

# The Ramco Cement

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
34,345	10,430
<b>Bloomberg</b>	<b>TRCL IN</b>
Equity Shares (m)	235.6
M.Cap.(INRb)/(USD\$)	188.0 / 2.8
52-Week Range (INR)	879 / 649
1, 6, 12 Rel. Per (%)	-5/10/4
Avg Val, INRm	214.0
Free float (%)	57.3

## Financials & Valuations (INR b)

Y/E Mar	2018	2019E	2020E
Net Sales	43.9	49.3	58.1
EBITDA	10.7	12.1	14.6
PAT	5.6	7.1	8.8
EPS (INR)	23.9	30.0	37.2
Gr. (%)	-12.3	25.7	24.0
BV/Sh (INR)	177.7	203.1	235.6
RoE (%)	14.2	15.7	17.0
RoCE (%)	11.5	13.7	15.3
P/E (x)	33.2	26.4	21.3
P/BV (x)	4.5	3.9	3.4

Estimate change 

TP change 

Rating change 

**CMP: INR798**

**TP: INR918(+15%)**

**Buy**

## East market drives healthy volume growth

- Volume growth led by eastern market:** TRCL's volumes grew 20% YoY to 2.74mt (est. of 2.6mt) in 4QFY18, driven by strong growth in the eastern market. South volumes also grew at a healthy pace. Cement realizations stood at INR4,571/ton (+2.7% YoY, -0.8% QoQ) v/s our estimate of INR4,539/ton due to weaker prices in south. Revenue grew 23% YoY to INR12.5b, better than our estimate of INR11.9b, due to the realization beat.
- Margins stable QoQ:** Blended EBITDA/t fell 8% YoY (-2% QoQ) to INR985 (est. of INR1,009) due to cost push. Cost/t increased 6% YoY (-1% QoQ) to INR3,591 (est. of INR3,569) due to higher P&F cost/t (+29% YoY, led by higher petcoke prices) and freight cost/t (+18% YoY, led by higher diesel prices). Power segment reported EBITDA loss of INR40m in 4QFY18, while Cement EBITDA stood at INR1,000/t (-7% YoY/ flat QoQ). Hence, EBITDA increased 11% YoY to INR2.69b (est. of INR2.62b). Interest cost fell 48% YoY to INR105m due to debt reduction. Tax rate was higher at 38% v/s 22% in 4QFY17.
- Management commentary:** 1) Freight cost/t increased due to an 8% YoY rise in diesel price. 2) Debt reduction has been to the extent of INR3.1b in FY18. 3) It announced clinker unit of 1.5mt at capex of INR6.8b; clinker addition is along with grinding capacity addition of 3mt.
- Valuation view:** With ~12% market share in south, a strong brand/dealer network, superior pricing and industry leading RoEs (~16% in FY18), peak parameters are already in place. TRCL is likely to generate strong operating cash flow, which would be utilized to increase grinding capacity by ~17% over FY17-20. We estimate 17%/24% EBITDA/PBT CAGR over FY18-20. The stock trades at EV of 13x FY20E EBITDA, and USD158/ton (FY20E). Maintain **Buy** with TP of INR918 (valuing at 15x FY20E EBITDA), implying 15% upside.

