

AMBUJA CEMENTS LIMITED
Ambujanagar P.O., Taluka - Kodinar, District-Junagadh, Gujarat - 362 715

Particulars	Audited Consolidated Financial Results			Audited Financial Results (Standalone)		
	Year ended 31.12.2007 (Audited)	Twelve months ended 31.12.2006 (Unaudited) (Refer Note 10)	Previous period ended 31.12.2006 (Audited) (18 Months)	Year ended 31.12.2007 (Audited)	Twelve months ended 31.12.2006 (Unaudited) (Refer Note 10)	Previous period ended 31.12.2006 (Audited) (18 Months)
(Rs. in crores)						
Gross Sales / Income from Operations	6,556.92	5,469.63	7,141.54	6,469.68	5,391.75	7,016.70
Less : Excise duty	764.84	537.65	742.18	764.84	537.66	742.18
Net Sales / Income from Operations	5,792.08	4,931.98	6,399.36	5,704.84	4,854.09	6,274.52
Other Income:						
a) Exchange Rate difference (net)	33.82	4.39	(15.03)	33.56	4.14	(15.36)
b) Interest Income	76.10	27.86	36.22	76.08	27.86	34.20
c) Others	83.91	60.45	73.72	83.89	62.37	75.27
	193.83	92.70	94.91	193.53	94.37	94.11
Share of Profit of Associates (net of tax)	78.94	118.44	182.09			
Total Income	6,064.85	5,143.12	6,676.36	5,898.37	4,948.46	6,368.63
Expenditure						
a) (Increase) / Decrease in Stock	(51.88)	9.38	(0.81)	(56.82)	13.80	9.94
b) Consumption of raw materials :						
- Clinker Purchased	138.28	52.42	52.42	138.28	52.42	52.42
- Others	344.85	254.56	331.84	316.47	254.09	330.84
	483.13	306.98	384.26	454.75	306.51	383.26
c) Employee Cost (Refer Note 3)	210.80	175.73	238.90	208.62	172.48	233.08
d) Power and Fuel	1,004.66	882.82	1,241.21	1,004.20	882.20	1,239.87
e) Freight and Forwarding :						
- On Sales (Refer Note 1)	1,001.39	835.74	1,069.04	954.78	770.15	978.59
- On inter-units Clinker transfer	162.69	147.73	193.31	162.69	147.06	193.31
	1,164.08	983.47	1,262.35	1,117.47	917.21	1,171.90
f) Depreciation and Amortisation	237.18	227.66	327.95	236.34	226.94	326.12
g) Other Expenditure	945.95	809.95	1,132.42	931.50	794.89	1,097.15
	3,993.92	3,395.99	4,586.28	3,896.06	3,314.03	4,461.32
Interest	77.09	65.85	116.37	75.85	65.58	113.23
Profit before exceptional items and tax	1,993.84	1,681.28	1,973.71	1,926.46	1,568.85	1,794.08
Exceptional items :						
a) Profit on sale of subsidiary / Joint Venture / Associates (Refer Note 6)	470.16	26.63	26.63	490.07	43.29	43.37
b) Profit on sale of property	325.36	3.88	4.15	325.36	3.88	4.15
c) Provision for diminution in value of Investment in a subsidiary company (Refer Note 7)	-	-	-	(29.54)	-	-
	795.52	30.51	30.78	785.89	47.17	47.52
Profit before tax	2,789.36	1,711.79	2,004.49	2,712.35	1,616.02	1,841.60
Tax expenses (Refer Note 2 & 3) :						
- Current tax	737.00	261.94	331.06	737.00	261.40	330.00
- Income tax in respect of earlier years	202.00	-	-	202.00	-	-
- Deferred tax	(0.90)	11.17	3.06	(0.90)	11.17	3.07
- Fringe Benefit tax	5.15	3.39	5.31	5.15	3.38	5.28
	943.25	276.50	339.43	943.25	275.95	338.35
Net profit for the period	1,846.11	1,435.29	1,665.06	1,769.10	1,340.07	1,503.25
Less : Minority Interest	-	0.11	0.37	-	-	-
Net profit for the period	1,846.11	1,435.18	1,664.69	1,769.10	1,340.07	1,503.25

Particulars	Audited Consolidated Financial Results			Audited Financial Results (Standalone)		
	Year ended 31.12.2007 (Audited)	Twelve months ended 31.12.2006 (Unaudited) (Refer Note 10)	Previous period ended 31.12.2006 (Audited) (18 Months)	Year ended 31.12.2007 (Audited)	Twelve months ended 31.12.2006 (Unaudited) (Refer Note 10)	Previous period ended 31.12.2006 (Audited) (18 Months)
Paid up Equity Share Capital (Face value Rs. 2/- each)	304.48	303.37	303.37	304.48	303.37	303.37
Reserves excluding Revaluation Reserves	4,554.40	-	3,597.27	4,356.39	-	3,187.21
Earning per share (EPS - in Rs.) :						
Basic						
- On profit before exceptional items	7.78	9.35	11.02	7.29	8.90	9.84
- On net profit	12.14	9.51	11.19	11.64	9.19	10.12
Diluted						
- On profit before exceptional items	7.76	9.30	10.82	7.28	8.86	9.81
- On net profit	12.12	9.46	11.15	11.61	9.16	10.09
Public Shareholding :						
- No. of Shares (in crores)	76.33	98.77	98.77	76.33	98.77	98.77
- Percentage of shareholding	50%	65%	65%	50%	65%	65%

