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/ 24.05.2021

BSE Limited
Corporate Relationship Dept. First Floor,
New Trading Ring Rotunda Building
Phiroze Jeejeebhoy Towers
Dalai Street, Fort
MUMBAI 400001.

Scrip Code : 530005

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex, Bandra (E)
MUMBAI 400 051.

Scrip Code : INDIACEM

Dear Sirs,

Sub.: Press Release on audited financial results for the quarter and year ended 31.03.2021

In continuation to our letter dated 24.05.2021 forwarding a copy of the audited financial results for the quarter and year ended 31.03.2021, 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

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24th May' 2021

Press Release

THE INDIA CEMENTS LIMITED

AUDITED RESULTS FOR THE IV QUARTER AND YEAR ENDED 31ST MARCH'21

The India Cements Ltd has turned out an improved performance for the year ended 31st March'21 despite a steep drop in volume caused by Covid-19 pandemic during the year. It has achieved an EBIDTA of Rs.830 crores up by 35% when compared with Rs.613 crores in the previous year. The PAT for the company was significantly up at Rs.222 crores as compared to a loss of Rs.36 crores in the previous year.

However, the 4th quarter under review witnessed steep hike in the prices of input materials like fuel and petroleum products and packing costs and one off fixed costs in manpower and higher impact on cost on account of drawal of stocks. The company could withstand such cost pressures through improved operating efficiencies, substantial saving in discretionary overheads and increased volume together with stable pricing of cement. For the quarter under review the company had achieved an EBIDTA of Rs.213 crores which was more than double as compared to a previous year figure of Rs.85 crores in the same quarter. Considering the Covid year, the performance of the company can be considered to be highly satisfactory.

The Indian economy turned around significantly from the impact of Covid-19 first wave resulting in reduction of the shrinkage of GDP from the earlier 10% to around 7% by the analysts. Further, there were optimism prevailing over all the sectors, with core sectors growing at a significant 6.8% for the month of March'21. Cement industry was also not lagging behind and showed significant uptrend in production and prices of cement. While the de-growth in cement production upto December'20 was over 20% on an all India basis, the same has now come down to a 12% for the year implying better growth in the last quarter when compared with previous year. In fact, the cement production during the month of March'21 was higher by more than 32% on an all India basis.

However, all these optimism and the expectations of further growth in the economy are jolted by the onslaught of 2nd wave of Covid-19 from the 2nd half of March'21. This has forced many states to bring back the restrictions and lockdowns jeopardising all the economic activities. The impact of these lockdowns currently in force are likely to have significant effect on the economy though not quantifiable at present. Hence, we have to be cautiously optimistic about the immediate future.

The company's cement production improved every quarter during the year with capacity utilisation improving from 37% in the first quarter to around 77% in the 4th quarter including clinker sales and the capacity utilisation during the month of March'21 was around 82%. With the cement prices picking up smartly in East, North-East and Central India the company further expanded its marketing zones at these places during the quarter under review. The company also continued its pro-active steps in controlling the fixed cost on contract labour, administrative and marketing overheads with total ban on travel and cutting down other discretionary expenses. The company has been extensively using technology for communication between plants and also with stakeholders without losing its focus on improving its operating parameters.

Performance for the year:

- The company could achieve a total volume of clinker and cement of 89.02 lakh tons(110.22 lakh tons) a drop of 19%. This was generally in line with the industry in south where the drop in production was more than that of national average due to huge capacity overhang.

- The net plant realisation for the year was up by 12% when compared with the previous year.

- The variable cost of production was maintained as that of previous year, despite the higher cost impact on account of drawals of clinker and cement stocks at higher cost and increase in the cost of input materials while the fixed cost were lower when compared with the previous year despite the one off charges in salaries.

- While the drop in cement volume meant a contribution loss of around Rs.300 crores for the year, the improvement in net plant realisation together with reduction in fixed cost more than made up the shortfall and resulted in higher EBIDTA of Rs.830 crores as compared to Rs.613 crores in the previous year.

- Interest and other charges were lower at Rs.266 crores (Rs.334 crores) while depreciation was Rs.242 crores against Rs.247 crores in the previous year and the resultant profit before extra-ordinary items was Rs.323 crores for the year (Rs.32 crores) while the PAT was at Rs.222 crores (a loss of Rs.36 crores).

Performance for IV Quarter:

- The overall volume was at 29.90 lakh tons an increase of 13% over 26.47 lakh tons including clinker for the same quarter of last year.

- While the net plant realisation was up by 16%, the variable cost was significantly affected by the impact of higher input prices of fuel and oil and drawal of clinker and cement and was up by 10%.

- With tight control on fixed cost, the EBIDTA for the quarter was Rs.213 crores against Rs.85 crores in the previous year.

- After netting the interest and depreciation, there was a profit of Rs.98 crores for the quarter as against a loss of Rs.71 crores before extraordinary items in the previous year.

The above results were approved by the Board of directors at their meeting held on 24th May 2021 and the Board has recommended a dividend of 10% (1 rupee per share) on the equity share capital of the company.

OUTLOOK

A strong recovery with GDP growth of below 10% was expected this year following the vaccination drive, revival in demand and expansionary Budget for 2021-22.

But, the surge in Covid- 19 second wave with growing infections and the subsequent localised lock- downs, night curfews and mobility restrictions in a number of States in April and May have disrupted economic activity. As this is expected to pose downside risks to the recovery, global and Indian agencies have reduced 0.5 to 0.6% points in their earlier growth estimates.

Farm sector remains the bright spot of the economy and the projected normal South-West monsoon for third consecutive year is expected to better the prospects of rural economy and improve the rural demand.

In cities and urban centres, work from home concept has turned popular in the wake of the pandemic and re-location of work places. This along with States allowing the construction activity to continue with certain conditions is expected to increase the house building activity and renovation of homes.

The expansionary Budget for 2021-22 allowing higher fiscal deficit of 6.8% and its thrust on increased capex is expected to spur growth. If the promised capex on infra, roads, metro rails including in the South take place, there is scope for higher demand for cement. All these developments give room for cautious optimism for cement demand in the coming months.