



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/BSE/

09.02.2018

BSE Limited
Corporate Relationship Dept.
First Floor, New Trading Ring
Rotunda Building, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
MUMBAI 400 001.

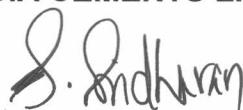
Dear Sirs,

**Sub.: Press release on unaudited financial results for the quarter and
nine months ended 31.12.2017**

In continuation to our letter of date forwarding a copy of the unaudited financial results for the quarter and nine months ended 31.12.2017, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

Yours faithfully,
for THE INDIA CEMENTS LIMITED


S. Indhran
COMPANY SECRETARY

Encl.: As above



Registered Office : Dhun Building, 827, Anna Salai, Chennai - 600 002.
www.indiacements.co.in



9th February 2018

Press Release

THE INDIA CEMENTS LIMITED

**UNAUDITED RESULTS FOR THE III QUARTER AND
9 MONTHS ENDED 31ST DECEMBER 2017**

The company turned out a satisfactory performance in the face of stiff challenges and competition arising out of tough market conditions. The quarter under review was subject to the teething troubles arising out of GST roll out, RERA impact, ban and restrictions on sand mining in Tamil Nadu and Rajasthan and the petcoke usage ban by the Supreme court of India for a short period. The severe competition for securing market share together with the increase in the cost of fuel and petroleum products also stressed the industry considerably. The cement prices which was stable during the first quarter of the year was subject to aberrations resulting in top line erosion by more than Rs.250/- per ton sequentially during the current quarter which substantially impacted the bottom line. This was made up by strict control in the expenditure side with a better operating performance and reduction in selling and distribution cost which helped in regaining some of the lost ground.

As per the statistics published by DIPP for core industries, the cement industry on an all India basis have shown an improvement of over 11% in production in the 3rd quarter as compared to a reduction of 1.9% in the

first half of the year resulting in a nominal growth of 2.7% for the nine months . As per information available, the industry in south, with a huge capacity overhang, had grown only by 6% during the 3rd quarter and the overall growth for 9 months was very meagre.

As pointed above, the drop in NPR on account of limited cement consumption in south was the single contributory factor for the sub optimal performance during the quarter under review.

Company Performance- Highlights of performance III Quarter:

The financial statement for the III quarter and for the Nine months ended 31st December 2017 include that those of the merged entities of Trinetra Cement Ltd. and Trishul Concrete Products Ltd. However, the figures for the corresponding quarter of the previous financial year and the Nine months ended 31st December 2016 of the merged entities and they are not strictly comparable.

- The overall volume during the quarter was 27.26 lakh tons.
- The net plant realization came down by nearly 6% as compared to the second quarter of the year on a sequential basis.
- The variable cost was maintained as that of the second quarter.
- The fixed cost including manpower cost has come down on account of closure of some divisions, pruning manpower to optimum size in several areas, policy changes and other such actions. The company will continue to rationalise manpower cost and take such policy decisions as may be necessary to reduce overall staff cost.

- Consequently, the EBIDTA was Rs.171 crores for the quarter compared to Rs.188 crores in the II quarter of the year.
- The interest and other charges during the quarter was higher due to inclusion of onetime cost on account of foreclosure of foreign currency borrowings and was accordingly at Rs.92 crores for this quarter. The depreciation was at Rs.63 crores resulting in a profit before tax of Rs.15 crores for the quarter.

The above results were recorded by the Board of directors at the meeting held on 9th February 2018.

OUTLOOK:

There are expectations of turnaround in the economy with projected GDP growth of 6.75% in the current fiscal year and 7 to 7.5% during the next year. Economic activity is also expected to rebound with the pick-up in global growth and global trade.

The Budget for 2018-19, presented last week, has retained the road projects , irrigation projects and affordable housing with provision of higher outlays for the sectors.

While there are expectations of the cement industry getting over the weak off take in the coming quarters, it continues to face cost pressure from rising input costs.

The recent interim stay granted by the Supreme Court staying the Madras High Court Order to shut down all river sand quarries across the State is expected to ease the availability of sand in Tamil Nadu and pave the way for improvement in cement demand in the medium term.