



28th July 2017

Press Release

THE INDIA CEMENTS LIMITED

FINANCIAL RESULTS FOR THE I QUARTER ENDED

30TH JUNE 2017

India cements Limited has reported a satisfactory performance for the first quarter ended 30th June 2017 given the tight market conditions and input cost pressure. The latent effect of the demonetisation on the construction and realty sector affected the demand for cement in the I quarter. This was further compounded by the deficient rainfall in the northeast monsoon of the previous year and the concern of the trade over the roll out of GST from 1st July 2017. This alongwith severe shortage of river sand in Tamil Nadu resulted in lower demand for cement during the period under review.

As per the official bulletin published by DIPP, the cement industry which witnessed a negative growth of 1.2% in the previous fiscal, has shown a flat growth during the first 2 months of the current fiscal. As per figures available, the industry in the south has registered a negative growth of 5 to 6% during the first quarter of the year. The industry in south continued to reel under lower capacity utilisation regime while the

cement plants in the other parts of the country were able to clock a capacity utilisation of over 80%.

Company Performance- Highlights of performance:

The financial statement for the quarter ended 30th June 2017 and for the quarter and year ended 31st March 2017 include that those of the merged entities of Trinetra Cement Ltd. and Trishul Concrete Products Ltd. As regards the figures for the corresponding quarter of the previous financial year viz 30th June 2016, the financials do not consider those of the merged entities.

- The overall sales during the current quarter including export of clinker and cement was at 26.56 lakh tons.
- With the steep hike in prices of petcoke and coal from the month of March, the cost of production was impacted resulting in increased power and fuel cost.
- Part of the cost increase was mitigated with the improvement in the net plant realisation which went up by 7% during the quarter under review as compared to same quarter of the previous year on comparable basis.
- After absorbing proportionate ESOP cost in the expenditure, the EBIDTA for the quarter was at Rs.191 crores.
- The interest and other charges were at Rs.87 crores while depreciation was at Rs.63 crores for the quarter.

- Consequent profit before tax was Rs.40 crores for the combined entity for the quarter.
- The provision for taxation by way of current/deferred tax was at Rs.14 crores and the profit after tax was at Rs.26 crores for the quarter.

The above results were recorded by the Board of directors at the meeting held on 28th July 2017 .

OUTLOOK

Global agencies have predicted Indian economy to clock a GDP growth of over 7% for the current fiscal.

There are reports of normal rainfall so far during the South West Monsoon thereby improving the prospects of rural economy. While there are reports of a smooth transition to the single tax regime GST from 1st July 2017, the economy appears to be still waiting for stimulus to propel growth.

With reports of increased public spending from April this year following the advancement of presentation of Union Budget to January and Government's continuing thrust on infrastructure and housing, a reasonable growth in demand is expected for cement in the coming months.