



# 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/

10.11.2021

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, 5<sup>th</sup> 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 half-year ended 30.09.2021**

In continuation to our letter dated 10.11.2021 forwarding a copy of the unaudited financial results for the quarter and half year ended 30.09.2021, 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

*Handwritten initials 'AY' in blue ink.*



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**Date: 10.11.21**

## **Press release for the unaudited results for the second quarter ended 30<sup>th</sup> September 2021**

India cements limited has turned out a satisfactory performance for the quarter ended 30<sup>th</sup> September 2021 considering the impact of extended monsoon and floods in some of its core markets and the continued impact of covid-19 pandemic second wave in Kerala and Tamil Nadu. The quarter also witnessed cost pressure through increase in price of fuel and ever increasing prices of petroleum products. However, the company could turn out a reasonable performance through an increase in volume in the extended marketing zones.

The GDP recovery seen towards the end of last quarter continued with signs of improved demand during the quarter with the pickup of economic activities. However, the southern markets were subject to excessive monsoon. This together with the supply overhang caused a marginal softening of the selling prices. As per the information published by DIPP, the index of 8 core industries have improved by more than 16% during the first half of this year and cement production in particular moved up by more than 37% on an all India basis as compared to the previous year. As per information available, cement production in south had also grown by 20% during the first half of this year. The coal prices in particular during the quarter had shot up substantially to a record levels in the last four months impacting the cost of production of the core industries.



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Though there are positive signs and indicators of growth, there are also news about an impending 3<sup>rd</sup> wave of covid and we have to be only cautiously optimistic about the near term.

## COMPANY

The company's cement production during the quarter improved by 8% and for the half year it was up by 21% at 41.22 lakh tons (34.07 lakh tons). The company's extended marketing zones during this period helped in improving dispatches with an overall sale of 23.60 lakh tons for the quarter as against 21.07 lakh tons during the previous year with an increase of 12%. However, the loss of volume in the core markets together with the increase in the price of coal and dilution of selling prices resulted in the EBIDTA margin coming down during this quarter. The company's on going efforts in controlling the fixed cost, administrative overheads, marketing overheads and contract labour continued during the quarter under review.

- The overall volume for the half year was 43.05 lakh tons as against 35.35 lakh tons an improvement of 22%.
- The average net plant realization for the quarter was down by 4% and for the half year by 5% when compared with the previous year. This accounted for a reduction in EBIDTA of Rs 40 crs for the quarter under review and 87 crs for the half year .
- The variable cost was influenced by substantial increase in the price of fuel and was up by 15% during the quarter and 10% for the half year.
- This double impact had resulted in lower EBIDTA of Rs.137 crores for the quarter as compared to Rs.240 crores in the previous year and for the half year the EBIDTA was lower at Rs.302 crores as compared to Rs.399 crores in the previous year.



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o The interest and other charges for the quarter was lower at Rs.51 crores (Rs.70 crores) and for the half year it was at Rs.106 crores against Rs.143 crores. After accounting for a depreciation of Rs.56 crores for the quarter the profit before tax was at Rs.29 crores as compared to Rs.110 crores in the same quarter of the previous year. The profit for the half year was also lower at Rs.85 crores as compared to Rs.136 crores in the previous year.

The above results were recorded in the Board of Directors Meeting held on 10<sup>th</sup> November 2021.

## OUTLOOK

There are reports of economic recovery gaining momentum in terms of various high-frequency economic indicators besides the pick up in consumption and investment demand . IMF and RBI have projected a higher GDP growth of 9.5% in 2021-22 against the contraction of 7.3 % last year.

After the long spell of rains during the South- West monsoon season, a normal rainfall is predicted during the North- East Monsoon season.

This is expected to improve the prospects of rural economy and creating more demand. Cement demand is expected to remain on track with the Centre and States giving push to infrastructure spending and affordable housing.

At the same time, the risk of cost pressure is staring at the industry due to high cost of fuels and petcoke and the constraints in the availability of coal. All these are expected to put pressure on output and earnings margins in the coming months.