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# Management Discussion and Analysis



## Prelude

Ambuja Cements Limited, a key member of the diversified Adani Group, has led the way in cement and building materials for over four decades. With 24 integrated plants\* and 22 grinding and blending units,\* and a strong national presence, Ambuja Cements is shaping India's infrastructure with innovation and resilience. Known for its expertise in low-cost cement production and innovative construction solutions, Ambuja Cements consistently delivers superior quality products that facilitate seamless construction and eco-friendly solutions.

Throughout the year, the Company has exhibited exceptional resilience and strength, advancing toward its goals with steadfast commitment. Ambuja Cements remains strategically focused on reinforcing its core strengths while proactively adapting to evolving market dynamics. The Company continues to strengthen its position, driven by a relentless pursuit of innovation, sustainability, and operational efficiency.

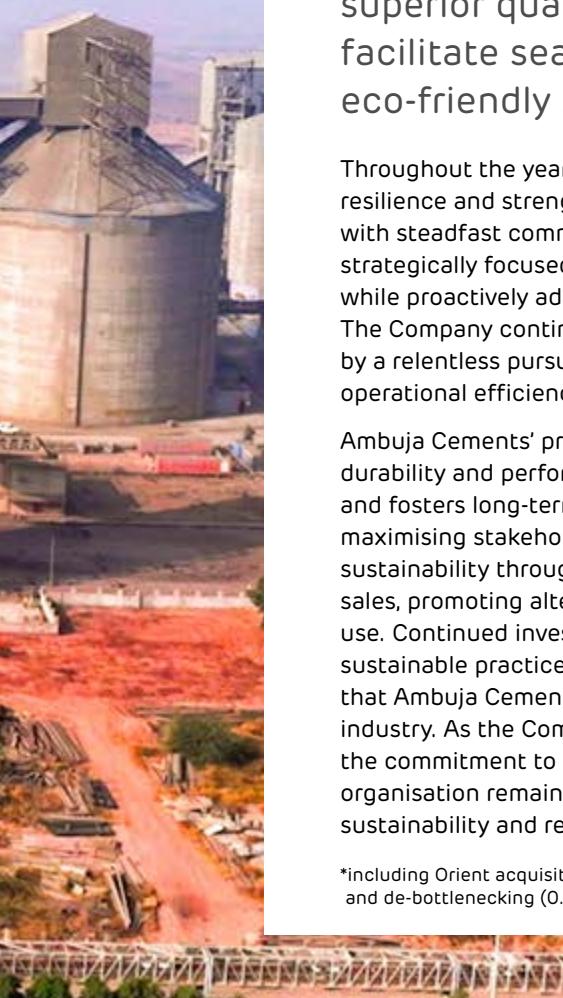
Ambuja Cements' premium brand positioning, built on durability and performance, sets new industry standards and fosters long-term customer relationships. Committed to maximising stakeholder value, Ambuja Cements integrates sustainability throughout its value chain, from mining to sales, promoting alternative fuels and responsible resource use. Continued investments in cutting-edge technologies, sustainable practices, and capacity expansion ensure that Ambuja Cements remains at the forefront of the industry. As the Company embarks on this new fiscal year, the commitment to building a stronger, more resilient organisation remains unwavering, guided by the principles of sustainability and responsible growth.

\*including Orient acquisition (8.5 MTPA), Farakka GU commissioning (2.4 MTPA), and de-bottlenecking (0.5 MTPA) across various plants in April 2025.

### A Focus on Sustainability

Ambuja Cements Limited (ACL) is deeply committed to environmental sustainability and actively reducing its carbon footprint. Key initiatives include lowering the clinker factor, optimising energy efficiency, expanding waste heat recovery systems, and increasing renewable energy capacity. By aligning Environmental, Social, and Governance (ESG) initiatives with national goals, the Company aims to increase its capacity to 140 million tonnes per annum (MTPA) by FY 2027-28.

In a significant move, Ambuja Cements became the first cement manufacturer worldwide to join the Alliance for Industry Decarbonization (AFID), underscoring its commitment to accelerating the transition to Net Zero emissions in the cement industry. The Company has set a Net Zero target for 2050, with near-term targets approved by the Science Based Targets initiative (SBTi). To achieve this, Ambuja plans to invest approximately USD 1.2 billion in renewable energy projects, targeting a total capacity of 1 gigawatt (GW) and an additional 376 megawatts (MW) from waste heat recovery systems (WHRS) to power 60% of its expanded capacity by 2028. It has operationalised 200 MW of Solar Power in Khavda and 99 MW of Wind Power during the year.



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### Economic Scenario

In 2024, the global economy remained stable despite escalating trade uncertainties. Global economic growth was largely supported by declining inflation and easing of the monetary policies. Global financial conditions were largely accommodative, though varied across geographies. The IMF expects global economy to grow by 3.3% during 2024, slightly lower than 3.5% in 2023.

India's economy has demonstrated remarkable resilience and growth over the past decade, with an average annual expansion of approximately 6%. This robust performance has been driven by a combination of factors, including the implementation of various policy



reforms and sustained investments by the Government of India.

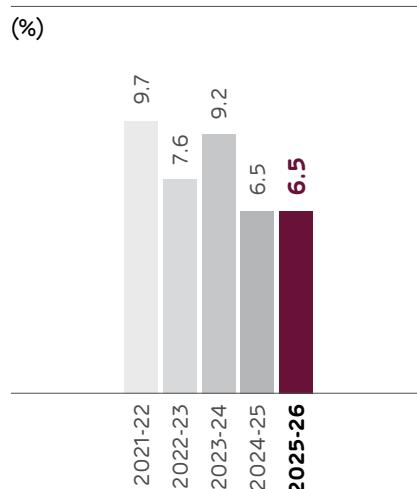
In FY 2024-25, India has experienced significant developments that have shaped its economic trajectory. Disinflation and higher disposable income aided urban demand

recovery, which led to increased consumption. Additionally, strong rural demand received a further boost from the robust performance of the agriculture sector. GDP is expected to record a moderate growth of 6.5% for FY 2024-25.

# 3.3%

Growth of Global Economy in 2024

### India's GDP Growth Trend



### Outlook

The Economic Survey highlights the need for systemic deregulation to enhance India's long-term growth prospects. Achieving the vision of 'Viksit Bharat' by 2047 requires a sustained 8% annual growth rate. To make this vision realistic, the government aims to improve the business environment under 'Ease of Doing Business 2.0' and support the SME sector's growth. Both India and the global economy are projected to experience steady growth and a continued decline in inflation,

supported by various economic policies and reforms.

India's economy in FY 2025-26 is expected to moderately grow by 6.5%, driven by robust domestic demand, rise in urban and private consumption, healthy agriculture production, improved infrastructure development, and key reforms. However, trade limitations along with global geopolitical friction pose possible risk to the economic outlook.

## Cement Industry

As the world's second-largest cement producer, India plays a crucial role in driving nation's infrastructure and construction development. In FY 2024-25, the market reached 440-445 million tonnes, growing by 4.0% to 5.0%. The first half of FY 2024-25 saw modest growth of ~2%, wherein the growth was largely impacted due to Lok Sabha elections and an intense heatwave, which slowed construction activity and flattened cement demand.

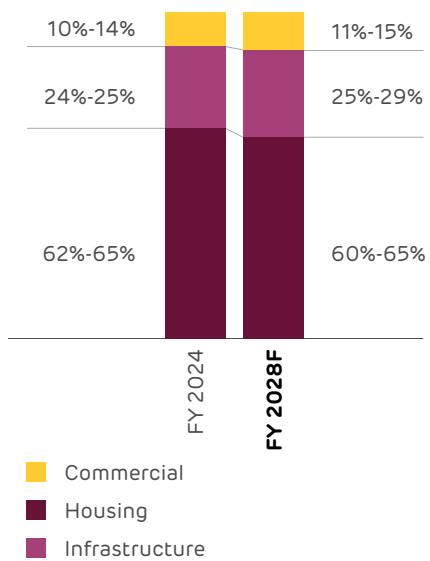
However, recovery began in the second half, which was driven by increased government infrastructure spending and a rise in housing and construction activities post-monsoon. The year also witnessed significant expansion and mergers & acquisitions, with major players investing in new plants and capacity additions, driven by strong demand from housing, infrastructure, and commercial sectors, while continuing their focus on green practices for long-term growth.

In the Union Budget for FY 2025-26, the Indian government has allocated a record ₹11.21 lakhs crore (approximately USD 129.54 billion) for infrastructure development, reflecting its commitment to modernising the nation's infrastructure. Key initiatives, such as the ₹1 trillion Urban Challenge Fund and ₹150 billion SWAMIH Fund 2, are designed to drive urban development and expedite housing projects. Additionally, 1.5 trillion in 50-year interest-free loans to states for capital investment is expected to further spur cement demand.

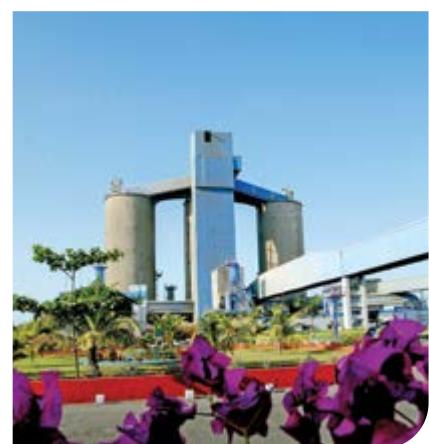
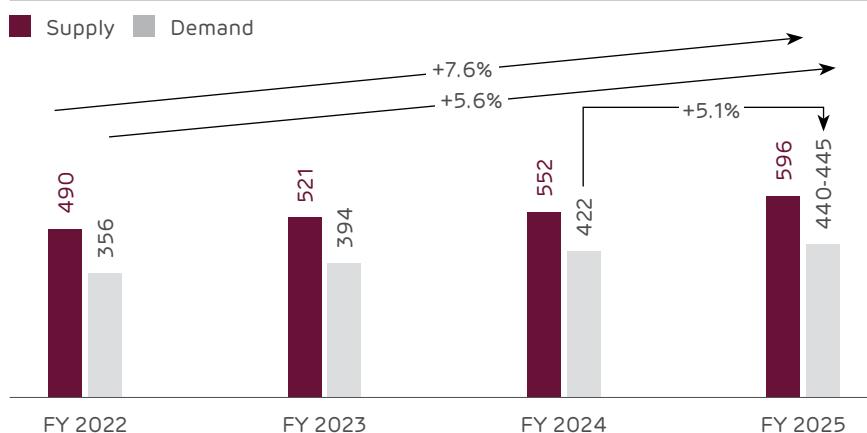
As urbanisation accelerates, rising incomes and migration to cities are fuelling demand for housing, commercial spaces, and infrastructure—directly benefitting the cement industry. The government's push for Public Private Partnership (PPP) projects and ongoing infrastructure investments signals strong future growth prospects. With urban development on the rise and a robust policy framework in place, the cement industry is well-positioned for expansion, innovation, and a central role in shaping India's modern infrastructure.

