HOLD (Maintain)

CMP: **INR 909** Target Price: **INR 942** ▲ 4%

ICICI Securities

ICICI Securities Limited is the author and distributor of this report

25 August 2026

India | Equity Research | Company Update

Ramco Cements

Cement

Cessation of Mineral Bearing Land Tax in Tamil Nadu; sentimental positive

The Ramco Cements (TRCL) has informed exchanges (Link) about the cessation of Mineral Bearing Land Tax (of INR 160/t of limestone) in Tamil Nadu w.e.f. 22nd Aug'26. The development is on expected lines, given the MMDR Amendment Bill 2026 was introduced in the Lok Sabha on 10th Aug'26, and was cleared by the Rajya Sabha on 13th Aug'26 (Link) (Link). While the cessation offers much-needed cost relief (more so in the face of high global crude oil/fuel costs), our estimates largely factor in these positives. Our FY28E EBITDA/t stands tall at INR 833 vs. INR 666/INR 671 reported by TRCL in Q1FY27/Q4FY26. Given our sticky concerns — industry-wide elevated competitive intensity and low RoEs/high leverage for TRCL — we see limited scope to revise upward our earnings as well as valuation multiples. We continue to value TRCL at a rich 13x FY28E EV/EBITDA and maintain **HOLD** with an unchanged TP of INR 942.

A welcome cost relief...

The cessation of the Mineral Bearing Land Tax (at INR 160/t of limestone) offers much-needed cost relief to TRCL, as Tamil Nadu accounts for ~51% of its total clinker capacity of ~16mtpa (as on date). As per TRCL, the levy (imposed w.e.f. 4th Apr'25) led to an additional payment of ~INR 1.72bn (being ~12% of EBITDA or INR 91/t) in FY26 and ~INR 791mn in FY27 (till date).

...however, sentimental positive at best; maintain HOLD

Given the already existing buzz around the introduction and subsequent passage of the MMDR Amendment Bill 2026, which restricted state governments from imposing levies except under conditions prescribed by the central government, this development is on expected lines.

It may be recalled that the imposition of the levy (in Apr'25) triggered a sharp price hike by the cement industry in South India, with prices surging as high as >INR 50/bag/ >15%. Realisation for TRCL also surged >11% QoQ in Q1FY26. However, elevated competitive intensity led to a rollback of these hikes by Q3FY26, and cement prices in the region have continued to stay volatile since then. It is in this context that we see limited scope to revise upward our EBITDA/t estimate of INR 833 for FY28 vs. INR 666 reported by TRCL in Q1FY27. With the recent resurgence of global fuel costs and our expectation of low RoEs (3-7%) and high leverage (net debt/EBITDA of 2.4x for FY27) for TRCL, we see limited scope to revise up our valuation multiple of 13x FY28E EV/EBITDA. Maintain **HOLD** with an unchanged TP of INR 942.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	84,951	90,126	1,02,545	1,20,700
EBITDA	12,319	14,382	14,621	19,824
EBITDA (%)	14.5	16.0	14.3	16.4
Net Profit	4,174	6,936	2,819	6,334
EPS (INR)	17.7	29.4	11.9	26.8
EPS % Chg YoY	5.7	66.2	(59.4)	124.7
P/E (x)	51.5	31.0	76.2	33.9
EV/EBITDA (x)	21.0	17.5	17.1	12.4
RoCE (%)	2.5	2.3	3.8	6.4
RoE (%)	1.1	1.8	3.3	7.3

Navin Sahadeo
navin.sahadeo@icicisecurities.com
+91 22 6807 7622
Amit Gupta
amit.g@icicisecurities.com

Market Data

Market Cap (INR)	215bn
Market Cap (USD)	2,244mn
Bloomberg Code	TRCL IN
Reuters Code	TRCE.BO
52-week Range (INR)	1,215 /838
Free Float (%)	53.0
ADTV-3M (mn) (USD)	2.6

Price Performance (%)	3m	6m	12m
Absolute	(0.6)	(20.8)	(15.3)
Relative to Sensex	(3.2)	(14.9)	(10.5)

