



RAMCO Building the Future

THE RAMCO CEMENTS LIMITED
ANNUAL REPORT 2018-19



THE RAMCO CEMENTS LIMITED

Guided by his Values



Shri P.A.C Ramasamy Raja
1894-1962
Founder

Built by his Vision



Shri P.R Ramasubrahmaneya Rajha
1935-2017
Former Chairman

*“Lives of great men all remind us, we can make our lives sublime,
and, departing, leave behind us, footprints on the sands of time.”*



Building the Future

When you are driven by a vision for Excellence, you venture into uncharted space. A space which has no boundaries, no limits, only a lodestar that guides you into the future. Like Ramco Cements. Founded by values of integrity, commitment and trust. Driven with the unrelenting passion to excel, to pioneer, to tread the unbeaten path.

Six decades we have continued to pursue excellence, building state-of-the-art Plants that have set new benchmarks, building capabilities and sustainable processes that have redefined the industry. We have forged long lasting bonds with our customers, employees, vendors, various Government bodies and most importantly with our stakeholders. We have enhanced stakeholder worth and simultaneously focused on the welfare and development of the communities that we operate in.

2018-19 - at Ramco we continued to pursue our vision for excellence and our mandate of Building the Future : with large capacity expansions, new greenfield projects, best-in-class process efficiencies, sustainable practices, venturing into new geographies, launching innovative new products, enlarging market footprint, closer customer partnering, shaping an empowered people resource and creating value for stakeholder and society.

Building the Future



Chairman's Message

Dear Shareholders,

The Indian Economy began the fiscal year 2018-19 posting a 8.2 per cent growth which however tapered to 6.8 per cent due to headwinds from global volatility, rising crude oil prices and a stressed monetary environment. Growth is however projected to remain upward of 7 per cent for the coming fiscal, bolstered by the Government's 'Make in India' drive, measures on bank restructuring and thrust on infrastructure building.

The Cement industry posted robust growth of 14.4% during H1FY19 with a capacity utilisation of nearly 70 per cent backed by stable residential construction, particularly across Western, Eastern and Southern Region. The Central Government's affordable housing scheme for rural and urban areas continued to drive the demand for cement in the housing segment. This is further expected to rise with the exploring of the untapped sectoral potential for growth. Construction activity was greatly impacted due to the heavy floods in Tamil Nadu and Kerala during the end of 2018. However reconstruction and rehabilitation is expected to revive the industry. Scarcity of sand and rising input and fuel costs, added to the challenges. In the Infrastructure space, the Northern and Central regions

witnessed the implementation and completion of government backed mega-infrastructure projects such as 'Bharatmala' for roads, 'Sagarmala' for ports and development of dedicated freight corridors and smart city projects.

Southern states of Andhra Pradesh and Telangana have been drivers of demand in their region with new infrastructure development projects in the pipeline.

Overall the cement industry is upbeat about the future, with the country's young demographic profile pushing the need for construction in housing, infrastructure and facility building.

Your Company has delivered a steady performance during the year despite sluggish demand in the latter part of the fiscal and continuing pressure on input costs. At Ramco Cements, 2018-19, was marked by an aggressive drive for Building the Future. We embarked on ambitious projects - a Greenfield Cement Plant at Kalavatala, Andhra Pradesh, Establishment of Line III at Jayanthipuram Cement Plant, Greenfield Grinding Unit at Haridaspur, Odisha and doubling of capacity at Vizag and Kolaghat grinding Units.



“ At Ramco, our people are our greatest asset and we believe that in our road map for building the future, employee involvement is crucial to be continually creative and drive organisational excellence. ”

Capacity augmentation projects will, no doubt, throw challenges, such as finding new markets for capacity utilisation and additional output. I am however confident, that we will be able to overcome these challenges and fully exploit the opportunities presented by the new economy.

At Ramco we continued to focus on consolidating our primacy position with new product development, value-led innovation and customer co-partnering. The year was defined by expanding our presence in the Eastern markets, where the potential for growth is very promising.

Sustainability has always been of great importance in our business operations. This has been validated with the Company winning several awards from the Government and Industry for its benchmark standards in sustainable processes and operational efficiencies in mining and manufacturing.

At Ramco, our people are our greatest asset and we believe that in our roadmap for building the future, employee involvement is crucial to be continually creative and drive organisational excellence. Teams across the Company worked in tandem to

reduce cost, improve efficiencies and innovate new methods of building competencies, to align with the changing dynamics of the future.

I congratulate Mr A V Dharmakrishnan, our CEO, the Senior Leadership and the entire team at Ramco Cements for the good performance.

The Members of the Board have always been a great support with their valued guidance and encouragement. I thank them for their time and active participation.

I also take this opportunity to express my gratitude to all of you, our valued shareholders, for your continued support and trust in taking this Company forward.