The Cement Manufacturers' Association (CMA) remains optimistic, anticipating a surge in demand for construction materials and significant capacity expansion opportunities driven by the government's focus on large-scale housing and infrastructure projects.

### Sector-wise Share of Cement Consumption



### Demand and Supply Trend



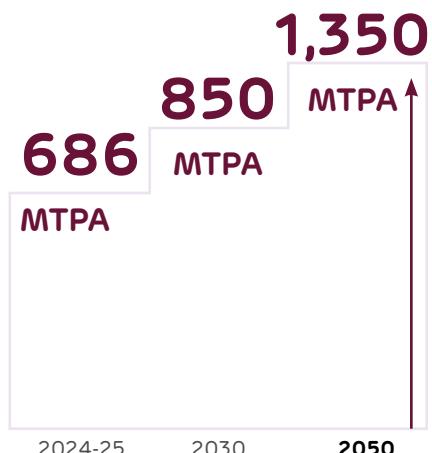
## Management Discussion and Analysis

### Outlook

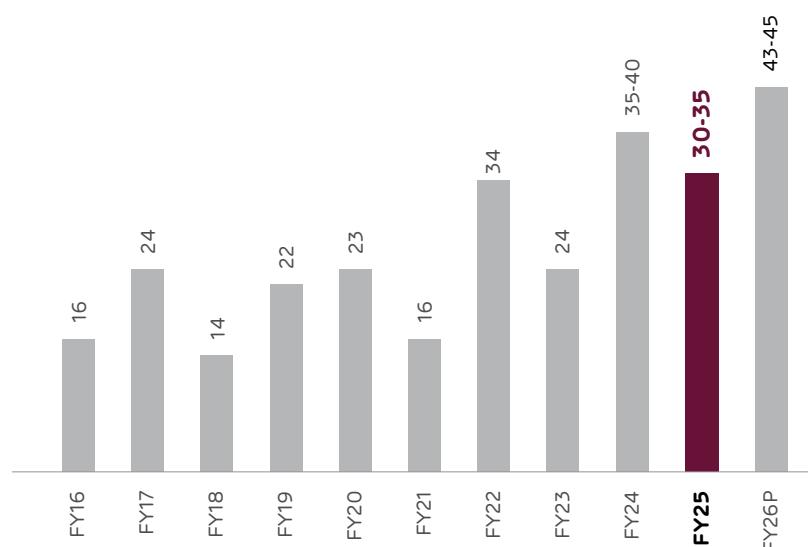
The Indian cement industry is set for significant growth, driven by infrastructure projects and urban development. Installed capacity is expected to reach 850 million tonnes per annum by 2030 and 1,350 million tonnes by 2050. Strong economic factors, including GDP growth, rising incomes, and a growing workforce, will support demand. Recent tax cuts and capital expenditure plans will further boost housing and infrastructure development.

The Cement Manufacturers' Association targets a 6% CAGR<sup>12</sup> in capacity, with utilisation nearing 70%<sup>13</sup>. While demand moderated in 2024, the industry is expected to rebound in 2025, with 8% growth<sup>14</sup> driven by government spending. Mergers & acquisitions, and capacity expansion will remain key industry trends towards sustained growth, supported by strong economic fundamentals, government initiatives, and strategic industry developments.

### India's Installed Cement Capacity Ambition



### Cement Capacity Addition over the Decade (MTPA)



Source: CRISIL M&A Research, ICRA



<sup>12</sup>CMA

<sup>13</sup>ICRA

<sup>14</sup>IBEF

## Key Demand Drivers of the Indian Cement Industry

Urbanisation and Infrastructure Development	Rural Development Investments	Technological Advancements and Innovation	Industry Consolidation
Rapid urbanisation and government initiatives like Smart Cities Mission, PMAY and AMRUT drive demand for residential, commercial, and infrastructure projects, boosting cement consumption.	Government projects for rural roads, schools, healthcare and sanitation facilities have expanded cement demand in rural areas, creating new market opportunities.	Advanced manufacturing technologies improve efficiency, reduce costs, and enhance product quality. Innovations like green cement, ready-mix concrete, and specialty cement support sustainability and evolving construction needs.	Mergers and acquisitions (~200 MT capacity in 10 years) have created efficient players, optimised production, and achieved economies of scale.
<b>&gt;40%</b> of India's Population Expected to Live in Urban Areas by 2030 <sup>15</sup>	<b>62,500 km</b> of All-weather Roads to be Provided to Unconnected Habitats by FY 2028-29 under PMGSY - IV <sup>16</sup>	<b>~₹ 1.25 lakhs crore</b> Planned CAPEX of Indian Cement Makers between FY 2024-25 and FY 2026-27 <sup>17</sup>	<b>~USD 4.5 billion</b> in M&A Deals by two leading players in 2024 and 2025 <sup>18</sup>

<sup>15</sup>PIB<sup>16</sup>Pradhan Mantri Gram Sadak Yojana (PMGSY) - IV<sup>17</sup>CRISIL<sup>18</sup>Moneycontrol

## Management Discussion and Analysis

### Business Review

#### Sustainability Strategy

Ambuja Cements integrates sustainability into its core strategy, guided by clear policies and a commitment to industry leadership. As one of the only two large Indian cement companies committed to SBTi for Net Zero carbon emissions by 2050—well ahead of India's 2070 target—the Company prioritises responsible growth and resilience.

#### Sustainability Governance

- Corporate Responsibility Committee: Oversees the sustainability agenda and climate action
- Independent Directors: Provide strategic guidance on long-term targets
- Senior Management: Drives execution of sustainability initiatives
- Regular Monitoring: Ensures continuous improvement and accountability

#### Environmental Policy and Management System

Ambuja's Environmental Management System strengthens sustainability and adheres to industry-leading standards.

#### Environmental Policies

- Climate Change Policy
- Energy Management Policy
- ESG Policy
- Corporate Environment Policy
- Water Stewardship Policy
- Waste Management Policy
- Resource Conservation Policy
- Bio-diversity Policy



#### Climate and Energy

##### Climate Strategy

Ambuja's climate strategy aligns with national and global frameworks, including the Paris Agreement's NDCs and the UN SDGs. A comprehensive climate risk assessment, following TCFD and IFRS S2 guidelines, has identified physical and transitional risks, enabling targeted mitigation strategies such as renewable energy use and Waste Heat Recovery Systems (WHRS).

##### Climate Governance

The Board and senior leadership conduct quarterly reviews to track progress and adjust strategies. The Corporate Responsibility Committee monitors climate-related KPIs, while senior management integrates the ESG agenda into business operations. The Risk Management Committee oversees climate-related risks, ensuring alignment with business resilience goals.

##### Climate Risks and Mitigation

Ambuja Cements recognises the potential impact of rising energy costs and extreme weather events on its operations and supply chains. To safeguard business continuity, the Company has integrated climate risks into its Enterprise Risk Management (ERM) framework. A comprehensive Climate Change Risk Assessment, covering short, medium, and long-term horizons, identifies both physical and transitional risks, enabling targeted mitigation strategies and opportunities for sustainable growth.

Ambuja Cements' assessment indicates that none of its sites currently face immediate physical climate risks. However, the Company is proactively developing site-specific strategies to mitigate future challenges, embedding climate adaptation measures into its operations to strengthen long-term resilience and sustainability.



### Internal Carbon Pricing

To drive climate responsibility, Ambuja Cements has introduced an Internal Carbon Pricing (ICP) mechanism, valuing CO<sub>2</sub> at USD 28 per tonne. This shadow pricing model helps evaluate financial risks, reduce emissions, optimise operations, and guide investment decisions, supplier selection, and regulatory compliance, supporting the Company's low-carbon growth strategy.

### Net Zero Commitment

Ambuja Cements is committed to achieving Net Zero emissions by 2050, aligning with India's climate goals and the Global Cement and Concrete Association's (GCCA) Net Zero Roadmap.

Ambuja Cements is the first cement manufacturer to join the Alliance for Industry Decarbonization (AFID), working with global partners to accelerate the transition to Net Zero. Ambuja Cements is advancing

towards Net Zero by partnering with Finland-based Coolbrook to adopt RotoDynamic Heater (RDH) technology, significantly reducing fossil fuel reliance in cement manufacturing.

### Energy Management

Ambuja Cements enhances energy efficiency through regular audits, ISO 50001-certified operations, and targeted employee training via its E-Vidyalaya platform. The Company's focus on innovation and renewable energy adoption, including solar, wind, and waste heat recovery, helps optimise energy use and reduce costs. Its energy-saving initiatives aim to cut both thermal and electrical consumption by 2030.

As part of India's Perform, Achieve and Trade (PAT) scheme, Ambuja Cements has steadily improved energy efficiency and lowered carbon emissions. The Company conducts monthly performance reviews to track progress and ensure alignment with set targets.

These efforts strengthen operational efficiency while supporting sustainable growth.

### Renewable and Green Power

Ambuja Cements is investing ₹10,000 crore in solar, wind, and Waste Heat Recovery Systems (WHRs) to achieve 60% green power by 2028, reducing its carbon footprint and reliance on fossil fuels. This strategy supports the Company's commitment to sustainability by lowering greenhouse gas emissions and advancing clean energy solutions.

Ambuja Cements also adopts a sustainable approach to waste management through advanced co-processing technology, operating state-of-the-art facilities across India. In the reporting period, it utilised 0.57 million tonnes of alternative fuel, reducing fossil fuel dependence and diverting waste from landfills, reinforcing its focus on responsible and sustainable operations.

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### Thermal Substitution Rate

Ambuja Cements aims to achieve a 23% Thermal Substitution Rate (TSR) by 2030 by replacing fossil fuels with alternative sources like biomass and industrial waste. This shift reduces greenhouse gas emissions, lowers dependence on non-renewable resources, and supports waste management by diverting Municipal Solid Waste (MSW) from landfills. In 2024, Ambuja commissioned a pre-processing and co-processing facility at its Marwar plant in Rajasthan, capable of converting 220,000 tonnes of refuse annually into fuel, raising the plant's TSR to 19.4%.

### Optimising Clinker Factor

Ambuja Cements leads in producing and distributing blended cement, which reduces clinker content by incorporating materials like slag and fly-ash. 78% of the Company's production consists of blended cements. Ambuja Cements' green products are certified by GRIHA (Green Rating for Integrated Habitat Assessment), India's national green rating system. They are also enlisted in the GRIHA Green Product Catalogue, underscoring their commitment to sustainable building practices.

### Air Emissions

Ambuja Cements actively manages air emissions from fuel combustion, which generates nitrogen oxides (NOx) and sulphur oxides (SOx), and from vehicle movement, which produces particulate emissions. The Company uses Electrostatic Precipitators (ESPs) and bag filters to control flue and process emissions, while closed conveyor belts minimise dust during material transfer. Dust suppression measures,

including water sprinkling and tyre washing, further reduce particulate matter. Continuous Emission Monitoring Systems (CEMS) track real-time SOx, NOx, and dust levels, with data displayed at all monitoring locations to ensure compliance and transparency.

