



# 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/

11.08.2021

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 ended**  
**30.06.2021**

In continuation to our letter dated 11.08.2021, forwarding a copy of the unaudited financial results for the quarter ended 30.06.2021, 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

*AM*





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Fax : 044-2852 0702 Grams : 'INDCEMENT'

11<sup>th</sup> August 2021

## Press Release

### THE INDIA CEMENTS LIMITED

#### UNAUDITED RESULTS FOR THE I QUARTER ENDED 30<sup>th</sup> JUNE'21

India Cements Ltd has turned out an impressive performance for the quarter ended 30<sup>th</sup> June'21 with an increased profit before tax of Rs.56 crores as compared to Rs.26 crores in the same quarter of the previous year. This performance has been achieved despite the onslaught of second wave of Covid -19 pandemic during this quarter which impacted the overall volume and in the face of severe cost pressure through increase in fuel price and continuous increase in the price of petroleum products.

With the second wave of pandemic impacting some of the states in India, more particularly the main markets of the company, namely Maharashtra, Kerala, Karnataka and Tamilnadu resulting in severe lockdowns and movement restrictions, the economic recovery which was witnessed towards the end of the previous financial year was impacted during the first quarter of this current fiscal. The impact of these lockdowns is yet to be assessed as the pandemic has not fully subsided yet.





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As per information published by DIPP, the index of eight core industries moved up significantly by 25% during the first quarter of this year and cement production in particular moved up by more than 52% on an all India basis compared to last year which was a low base fully impacted by pandemic. As per information available, the industry in the south had also showed an increased despatch of more than 40% when compared to the same quarter of the previous year. The cement prices also sustained during the quarter under review ensuring reasonable bottom line for the industry which is yet to reach its normalcy in production.

Unlike the earlier wave, the second wave has impacted only a few states and there are optimism prevailing for a "V" shaped recovery in economy which is expected to clock a growth of more than 9% during the current year. However, one has to be cautiously optimistic about the immediate future given there are predictions of a third wave also.

## **Company:**

The company's cement production improved during the quarter by nearly 40% and the overall sales including clinker was up by 37% as compared to previous year. As earlier mentioned, the company has expanded its marketing zones to east, north east and central India which helped in improving the despatches during this tough times of severe lockdowns in the main markets during this quarter. The company also continued its pro-active steps in controlling the fixed cost, administrative overheads, marketing overheads, contract labour and other discretionary expenses.



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## **Performance for the Quarter:**

- The company achieved cement production of 18.88 lakh tons (13.43 lakh tons) and overall volume was at 19.45 lakh tons (14.28 lakh tons). The performance was generally in line with the industry in south. However, when compared with the sequential quarter of last year, the volume was lesser by nearly 35% caused mainly by the pandemic wave 2.
- The net plant realisation for the quarter was lower than that of last year by 7% due to mix of sales as home markets were affected very badly but it was higher when compared to sequential quarter by the same 7%.
- The variable cost of production was up by 3% when compared with the previous year and by 2% compared to sequential quarter.
- Despite the drop in net plant realisation and increased cost pressure, backed by the increased volume, the EBIDTA was up at Rs.165 crores as compared to Rs.159 crores in the previous year.
- The interest and other charges have come down to Rs.55 crores (Rs.73 crores) and depreciation was at Rs.54 crores (Rs.60 crores) and resultant profit before tax more than doubled to Rs.56 crores as compared to Rs.26 crores in the same quarter of the previous year.

The above results were recorded by the Board of directors at their meeting held on 11<sup>th</sup> August 2021.





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## OUTLOOK

There are reports of Indian economy on recovery mode in terms of various high frequency economic indicators with further relaxations in covid related restrictions and inoculation drive to contain the virus spread. RBI and global agencies have projected a strong GDP growth of 9.5% in 2021- 22 albeit on low base.

With normal rainfall predictions, the rural economy is expected to do better creating more rural demand.

The work from home and anywhere concept remains popular in urban and semi-urban centres. This along with the thrust on affordable housing, reduction in home loan rates, Income tax rebates and lower property taxes in some states has led to pick up in new house building, renovation of homes and construction activity.

Centre has presented an expansionary Budget for 2021-22 which has envisaged a 34 % increase in capital expenditure and if the promised capex on infra, roads, metro rails including in the South take place, there is scope for higher demand for cement

The new Government in Tamil Nadu is expected to give push to housing and infrastructure development. Andhra Pradesh and Telangana Governments have started implementing irrigation, road building and other infrastructure projects and new housing schemes.

All these developments give room for cautious optimism for cement demand in the coming months.