



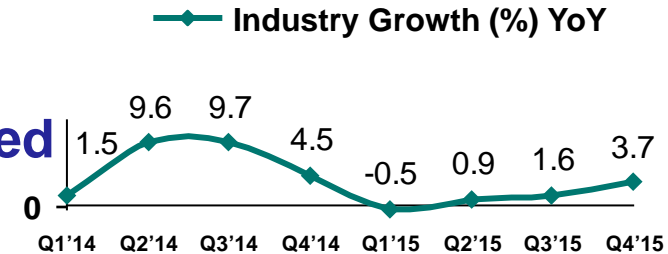
2015 Results

Feb 10, 2016



Agenda

1	Cement Industry
2	Key Highlights
3	Financial Summary
4	Performance Analysis



- **Demand** for cement continues to remain **subdued**
- Industry capacity **utilization lower at ~ 73 %**
- **Surplus capacity** continues to challenge cement sector
- Cement **price trend remained volatile** ; Weak in North & West and stable in East & South
- Amidst slow global growth, **India consumption demand and government capital spending** is expected to drive growth
- The demand environment looks healthy over long term, owing to **increase in government focus on infrastructure development** and other initiatives (Housing for All, Smart Cities and concrete roads)



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Volume	<ul style="list-style-type: none"> ❑ Cement Volume grown by 4% YoY; ❑ North, East & South regions showed upward trend while West region declined marginally ❑ RMX volume Growth of 19% YoY due to higher share of wallet because of improved services & quality and addition of new customers
Net Sales	<ul style="list-style-type: none"> ❑ Improved by 3 % YoY
Operating Costs	<ul style="list-style-type: none"> ❑ Despite growth in cement volume by 4% and RMX volume by 19%, operating cost increased by 0.6% on Like-for-like basis ❑ Considering DMF provision of Rs. 14 crore and severance cost of Rs. 32 crore, Operating Costs was up by 2 % on YoY. This also includes hike in rail freight partly offset by reduction in raw material cost, power & fuel cost [Petcoke consumption increased to 27% against 7 % YoY] and road freight. ❑ Continuous focus on cost reduction through initiatives viz. coal mix optimization, fixed cost reduction, lower input cost
Profitability	<ul style="list-style-type: none"> ❑ Op EBITDA at Rs 280 Cr , higher by 9% YoY (Q4'14: Rs 257 Cr)
Growth/ Projects	<ul style="list-style-type: none"> ❑ Jamul clinkering project (2.79 MioT) scheduled to be commissioned in Q2'16 ❑ Cement grinding unit at Jamul (1.1 MioT) & Sindri(1.35 MioT) expected to be commissioned in Q2'16



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Particulars	Q4			FY		
	2014	2015	Variance	2014	2015	Variance
Net Sales	2762	2846	3%	11480	11433	-
Other Operating Income	75	66	-12%	258	364	41%
Cost of materials consumed	460	402	-13%	1788	1740	-3%
Purchases of stock-in-trade	51	22	-58%	194	108	-44%
Changes in inventories of finished goods, work-in-progress	6	100	-	-11	0	-
Employee benefits expense	193	233	21%	748	772	3%
Power & Fuel	587	545	-7%	2444	2397	-2%
Freight and Forwarding expense	654	681	4%	2578	2704	5%
Other Expenditure	630	649	3%	2484	2539	2%
Operating EBITDA	257	280	9%	1513	1537	2%



Consolidated Financial Results – (2/2)

Particulars	Q4			FY		
	2014	2015	Variance	2014	2015	Variance
Operating EBITDA	257	280	9%	1513	1537	2%
Other income	43	19	-55%	257	120	-53%
Depreciation	147	158	8%	568	663	17%
PBIT	153	140	-8%	1202	995	-17%
Finance Costs	13	15	11%	83	65	-22%
PBT before exceptional items	140	126	-10%	1120	930	-17%
Exceptional item					164	
PBT	140	126	-10%	1120	766	-32%
Tax	-184	26	-114%	-31	190	-710%
PAT	324	100	-69%	1151	576	-50%
Minority interest & Share of profit of associates	2	3	43%	11	12	8%
PAT after minority interest & share of profit of associates	326	102	-69%	1162	588	-49%

In the previous year, on completion of assessment and review of certain tax positions, an amount of Rs 309 Cr had to be written back, whereas no such write backs were necessary in 2015.

