



**THE RAMCO CEMENTS LIMITED**

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Corporate Identity Number: L26941TN1957PLC003566

2 November 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 enclose a copy of the Press Release on the performance of the Company for the quarter and six months ended 30.09.2020, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

*K Selvanayagam*

**K.SELVANAYAGAM  
SECRETARY**

Encl : As above

*SAD*

**THE RAMCO CEMENTS LIMITED**

**PRESS RELEASE**

**PERFORMANCE FOR THE QUARTER / HALF YEAR ENDED 30<sup>th</sup> SEPTEMBER 2020**

**SALES**

Particulars	(In Lac Tonnes)			
	For the Quarter ended		For the Half year ended	
	30-9-2020	30-9-2019	30-9-2020	30-9-2019
Cement sale volume	22.13	27.24	41.50	54.27

**HIGHLIGHTS OF UN-AUDITED FINANCIAL RESULTS**

Particulars	Standalone (Rs. in Crores)			
	Un-audited		Un-audited	
	For the Quarter ended		For the Half year ended	
	30-9-2020	30-9-2019	30-9-2020	30-9-2019
Revenue, net of GST	1,265.31	1,325.88	2,317.21	2,717.94
Operating Profit (EBITDA)	450.30	304.43	720.37	671.91
Less: Finance Costs	26.52	14.73	56.45	28.25
Less: Depreciation	85.45	76.54	169.88	152.33
Profit before tax	338.33	213.16	494.04	491.33
Less: Tax Expenses	102.56	45.01	148.67	131.21
Profit for the period	235.77	168.15	345.37	360.12
Total Comprehensive Income	235.75	167.47	345.61	359.86

Particulars	Consolidated (Rs. in Crores)			
	Un-audited		Un-audited	
	For the Quarter ended		For the Half year ended	
	30-9-2020	30-9-2019	30-9-2020	30-9-2019
Revenue, net of GST	1,273.47	1,332.08	2,330.26	2,728.90
Operating Profit (EBITDA)	454.89	308.14	727.07	678.06
Less: Finance Costs	26.52	15.03	56.45	28.89
Less: Depreciation	85.75	76.90	170.50	153.03
Profit before tax	342.62	216.21	500.12	496.14
Less: Tax Expenses	103.70	46.11	150.28	132.82
Less: Other adjustments (*)	(4.60)	(2.16)	(10.93)	(3.14)
Profit for the period	243.52	172.26	360.77	366.46
Total Comprehensive Income	242.69	171.67	359.71	367.13

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



## **CEMENT**

During the quarter year ended 30-9-2020, the sale of cement for the company is 2.21 million tons, compared to 2.72 million tons in the corresponding period of the previous year with a de-growth of 19%. The sale is impacted mainly because of lockdown imposed, restricted access in containment zones due to COVID19 and unusually heavy rains in Kerala, Karnataka, AP and Telangana during August and September 2020. Even though, the company has grown in eastern markets, heavy rains affected the growth rate in those markets. However, the demand is expected to pick up in the coming quarters.

## **WIND POWER**

During the quarter ended 30-9-2020, the company has generated 10.20 crore units as against 11.38 crore units in the previous corresponding period. The income for the quarter ended 30-9-2020 from the wind power business is Rs.28.76 crores as against Rs.30.59 crores in the previous corresponding period. The operating expenses for the quarter ended 30-9-2020 is Rs.5.51 crores as against Rs.5.22 crores during the previous corresponding period.

## **STANDALONE PROFITABILITY**

EBIDTA for the quarter ended 30-9-2020 is Rs.450.30 crores as against Rs.304.43 crores during the previous corresponding period with an increase of 48% due to improved margins. Blended EBIDTA per ton for the quarter ended 30-9-2020 is Rs.2,035/- as against Rs.1,118/- during the previous corresponding period. During the current quarter, the stability in cement prices, improved sale of its flagship products and premium products in trade segment have played out well for overall improvement of realisations.

The variable cost for the current quarter has come down due to lower fuel cost and improvement in blending ratio. With commencement of WHRS operations of 9 MW in Jayanthipuram in Sep 2020 and another 9 MW WHRS is also getting ready for commissioning during Q3 in Jayanthipuram augurs well for further cost reduction in the coming quarters. The fuel procured in the earlier quarters have helped to keep check on overall fuel cost during the current quarter, while the market prices of pet coke and coal have witnessed sharp increase during this quarter. For the quarter ended 30-9-2020, the company has expensed Rs.4.34 crores towards Employees stock option expenses on pro-rata basis for the options granted to its employees under ESOS, 2018. The lower sales volume during the current quarter has resulted in under-absorption of overheads; however, the company has taken various sustainable austerity measures to reduce overheads. During the current quarter, the average cost of interest bearing borrowings is reduced to 6.51% from 7.36% compared to previous corresponding period.



## **INCOME TAX**

For the quarter ended 30-9-2020, the company has made current tax provision of Rs.59.05 crores under MAT as against Rs.25.86 crores under MAT in the corresponding period of previous year. The deferred tax for the quarter ended 30-9-2020 is Rs.101.64 crores as against Rs.30.32 crores in the previous corresponding period. MAT credit recognised during the quarter ended 30-9-2020 is Rs.58.13 crores as against Rs.11.17 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 30-9-2020, the generation of power is 1.46 crore units as against 1.66 crore units in the previous corresponding period. The revenue from operations and EBIDTA is Rs.5.86 crores and Rs.4.43 crores as against Rs.6.64 crores and Rs.5.44 crores respectively in the previous corresponding period.

### **2. RAMCO INDUSTRIAL & TECHNOLOGY SERVICES LIMITED**

For the quarter ended 30-9-2020, the revenue from operations and EDIDTA is Rs.9.68 crores and Rs.0.90 crores as against Rs.9.17 crores and Rs.(-) 0.57 crores respectively in 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 Railway siding in Kolaghat grinding unit is commissioned in Sep-20. The grinding plant in Odisha is commissioned in Sep-20. The Railway siding in Odisha grinding plant is commissioned in Oct-20. In Jayanthipuram, out of proposed 3x9 MW of WHRS, one unit of 9 MW is commissioned in Sep-20 and another unit of 9 MW is expected to be commissioned in Dec-20. The company expects to commission 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/challenges experienced during the pandemic caused by COVID-19. The 1 MTPA cement grinding facility, 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 picked up well. However, the sustenance of construction activities is key to complete the projects within the revised timeline especially in the wake of prevailing uncertainties.

During the six months period up to 30-9-2020, the company has incurred Rs.685 crores towards capex, including for the above-mentioned ongoing capacity expansion programme. The balance capex to be incurred as on 30-9-2020 is Rs.881 crores for its ongoing capacity expansion.

## BORROWINGS

During the six months period up to 30-9-2020, the company has reduced the borrowings by Rs.104 crores after spending for capex of Rs.685 crores. The company's gross debt as on 30-9-2020 is Rs.2,920 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 lifting of restrictions, the business operations were gradually restored 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 : 2-11-2020