ESG Score	2024	2025	Change
ESG score	**69.5**	**68.9**	**(0.6)**
Environment	52.8	54.5	1.7
Social	73.6	72.6	(1.0)
Governance	78.3	79.9	1.6

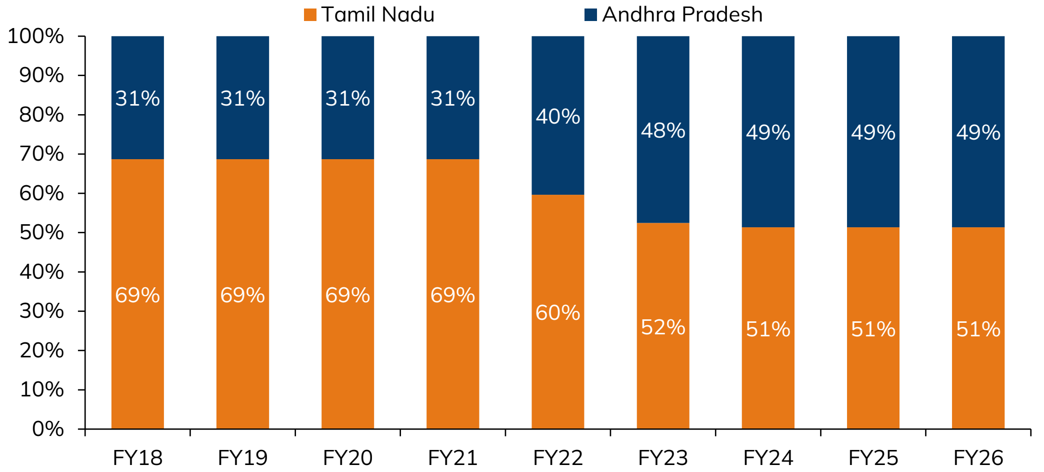
Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

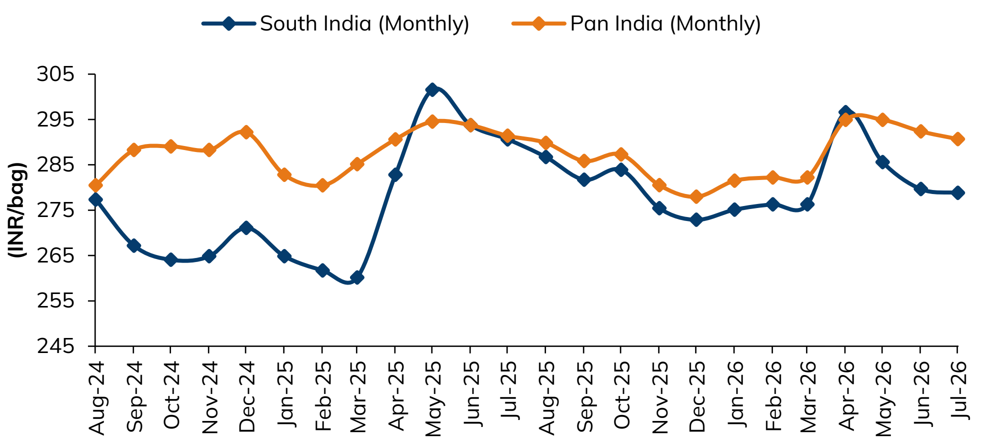
08-08-2026: Q1FY27 results review
25-05-2026: Q4FY26 results review

