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Corporate Identity Number: L26941TN1957PLC003566

THE RAMCO CEMENTS LIMITED

19 June 2020

National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	Scrip Code:RAMCOCEM
BSE Limited, Floor 25, "P.J.Towers", Dalal Street, Mumbai – 400 001.	Scrip Code:500260

Dear Sirs,

Sub: Press Release

We send herewith a copy of the Press Release on the performance of the Company for the quarter and year ended 31.03.2020, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,
For **THE RAMCO CEMENTS LIMITED,**

K Selvanayagam

K.SELVANAYAGAM
SECRETARY

Encl : As above

THE RAMCO CEMENTS LIMITED

PRESS RELEASE

PERFORMANCE FOR THE 4th QUARTER / YEAR ENDED 31ST MARCH 2020

SALES

Particulars	(In Lac Tonnes)			
	For quarter ended		For the year ended	
	31-3-2020	31-3-2019	31-3-2020	31-3-2019
Cement sale volume	29.32	32.94	112.03	111.24

HIGHLIGHTS OF AUDITED FINANCIAL RESULTS

Particulars	Standalone (Rs. in Crores)			
	For quarter ended		For the year ended	
	31-3-2020	31-3-2019	31-3-2020	31-3-2019
Revenue, net of GST	1,401.27	1,543.47	5,405.64	5,174.71
Operating Profit (EBITDA)	290.59	336.17	1,173.82	1,064.97
Less: Finance Costs	21.60	12.83	71.35	50.87
Less: Depreciation	83.25	76.68	315.26	298.52
Profit before tax	185.74	246.66	787.21	715.58
Less: Tax Expenses	39.57	81.29	186.12	209.69
Profit for the period	146.17	165.37	601.09	505.89
Add: OCI	(8.32)	(2.80)	(7.81)	(2.68)
Total Comprehensive Income	137.85	162.57	593.28	503.21

OCI - Other Comprehensive income

Particulars	Consolidated (Rs. in Crores)			
	For quarter ended		For the year ended	
	31-3-2020	31-3-2019	31-3-2020	31-3-2019
Revenue, net of GST	1,403.90	1,545.77	5,422.80	5,187.30
Operating Profit (EBITDA)	290.31	334.19	1,180.92	1,069.45
Less: Finance Costs	21.61	13.06	72.14	51.42
Less: Depreciation	83.49	77.21	316.54	299.96
Profit before tax	185.21	243.92	792.24	718.07
Less: Tax Expenses	39.54	80.54	187.85	210.61
Less: Other adjustments (*)	2.59	(1.53)	0.25	(3.26)
Profit for the period	143.08	164.91	604.14	510.72
Add: OCI, net of NCI	(6.90)	(3.13)	(4.96)	(1.08)
Total Comprehensive Income	136.18	161.78	599.18	509.64

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

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CEMENT

During the year ended 31-3-2020, the sale of cement for the company was at 11.20 million tons, compared to 11.12 million tons in the previous year with a growth of 1%. The cement prices were under pressure for most part of the year. Logistics costs have come down due to reduction in diesel prices and reduction in lead distances.

The operating cost continue to remain under control in view of benign prices of fuels viz., pet coke, coal and diesel during the year. The average pet coke prices have dropped by 28% during the year. The average coal prices have declined by 9% during the year. Diesel prices have dropped by 4% during the year. The rupee depreciation has largely offset the fuel price benefits. 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 taking continuous efforts to optimise the supply chain efficiency.

WIND POWER

During the year ended 31-3-2020, the company has generated 22.68 crore units as against 24.26 crore units in the previous year. The income for the year ended 31-3-2020 from the wind power business is Rs.58.07 crores as against Rs.61.75 crores in the previous year. The operating expenses for the year ended 31-3-2020 is Rs.20.80 crores as against Rs.20.30 crores during the previous year.

PROFITABILITY

EBIDTA for the year ended 31-3-2020 is Rs.1,173.82 crores as against Rs.1,064.97 crores during the previous year. The profitability for the current year could have been better but for the disruption of operations due to lockdown imposed by State/Central Government during the month of Mar-20 in view of life threatening pandemic situation of COVID-19.

