

Ramco Cements net surges three-fold

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CHENNAI: Ramco Cements on Friday said its quarterly profits rose 274% to Rs 93.42 crore from Rs 24.99 crore on the back of better cost management and stable cement prices.

Revenues grew marginally by 1.2% to Rs 999.19 crore. The board of directors has recommended a dividend of Rs 1.50 per share as against Rs 1.00 per share.

For the fiscal ended March 2015, the company has achieved profits of Rs 242.35 crore, up 76% on revenues of Rs 3,731.77 crore.

"Our ability to manage costs and stable cement prices helped us in better financial performance," said A V Darmakrishnan, MD & CEO of The Ramco Cements. Forecasting demand for the current fiscal, he said, "We are cautious and will wait."

The company sold 18.8 lakh tonne of cement during the quarter ended March 2015, down from 22.47 lakh tonnes it sold in the corresponding quarter last year. For the year ended March, it sold 76.68 lakh tonnes as against 85.97 lakh tonnes previously .

The operating costs decreased because of cost reduction initiatives and softening fuel prices. However the reduction in costs was offset by increase in royalty on limestone from rs 63 per tonne to Rs 80 per tonne with effect from September 1, 2014.

Ramco has installed a new cement grinding unit with a capacity of 0.95 million tonnes a year in Gobburpalam village in Vishakapatnam and commissioned it in March 2015.