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/

12.08.2022

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 ended 30.06.2022

In continuation to our letter dated 12.08.2022, forwarding a copy of the unaudited financial results for the quarter ended 30.06.2022, 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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Fax : 044-2852 0702 Grams : 'INDCEMENT'

12th August 2022

Press Release

THE INDIA CEMENTS LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE I QUARTER ENDED 30TH JUNE'22

The spiraling increase in the cost of input materials continued during the quarter without corresponding increase in the selling price of cement resulting in a sub optimal performance of the company for the quarter under review.

The country has started witnessing normalcy of economic activity post pandemic from the month of January'22 resulting in sizable increase in growth in construction sector. The demand for cement on an all India basis, as per information published by DIPP, shows an increase of over 17% in the 1st quarter as compared to the low base of the previous year which was impacted by the second wave of Covid. The growth rate in south for the cement industry was higher than that of all India growth rate resulting in close to 50% increase in production in the first quart of the year as compared to the previous year.

Despite the better demand, the industry in south was unable to pass on the increase in cost of production due to huge capacity over hang. Also, there was a shift in the pattern of consumption with more demand for

OPC with infra activities like roads and metro rail picking up which yielded a lower price as compared to Trade. Hence, as compared to all India peers who had a reasonable increase in the selling price to partially offset the cost increase, the industry in south had to bear the brunt of severe cost push without any compensating increase in the selling price of cement.

Company:

The performance of the company has to be viewed in this backdrop of ground realities in the south. The overall clinker production of the company was up by 28% while the cement sales was up by 38% at 25.53 lakh tons as compared to 18.51 lakh tons in the previous year. The clinker sales was marginally higher at 1.19 lakh tons(0.94 lakh tons) resulting in a overall sale of 26.72 lakh tons (19.45 lakh tons)an improvement of 37%. The power and fuel cost was astronomically high with the cost of fuel climbing up from Rs.1.60 per Kcal in the same quarter of the previous year to as high as Rs.2.70 per Kcal during the quarter and own generating power cost also climbed up substantially. The increase in power and fuel cost alone was more than 54% as compared to same period of the previous year, while the overall increase in variable cost was around 40% with marginal savings in other items of raw materials, stores, etc. It should be noted that the growth rate in cement sales for the company was marginally lesser than that of peers in the south as the company reduced its despatches to east and far off markets as the contribution was very low in the light of increased cost.

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While variable cost went up significantly over that of previous year, the net plant realization improved only marginally by 4% resulting in uncompensated cost increase. Such increase in variable cost alone was close to Rs.200 crores and was the primary reason for the drop in EBIDTA to around Rs.39 crores as compared to Rs.165 crores in the same quarter of the previous year. Interest charges were at Rs.59 crores (Rs.55 crores) while depreciation was at Rs.52 crores (Rs.54 crores) resulting in a loss of Rs.72 crores for the quarter as compared to a profit of Rs.56 crores in the same quarter of the previous year. After taking into account the benefit of lower taxation rate, the deferred tax liability has been recomputed. Hence, the profit after tax, taking into account the revised deferred tax computation was Rs.76 crores for the quarter as compared to Rs.37 crores. After recognizing other comprehensive items, the total comprehensive income for the quarter was at Rs.80 crores as compared to an income of Rs. 38 crores in the previous year.

The above results were taken on record by the Board of directors at their meeting held on 12th August 2022.

OUTLOOK

India is expected to remain a resilient and the fastest growing economy across the globe aided by the broad based recovery with a GDP growth of 7.2 % to 7.4% in 2022-23 projected by RBI and global agencies.

This is despite the risks created by global headwinds triggered by the on-going Russian-Ukraine war apart from the domestic inflationary concerns, interest rate hikes, depreciating Rupee value against US Dollar and cost pressure.

At the same time, the Centre and Southern States are expected to retain their thrust on giving push to housing projects and infrastructure development by implementing irrigation, road building, metro rail and other infrastructure projects.

As in the last two years, the good rainfall reported sofar this year from South West monsson season augurs well for improved prospects of rural economy.

Cement demand is expected to remain on track with increased house building and construction activity in metros, rural, semi- urban and urban centres although cost pressure is expected to remain with higher cost of fuel, power tariff and logistics and the consequential impact on all other materials including packing.