The company has spent Rs.170.71 crores during the current year (PY: Rs.96.53 crores) towards advertisement/sales promotion in view of brand promotion and new launches of premium varieties of cement. As per Ind AS 102, the company has expensed Rs.21.52 crores (PY: Nil) towards Employees stock option expenses for the options granted to its employees during the year. The company has also contributed to Chief Ministers' Relief Fund/Political Parties, amounting to Rs.19 crores during the year as against Rs.24.20 crores in the previous year.

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INCOME TAX

For the year ended 31-3-2020, the company has made current tax provision of Rs.139.02 crores under MAT as against Rs.189.44 crores under regular method in the corresponding period of previous year. Current tax adjustments of earlier years is Rs.0.24 crores as against Rs.(-) 4.83 crores during the previous year.

The deferred tax for the year ended 31-3-2020 is Rs.74.28 crores as against Rs.10.97 crores in the previous year. MAT credit recognised during the year ended 31-3-2020 is Rs.36.74 crores. Deferred tax adjustments during the current year pertaining to earlier years is Rs.9.32 crores as against Rs.14.11 crores during the previous year.

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 year ended 31-03-2020 in view of the benefits available under the existing tax regime.

SUBSIDIARY COMPANIES

1. RAMCO WINDFARMS LIMITED

For the year ended 31-3-2020, the generation of power is 3.59 crore units as against 3.71 crore units for the previous year. For the year ended 31-3-2020, the revenue from operations and EBIDTA were Rs.14.38 crores and Rs.9.50 crores respectively. During the previous year, the revenue from operations and EBIDTA were Rs.14.92 crores and Rs.9.58 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 year ended 31-3-2020, the revenue from operations and EBIDTA is Rs.40.94 crores and Rs.1.34 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

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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 near Vizag, AP from 0.95 MTPA to 2 MTPA was commissioned in March, 2020.

New grinding unit in Haridaspur, Odisha with a capacity of 1 MTPA is expected to be commissioned in August 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 March 2021.

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 12.15 MW and thermal power plant of 18 MW.

The company has incurred Rs.1,920 crores towards total capex including capacity expansion program during the current year. The balance capex to be incurred shall be Rs.1,380 crores for its ongoing capacity expansion programme. The above capex is proposed to be partly funded through internal accruals and partly through borrowings.

BORROWINGS

The company's total borrowings as on 31-3-2020 is Rs.3,024 crores (including current maturities of Rs.392 crores), out of that Rs.1,551 crores is from banks, Rs.395 crores of debentures and Rs.278 crores of Soft/Interest free loans are long term in nature. The average cost of interest bearing borrowing is at 7.34% p.a.

DIVIDEND

The company has paid interim dividend of Rs.2.50 per share during Mar-20. The Board of Directors recommend this to be the total dividend for the year 2019-20. For the year 2018-19, the Company had paid a dividend of Rs.3.00 per share. The dividend including dividend tax for the year 2019-20 is Rs.71.07 crores as against Rs.85.28 crores for the year 2018-19.

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IMPACT OF COVID-19

In view of the lock-down declared across the country by the Central / State Governments due to COVID-19 pandemic during second half of March 2020, the company's operations at all locations were adversely impacted. The operations have since resumed in a phased manner during April / May 2020 in accordance with the guidelines issued by the relevant regulatory authorities with regard to adhering of social distancing and following prescribed hygiene standards. The Company continues to comply with such guidelines from time to time.

The Company has sufficient liquidity / financing arrangements for the continuity of business operations. The company is confident of its ability to service the debt / financing arrangements. The lock-down due to COVID-19 is continuing with certain relaxations in FY 2020-21 and the company is continuing its operations with lower demand. The Company expects the demand for cement to get back to its normal levels, based on further relaxations that would be announced by the Central and State Governments, in the course of time. The Company has assessed the potential impact of COVID-19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long-term basis. The Company's ongoing capacity expansion program is expected to get delayed by few months because of exit of labourers from the project sites due to COVID-19. However, the Company does not have any material risk of non-fulfilment of obligations by any party arising out of existing contracts / agreements.

The Company has exercised due care in determining its significant accounting judgements and estimates while preparing its financial statements including internal controls over financial reporting. 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 made as at the date of approval of the financial statements for the year ended 31-03-2020 considering the prevailing uncertainties.

Place : Chennai
Date : 19-6-2020

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