

Ramco Cements to spend ₹1,930 cr on expansion

FE BUREAU
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RAMCO CEMENTS ON Tuesday said that it has embarked on a major expansion across its plants with an estimated investments of ₹1,930 crore to be spent over a period of time.

The company is expanding the capacity of its Kolaghat grinding unit from 9 lakh tonne per annum to 2 million tonne per annum. Similarly, it is also expanding its Vizag grinding unit from 9 lakh tonne per annum to 2 million tonne per annum, it said in a statement.

The company also announced that it is setting up a new grinding unit with an annual capacity of 9 lakh tonne in Odisha and expanding clinkering capacity at Jayanthipuram by 1.50 million tonne per annum with 27 MW of waste water heat recovery system.

The aggregate estimated capital expenditure for all these expansions is estimated at ₹1,930 crore and the same is proposed to be funded mostly through internal accruals.

In case of need, the company may go in for borrowings, the statement added.

Meanwhile, hit hard by factors such as increased fuel and raw material costs, marked drop in net plant realisation, rupee depreciation, Ramco Cements has reported a 32% decline in its net profit for the quarter ended September 30, 2018 to ₹114.47 crore as compared to ₹168.52 crore in the same quarter last fiscal.

However, its total income during the quarter under review was up 10.78% to ₹1,189.45 crore as against ₹1,073.66 crore in the corresponding quarter of the



last fiscal on a little higher volume sale.

During the quarter, the volume grew marginally to 24.69 lakh tonne as compared to 21.52 lakh tonne in the same quarter last fiscal.

The company said that during the quarter, sale in Kerala got affected due to unprecedented heavy rain.

Though there was an increase in sale volume, but due to pressure on prices and increase in transportation cost (owing to diesel price hike), the realisation was not improved. The cost of pet-coke and coal continued to remain at higher levels, it added.

Meanwhile, according to a recent Supreme Court order, the company has re-deposited ₹25.86 crore, being 10% of the penalty.

The Competition Commission of India (CCI) in its August 31 order imposed a penalty of ₹258.63 crore on the company for alleged cartelisation.