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

11.02.2019

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 nine months ended 31.12.2018

In continuation to our letter of date forwarding a copy of the unaudited financial results for the quarter and nine months ended 31.12.2018, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

Yours faithfully,
for **THE INDIA CEMENTS LIMITED**

S. Sridharan

COMPANY SECRETARY

Encl.: As above

11th February 2019

Press Release

THE INDIA CEMENTS LIMITED

UNAUDITED RESULTS FOR THE III QUARTER

ENDED 31ST DECEMBER 2018

The severe competition in the south for market share for cement due to supply overhang had its toll on the operating performance of the units in the south affecting through aberration in cement prices. Even within south, the stability of the prices varied from state to state depending upon the concentration of the units in the region. This drop in net plant realisation was compounded by the steep increase in the prices of fuel and petroleum products together with the depreciation of rupee against dollar. The primary market of Tamil Nadu was also affected with the cyclone "Gaja" devastating some of the districts during the month of November'18. All these factors had a telling impact on the bottom line of the industry in south. However, the silver line being the price of fuel, have started to ease which will have its favourable impact in the coming quarters.

The uptrend in cement production continued during the quarter also with the industry registering an increased output of 14% in the April to December'18 period as per the information published by DIPP. As per information available, it is inferred that the growth in south could also be higher by more than 20% but the primary growth in south is driven by the infrastructural demands from the governments of Andhra Pradesh and Telengana at relatively lower prices. While supply to this significantly improved the overall sales, It could not contribute for improvement in net plant realisation nor reduction in variable cost as most of the supplies were by way of Ordinary Portland cement. Being a lean quarter, the company also took the opportunity to take up some of the maintenance works resulting in increased drawal of clinker and cement together with its additional impact on cost. However, the company could achieve significant savings in freight and handling expenses in the face of substantial increase in the price of diesel through series of measures. The performance of the company has to be viewed against this back drop of low cement prices and increased cost of production.

Company Performance:

- The capacity utilisation of the company during the quarter under review was 76% as compared to 70% in the same quarter of the previous year.
- The cement sales was at 29.38 lakh tons registering a growth of 8% as compared to 27.26 lakh tons and alongwith a clinker sale of 0.2 lakh tons, the overall volume was at 29.58 lakh tons for the quarter.
- The NPR was marginally lower when compared with II quarter on a sequential basis while it was maintained on Q on Q basis.
- The variable cost had gone up by nearly 9% on year on year basis and by 1% as compared to the quarter on sequential basis.
- This reduction in NPR, together with increase in input cost had resulted in a lower EBIDTA of Rs.139 crores for the quarter as

compared to Rs.171 crores in the same quarter of the previous year.

- The interest and other charges were lower at Rs.73 crores as compared to Rs.92 crores and depreciation was at Rs.63 crores same as that of previous year. The resultant profit before tax was at Rs.3 crores as against a profit of Rs.15 crores before tax in the same quarter of the previous year.

The above results were taken on record by the Board of directors at their meeting held on 11th February 2019.

OUTLOOK:

Even as global economic growth is projected to slow down in 2019 owing to escalating trade disputes, rising debt and tight financial conditions, Indian economy is expected to sustain the growth momentum. GDP growth is expected to accelerate to 7.5% in 2019-20 over the estimated 7.2 to 7.4% in the current year.

The country is heading for Lok Sabha Elections in a couple of months and it is hoped a stable Government will be formed to spur the growth momentum. Meanwhile, the interim Budget for 2019-20 has sought to address distress in the farm sector and increase rural consumption.

The Budget has also retained the Government's thrust on giving push to infrastructure and housing with higher outlays apart from tax breaks for the realty sector. RBI has also cut the repo rate in a bid to boost consumption. These measures are expected to further improve the construction activity and increase the demand for cement in the coming years.