



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/SE/

07.08.2023

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

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

Scrip Code: 530005

Scrip Code: INDIACEM

Dear Sirs,

Sub.: Press release on unaudited financial results for the quarter ended
30.06.2023

In continuation to our letter dated 07.08.2023, forwarding a copy of the unaudited financial results for the quarter ended 30.06.2023, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

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

SWAMINATHAN
SRIDHARAN

Digitally signed by
SWAMINATHAN SRIDHARAN
Date: 2023.08.07 16:06:55 +05'30'

COMPANY SECRETARY

Encl.: As above





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7th August, 2023

Press Release

UNAUDITED FINANCIAL RESULTS FOR THE I QUARTER

ENDED 30th JUNE'23

The company continued to improve its performance during the quarter under review. After 3 quarters of continued Negative EBIDTA, the company reported a positive EBIDTA during the quarter. The selling price of cement was lower during the quarter under review due to severe competition caused by supply overhang. There was reduction in variable cost during the quarter on account of softening of fuel prices. The reduction in variable costs was offset by the reduction in realization resulting in lower margins. The lower margins impacted the liquidity severely resulting in lower volume for the quarter. The overall sales volume almost remained static as compared to the first quarter of the previous year.

Industry:

As per information published by DIPP for the first quarter of the current fiscal, the demand improved by a brisk 12.2% on an all India basis. The trend was visible in south also with a double digit growth in demand.

Surprisingly, this kind of substantial improvement in cement demand did not lead to improvement in selling price in the market as the industry focused on improving capacity utilization. In addition, with the softening of coal prices, and consequent reduction variable costs there was no pressure to increase the selling price of cement and therefore



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the quarter witnessed a marginal reduction in the net plant realization. Most of the players, presumably opted for increase in market share even at lower margins.

Company:

The cement sales for the quarter under review was only 26.57 lacs tons as compared to 27.85 lakhs tons in the previous quarter. The low sales was only due to liquidity crunch faced by the Company consequent to lower margins and losses. The Company has been improving its performance progressively over the last 4 quarters. The Variable Cost has been reducing over the period and there has been a reduction of Rs 168 per ton in Variable cost during the quarter under review as opposed to the last quarter of previous year. The reduction in Variable Cost has directly flown to the bottom line resulting in positive EBIDTA for the quarter.

The fuel cost which went up to a high of Rs.2.95 per Kcal in the 3rd quarter of the previous year came down to a level of around Rs.2.38 per Kcal for the quarter under review. The overall variable cost for the quarter was marginally lesser by 2% when compared with the 1st quarter of the previous year at around Rs.52 per ton. But the sales realization was lower by 5% as compared to previous year at around Rs.268 per ton. With the increase in fixed power demand charges, salaries and wages and advertisement expenses and with the volume remaining constant as that of previous year, the EBIDTA was lower at Rs.12 crores for the quarter as compared to an EBIDTA of Rs.39 crores in the previous year. Interest and other charges were at Rs.58 crores (Rs.59 crores) while depreciation was at Rs.53 crores as



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compared to Rs.52 crores and the resultant loss before tax was Rs.99 crores as compared to a loss of s.72 crores in the previous year. The reduction in selling price and loss of volume mainly contributed for this situation.

The Variable Cost continues to be high for the company as compared to the peers and the company has initiated necessary action to address the same. The new Cement Mill at Sankar Nagar, replacing old in-efficient cement mills, is likely to be commissioned by 2nd quarter of the current fiscal. The company has engaged the services of experts like FLS and Krupp Industries to conduct detailed study of the operating parameters of plants for refurbishment/modernization to bring them on line with that of state of art modern plants. The company has engaged Boston Consulting Group to study the operations at 3 of it plants in AP and suggest measures for improving efficiency in operations of these plants.

The company has planned to monetize some of the non-core assets to improve the liquidity for improving then operating performance as well as meeting some of the minimum capital expenses

The above results were reviewed by the Board of directors at their meeting held on 7th August 2023.

OUTLOOK

Global economy is still facing uncertain growth prospects in view of the repercussions of continuing Russia- Ukraine war, monetary policy tightening and volatility in supply chain and demand.



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In its latest report, IMF has projected global growth to fall from an estimated 3.5% in 2022 to 3% in both 2023 and 2024.

At the same time, this year too, India is expected to weather global headwinds and sustain the growth momentum. IMF has raised GDP growth estimate for India to 6.1% (from 5.9%) while World Bank expects India to be the fastest growing economy with 6.3% growth in 2023-24.

With normal rainfall forecast during the current South West Monsoon and the thrust given by the Centre and State Governments, the demand for cement is expected to be good.

Cement industry in the South, has built adequate capacity to meet the healthy demand from housing and infrastructure sectors. However, margins are expected to come under pressure with rising operational costs, intense competition in the market, logistics and supply chain constraints.