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Sales Dispatches (m ton)	2.07	2.03	1.98	2.28	2.15	2.15	2.27	2.74	8.35	9.31	2.60	5
YoY Change (%)	14.0	18.4	21.9	9.8	4.1	6.3	14.7	20.2	16.0	11.5	14.1	
Realization (INR/ton)	4,563	4,790	4,696	4,450	4,607	4,783	4,606	4,571	4,620	4,638	4,539	1
YoY Change (%)	-11.9	-1.8	-5.5	-12.4	1.0	-0.1	-1.9	2.7	-8.5	0.4	2.0	
QoQ Change (%)	-10.2	5.0	-2.0	-5.2	3.5	3.8	-3.7	-0.8			-1.5	
<b>Net Sales</b>	<b>9,667</b>	<b>10,124</b>	<b>9,374</b>	<b>10,166</b>	<b>10,165</b>	<b>10,633</b>	<b>10,534</b>	<b>12,519</b>	<b>39,292</b>	<b>43,851</b>	<b>11,897</b>	5
YoY Change (%)	6.9	15.5	15.3	5.7	5.1	5.0	12.4	23.1	10.7	11.6	17.0	
<b>EBITDA</b>	<b>2,988</b>	<b>3,493</b>	<b>2,690</b>	<b>2,429</b>	<b>2,781</b>	<b>2,908</b>	<b>2,276</b>	<b>2,694</b>	<b>11,743</b>	<b>10,658</b>	<b>2,622</b>	3
Margins (%)	30.9	34.5	28.7	23.9	27.4	27.3	21.6	21.5	29.9	24.3	22.0	
Depreciation	663	667	661	664	720	718	730	754	2,845	2,922	767	
Interest	291	282	261	201	155	173	160	105	1,035	592	133	
Other Income	73	93	273	154	176	103	82	218	639	579	105	
<b>PBT</b>	<b>2,106</b>	<b>2,637</b>	<b>2,040</b>	<b>1,718</b>	<b>2,082</b>	<b>2,197</b>	<b>1,592</b>	<b>1,765</b>	<b>8,522</b>	<b>7,636</b>	<b>1,826</b>	-3
Tax	547	567	542	373	524	511	364	679	2,029	2,079	437	
Rate (%)	26.0	21.5	26.6	21.7	25.2	23.3	22.9	38.5	23.8	27.2	23.9	
<b>Reported PAT</b>	<b>1,559</b>	<b>2,070</b>	<b>1,498</b>	<b>1,345</b>	<b>1,558</b>	<b>1,685</b>	<b>1,227</b>	<b>1,086</b>	<b>6,493</b>	<b>5,557</b>	<b>1,390</b>	-22
<b>Adj PAT</b>	<b>1,559</b>	<b>2,070</b>	<b>1,498</b>	<b>1,345</b>	<b>1,558</b>	<b>1,609</b>	<b>1,103</b>	<b>1,374</b>	<b>6,473</b>	<b>5,644</b>	<b>1,390</b>	-1
YoY Change (%)	57.1	45.6	26.6	-26.3	-0.1	-22.3	-26.4	2.2	24.9	-12.8	3.3	
Margins (%)	16.1	20.4	16.0	13.2	15.3	15.1	10.5	11.0	16.5	12.9	11.7	

E: MOSL Estimates

**Abhishek Ghosh - Research analyst** (Abhishek.Ghosh@MotilalOswal.com); +91 22 3982 5436

**Pradnya Ganar - Research analyst** (Pradnya.Ganar@motilalosal.com); +91 22 3980 4322

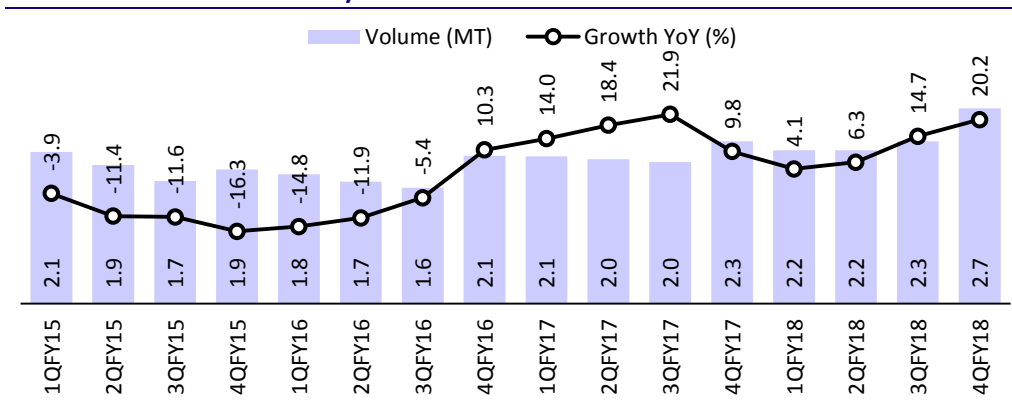
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

