



**THE RAMCO CEMENTS LIMITED**

**Corporate Office:**

Auras Corporate Centre, V Floor,  
98-A, Dr. Radhakrishnan Salai, Mylapore,  
Chennai - 600 004, India.

Tel: +91 44 2847 8666 Fax: +91 44 2847 8676

Website: [www.ramcocements.in](http://www.ramcocements.in)

Corporate Identity Number: L26941TN1957PLC003566

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: Investor Presentation

Pursuant to Regulation 30, read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Presentation on the performance of the Company for the quarter and six months ended 30.09.2021, being shared at the Investors' Meets.

Thanking you,

Yours faithfully,

For **THE RAMCO CEMENTS LIMITED,**

*K.Selvanayagam*

**K.SELVANAYAGAM**  
**SECRETARY**

Encl : As above

*SMA*



# The Ramco Cements Limited

*Consolidating Strengths. Ready for future*

## Investor Update

*Q2 2021-22*

# Contents



- 1** Overview and Market update
- 2** Sales and Capacity Utilization
- 3** Key Performance
- 4** Income Statement and Financial Analysis
- 5** Installed Capacity and Capacity in pipeline
- 6** Debt Leverage

## Overview of Economy

- India's real GDP growth for FY22 is projected at 9.5%, as per Economic Survey 2020-21
- In October 2021, World Economic Outlook (WEO) forecast India's growth projections as 8.3% in 2021 and 9.6% in 2022 on calendar year basis
- India is also expected to emerge as the fastest-growing economy, in the next two years, as per IMF

## Positives

- Revival of demand from rural housing, PMAY Scheme, commercial and industrial construction, infrastructure development by private and Government
- The per-capita consumption of cement in India is 195 Kg against Global average of 500 Kg, showing significant potential for the growth of industry, which is around 40% of world average.
- Continued growth in middle class and urbanization
- Continued thrust by Gol on vaccination against CoVID 19

## Watch outs

- Fuel price hike
- Supply constraint in coal / pet coke
- Monsoon fury

# Market update for Q2FY22

## South

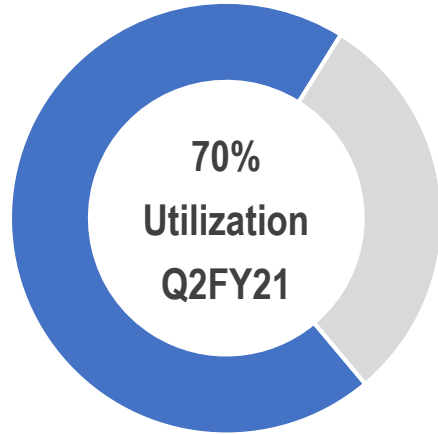
- ✓ Individual housing and Infra demand picked up
- ✓ Week-end lock-downs in KL affected the demand
- ✓ In KL, active monsoon dampened demand further
- ✓ YoY prices have improved in TN & KL
- ✓ YoY prices have dropped in AP & KAR
- ✓ Signs for demand recovery is visible
- ✓ Price increase is inevitable due to sharp cost push

## East

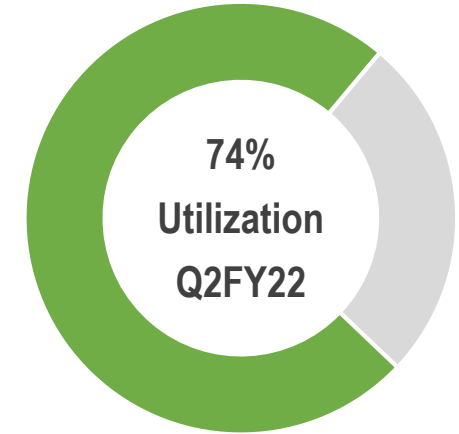
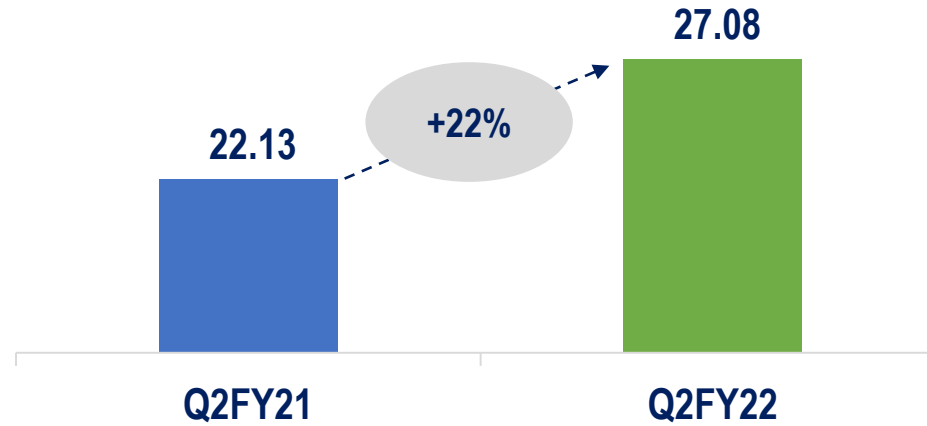
- ✓ Individual housing witnessed de-growth
- ✓ Demand from Infra / Commercial segment is intact
- ✓ Demand in WB is down due to heavy monsoon
- ✓ Market in NE looks promising
- ✓ Prices have been flattish
- ✓ Demand recovery is expected soon
- ✓ Price increase is inevitable due to sharp cost push

**Company's strategy of right cement for right applications yielded positive results. The company continue to focus on this to make its brand more stronger and to gain market share**

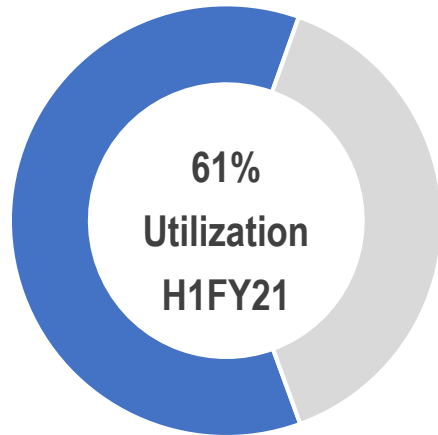
# Sales and Capacity Utilization



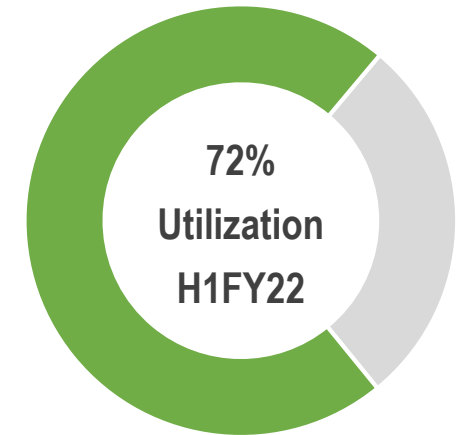
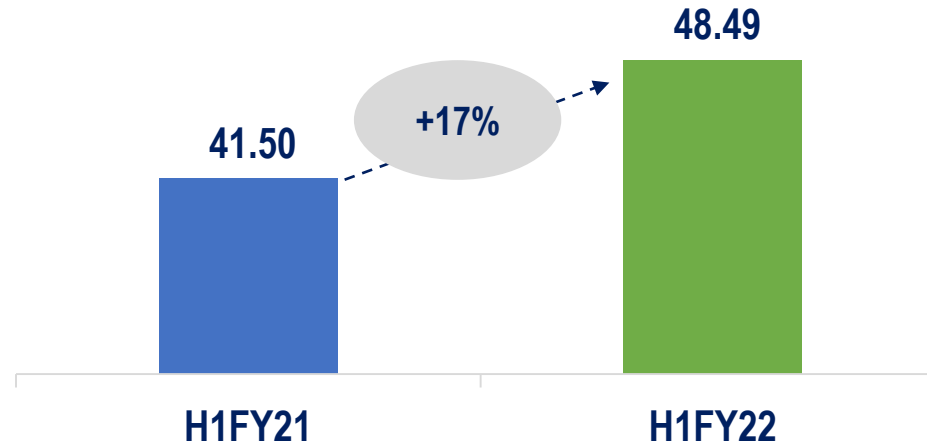
### Cement Sales in Lac Tons



