



Sustaining the Vision



Our Vision

To be the most admired
and competitive
company in our industry



Our Mission – create value for all

Delighted customers


Inspired employees

Enlightened partners

Energised society

Loyal shareholders

Healthy environment



GIVE A MAN ORDERS
and he will do the task
reasonably well. But let him set his
own targets, give him freedom
and authority and his task becomes
a personal mission: I CAN.

I CAN.

'Digital art' is the new exciting mode
of communication today.

In our Cover we capture the three forces which have been
driving this company: 'Sustainability', 'People Power'
and the **I CAN.** philosophy.

Together they have helped us redefine our thrust for tomorrow.

**Ambuja
Cement**

Annual Report 2011

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CHAIRMAN EMERITUS

Mr. Suresh Neotia

BOARD OF DIRECTORS

Mr. N. S. Sekhsaria, Chairman

Mr. Paul Hugentobler, Vice Chairman

Mr. Markus Akermann

Mr. M. L. Bhakta

Mr. Nasser Munjee

Mr. Rajendra P. Chitale

Mr. Shailesh Haribhakti

Dr. Omkar Goswami

Mr. Naresh Chandra

Mr. Bernard Fontana (w.e.f. 10th February, 2012)

Mr. Onne van der Weijde, Managing Director

CHIEF FINANCIAL OFFICER

Mr. Sanjeev Churiwala

BUSINESS HEADS

Mr. J.C. Toshniwal (North)

Mr. Ajay Kapur (West & South)

Mr. S.N. Toshniwal (East)

COMPANY SECRETARY & CORPORATE SUSTAINABILITY OFFICER

Mr. B. L. Taparia

CORPORATE OFFICE

Elegant Business Park,
MIDC Cross Road "B",
Off Andheri-Kurla Road,
Andheri (East), Mumbai - 400 059.

AUDITORS

M/s. S.R. Batliboi & Co.

P. M. Nanabhoy & Co.
(Cost Auditors)

REGISTERED OFFICE

P.O. Ambujanagar, Tal. Kodinar,
Dist. Junagadh, Gujarat 362 715.

FINANCIAL HIGHLIGHTS OF 5 YEARS

Rs. in crores

	2011	2010	2009	2008	2007
INCOME STATEMENT					
Net Sales	8,515	7,390	7,077	6,220	5,631
Operating EBITDA	1,994	1,951	1,971	1,804	2,116
Profit Before Tax	1,703	1,662	1,803	1,970	2,712
Profit After Tax	1,229	1,264	1,218	1,402	1,769
BALANCE SHEET					
Net Worth	8,069	7,330	6,468	5,669	4,655
Borrowings	49	65	166	289	330
Capital Employed	8,762	7,926	7,120	6,338	5,364
Fixed Assets - Gross Block	9,702	8,779	6,224	5,707	5,231
Fixed Assets - Net Block	6,186	5,628	3,440	3,193	2,960
Current Assets	3,828	3,135	1,979	2,339	1,587
Current Liabilities	2,694	2,394	1,741	1,474	1,169
CASH FLOW STATEMENT					
Net Cash Generated from Operations	1,617	1,876	2,126	968	1,552
Cash and Cash Equivalents	2,899	2,289	1,415	949	714
SIGNIFICANT RATIOS					
Operating EBITDA / Net Sales	23%	26%	28%	29%	38%
Return on Capital Employed (EBIT/ Avg. CE)	21%	23%	27%	34%	55%*
Debt Equity Ratio (Debt/ (Debt+NW))	0.01	0.01	0.03	0.05	0.07
Price Earning Ratio #	19.37	17.28	12.96	7.57	12.60
Book Value Per Share (Rs.)	52.67	48.01	42.47	37.23	30.63
Basic Earning Per Share (Rs.)	8.02	8.28	8.00	9.21	11.64
Dividend Per Share (Rs.)	3.20	2.60	2.40	2.20	3.50
Dividend Payout Ratio	46%	37%	35%	28%	35%
Current Ratio	1.42	1.31	1.14	1.59	1.36
OPERATIONS					
Cement Capacity - Million Tonnes	27.35	25.00	22.00	22.00	18.50
Cement Production - Million Tonnes	20.97	20.13	18.83	17.76	16.86

Market Price as per BSE on last day of year

* Year 2007 includes exceptional items of Rs. 785.89 crores

CHAIRMAN'S LETTER



Dear Shareholders,

This year has had great significance for us, with the Company completing 25 years of successful operations. When I look back on our journey, I am proud of our amazing growth and success, and I'm sure you all share the same feeling.