### Volume growth driven by east

- Volume grew 20% YoY to 2.74mt (est. of 2.6mt) in 4QFY18, led by growth in the eastern market.
- Volumes in Tamil Nadu remained muted on account of sand shortage.
- Cement realizations stood at INR4,571/ton (+2.7% YoY, -0.8% QoQ) v/s our estimate of INR4,539/ton due to weaker pricing in the south market.
- Revenue grew 23% YoY to INR12.5b (est. of INR11.9b), higher than our estimate due to an increase in volumes.

Exhibit 1: Volume increased by 20% YoY

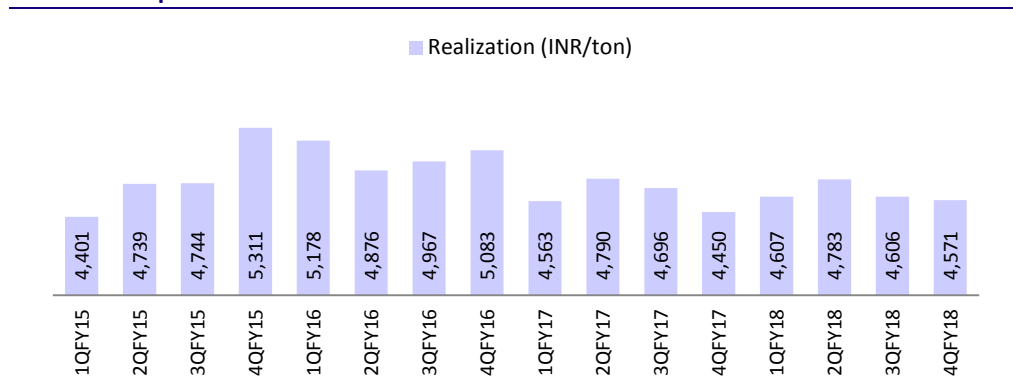


Source: MOSL, Company

### Margins stable QoQ

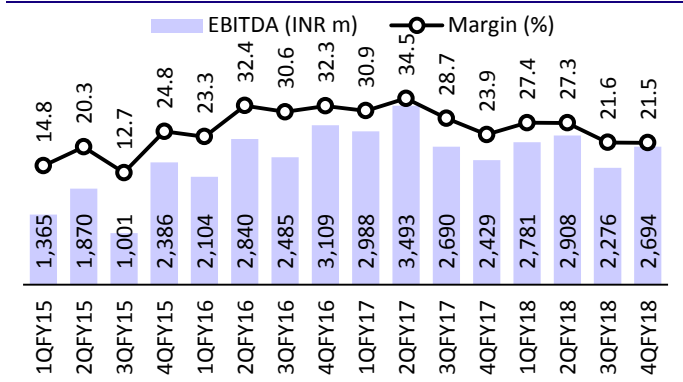
- Blended EBITDA/tonne stood at INR985 (est. of INR1,009/t; -7%YoY/-2% QoQ).
- The company reported windmill EBITDA loss of INR40m. Cement EBITDA/t stood at INR1,000 v/s our estimate of INR1,020 (-7% YoY; flat QoQ). The YoY contraction in margins is due to cost push on account of higher power & fuel and freight cost.
- EBITDA stood at INR2.7b, up 11% YoY (est. of INR2.62b) | margins were at 21.5% (-2.38pp YoY, flat QoQ) due to cost push.
- Interest cost declined 48% YoY to INR105m due to INR3.1b debt reduction.
- Adj. PAT stood at INR1.37b (+2% YoY) v/s our estimate of INR 1.39b, as higher EBITDA was offset by a higher tax rate of 38% v/s 22% in 4QFY17.