Demand dampened in Kerala and West Bengal due to heavy monsoon



### Cement Sales in Lac Tons



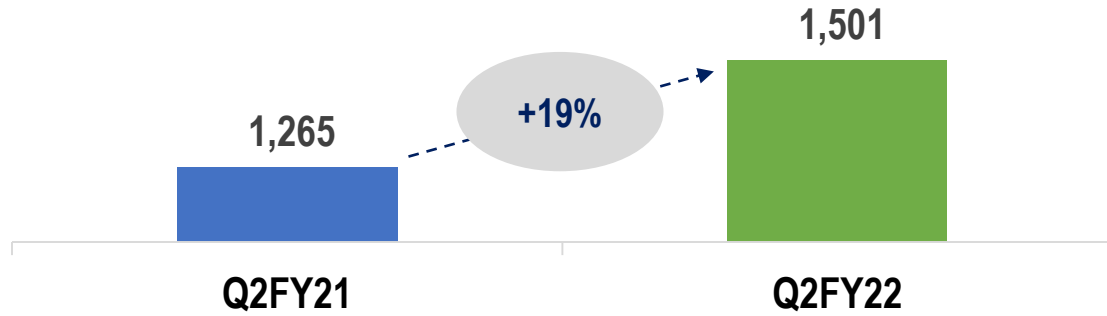
*Capacity based on Clinker*

# Key Performance for Q2FY22

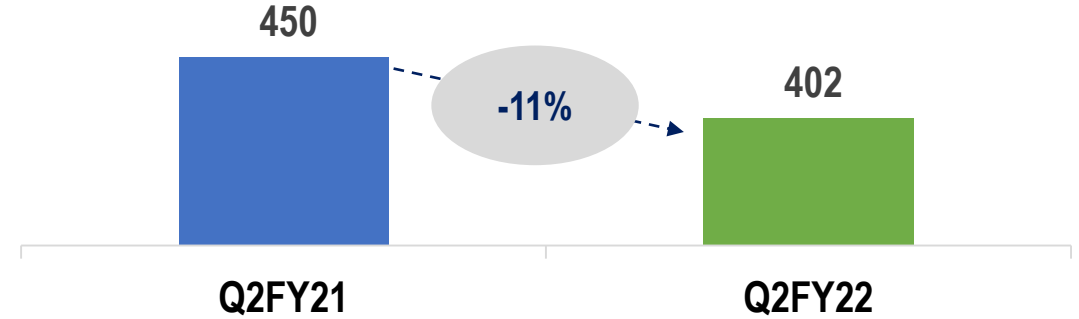
₹ in Crores



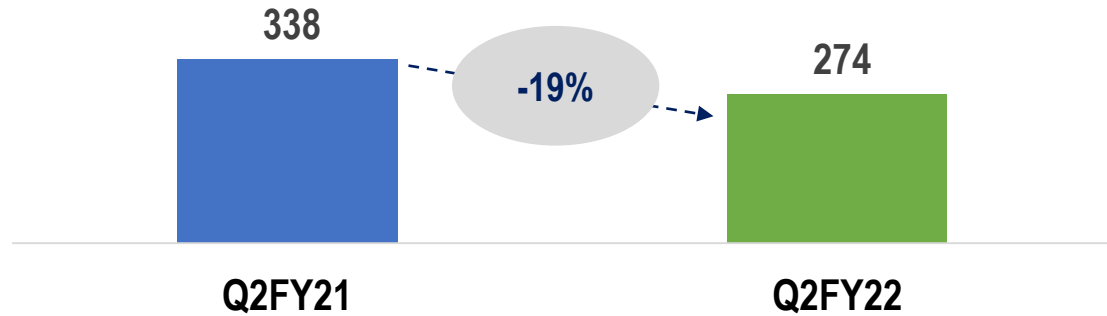
## Revenue



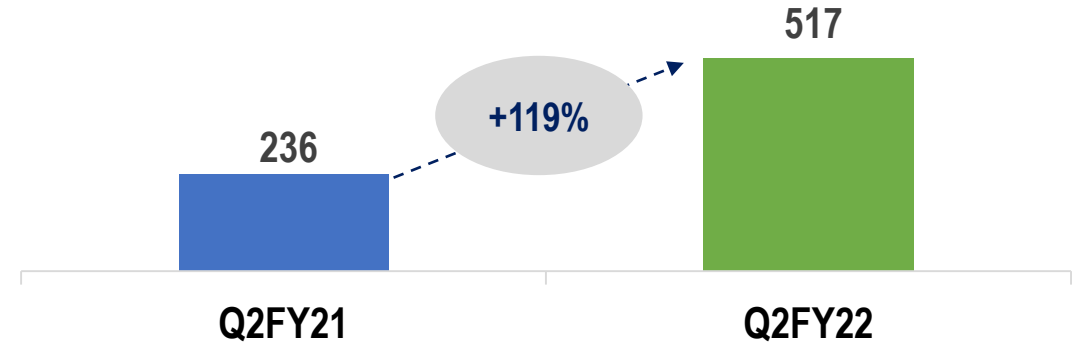
## EBITDA



## Profit Before Tax



## Profit After Tax



- ✓ Delivered strong performance even during this difficult quarter
- ✓ Tight cost control measures in manufacturing operations

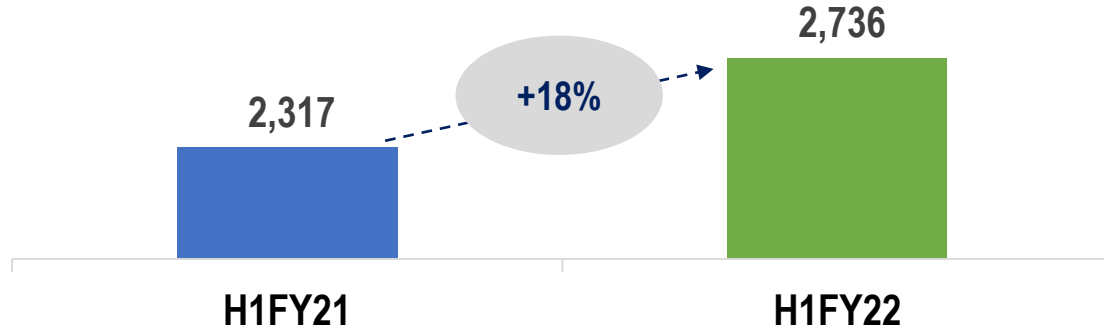
- ✓ Effective austerity measures taken to control overheads
- ✓ Improved PAT due to adoption of new tax regime under Income Tax

