



THE INDIA CEMENTS LIMITED

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CIN : L26942TN1946PLC000931

SH/NSE

11.11.2019

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
half-year ended 30.09.2019**

In continuation to our letter dated 11.11.2019 forwarding a copy of the
unaudited financial results for the quarter ended 30.09.2019, we enclose a
copy of the 'Press Release' issued today in this regard.

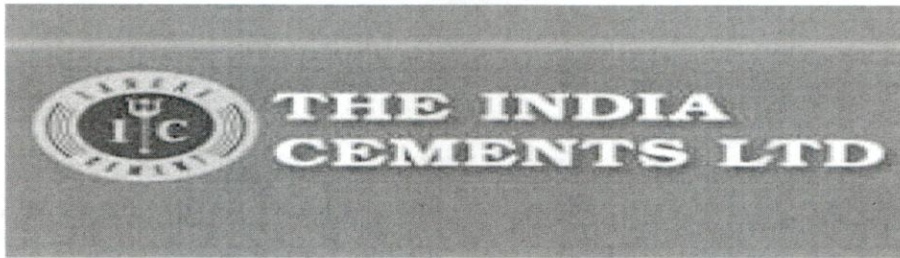
Thanking you,

Yours faithfully,
for THE INDIA CEMENTS LIMITED

COMPANY SECRETARY

Encl.: As above





11th November 2019

Press Release

THE INDIA CEMENTS LIMITED

UNAUDITED RESULTS FOR THE II QUARTER

ENDED 30TH SEPTEMBER 2019

India Cements Ltd has reported a marginal improvement in its operating performance for the quarter ended 30th September'19 despite the drop in cement volume, through improved realisation and reduction in cost as compared to the same quarter of the previous year.

The cement industry which witnessed a substantial growth of over 13% in the previous fiscal had to be content with a flat growth for the first 6 months of the current year as per the statistics furnished by DIPP. The index of 8 core industries' growth came down to a meagre 1% as compared to 6% in the same period of the previous fiscal. The cement industry has witnessed negative growths of 5% in August and 2% in September '19 over that of previous year as per information published. Further analysis reveal that while there was some growth in cement production in north, west and central region, south had de-grown by more than 10% during the second quarter of the current fiscal and a cumulative 6% decline in growth upto September'19. The steep fall in demand in Andhra Pradesh and Telengana accounted for a major portion of the short fall in the demand in the south. Many of the major

projects in these states are expected to be revived after a review by the governments in the near term.

With the huge supply overhang in the south, the cement prices which witnessed improvement from the month of February'19 was under tremendous pressure due to fall in demand in the southern markets from the month of August'19 impacting the bottom line of the players concentrated in the region. The impact was more severe in the case of players situated in Andhra Pradesh, Telengana and Coastal Maharashtra markets. With a normal monsoon predicted , the demand season is expected to pick up allowing for a reasonable increase in price of cement in the near term.

Company Performance:

Given the tough market conditions influenced by the lower demand, the performance of the company can be considered to be satisfactory with 4 of its plants situated in the surplus states of Telengana and Andhra Pradesh where the contraction in demand for cement was more pronounced.

- The capacity utilisation of the company during the quarter was 68% only against 77% in the same quarter of the previous year.
- The overall cement and clinker volume was at 26.67 lakh tons for the quarter as compared to the 30.77 lakh tons a drop of 13%.
- Despite a lower volume, the variable cost was kept under control and it was lower by 3% as compared to previous year and with improvement in net plant realisation by 4% over that of previous

year, the overall EBIDTA was at Rs.151 crores as against Rs.159 crores in the previous year.

- The interest cost was at Rs.82 crores against Rs.95 crores while depreciation was at Rs.61 crores (Rs.62 crores) and the consequent profit was marginally higher at Rs.7.8 crores against Rs.1.43 crores in the previous year.
- After taking into account taxation provision and adjustments, the profit after tax stood at Rs.9 crores against Rs.1.43 crores in the previous year.

These results have been taken on record by the Board of directors at their meeting held on 11th November 2019.

OUTLOOK:

Indian Economy is expected to post a moderate growth of 6.1 to 6.2% this year as per the revised estimates by RBI, IMF and World Bank due to global headwinds, lower consumption and financial crunch.

There are hopes of recovery and revival in consumption in the second half of fiscal. A series of measures announced by the Centre apart from the cut in Repo rate by RBI and lending rates by banks are expected to ease the liquidity crunch and credit flow.

Sufficient rainfall reported during the South West monsoon season and forecast of normal rainfall in the current North East monsoon season augur well for rural economy.

Post monsoon, cement demand is expected to pick up aided by the revival in housing and construction activity and the increased public spending on infrastructure projects