Exhibit 2: Sequential decline in realization



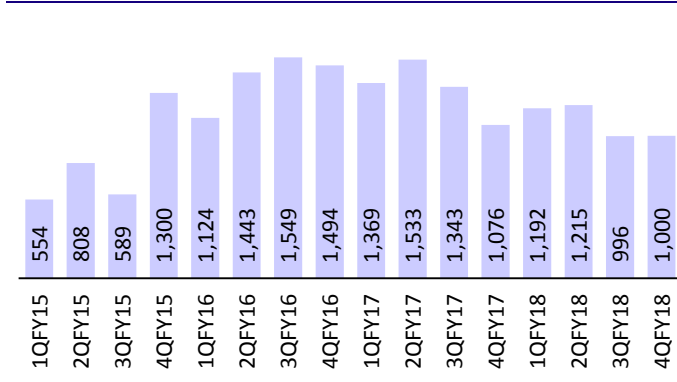
Source: MOSL, Company

**Exhibit 3: Margins flat QoQ**



Source: MOSL, Company

**Exhibit 4: Cement EBITDA/t flat QoQ**



Source: MOSL, Company

**Exhibit 5: Key performance indicators - Per ton analysis (incl Windmills)**

INR/Ton	4QFY18	4QFY17	YoY (%)	3QFY18	QoQ (%)
Net realization	4,576	4,465	2	4,632	-1
RM Cost	845	862	-2	905	-7
Employee Expenses	270	295	-9	334	-19
Power, Oil & Fuel	795	617	29	751	6
Freight and Handling Outward	1,064	901	18	995	7
Other Expenses	617	722	-15	647	-5
Total Expenses	3,591	3,398	6	3,631	-1
EBITDA	985	1,067	-8	1,001	-2
Cement EBITDA (ex windmills)	1,000	1,076	-7	996	0

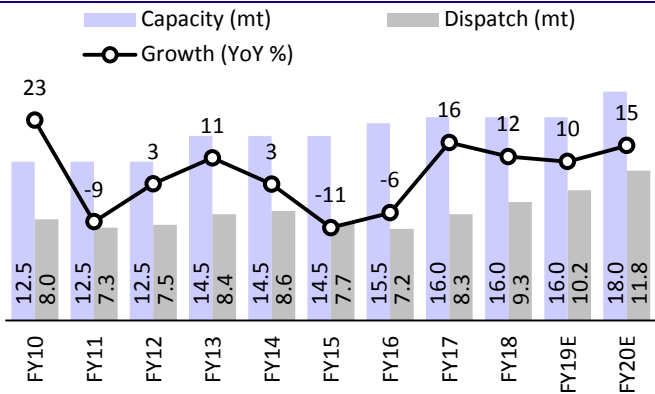
Source: MOSL, Company

**Valuation and view**

With ~12% market share in south, a strong brand/dealer network, superior pricing and industry leading RoEs (~16% in FY18), peak parameters are already in place. TRCL is likely to generate strong operating cash flow, which would be utilized to increase grinding capacity by ~17% over FY17-20. We estimate 17%/24% EBITDA/PBT CAGR over FY18-20. The stock trades at EV of 13x FY20E EBITDA, and USD158/ton (FY20E). Maintain **Buy** with TP of INR918 (valuing at 15x FY20E EBITDA), implying 15% upside.

