

BUSINESS

Ramco Cements to buy back shares at Rs. 720

SPECIAL CORRESPONDENT

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The board of directors of The Ramco Cements Ltd., has approved the proposal for buy-back of equity shares for a price not exceeding Rs. 720 per share from the shareholders of the company.

Ramco Cements' standalone net profit for the third quarter ended December 31, 2016, rose by 28% to Rs. 152 crore from Rs. 118 crore, due to improved offtake of cement. Total income increased from Rs. 941 crore to Rs. 1,111 crore.

Focus on costs

The company continued to focus on cost reduction measures and reducing the operating costs significantly and "is confident of sustaining it in the forthcoming quarters also," the company chairman and managing director, P.R. Ramasubrahmaneya Rajha said in a statement. During the year, Ramco Cements reduced its borrowings by around Rs. 530 crore out of its internal accruals.

Ramco Cements shares fell 4.7% to Rs. 680.8 on BSE.

The company has sustained its efforts towards debt reduction which has resulted in lower finance cost thereby improving its profitability. The company has built up stocks of fuel with a view to protect it from further spiralling effect on petcoke prices, he said.

The proposal excludes purchase of equity shares from the promoters, promoter group, persons acting in concert and persons, who are in the control of the company.

At the maximum buy-back price and for maximum buy-back size, the maximum number of equity shares to be bought back would be 25 lakh equity shares, which is 1.05% of paid up equity shares.