With warm regards,



P R Venketrama Raja

Building the Future

CEO's Message



Dear Shareholders,

2018-19 was a milestone year for Ramco Cements. In the chartered path of building the future, the Company focused on establishing new greenfield ventures and adding capacities which would serve the twin purpose of economising the cost and enabling speedier and better servicing of the market.

We are establishing a cement grinding unit of 1 Million Ton Per Annum (MTPA) capacity at Haridaspur in Jajpur District in the State of Odisha at a total outlay of ₹ 515 crores. This is expected to be commissioned in the year 2019-2020.

Capacity augmentation at our grinding units at Vizag and Kolaghat, with additional grinding lines of 1 MTPA capacity each, are underway at a cost of ₹ 250 crores and ₹ 425 crores respectively. These projects are also expected to be commissioned in the year 2019-2020.

The expansion projects on completion would take the aggregate capacity of the Company's Satellite Grinding Units to 9.5 MTPA as compared to the 4.2 MTPA at present.

The strategic locations of the grinding units proximately to fly ash / slag availability areas and major cement consumption areas would enable the Company to economise its

transportation costs and expand its markets in Odisha, Jharkhand and West Bengal.

Simultaneously, the Company is establishing a Line III at its existing integrated cement plant at Jayanthipuram with a clinkerisation capacity of 1.5 MTPA and a heat recovery system to generate 27 MW of power at a cost of ₹ 740 crores. The clinker manufactured from the new Line will meet the requirements of the proposed grinding Units.

We are undertaking one of our largest capital expenditure programmes by investing ₹ 1,600 crore in a greenfield cement unit at Kalavatala in Kurnool district, Andhra Pradesh with a clinkerisation capacity of 2.25 MTPA and grinding capacity of 1MTPA.

These large investments for enhancing production capacities, provide opportunities to consolidate our primacy in existing markets and also to expand into newer territories.

As all our plants are fully equipped with multiple silos for storage, railway siding, stand-by power back up facility, waste heat recovery system for power generation and are supported with grinding units at strategic locations, we will be able to take full advantage of the economic momentum in the coming years.



“ Looking ahead, I am confident of Ramco Cements building the future as one of the world class cement manufacturers of repute. ”

With the increase in capacities culminating in the next 12 to 24 months, the Company is leveraging its state-of-the-art, data driven, Information Technology support systems for online management of logistics, marketing and dealer networks for greater business agility.

The year was marked by a drive for excellence in all spheres of operations : enhancing manufacturing and process efficiencies, enlarging the band of sustainable processes, developing innovative products co-partnering with customers for enlarging market presence, and building people competencies.

We have given thrust for Research and Development activities which culminated in development of 12 different types of cement, meant for different applications in construction. The specialised segmentation of otherwise a generic consumer product has given us a competitive edge in understanding the customer need and supplying right cement product for right application. This would ultimately improve the customer satisfaction and improve our brand preference.

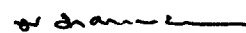
Teams across Ramco Cements did us proud winning awards and accolades in various prestigious competitions and earning the Company recognition as an industry leader in benchmark standards.

At Ramco Cements, we place great importance on our Corporate Social responsibilities and our commitment to the sustainable model of development. We continued to focus on enviro-friendly green practices at our mines and manufacturing units, participating in infrastructure building in schools and public places and ushering transformational change in education, health care and livelihood of the communities we operate in.

Looking ahead, I am confident of Ramco Cements building the future as one of the world class cement manufacturers of repute.