# Key Performance for H1FY22

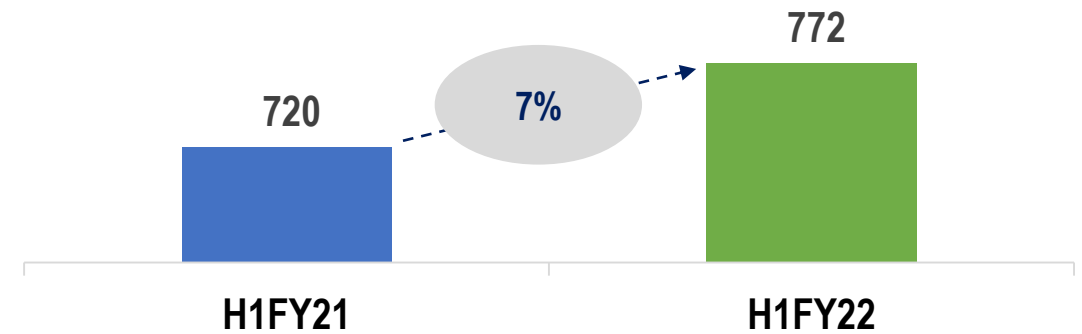
₹ in Crores



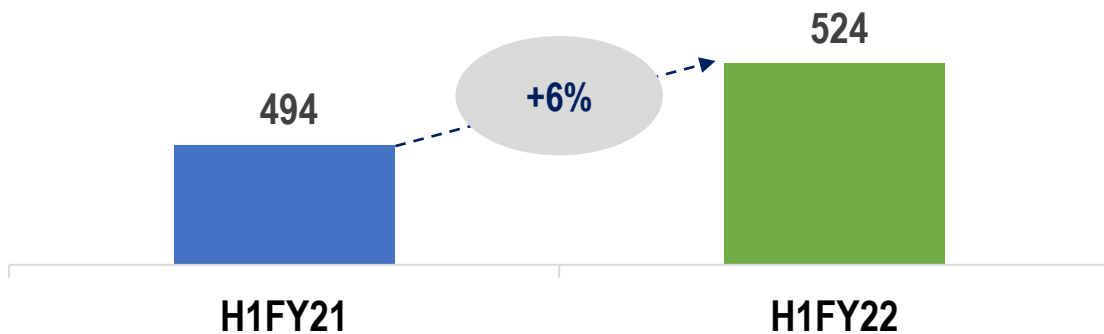
## Revenue



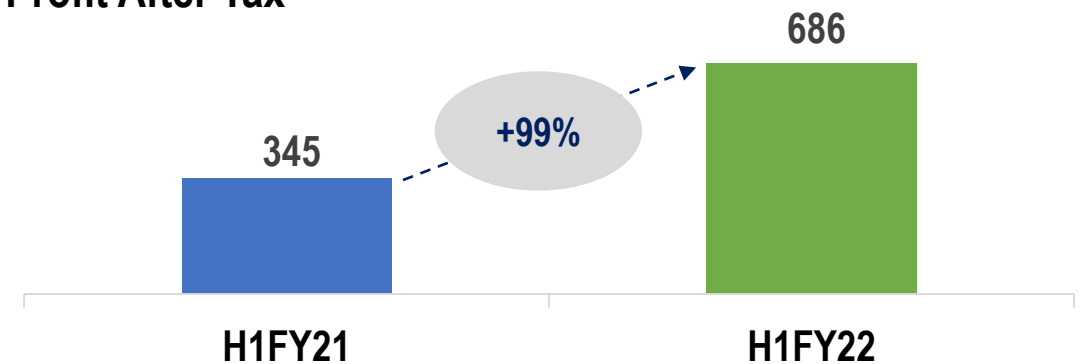
## EBITDA



## Profit Before Tax



## Profit After Tax



- ✓ Delivered strong performance even during this difficult half-year
- ✓ Tight cost control measures in manufacturing operations
- ✓ Share of Premium products stands at 21% for H1FY22

- ✓ Effective austerity measures taken to control overheads
- ✓ Cost of debt reduced from 6.49% to 5.51% during the current year
- ✓ Improved PAT due to adoption of new tax regime under Income Tax



# Income Statement for Q2FY22

₹ in Crores



Standalone			Particulars	Consolidated		
Q2FY22	Q2FY21	Variance %		Q2FY22	Q2FY21	Variance %
1,501.03	1,265.31	19% ▲	Revenue	1,510.33	1,273.47	19% ▲
1,099.29	815.01	35% ▲	Less: Operating Expenses	1,103.32	818.58	35% ▲
401.74	450.30	11% ▼	EBITDA	407.01	454.89	11% ▼
29.40	26.52	11% ▲	Less: Finance Costs	29.40	26.52	11% ▲
98.50	85.45	15% ▲	Less: Depreciation	98.88	85.75	15% ▲
273.84	338.33	19% ▼	Profit Before Tax	278.73	342.62	19% ▼
62.46	59.05	6% ▲	Less: Current Tax Expenses	63.23	59.70	6% ▲
(-) 0.12	43.51	-	Less: Deferred Tax, net of MAT Credit	0.39	44.00	-
305.58	-	-	Add: Reversal of Deferred Tax Liability	304.01	-	-
517.08	235.77	119% ▲	Profit After Tax	519.12	238.92	117% ▲
-	-	-	Add: Share of Profit of Associates	(-) 2.35	5.30	-
-	-	-	Less: Non-Controlling Interest	0.93	0.70	-
517.08	235.77	119% ▲	Profit for the period	515.84	243.52	112% ▲

## Subsidiaries

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
Q2FY22	Q2FY21	Variance %		Q2FY22	Q2FY21	Variance %
7.20	5.85	23% ▲	Revenue	10.32	9.68	7% ▲
5.75	4.43	30% ▲	EBITDA	0.18	0.90	80% ▼

# Income Statement for H1FY22

₹ in Crores



Standalone			Particulars	Consolidated		
H1FY22	H1FY21	Variance %		H1FY22	H1FY21	Variance %
2,735.70	2,317.21	18% ▲	Revenue	2,750.32	2,330.26	18% ▲
1,963.95	1,596.84	23% ▲	Less: Operating Expenses	1,971.54	1,603.19	23% ▲
771.75	720.37	7% ▲	EBITDA	778.78	727.07	7% ▲
53.70	56.45	5% ▼	Less: Finance Costs	53.70	56.45	5% ▼
194.11	169.88	14% ▲	Less: Depreciation	194.82	170.50	14% ▲
523.94	494.04	6% ▲	Profit Before Tax	530.26	500.12	6% ▲
106.16	86.23	23% ▲	Less: Current Tax Expenses	107.12	87.11	23% ▲
37.30	62.44	-	Less: Deferred Tax, net of MAT Credit	38.01	63.17	-
305.58	-	-	Add: Reversal of Deferred Tax Liability	304.01	-	-
686.06	345.37	99% ▲	Profit After Tax	689.14	349.84	97% ▲
-	-	-	Add: Share of Profit of Associates	(-) 0.70	11.88	-
-	-	-	Less: Non-Controlling Interest	1.15	0.95	-
686.06	345.37	99% ▲	Profit for the period	687.29	360.77	91% ▲

## Subsidiaries

Ramco Windfarms Limited			Particulars	Ramco Industrial & Technology Services Ltd		
H1FY22	H1FY21	Variance %		H1FY22	H1FY21	Variance %
10.89	9.36	16% ▲	Revenue	18.13	17.40	4% ▲
8.02	6.77	18% ▲	EBITDA	0.37	1.50	75% ▼