### Water Management

Ambuja Cements has upheld a Water Positive status for over a decade, setting benchmarks in water conservation and efficiency. The Company's comprehensive water stewardship strategy includes large-scale rainwater harvesting, watershed development, and recycling systems, reducing its freshwater footprint and enhancing local water security. Through continuous monitoring of water withdrawal, consumption, recycling, and disposal, Ambuja has achieved a 12x water positive status in FY 2024-25. Its plants in water-stressed regions like Maratha and Rabriyawas, prioritise the use of harvested rainwater and recycled water to minimise reliance

on freshwater sources and ensure sustainable operations.

Ambuja Cements has implemented strong wastewater recycling and reuse systems to reduce its environmental impact and enhance operational efficiency. Approximately 14% of the water used in operations is recycled, with treated wastewater repurposed for dust suppression, landscaping, and gardening. The Company has achieved zero wastewater discharge beyond its premises, reflecting its commitment to sustainable resource management. Advanced recycling systems and efficient water use practices have helped the Company maintain industry-leading water efficiency standards.

Ambuja Cements actively promotes rainwater harvesting by collaborating with governments and communities on projects such as groundwater recharge, check dams, and village pond restoration. The Company also uses closed mine pits for rainwater collection and has introduced zero-water curing



solutions at multiple sites, further contributing to water conservation. Ambuja's clear, measurable water management goals are aligned with its Sustainable Development Plan for 2030, ensuring continued progress toward improving water intensity and enhancing environmental stewardship.

## Waste Management and Circular Economy

Ambuja Cements is dedicated to sustainable resource consumption, waste reduction, and promoting a circular economy. The Company follows industry-best practices and exceeds regulatory requirements to minimise environmental impact. Waste minimisation and recycling are central to Ambuja's sustainability strategy, with a significant portion of waste-derived resources, such as fly-ash, gypsum, and slag, used in cement production. Regular waste audits help identify improvements, and the Company actively trains employees on responsible waste management. Ambuja ensures zero hazardous waste is sent to landfills, reinforcing its commitment to environmental stewardship.

Ambuja effectively manages various waste types, including plastic, e-waste, bio-medical, construction, and hazardous waste. Plastic waste and used oil are co-processed in cement kilns, while e-waste is disposed of through authorised recyclers. Scrap is sold to certified vendors for recycling and mining overburden is repurposed for backfilling. In FY 2024-25, Ambuja utilised 8.1 million tonnes of waste-derived resources, reducing the need for mined materials and advancing its sustainability goals.



## Biodiversity Management

Biodiversity management is central to Ambuja Cements' sustainability strategy, recognising the role of healthy ecosystems in mitigating natural disasters and supporting ecological balance. The Company's biodiversity policy addresses operational impacts by identifying and evaluating risks across project sites and applying a mitigation hierarchy of avoid, minimise, restore, and offset. The policy covers all operations and value chain partners, aiming for No Net Deforestation and No Net Loss of biodiversity, with the long-term goal of achieving a Net Positive Gain by 2050.

## Biodiversity Risk Assessment

Ambuja Cements conducted a comprehensive Nature Risk Assessment using the TNFD Learn, Evaluate, Assess, Prepare (LEAP) approach to identify and evaluate nature-related risks and dependencies. Key ecosystem services like water regulation and flood protection are vital for business

operations, while mining activities impact land use and biodiversity. The study mapped operations within a 10 km radius, categorising sites as high, medium, or low risk based on their impact and dependency. Nalagarh, Sankrail, and Ropar were identified as medium-risk sites, guiding targeted mitigation measures.

## Biodiversity Action Plan

To mitigate identified risks, Ambuja Cements developed a Biodiversity Action Plan (BAP) aligned with the IUCN Mitigation Hierarchy. Site-specific measures include greenbelt development, wildlife monitoring, rainwater harvesting, and mangrove restoration. The Company complies with Indian environmental laws, including the Forest (Conservation) Act, 1980, and the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) Act, 2016, ensuring afforestation and site rehabilitation under the Mine Closure Plan. Additional initiatives include community collaboration, tree

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plantation targets, enhanced habitat restoration, responsible waste disposal, and reduced environmental impact from mining operations. Training programmes also raise awareness among employees and local communities.



### Responsible Mining

Ambuja Cements follows responsible mining practices focused on environmental protection and biodiversity conservation. Limestone is sourced from captive government-leased mines near integrated plants, avoiding the need for resettlement and rehabilitation (R&R).

At the Ambujanagar site in Gujarat, an eco-friendly, blast-free surface mining technique is used to reduce noise and dust pollution. At other sites, controlled blasting with high-precision electronic detonators is implemented to minimise environmental impact and enhance safety. Advanced mining technologies help optimise mineral use and reduce emissions, including dust suppression during drilling and maintaining haul roads. Covered conveyor belts are used to securely transport mined materials, reducing spillage and dust generation.

Ambuja Cements also maintains strict health and safety protocols across all sites to protect workers and minimise operational

risks. Regular environmental monitoring ensures compliance with regulations and operational efficiency. The Company focuses on rehabilitating mined areas through afforestation and land restoration initiatives, contributing to ecosystem recovery. These measures reflect Ambuja Cements' commitment

to sustainable mining and environmental responsibility.

### Regulatory Compliance

Ambuja Cements ensures compliance with environmental regulations, which provides real-time monitoring of legal and regulatory



obligations. Key regulations include the Environmental Clearances and EIA Notification (2006), Water and Air Pollution Acts, Noise Pollution Rules, and Hazardous, Solid, and Plastic Waste Management Rules. Compliance with biomedical, e-waste and construction waste management rules is also maintained, reinforcing Ambuja Cements' commitment to sustainable operations.

### Sales Volume

In FY 2024-25, Ambuja Cements experienced substantial growth increasing Cement and Clinker (CLC) sales by 10.1% to 65.2 million tonnes. The retail segment, particularly Individual Home Builders and ground-plus-three-storey (G+3) buildings, remains the Company's largest customer base, driving both volume and profitability. This growth is expected to continue, driven by the increasing trends of urbanisation and rural empowerment.

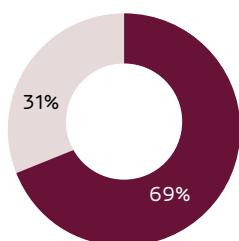
## Market Development

To better meet customer needs, Ambuja Cements' sales and marketing teams actively engage with clients to stay attuned to their changing preferences. This approach helps optimise capacity utilisation and enhance supply chain efficiency. As part of its sustainability strategy, the Company has reduced the share of Ordinary Portland Cement (OPC) in its portfolio. Additionally, Ambuja focuses on strengthening its channel partner network by appointing new partners and increasing wallet share per counter, ensuring growth in key markets and maintaining strong ties with retail customers.

## Strong Distribution Network

Ambuja Cements has a strong pan-India channel partner network comprising approximately ~12,000 dealers and ~38,000 retailers/sub-dealers. This extensive network plays a key role in meeting the growing demand for quality cement and building materials across the country, ensuring sustained supply at competitive prices. During the reporting period, this network accounted for around 69% of cement sales in the retail segment.

## Sector-wise Revenue



Retail

Institutional

## Ambuja Cements' Key Products



### Ambuja Kawach

Water-repellent cement produces durable construction and recognised as an 'Efficient Solution' by the Solar Impulse Foundation



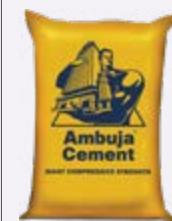
### Ambuja Plus

Special cement for stronger, denser and leak-proof concrete



### Ambuja Compocem

Slag and silicate enriched composite (green) cement with superfine quality



### Ambuja Cement

High-performing cement, helps build super strong homes using its 'Giant Compressive Strength' (Portland Pozzolana Cement)



### Ambuja Cool Walls

Stronger and thermally-insulated wall solution with heat barrier technology that keeps homes 5°C cooler



## Sustainable Products

Ambuja Cements' innovative products, such as Ambuja Plus, Ambuja Kawach, Ambuja Compocem, Ambuja Cool Walls, and Ambuja Cement, contribute to sustainable construction. Blended cement, a key focus area, helps reduce the carbon footprint by 30% compared to ordinary Portland cement, preserves natural resources like limestone, and utilises waste materials such

as fly-ash and slag. These products, aligned with the Company's sustainability goals, are featured in GRIHA's Green Product Catalogue, supporting GRIHA's vision for green building design and compliance.

**30%**

Reduction in Carbon Footprint

## Management Discussion and Analysis

### Ambuja Kawach

In 2020, Ambuja Cements introduced 'Ambuja Kawach', a premium cement with water-repellent properties. As the highest-priced product in the Company's portfolio, it has achieved impressive monthly sales of over 97,000 MT during the reporting period. To promote Ambuja Kawach, the Company utilises a combination of outdoor and in-shop branding, in-person promotions by its Technical Services teams, and digital channels such as its website and online advertising. Ambuja Kawach is also among the four Ambuja products to be enlisted in GRIHA's Green Product Catalogue. Additionally, last year, Ambuja Cements' blended cement products have earned certifications from the Confederation of Indian Industry (CII) - GreenPro and Solar Impulse Foundation that further emphasised their sustainable credentials.

### Customer Engagement and Relationship

Every Indian takes great pride in owning a home, and it is a lifelong dream for many to build a strong and lasting one. Individual home builders often invest a significant portion of their savings to make this dream a reality. Ambuja Cements is committed to playing a vital role in this journey, offering support in sourcing high-quality materials, recommending the right construction methods, and connecting builders with skilled and experienced contractors.

### Ambuja Certified Technology (ACT)

The Company's Ambuja Certified Technology (ACT) initiative takes



an integrated approach, connecting dealers, influencers, and individual home builders (IHBs) with specialised products and services, creating value for all stakeholders. Targeted at IHBs and small project builders (SPBs), ACT offers a comprehensive package of men, materials, and methods, enhancing brand recall and driving customer recommendations. The initiative not only helps acquire and retain customers but also promotes the use of premium products. By providing technical guidance, connecting customers with trained contractors, and ensuring the use of best construction practices, ACT strives to build strong, durable homes. With a proactive engagement strategy built on the IEAR (Identify, Enroll, Acquire, Retain) approach, Ambuja has established stronger customer relationships, expanded its reach, and generated additional volume. This initiative was implemented at over 91,660 customer sites.

### Instant Concrete Mix Proportioning Solution

Ambuja Cements offers an instant concrete mix proportioning solution

that optimises the use of aggregates, sand and water based on their properties. In the current year, the solution was provided to 40,440 construction sites, resulting in the conservation of approximately 50.55 million litres of water.

### Modular Curing Solution

To enhance the efficiency of concrete curing methods, Ambuja Cements developed revolutionary modular curing solutions, also known as zero-water curing solutions. This innovation significantly reduces water usage. In the reporting period, the modular curing solution was successfully implemented at 2,377 construction sites, leading to a remarkable conservation of 42.78 million litres of water.

### Rainwater Harvesting Guidance and Solutions

Ambuja Cements continues to raise awareness of rainwater harvesting solutions, offering technical expertise to implement harvesting structures at customer sites. This initiative empowers customers to meet their water needs independently while contributing to sustainable water management.