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

As a result of the above, PAT for the year 2015 was Rs 588 Cr as compared to Rs 1162 Cr in the previous year.

Consolidated Balance Sheet as at 31.12.2015

[Rs Cr]

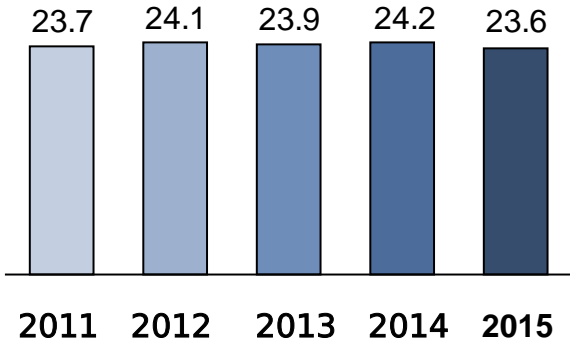
Equity and Liabilities	31.12.2014	31.12.2015	Variance
Shareholders' Funds			
Share Capital	188	188	0
Reserves and Surplus	8030	8233	-203
Minority Interest	3	3	0
Non-current liabilities	657	590	67
Current liabilities	3804	3786	18

Total	12682	12800	-118
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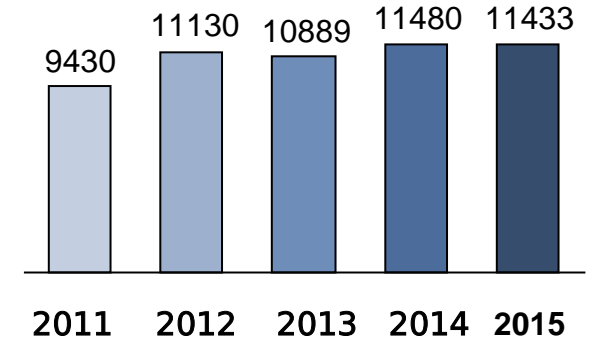
Assets	31.12.2014	31.12.2015	Change
Non-current assets			
Fixed Assets	7600	7711	-111
Goodwill on consolidation	21	16	6
Non-current investments	84	87	-3
Long-term loans and advances	937	1117	-180
Other non-current assets	361	466	-105
Current assets	3678	3403	275

Total	12682	12800	-118
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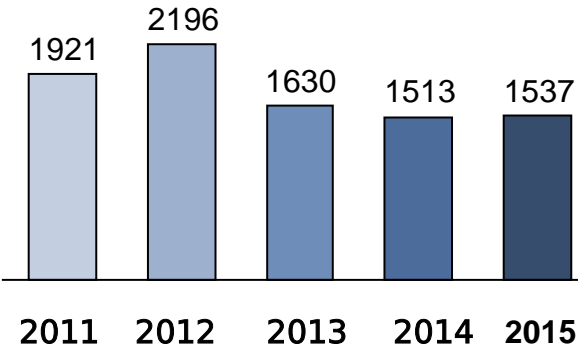
Cement Volume [Mio T]



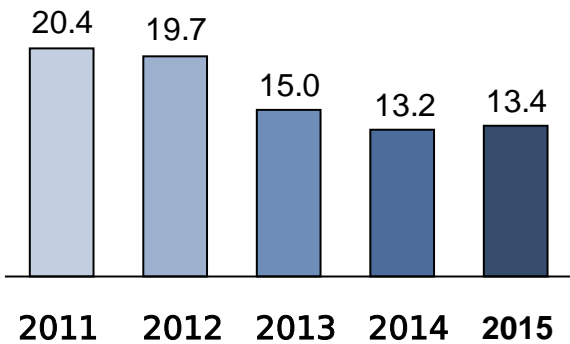
Net Sales [Rs. Cr]