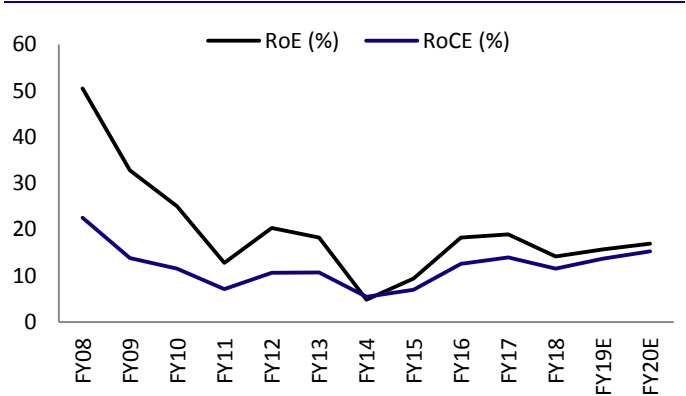
## Story in charts

**Exhibit 6: Volumes to grow at a CAGR of 12% over FY17-20E**



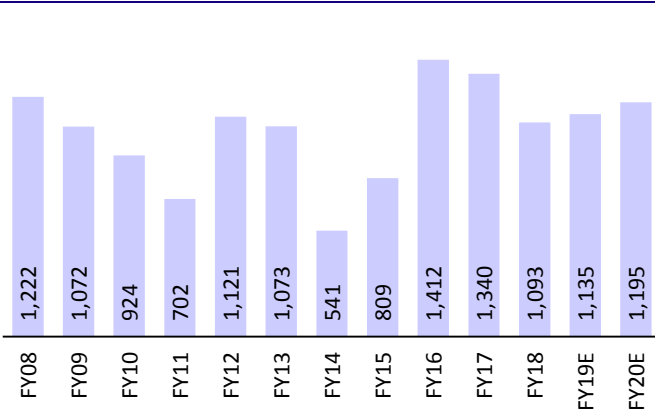
Source: MOSL, Company

**Exhibit 7: Trend in ROE and ROCE**



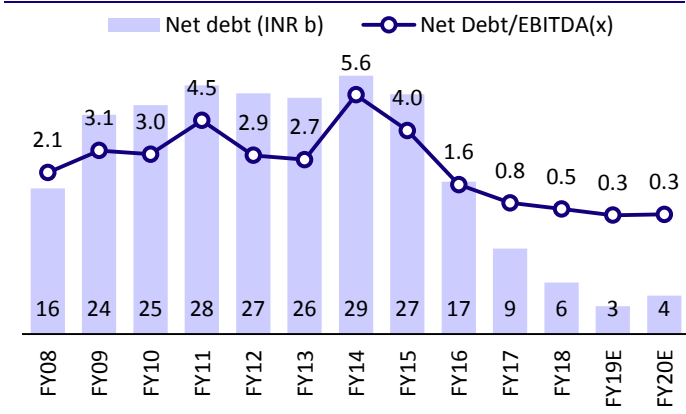
Source: MOSL, Company

**Exhibit 8: Cement EBITDA/ton trend (INR)**



Source: MOSL, Company

**Exhibit 9: Committed to deleveraging**



Source: MOSL, Company

## Financials and Valuations

Income Statement								(INR m)
Y/E March	2013	2014	2015	2016	2017	2018	2019E	2020E
<b>Net Sales</b>	<b>37,884</b>	<b>36,321</b>	<b>35,939</b>	<b>35,507</b>	<b>39,292</b>	<b>43,851</b>	<b>49,348</b>	<b>58,083</b>
Change (%)	18.3	-4.1	-1.1	-1.2	10.7	11.6	12.5	17.7
<b>EBITDA</b>	<b>9,631</b>	<b>5,117</b>	<b>6,622</b>	<b>10,490</b>	<b>11,743</b>	<b>10,658</b>	<b>12,116</b>	<b>14,575</b>
Margin (%)	25.4	14.1	18.4	29.5	29.9	24.3	24.6	25.1
Depreciation	2,806	3,063	2,499	3,048	2,845	2,922	2,618	3,175
<b>EBIT</b>	<b>6,825</b>	<b>2,054</b>	<b>4,123</b>	<b>7,442</b>	<b>8,898</b>	<b>7,736</b>	<b>9,498</b>	<b>11,400</b>
Int. and Finance Charges	1,785	1,881	1,938	1,819	1,035	592	548	516
Other Income - Rec.	842	1,141	1,379	1,110	639	579	597	640
<b>PBT bef. EO Exp.</b>	<b>5,882</b>	<b>1,314</b>	<b>3,564</b>	<b>6,734</b>	<b>8,502</b>	<b>7,723</b>	<b>9,547</b>	<b>11,524</b>
EO Expense/(Income)	5	-230	0	-238	-20	87	0	0
<b>PBT after EO Exp.</b>	<b>5,877</b>	<b>1,543</b>	<b>3,564</b>	<b>6,972</b>	<b>8,522</b>	<b>7,636</b>	<b>9,547</b>	<b>11,524</b>
Current Tax	1,174	-44	88	1,498	1,870	1,859	2,482	2,766
Deferred Tax	672	210	1,053	53	159	220	0	0
Tax Rate (%)	31.4	10.8	32.0	22.2	23.8	27.2	26.0	24.0
<b>Reported PAT</b>	<b>4,032</b>	<b>1,377</b>	<b>2,424</b>	<b>5,422</b>	<b>6,493</b>	<b>5,557</b>	<b>7,064</b>	<b>8,758</b>
<b>PAT Adj for EO items</b>	<b>4,035</b>	<b>1,172</b>	<b>2,424</b>	<b>5,237</b>	<b>6,477</b>	<b>5,620</b>	<b>7,064</b>	<b>8,758</b>
Change (%)	4.8	-71.0	106.8	116.1	23.7	-13.2	25.7	24.0
Margin (%)	10.7	3.2	6.7	14.7	16.5	12.8	14.3	15.1

