

Media Release

Consolidated Financial Results for Q4 and Year Ended December 31, 2016

		Quarter Oct-Dec 2016	Quarter Oct-Dec 2015	Year 2016 Jan-Dec	Year 2015 Jan-Dec
Sales Volume - Cement	Million Tonnes	5.45	6.00	22.99	23.62
Sales Volume - Concrete	Million Cubic Metres	0.67	0.59	2.59	2.34
Net Sales	₹ Crore	2,672	2,846	10,946	11,433
Operating EBITDA	₹ Crore	256	280	1,421	1,537
Profit before Tax	₹ Crore	47	126	805	766
Profit after Tax	₹ Crore	56	102	604	588

Highlights

- **Despite a challenging year, full year profit before tax up at ₹ 805 crores; operating cost per tonne down by 1% driven by fuel and raw material optimization**
- **New Jamul plant expected to strengthen market presence in eastern region**
- **Total dividend for the year maintained at ₹ 17/- per share at last year's level**

"The highlight of the year was strong cost saving measures, especially on fuel flexibility and raw materials. Focusing on our high quality, high performance product portfolio played an important role in the overall performance for the year. We are encouraged by the Government's plans to invest in infrastructure," said Neeraj Akhoury, who takes over as Managing Director & CEO.

Financials

Net Sales during the quarter stood at ₹ 2,672 crore compared to ₹ 2,846 crore in the corresponding period of the previous year. Operating EBITDA for the quarter was ₹ 256 crore against ₹ 280 crore in the corresponding quarter of the previous year. On like for like basis, Operating EBITDA for the full year was ₹ 1,421 crores as compared to ₹ 1,398 crores (excluding accrual of sales tax incentives of ₹ 140 crores) in the previous year, showing an improvement of about 100 bps in margin.

Cement Business

Sales volume was 5.45 million tonnes during the last quarter of 2016 as compared to 6.0 million tonnes in the corresponding quarter of the previous year. Continued thrust on promotion of the company's range of premium products, comprising high performance varieties that come coupled with services, yielded an increase of about 27% in the sale of these products during the year.

Ongoing efforts to enhance operational efficiency delivered a reduction in energy consumption as a result of optimization of fuel mix and other input materials.

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Ready Mixed Concrete

The company's ready mixed concrete business showed positive momentum throughout the year, achieving overall growth of about 14% in sales volume during the last quarter as a result of its strong focus on infrastructure, commercial and realty segments and promotion of the company's range of value-added special products.

Jamul Integrated Project

The 1.35 million tonnes cement grinding unit at Sindri in Jharkhand, was commissioned at the end October 2016, completing the new integrated project with its clinkering line of 2.79 million tonnes and grinding unit of 1.10 million tonnes in Jamul. The new units will strengthen the company's market presence especially in the eastern region.

Dividend

The Board of Directors has recommended payment of final dividend at ₹ 6/- per share of ₹ 10/- aggregating to ₹ 135.61 crore (including tax on dividend). The total dividend for the year 2016 (including the interim dividend of ₹ 11/- per share), adds up to ₹ 17/- per share aggregating to ₹ 384.23 crore (including tax on dividend).

Outlook

The slowdown witnessed after demonetization is easing and we expect the economy to show solid growth in the months to come. Increased government spending on infrastructure development, housing, roads, railways, irrigation and other schemes as announced in the recent Union Budget are expected to further reinvigorate the construction sector soon and boost demand for cement and concrete during 2017.



R Nand Kumar
Vice President – Corporate Communications

Mumbai. February 3, 2017