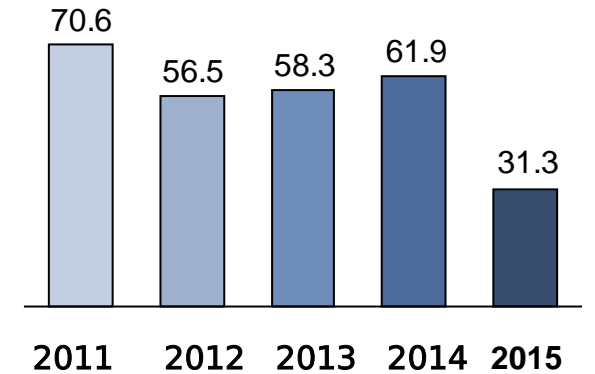
EBITDA [Rs Cr]



EBITDA Margin [%]



EPS

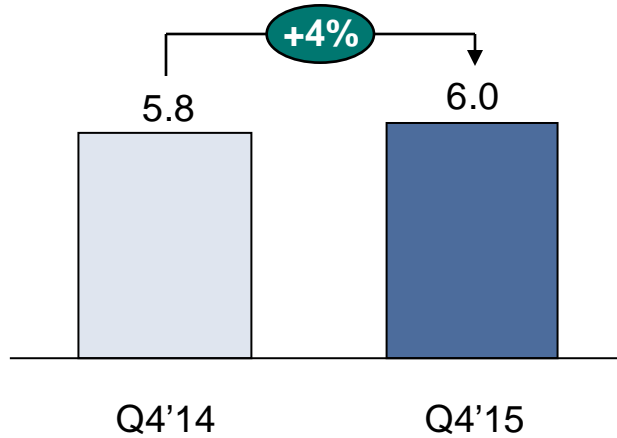




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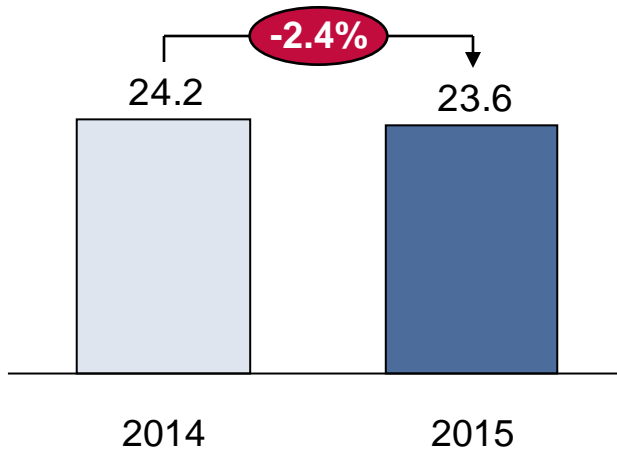
Q4



Q4'15 YoY :

- Overall demand improved
- East volume improved due to low base because of mining suspension in Q4'14
- North, East & South volume improved while West marginally declined

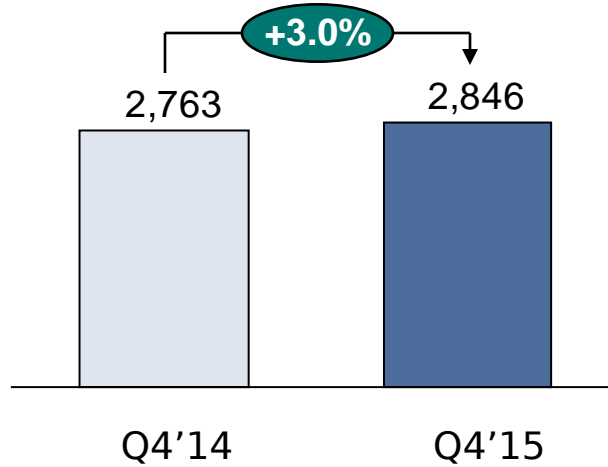
FY



2015 YoY :

- Industry Demand growth of 1.5% for the year 2015
- Volume impacted as a result of temporary closure of mines in eastern plants of Chaibasa and Bargarh and a general slow pace of economy, earlier in the year

