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Corporate Identity Number: L26941TN1957PLC003566

THE RAMCO CEMENTS LIMITED RAMCO

THE RAMCO CEMENTS LIMITED

25 October 2021

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 enclose a copy of the Press Release on the performance of the Company for the Q2 of FY 2021-2022.

Thanking you,

Yours faithfully,
For **THE RAMCO CEMENTS LIMITED,**

K Selvanayagam

K.SELVANAYAGAM
SECRETARY

Encl : As above

Sd/-

THE RAMCO CEMENTS LIMITED

PRESS RELEASE

PERFORMANCE FOR Q2 FY 2021-22 UN-AUDITED RESULTS

During Q2 of CY, the sale of cement is 2.71 million tons, compared to 2.21 million tons in the corresponding period of the previous year with a growth of 23%. The utilisation rate for Q2 of CY is 74% as against 70% in Q2 of PY based on clinker capacity. During the current quarter, cement demand was affected in eastern markets due to heavy monsoon. Also in Southern market, Cement demand dampened in Kerala due to weekend lock downs and heavy monsoon during the current quarter. Company's strategy of right cement for right applications yielded positive results. We see strong signs of demand recovery in the coming quarters. The company continue to focus on this to make its brand stronger and to gain market share. During Q2 of CY our windfarms have generated 12.13 crore units as against 10.20 crore units in Q2 of PY, resulted in increase of 19%.

Net revenue for Q2 of CY is Rs.1,501 crores as against Rs.1,265 crores during Q2 of PY with a growth of 19%. EBIDTA for Q2 of CY is Rs.402 crores as against Rs.450 crores during Q2 of PY with de-growth of 11% due to increase in operating cost. Blended EBIDTA per ton for the Q2 of CY is Rs.1,484/- as against Rs.2,035/- during Q2 of PY. Operating ratio for Q2 of CY is 27% as against 36% in Q2 of PY.

The average increase in diesel prices by 20% during the current quarter has resulted in increase of in-bound / out-bound logistics cost. The power & fuel cost per ton of cement for Q2 has increased to Rs.1057/- from Rs.823/- in Q2 of PY. The spot market price of pet coke have increased to $250 CIF in Sep-21 and the price of imported coal from Australian origin have increased to $220 in Sep-21. The continuous increase in fuel prices is likely to push up the cost further in the coming quarters. However, the operations of 18 MW WHRS in Jayanthipuram have helped to offset the power & fuel cost for the company to certain extent.

...2

THE RAMCO CEMENTS LIMITED CHENNAI-4

The balance 9 MW WHRS in Jayanthipuram is expected to be commissioned in Q3 of the current year. In view of steep cost increase, the need for price increase is imperative to sustain the business operations. The company is conducting various meetings to educate dealers in this regard.

Interest cost for Q2 of CY is Rs.29 crores as against Rs.27 crores during the previous corresponding period. The effective average cost of borrowing for Q2 of CY is 5.47% as against 6.59% for the FY 2020-21. Depreciation for Q2 of CY is Rs.99 crores as against Rs.85 crores during the previous corresponding period. Profit before tax for Q2 of CY is Rs.274 crores as against Rs.338 crores during the previous corresponding period with a de-growth of 19%.

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 FY 2021-22 during the current quarter. Consequent to adoption of new tax regime, the company is entitled to write back the excess deferred tax provision of Rs.305.58 crores from Deferred Tax Liability to P&L. While there will be no impact on Profit before Tax, the Profit after Tax will be higher by Rs.305.58 crores for the current quarter.

The Kurnool project is delayed mainly because of disruption of work force caused by COVID-19 since last 21 months. The clinkering unit of 2.25 MTPA in Kurnool is expected to be commissioned during Q-4 of FY 2021-22. The 1 MTPA cement grinding facility, 12 MW of WHRS and 18 MW of TPP in Kurnool are expected to be commissioned during FY 2022-23.

THE RAMCO CEMENTS LIMITED CHENNAI-4

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The company propose to modernise its RR Nagar plant at a cost of Rs.476 cores by installing a new energy efficient kiln of 3000 TPD to replace the existing kiln of 1450 TPD. It is expected to commission the new kiln before Mar-23. After completion of this project, the clinker capacity at RR Nagar will increase from 1.09 MTPA to 1.44 MTPA.

The company also propose to expand the capacity of its dry mix products in Tamilnadu, Orissa and Andhra Pradesh with the total estimated cost of Rs.160 crores to produce high value products viz. water proofing, repair products, flooring screeds including liquid products besides other regular dry mix products.

During Apr-21 to Sep-21, the company has incurred Rs.902 crores towards capex, including for the above-mentioned ongoing capacity expansion programme.

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THE RAMCO CEMENTS LIMITED CHENNAI-4