



18TH August 2016

Press Release

THE INDIA CEMENTS LIMITED

I QUARTER -2016- 17 - FINANCIAL RESULTS : HIGHLIGHTS

India Cements Ltd continued its impressive performance during the I quarter in the current year, driven strongly by the improved operating performance. The various steps taken by the company to improve operating parameters coupled with the reduction in the international price of fuel, reduction in logistics and finance costs have resulted in this better performance. This achievement has to be viewed in the light of the softening in the selling price of cement in Andhra Pradesh and Telengana, the impact of which has been mitigated with the improvement in tonnages and cost reduction. Consequently, the company was able to maintain a healthy bottom line during the quarter under review.

On the industry front, according to the information available from DIPP, the cement industry could see only a very marginal growth of around 4% during the 1st quarter of the year. South which recorded negative growth and nil growth in the previous two years registered a moderate growth of 7% during the quarter under review. The capacity utilisation of the industry on an all India basis was over 75%, but south continued to witness a lower capacity utilisation of around 60%.

Company Performance:

- The performance of the company improved with a 10% growth in cement production during the quarter under review resulting in a capacity utilisation of 65%.
- The cement volume during the quarter was at 23.07 lakh tons(20.81 lakh tons)

- Despite under utilisation of the capacity, the company could achieve further strides in improving its operating parameters through reduction in power consumption and through improvement in the usage of cost effective fuels in the overall mix.
- The EBIDTA for the quarter was marginally higher at Rs.205 crores against Rs.200 crores in the same quarter of previous year.
- Interest charges were lower at Rs.79 crores against Rs.91 crores while the depreciation was at Rs.51 crores against Rs.55 crores. The resultant profit before extra-ordinary items was at Rs.74 crores against Rs.54 crores in the same quarter of the previous year. After considering forex loss and extra ordinary items, net profit before tax was at Rs.71 crores against Rs.38 crores in the previous year.

The company has adopted Ind AS from 1st April 2016 and the financial results for the quarter ended 30th June 2016 have been prepared in accordance with the principles laid down in the said AS. The above results were taken on record by the Board of Directors at their meeting held on 18th August 2016 .

Outlook:

As per reports, Indian economy is expected to sustain a GDP growth of over 7% this year on the back of stable macro economic conditions. The economy is awaiting to see broad based recovery and revival of private investment.

There are signs of recovery in some core sector industries like coal, power and cement. It is hoped that domestic demand will pick up with increased public expenditure on irrigation, infrastructure, roads, urban development and housing.

Reported above normal rainfall so far is expected to improve the rural demand and the implementation of 7th Pay Commission recommendations and one rank one pension scheme is expected to improve urban consumption.