

Media Release

Consolidated Financial Results for the Year Ended December 31, 2015

		Quarter Oct- Dec 2015	Quarter Oct- Dec 2014	Year 2015 Jan-Dec	Year 2014 Jan-Dec
Sales Volume – Cement	Million Tonnes	6.00	5.77	23.62	24.21
Net Sales	₹ Crore	2846	2762	11433	11480
Operating EBITDA	₹ Crore	280	257	1537	1513
Profit before Tax	₹ Crore	126	140	766	1120
Profit after Tax	₹ Crore	102	326	588	1162

1. Cement Business

Volume

Sales volume in the last quarter of the year witnessed a turnaround with an improvement of 4% as compared to the corresponding period of the previous year. Sales volume in the full year were down 2.4% as a result of temporary closure of mines in the eastern plants of Chaibasa and Bargarh and a general slow pace of the economy, earlier in the year.

Cost

A focus on cost management helped contain overall production costs. This was despite increase in costs due to contribution to the District Mineral Foundation in terms of the provisions of the Mines and Minerals (Development) Amendment Act, 2015, higher rate of royalty on limestone and one-time costs. The cost of energy, raw materials and packing materials reduced in 2015 over the previous year. A reduction in road freight rates could only partially offset the increase in rail tariffs.

2. Ready Mixed Concrete

A widened customer base, broader product portfolio and good cost management, enabled the company's Ready Mixed Concrete business to remain consistent in registering 28% increase in sales volumes and further improved margins during the year.

3. Financial Results

During the year total consolidated sales turnover was ₹ 11433 crore as compared to ₹ 11480 crore in the previous year.

Operating EBITDA in Q4 2015 was 8.9 % higher as compared to the corresponding quarter of the previous year. Despite a competitive environment, EBITDA on a full year basis showed an improvement of 1.6 %.

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(a) In the previous year, on completion of assessments and review of certain tax positions, an amount of ₹309 crore had to be written back, whereas no such write backs were necessary in 2015.

(b) In the current year an additional depreciation charge of ₹181 crore (net of tax) was made on account of change in useful lives of fixed assets in accordance with the provisions of Schedule II of the Companies Act, 2013.

As a result of (a) and (b) above, Profit after tax for the year 2015 was ₹588 crore as compared to ₹1162 crore in the previous year:

4. CCI Case

In response to a complaint filed by the Builders Association of India against the Company and others alleging violations of certain sections of the Competition Act 2002, the Competition Commission of India (CCI) had passed orders levying a penalty of ₹1147.59 crore on the Company. Aggrieved by this, an appeal was filed in the Competition Appellate Tribunal (COMPAT) by the Company. Allowing the appeal, COMPAT by its order dated 11/12/2015 set aside the CCI order dated 20/06/2012 and remanded the matter back to CCI for fresh adjudication and passing a fresh order as early as possible but not later than three months. Further, in terms of the order, the Company has since received refund of ₹114.75 crore which was deposited pending COMPAT hearing.

5. Project Update

The ongoing expansion project at Jamul in Chhattisgarh, which comprises a new clinkering line and grinding facility at Jamul together with a new grinding unit at Sindri in Jharkhand, is nearing completion and expected to be commissioned in the second quarter of this year.

6. Dividend

The Board of Directors has recommended payment of final dividend at ₹6/- per share of ₹10/- aggregating to ₹136 crore (including tax on dividend). Thus the total dividend for the year 2015 (including the interim dividend of ₹11/- per share), amounts to ₹17/- per share aggregating to ₹384 crore (including tax on dividend).

7. Change in Directorate

Mr Bernard Terver, Deputy Chairman, has decided to retire from LafargeHolcim and therefore steps down from the Board of Directors of the Company with effect from February 11, 2016. The Board of Directors placed on record its warm appreciation of the rich contribution made by Mr Terver during his tenure with the Company. Mr Eric Olsen, CEO of LafargeHolcim and Director on the Board of ACC,

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has been named as Deputy Chairman. Mr Martin Kriegner, currently Area Manager of Central Europe for LafargeHolcim, has been inducted on the Board as Additional Director with effect from the February 11, 2016. Mr Kriegner has been with the Group since 1990 and has held several leadership positions in Asia and Europe, including as CEO of Lafarge India between 2012 and 2015.

8. Outlook

Although demand in 2015 was weak, we foresee India's economy to move ahead on a recovery path, supported by growth in all major sectors. We are optimistic about the outlook for the construction and building materials sector – more particularly for cement and concrete – in the next few years, given the government's continued focus on infrastructure development and initiatives such as Housing for All, Smart Cities and concrete roads.



R Nand Kumar
Vice President – Corporate Communications

Mumbai. February 10, 2016

ACC Limited is among India's leading manufacturers of cement and ready mixed concrete. Formerly called "The Associated Cement Companies Limited," it has a countrywide network of modern cement plants, sales offices, dealers and retailers. In 80 years of its existence, ACC has been a pioneer and trend-setter in cement, concrete and sustainable development.

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