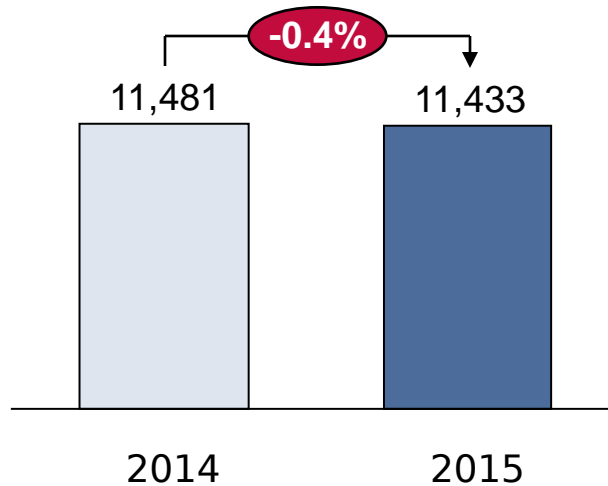
Q4



Q4'15 YoY :

- RMX volume growth 19%, Cement volume growth 4%, while Realization was soft

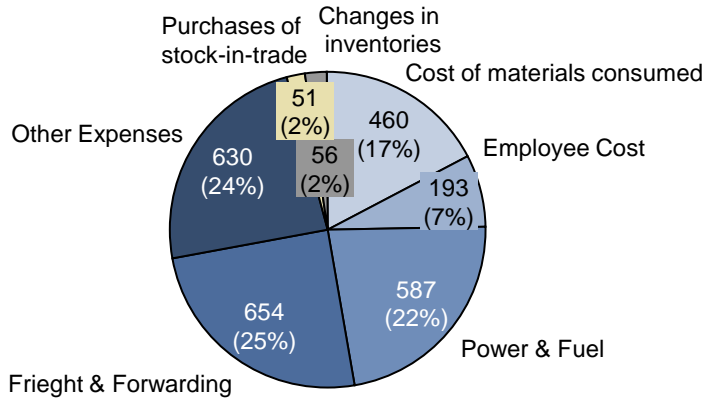
FY



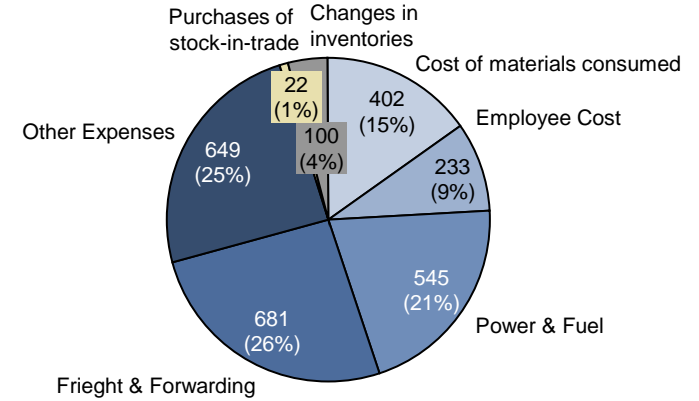
2015 YoY :

