



27th January 2017

Press Release
THE INDIA CEMENTS LIMITED

III QUARTER -2016- 17 - FINANCIAL RESULTS : HIGHLIGHTS

India Cements Ltd has reported gratifying results for the quarter ending 31st December 2016 inspite of uncertainty created on account of demonetisation of high value currency from early November 2016. The company's performance has to be viewed in the context of the fact that traditionally this quarter is considered a weak quarter on account of monsoon.

As per the information published by DIPP on core sector growth, the cement industry on all India level had registered only a marginal growth of around 4.3% over the corresponding period of the previous year. The growth in south is, however, estimated to be around 8% during the same period. The quarter under review witnessed substantial increase in the price of fuels.

Company Performance:

- The overall sales volume including clinker and cement exports was at 23.59 lakh tons as against 19.37 lakh tons in the previous year up by 22%
- While there was steep hike in the price of Pet coke and imported coal, this could be offset with improved volume and tight control on the operating parameters and with improved blending ratio, resulting in an EBIDTA of Rs.192 crores for the quarter as against Rs.155 crores in the same quarter of the previous year an increase of 24%.
- The interest and other charges were at Rs.86 crores against Rs.94 crores and depreciation was lower at Rs.52 crores against Rs.55 crores resulting in an improved bottom line of Rs.54 crores before tax during the quarter against Rs.6 crores in the previous year.

- The profit after tax was at Rs.35 crores against a marginal profit of Rs.3 crores in the previous year.
- Due to uncertainty in the economy/markets, the company has embarked on refinancing the debt and a significant portion of the debt was refinanced resulting in reducing the near term commitments which has also improved the rating of the company to A - level.

Outlook:

We have not witnessed any impact of demonetisation in cement demand. However, reports suggest the Demonetisation has caused a slow down in the overall economy. Estimates by several agencies have indicated a lower GDP/GVA growth of 6.6 to 7.1% only, in the current financial year against the earlier projection of 7.6%.

Reportedly, the liquidity has been gradually restored in the system by the circulation of new currency. The lending rates are also undergoing downward revision. With the expectations of a thrust in the forthcoming Budget on infrastructure, housing, public spending and developmental works, a reasonable growth in the cement demand is envisaged.