

THE RAMCO CEMENTS LIMITED

PRESS RELEASE

PERFORMANCE FOR THE QUARTER ENDED 30TH JUNE 2019

SALES VOLUME (In Lac tons)	For the Quarter ended	
	30-6-2019	30-6-2018
Domestic	26.48	25.77
Exports	0.55	0.37
Total	27.03	26.14

UN-AUDITED FINANCIAL RESULT (Rs. In Crores)	STANDALONE		CONSOLIDATED	
	For the Quarter ended			
	30-6-2019	30-6-2018	30-6-2019	30-6-2018
Revenue (net of taxes)	1,392.06	1,224.80	1396.82	1227.79
Operating Profit (EBIDTA)	367.48	255.20	369.92	256.92
Finance Costs	13.52	11.44	13.86	11.57
Depreciation/Amortization Expenses	75.79	73.46	76.13	73.75
Profit before tax	278.17	170.30	279.93	171.60
Tax Expenses	86.20	45.32	86.71	45.69
Profit for the period	191.97	124.98	194.20	127.94
Total Comprehensive Income	192.39	124.91	195.46	128.75

CEMENT

During the quarter ended 30-6-2019, the sale of cement for the company was at 2.70 million tons, compared to 2.61 million tons of the previous corresponding quarter, showing an increase of 3%.

COST

The coal and pet coke prices have softened during the quarter. In the fuel mix, pet coke usage was reduced to 42% during the quarter ended 30-6-2019, as against 62% during the quarter ended 30-6-2018. The company has been constantly focussing on various cost reduction initiatives and improving productivity without compromising on quality.

WIND POWER

During quarter ended 30-6-2019, the division has generated 7.82 crore units as against 6.73 crore units of the previous corresponding period. The income during the quarter from the wind power business was Rs.21.24 crores as against Rs.18.67 crores of the previous corresponding quarter. The operating expenses for the current quarter was Rs.5.08 crores as against Rs.4.55 crores during the corresponding previous period



PROFITABILITY

Blended EBIDTA for the quarter ended 30-6-2019 was Rs. 367.48 crores as against Rs. 255.20 crores during quarter ended 30-6-2018 showing a growth of around 44%. During the quarter ended 30-6-2019, the company has contributed to Chief Ministers' Relief Fund / Political Parties, amounting to Rs.19 crores as against NIL for the quarter ended 30-6-2018.

INCOME TAX

For the quarter ended 30-6-2019, the Company has made current tax provision of Rs.59.86 crores under MAT as against Rs.37.57 crores under regular method in the previous corresponding quarter. The deferred tax for quarter ended 30-6-2019 is Rs.27.22 crores as against Rs.7.75 crores in the previous corresponding quarter. MAT credit recognised during the current quarter is Rs.0.88 crores as against Nil during the corresponding period of previous year.

SUBSIDIARY COMPANIES

RAMCO WINDFARMS LIMITED

For the quarter ended 30-6-2019, the generation of power is 1.21 crore units as against 0.95 crore units for the previous corresponding quarter. For the quarter ended 30-6-2019, the revenue from operations and EBIDTA were Rs.4.86 crores and Rs.3.70 crores respectively. For the quarter ended 30-6-2018, the revenue from operations and EBIDTA were Rs.3.81 crores and Rs.2.53 crores respectively. The subsidiary company has an installed capacity of 39.835 MW.

RAMCO INDUSTRIAL & TECHNOLOGY SERVICES LIMITED

(formerly known as Ontime Industrial Services Limited)

This company became subsidiary w.e.f. 21-3-2019. For the quarter ended 30-6-2019, the revenue from operations and EBIDTA is Rs.8.09 crores and (-) Rs.0.73 crores respectively. The company's business includes man power supply services, transportation of goods by road and information technology services.



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 ongoing expansion programme is as detailed below:

Installation of equipments have been completed for expansion of grinding unit in Kolaghat, West Bengal from 1 MTPA to 2 MTPA. Trial run is going on. Expected to be commissioned shortly.

New grinding unit in Haridaspur, Odisha with a capacity of 0.9 MTPA is expected to commissioned during October, 2019.

Expansion of grinding unit near Vizag, AP from 0.95 MTPA to 2 MTPA is expected to commissioned during 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 during Sep, 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 during March, 2021. The proposed plant shall have the facility viz., railway siding, WHRS of 10 MW and thermal power plant of 15 MW.

The company proposes to meet the above capex largely through internal accruals and for balance requirements, if any, through borrowing based on need. The company's borrowings as on 30-6-2019 was Rs. 1,998 crores (including current maturities of Rs. 244 crores), out of that Rs. 733 crores from banks and Soft/Interest free loans of Rs. 352 Crores are long term in nature. The average cost of interest bearing borrowing is at 7.62%.



MESSAGE FROM CEO

I am pleased to share that we have achieved highest ever quarterly EBITDA of Rs.367 crores during this quarter. I must say that we have started this financial year on a good note. I am also happy to share that we have launched a premium product SUPERCRETE in Tamilnadu and Kerala meant for concrete during this quarter and response from the market is quite encouraging. This new product gives high early strength, high durability, high compressive strength and more importantly crack free concrete.

We have been focussing on different segment of customers based on their usage and applications and provide solutions through our technical services team, thereby we ensure that right cement is used for right applications. We now have about 11 varieties of cements to meet the varied demands of customers, thanks to our sophisticated R & D centre. The company continues to focus on customer service, brand building and developing niche markets while maintaining highest quality standards.

Our short-term borrowings rates are sub 7% amidst tight liquidity in the market.

Our capacity expansion program is going on as per schedule. We are confident that we would become 20MTPA company by end of 2020.

Place : Rajapalayam

Date : 7-8-2019