- RMX volume increased by 28%, Cement volume lower by 2.4%, Realization was soft

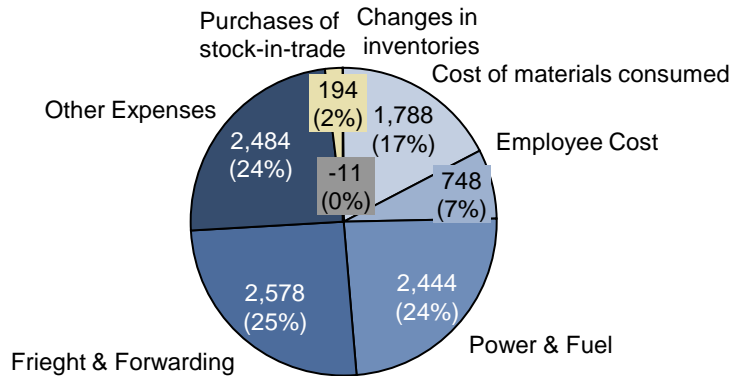
Q4'14



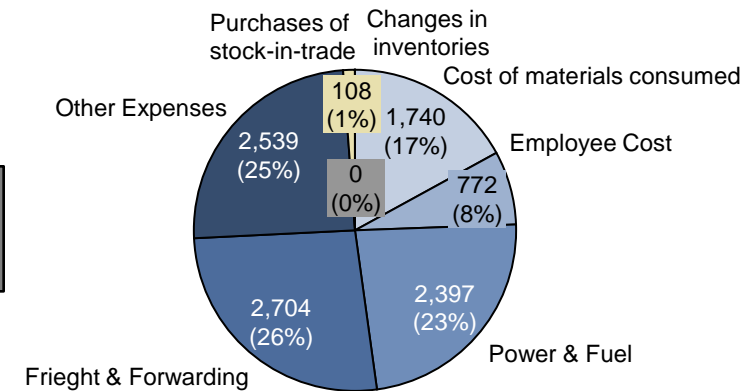
Q4'15



FY'14



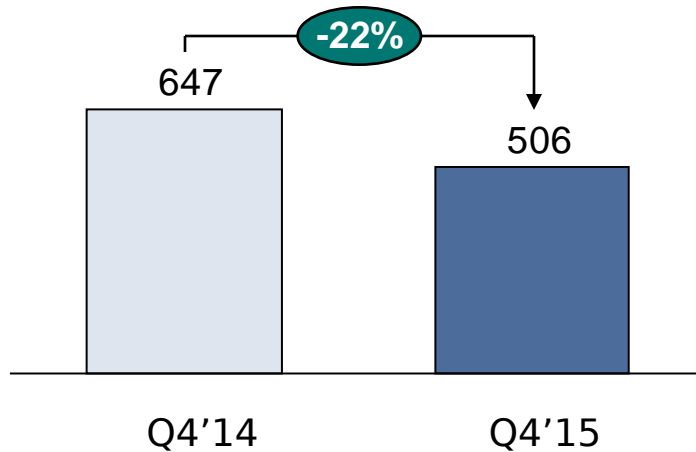
FY'15



Q4 YoY :

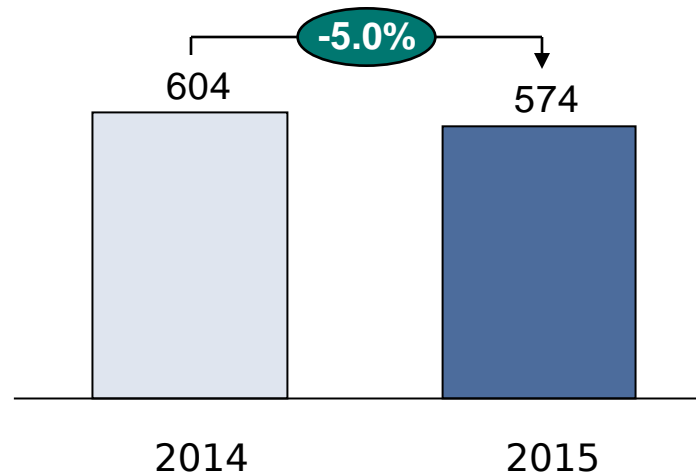
- Cost of material consumed reduced due to lower cost of slag and Flyash and clinker purchased during Q4'14 on account of mining suspension
- Increase in Employee cost mainly due to severance cost on account of manpower rationalization
- Reduction in Power & Fuel cost due to higher Petcoke and Alternative Fuel consumption
- Increase in freight & forwarding mainly due to increase in rail freight and increase in volume
- Increase in other expenses mainly due to additional royalty provision towards contribution to District Mineral Foundation (DMF) & National Mineral Exploration Trust (NMET)