# Opted for New Income Tax Regime



## Highlights of new tax regime U/s.115BAA

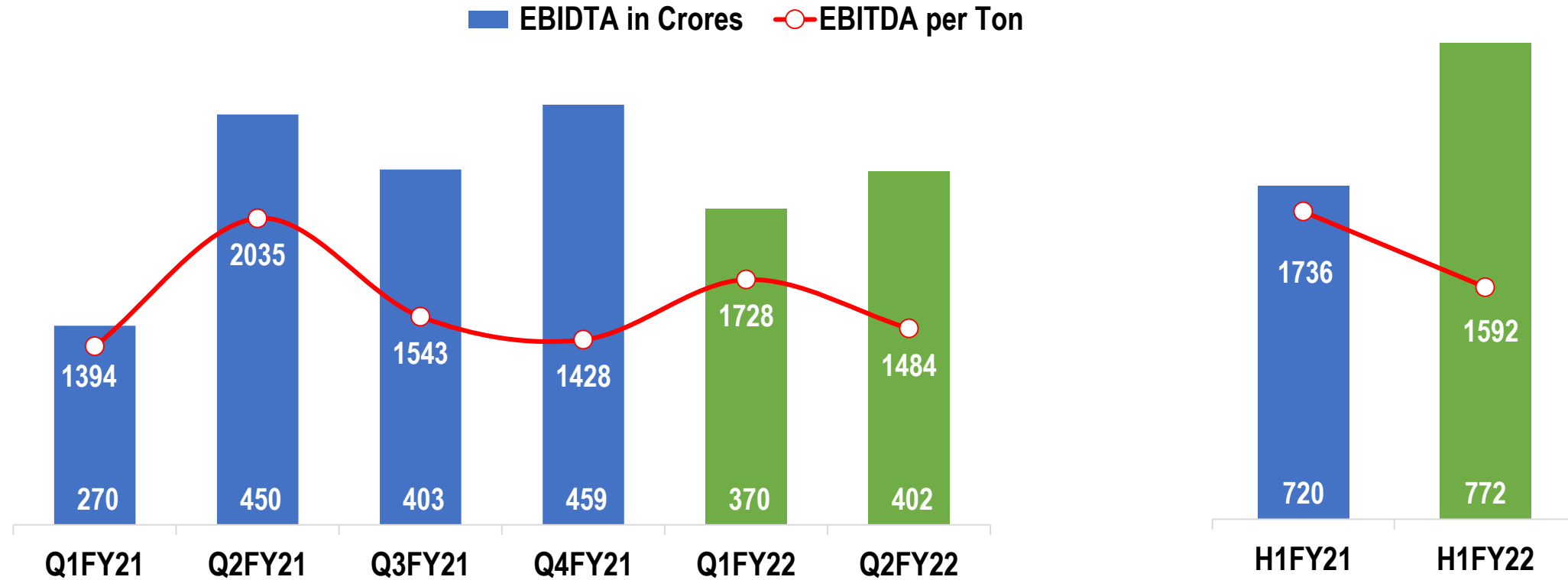
- ❖ Tax rates for domestic companies were changed by the Government through an ordinance on 20-9-2019.
- ❖ The rates are effective from 1-4-2019
- ❖ Effective regular rate reduced from 34.94% to 25.17% subject to the condition that deductions towards incentives, additional depreciation benefits, carry forward of MAT credit, and carry forward of losses are no longer permissible.
- ❖ Irreversible option given to companies to select new tax rates.
- ❖ Companies have the liberty to continue with the old rates with all applicable benefits.

## Company's Option from FY 2021-22

- ❖ Tax Rate is reduced from 34.94% to 25.17% from FY 2021-22
- ❖ Option can be exercised till the due date of filing of tax returns
- ❖ The Company has opted new tax rate 25.17% from FY 2021-22 onwards in view of the following advantages:
  - Reduced tax charge to P & L
  - All MAT Credits were utilized
  - Scope for lesser litigation in future periods
  - No material adverse impact in cash flows
- ❖ The Company has restated the deferred tax liability at the new tax rate. Consequently, it led to reversal of deferred tax liability to the extent of ₹ 305.58 Crores during the current quarter

**Due to change in rate of tax, PAT is higher by ₹ 305.58 crores for the current quarter / year.**

# EBITDA



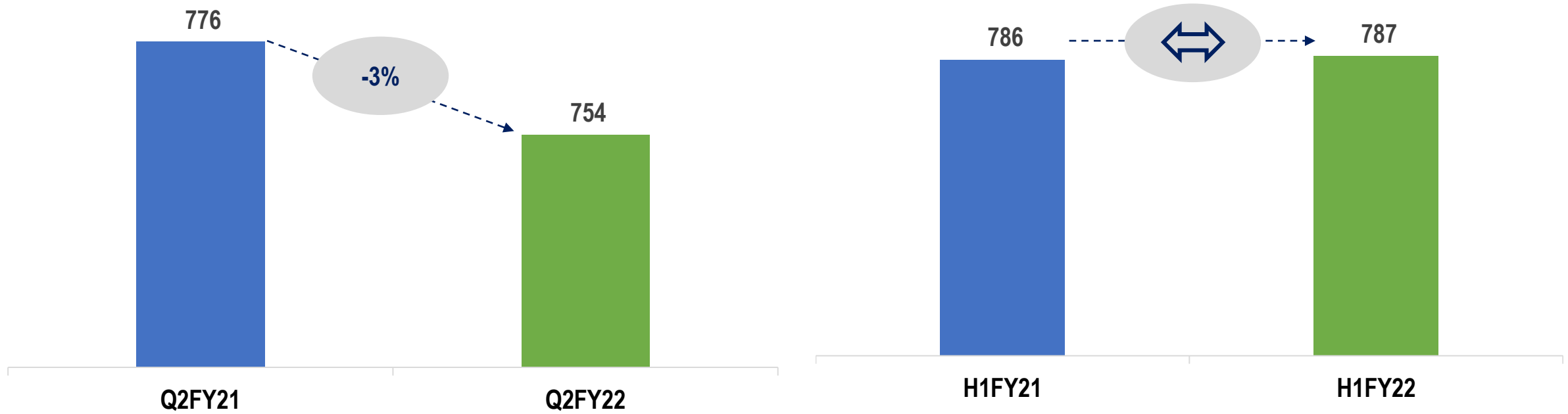
- ✓ Consistently delivered best-in-class EBITDA / Ton
- ✓ Focus on sale of premium products

- ✓ Focus on right cement for right applications
- ✓ Relentless focus on operating efficiencies

# Cost of raw materials



In ₹ per Ton

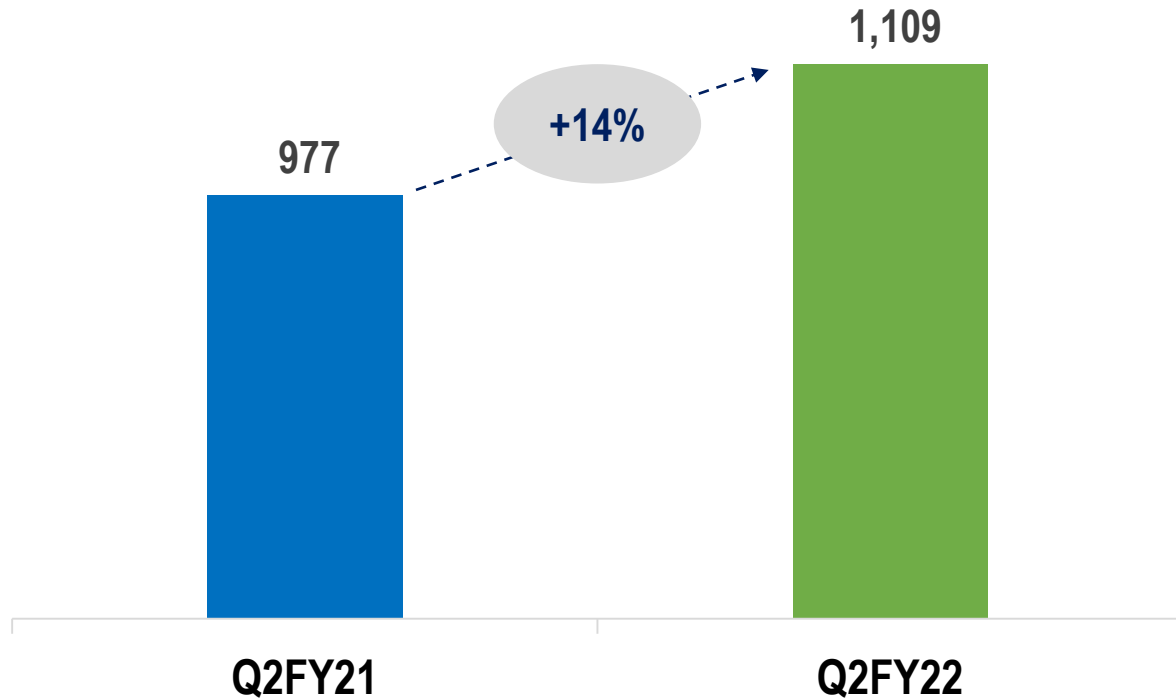


- ✓ Increase in diesel price pushed the cost of inbound logistics cost
- ✓ Purchased clinker consumption is Nil in current quarter