Exhibit 1: State wise clinker capacity mix



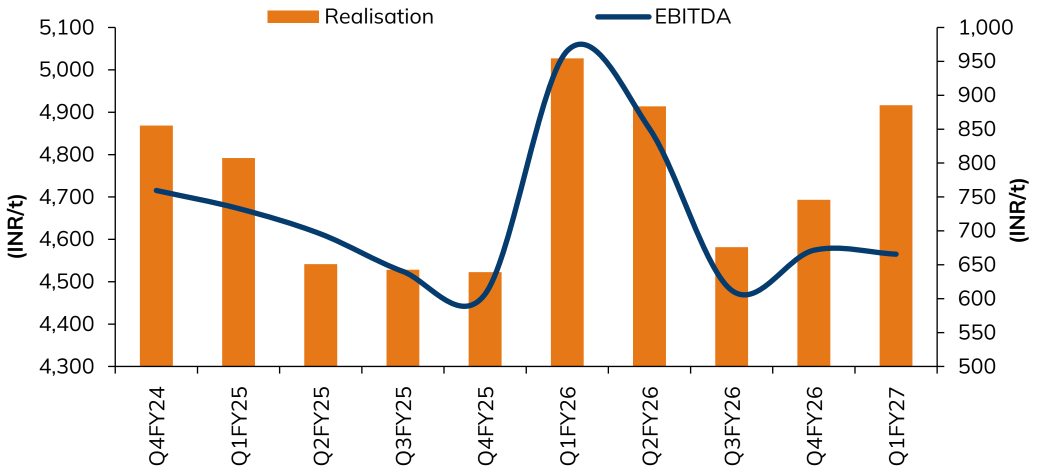
Source: I-Sec research, Company data

Exhibit 2: Sharp hike in South India cement prices in Apr/May 2025 (Q1FY26)



Source: I-Sec research, Company data, Prices are net of GST

Exhibit 3: Realisation and EBITDA/t peaked in Q1FY26



Source: I-Sec research, Company data

Exhibit 4: Valuations based on 13x Mar'28E EV/E

Particulars	FY28E
Assumed EV/EBITDA multiple (x)	13
EBITDA (INR mn)	19,824
EV (INR mn)	2,57,706
Less: Net debt	35,127
Mcap of Ramco	2,22,579
Shares o/s (mn)	236
Value per share (INR)	**942**
Potential Upside (%)	3.6

Source: I-Sec research, Company data

Key risks

- Sharp increase in cement prices and/or sharp fuel cost decline are key upside risks.
- Sharp fall in cement prices and/or major surge in fuel prices are key downside risks.

Exhibit 5: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	42.6	42.6	42.6
Institutional investors	36.1	37.0	37.0
MFs and other	18.1	19.0	20.3
Banks/ FIs	0.6	0.6	0.5
Insurance Cos.	9.4	9.3	8.7
FIIs	8.0	8.0	7.5
Others	21.3	21.4	20.4

Source: Bloomberg, I-Sec research

Exhibit 6: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 7: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	**84,951**	**90,126**	**1,02,545**	**1,20,700**
Operating Expenses	55,415	56,568	68,396	78,005
EBITDA	**12,319**	**14,382**	**14,621**	**19,824**
EBITDA Margin (%)	14.5	16.0	14.3	16.4
Depreciation & Amortization	6,912	7,362	7,752	8,445
EBIT	5,407	7,020	6,869	11,379
Interest expenditure	4,588	4,194	3,626	3,314
Other Non-operating Income	440	434	415	437
Recurring PBT	**1,259**	**3,260**	**3,658**	**8,502**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	484	1,856	965	2,168
PAT	776	1,404	2,693	6,334
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	3,398	5,532	126	-
Net Income (Reported)	**4,174**	**6,936**	**2,819**	**6,334**
Net Income (Adjusted)	**4,174**	**6,936**	**2,819**	**6,334**

Source Company data, I-Sec research

Exhibit 8: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	22,308	23,869	26,123	29,641
of which cash & cash eqv.	2,074	2,268	1,898	1,734
Total Current Liabilities & Provisions	30,322	33,399	35,054	37,267
Net Current Assets	**(8,014)**	**(9,530)**	**(8,932)**	**(7,626)**
Investments	4,935	4,513	4,513	4,513
Net Fixed Assets	1,16,593	1,22,929	1,30,177	1,30,732
ROU Assets	-	-	-	-
Capital Work-in-Progress	14,259	9,519	2,519	1,519
Total Intangible Assets	4,203	4,160	4,160	4,160
Other assets	1,153	1,565	1,565	1,565
Deferred Tax assets	-	-	-	-
Total Assets	**1,33,419**	**1,33,406**	**1,34,253**	**1,35,114**
Liabilities				
Borrowings	**46,525**	**38,525**	**37,025**	**32,025**
Deferred Tax Liability	**10,759**	**12,136**	**12,136**	**12,136**
provisions	862	1,046	1,046	1,046
other Liabilities	334	276	276	276
Equity Share Capital	236	236	236	236
Reserves & Surplus	74,701	81,187	83,534	89,395
Total Net Worth	**74,938**	**81,424**	**83,770**	**89,631**
Minority Interest	-	-	-	-
Total Liabilities	**1,33,419**	**1,33,406**	**1,34,253**	**1,35,114**