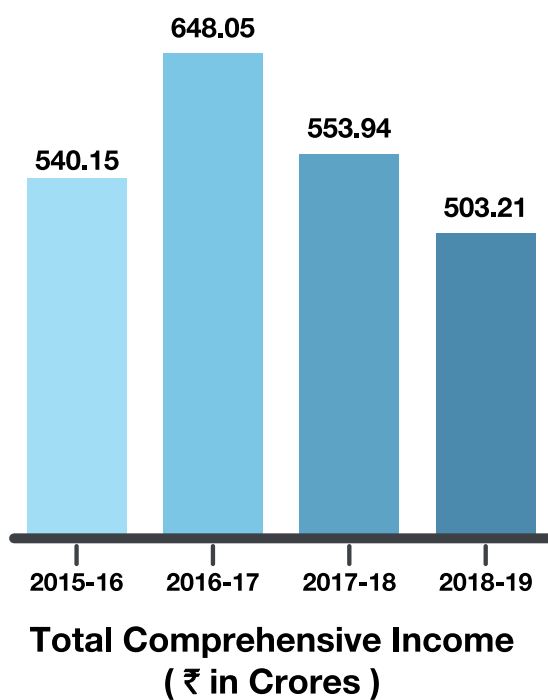
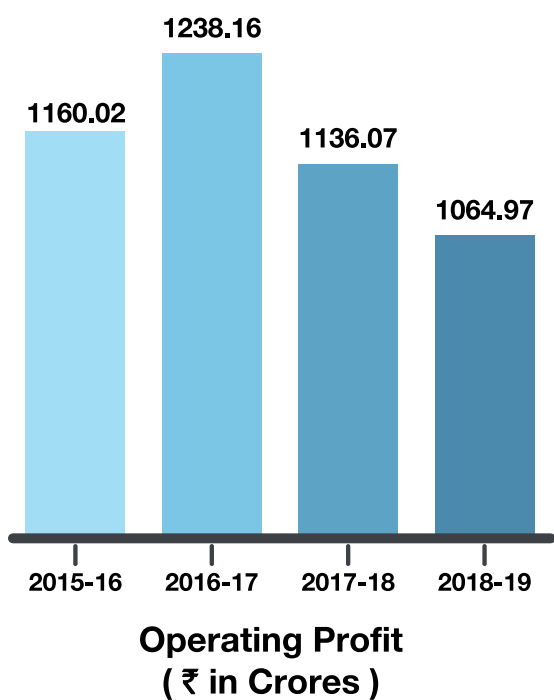
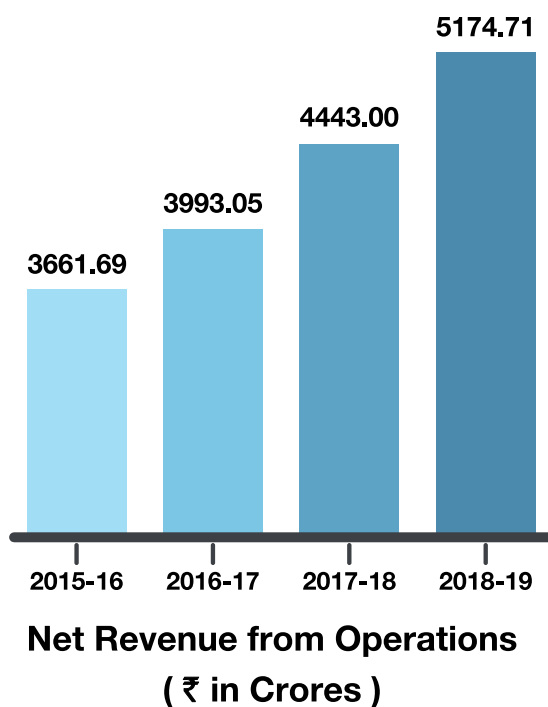
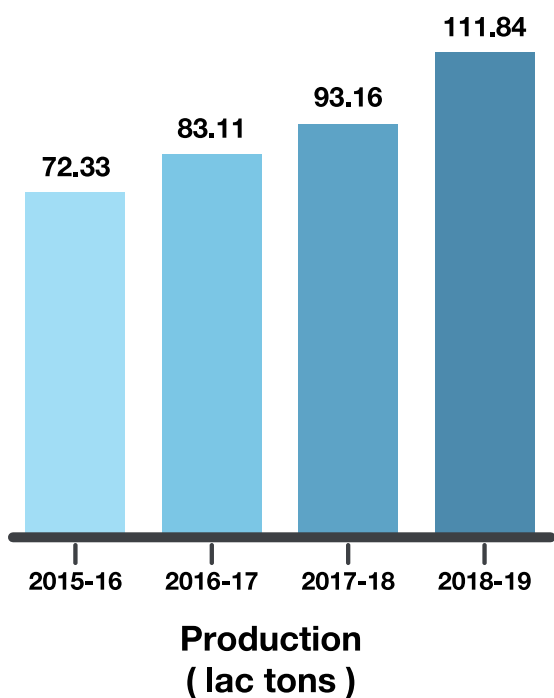
I thank the Board of Directors for their guidance, our customers, employees, shareholders, channel partners and vendors for their long and continued support.