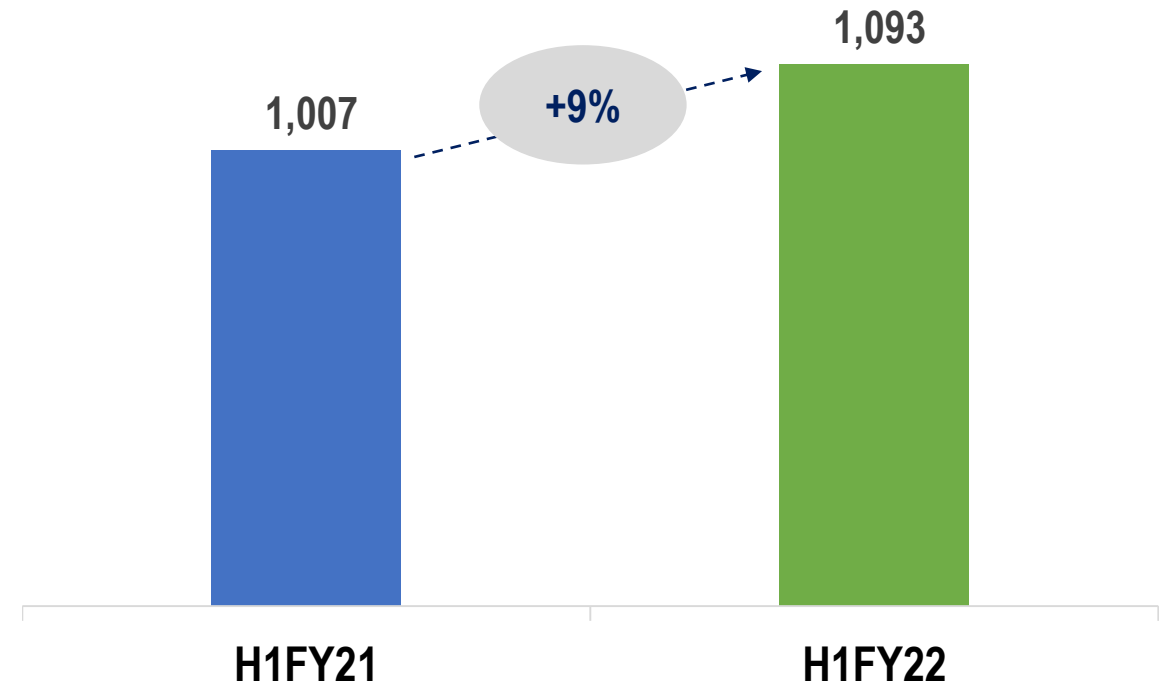
# Logistics cost



In ₹ per Ton

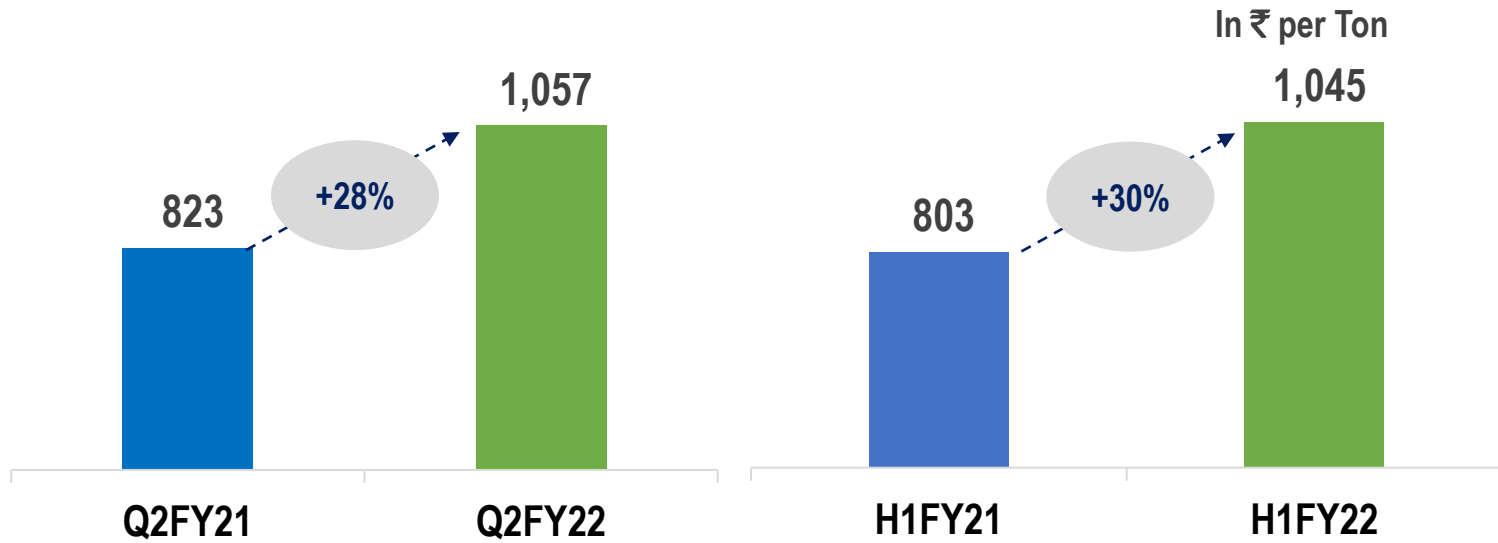


- ✓ Increase in diesel price pushed the cost of outbound logistics cost
- ✓ Rail Co-efficient for the current quarter is 11% vs 8% YoY
- ✓ Average lead distance is 304KMs; Up by 5%



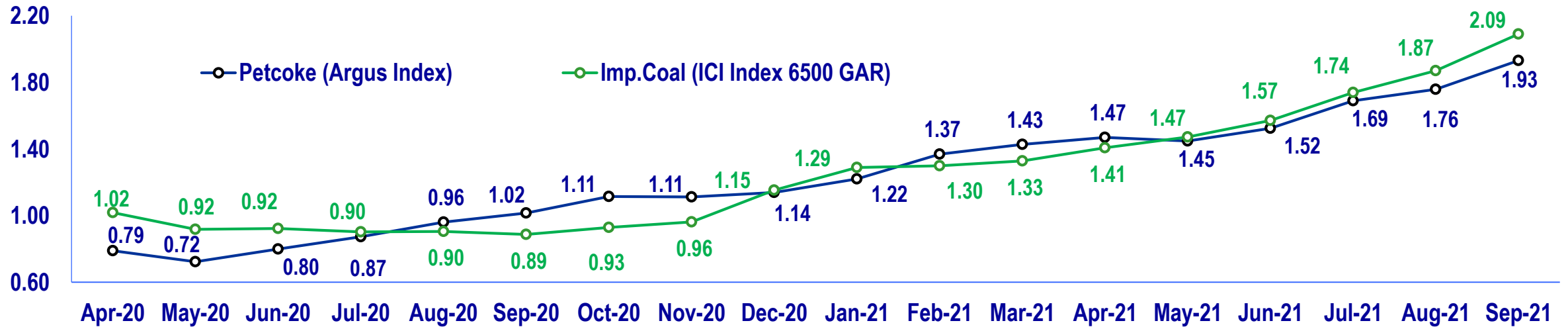
- ✓ Increase in diesel price pushed the cost of outbound logistics cost
- ✓ Rail Co-efficient for the current year is 11% vs 8% YoY
- ✓ Average lead distance is 323KMs; Up by 7%

