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/ 01.02.2024

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

Scrip Code: 530005

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: INDIACEM

Dear Sirs,

Sub.: Press release on unaudited financial results for the quarter and nine months ended 31.12.2023

In continuation to our letter dated 01.02.2024, forwarding a copy of the unaudited financial results for the quarter and nine months ended 31.12.2023, 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: 2024.02.01 14:22:45 +05'30'
COMPANY SECRETARY

Encl.: As above

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1st February, 2024

Press Release

UNAUDITED FINANCIAL RESULTS FOR THE III QUARTER ENDED 31st DECEMBER'23

On the back of better sales realization for cement and improved operating performance, India Cements Ltd. pared the losses during the 3rd quarter under review. The Company has made cash profit of Rs. 6 Crores for the quarter under review. Together with the profit arising from the sale of ship the Company made a cash profit of RS 32 Crores for the quarter under review is despite the reduction in volume caused by the liquidity crunch. The EBIDTA for the quarter turned around to a positive Rs.66 crores as against a negative EBIDTA of Rs.66 crores during the 3rd quarter of the previous year.

Industry:

After witnessing a brisk improvement in cement demand in the first two quarters of the current fiscal registering high double digit growth, the demand registered a negative growth of 4% in the month of November'23 as compared to previous year as per DIPP information. For the eight months under review during the year, the cement demand on an all India basis was up by nearly 10% over that of previous year. The demand growth was varying in different regions of India with south still lagging behind with a lower capacity utilization of 60 to 62% on account of huge capacity overhang while on an all India basis the capacity utilization was more than 75%. The silver lining was that after a brief two or three quarters of free fall in cement prices, the trend was arrested and the cement prices in the market showed signs of improvement during the 3rd quarter under review.

Company:

The capacity utilization of the company, however, was muted on account of stressed working capital conditions and it was around 51% only during the 3rd quarter as compared to 56% in the same quarter of the previous year and 61% in the second quarter of the current fiscal. There was further improvement in operating performance with reduction in variable cost on account of lower fuel price and improved blending ratio. With the improved selling prices and lower variable cost, the company could improve upon the EBIDTA for the quarter despite lower volume.

The cement and clinker volume for the quarter was only 19.85 lakh tons as compared to 21.82 lakh tons in the previous year a drop of nearly 9%. The variable cost was kept under check despite the lower capacity utilization with reduction in power consumption and improved usage of alternative fuels and petcoke in the overall fuel mix.

The fuel cost which was as high as Rs.2.95 per Kcal in the 3rd quarter of the previous year had come down to less than Rs.2 per Kcal in the 3rd quarter of the current fiscal. The fixed cost was impacted due to increase in fixed power demand charges due to revision by state electricity boards and increase in advertisement expenditure.

Consequently, the EBIDTA for the quarter was positive at Rs.66 crores as compared to a negative EBIDTA of Rs.66 crores in the previous year and after accounting for the interest and depreciation, the loss before tax and extra ordinary items was Rs.50 crores as against a loss of Rs.180 crores in the previous year. There was an exceptional income of Rs.26 crores during the quarter on account of profit on sale of ship while during the previous year, there was an extra-ordinary item representing the profit on investments of Rs.294 crores(lands at Damoh in Madhya Pradesh). After tax adjustments, the loss was Rs.17 crores for the quarter under review.

The company is continuing its efforts towards disposal of non-core assets and has also recovered Rs.455 crores of Advances during the 9 months to augment cash flow requirements. The company is also in the process of raising funds for improving the efficiency of the plants and for augmenting the working capital needs.

For the 9 months ended 31st December'23, the clinker production was lower at 50.32 lakh tons (53.60 lakh tons) while cement grinding was 70.27 lakh tons as compared to 69.56 lakh tons. The overall volume including clinker was at 70.21 lakh tons (71.08). The EBIDTA before extra-ordinary items for the 9 months was positive at Rs.92 crores during the current fiscal as compared to a negative EBIDTA of Rs.114 crores in the previous year.

The above results were reviewed by the Board of directors at their meeting held on 1st February 2024.

OUTLOOK

In the midst of global economy facing uncertain growth prospects, multilateral institutions expect India to retain its robust the growth momentum. The first advance official estimates have pegged GDP growth at 7.3% for current fiscal marginally up over 7.2% in 2022-23.

RBI has also raised its growth projection to 7% from the earlier estimate of 6.5% for 2023-24.

Cement demand is expected to remain intact with a positive outlook with increasing preference for homeownership and rebuilding of homes and work places. The construction activity is also expected to get a fillip from increased spending on infrastructure projects by the Centre and States ahead of next Lok Sabha Elections.

Cement industry in the south still has unabsorbed capacity to meet the demand. Therefore, margins are expected to come under pressure with increasing operational costs arising from intense competition in the market place, logistics and supply chain constraints and the depreciation of rupee against dollar.