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/ 09.08.2024

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 ended 30.06.2024

In continuation to our letter of date, forwarding a copy of the unaudited financial results for the quarter ended 30.06.2024, 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: 2024.08.09 14:56:14 +05'30'

COMPANY SECRETARY

Encl.: As above

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9th August, 2024

Press Release

UNAUDITED FINANCIAL RESULTS FOR THE I QTR ENDED 30TH JUNE'24

The capacity utilisation, for the Company, was adversely affected due to free fall in cement prices resulting in a sub optimal operating performance for the I quarter ended 30th June'24. The company has taken steps to improve the liquidity through divestment of its Grinding Unit at Parli during the quarter. The sharp decline in selling prices impacted the margins which resulted in a negative EBIDTA of Rs. 22 crores for the quarter as against a positive EBIDTA of Rs.12 crores during the same quarter of previous year. However, after reckoning the profit from sale of Parli Grinding Unit, the profit before tax was at Rs.81 crores against a loss of Rs.99 crores during the I quarter of previous year.

Industry:

The quarter under review was a tight rope walk for the industry in general with prolonged elections in the country over two months, severe heat waves hitting the capital and northern parts and excess monsoon coupled with floods in some of the states. All the above factors resulted in a weak demand for cement and the growth was muted. After a decent 9.1% growth in the previous year in cement consumption, as per information published by DIPP, the cement demand showed a tepid negative growth of approximately 2% during the current quarter. With a huge supply overhang in the south coupled with severe competition to maintain market share resulted in pressure on selling prices.

With a stable government at the centre after the elections and with the renewed thrust on infrastructure with a huge outlay, the experts predict a minimum growth rate of 7 to 8% for the cement industry in the current year. The silver lining was that the fuel cost remained almost stable and lower than that of previous year giving some breathing space.

Company:

As earlier mentioned, the capacity utilization of the company was severely impacted caused by the continuous liquidity crunch on account of losses sustained in the earlier quarters. The company could not take advantage of the reduced fuel cost as operating margins further shrunk on account of low volume. The higher cost of production as compared to peers due to varying vintage of the plants together with free fall in cement prices affected the dispatch and the margins.

The cement and clinker volume for the quarter was 19.61 lakh tons as compared to 26.66 lakh tons in the same quarter of the previous year with a drop of more than 26%. The overall blended cement proportion was at 61% as compared to 59% in the first quarter of the previous year, while the heat consumption was kept under check at the same level of previous year. There was a marginal reduction in power consumption by 2 units during the quarter but the drop in volume and reduction in NPR by 8% resulted in a negative operating performance for the quarter under review. The EBIDTA was accordingly negative at Rs.22 crores against a positive Rs.12 crores in last year. The interest and other charges were higher at Rs. 82 crores against Rs.58 crores while depreciation was up at Rs.55 crores against Rs.53 crores and the resultant loss before extra-ordinary item was at Rs.160 crores against a loss of Rs.99 crores. There was a profit on sale of Parli Grinding Unit to the tune of Rs.241 crores and after reckoning the same, the profit before tax was at Rs.81 crores against a loss of Rs.99 crores in the previous year.

Since the close of the quarter, the Promoters and the members of the promoter group of the company have entered into a Share Purchase Agreement on 28th July 2024 with Ultra Tech Cement Limited to sell their stake of equity shares in the company at a price of Rs.390 per equity share subject to necessary regulatory approvals.

The above results were taken on record by the Board of directors at their meeting held on 9th August 2024.

OUTLOOK

World Bank and IMF are optimistic on global economy remaining resilient and growth "steading and stabilising" in the coming years. However, risks are starring at global economy from headwinds like geo-political tensions, continuing Russia- Ukraine war, monetary policy tightening, inflationary pressure, food and energy price shocks, volatile global commodity prices to name a few.

Indian economy is expected to weather these global challenges, remain resilient and the fastest growing major economy of the world. IMF has revised GDP growth for Indian economy to 7 % while RBI has estimated 7.2% in 2024-25.

With the normal rainfall propelling, rural demand is likely to improve further and the Budget has announced huge investments in the next 5 years on infrastructure and housing projects. With a special financial support to Andhra Pradesh, there is renewed optimism for improvement in economic activity in the zone and the medium term prospects augur well for the industry.