# Power and Fuel Cost

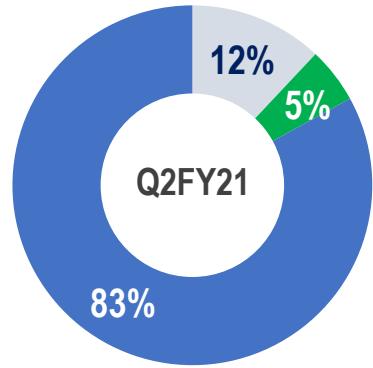


- ✓ Fuel consumption for Q2FY22 is ~ \$ 113 / T
- ✓ Current spot pet coke prices crossed \$ 220 / T
- ✓ Imported coal follows the pet coke prices
- ✓ Emphasis on more usage of alternate fuels
- ✓ Supply constraints of fuel looms large
- ✓ WHRS operations helped to manage cost better

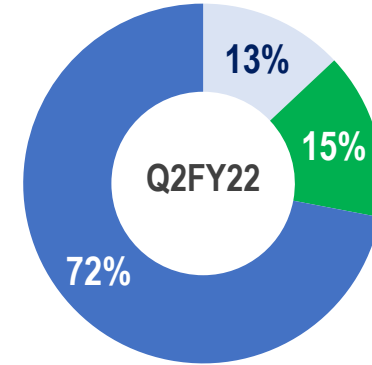
Trend of Fuel Cost per CV based on Index price



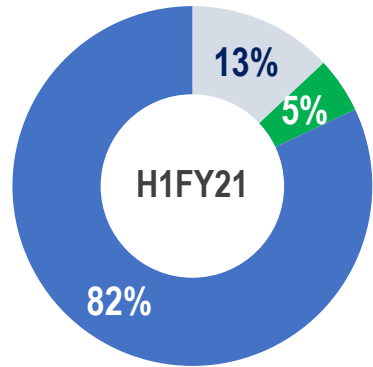
# Power Mix



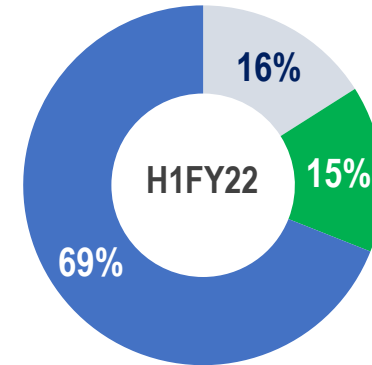
■ Grid power ■ Green Power ■ Thermal Power



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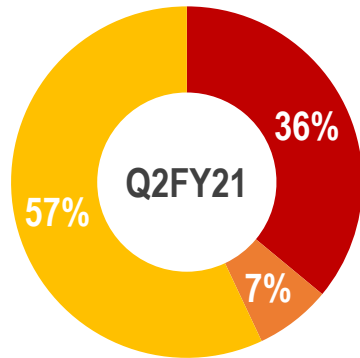


■ Grid power ■ Green Power ■ Thermal Power

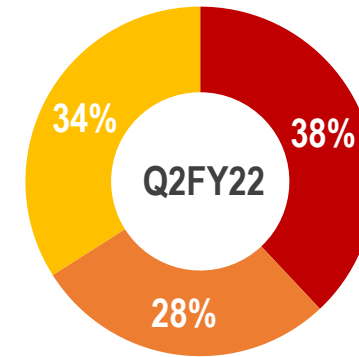
Focus on Green Power



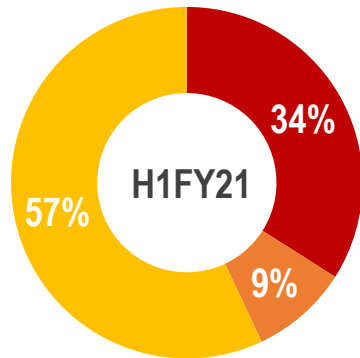
# Fuel Mix



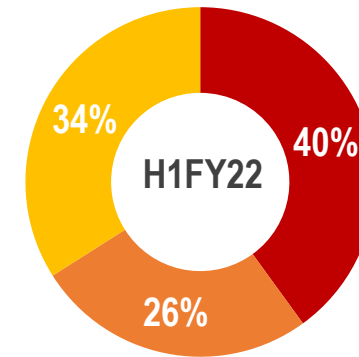
■ Coal    ■ Alternate Fuel    ■ Pet coke



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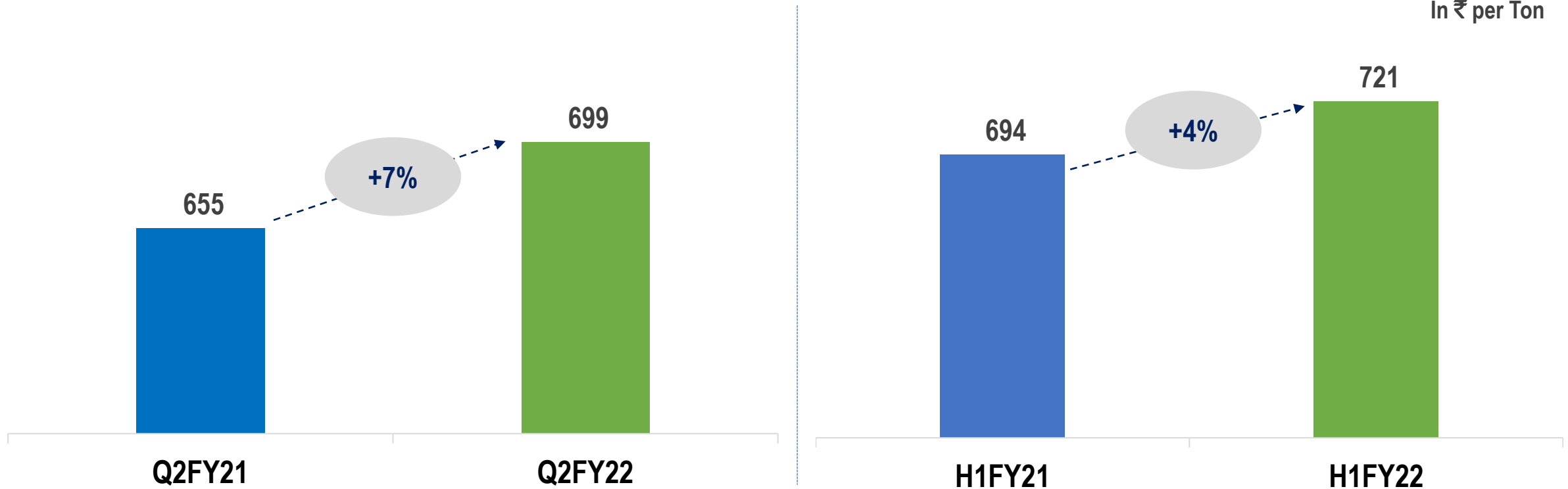
■ Coal    ■ Alternate Fuel    ■ Pet coke

Optimum usage of fuels based on cost per CV

# Other Expenditure



In ₹ per Ton



- ✓ Increase in Packing cost during the current period
- ✓ Due to CoVID, Admin, Advertisement & Sales Promotion expenses were low in Q2 / H1 of previous year