Q4



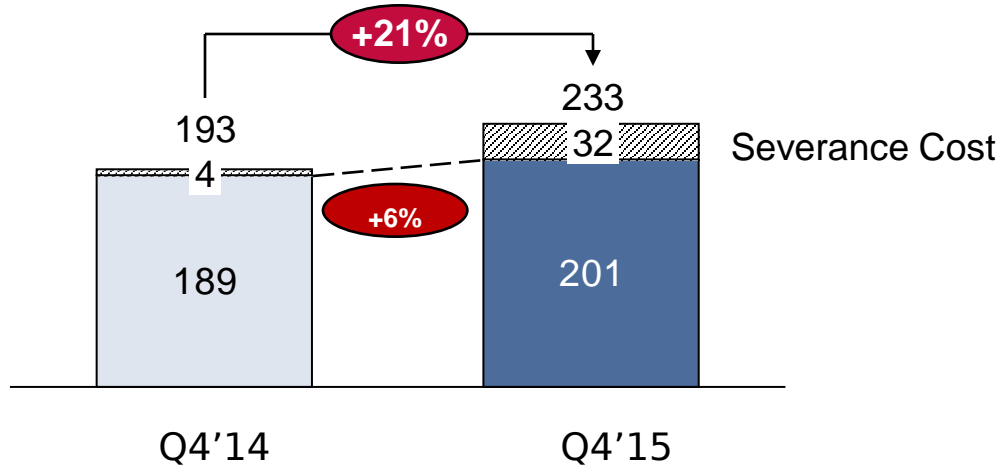
- Q4'15 YoY :**
- Slag prices renegotiated & reduced (Impact Rs 16 Cr)
 - Reduction in landed cost of Fly ash (Impact Rs 6 Cr)
 - Lower cost of Additives & Corrective Materials (Impact Rs 7 Cr)
 - Suspension of mining operation at Chaibasa & Bargarh resulted into purchase of clinker in Q4'14 (Impact Rs 38 Cr)

FY



- 2015 YoY :**
- Higher clinker purchase due to suspension of mining operation at Bargarh & Chaibasa during initial period of the year (Impact Rs 32 Cr)
 - Increase in landed cost of Gypsum (Impact Rs 18 Cr) and Flyash (Impact Rs 12 Cr)
 - Reduction in landed cost of Slag (Impact Rs 69 Cr)
 - Lower cost of Additives & Corrective materials (Impact Rs 24 Cr)

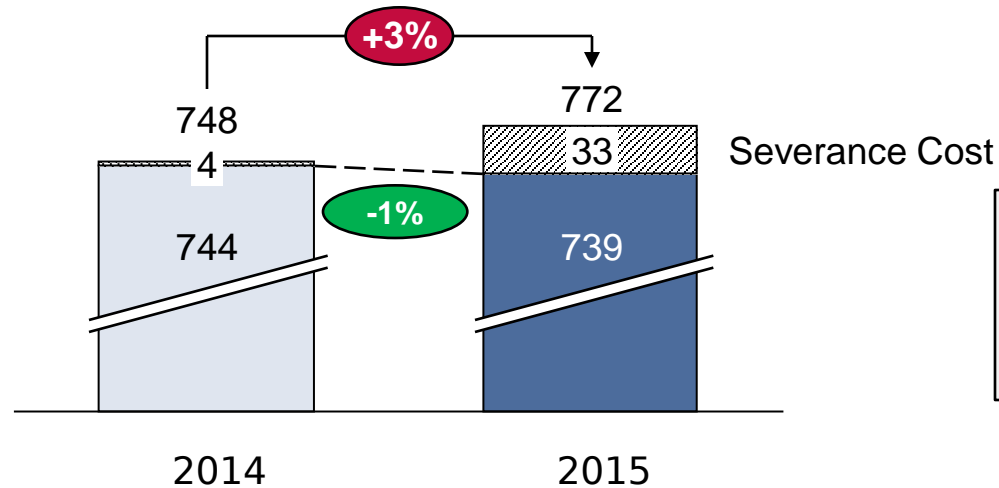
Q4



Q4'15 YoY :