Balance Sheet								(INR m)
Y/E March	2013	2014	2015	2016	2017	2018	2019E	2020E
Equity Share Capital	238	238	238	238	238	236	236	236
Total Reserves	23,470	24,583	26,214	30,697	37,177	41,639	47,608	55,260
<b>Net Worth</b>	<b>23,708</b>	<b>24,821</b>	<b>26,452</b>	<b>30,935</b>	<b>37,415</b>	<b>41,874</b>	<b>47,844</b>	<b>55,496</b>
Deferred Liabilities	7,164	7,374	8,271	7,211	7,327	7,547	7,547	7,547
Total Loans	26,671	29,000	27,119	21,230	14,248	11,248	8,248	8,248
<b>Capital Employed</b>	<b>57,542</b>	<b>61,195</b>	<b>61,841</b>	<b>59,376</b>	<b>58,990</b>	<b>60,669</b>	<b>63,639</b>	<b>71,291</b>
Gross Block	64,388	67,880	72,350	75,444	78,345	80,319	83,319	98,119
Less: Accum. Deprn.	18,359	21,422	23,920	26,348	28,693	31,615	34,233	37,408
<b>Net Fixed Assets</b>	<b>46,029</b>	<b>46,458</b>	<b>48,429</b>	<b>49,097</b>	<b>49,652</b>	<b>48,704</b>	<b>49,086</b>	<b>60,711</b>
Capital WIP	1,480	3,495	2,575	1,383	974	3,000	5,000	2,000
<b>Total Investments</b>	<b>2,658</b>	<b>2,834</b>	<b>3,558</b>	<b>3,716</b>	<b>3,890</b>	<b>2,890</b>	<b>2,890</b>	<b>2,890</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>14,547</b>	<b>15,899</b>	<b>15,763</b>	<b>14,746</b>	<b>15,573</b>	<b>16,262</b>	<b>19,663</b>	<b>20,960</b>
Inventory	5,948	6,855	5,206	5,490	5,754	5,276	6,408	7,358
Account Receivables	3,028	3,040	3,802	4,721	5,549	3,926	5,001	5,887
Cash and Bank Balance	536	447	618	908	1,181	1,908	1,533	357
Loans and Advances	5,035	5,557	6,136	3,627	3,089	5,153	6,721	7,358
<b>Curr. Liability &amp; Prov.</b>	<b>7,172</b>	<b>7,492</b>	<b>8,861</b>	<b>9,566</b>	<b>11,099</b>	<b>10,187</b>	<b>13,000</b>	<b>15,270</b>
Account Payables	5,300	6,443	7,238	9,182	10,598	9,815	12,503	14,716
Provisions	1,873	1,049	1,623	384	501	372	496	553
<b>Net Current Assets</b>	<b>7,375</b>	<b>8,407</b>	<b>6,901</b>	<b>5,180</b>	<b>4,474</b>	<b>6,075</b>	<b>6,663</b>	<b>5,690</b>
<b>Appl. of Funds</b>	<b>57,542</b>	<b>61,195</b>	<b>61,841</b>	<b>59,376</b>	<b>58,990</b>	<b>60,669</b>	<b>63,639</b>	<b>71,291</b>

