



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/

01.11.2023

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 half-year ended 30.09.2023

In continuation to our letter dated 01.11.2023, forwarding a copy of the unaudited financial results for the quarter and half-year ended 30.09.2023, 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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1st November, 2023

Press Release

UNAUDITED FINANCIAL RESULTS FOR THE II QUARTER

ENDED 30th SEPTEMBER'23

The performance of the company was better than that of earlier quarters turning out a marginally positive EBIDTA despite the restricted operations caused by the stressed working capital position. EBIDTA for the quarter was at Rs.14 crores sizably improved when compared with the negative EBIDTA of Rs.87 crores during the quarter II of the previous year. The selling price of cement continued to be under pressure due to supply overhang and competition in the market place. However, there was substantial reduction in variable cost on account of lower fuel prices. But the varying vintage of the plants contributed for lower reduction as compared to peers and with the lower realization for cement in the market, the operating margins continued to be under pressure. The lower margins impacted the liquidity severely accounting for the lower volume as compared to peers.

Industry:

According to the information published by DIPP, the cement demand registered a sizable growth of 13% upto August'23 and a robust growth of 19% in the month of August'23. The demand growth was varying in different regions of India with south lagging behind with a



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lower growth on account of capacity overhang. The players located elsewhere in India had a better capacity utilization and were also in an advantageous position to increase the selling price of cement because of demand and supply balance. The capacity utilization in the south was lower than that of all India which was at 65 to 70% as compared to close to 80% in other regions. However, with the improvement in the selling price of cement since closing of this quarter, the expectations are that the medium term prospects will be better for the industry in general.

Company:

As already pointed out, despite the continuous reduction in variable cost, the drop in net plant realization for cement continued resulting in lower margins and lower capacity utilization. The performance of the company, hence, continued to be sub optimal with a negative bottom line. Production and sale of cement accordingly was only marginally higher by 5% as compared to earlier year. Overall volume for the quarter under review was 23.70 lakh tons as compared to 22.54 lakh tons in the previous year. With the reduction in fuel price directly flowing to the bottom line there was a positive EBIDTA of Rs.14 crores as compared to a negative EBIDTA of Rs.87 crores in the previous year. The fuel cost which went up to a high of Rs.2.95 per Kcal in the 3rd quarter of previous year came down to Rs.2.38 per Kcal in the first quarter of the current year and to Rs.2.04 in the second quarter. There was increase in the fixed power demand charges, increase in salaries and wages, advertisement expenses and consultant expenses which increased the fixed cost which partially offset the reduction in



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variable cost. Interest and other charges were at Rs.59 crores (Rs.66 crores) while depreciation was at same level of Rs.53 crores. The loss before extra-ordinary items was at Rs.99 crores for the quarter as compared to a loss of Rs.207 crores in the same quarter of the previous year.

The company is continuing its efforts towards disposal of non-core assets and other means to raise funds for refurbishment of the plants to improve efficiency and also to augment working capital needs.

For the 6 months ended 30th September 2023, the clinker production was maintained at 36 lakh tons while cement production was up by 5% at 50.37 lakh tons(47.86 lakh tons). The company had stepped up the proportion of blended cement from 50% in the previous year to 56% during the first 6 months of the year. The operating parameters of power and fuel were kept under check despite the lower capacity utilization of around 65% only.

The above results were reviewed by the Board of directors at their meeting held on 1st November 2023.

OUTLOOK

Amidst the uncertain growth prospects gripping the global economy, Global agencies expect India to sustain the growth momentum. RBI has retained the estimated GDP growth rate of 6.5% for 2023-24.

Outlook for cement demand looks positive with increasing home building and construction activity and the Centre and States expected to give push to spending on infrastructure projects ahead of next Lok Sabha Elections



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However, margins are expected to come under pressure with increasing operational costs, intense competition in the market place and logistics and supply chain constraints and the depreciation of rupee against dollar.