

**THE RAMCO CEMENTS LIMITED**

**PRESS RELEASE**

**PERFORMANCE FOR THE QUARTER / NINE MONTHS ENDED 31<sup>ST</sup> DECEMBER 2019**

**SALES**

Particulars	(In Lac Tonnes)			
	For quarter ended		For nine months ended	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Cement sale volume	28.44	27.47	82.71	78.30

**HIGHLIGHTS OF UN-AUDITED FINANCIAL RESULTS**

Particulars	Standalone (Rs. in Crores)			
	For quarter ended		For nine months ended	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Revenue, net of GST	1,286.43	1,216.99	4,004.37	3,631.24
Operating Profit (EBITDA)	211.32	220.54	883.23	728.80
Less: Finance Costs	21.50	13.48	49.75	38.04
Less: Depreciation	79.68	75.57	232.01	221.84
Profit before tax	110.14	131.49	601.47	468.92
Less: Tax Expenses	15.34	30.42	146.55	128.40
Profit for the period	94.80	101.07	454.92	340.52
Add: OCI	0.77	0.40	0.51	0.12
Total Comprehensive Income	95.57	101.47	455.43	340.64

*OCI - Other Comprehensive income*

Particulars	Consolidated (Rs. in Crores)			
	For quarter ended		For nine months ended	
	31-12-2019	31-12-2018	31-12-2019	31-12-2018
Revenue, net of GST	1290.00	1,217.07	4018.90	3,641.53
Operating Profit (EBITDA)	212.55	219.35	890.61	735.26
Less: Finance Costs	21.64	13.55	50.53	38.36
Less: Depreciation	80.02	75.87	233.05	222.75
Profit before tax	110.89	129.93	607.03	474.15
Less: Tax Expenses	15.49	30.00	148.31	130.07
Less: Other adjustments(*)	0.80	2.37	(-)2.34	(-) 1.73
Profit for the period	94.60	97.56	461.06	345.81
Add: OCI	1.27	1.39	1.94	2.05
Total Comprehensive Income	95.87	98.95	463.00	347.86

*(\*) include share of profit of associates / non-controlling interest*

*OCI - Other Comprehensive income*



## **CEMENT**

During the nine months period ended 31-12-2019, the sale of cement for the company was at 8.27 million tons, compared to 7.83 million tons of the previous corresponding period. Exports have increased by 21% during the current year under review.

During the current quarter, the company witnessed sluggish demand in its core markets coupled with pressure on prices due to active monsoon. Demand in eastern markets was more visible during the current quarter, but the prices particularly in west bengal were very poor and the trend in Jan-20 is positive with improvement in prices.

However the operating cost continue to remain under control in view of favourable prices of fuels viz., pet coke, diesel during the current quarter. The company has been constantly focussing on various cost reduction initiatives and improving productivity while maintaining highest quality standards. The company's marketing initiatives of right products for right applications have attained desired momentum. The company is also taking continuous efforts to optimise the supply chain efficiency.

## **WIND POWER**

During the nine months period ended 31-12-2019, the company has generated 20.69 crore units as against 22.07 crore units of the previous corresponding period. The income for the nine months period ended 31-12-2019 from the wind power business is Rs.53.63 crores as against Rs.58.94 crores from corresponding period of previous year. The operating expenses for the nine months period ended 31-12-2019 is Rs.15.58 crores as against Rs.14.95 crores during the corresponding period of previous year.

## **PROFITABILITY**

EBIDTA for the nine months period ended 31-12-2019 is Rs.883.23 crores as against Rs.728.80 crores during the corresponding period of previous year. During the current year under review, the company has contributed to Chief Ministers' Relief Fund / Political Parties, amounting to Rs.19 crores as against Rs.4.20 crores in the corresponding previous period. During the nine months period ended 31-12-2019, the company has incurred Rs.1.29 crores towards employee separation scheme in Method plant.



## INCOME TAX

For the nine months period ended 31-12-2019, the company has made current tax provision of Rs.104.90 crores under MAT as against Rs.111.82 crores under regular method in the corresponding period of previous year.

The deferred tax for the nine months period ended 31-12-2019 is Rs.98.59 crores as against Rs.10.29 crores in the corresponding period of previous year. MAT credit recognised during the nine months period ended 31-12-2019 is Rs.61.29 crores. Deferred tax adjustments during the current year pertaining to earlier years is Rs.4.35 crores as against Rs.6.29 crores during the corresponding period of previous year.

## SUBSIDIARY COMPANIES

### 1. RAMCO WINDFARMS LIMITED

For the nine months period ended 31-12-2019, the generation of power is 3.20 crore units as against 3.34 crore units for the corresponding period of previous year. For the nine months period ended 31-12-2019, the revenue from operations and EBIDTA were Rs.12.81 crores and Rs.9.21 crores respectively. During the corresponding previous period, the revenue from operations and EBIDTA were Rs.13.38 crores and Rs.9.48 crores respectively. The subsidiary company has an installed capacity of 39.835 MW.

### 2. RAMCO INDUSTRIAL & TECHNOLOGY SERVICES LIMITED

This company became subsidiary w.e.f. 21-3-2019. For the nine months period ended 31-12-2019, the revenue from operations and EBIDTA is Rs.29.90 crores and Rs.0.46 crores respectively.

## LEGAL

The Competition Commission of India (CCI) vide its order dated 31-08-2016 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.



## **CAPACITY EXPANSION**

The Status of company's capacity expansion programme is as detailed below:

Expansion of grinding unit in Kolaghat, West Bengal from 1 MTPA to 2 MTPA was commissioned in September, 2019.

New grinding unit in Haridaspur, Odisha with a capacity of 0.9 MTPA is expected to be commissioned in March, 2020.

Expansion of grinding unit near Vizag, AP from 0.95 MTPA to 2 MTPA is expected to be commissioned in March, 2020.

Expansion of clinkering capacity at the Jayanthipuram, AP from 3 MTPA to 4.50 MTPA along with WHRS capacity of 27 MW, is expected to be commissioned before December, 2020.

New cement plant in Kolimigundla, Kurnool District, AP with clinkering capacity of 2.25 MTPA and cement capacity of 1 MTPA is expected to be commissioned before March, 2021. The proposed plant shall have the facility viz., railway siding, WHRS of 10 MW and thermal power plant of 15 MW.

As against the proposed capex of Rs.3,530 crores for the above capacity expansion programme, the company has so far incurred Rs.1,837 crores for the period up to 31-12-2019. The company propose to meet the above capex partly through internal accruals and partly through borrowings.

## **BORROWINGS**

The company's total borrowings as on 31-12-2019 is Rs.2,679 crores (including current maturities of Rs.341 crores), out of that Rs.1,382 crores is from banks, Rs.195 crores of debentures and Rs.305 crores of Soft/Interest free loans are long term in nature. The average cost of interest bearing borrowing is at 7.54% p.a.

Place : Chennai

Date : 29-1-2020

