



# THE INDIA CEMENTS LIMITED

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CIN : L26942TN1946PLC000931

SH/SE/

27.07.2020

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 ended**

**30.06.2020**

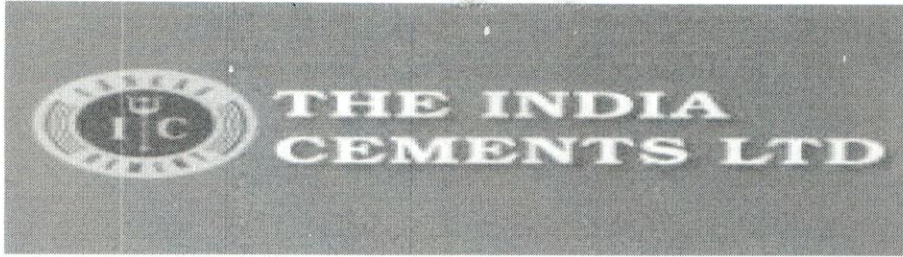
In continuation to our letter dated 27.07.2020 forwarding a copy of the unaudited financial results for the quarter ended 30.06.2020, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

Yours faithfully,  
for THE INDIA CEMENTS LIMITED

**COMPANY SECRETARY**

Encl.: As above



27<sup>th</sup> July 2020

**Press Release**

**THE INDIA CEMENTS LIMITED**

**UNAUDITED RESULTS FOR THE I QUARTER**

**ENDED 30<sup>TH</sup> JUNE 2020**

India Cements Ltd has reported good working results for the I quarter ended 30<sup>th</sup> June 2020 with an EBIDTA of Rs. 159 crores and a PBT of Rs.26 crores, despite the steep drop in volume caused by the pandemic COVID-19.

The novel corona virus which emerged from the 1<sup>st</sup> week of March 2020 resulted in complete lockdowns of the entire country which have subsequently been relaxed in phases. The total economic activity which was paralysed during this period is limping back and yet to reach normalcy. The main markets of the company have been subject to intense lockdowns during the quarter. The construction industry which registered a steep decline in growth in April 2020 has started recovering slowly from May 2020 given the pent up demand and improved rural demand. An analysis reveal that the industry is worst affected in the prime metropolitan cities where the pandemic has been very active.

According to the publication from DIPP, the cement industry had a steep de-growth of 86% in production in the month of April 2020 and

marginally improved to register a de-growth of 23% in May 2020 together accounting for a decline of 54% in cement production upto May 2020. Based on the information available, the cement industry in the 4 southern states had also registered a negative growth of around 45% during the I quarter in cement production. Maharashtra and Tamil Nadu are among the worst affected states with higher number of virus counts and continuous lockdowns impairing the industrial activity. The company which has its main markets in these states had a drop in volume of around 48% during the quarter under review in south(excluding Maharashtra) and a overall 52% reduction in volume including Maharashtra and North.

The cement prices which touched low levels in the March quarter, increased sharply in April and these prices are sustaining and expected to sustain during this quarter. These prices along with the Cash & Carry policy of the company has improved the profitability and liquidity of the Company.

The company also took pro-active steps in containing the expenditure given the pandemic situation through reduction of fixed cost on contract labour, administrative and marketing overheads along with improvement in the operating parameters. The operation and despatches of the company started in a small scale after relaxation of the lockdowns rules from second half of April 2020. The Company used the accumulated stocks initially before starting production from kiln only from the 3<sup>rd</sup> week of May'20. The Company met its obligations while taking advantage of the moratorium offered by the Government.

### **Company Performance:**

- Given the backdrop of decline in demand caused by the covid situation, the clinker production was lower at 8.54 lakhs tons (21.46 lakhs tons).
- The overall volume of clinker and cement was at 14.28 lakh tons when compared with 30.42 lakh tons in the same quarter last year.
- The variable cost of production was kept under control and there was significant reduction in the outgo on fixed overheads on account of lockdowns
- With improved selling prices and with control on distribution costs, the plant realisation increased by 16% during the quarter. The drop in volume alone had accounted for a contribution loss of more than Rs.216 crores. However, with the improved realisation and reduction in overall expenditure, the EBIDTA was at Rs.159 crores as compared to Rs.245 crores in the previous year.
- Interest and other charges was at Rs.73 crores as compared to Rs.80 crores and the depreciation was at the same level of Rs. 60 crores as that of previous year.
- The profit before tax and extra-ordinary items was lower at Rs.26 crores when compared to Rs.105 crores in the previous year.
- Given the current pandemic situation and the plight of the construction industry, the performance of the company can be considered to be good. It is to be noted that EBIDTA margin during the quarter is highest in the last several years.

- The above results were taken on record by the Board of directors at their meeting held on 27<sup>th</sup> July 2020.

## **OUTLOOK:**

Indian economy appears to be on recovery mode although GDP is expected to contract by 4.5% in 2020-21 following longer period of Covid- 19 led lockdown.

Agriculture and allied sector, less impacted by Covid- 19, has turned the bright spot with good rainfall and expected better rabi and kharif crops improving the prospects of rural economy.

According to experts, economy has also started witnessing green shoots of recovery driven by pent up demand in various sectors and improved rural economy. With the Centre promising more policy interventions to revive the economy, it is expected the urban activities will also slowly come back to normalcy..

However, given the current covid situation and the re introduction of lock downs by some states to contain its spread, it is expected that the economic revival could be delayed till the time the pandemic situation is brought under control.