

Cost-control boosts Ramco Cements profit

Our Bureau
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Ramco Cements has managed a multi-fold growth in net profit in the third quarter of the current financial year with its focus on controlling costs under tough market conditions.

AV Dharmakrishnan, CEO, said the company has reined in costs, reduced its borrowings and strongly cut its finance costs to grow its net profit. Lowering costs of power and fuel have proved an additional bonus contributing to the performance under a slow market condition.

Ramco Cements has reported a net profit of ₹117.73 crore (₹22.96 crore) on a total income of ₹820.92 crore (₹815.93 crore) for the quarter ended December 31, 2015.

Total expenses have dropped sharply to ₹635.20 crore (₹748.67 crore) following a drop in power and fuel costs ₹115.30 crore (₹157.24 crore); and transportation and handling charges ₹147.53 crore (₹181.22 crore). Finance costs are down to ₹41.80 crore (₹48.49 crore).

During the current year, the company has cut its borrowings by around ₹440 crore out of internal accruals and reduction in current assets.

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