# Summarized Balance Sheet

₹ in Crores



Standalone		Particulars	Consolidated	
30-09-2021	31-03-2021		30-09-2021	31-03-2021
10,004.51	9,311.78	Fixed Assets including CWIP	10,026.34	9,333.53
201.96	200.92	Investments	308.88	306.97
775.14	718.12	Loans and Advances	760.74	695.33
663.06	597.90	Inventories	663.98	599.34
410.52	375.18	Trade Receivables	410.98	375.92
74.95	141.86	Cash and Bank Balances	76.38	143.83
<b>12,130.14</b>	<b>11,345.76</b>	<b>Total Assets</b>	<b>12,247.30</b>	<b>11,454.92</b>
23.60	23.59	Equity Share Capital	23.60	23.59
6,296.26	5,603.21	Reserves & Surplus, including NCI	6,411.18	5,714.42
3,562.54	3,101.72	Borrowings	3,562.54	3,101.72
819.36	1,087.65	Deferred Tax Liabilities, net	817.75	1,083.46
346.13	363.43	Trade Payables	347.75	364.52
85.40	64.07	Provisions	86.03	64.47
996.85	1,102.09	Other Current / Non-current Liabilities	998.45	1,102.74
<b>12,130.14</b>	<b>11,345.76</b>	<b>Total Equity and Liabilities</b>	<b>12,247.30</b>	<b>11,454.92</b>

# Summarized Cash flow

₹ in Crores



Particulars	30-09-2021	30-09-2020
Operating Profit	771.75	720.37
Changes in working capital	(-) 273.63	118.15
Direct Tax paid	(-) 80.61	(-) 59.00
Non-cash items / Others	11.23	14.44
<b>Net cash flow from Operating Activities</b>	<b>428.74</b>	<b>793.96</b>
Investments in Equity Shares	(-) 0.43	(-) 4.99
Capital Expenditure	(-) 901.85	(-) 685.25
Other cash flows from investing activities	(-) 11.72	5.06
<b>Net cash flow used in Investing Activities</b>	<b>(-) 914.00</b>	<b>(-) 685.18</b>
Issue of Equity shares upon exercise of ESOP	.078	1.46
Change in Borrowings	459.59	(-) 129.42
Interest payments	(-) 42.02	(-) 46.73
<b>Net cash flow from Financing Activities</b>	<b>418.35</b>	<b>(-) 174.69</b>
<b>Net Increase in Cash and Bank Balances</b>	<b>(-) 66.91</b>	<b>(-) 65.91</b>

**Operating Profit increased;  
Working capital Increased**

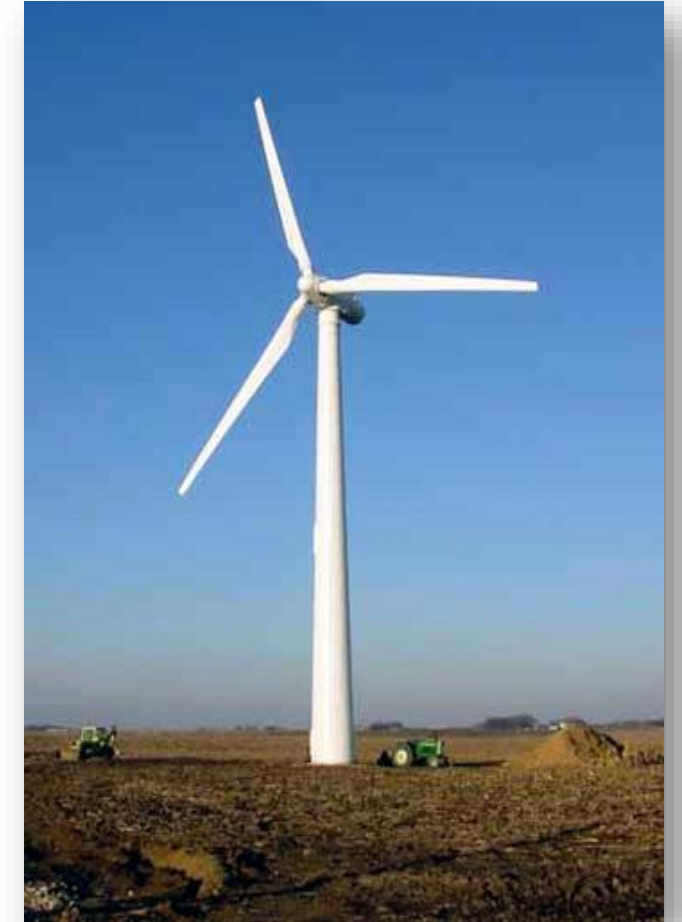
**Capex incurred for ongoing  
capacity expansion program**

**Capex funded partly through  
borrowings**

# Wind power

Particulars	Q2FY22	Q2FY21	Variance
Generation of Wind power (In Crore Units)	12.13	10.20	19% ▲
Revenue from Wind power ( ₹ in Crores)	33.43	28.76	16% ▲
Less: Operating Expenses ( ₹ in Crores)	5.57	5.51	1% ▲
<b>EBITDA from Wind power ( ₹ in Crores)</b>	<b>27.86</b>	<b>23.25</b>	<b>20% ▲</b>

Particulars	H1FY22	H1FY21	Variance
Generation of Wind power (In Crore Units)	19.14	16.31	17% ▲
Revenue from Wind power ( ₹ in Crores)	52.82	45.38	16% ▲
Less: Operating Expenses ( ₹ in Crores)	11.18	10.98	2% ▲
<b>EBITDA from Wind power ( ₹ in Crores)</b>	<b>41.64</b>	<b>34.40</b>	<b>21% ▲</b>



# Key Ratios



Particulars	UOM	Q2FY22	Q2FY21	H1FY22	H1FY21
EBTIDA Ratio	%	27%	36%	28%	31%
PBT Ratio	%	18%	27%	19%	21%
PAT Ratio	%	34%	19%	25%	15%
Earnings per Share	₹	22	10	29	15
RoE	%	35%	18%	23%	14%
RoCE (Post-tax)	%	23%	13%	16%	10%
Debt-Equity Ratio	Multiples	0.56	0.55	0.56	0.55
Debt Service Cover Ratio	Multiples	2.05	2.65	1.66	2.18
Interest Service Cover Ratio	Multiples	5.98	6.65	5.59	4.90
Current Ratio	Multiples	1.10	1.10	1.10	1.10