## Influencer Engagement and Relationship

### Ambuja Knowledge Sharing Initiative

Ambuja Cements has established the Ambuja Knowledge sharing e platform for the Architect and Engineer community. This platform enables and educates professionals on sustainable construction practices, advanced materials, and innovative techniques. Through a range of in-person and virtual activities, the platform actively promotes education and awareness, reaching over 24,460 professionals across the country.

### Executive Excellence Programmes for Construction Professionals

The engineering and architectural community plays a vital role in shaping the nation's infrastructure. To honour their contributions, the Company, in collaboration with IIT Kanpur introduced the Executive Excellence Programme (EEP). This four-day residential certification course, designed by IIT professors, enhances technical expertise with a focus on advanced industry topics.

### National Engineers' Day Celebrations

To honour Bharat Ratna Dr. Mokshagundam Visvesvaraya, National Engineers' Day is celebrated annually by India's construction community. For Engineers' Day 2024, Ambuja Cements launched a 30-day campaign in September, engaging with over 40 national and local professional bodies across India. The campaign hosted more than 200 technical events,

reaching over 16,500 construction professionals and B2B customers. Exhibitions showcased Ambuja's full range of products, including Cement, RMX and allied materials.

Ambuja's team also personally interacted with over 12,000 professionals, offering technical quizzes and video greetings from industry experts.

### RewardConnect App for Influencer Loyalty Programme

Ambuja Cements' contractor loyalty programme, Ambuja Abhimaan, has transitioned to the enhanced and integrated RewardConnect platform. This programme is designed to strengthen and deepen relationships with contractors by promoting Ambuja Certified Technology (ACT), empowering them to build lasting homes. The loyalty programme goes beyond cement, introducing innovative ideas to support and uplift contractors. Currently, close to 3 lakhs contractors are enrolled, benefitting from its rewards and recognition.

In recognition of its outstanding impact, the programme was awarded the 'Most Innovative Loyalty Programme of the Year' at the prestigious Customer Fest Leadership Awards Show last year. This accolade highlights Ambuja Cements' exceptional commitment to fostering strong, long-term relationships with its contractor partners.

# 94,515

New Contractors Who Enrolled in Ambuja Influencer Loyalty Programme

### Family Mediclaim Benefit

To promote quality healthcare, contractors and their spouses in the Gold and Platinum categories of the Ambuja Abhimaan programme receive coverage under three types of insurance: 'Accidental', 'Accidental Mediclaim', and 'Mediclaim'. The Company distributed 'Digital Mediclaim Health Insurance Cards' to eligible contractors via an online e-card bank.

### Contractor Training Programme

Ambuja Cements offers in-house applicator training programmes to enhance the skills of contractors and promote sustainable construction practices. Annually, the Company trains over 17,458 masons and contractors, covering a wide range of topics, including project management, waterproofing, steel estimation and detailing, earthquake-resistant structures, estimation and costing, rainwater harvesting, and advanced wall solutions.

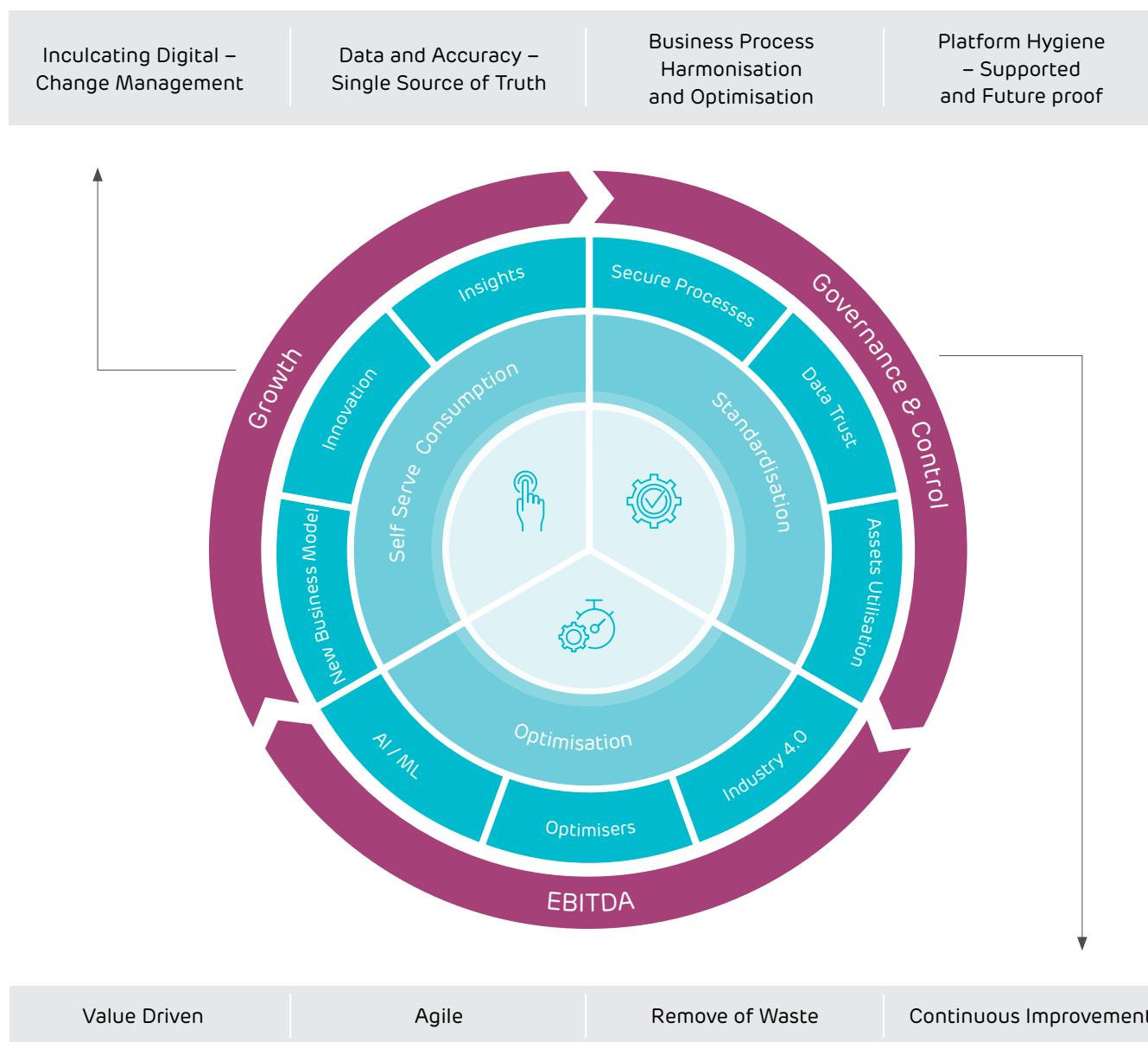
### Channel Partner and Contractor Meets

Ambuja Cements places a strong emphasis on customer-centricity in today's rapidly evolving business landscape. During contractor meetings, the Company strengthens its relationship with key influencers, using standardised creative templates to acknowledge and appreciate the significant contributions of contractors. In addition, Ambuja Cements organises impactful below-the-line initiatives during nationwide channel partner meets, further reinforcing its relationships with channel partners.

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### Digitalisation and Innovation

Ambuja Cements recognises digitalisation as a key driver of sustainable growth. In recent years, the Company has integrated digital technologies across various core business functions, including sales, logistics, materials management, manufacturing, and technology operations. With a clear digital transformation strategy in place, Ambuja Cements focuses on streamlining processes and optimising resource utilisation, ensuring both business efficiency and regulatory compliance while fostering long-term sustainable growth.



## Ambuja Cements' Marquee Digital Initiatives

### Cyber security Enhancements

To strengthen the confidentiality, integrity and availability of its digital landscape, the Company has implemented IT-OT network segregation at its manufacturing locations. This ensures secure data transitions and communication between its Information Technology (IT) and Operational Technology (OT) systems. Additionally, it has deployed an advanced OT observability solution for real-time visibility and threat detection, significantly enhancing cyber security posture and the reliability of industrial operations.



rules, OET and  
Packing Plant Optimiser.

1,37,933 rewards worth 41.92 crore points, three times the previous redemption record.

### Digital Transformation in Sales

Ambuja Cements has redefined its sales operations by re-platforming legacy applications and introducing unified solutions like OneConnect and Adani Cement Connect. These platforms have enhanced efficiency and the user experience for TSOs, ASMs, and dealers. The initiative boasts AI-driven visit planning and real-time account updates, underscoring our commitment to technological innovation and operational excellence. Additionally, the Company launched the Rewards Hub platform to drive customer engagement and boost sales, offering a range of features that enhance loyalty programmes. This platform has shown remarkable ROI through repeat purchases and influencer retention, with 30% of trade sales registered on the app. Over 79,236 contractors have redeemed rewards totalling

### Digitalisation in Projects

The Company has introduced a comprehensive Power BI dashboard for project monitoring and reporting, centralising key data like financial status, progress, and site information. The dashboard offers drill-down views for finance, daily and monthly construction reports, safety metrics, and site photos, allowing for real-time access and informed decision-making. This proactive management ensures any issues are addressed promptly.

### Migration to SAP HANA

In a remarkable feat, Adani Group's Cement Business successfully migrated from legacy SAP to SAP Suite on HANA, completing Asia's largest upgrade in just six weeks. The migration included robust data recovery systems, a transition to the Azure data

### Merger & Acquisition Integration

This year, Ambuja Cements has successfully integrated Orient Cement, Penna Cement and Tuticorin GU into its operations, adding 24 MTPA of additional capacity including Orient's under-construction projects. The integration involved significant upgrades such as user migration, network enhancements, SAP migration, and cybersecurity improvements. It has also implemented SD-WAN across all sites, ensuring zero downtime and smooth business operations. Furthermore, the Company completed the rollout of in-plant automation technologies, including Plant Vehicle Tracking & Weighbridge Automation, mobile-based vehicle indenting, and intelligent DO allocation using reverse auctions, business

## Management Discussion and Analysis



centre, and the implementation of a Business Continuity Plan, solidifying its leadership and commitment to innovation.

### Financial Management Transformation

Ambuja Cements successfully implemented the New General Ledger (GL) system, modernising financial operations. This upgrade has streamlined the month-end closing process, improved reporting accuracy, and laid the foundation for future advancements like SAP S/4HANA. The New GL supports parallel accounting, document splitting, and real-time financial reporting, ensuring efficient and compliant financial infrastructure.

### Strengthening Network Infrastructure

The Company has modernised its network infrastructure with SD-WAN technology, reducing deployment times by 50%. Over 130 sites are now live with SD-WAN, improving operational efficiency and security. Additionally, its Wi-Fi Modernisation Project has expanded coverage across 41 sites, installing

242 new Wi-Fi Access Points to enhance communication and efficiency, preparing the Company for future growth.

### Enhancing Procurement Efficiency with eNFA Portal

Ambuja Cements has revolutionised procurement through the launch of

the eNFA portal, which centralises all Note for Approval (NFA) processes, streamlining approvals and boosting efficiency. The portal's tracking, traceability, and document retrieval features have driven adoption across the organisation. Future expansions will further enhance procurement operations and support its digital transformation journey.