## Financials and Valuations

### Ratios

Y/E March	2013	2014	2015	2016	2017	2018	2019E	2020E
<b>Basic (INR)</b>								
<b>Consol EPS</b>	<b>17.0</b>	<b>4.9</b>	<b>10.2</b>	<b>22.0</b>	<b>27.2</b>	<b>23.9</b>	<b>30.0</b>	<b>37.2</b>
Cash EPS	28.7	17.8	20.7	34.8	39.2	36.3	41.1	50.7
BV/Share	99.6	104.3	111.1	129.9	157.1	177.7	203.1	235.6
DPS	3.0	1.0	1.5	3.0	3.0	4.0	4.0	4.0
Payout (%)	20.6	20.2	17.1	15.3	12.8	19.7	15.5	12.6
<b>Valuation (x)</b>								
P/E			77.8	36.0	29.1	33.2	26.4	21.3
Cash P/E			38.3	22.8	20.2	21.8	19.3	15.6
P/BV			7.1	6.1	5.0	4.5	3.9	3.4
EV/Sales			5.9	5.7	5.0	4.3	3.7	3.3
EV/EBITDA			31.8	19.3	16.6	17.8	15.2	13.0
EV/Ton (US\$)			217	195	182	177	173	157
Dividend Yield (%)			0.2	0.4	0.4	0.5	0.5	0.5
<b>Return Ratios (%)</b>								
RoIC	9.5	3.4	5.1	10.7	12.8	10.6	13.1	14.4
RoE	18.3	4.8	9.5	18.2	19.0	14.2	15.7	17.0
RoCE	10.7	5.5	7.0	12.6	14.0	11.5	13.7	15.3
<b>Working Capital Ratios</b>								
Asset Turnover (x)	0.7	0.6	0.6	0.6	0.7	0.7	0.8	0.8
Inventory (Days)	57.3	68.9	52.9	56.4	53.5	43.9	47.4	46.2
Debtor (Days)	25	26	34	42	45	32	32	32
Creditor (Days)	51	65	74	94	98	82	92	92
Working Capital Turnover (Days)	66	80	64	44	31	35	38	34
<b>Leverage Ratio (x)</b>								
Current Ratio	2.0	2.1	1.8	1.5	1.4	1.6	1.5	1.4
Debt/Equity	1.1	1.2	1.0	0.7	0.4	0.3	0.2	0.1