- Severance Cost Rs 32 Cr
- LFL cost increase 6%

FY



2015 YoY :

- Severance cost Rs 33 Cr
- Cost excl. Severance reduced by 1%

Q4



Power Mix	Q4'14	Q4'15
Thermal Power Plant	73%	76%

Kiln Fuel Mix	Q4'14	Q4'15
Linkage Coal	55%	34%
E-Auction Coal	1%	7%
Petcoke	7%	27%
Imported Coal	37%	28%
Alternative Fuels	1%	4%

Q4'15 YoY :

- Switching to Cheaper fuel - Petcoke & lower cost of Imported Coal (Cost saving Rs 34 Cr)
- Higher usage of Alternative Fuels (Cost saving Rs 3 Cr)
- Savings in Fuel cost in Thermal Power Plant due to coal mix optimization and improvement in operating efficiency (Cost savings Rs 25 Cr)

FY

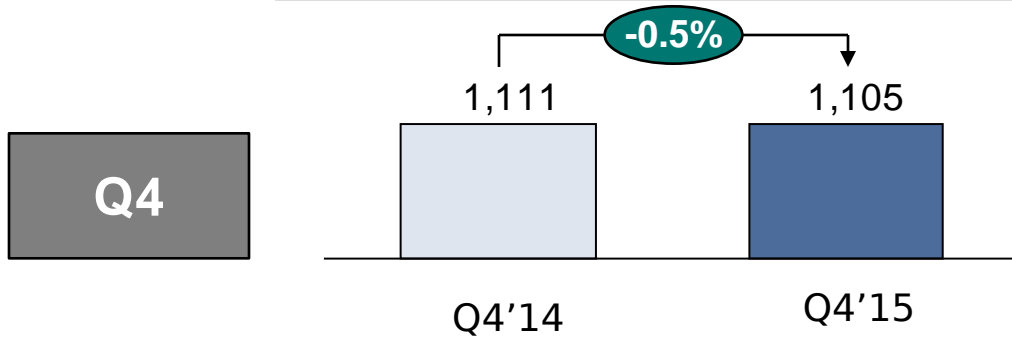


Power Mix	2014	2015
Thermal Power Plant	72%	74%

Kiln Fuel Mix	2014	2015
Linkage Coal	56%	44%
E-Auction Coal	2%	5%
Petcoke	16%	17%
Imported Coal	25%	30%
Alternative Fuels	1%	3%

2015 YoY :

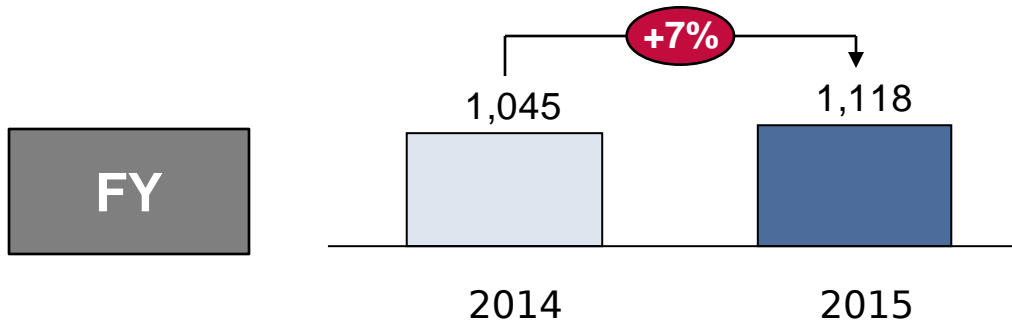
- Switching to cheaper fuel - Petcoke & lower cost of Imported Coal (Cost saving Rs 42 Cr)
- Higher usage of Alternative Fuels (Cost saving Rs 12 Cr)
- Cost benefit due to higher generation from Waste Heat Recovery System (Cost saving Rs 7 Cr)



Mode of Transport Mix		
Rail	42%	44%
Road	58%	56%

Q4'15 YoY :

- Reduction in road freight by 14% due to reduction in diesel price & secondary lead
- Increase in Rail Freight by ~ 3%

