Company earned 2% higher revenue at Rs. 44,111 Lakhs during the financial year as compared to Rs. 43,055 Lakhs in the previous year. During the year under review, however, profit after tax was lower at Rs.206 lakhs as compared to Rs.1337 lakhs in previous year. Largely due to higher cost of energy lower cement price.

Despite the pressure from increase in input costs, mainly from power and fuel, the Company has been able to improve its performance mainly due to focused efforts on optimizing costs and improving operational efficiency.

Your Company has always been following good governance practices and given priorities for customer satisfaction. As a caring corporate citizen, your Company aims to actively contribute to social and economic development in the communities in which it operates with major areas of focus on education, healthcare, women empowerment, infrastructure development and social reform.

On behalf of your Company's Board, I record our thanks to all our banks, financial institutions, stakeholders, business associates and the Central and State Governments for their co-operation and support. Our employees are the real source of our success. Their dedication to work, their sense of belongingness, their pride and their putting the Company first has been a major contributant to our success.

As you all are aware, during the current financial year one important development on "change of control" of your Company took place. True North Fund VI LLP, an Alternate Investment Fund, acquired majority shareholding of the Company from Votorantim Cimentos, and became the Promoter of the Company. I place on record our appreciation to Votorantim Cimentos, who have been very supportive of your Company's operations and assistance in technical areas.

Last but not least, our deepest gratitude to each one of you, our shareholders. I look forward to your continued support.

Thank You.