Ambuja
Cement

Media Release

1. Standalone financial results for the year ended 31st December, 2015

Ambuja Cements Limited today announced its audited financial results for the year ended 31st December, 2015

		Year December 2015	Year December 2014	Growth (%)
Sales volume – cement	Million tonnes	**21.53**	21.54	0.0%
Net sales	₹ in crores	**9,368**	9,911	-5.5%
Operating EBITDA	₹ in crores	**1,531**	1,928	-20.6%
Net profit before tax	₹ in crores	**1,172**	1,783	-34.3%
Net profit after tax	₹ in crores	**808**	1,496	-46.0%

The cement market was subdued during the year. Cement sales volume during the last quarter of the year witnessed growth of 5.2% as against flat growth for the year as a whole. However, during the year, lower cement realisation led to overall net sales lower by 5.5%. Lower operating costs with improved operational efficiencies have partly mitigated the impact of reduced sales realisation. Further, a provision of ₹ 52 crores has been recognised towards contribution to District Mineral Foundation and National Mineral Exploration Trust as per The Mines and Mineral (Development and Regulation) Amendment Act, 2015.

Profit before tax for the year is down by 34% on account of lower EBITDA and due to additional depreciation charge of ₹ 108 crores on implementation of Schedule II of the Companies Act, 2013 with effect from 1st January, 2015.

Profit after tax is down by 46% at ₹ 808 crores during the year as against ₹ 1,496 crores in the previous year, This is due to lower profit before tax during current year and also due to write back of tax provision in previous year of ₹ 176 crores as against additional tax pertaining to previous years of ₹ 56 crores during current year.

2. Dividend

The Board has recommended a final dividend of ₹ 1.20 per share (60%). Together with the interim dividend of ₹ 1.60 per share (80%), the total dividend for the year is ₹ 2.80 per share (140%).

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3. **CCI case**

The Competition Commission of India (CCI), in 2012 had imposed a penalty of ₹ 1,163.91 crores for alleged contravention of the provisions of the Competition Act, 2002. On Company's appeal, Competition Appellate Tribunal (COMPAT), vide an interim order, had stayed the penalty with a condition to deposit 10% of the penalty amount. The Company had deposited the said amount in compliance of the condition of the order. The COMPAT, vide its final order dated 11th December, 2015, while disposing off the said appeal, set aside the order of the CCI and remanded the matter to CCI for fresh adjudication and for passing a fresh order. Further, in terms of order, the Company has received the refund of deposit, along with accumulated interest.

4. **Change in Directorate**

Mr Bernard Terver, Vice Chairman, has decided to retire from LafargeHolcim and therefore steps down from the Board of Directors of the Company with effect from 11th February, 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 the Director on the Board of the Ambuja has been named as Vice Chairman. Mr Martin Kriegner, currently the Area Manager of Central Europe for LafargeHolcim, has been inducted on the Board as Additional Director with effect from the 11th February, 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.

5. **Projects**

During the year the Company has:

a) Installed a Roller Press of 0.9 Million tonne at its Sankrail grinding unit in West Bengal.
b) Commissioned a Waste Heat Recovery System of 6.5 MW at its Rabriyawas unit in Rajasthan.
c) Successfully secured a coal block at Gare-Palma Sector-IV/8 in Chhattisgarh. The capex for the development of this coal block is expected to be approximately ₹ 370 crores and the mining operation is expected to commence in the year 2018.

6. **Outlook**

The long term outlook for cement demand remains positive considering Government's focus on housing, concrete roads, smart cities and infrastructure development. Ambuja Cement would continue to focus on improving operational efficiencies.

Ajay Kapur
Managing Director & CEO
Mumbai, 10th February, 2016

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