Notes:

- 1) The Company had recognised a provision for service tax credit availed on outward freight upto 30th September, 2007 amounting to Rs. 17.64 crores (including Rs. 9.76 crores related to prior years) on the basis of decision of excise authority. The same has been reversed during the quarter ended 31st December, 2007, on the basis of favourable circular issued by Central Board of Excise and Customs.
- 2) Hitherto, while computing the income tax provision, the Company had considered sales tax incentives for certain units as capital receipts not liable to tax, based on expert advice obtained and favourable decisions of the Income-tax Appellate Tribunal on similar issue. During the year, the above tax treatment was reconsidered in view of subsequent contrary decisions of High Court and accordingly, the Company as a matter of prudence, recognised tax provision on these sales tax incentives. The Company has also recognised tax liability amounting to Rs. 202.00 crores and interest of Rs. 16.80 crores relating to earlier years.
- 3) The Company has accounted for employee benefits as per Accounting Standard (AS) 15 "Employee Benefits" (Revised 2005) issued by The Institute of Chartered Accountants of India, which is applicable from this year. Accordingly, as per provisions applicable to transitional period, additional liability upto 31st December, 2006 amounting to Rs. 8.90 crores has been adjusted from General Reserve (net of deferred tax Rs. 4.58 crores). Further the charge for the year is lower by Rs. 7.31 crores.
- 4) The Company has only one business segment "Cement". *
- 5) At the beginning of the year ended 31st December, 2007, no investor complaint was pending. During the year 29 complaints were received and all 29 complaints were resolved. No complaint was pending disposal as on 31st December, 2007.
- 6) In accordance with the Put and Call option agreement entered into with Holderind Investments Limited in respect of its shareholding in Ambuja Cement India Private Limited (ACIPL), an associate company, the company has during the year sold 19,07,50,000 equity shares for a consideration of Rs. 1,061.52 crores and recognised a profit of Rs. 490.07 crores (Rs. 470.16 in the consolidated financial results). Accordingly ACIPL ceased to be an associate company with effect from 30th April, 2007. The put option for the balance 9,53,70,000 equity shares will be exercised on 30th April, 2008 for a consideration of Rs. 588.91 crores.
- 7) Due to adverse market conditions in Sri Lanka and depreciation in local currency, the Company's subsidiary Ceylon Ambuja Cements (Private) Limited has incurred continuing operating losses and net worth of the said subsidiary company has been eroded substantially. Accordingly, the Company has recognised a provision for diminution in value of investments of Rs. 29.54 crores.
- 8) During the year :
 - a) the Company has commissioned a 30 MW thermal power plant at its unit at Ambujanagar, in the State of Gujarat.
 - b) the Company has commissioned two grinding units having capacity of 1 million tonne each, at Farakka, in the State of West Bengal and at Roorkee, in the State of Uttarhand.
 - c) the Company by way of upgradation has enhanced its clinkerisation capacity at Rabriyawas plant, in the State of Rajasthan from 1.6 million tonnes to 2.0 million tonnes.
- 9) The Board of Directors has recommended the final dividend on equity shares @ 50% (Re. 1.00 per share). The Company has paid interim dividend of 125% (Rs. 2.50 per share) [this includes one time dividend of 65% (Rs. 1.30 per share) on non recurring income]. The dividend paid in the previous period (18 months) was 165% (Rs. 3.30 per share).

- 10) a) Ambuja Cement Eastern Limited (ACEL) was merged with the Company with effect from 1st January, 2006.
- b) Indo Nippon Special Cements Limited (INSCL), a wholly owned subsidiary company, was merged with the Company with effect from 1st July 2005 and the effect of merger was considered during the quarter ended 31st March 2007. INSCL had no significant activity from the date of merger. Consequently, the merger does not have any material impact on comparability of the above financial results for the twelve months / eighteen months ended 31st December, 2006.
- c) The previous accounting year of the company was extended by six months to end on 31st December, 2006. In view of the above, the information pertaining to the twelve months ended 31st December, 2006 have been provided by aggregating the reviewed figures for the quarters ended 31st March, 2006, 30th June, 2006, 30th September, 2006 and 31st December, 2006 to facilitate comparison.
- 11) Chemicals Limes Mundwa Pvt. Ltd. (Chemical Limes), MGT Cements Pvt. Ltd. (MGT) and Kakinada Cements Ltd (KCL) have become subsidiaries (99.9% to 100%) of the Company. Chemicals Limes and MGT together hold land at Marwar-Mundwa (Rajasthan). KCL is registered in Andhra Pradesh where the Company has got mining lease and land for setting up a cement plant. The Company has made an aggregate investment of Rs. 4.57 crores in these subsidiaries.
- 12) In the current year, the Company has only one business segment "Cement". During the previous period, the Company had sold its shareholding in subsidiaries, joint ventures and an associate engaged in non-cement business. Since the amounts pertaining to the non-cement business are not material, segment information for previous period has not been provided. #
- 13) The figures for the previous twelve months / eighteen months have been regrouped/restated wherever necessary.
- 14) The above results have been approved and taken on record by the Board of Directors at its meeting held on 1st February, 2008.

* Notes pertaining to Standalone Financial Results only.

Notes pertaining to Consolidated Financial Results only.

Mumbai
1st February, 2008

By the Order of the Board



A.L. Kapur
Managing Director