Source Company data, I-Sec research

Exhibit 9: Quarterly trend

(INR mn, year ending March)

	Sep-25	Dec-25	Mar-26	Jun-26
Net Sales	22,348	21,015	26,061	22,690
% growth (YOY)	9.6	6.3	9.0	9.6
EBITDA	3,869	2,808	3,728	3,072
Margin %	17.3	13.4	14.3	13.5
Other Income	71	176	122	72
Extraordinaries	-	4,791	742	126
Adjusted Net Profit	743	(921)	722	192

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**12,562**	**14,298**	**15,162**	**20,260**
Working Capital Changes	1,662	2,233	(968)	(1,469)
Capital Commitments	(9,412)	(3,955)	(8,000)	(8,000)
Free Cashflow	**23,434**	**20,066**	**21,229**	**24,623**
Other investing cashflow	**3,960**	**586**	**-**	**-**
Cashflow from Investing Activities	(5,452)	(3,369)	(8,000)	(8,000)
Issue of Share Capital	-	-	-	-
Interest Cost	(4,517)	(4,044)	(3,626)	(3,314)
Inc (Dec) in Borrowings	(2,708)	(8,046)	(1,500)	(5,000)
Dividend paid	(591)	(473)	(473)	(473)
Others	(3)	(4)	-	-
Cash flow from Financing Activities	(7,819)	(12,567)	(5,599)	(8,787)
Chg. in Cash & Bank balance	**751**	**174**	**(370)**	**(164)**
Closing cash & balance	2,074	2,268	1,898	1,734

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	17.7	29.4	11.9	26.8
Adjusted EPS (Diluted)	17.7	29.4	11.9	26.8
Cash EPS	46.9	60.5	44.7	62.5
Dividend per share (DPS)	2.0	2.5	2.0	2.0
Book Value per share (BV)	317.1	344.6	354.5	379.3
Dividend Payout (%)	1,132.3	851.7	1,676.5	746.2
Growth (%)				
Net Sales	(9.1)	6.1	13.8	17.7
EBITDA	(20.7)	16.8	1.7	35.6
EPS (INR)	5.7	66.2	(59.4)	124.7
Valuation Ratios (x)				
P/E	51.5	31.0	76.2	33.9
P/CEPS	19.4	15.0	20.3	14.5
P/BV	2.9	2.6	2.6	2.4
EV / EBITDA	21.0	17.5	17.1	12.4
EV / te (USD)	124.8	102.1	86.3	84.6
Dividend Yield (%)	0.2	0.3	0.2	0.2
Operating Ratios				
Gross Profit Margins (%)	79.7	78.7	81.0	81.1
EBITDA Margins (%)	14.5	16.0	14.3	16.4
Effective Tax Rate (%)	38.4	56.9	26.4	25.5
Net Profit Margins (%)	0.9	1.6	2.6	5.2
NWC / Total Assets (%)	(6.0)	(7.1)	(6.7)	(5.6)
Net Debt / Equity (x)	0.6	0.4	0.4	0.3
Net Debt / EBITDA (x)	3.6	2.5	2.4	1.5
Profitability Ratios				
RoCE (%) (Post Tax)	2.5	2.3	3.8	6.4
RoE (%)	1.1	1.8	3.3	7.3
RoIC (%)	3.0	2.7	4.5	7.4
Fixed Asset Turnover (x)	0.7	0.8	0.8	0.9
Inventory Turnover Days	63	62	57	57
Receivables Days	34	31	30	30
Payables Days	60	64	66	65

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Navin Sahadeo, MBA; Amit Gupta, CA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. 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 of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall 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. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. 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. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the “Mandatory terms and conditions” and “Most Important Terms and Conditions. (Link)

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122