



THE RAMCO CEMENTS LIMITED

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Corporate Identity Number: L26941TN1957PLC003566

23 May 2022

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 send herewith a copy of the Press Release on the performance of the Company for the quarter and year ended 31.03.2022, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

K.SELVANAYAGAM
SECRETARY

Encl : As above

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PRESS RELEASE ON AUDITED RESULTS FOR FY 2021-22

During FY 2021-22, the sale of cement is 11.05 million tons, compared to 9.98 million tons in the PY with a growth of 11%. The company continue to focus on the strategy of right products for right applications to make its brand stronger. During FY 2021-22, the windfarms have generated 23.25 crore units as against 21.41 crore units in the PY, with an increase of 9%.

Net revenue for the FY 2021-22 is Rs.6,011 crores as against Rs.5,303 crores during PY with a growth of 13%. EBIDTA for FY 2021-22 is Rs.1,314 crores as against Rs.1,583 crores during PY with de-growth of 17%, mainly due to sharp increase in fuel price and weak cement prices. The industry could not pass on the full cost increase arising out of sharp fuel price hike, to its customers. Blended EBIDTA per ton for the FY 2021-22 is Rs.1,190/- as against Rs.1,586/- during PY. Operating ratio for FY 2021-22 is 22% as against 30% in PY.

The average increase in diesel prices by 20% during the FY 2021-22 has resulted in increase of all in-bound / out-bound logistics cost. During the CY the average index price of pet coke has increased by 89% compared to PY. The spot prices of pet coke per ton has peaked to \$248 in Mar-22. During the CY the average price of imported coal of 4200 GAR from Indonesia, meant for thermal power plant has also increased by 138% over the average price in the PY. The spot price of said imported coal have gone to the unprecedented level of \$160 in Oct-21 and stood at \$134 in Mar-22. Since the fuel prices have peaked in the CY, the power & fuel cost per ton of cement for FY 2021-22 has sharply increased to Rs.1,257/- from Rs.797/- in the PY.

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The 3rd boiler in WHRS in Jayanthipuram is commissioned in Apr-22. With this, the entire WHRS capacity of 27 MW WHRS in Jayanthipuram is fully in operation and it has helped to moderate the overall power & fuel cost to some extent.

Interest cost for the FY 2021-22 is Rs.112 crores as against Rs.88 crores during the PY. The increase is due to commissioning of JPM Line-3 and Orissa grinding unit. The effective average cost of borrowing for FY 2021-22 is 5.22% as against 6.10% in the PY. Depreciation for the FY 2021-22 is Rs.401 crores as against Rs.355 crores during the PY. Profit before tax for FY 2021-22 is Rs.801 crores as against Rs.1,140 crores during the PY with a de-growth of 30%.

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. In view of the overall tax benefits available under the said option, the company has opted for shifting to lower tax rate from the FY 2021-22. Consequently, the company is entitled to write-back the excess deferred tax provision of Rs.305.58 crores from Deferred Tax Liability to P&L during the CY, resultantly the profit after tax was higher by Rs.305.58 crores during the CY.

In Kurnool, trial production of clinker is going on. With this, the clinkering capacity has gone up to 13.65 MTPA. The cement grinding facility, 6 MW of WHRS in Kurnool will be commissioned in Jun-22 / Jul-22. After that, the installed capacity of cement will go past 20 MTPA. Balance 6.15 MW of WHRS and 18 MW of TPP will be commissioned in Mar-23. The modernisation of RR Nagar plant along with lime stone beneficiation plant will be commissioned in Mar-23.

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The company also propose to expand the capacity of its dry mix products in Tamilnadu, Orissa and Andhra Pradesh to produce high value products viz. water proofing, repair products, flooring screeds including liquid products besides other regular dry mix products. The two units in TN will be commissioned in FY23 and the remaining two units in AP & Orissa will be commissioned in FY24.

During the FY 2021-22, the company has incurred Rs.1,816 crores towards capex, including for the above-mentioned ongoing capacity expansion programme. The gross debt for the company as on 31-3-2022 is Rs. 3,930 Crores, out of which Rs.505 Crores is short-term loan. The average cost of interest-bearing borrowings for the CY is reduced to 5.54% from 6.59% in the PY. The net debt to EBIDTA is 2.88 times as on 31-3-2022 as against 1.89 times in the PY.

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