



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 5052, 044-2852 1753 Grams : 'INDCEMENT'
CIN : L26942TN1946PLC000931

SH/SE/

27.05.2022

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 audited financial results for the quarter and year
ended 31.03.2022**

In continuation to our letter dated 27.05.2022, forwarding a copy of the audited financial results for the quarter and year ended 31.03.2022, 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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27th May 2022

Press Release

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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH'22

The spiraling increase in the cost of input materials together with the loss of volume resulted in a sub-par performance of the company for the quarter as well as for the year ended 31st March'22. With a slow recovery in the southern markets further affected by record rains and floods in the previous quarter, the selling price of cement was under constant pressure resulting in uncompensated increase in the cost of production. This was further compounded by the reduction in volume as the company as a prudent policy withdrew from the far off markets to focus on home markets.

The spiralling prices of fuel together with the shortage in availability of the same affected the margins of the industry. The woes of the industry worsened further with the out-break of Russian war with Ukraine resulting in sanctions being imposed on Russia and its exports fuelling further shortage of coal and oil in the market. While prices of Diesel have shot up by more than 20% during the year, the prices of coal be it Thermal coal or Petcoke skyrocketed and have more than doubled during the year.



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The recovery of the cement industry in south was also sluggish due to above reasons and the economy is yet to pick up to its normal levels. With a huge supply overhang, the selling price of cement was volatile. All the above factors resulted in a loss of Rs.36 crores for the quarter as compared to a profit before tax of Rs.98 crores during the same quarter of the previous year.

As per information from DIPP, while the industry on an all India basis grew by more than 21% during the year, south could witness only a growth of around 8% for the year and a marginal 2% growth in the last quarter of the fiscal. With the severe increase in the cost of fuel, the company also reduced its sale of clinker as the prices became unremunerative.

Company:

With this backdrop, the performance of the company was sub-optimal during the quarter with a cement volume of 26.29 lakh tons (26.66 lakh tons) and the clinker volume of only 0.28 lakh tons as compared to 3.24 lakh tons in the previous year. The overall volume was at 26.57 lakh tons a drop of 11% as compared to 29.90 lakh tons in the previous year. For the year ended 31st March'22, the overall volume was at 90.70 lakh tons as compared to 89.02 lakh tons in the previous year an increase of 2% only.



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The variable cost of production during the quarter had gone up by 33% as compared to previous year while the net plant realization could pick up only by 6.8% during the corresponding period resulting in erosion of margin. The increase in Variable Cost could not be passed on to the market for reasons already stated. The unrecovered increase in the variable cost alone resulted in a loss of contribution of over Rs.500 per ton or aggregating to approximately Rs.135 crores which was the primary reason for the reduction in EBIDTA. This was further compounded by the loss of volume. However, with a tight control on fixed cost and administrative overheads and marketing overheads, the company could still achieve an EBIDTA of Rs.66 crores as compared to Rs.212 crores as compared to corresponding quarter of the previous year.

Interest charges were lower at Rs.48 crores (Rs.53 crores) while depreciation was at Rs.54 crores (Rs.61 crores). The resultant loss for the quarter was at Rs.36 crores as compared to profit before tax of Rs.98 crores during the same quarter of the previous year.

For the year ended 31st March'22, the EBIDTA was at Rs.478 crores a drop of 42% as compared to Rs.829 crores in the previous year and the Profit before tax for the year was at Rs.54 crores as compared to Rs.323 crores in the previous year.

The above results were approved by the Board of directors at their meeting held on 27th May 2022 and the board has declared a dividend of Re.1 per equity share of Rs.10 for the year 2021-22.



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OUTLOOK

India is expected to remain a resilient and the fastest growing economy across the globe with global agencies and RBI projecting a GDP growth of 7.2 % to 8.2% in the current year against an estimated growth of around 8.9% in 2021-22.

However, the recovery is challenged by heightened global risks stemming from Ukraine crisis, worsening supply disruptions, spike in international energy and commodity prices, volatile crude oil prices and elevated inflation. The cost pressure is expected to mount on industry with higher fuel and commodity prices besides the increased power tariffs and logistics costs.

The Finance Ministry in its latest report expect the capex driven fiscal path laid out in the Union Budget for 2022-23 to help the economy weather inflationary headwinds and post an 8% growth this year. As in the last two years, the normal rainfall predicted this year from South-West monsoon season augurs well for improved prospects of rural economy.

With house building and construction activity expected to continue and the Centre and States giving push to infrastructure spending and affordable housing, there is room for cautious optimism for cement demand in the near future.