# Installed Capacity

Clinker

**11.40 MTPA**

Integrated Unit

**12.20 MTPA**

Grinding Unit

**7.20 MTPA**

Dry Mortar

**96,000 TPA**

Ready Mix Concrete

**56 Cu.Metre / Hour**

Thermal Power

**175 MW**

Waste Heat Recovery

**18 MW**

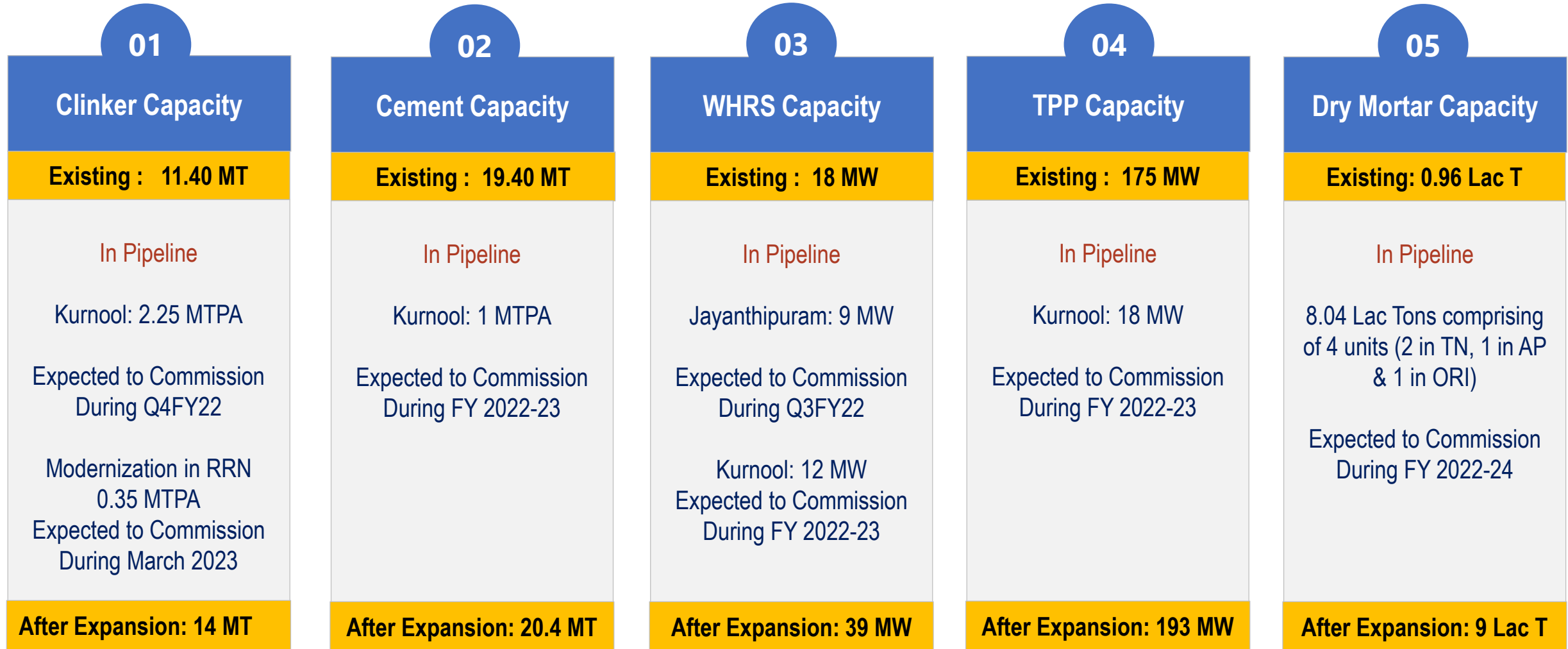
Wind power (\*)

**166 MW**

(\*) Include Subsidiary

State / Product	UOM	TN	AP	KAR	WB	ORI	Total
Clinker – Integrated Unit	MTPA	6.80	4.60	-	-	-	11.40
Cement – Integrated Unit	MTPA	8.60	3.60	-	-	-	12.20
Cement – Grinding Unit	MTPA	2.10	2.00	-	2.20	0.90	7.20
Dry Mortar	Tons	96,000	-	-	-	-	96,000
Ready Mix Concrete	Cu. Metre / Hr	56	-	-	-	-	56
Thermal Power Plant	MW	133	42	-	-	-	175
Waste Heat Recovery System	MW	-	18	-	-	-	18
Wind Power	MW	160	-	6	-	-	166

# Capacity in pipeline

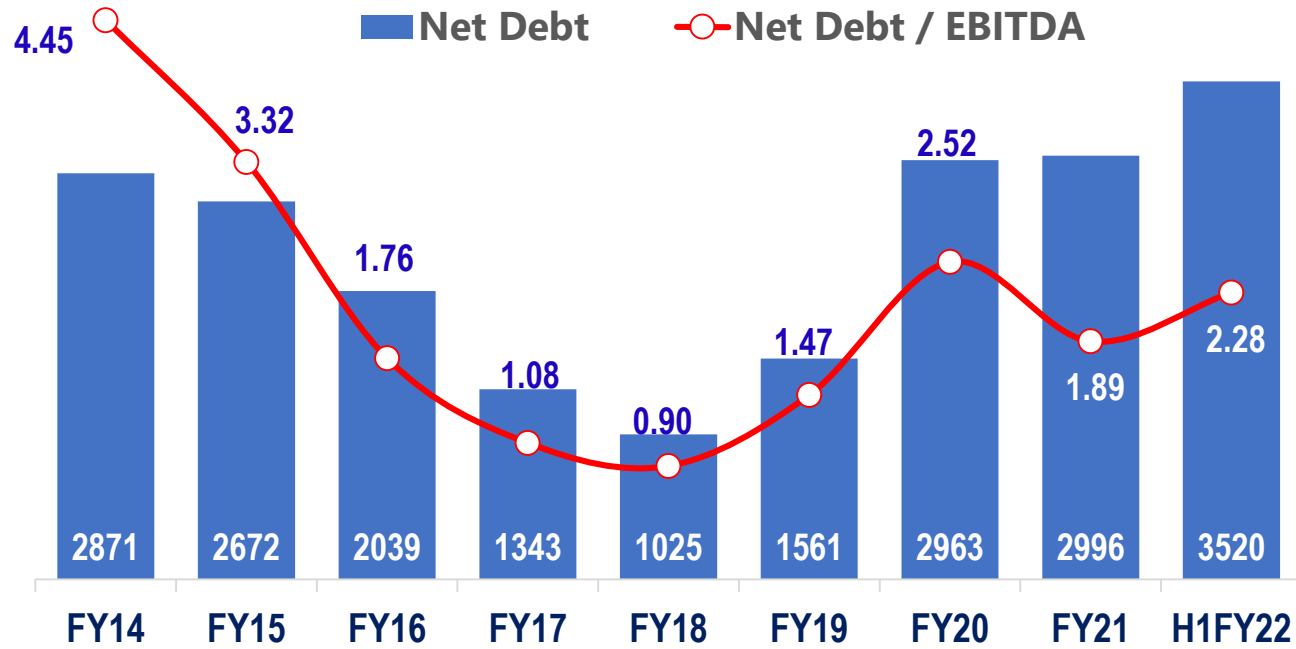


Capex incurred during H1FY22 is ₹ 902 Crores



# Debt Leverage

₹ in Crores



Debt – Equity Ratio (In Multiples)								
1.18	1.03	0.69	0.38	0.28	0.36	0.61	0.55	0.56
Total Cement Capacity in MTPA								
15.54	16.49	16.49	16.49	16.69	16.69	18.79	19.40	19.40

Capacity built without dilution of equity

## Borrowings as on 30-09-2021

Particulars	₹ in Crores
Interest-bearing Borrowings	
- Long Term Debt	2,746
- Short Term Debt	599
Interest Free / Soft Loans	218
<b>Gross Debt</b>	<b>3,563</b>
Less: Cash and Cash Equivalents	43
<b>Net Debt</b>	<b>3,520</b>

## Credit Ratings

Particulars	Rating
<b>ICRA Rating</b>	
- Long Term Debt	AA+
- Short Term Debt	A1+
- Non-Convertible Debentures	AA+
<b>CRISIL Rating</b>	
- Short Term Debt	A1+

# Disclaimer



*This communication, except for the historical information, may contain statements which reflect the Management's current views and estimates and could be construed as forward looking statements. The future involves certain risks and uncertainties that could cause actual results to differ materially from the current views being expressed. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange and commodity price fluctuations, competitive product and pricing pressures, regulatory changes, economic developments within India and other countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement, due to any subsequent development, information or events, or otherwise.*

Stock Code: BSE: 500260 | NSE: RAMCOCEM

[www.ramcocements.in](http://www.ramcocements.in)

**The Ramco Cements Limited**

**Corporate Office:**

**No.98A, Auras Corporate Center, 5<sup>th</sup> Floor**

**Dr.Radhakrishnan Salai, Mylapore,**

**Chennai 600 004**