### Improving Invoicing with ePOD

The implementation of the Electronic Proof of Delivery (ePOD) system has streamlined invoicing by ensuring accuracy and efficiency. With secure logins, a user-friendly interface, and real-time updates, transporters can now generate and submit invoices seamlessly. This system has reduced invoice processing time by 30% and cut document management costs by 40%, improving overall customer satisfaction.

### Consolidated Business Performance

Particulars*	FY 2024-25	FY 2023-24
CLC Sales Volume (million tonnes)	65.2	59.2
Revenue from Operations* (₹ crore)	35,045	33,160
Operating EBITDA (₹ crore)	5,971	6,400
Operating EBITDA Margin (%)	17.0	19.3

\*Includes sales of RMX

### Significant Improvements in Key Financial Ratios (Standalone)

Particulars	FY 2024-25	FY 2023-24
Operating EBITDA Margin (%)	15.2	18.8
Net Profit Margin (%)	19.3	13.0
Return on Net Worth (%)	7.6	8.4
Net Worth (₹ crore)	48,605	37,007
Net Debt Equity Ratio	-	-
Debtors Turnover (Times)	27.2	27.6
Inventory Turnover (Times)	6.5	5.4
Debt Service Coverage Ratio (Times)	11.9	8.9

## Costs

Throughout the year, the Company implemented several cost management strategies to drive efficiency and optimise spending:

### Cost of Materials Consumed

To reduce future costs, the Company established long-term agreements for key raw materials. Additionally, it increased the use of fly-ash sourced from Group companies across its manufacturing units, contributing to cost efficiency.



### Power and Fuel

With coal prices softening, the Company saw a reduction in power and fuel costs. Ambuja Cements is further optimising its energy sources and mixes to drive additional cost reductions. By expanding the capacity of its waste heat recovery system, the Company increased its waste heat recovery power mix by 3.9 percentage points to 16% (Consolidated). Additionally, kiln fuel costs were lowered from ₹1.9 to ₹1.66 per thousand kilocalories (Consolidated). Ambuja Cements is also maximising the use of captive and alternative fuels and continues to invest in renewable energy sources, with a focus on co-processing alternative fuels and raw materials.

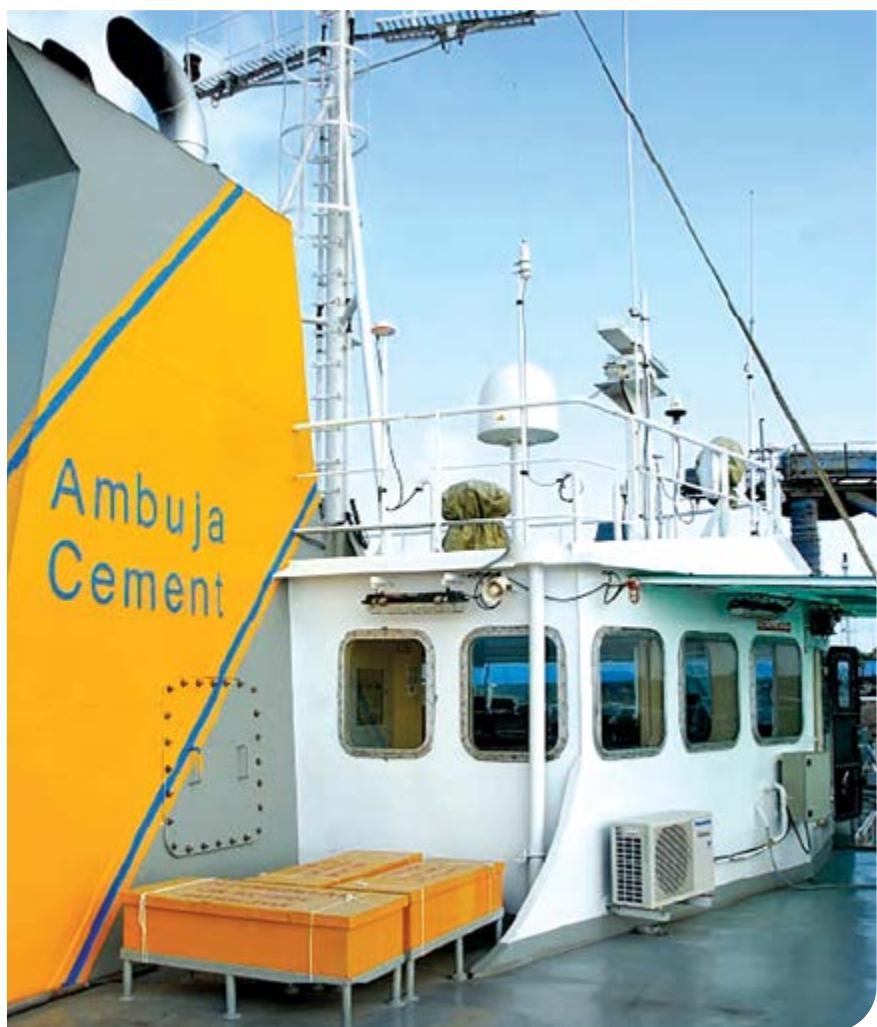
### Freight and Forwarding Expenses

Ambuja Cements implemented several initiatives to optimise logistics and reduce freight and forwarding costs. As a result, the Company achieved a 5.9% reduction in freight costs per tonne. Key measures included improving efficiency, optimising direct dispatches, reducing warehouse footprints, negotiating better cost and freight rates, minimising lead distances, and increasing reliance on sea and rail logistics. The Company also boosted volumes under its

Master Supply Agreements (MSAs). Ambuja Cements is focused on further integrating its supply chain through technology and network optimisation tools to enhance commercial and operational performance, reinforcing its competitive edge.

**₹ 530/tonne**

Cost Reduction Target  
by FY 2027-28



## Management Discussion and Analysis



### Master Supply Agreement (MSA)

Ambuja Cements has established Master Supply Agreements (MSAs) with its subsidiary, ACC Limited (ACC), Sanghi Industries Limited (SIL), Asian Fine Cement Private Limited, and the recently acquired Penna Cement Industries Limited. Additionally, an MSA exists with Adani Cement Industries Limited (ACIL), another Group cement company. During the reporting period, the Company sold 24.3 million tonnes of Cement and Clinker (CLC) under these agreements.

The MSA has provided numerous advantages, such as realising synergies and economies of scale, improving operational and logistics cost efficiency, and enhancing sustainability by optimising fuel and resource use, while minimising the consumption of natural resources. Looking ahead, Ambuja Cements is committed to expanding and further leveraging the MSA to drive increased revenues and profitability.

### Capacity Expansion

Ambuja Cements continues to strengthen its position as one of India's leading cement manufacturers with a strategic focus on expanding its market share. The Company had a cement capacity of 88.9 MTPA during the reporting period. The successful completion of acquisition of Orient Cement during April 2025 has subsequently added 8.5 MTPA cement capacity. This along with the operationalisation of 2.4 MTPA capacity expansion at Farakka as well as 0.5 MTPA capacity addition through de-bottlenecking at various plants has taken the Company's total capacity to 100.3 MTPA.

To support India's growth, Ambuja Cements is also pursuing a major capacity expansion initiative of 19 MTPA across various regions, setting a clear roadmap to achieve 118 MTPA by FY 2025-26.

In line with this growth, securing coal and limestone resources is critical. The Company has won bids

for coal mines in Dahegaon-Gowari and the existing Gare Palma coal block, which supply 40% of Ambuja Cements' coal needs. Additionally, Ambuja has secured six new limestone mines with a total resource estimate of 976 million tonnes, complementing the 1 billion tonnes from Sanghi.

Ambuja Cements is also intensifying its commitment to sustainability by increasing its use of alternative fuels and green power. With an investment of over ₹10,000 crore in green power projects, the Company aims to meet 60% of its expanded capacity's power needs through 1 GW of solar and wind energy, along with 376 MW of Waste Heat Recovery Systems (WHRS) by FY 2027-28, bringing significant economic and environmental benefits.



## Branding

Throughout the financial year, Ambuja Cements implemented several initiatives to enhance its brand presence across India.

It included being continuously present on-air throughout the year on impact properties, actively engaging with audience via social media and being present on-ground capturing the regional nuances to stay relevant in the customer's mind. Ambuja Cements has consistently embraced innovative digital marketing strategies to enhance

its brand presence and engage with audiences in impactful ways. The Company's digital efforts have not only amplified visibility but also delivered measurable results, reflecting the trust and loyalty that customers place in the brand.

Ambuja Cements has also leveraged Generative AI (Gen AI) for content making for key topical events of the year signifying Ambuja Cements position as a Digital-first brand, further strengthening its connection with the audience.

To deepen the Company's relationship with core stakeholders i.e. Contractors, Ambuja Cements introduced the #GiantsTogether series. This inspiring content series celebrates the remarkable journeys of its contractor community, sharing stories of their hard work, challenges and triumphs.

## Management Discussion and Analysis

Iconic Brands of 2024	Sustained On-Air Presence	Ambuja Help – Your Digital Companion for Home Builders	Sports Sponsorship
<p>For the third consecutive year, Ambuja Cements was recognised as one of India's Iconic Brands of 2024 by The Economic Times. This prestigious recognition highlights the brand's commitment to quality, innovation, and customer satisfaction, further solidifying its leadership in the cement industry. It also underscores the significant role Ambuja Cements continues to play in nation-building.</p>	<p>Ambuja Cements further strengthened its brand visibility by associating during prominent events such as IPL 2024 and the T20 World Cup 2024, ensuring widespread brand saliency. Additionally, the Company collaborated with 'Pushpa 2', leveraging in-movie integration to capitalise on the film's popularity and cultural impact.</p>	<p>Understanding the challenges faced by individuals building their dream homes, Ambuja Cements launched <a href="http://www.ambujahelp.in">www.ambujahelp.in</a> — a comprehensive digital platform designed to assist home builders at every stage of their construction journey. The platform features an intuitive Home Building Guide, offering expert insights, tips, and a step-by-step approach to the building process, making it easier for individuals, regardless of their experience, to navigate the complexities of home construction.</p> <p>The Cost Calculator tool within 'Ambuja Help' simplifies budgeting by providing cost and material estimates based on project specifications, eliminating guesswork. Additionally, the Dealer Locator tool helps users easily find authorised Ambuja Cements dealers in their area, ensuring a smooth construction experience.</p>	<p>In an effort to expand its brand presence, Ambuja Cements proudly served as the title sponsor for the Gujarat Giants, demonstrating its strong commitment to supporting major sporting events. The Company collaborated with Women's Premier League (WPL), driving significant brand engagement, Ambuja Cements partnered with the Adani Ahmedabad Marathon 2024 as the 'Powered By' sponsor. The brand was prominently featured across the venue during both the Bib Expo days and Marathon Day, further strengthening its connection with the community and promoting a healthy and active lifestyle.</p>

## Logistics

Ambuja Cements is actively reducing logistics costs, a key component of its overall expenses, through various initiatives. The Company optimises its transportation mix, using 11 GPWIS rakes for clinker movement and 26 BCFC rakes for fly-ash transportation. These efforts are supported by route planning, renegotiation of commercial

terms, and the integration of GPS technology.