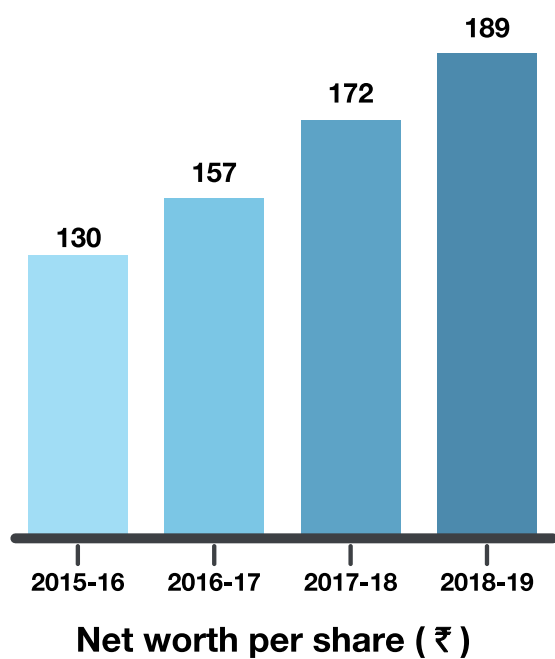
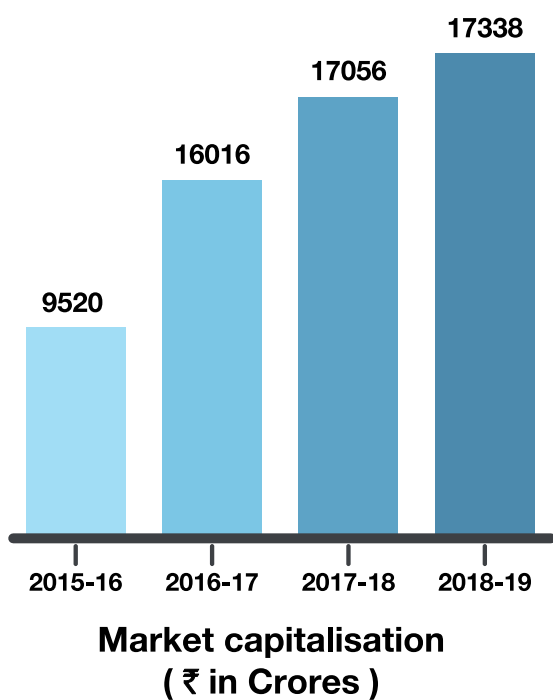
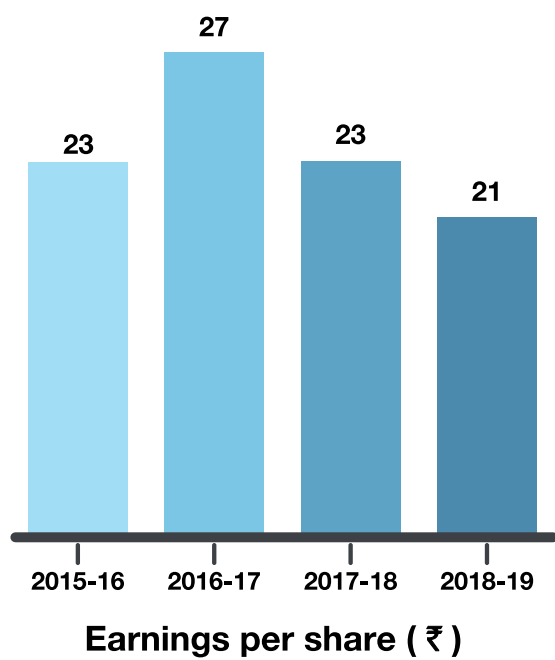
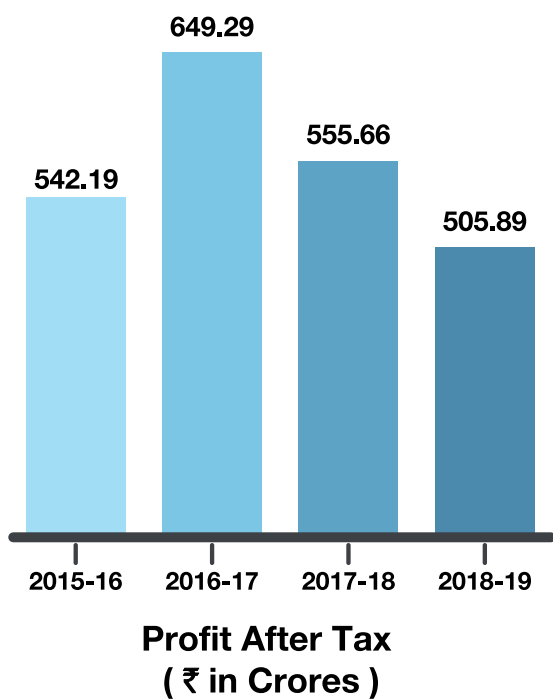
With warm regards,



A V Dharmakrishnan

OUR FINANCIAL PERFORMANCE





Building the Future

Expansions and Capacity Augmentation

JAYANTHIPURAM CEMENT UNIT

The Company is in the process of enhancing its clinkerisation capacity at the Jayanthipuram Plant in Andhra Pradesh by an additional 1.5 MTPA and a WHRS (Waste Heat Recovery System) of 27 MW. Built at a cost of ₹ 740 crores, the project is slated to be completed by 2019-2020.

1986

Year of commissioning

3.65

Cement Capacity (MTPA)

3.185

Clinker Capacity (MTPA)

42

TPP Capacity (MW)

Certifications

QMS: ISO 9001-2015
EMS: ISO 14001-2015
OSHAS 18001-2007
EMS: ISO 50001:2011
5S Workplace
Manage System