



**THE RAMCO CEMENTS LIMITED**

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Corporate Identity Number: L26941TN1957PLC003566

8 November 2021

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 – Cementing its place with innovations.

We are pleased to enclose our Press Release appeared in “Business Line” newspaper on 7<sup>th</sup> November 2021 on our “Launching application Specific Products”.

This press release is being submitted to the exchange, pursuant to Clause 3, Para B, Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

*K.Selvanayagam*

**K.SELVANAYAGAM**  
**SECRETARY**

Encl: as above

## **Cementing its place with innovations**

[N Madhavan](#) | Updated on November 07, 2021



**Increasing revenue: Ramco Cements earns at least ₹300-400 more per tonne with specialised products - BIJOY GHOSH**

**Launching application specific products has helped Ramco earn more per tonne**

It was sometime in the early 1970s. PR Ramasubrahmaneya Rajah, the then Chairman of Madras Cements (now Ramco Cements), was visiting the Idukki Dam construction site in Kerala. The company was a major supplier to the project. There he noticed engineers mixing fly-ash with the cement before use. Mixing fly-ash prevents cracks from developing, they told him. That set off an idea in his mind. He came back and asked his officials why fly-ash can't be used as a standard input in producing cement. Soon, almost all the cement the company was producing had fly-ash in it. That was the beginning of the ₹5,300 crore Ramco Cements' product innovation journey.

Over the years the company has stayed true to its core philosophy of offering the `right product for right application and today, it sells over 20 different products for various uses. "These efforts have helped us position the company as a technology leader, a premium player with better than industry margins and enjoy a stock market valuation which is on par with national players, despite a regional presence," says AV Dharmakrishnan, CEO, Ramco Cements. This is because

cement is still perceived to be a commodity play by many. Product innovations, in the last 100 years, have been few and far between, including development of various grades of cements (33, 43, 53 grades), blended cement (with fly-ash or slag) or a few variants for specific uses like manufacturing concrete railway sleepers and constructing oil wells or airport runways.

## **Not just a commodity**

“Companies had multiple brands in the market. They were more for targeting multiple price points making it a case of same wine in different bottles,” recalls Balaji K Moorthy, Executive Director, Marketing. By developing and launching products for specific uses at a larger scale, we have proved that cement is more than just a commodity and it lends itself well to product innovations, he adds.

Though the company’s tryst with innovation began in the 1970s, it chose to leverage it effectively only by end of the century. It was in 1998 that Ramco Supergrade, the fly-ash-based blended cement brand, was launched. Despite obvious benefits — better strength, no cracks, environment-friendly (it consumes fly ash, which is ecologically hazardous to store or dispose of) and saves limestone, blended cements accounted for just 10 per cent of the industry. Ordinary Portland Cement (OPC) dominated the market with 90 per cent share. An advertisement blitzkrieg coupled with massive dealer education on positive attributes of blended cement changed consumer perception first and then their preference. The industry initially reacted to Ramco Supergrade with contempt and even dragged the company to the Advertising Standards Council of India for misrepresentation. Today, 90 per cent of the market is blended cements and almost all major cement players have launched dedicated blended cement brands.

Supergrade’s success accelerated the company’s innovation journey. In 2000, it set up Ramco Research and Development Centre (RRDC) in Chennai, with the intention of developing application-based products. Soon MACE (acronym for Masons, Architects, Contractors and Engineers), an initiative to provide on-site engineering solutions to large projects and after sales support for individual homes, was started in 2001. “These two developments deepened Ramco’s innovation potential. Most of the ideas came from MACE, while RRDC went about converting them into commercial products,” explains M Srinivasan, Executive Director, Operations.

## The shift from bricks

In 2002, the company launched a series of dry mix products in collaboration with M-Tec, Germany. These include Block Fix (a block laying mortar), Tile Fix (Tile mortar), Super Fine (cement-based putty), Tile Grout (polymer-based cement grout).

About ten years ago, the MACE team noticed that builders were shifting from bricks to cement hollow blocks for construction. Rising demand for cement blocks created a problem. Regular cement was causing lot of wastage (as edges of the cement block broke) and consumed a lot of time (as they did not set fast). This affected the profitability and throughput of block manufacturers. In 2014, the company launched 'Ramco Superfast' — a cement that will not only set fast but ensures that edges don't break either. Today, Ramco is the market leader in this segment.

When it came to concrete application, Ramco Cements realised that it was not the first choice for consumers. RRDC studied the problem and realised that the consumers wanted early strength and durability. After 18 months of R&D and field trials, 'Ramco Supercrete' for individual home builders and 'Ramco Infra' for high-rises came into the market in 2019. It is already chipping away market share from the segment leader, claims Ramco Cements.

“We often go back to the basics and look at what the consumer wants,” says Dharmakrishnan. It led to the launch of 'Ramco Superplaster' in 2021. Plastering does not require strength, but traditionally cement was used. A product low on cement but with materials that prevent cracks was developed.

Ramco today is the second largest player in terms of market share after Ultratech in South India. It earns at least ₹200-300 per tonne, more from its application-specific brands, says the company.

The company has invested over ₹500 crore in the last few years on creating the necessary product innovation infrastructure and the efforts are paying off. Amit Srivastava of BNK Securities in his research report says that Ramco Cements valuation premium will continue as its product strategy will fuel continuous growth apart from improved margins.

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