In October 1986, the first bag of cement rolled out from the Ambujanagar Plant. In the span of 25 years, Ambuja has become India's foremost cement company, with a presence that extends to most parts of the country. The Company set many milestones and benchmarks in manufacturing excellence, cost efficiencies, quality, logistics, environment protection and community development. Our unique **I CAN.** philosophy, which is ingrained in each of our people, has helped us in achieving the coveted status of the most admired cement company, in India and across the world.

This year we faced many challenges. Economic growth started to falter in the second quarter. The GDP fell sharply from 8.5% in December 2010, to around 7% in the last quarter of 2011. Inflation, stoked by fuel and energy price hikes, went up to 10% in the same period. Containing inflation proved to be a major challenge for the Government and the Central Bank during the year.

The demand for cement was severely curtailed by the economic slowdown, subdued construction activities, prolonged monsoon and delay in execution of infrastructure projects.

In spite of these difficult market conditions, the Company managed to achieve the highest ever sales, in terms of volume and value, along with a growth of 5.4%. This was made possible by the dedication of our workforce, superior product quality, brand image and strong network of dealers and retailers.

Through it all, we did not forget our responsibilities as a corporate citizen. Over the year we took our leadership in CSR to new heights with many new initiatives. It is heartening to note that the Company was granted a 'Water Positive Assurance Statement' from a globally recognised independent agency, certifying that we generated twice the amount of water than the amount we consume at all our facilities. I believe we are the first company from the cement industry to achieve this distinction.

Going forward, we will continue to face challenges. But there is much to be optimistic about. I strongly believe the housing and infrastructure sector will once again regain its momentum. With the Government's commitment to provide affordable housing in semi urban and rural areas, cement demand will also see a healthy growth.

Finally, it is our people with their **I CAN.** spirit, that shine in the most challenging environments. I am confident they will excel in the year to come. We will continue to turn every challenge into an opportunity.

I would like to thank the management team and each one of you for your faith in the Company. I am confident that we will achieve even greater successes over the next 25 years, and beyond.

With warm regards,

N.S. Sekhsaria

N.S. Sekhsaria

9th February, 2012



Over 5000 voices passionately say

I CAN.

So we're **now turning** this into a
companywide symphony

called: **People Power**

Ambuja Cement has always been driven by the strong culture of individual initiative encapsulated in its two word philosophy: **I CAN.**

In 2008, the Company decided it was time to embark on a new transformative journey that would create a strong leadership pipeline and achieve a progressive leap in plant performance and plant health. Code-named 'People Power', this game changing initiative was orchestrated through a comprehensive program architecture, consisting of 4 cornerstones:

1. A new org-structure that helps to constantly develop leaders for the future.
2. A performance management blueprint which includes a structured wave process and a rigorous review mechanism to achieve stretch aspirations.
3. Capability building mechanism through boot camps, an idea generation session, knowledge development and dissemination through best practice communities.
4. Enterprise-wide culture change programs driven by trained unit teams and a leadership program for the top leaders in manufacturing.

From individuals to teams and units, the 'People Power' program has been progressively rolled out across all 15 Ambuja Cement units by the end of 2011, creating a cascading wave of improvements. Three examples will suffice: Ropar became a front runner with a significant 7% reduction in specific electrical energy for grinding and an over 175% increase in MTBF (Mean Time Between Failures), after completion of the first wave.

At Bhatapara, they slashed shutdown time from 14 to 8 days. The Maratha Cements team replaced the crucial coal mill seal without stopping the kiln, in a record time of eight hours and they increased the MTBF by over 100%. They also set a new trend mark for the kiln with a continuous 90 day running spree.

'People Power' has begun to trigger change from the bottom-up; building a process driven organisation; redefining gravity, in a new efficiency paradigm, where what goes up must go still up, and up and up.



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