



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/

11.02.2022

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 and nine months ended 31.12.2021

In continuation to our letter dated 11.02.2022, forwarding a copy of the unaudited financial results for the quarter and nine months ended 31.12.2021, 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



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11th February 2022

Press Release

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UNAUDITED RESULTS FOR THE III QUARTER ENDED 31st DECEMBER'21

The performance of the company was severely affected by the record monsoon in the southern states with consequent flooding in several areas which resulted in stalling of the construction activities. This was further compounded by downward movement in selling prices in the east and north east markets from where the company withdrew as the sales in those areas became un-remunerative. This resulted in a lower volume for the quarter for the company which together with the onslaught of increased fuel prices had a telling impact on the bottom line for the quarter under review.

The recovery of the cement industry in the south which was witnessed in the first 6 months hit a road block with record rains of the century. The main markets of the company namely Maharashtra, Kerala, Tamil Nadu and Karnataka continued to be in the list of active Covid cases even during the quarter under review resulting in slower recovery of economic activities. As per the information available from DIPP, the cement industry on an all India basis grew by more than 30% during the earlier part of the year but registered a negative growth of 3.2% in November'21 and recovered to register a 12% growth in December'21. But south had witnessed a negative growth of 3% for the third quarter





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and a growth of around 10% upto December'21 lower than that of national average.

The selling price of cement in south was also under pressure during the quarter under review due to constriction of market and competition for the market place. The severe impact of increase in coal prices during the earlier part of the year was felt fully during the quarter under review on the power and fuel cost. With this double impact of increase in cost and negative growth in market resulting in selling price pressure the performance of the cement industry in general was affected. The volume growth of the company was dented further due to withdrawal from the far off markets during the quarter which resulted in more volume loss for the company as compared to the some of the peers.

Company:

With this backdrop, the performance of the company has to be viewed which was sub-optimal during the quarter under review with a volume of 21.08 lakh tons for the quarter as compared to 23.77 lakh tons in the previous year (a drop of 11%). For the nine months ended 31st December'21, the overall volume was at 64.13 lakh tons up by 8% as compared to 59.12 lakh tons. The capacity utilization of the company was around 54% as compared to 61% during the same quarter of the previous year.





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While the net plant realization for the quarter was marginally higher by 5%, the variable cost of operation had gone up by nearly 25% as compared to the same quarter of the previous year due to substantial increase in the price of fuel . The increase in variable cost alone meant a contribution loss of more than Rs.115 crores for the quarter.

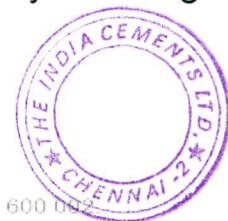
With a tight control on fixed cost, administrative overheads, marketing overheads, contract labour,etc. the company could achieve an EBIDTA of Rs.110 crores as compared to Rs.218 crores in the same quarter of the previous year caused by the reduction in volume and increase in cost.

The interest and other charges had come down to Rs.50 crores (Rs.69 crores) while depreciation was at Rs.55 crores (Rs.60 crores) consequently the net profit before tax was lower for the quarter at Rs 5 crores as compared to a profit of Rs.89 crores during the same quarter of the previous year.

The above results were recorded by the Board of directors at their meeting held on 11th February 2022.

OUTLOOK

Buoyed by the extended good rainfall in the two monsoon seasons and with a predicted lesser impact on account of the third wave of pandemic, better sectoral growths are expected with economic activity reaching the





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pre-pandemic levels. The first advanced estimates of the economic survey predict a GDP expansion of 9.2% in 2021-22 against a contraction of 7.3% in the last year.

With improved manufacturing activity, industrial sector is also expected to post a growth of more than 11% and the Indian economy is said to witness a GDP growth of 8 to 8.5% in 2022-23.

With the fiscal headroom, there is a renewed big thrust in the Union Budget for 2022-23 giving push to higher capital expenditure outlay and infrastructure projects which will boost the consumption and support a faster pace of economic recovery.

However, the risk of cost pressure from the increase in fuel prices and logistics cost together with the continued threat of the third wave of pandemic which is underway, although on a low scale, are to be taken into account while predicting the future. Hence, one can be cautiously optimistic about the immediate future taking all the above factors into account.

