



# 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

25.05.2018

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 audited financial results for the year ended  
31.03.2018**

In continuation to our letter dated 25.05.2018 forwarding a copy of the audited financial results for the year ended 31.03.2018, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

Yours faithfully,  
for THE INDIA CEMENTS LIMITED

**COMPANY SECRETARY**



25<sup>th</sup> May 2018

**Press Release**

**THE INDIA CEMENTS LIMITED**  
**AUDITED RESULTS FOR THE IV QUARTER AND**  
**THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

The performance of the company during the year under review can be considered to be satisfactory given the backdrop of stiff challenges the industry had to face and the tougher market conditions in the south arising out of regional imbalances in capacity.

The cement industry during the year under review had to face pressure in the form of latent effect of demonetisation, teething troubles arising out of GST roll out, RERA impact, restrictions/ban on sand mining in several states. The industry's woes multiplied with a ban on petcoke by the Supreme Court of India which was subsequently withdrawn on a conditional basis and substantial increase in the prices of petroleum products, imported fuel and petcoke. This was compounded by the increase in customs duty on petcoke to 11% from earlier 3%.

The industry which stands a testimony for test of time maneuvered through this tougher times and has started signs of recovery from the second half of fiscal. According to the DIPP, the industry had shown a growth of 0.6% only in the first half of the year in production but recovered in the second half with a double digit growth in production ending the year with a Five year high growth of 6.3%. This growth

compares against the contraction of 1.2% in cement output in the previous year. Even south which witnessed a negative growth in the first half showed signs of recovery ending the year with a growth of 6% primarily by the Infrastructure and governmental demand in Andhra Pradesh, Telangana and Karnataka. However, Tamil Nadu units lagged behind in growth with restrictions on sand mining and lack of any governmental projects.

The cement prices on account of the weak demand in south had been subjected to fluctuations resulting in lower NPR during the quarter and the year under review.

### **Company Performance:**

The performance of the company was lower than that of previous year mainly on account of increase in cost of production caused by the various factors mentioned as above and NPR was marginally lower .

- The overall volume of the company for the year under review was 11.17 Million tons marginally higher than 11.04 Million Tons in the previous year.
- The variable cost had gone up by 11% on account of increase in the prices of fuel which affected power and fuel cost.
- The overall fixed cost including manpower cost had come down on account of closure of unviable divisions, pruning down of man power, policy changes and other such actions.
- With a lower NPR and increase in variable cost, the EBIDTA was at Rs.722 crores as compared to Rs.869 crores in the previous year.

- Interest cost were lower at Rs.340 crores against Rs.360 crores while depreciation was at Rs.256 crores against Rs.257 crores. Consequent profit before tax was Rs.126 crores as compared to Rs.252 crores in the previous year and the profit after tax was at Rs.107 crores as compared to Rs.168 crores in the previous year.

The above results have been approved by the Board of directors at their meeting held on 25<sup>th</sup> May 2018. The directors have declared a dividend of 8% on the equity shares of the company for the year 2017-18.

### **OUTLOOK:**

Indian economy is expected to reclaim the position of fastest growing major economy this year. World Bank expects GDP growth to accelerate to 7.3% while IMF and RBI have forecast a growth of 7.4% in 2018-19.

Expanding global trade, forecast of a normal rainfall and moderate rise in private investment are expected to spur growth.

At the same time, the spike in crude oil and energy prices are causes of concern which also directly put pressure on the margins.

As in previous years, Union Budget for 2018-19 has its thrust on public investment, infrastructure, agriculture, irrigation, rural development, roads, metro rail projects and housing. This is expected to improve the construction activity and increase the demand for cement and result in higher capacity utilisation.