

Companies

Ramco Cements more than doubles its net profit to ₹201 crore in Q3

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The company's operating profit grew 91 per cent to ₹403.34 crore

Ramco Cements has more than doubled its net profit for the December 2020 quarter, aided by better prices, premiumisation and cost-efficiency measures amid drop in cement prices.

For the quarter ended December 31, 2020, the company's standalone net profit increased to ₹201 crore when compared with ₹95 crore in the year ago quarter on the back of strong operating profit which grew 91 per cent to ₹403.34 crore as compared to ₹211 crore in Q3 of previous fiscal, supported by improved margins.

Blended EBIDTA per tonne was significantly higher at ₹1,543 as against ₹743 recorded in the same period last year.

Revenue (net of GST) grew 5 per cent at ₹1245 crore as against ₹1,286 crore a year ago. The company's cement sales dropped by 8 per cent to 26.14 lakh tonnes (28.44 lakh tonnes) due to extended and above normal monsoon in Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Telangana. But the company registered good growth in its eastern markets.

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The cement prices were constantly under pressure across all its markets during the current quarter, said a company statement.

The power and fuel cost for the December, 2020 quarter reduced mainly due to higher inventory base, procured at lower cost in earlier quarters. This has benefitted the company to keep a check on overall cost, while

the market prices of pet coke and coal have witnessed sharp increase during the period.

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The operations of 9 MW WHRS (waste heat recovery system) in Jayanthipuram helped to manage the power cost during the quarter. Another unit of 9 MW WHRS in Jayanthipuram is under trial run and is expected to be in operation during February 2021. The balance of 9 MW WHRS is getting ready for commissioning along with new clinkering line. The full benefit of WHRS will be available in Q1 next fiscal.

For the nine-month ended on December 31, 2020, the company's standalone net profit stood at ₹547 crore as against ₹455 crore in the year ago period. Revenue was lower at ₹3,663 crore as compared to ₹4,004 crore.

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