With warehouse footprint and network optimisation, Ambuja is effectively reducing its secondary lead along with strong focus on Go Direct. Additionally, the Company is pioneering marine logistics, and the implementation of the Electronic

Proof of Delivery (ePOD) system has improved invoicing accuracy and customer satisfaction.

Ambuja Cements is working aggressively on digitisation of its supply chain, with initiatives on dynamic demand & supply forecasting/allocation, along with an AI-based decision-making tool.

### The Company has introduced various initiatives to optimise its logistics:

Initiative	Purpose
Go Direct	Optimise supply chain
Agile and Automate Logistics Infrastructure	Boost dispatch capacity
Commercial Excellence	Improve cost-effectiveness and profitability
Push Towards Low-Cost Green Energy	Enhance sustainability and economic efficiency
Real-time Demand and Supply Optimisation	Improve order processing
Digital Transformation	Improve overall operational excellence
Coastal Logistic Infrastructure	Boost marine logistics and optimise costs

### Discussions on Financial Performance vis-à-vis Operational Performance

For details on financial performance vis-à-vis operational performance, please refer to page 75.



## Management Discussion and Analysis



### Internal Control Systems and their Adequacy

The Company has established robust internal control systems and best-in-class commensurate to its size and operational scale. These comprise:

- Well-formulated policies and procedures that facilitate effective business operations with governance across all major activities.
- Well-defined delegation of power with authority limits for approving

revenues and capex expenditures at the level of organisational hierarchy to enable ease of decision-making in day-to-day affairs and realising long-term and short-term business goals

- The Company effectively exerts financial control through the annual budgeting process and monitors it through monthly reviews of all operating and service functions

- A state-of-the-art ERP system to record data for accounting, consolidation and management and connect different locations for efficient exchange of information
- A well-established online compliance management system that provides comprehensive compliance with all laws applicable to the business and updates the same at each

- operating unit through the management dashboard
- Well-established multidisciplinary management audit and assurance services delivered via qualified accountants, engineers and SAP-experienced executives who carry out extensive audits throughout the year across all functional areas and submit reports to the management and Audit Committee about the compliance with internal controls and efficiency and effectiveness of operations and critical process risks
- An AI-based potential duplicate invoice detection system was implemented by Management Audit & Assurance Services during the year, thereby allowing review of the entire population of vendor invoices, instead of reviewing selected samples, with Internal Audit in collaboration with the Digital Team has rolled out several dashboards of critical audit exceptions which are of a recurring nature. This helps in identifying audit exceptions in real time basis
- A risk-based annual internal audit plan whose scope is reviewed and approved by the Audit Committee of the Board of Directors

- The Company conducts audits based on stringent standards to review the design effectiveness of internal control systems and procedures to manage risks, ensure monitoring control, comply with relevant policies and procedures, and recommend improvement measures
- The Audit Committee of the Board of Directors regularly reviews the execution of the audit plan and the adequacy and effectiveness of internal audit systems. It monitors the implementation of internal audit recommendations, including those relating to strengthening risk management policies and systems

In terms of governance, the Company has deployed independent committees for monitoring the effectiveness of internal controls.

### **A. Risk Management Committee**

The Company's risk management framework outlines a process for identifying, assessing, monitoring, reporting, and mitigating various risks across levels at periodic intervals. Under the framework, the Company has constituted a risk management committee to monitor, report, and continuously

reduce multiple risks. The outcome of this process is reported to the Audit Committee and the Board of Directors quarterly.

### **B. Information Technology & Data Security Committee**

Information technology and data security governance are integral to an overarching office-wide governance structure. The Company has a mature IT governance process wherein the governance committee periodically reviews, recommends, and monitors its IT priorities, projects, and significant IT investments besides the effectiveness of control established for data security.

### **C. Legal, Regulatory and Tax Committee**

The Company established this committee to exercise oversight concerning its compliance programme's structure, operation, and efficacy and to review compliance with applicable laws and regulations.

## Management Discussion and Analysis

### Corporate Social Responsibility (CSR)

The Company addresses community needs and initiates outreach programmes through its CSR arm, the Ambuja Foundation. Since its inception, the Company has remained deeply committed to making strategic social investments aimed at achieving sustainable outcomes. The Company strives to contribute to the dignity and well-being of the communities surrounding its manufacturing sites. Over time, the CSR programmes have evolved and scaled up, with the Foundation collaborating with various partners. The approach to identifying community needs has matured, now involving not only local communities but also other key stakeholders in the region. As a result, there has been a noticeable

increase in the scale of work and the sustainable impacts across various domains. The focus areas of the CSR initiatives include water conservation, agriculture and livelihood skills, community health, education with sports promotion, women empowerment, and infrastructure development.

#### Community Health

Ambuja promotes a healthy neighbourhood around its plants through comprehensive community health initiatives. Trained 'Sakhis' (community health volunteers) play a vital role in projects focused on Maternal and Child Health, nutrition, sanitation, personal hygiene, and both communicable and non-communicable diseases (NCDs). Further our secondary care hospital catering to community in their healthcare needs.

**22,300**

Individuals Benefitted from Curative Health Services

**1,29,270**

Truckers and Allied Workers received Health Services

**33,500**

Individuals Screened under NCDs

**27,104**

Individuals Screened through Specialty Health Camps



## Quality Education

Ambuja has embraced a holistic development approach through its Quality Education programme, which includes sports promotion, STEM education, library setups for reading, and WASH (Water, Sanitation, and Hygiene) initiatives. This year, the programme introduced financial literacy sessions for students in 8 schools. Looking ahead, the programme plans to scale its efforts to drive even greater impact.

Additionally, Ambuja Manovikas Kendra, its school for special-needs children in Ropar, Punjab, proudly won the 'Overall Championship Trophy' for the 6<sup>th</sup> consecutive year at the North Zone cultural competition for Intellectually Challenged Children.

# 10,000

Students Impacted via Physical Education Programmes in 124 schools

# 4,282

Students Participated in Reading Competitions

# 1,244

Awareness Sessions on WASH Conducted in Schools

## Agro-based Livelihoods

During the year, Ambuja's CSR initiatives positively impacted over 2.53 lakh farmers, promoting sustainable and improved agricultural practices that boosted their earnings. The focus was on natural farming and enhancing climate resilience in agriculture.

The 16 Farmer Producer Organisations (FPOs) played a key role in strengthening market linkages for both input supply and effective marketing of produce. Additionally, the emphasis on allied agriculture encouraged farmers to explore supplementary income sources like animal husbandry, and poultry.

# 2.53 lakhs

Farmers Reached through Integrated Crop Management

# 16

FPOs Supporting Farmers

# 18,700

Farmers Assisted with Allied Agriculture Inputs

## Skill and Entrepreneurship

Ambuja continued to make impactful strides in skill development through its 15 Skill and Entrepreneurship Development Institutes (SEDI), reaching over 7,770 trainees across diverse trades. With an average placement rate of 76% in wage employment, SEDI also emphasised entrepreneurship development, providing trainees with the necessary support to set up and grow their businesses. A standout achievement this year was the launch of future skill courses at the Darlaghat and Nalagarh SEDI, ensuring that the training programmes remain relevant to the evolving job market.

# 7,770

Beneficiaries Trained through 15 Skill and Entrepreneurship Development Institutes (SEDI)

# 76%

Placement Rate in Wage Employment for Trainees



## Management Discussion and Analysis

### Women Empowerment

Women have remained central to Ambuja Cements' village development initiatives, with their involvement being further bolstered by the formation and empowerment of Self-Help Groups (SHGs). This year, 210 new SHGs were established, bringing the total to over 3,258 functioning SHGs. A major focus was placed on empowering women through enterprise promotion, with 7,456 women engaged in income-generating activities.

Recognising their potential, Ambuja aims to offer even greater support to women in the future. Additionally, Ambuja continues to support Virasat, a women's federation in Bathinda, to strengthen governance and management.

These initiatives, combined with essential infrastructure support, have enhanced the quality of life for the communities surrounding Ambuja plants. By fostering well-being and livelihood opportunities, Ambuja's efforts align with the UN Sustainable Development Goals (SDGs). Looking ahead, the Company plans to strengthen and expand these initiatives, further replicating successful development models for broader impact.

**210**

New SHGs Formed,  
Total Reaching over 3,258 SHGs

**7,456**

Women Generated Income  
through Enterprise Promotion



### Water Resource Management

Water Resource Management remains a top priority for Ambuja Cements, especially given the critical water scarcity faced by core communities. The Company's comprehensive Water Resource Management programme addresses specific local challenges while raising awareness and building capacity. During the year under review, a month-long campaign, aligned with the government's 'Swachhata Hi Seva' initiative, focused on various aspects of water management. Providing core communities with access to clean drinking water has positively impacted overall health. Significant efforts in rainwater harvesting have supported agriculture and livelihoods, while promoting micro irrigation at scale contributes to climate action.

Ambuja Cements' collaborations with the government and other organisations have expanded the programme's reach, particularly benefiting marginalised farmers. Ambuja Cements' CSR commitment to water awareness led to the Climate Resilience

event in the Vidarbha region held in Nagpur in June, where corporate, CSR, government, NGO representatives, and water experts discussed large-scale collaboration opportunities for public-private partnerships.

**363**

Awareness Camps on  
Water Management

**49**

Check Dams Constructed

**462**

Roof Rainwater Harvesting  
Systems Installed

**2,869**

Hectares Brought Under  
Micro-irrigation

## Human Resources

The Company fosters a workplace culture that nurtures individual potential while aligning with organisational goals. It has established six guiding pillars (Enhancing Employee Experience, HR Technology, High Performance Culture, Agile Way of Working, Industrial Relations and Diversity and Inclusion) to create a resilient, adaptive, and inclusive environment, where every team member feels valued and empowered. Through these principles, the Company effectively combines personal growth and achievement, ensuring that each employee thrives and contributes to the Company's overall success.

### Employee Care and Wellness

The Company has implemented a variety of initiatives focused on prioritising employee well-being, including health and wellness programmes, mental health support, and benefits designed to promote a healthy work-life balance. For example, it has actively empowered employees through a range of health-oriented initiatives. Additionally, the Company introduced the Adani Security Helpline to ensure the safety and security of its employees.

### M&A Seamless Integration

This year saw significant mergers and acquisitions, with focused efforts on ensuring their smooth integration. The process involved leadership transitions, the allocation of new roles, identifying skill gaps, and providing necessary training. Cultural integration was also prioritised to ensure a smooth transition, with Leadership



Connect sessions organised to keep stakeholders well-informed.

### Performance and Productivity

To enhance employee performance and productivity, the Company has implemented various strategies and tools, including performance management systems and productivity-enhancing tools. For example, the Cement Network Operating Centre (CNOC) dashboard leverages advanced analytics to optimise strategies for maximum output. Additionally, digital initiatives like the OneConnect app provide real-time visibility into workforce activities, enabling proactive decision-making and efficient resource allocation.

