

THE RAMCO CEMENTS LIMITED

PRESS RELEASE

PERFORMANCE FOR THE QUARTER ENDED 30th JUNE 2020

SALES

Particulars	(In Lac Tonnes)		
	For the Quarter ended		For the Year ended
	30-6-2020	30-6-2019	31-3-2020
Cement sale volume	19.37	27.03	112.03

HIGHLIGHTS OF UN-AUDITED FINANCIAL RESULTS

Particulars	Standalone (Rs. in Crores)		
	Un-audited		Audited
	For the quarter ended		For the year ended
	30-6-2020	30-6-2019	31-3-2020
Revenue, net of GST	1,051.90	1,392.06	5,405.64
Operating Profit (EBITDA)	270.07	367.48	1,173.82
Less: Finance Costs	29.93	13.52	71.35
Less: Depreciation	84.43	75.79	315.26
Profit before tax	155.71	278.17	787.21
Less: Tax Expenses	46.11	86.20	186.12
Profit for the period	109.60	191.97	601.09
Add: OCI	0.26	0.42	(7.81)
Total Comprehensive Income	109.86	192.39	593.28

OCI - Other Comprehensive income

Particulars	Consolidated (Rs. in Crores)		
	Un-audited		Audited
	For quarter ended		For the year ended
	30-6-2020	30-6-2019	31-3-2020
Revenue, net of GST	1,056.79	1,396.82	5,422.80
Operating Profit (EBITDA)	272.18	369.92	1,180.92
Less: Finance Costs	29.93	13.86	72.14
Less: Depreciation	84.75	76.13	316.54
Profit before tax	157.50	279.93	792.24
Less: Tax Expenses	46.58	86.71	187.85
Less: Other adjustments (*)	(6.33)	(0.98)	0.25
Profit for the period	117.25	194.20	604.14
Add: OCI, net of NCI	(0.23)	1.26	(4.96)
Total Comprehensive Income	117.02	195.46	599.18

(*) include share of profit of associates / non-controlling interest (NCI); OCI - Other Comprehensive income

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CEMENT

During the quarter ended 30-6-2020, the sale of cement for the company was at 1.94 million tons, compared to 2.70 million tons in the corresponding period of the previous year with a de-growth of 28%. The company's sale was disrupted by the lockdown imposed by the state/central government due to COVID-19.

WIND POWER

During the quarter ended 30-6-2020, the company has generated 6.11 crore units as against 7.82 crore units in the previous corresponding period. The income for the quarter ended 30-6-2020 from the wind power business is Rs.16.62 crores as against Rs.21.24 crores in the previous corresponding period. The operating expenses for the quarter ended 30-6-2020 is Rs.5.47 crores as against Rs.5.08 crores during the previous corresponding period.

PROFITABILITY

The profitability for the current quarter was impacted due to COVID-19. EBITDA has come down by 27% during the current quarter mainly due to drop in sale volume. EBITDA for the quarter ended 30-6-2020 is Rs.270.07 crores as against Rs.367.48 crores during the previous corresponding period.

Cost of raw materials consumed include consumption of purchased clinker being one-off item during the current quarter. Power and fuel cost has reduced due to benign prices of fuels viz., pet coke, coal during the current quarter. The lower sales volume during the current quarter has resulted in under-absorption of overheads. The company has taken various sustainable austerity measures to reduce overheads.

For the current quarter, the company has expensed Rs.8.74 crores towards Employees stock option expenses on pro-rata basis for the options granted to its employees during the previous year. During the current quarter, the company has also spent Rs.12.62 crores towards CSR expenditure, out of which a sum of Rs.5.60 crores is attributable to CSR activities towards COVID-19 relief measures undertaken by the company directly and a sum of Rs.5.00 Crores is towards contribution to Chief Minister's Relief Fund.

INCOME TAX

For the quarter ended 30-6-2020, the company has made current tax provision of Rs.27.18 crores under MAT as against Rs.59.86 crores under MAT in the corresponding period of previous year.