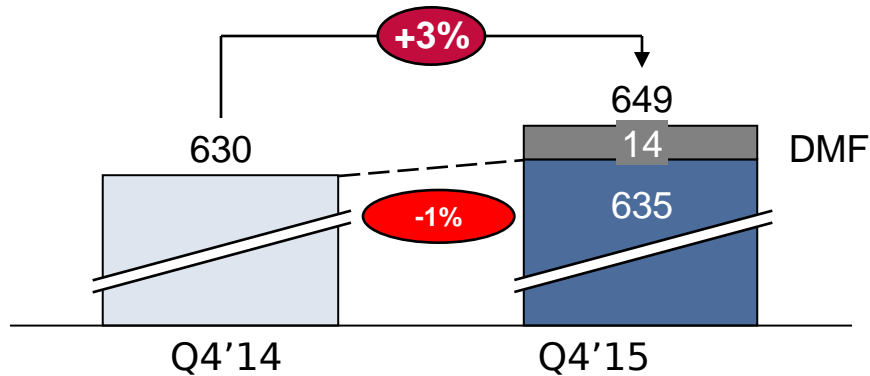


Mode of Transport Mix		
Rail	43%	44%
Road	57%	56%

2015 YoY:

- Increase in Rail Freight by ~6%
- Reduction in road freight by 6% due to reduction in diesel price & secondary lead
- Freight cost impacted on account of long-lead stock transfer of clinker for Eastern Plants due to mining suspension at Bargarh & Chaibasa during initial period of the year

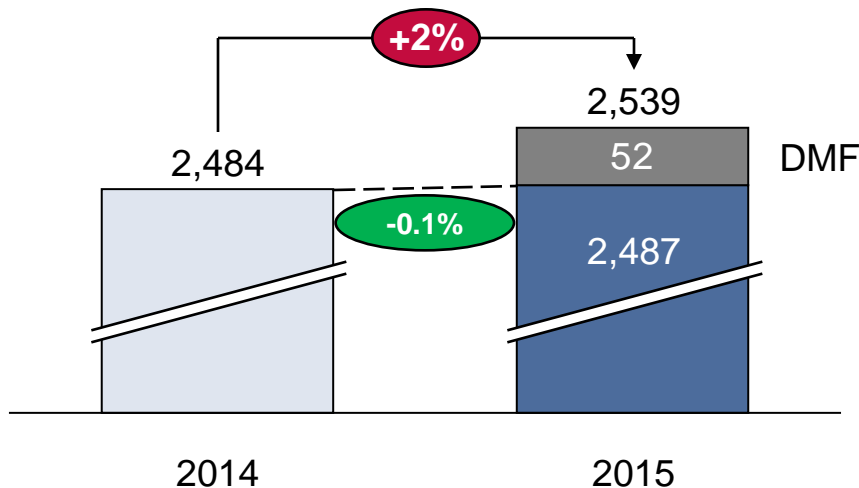
Q4



Q4'15 YoY :

- Reduction in packing material cost by Rs 36 /T Cement (Impact Rs 22 Cr)
- Royalty Provision towards contribution to DMF/NMET effective from Jan'15 (Impact Rs 14 Cr)

FY



2015 YoY:

- Reduction in packing material cost by Rs 29/T Cement (Impact Rs 68 Cr)
- Royalty Provision towards contribution to DMF/NMET (Impact Rs 52 Cr)
- Increase in rate of royalty on Limestone effective from September 2014 Rs 63/ to Rs 80/t (Impact Rs 24 Cr)

Cautionary statement regarding forward looking statements

This presentation may contain certain forward-looking statements relating to the Company's future business, developments and economic performance

Such statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressures; (2) legislative and regulatory developments;(3) global, macroeconomic and political trends;(4) fluctuations in currency exchange rates and general Financial market conditions;(5) delay or inability in obtaining approvals from authorities;(6) technical developments;(7) litigation;(8)adverse publicity and new coverage, which could cause actual developments and results to differ materially from the statements made in this presentation. ACC assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise



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Thanks