### Aligning with Strategic Objectives

The Company ensures that individual goals are aligned with its overall strategic objectives, enabling every employee to contribute to Adani Group's broader mission and vision. The goal-setting process is collaborative, with both managers and employees working together to

identify key performance indicators (KPIs) crucial for the organisation's success. This approach ensures that goals are realistic, achievable, and tailored to each employee's role and capabilities, fostering a sense of ownership and commitment. Performance management at Adani Group goes beyond annual reviews by incorporating continuous feedback and development throughout the year. Managers regularly provide constructive feedback, helping employees recognise their strengths and areas for improvement.

### Performance Management System (PMS)

Ambuja Cements has implemented an effective Performance Management System (PMS) to streamline goal setting and performance evaluations. The system includes tools for tracking goals, conducting performance reviews, and providing feedback, ensuring transparency and consistency. Adani Group is dedicated to recognising and rewarding employees for their contributions and achievements. The performance management

## Management Discussion and Analysis

process highlights top performers and offers them appropriate recognition and rewards, motivating employees and reinforcing a culture of excellence. Additionally, the Company supports employees in achieving their goals through various training and development programmes, fostering continuous learning and skill enhancement.

### Digital Dexterity

The Company emphasises continuous learning and development through a range of training programmes, workshops, and initiatives. The Skill Development Centre plays a crucial role in offering high-quality skill training to rural youth. Additionally, the Company provides Digital Dexterity Certification Programmes through the Adani Institute of Digital Technology Management (AIDTM), focusing on emerging technologies like IoT, AI and cloud computing to prepare employees for the future workforce.

### Saksham

The Saksham initiative is designed to empower both employees and managers by leveraging technology to enhance self-reliance and operational efficiency. Through the implementation of Oracle Fusion, the Company streamlines processes, improves decision-making, and boosts overall productivity. Recognised for its innovative approach to digital transformation, this initiative is further supported by targeted training programmes to ensure employees are equipped to succeed.

### Global Capability Centre

The creation of the Global Capability Centre (GCC) is a strategic initiative

aimed at enhancing operational capabilities and fostering innovation. The GCC integrates decision-enabling analytics through digital tools, supporting global operations and driving efficiency and effectiveness within the organisation. This initiative is poised to deliver substantial organisational benefits, including improved productivity and a more dynamic work environment.

### Harmonious and Productive Employee Relations

The Company places significant emphasis on maintaining positive and productive relationships between employees and management. Initiatives like the 'Career Conversations' programme provide employees the opportunity to engage directly with leadership to discuss topics such as career growth, role clarity, and rewards. Additionally, workshops and training sessions are organised to improve communication, collaboration and overall workplace harmony.

### Industrial Relations

At Ambuja Cements, strong employee-management relationships are built on open communication, mutual respect, and collaboration. Regular feedback sessions, team-building activities, and transparent decision-making create a supportive and trusting environment. These initiatives contribute to an engaged workforce, fostering a positive workplace culture that drives both collective success and organisational growth.

### Diversity, Equity, and Inclusion

Ambuja Cements is deeply committed to promoting diversity,

equity, and inclusion (DEI) as essential elements of innovation, productivity, and sustainable growth. The Company ensures equality and respect for all employees by promoting pay parity, skill balance, and diverse representation.

Aligned with its DEI policy, Ambuja Cements upholds these values in human resource management and partnerships, maintaining a zero-tolerance approach to discrimination and harassment. Regular trainings, along with the Prevention of Sexual Harassment (POSH) policy, reinforce this commitment. The Company adopts a gender-neutral remuneration policy, focusing on skills and experience.

### Learning and Development

Ambuja Cements is dedicated to enhancing the skills and capabilities of its workforce, ensuring both performance and professional growth. The Company's comprehensive talent development programme leverages a digital ecosystem, offering seamless learning experiences through dedicated modules, virtual masterclasses, and tailored web sessions on functional and leadership topics.

The Company follows the 70:20:10 learning model, with 70% of learning from on-the-job experience, 20% from mentorship, and 10% through structured programmes. Embracing digital transformation, Ambuja Cements integrates AI, data analytics, and SAP upgrades to optimise operations. AI-driven tools like drones and MS Co-pilot enhance decision-making and improve workforce efficiency.



## Health and Safety

Ambuja Cements is committed to achieving 'zero harm' through its comprehensive Occupational Health and Safety (OHS) management system, ensuring a safe and healthy work environment across all operations. This commitment is supported by clear policies, strong leadership, and advanced safety systems, alongside continuous monitoring and extensive training. OHS governance is guided by active safety committees, aligned with the Company's policies.

Certified by ISO 45001, the Company integrates OHS principles into procurement and contracts to

ensure supplier compliance and conducts regular safety audits. The 'We Care' initiative honours 'Safety Heroes,' with 256 employees recognised for their contributions to promoting safety, reinforcing the zero-harm culture.

Through the #SafetyCulture initiative, Ambuja organised campaigns such as 'Unchaai Kendra', Saksham training, Life Saving Safety Rules, and leadership commandments. Additionally, the 'Urja' (electrical safety) and 'Unchaai' (height safety) campaigns, grounded in the '5E' and '5C' models, respectively, played a significant role

in raising awareness and conducting gap assessments with robust implementation plans. Certified by ISO 45001, the Company integrates OHS principles into procurement and contracts to ensure supplier compliance and conducts regular safety audits.

The Company also rolled out safety governance and audit programmes to ensure desired design and operational conditions, with regular assessments of dynamic risks supporting ongoing efforts. Ambuja Cements strives to improve working conditions and ensure the safety of its people every day.

## Management Discussion and Analysis

### Strengthening Safety Excellence with STRAP

#### A Strategic Action Plan Anchored in the 5C Principles

In 2024, ACC made significant strides in institutionalising safety excellence across our operations with the launch of STRAP — Strategic Action Plan for Safety. Anchored in the 5C Framework, STRAP is a comprehensive initiative that incorporates Commitment, Capability Building, Conformance, Culture, and Communication. This strategic plan is designed to create a seamless, end-to-end safety ecosystem, extending from driver to drone, where every facet of our operations is governed by shared responsibility, proactive action, and continuous improvement.

#### 1. Commitment: Leading by Example

At the heart of STRAP lies leadership commitment. Safety is not simply a corporate requirement but a core value that is demonstrated from the highest levels of the organisation. Senior executives integrate safety into their Key Performance Indicators (KPIs), ensuring that leadership is fully accountable for the safety outcomes in their respective areas.

**Visible Leadership:** Regular safety walkdowns, site visits, and safety briefings ensure senior leaders are actively engaged and demonstrate safety leadership on the ground.

**Top-Down Ownership:** Every level of leadership, from plant managers

to board members, is responsible for driving safety culture and performance.

By fostering a leadership culture that prioritises safety in every decision and action, we reinforce our commitment to Zero Harm.

#### 2. Capability Building: Investing in People

STRAP places a strong emphasis on building capability at every level of the organisation. To ensure that our teams are not only compliant but also competent and confident in their ability to manage risks, we have developed targeted training and development programmes.

**Tailored Training:** In 2024, we rolled out specialised programmes in critical areas like confined space entry, energy isolation, and working at heights.

**Modern Learning Tools:** From audio-visual modules to virtual reality (VR) simulations, we employed cutting-edge training methods that cater to various learning styles and roles.

**Drone Pilot Certification:** We have introduced drone safety and operation training, equipping our teams with the skills to use aerial technology for inspections and monitoring.

On average, each full-time employee (FTE) participated in 2.1 Mondays of safety training, underscoring our dedication to continuous improvement and skill development.

#### 3. Conformance: Systems and Standards that Deliver

Conformance to safety protocols is a critical pillar of STRAP. We have implemented a robust framework that integrates safety standards, audits, and real-time monitoring tools into our daily operations, ensuring that safety is adhered to at all levels.

**Digital Safety Platforms:** Real-time permit-to-work systems, electronic audits, and IoT-enabled vehicle tracking help ensure compliance and accountability.

**Standardised Protocols:** Across all locations, we use standardised safety processes and systems, from hazard assessments to incident reporting, to ensure uniformity in safety practices.

By reinforcing the importance of safety systems and aligning our practices with global standards, we maintain an unwavering focus on risk mitigation.

#### 4. Culture: From Compliance to Ownership

STRAP aims to cultivate a safety culture where compliance evolves into personal ownership. Our vision is to foster an environment where every individual is empowered to contribute to the safety of their worksite, making safety a natural part of their daily routine.

**Peer-to-Peer Recognition:** Programmes like Safety Heroes reward employees who exhibit exceptional safety

leadership and encourage safe behaviours among peers.

**We Care Initiative:** This programme encourages open discussions around safety, supporting mental well-being and enabling employees to speak up without fear of retribution.

**Behavioural Safety:** We have introduced behaviour-based safety programmes where individuals are actively engaged in identifying risks and taking preventive actions.

Through a focus on cultural transformation, we are shifting

from compliance-driven safety to a culture where everyone takes ownership of their own and their colleague's well-being.

#### 5. Communication: Clarity, Consistency, Connection

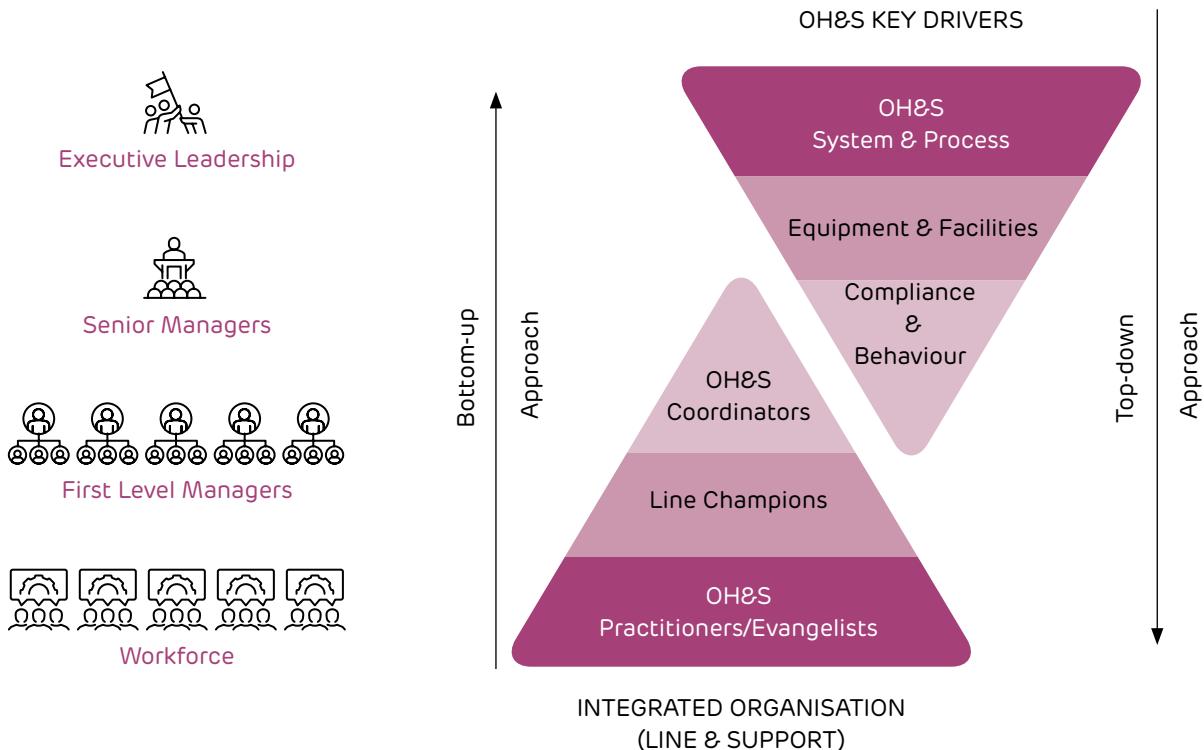
Effective communication is essential for the success of STRAP. We ensure that safety messaging is clear, consistent, and reaches all corners of the organisation. From leadership messages to safety alerts, communication plays a pivotal role in maintaining a shared safety vision.