The deferred tax for the quarter ended 30-6-2020 is Rs.45.79 crores as against Rs.27.22 crores in the previous corresponding period. MAT credit recognised during the quarter ended 30-6-2020 is Rs.26.86 crores as against Rs.0.88 crores in the previous corresponding period.

As per Section 115BAA in the Income Tax Act, 1961, the company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. The Company has not exercised this option for the financial year 2020-21 in view of the benefits available under the existing tax regime.

SUBSIDIARY COMPANIES

1. RAMCO WINDFARMS LIMITED

For the quarter ended 30-6-2020, the generation of power is 0.88 crore units as against 1.21 crore units for the previous corresponding period. For the quarter ended 30-6-2020, the revenue from operations and EBIDTA were Rs.3.51 crores and Rs.2.34 crores respectively. During the previous corresponding period, the revenue from operations and EBIDTA were Rs.4.86 crores and Rs.3.70 crores respectively. The subsidiary company has an installed capacity of 39.835 MW.

2. RAMCO INDUSTRIAL & TECHNOLOGY SERVICES LIMITED

For the quarter ended 30-6-2020, the revenue from operations is Rs.7.72 crores as against Rs.8.09 crores during previous corresponding period. EBIDTA for the quarter ended 30-6-2020 is Rs.0.60 crores as against Rs. (-) 0.73 crores during previous corresponding period.

LEGAL

The Competition Commission of India (CCI) vide its order dated 31-8-2016 had imposed a penalty of Rs.258.63 Crores on the company towards alleged cartelisation. Our appeal along with the appeals of other cement companies had been dismissed by NCLAT vide its order dated 25-7-2018. Against the order, the company appealed to the Hon'ble Supreme Court, which by its order dated 5-10-2018 admitted the appeal and directed to continue the interim order passed by NCLAT. Accordingly, the company re-deposited Rs.25.86 Crores being 10% of the penalty. The Company backed by legal opinion, believes that it has a good case and hence no provision is made.



CAPEX

The progress of ongoing capex program is delayed due to COVID-19. The Railway siding in Kolaghat is expected to be operational in Sep-20. The grinding plant of 1 MTPA along with railway siding in Odisha is expected to be commissioned before Sep-20. In Jayanthipuram, out of 27 MW of proposed WHRS, units of 9 MW each are expected to be commissioned on or before Sep-20 and Dec-20 respectively. The company endeavours to complete the clinkering unit of 1.5 MTPA along with 9 MW WHRS in Jayanthipuram and 2.25 MTPA clinkering unit in Kurnool before Mar-21 albeit difficulties experienced during this pandemic time. The 1 MTPA cement grinding facility with 18 MW of TPP, 12 MW of WHRS and railway siding in Kurnool are expected to be commissioned in FY 2021-22. Now the construction activities in all the project sites have started picking up. However, the sustenance of construction activities is key to complete the projects within the revised timeline especially in the wake of prevailing uncertainties. The company has incurred Rs.257 crores during the quarter ended 30-6-2020 towards total capex including for the above-mentioned ongoing capacity expansion programme. The balance capex to be incurred as on 30-6-2020 is Rs.1,180 crores for its ongoing capacity expansion.

BORROWINGS

During the current quarter, the company has reduced the borrowings by Rs.180 crores with tightening of its working capital after incurring above-mentioned capex of Rs.257 crores. The company's gross debt as on 30-6-2020 is Rs.2,844 crores.

IMPACT OF COVID-19

The company's business operations were disrupted during Apr-20 in view of lockdown imposed by the Government due to COVID-19. After relaxation of restrictions by the Government, the business operations restored gradually and is continuing with weak demand in urban/semi-urban markets. The company continues to comply with the various operating guidelines issued by the relevant regulatory authorities from time to time.

As per the current assessment of the company, there is no material impact on the carrying values of trade receivables, inventories and other financial/non-financial assets as at the reporting date. The company continues to closely monitor the developments in economic conditions and assess its impact. However, the final impact may differ from the current estimates considering the prevailing uncertainties.

Place : Chennai

Date : 14-8-2020

