



19TH November 2016

Press Release
THE INDIA CEMENTS LIMITED

II QUARTER -2016- 17 - FINANCIAL RESULTS : HIGHLIGHTS

India Cements Ltd continued its impressive run during the II quarter of the current year, inspite of drop in realisation, on the back of substantial cost reduction and improved operating performance. The company undertook pro-active steps to reduce the cost through increased usage of cost effective fuels in the mix and this together with the lesser fuel prices turned out a better bottom line. The improvement in cement prices in the markets of Andhra Pradesh and Telengana from the month of September 2016 also contributed its part for the better performance during the quarter.

As per the information published by DIPP on core sector growth upto September 2016, cement industry had registered only a marginal growth of 4.5% in the first six months of this year. Based on the overall tonnages indicated, the average capacity utilisation was still around 75% only on an all India basis. South had seen some marginal growth as against negative/nil growths in the previous years with improved off-take in Andhra Pradesh and Telengana.

Company Performance:

- The performance of the company was better during the quarter with a capacity utilisation of around 68% against 60% in the same quarter of the previous year.
- The overall volume including export during the quarter was around 23.99 lakh tons against 21.65 lakh tons in the same period of the previous year.
- As earlier mentioned, the performance was achieved with improved operating efficiency through reduced power cost and through increased usage of cost effective fuels in the overall mix.

- The net plant realisation, however, was lower when compared with previous year by 8% due to wider distribution in northern and eastern regions. The drop in NPR however was made up through considerable reduction in variable cost resulting in EBIDTA being maintained at Rs.231 crores against Rs.233 crores.
- Interest and other charges were lower at Rs.88 crores against Rs.98 crores while the depreciation was at Rs.52 crores against Rs.56 crores and the profit before extra-ordinary items was at Rs.92 crores against Rs.79 crores in the previous year. There was an extra ordinary items of Rs.4 crores representing arrears of wage board, property tax, etc in the same quarter of the previous year.

The company has adopted Ind AS from the current financial year and previous year figures have also been re-grouped in accordance with the principles laid down in Ind AS. The above results were taken on record by the Board of Directors at their meeting held on 19th November 2016 .

Outlook:

As per earlier reports, Indian economy was expected to maintain GDP/GVA growth of over 7% this year aided by stable macro-economic conditions and increased farm output due to good rainfall.

The recent demonetisation of Rs. 500/1000 notes has so far not impacted the sale of cement. The demand continues to be as in the past. However, whether the inadequate supply of fresh currency notes will have a material effect remains to be seen.