**Real-Time Safety Alerts:** Our teams are equipped with mobile apps and digital signage to receive immediate updates and reminders about safety protocols.

**Daily Briefings:** Every team begins their shift with a toolbox talk that aligns on key safety priorities for the day.

**Multilingual Content:** Safety communications are made accessible to a diverse workforce through multilingual resources and digital platform

### Ambuja Cements Safety Pyramid



## Management Discussion and Analysis

### Initiatives Undertaken to Strengthen Safety Performance



#### Leadership Commitment and Governance

Key performance indicators (KPIs) are now incorporated into performance reviews and senior leadership training. Safety training sessions have been effectively conducted, sharing valuable lessons from past incidents across teams. Governance of high-risk processes has been reinforced through critical control management and monthly safety reviews. Individual engagement in safety leadership has been promoted, fostering open communication to quickly resolve issues. This proactive approach ensures a secure work environment, encouraging reporting and addressing concerns in a timely manner.



#### #SafetyCulture

#SafetyCulture serves as Adani's flagship brand identity, aiming to foster a strong safety ethos. This initiative drives the development and execution of safety interventions, programmes and engagements. As part of the Adani Group, Ambuja Cements actively involves internal stakeholders, including employees and associates, along with local communities, through impactful safety campaigns and comprehensive training programmes.



#### Training and Capability Building

A thorough needs assessment process has been further implemented across plants. Line managers have strengthened their capabilities with training in risk assessment, incident investigation, and managing high-risk activities. Incident learning videos have been shared to support continuous improvement. Saksham training sessions for contract workers and project safety workshops have been organised with relevant teams to reinforce safety practices.

### Highlights of FY 2024-25

**86,762**  
Safety Concerns and Hazards  
Reported and Corrected

**17**  
Sites Achieved  
Zero Harm

**5,572**  
Permit-to-Work Audits  
were Conducted



### Safety Execution Strategy

Ambuja Cements is committed to achieving 'zero harm' for all employees, associates, and contractors by raising risk awareness and addressing potential blind spots. The Company has developed a comprehensive roadmap based on the '5C' framework—Commitment, Communication, Capability, Conformance, and Culture—to build an integrated safety culture. Safety excellence is embedded across the organisation, supported by robust safety measures, cultural transformation initiatives, and technological advancements. Ambuja Cements prioritises collaboration and continuous improvement, turning knowledge into action, and has implemented various strategies to support its 'Zero Harm' policy.



### Technological Intervention for System Assurance

Ambuja Cements harnesses advanced technologies to ensure a safe working environment. The Company uses Gensuite for efficient reporting of safety indicators and employs drone applications in high-risk activities such as shutdowns and silo cleaning. Additionally, the Company monitors and analyses key safety parameters through a dedicated dashboard, enabling effective safety management and ongoing improvements.



### Safety Engagements

Throughout the year, Ambuja Cements involved its employees and workforce in its safety journey through quarterly campaigns focused on work-at-height and electrical safety. Monthly safety themes were introduced to enhance competency and compliance. The Company recognised exemplary safety practices and hosted knowledge-sharing sessions, often featuring industry experts. To strengthen safety culture and ownership, Ambuja Cements organised 'Saksham Samvaad', engaging many leaders from the cement business and reinforcing key safety principles.

**3,426**  
Near-misses Reported  
and Corrected

**37,579**  
Workers were Trained under  
the Saksham Programme  
resulting in 1,50,316 Man-hours

## Management Discussion and Analysis

### CASE STUDY

#### Enhancing Safety Culture through We Care

Ambuja Cements has implemented several initiatives to improve workplace safety across its facilities:

- Introduced video analytics-based remote camera monitoring, cleaned two cement silos and one clinker silo.
- Organised the 'Safe udAAAn' championship to

encourage ideas for a safer work environment.

- Conducted a coal safety workshop, which received positive reviews and was highly successful. Participants gained valuable insights into coal-related safety aspects, enhancing their knowledge and skills.

- Developed a structured approach to coal handling across operations.
- Invested in SME deployment at sites to ensure high-quality safety training through a competent agency.
- Focused on upskilling safety professionals by offering opportunities to undergo ISO 45001 Lead Auditor training.



#### Empowering Workplace Safety through 'We Care'

Developed under the 'We Care' principle, this program is committed to achieving Zero Harm for all workers and contract staff on-site. Each month, operational sites celebrate the initiative by recognising exceptional safety contributions, awarding ₹ 5,000 to each Safety Hero. Over the past 12 months, Ambuja Cements has honoured 300+ Safety Heroes across all sites, reinforcing its dedication to a safer and more secure workplace.

## Suraksha Bandhan

As part of its We Care initiatives, Ambuja Cements has redefined Raksha Bandhan as Suraksha Bandhan across all sites, engaging over 90,000 participants in the programme. The senior leadership team encourages employees to Walk the Talk and adopt the Roko Toko approach on the shop floor—actively identifying and addressing potential hazards to prevent injuries caused by negligence or lack of awareness.



## Business Risks and Opportunities

### Risks and Areas of Concern

At Ambuja Cements (an Adani Group company), Enterprise Risk Management (ERM) is an annual process that identifies risks and opportunities, and strengthens the Company's ability to build a sustainable business and a robust risk intelligence ecosystem across functions. The ERM process involves a comprehensive assessment of the business environment to identify and prioritise risks. Risks and opportunities are evaluated using a 3x3 matrix based on severity (High, Medium, Low) and probability.

A functional approach is adopted, where each department carefully assesses its current and future operations to determine potential business risks and opportunities. These findings are then consolidated to provide a Company-wide risk overview. For critical risks, a mitigation plan is developed and closely monitored by senior management to ensure operational efficiency, regulatory compliance, and business continuity.

## Management Discussion and Analysis

### Key Risks and Mitigation Measures

Key Risks	Description	Mitigation Measures
<b>Market Volatility</b>	<p>The Indian cement industry is highly susceptible to market volatility due to economic fluctuations, demand-supply imbalances, and geo-political changes. Factors such as shifts in government policies, global trends, and economic cycles can create short-term uncertainties.</p>	<p>Several future opportunities can help mitigate these risks. The Indian economy holds immense promise for infrastructure, construction, and manufacturing, benefiting the cement industry. The 'Make in India' initiative is boosting the manufacturing sector and transforming India into a global manufacturing hub by improving the ease of doing business, enhancing industrial infrastructure, and fostering innovation. A stable government with streamlined structures, reforms, and infrastructure-promoting initiatives will generate significant demand for the cement industry.</p> <p>Ambuja Cements continues to focus on infrastructure and housing projects, ensuring that economic and market growth creates new opportunities. Customer-centric initiatives, innovative products, and sustainable practices help reduce its carbon footprint and preserve natural resources. Its diverse product range, including Ambuja Cement, Ambuja Plus, Ambuja Kawach, Ambuja Compocem, supports sustainable construction.</p>
<b>Competitive Environment</b>	<p>India's cement industry is highly competitive, with both large and small players vying for market share. This intense competition can lead to price wars, margin pressures, and rapid capacity additions, making it challenging to maintain a strong market position.</p>	<p>To address this challenge, Ambuja Cements remains committed to bold business transformation initiatives for long-term sustainability. Since H2 2022, the Company's growth strategy has been a combination of acquisitions and expansions, crossing 100 million tonnes of cement capacity. Moving forward, growth will be driven organically, with a target of 140 million tonnes by FY 2027-28. This strategy will enhance overall capacity, increase market share, and support its journey to becoming the world's lowest-cost producer of building materials within five years.</p>
<b>Environmental Regulations</b>	<p>Stricter environmental regulations and compliance with domestic and international standards pose reputational and financial risks. Companies must invest in cleaner technologies and sustainable practices, which can be costly but necessary.</p>	<p>To comply with environmental regulations, transformation, innovation, upgrades, and modifications are continuously implemented. Ambuja Cements is the world's first cement company to become signatory to the Alliance of Industry Decarbonization (AFID)—a global alliance accelerating the Net Zero transition. With a bold target to achieve Net Zero by 2050, the Company has committed ₹100 billion towards renewable energy projects and Waste Heat Recovery Systems (WHRS).</p>

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<b>Sustainability – Climate Change</b>	<p>The cement industry is a significant contributor to greenhouse gas emissions, making it vulnerable to climate change-related risks. Companies must adopt sustainable practices and reduce their carbon footprint to mitigate these risks and align with global climate goals.</p>	<p>At the heart of Ambuja Cements' operations is the core philosophy of 'Growth with Goodness', ensuring that its sustainability initiatives contribute to decarbonisation and environmental responsibility. The Company has committed to Net Zero by 2050, with near-term targets validated by the Science Based Targets initiative (SBTi). It is investing ₹ 100 billion in 1 GW of renewable energy projects and 376 MW of WHRS capacity, aiming to power 60% of its expanded operations with green energy by FY 2027-28.</p>
<b>Cyber Security</b>	<p>As businesses undergo digital transformation, cybersecurity threats pose risks to data integrity, network security, and business continuity. Protecting business information systems is crucial. Ambuja Cements has implemented advanced cyber security solutions to safeguard its operations. Adani's ISO 27001-certified central cyber defence and security operations centre ensures enterprise-grade security.</p>	<p>Cyber security is of paramount importance within the organisation. The Company continuously identifies and blocks data leakage sites, while also establishing a secure and monitored environment for AI tool usage.</p> <p>To enhance security, backup procedures and firewalls are in place, and systems are regularly upgraded to meet the latest standards. Cyber security policies are periodically updated, with employees trained on compliance to mitigate risks effectively.</p>
<b>Health and Safety</b>	<p>Ensuring occupational health and safety is a top priority, as operational hazards can impact employee well-being and productivity.</p>	<p>Ambuja Cements has implemented stringent safety protocols and training programmes to mitigate workplace hazards. Employees undergo regular health check-ups and wellness programmes to promote both physical and mental well-being.</p> <p>A Scaffolding Inspector Training Programme was conducted at Marwar and Nalagarh plants by the Scaffold Training Institute (STI), enhancing employees' safety, competency and inspection skills. To further strengthen workforce safety during annual shutdowns, engineering controls have been introduced. The WADI team has successfully developed a kiln inlet dummy, preventing material dislodgement and significantly reducing accident risks, reinforcing Ambuja's commitment to a safer work environment.</p>