### Cash Flow Statement

Y/E March	2013	2014	2015	2016	2017	2018	2019E	2020E
<b>(INR m)</b>								
<b>Oper. Profit/(Loss) before Tax</b>	<b>6,825</b>	<b>2,054</b>	<b>4,123</b>	<b>7,442</b>	<b>8,898</b>	<b>7,736</b>	<b>9,498</b>	<b>11,400</b>
Interest/Dividends Recd.	842	1,141	1,379	1,110	639	579	597	640
Depreciation	2,806	3,063	2,499	3,048	2,845	2,922	2,618	3,175
Direct Taxes Paid	-1,174	44	-244	-2,610	-1,913	-1,859	-2,482	-2,766
(Inc)/Dec in WC	-2,306	-1,121	1,299	3,755	-388	-874	-962	-203
<b>CF from Operations</b>	<b>6,993</b>	<b>5,180</b>	<b>9,057</b>	<b>12,745</b>	<b>10,081</b>	<b>8,504</b>	<b>9,268</b>	<b>12,247</b>
EO expense	-5	230	0	238	20	-87	0	0
<b>CF from Operating incl EO</b>	<b>6,988</b>	<b>5,410</b>	<b>9,057</b>	<b>12,983</b>	<b>10,101</b>	<b>8,417</b>	<b>9,268</b>	<b>12,247</b>
(inc)/dec in FA	-3,888	-5,507	-3,550	-1,903	-2,492	-4,000	-5,000	-11,800
<b>Free Cash Flow</b>	<b>3,101</b>	<b>-97</b>	<b>5,507</b>	<b>11,080</b>	<b>7,609</b>	<b>4,417</b>	<b>4,268</b>	<b>447</b>
(Pur)/Sale of Investments	7	-176	-724	-158	-174	1,000	0	0
<b>CF from investments</b>	<b>-3,881</b>	<b>-5,684</b>	<b>-4,274</b>	<b>-2,060</b>	<b>-2,666</b>	<b>-3,000</b>	<b>-5,000</b>	<b>-11,800</b>
Issue of Shares	2	15	-378	-109	818	-2	0	0
(Inc)/Dec in Debt	-434	2,330	-1,881	-5,889	-6,982	-3,000	-3,000	0
Interest Paid	-1,785	-1,881	-1,938	-1,819	-1,035	-592	-548	-516
Dividend Paid	-830	-279	-415	-830	-830	-1,095	-1,095	-1,106
<b>CF from Fin. Activity</b>	<b>-3,047</b>	<b>184</b>	<b>-4,612</b>	<b>-8,646</b>	<b>-8,030</b>	<b>-4,690</b>	<b>-4,643</b>	<b>-1,622</b>
<b>Inc/Dec of Cash</b>	<b>61</b>	<b>-89</b>	<b>171</b>	<b>2,277</b>	<b>-595</b>	<b>727</b>	<b>-375</b>	<b>-1,176</b>
Add: Beginning Balance	475	536	447	618	908	1,181	1,908	1,533
<b>Closing Balance</b>	<b>536</b>	<b>447</b>	<b>618</b>	<b>2,895</b>	<b>313</b>	<b>1,908</b>	<b>1,533</b>	<b>357</b>

E: MOSL Estimates

## NOTES

Explanation of Investment Rating	Expected return (over 12-month)
Investment Rating	
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst becomes inconsistent with the investment rating legend, the Research Analyst shall within 28 days of the inconsistency, take appropriate measures to make the recommendation consistent with the investment rating legend.

## Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Securities Ltd. (MOSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange of India Ltd. (MSE) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOSL and/or its associates and/or Research Analyst may have actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. MOSL and its associate company(ies), their directors and Research Analyst and their relatives may: (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MOSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MOSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOSL or its associates during twelve months preceding the date of distribution of the research report.

MOSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

## Terms & Conditions:

This report has been prepared by MOSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no warranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOSL will not treat recipients as customers by virtue of their receiving this report.

## Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

## Disclosure of Interest Statement

## The Ramco Cement

Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

## Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL & its group companies to registration or licensing requirements within such jurisdictions.

## For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors.\* Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

## For U.S.:

Motilal Oswal Securities Limited (MOSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

## For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

## Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locally, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel No.: 022-3980 4263; [www.motilaloswal.com](http://www.motilaloswal.com). Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-38281085.

Registration details of group entities: MOSL: SEBI Registration: INZ000158836 (BSE/NSE/MCX/NCD/DEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INA000007100.IRDA Corporate Agent-CA0541. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) offers wealth management solutions. \* Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. \* Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. \* Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. \* Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products