



THE INDIA CEMENTS LIMITED

Corporate Office : Coromandel Towers, 93, Santhome High Road, Karpagam Avenue,

R.A. Puram, Chennai - 600 028. Phone : 044-2852 1526, 2857 2100

Fax : 044-2851 7198, Grams : 'INDCEMENT'

CIN : L26942TN1946PLC000931

SH/NSE

09.11.2018

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI 400 051.

Dear Sirs,

**Sub.: Press release on unaudited financial results for the quarter and
half-year ended 30.09.2018**

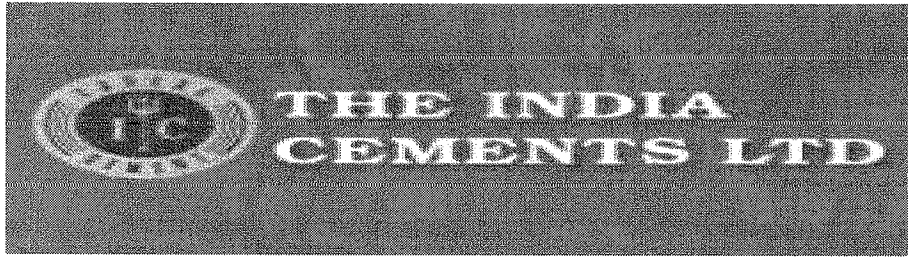
In continuation to our letter of date forwarding a copy of the unaudited financial results for the quarter and half-year ended 30.09.2018, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

Yours faithfully,
for THE INDIA CEMENTS LIMITED

COMPANY SECRETARY

Encl.: As above



9th November 2018

Press Release

THE INDIA CEMENTS LIMITED

UNAUDITED RESULTS FOR THE II QUARTER

ENDED 30th SEPTEMBER 2018

The tough cement market conditions in south India arising out of regional imbalances in capacity coupled with steep increase in the prices of fuel and petroleum products alongwith depreciation of rupee against dollar all had an impact on the operating performance of the company during the period under review. Despite the drop in net plant realisation for cement and the impact of dollar appreciation on import bills, the company could achieve a reasonable performance through increased volume coupled with a stringent control on the fixed cost and selling and distribution expenses.

As earlier mentioned, the cement industry after 3 long years of poor growths, has started showing signs of recovery from the second half of the last fiscal. The uptrend in cement production continued during the current year and as per the information published by DIPP, the cement industry had shown a growth of over 14% in April to September'18. Even south which had been reeling under pressure has registered a growth of over 20% in cement production primarily driven by the infrastructure demand from the governments of Andhra Pradesh and

Telengana but the supply overhang continued in the south putting pressure on the cement prices.

The prices of petroleum products have also steeply increased alongwith prices of imported coal and petcoke affecting the cost of production and cost of despatch. With the selling prices under pressure, the industry in south in particular had to absorb the impact of the above cost increases given the tough environment. The company could achieve significant economies in freight and handling expenses despite substantial increase in the price of diesel through a series of measures.

Company Performance:

The operating performance of the company during the quarter had improved with a capacity utilisation of 77% as compared to 70% in the same quarter of the previous year.

- The cement sales of the company for the quarter under review was 30.10 lakh tons up by 11% and with a clinker sale of 0.67 lakh tons, the overall volume was at Rs.30.77 Lakh tons.
- The NPR, however, was lower by 4 % when compared to same quarter of the previous year implying a bottom line erosion of Rs.38 crores for the quarter. The variable cost also had gone up by 8% on yoy basis and by 2% as compared to the quarter on sequential basis.
- With the tight control on fixed cost particularly through reduction in manpower cost, freight and handling expenses, policy changes and such other actions, the company could achieve an EBIDTA of Rs.159 crores against Rs.188 crores in the previous year a drop of 18%.

- The interest and other charges were at Rs.84 crores against Rs.89 crores in the previous year. There was a loss on account of forex fluctuation to the tune of Rs.12 crores during the current quarter and the depreciation was at Rs.62 crores against Rs.63 crores in the previous year. The resultant profit before tax was Rs.1.4 crores against Rs.36 crores in the previous year.

The above results were taken on record by the Board of directors at their meeting held on 9th November 2018.

Expansion:

As earlier informed, the company has entered into a share purchase agreement on 28.10.18 for acquiring the entire share holding of Springway Mining Private Ltd. in a phased manner at a total cost of Rs.182.89 crores with an objective of setting up a Cement Plant in the State of Madhya Pradesh.

OUTLOOK:

The revival in economic momentum is expected to continue with a projected GDP growth rate of 7.4% in the current year. All the same, the economy is facing liquidity crunch and cost pressures due to increasing cost of fuel, pet coke and power and the hardening interest rates.

The pick up in cement demand witnessed after sluggish or nil growth for several years is expected to continue on the back of increasing consumption from infrastructure projects, roads, irrigation projects, private sector housing besides the Government's push for affordable housing projects.

Also, the rural demand is expected to be good with the forecast of a good rainfall in the current North East monsoon. In general, we can expect good capacity utilisation levels and better prices in the coming months.