THE INDIA CEMENTS LIMITED

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CIN : L26942TN1946PLC000931

SH/BSE/ 24.06.2020

BSE Limited
Corporate Relationship Dept.
First Floor, New Trading Ring
Rotunda Building, Phiroze Jeejeebhoy Towers
Dalal Street, Fort
MUMBAI 400 001.

Dear Sirs,

Sub.: Press release on audited financial results for the quarter and year ended 31.03.2020

In continuation to our letter dated 24.06.2020 forwarding a copy of the audited financial results for the quarter and year ended 31.03.2020, 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

THE INDIA CEMENTS LTD

24th June 2020

Press Release

THE INDIA CEMENTS LIMITED

AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH 2020

The Company has reported a PBT of Rs. 31.63 Crores before exceptional items and a total Comprehensive Income of Rs. 205.10 Crores for the year ended March 31, 2020.

The slowdown of the economy coupled with outbreak of COVID-19 pandemic during the last quarter resulted in reduction in volume by more than 11% during the year under review. The selling price of cement remained generally soft after the first quarter of the financial year resulting in low realisations which adversely affected the bottom line.

According to the information available from DIPP, the cement industry had a marginal negative growth during the year under review as compared to reasonable 13% growth in the previous year. The industry during the month of March 2020 had witnessed a decline in growth by 25% in production as compared to earlier year. The industry in south had a negative growth of 15% during the 4th quarter and a de-growth of around 8% during the year under review. The company had a drop in production of 18% in the 4th quarter and a drop of 11% for the year as a whole.

The decline in demand for cement in the south was primarily in the states of Andhra Pradesh and Telengana (due to the deferment of spends on Infrastructure by the Government) which adversely affected the company.

The company on its part took pro-active steps from the 2nd week of March 2020 in creating awareness of maintaining hygiene, cleaner environment, social distancing, etc. and strict adherence to the rules of the government relating to lockdown. The operations and despatches of the company has been stopped from the last week of March 2020 as per government directives and despatches started in lower scale after 15th of April 2020 after relaxation of the lockdown rules.

Company Performance:

- Given the backdrop of low demand growth further fuelled by covid situation, the company could achieve only a capacity utilisation of 71% for the year as against 79% in the previous year.

- The overall volume of clinker and cement was 110.22 lakh tons (124.40 lakh tons) a drop of 11%.

- The variable cost of production was kept under control and it has come down by 4% during the year under review.

- The net plant realisation was in line with that of previous year.

- The drop in volume alone had accounted for a contribution loss of Rs.150 Crores. However, with improved variable cost the overall

EBIDTA came down to Rs.613 Crores as compared to Rs.669 Crores in the previous year.

- Extraordinary item amounting to Rs. 100 Crores represents the provision for expected credit losses in respect of some advances and receivables primarily from subsidiaries.
- Interest cost were higher by Rs.10 Crores at Rs.334 Crores while the depreciation was lower by nearly Rs.5 Crores at Rs.247 Crores.
- The profit before extra-ordinary items as mentioned above was at Rs.32 Crores against Rs.93 Crores in the previous year and after considering the extra ordinary items and tax provision, the loss for the year was Rs.36 Crores against a profit of Rs.69 Crores in the previous year.
- After considering the other comprehensive items comprising mainly the gain from valuation of PPE, the overall comprehensive income for the year was higher at Rs.205 Crores against Rs.64 Crores in the previous year.

QTR 4 PERFORMANCE

- The overall volume including clinker was lower at 26.47 lakh tons (33.30 Lac tons) a drop of 20 %with an impact of Rs. 85 Crores .
- The lower selling prices during the quarter resulted in net plant realisation coming down by 11% as compared to last year same quarter with an impact of over Rs. 105 Crores
- However, the variable cost also came down sharply by 11% which offset to an extent of Rs. 67 Crores.
- Interest charges were higher by Rs. 10 Crore at 92 Crores, while Depreciation was at the same level of Rs. 64 Crores.

- The loss for the quarter before extra ordinary items was at Rs. 71 crore against a profit of Rs. 62 Crores for the corresponding quarter in FY 2019.
- These results have been approved by the Board of directors at their meeting held on 24th June 2020 and the Board has recommended a dividend of 60 paise per share for the year ended 31st March 2020 subject to approval by the shareholders.

OUTLOOK:

The Company has started operations with partial lifting of the lock down during April 2020. The capacity utilisation for the industry as well as for the Company is still below the normal levels. The prices have recovered smartly from April 2020.

The expected good rabi crop and the forecast of normal south west monsoon augur well for the rural economy. However, given the current covid situation and the re-introduction of lockdown in certain parts of Tamil Nadu, it is very difficult to predict how the economic growth will be in the immediate two quarters. Given that India's economy is driven by its high domestic consumption and a strong rural base, it is expected that the economy will bounce back once the pandemic situation is under control. According to experts ,there are also reports of green shoots in terms of certain economic indicators in some sectors reflecting the economic recovery.