



# THE INDIA CEMENTS LIMITED

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CIN : L26942TN1946PLC000931

SH/SE/

27.01.2021

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 and nine months ended 31.12.2020**

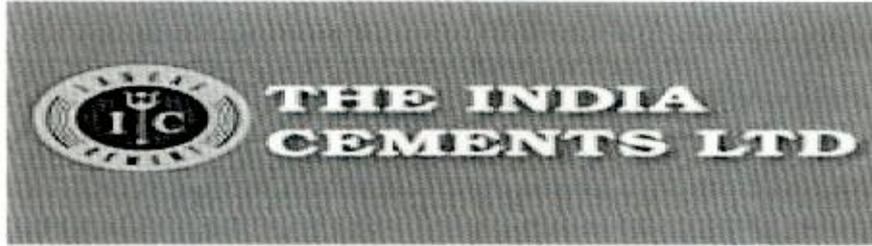
In continuation to our letter dated 27.01.2021, forwarding a copy of the unaudited financial results for the quarter ended 31.12.2020, we enclose a copy of the 'Press Release' issued today in this regard.

Thanking you,

Yours faithfully,  
for THE INDIA CEMENTS LIMITED

**COMPANY SECRETARY**

Encl.: As above



27<sup>th</sup> January 2021

**Press Release**

**THE INDIA CEMENTS LIMITED**

**UNAUDITED FINANCIAL RESULTS FOR THE III QUARTER**

**ENDED 31<sup>st</sup> DECEMBER 2020**

India Cements Ltd has turned out an impressive performance for the III quarter ended 31<sup>st</sup> December'20. The prolonged monsoon affected the primary southern markets, but the company managed through exploring the markets in East, Central India achieving a reasonably improved EBIDTA of Rs.218 crores from Rs.132 crores in the previous year and PBT was also improved to Rs.89 crores as against a loss of Rs.10 crores during the corresponding quarter of the previous year.

There are early signs of pick up in economic activity showing economic recovery from the impact of Covid-19 which kept the country under tremendous pressure during the last 9 months. There are optimistic estimates of further improvements of the economy with the introduction of vaccine from the month of January'21 to control this pandemic. Various agencies have now revised the shrinkage of economy to significantly lower levels as against the earlier prediction of shrinkage of 9 to 10% and above.

The construction industry which was paralysed by the absence of migrant labour, restriction on interstate movements has started recovering from the month of September'20 which in turn resulted in cement production going up by 3% on an all India basis during the month of October'20 over that of previous year – a remarkable improvement when compared with decline in growths in earlier months. This recovery is through the growth in demand in rural areas which is bolstered by more than normal rainfalls during the monsoons. Experts have also predicted increased building activity on account of more work from home concepts which have started picking up in urban and semi-urban areas.

While the de-growth in cement production as per DIPP upto November'20 was 20% for all India, this varies from zone to zone with east, central, north recording a lesser negative growth while south with high supply overhang had a higher negative growth of 24%. While overall volume of the company for the 9 months was lower by 29%, it was lower by 11% only during the 3<sup>rd</sup> quarter of the year. The cement prices remained somewhat stable in some of the states while it had undergone marginal fluctuations in some southern states but was still remunerative and higher than that of previous year.

On its part, the company had continued its pro-active steps taken to control the fixed costs on contract labour and administrative and marketing overheads with total ban on travel, etc and advocated higher usage of technology for communication between plants and with stakeholders while increased its focus on improving the operating parameters.

## **Company Performance:**

### **III Quarter:**

- The overall volume of clinker and cement was at 23.77 Lakh Tons when compared to 26.66 Lakh Tons in the previous year a drop of 11%.
- With substantially higher monsoon in the southern states, the company utilised the opportunity to increase its presence in the long lead markets of central and east India although at a lower contribution.
- The net plant realisation was up by 11% when compared with the previous year but was lower by 5% on sequential quarter basis.
- The variable cost of production was further brought down during the quarter under review and was lower by 2% when compared to earlier year.
- While drop in volume meant a contribution loss of more than Rs.45 crores for the quarter, backed by the improved realisation and reduction in variable and fixed costs, the EBIDTA was substantially improved to Rs.218 crores(Rs.132 crores) an improvement of 65%.
- Interest and other charges were lower at Rs.69 crores (Rs.81 crores while depreciation was at Rs.60 crores (Rs.61 crores) and the PBT was higher at Rs.89 crores as against a loss of Rs.10 crores during the same quarter of the previous year. The EBIDTA margin was at 19% against 11% in the previous year.

### **9 Months Ended 31<sup>st</sup> December 2020:**

- The overall volume of cement and clinker was at 59.12 Lakh Tons as against 83.75 Lakh Tons a drop of 29%.
- The contribution loss on account of lower volume was made up with improvement in realisation and reduction in cost of production resulting in EBIDTA improving to Rs.617 crores as against Rs.527 crores in the previous year. It may be worth noting that the EBIDTA for the 9 months of this year is higher than that of Rs.613 crores achieved during the whole of previous year.
- After netting the interest and depreciation, the PBT was Rs.225 crores showing a substantial improvement over Rs.103 crores in the 9 months of the previous year.

The above results were taken on record by the Board of directors at their meeting held on 27<sup>th</sup> January 2021.

### **OUTLOOK:**

According to the first advance estimate released by the Government recently, GDP growth is projected to contract 7.7per cent in 2020-21. This is considered lower than the contraction of 8 to 10.6 per cent projected by various global agencies.

With good rainfall reported in the two monsoon seasons, agriculture sector remains the bright spot of economy with a projected growth of 3.4 per cent this year in the advanced estimate.

With the improved prospects for rural economy, continuing recovery in terms of various high frequency economic indicators and the vaccination drive launched for combating the Covid-19, economy is expected to regain the lost ground and return to growth track in 2021-22.

The work from home concept has turned popular following the pandemic and lock-downs and re-location of work places. This has led to pick up in new house building, renovation of homes and construction activity.

Apart from a series of stimulus and monetary policy measures announced by the Centre aimed at reviving the Covid-19 pandemic hit economy, forthcoming Budget for 2021-22 is expected to retain the thrust on increased public spending and giving push to the implementation of big-ticket investments in the infrastructure projects.

This along with Andhra Pradesh and Telangana Governments started giving push to the implementation of irrigation, road building and other infrastructure projects and housing schemes for the poor augur well for improving the cement demand in the coming months.