

ACC net up 42% at Rs 1,564 cr

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MUMBAI

ACC, the country's second largest cement maker, on Thursday announced a 42% rise in yearly consolidated net profit on higher prices and lower costs.

The company, which is owned by Swiss cement maker Holcim, said the industry is likely to grow by 8-10% this year, backed by the government thrust on infrastructure and increased construction activity in Asia's third-largest economy.

Sumit Banerjee, managing director, ACC told ET, "We took appropriate measures towards building our capabilities and strengths particularly in energy efficiency, cost competitiveness and taking steps to secure our future requirements of energy and raw materials." Moreover, exacting control on production, distri-

bution and other costs has enabled to achieve these results, he added.

ACC has reported a consolidated net profit of Rs 1,564 crore for the financial year ended December 2009 compared with Rs 1,100 crore in the year-ago period. Net sales, during the year, went up by 10% to Rs 8,479 crore, due to better realisations. Operating EBITDA margin was 30.4%, higher than 23.3% in the previous year. It announced final dividend of Rs 13 a share, taking the total payout for the year to Rs 23 a share.

Rs 8,479 Cr

NET SALES FOR THE YEAR
GREW 10%

research analyst with Emkay Global Financial Services told ET that ACC met the expectations on yearly net profit and operating profit. "The growth trend will continue for the cement maker for next two quarters," he added.

However, analysts said the company's stand-alone performance

for the December quarter was worse-than-expected. Although the company did not divulge the fourth quarter numbers, analysts said the stand-alone net profit for the December quarter stood at Rs 280 crore, lower than the estimated Rs 360 crore. The ACC stock lost 3% to close at Rs 856.85 on the BSE on Thursday when the benchmark index dropped 1.6%.

The company said it would add 4 million tonnes (mt) of capacity this year to 30 mt.

The Aditya Birla group has firmed up plans to invest Rs 7,000

crore in next three years to take on arch rival Holcim which controls management of ACC and Ambuja Cements.

Post expansion, the Birla group's cement capacity will go up from 48.8 mt to around 62 mt, marginally higher than what Holcim will have by then. For the financial year, ACC's raw material cost grew 13% to Rs 1,167 crore, while interest costs almost doubled to Rs 84 crore from last year. The cement contributed Rs 8,027 crore to its topline whereas ready mix concrete contributed Rs 512 crore.

Ambuja Cements net dips 12%

MUMBAI: AMBUJA Cements has recorded a 12% fall in yearly consolidated net profit due to high raw materials costs. Net profit for the financial year ended December 2009 stood at Rs 1,216 crore, compared to Rs 1,389 crore in 2008.

However, net sales increased by 14% to Rs 7,076 crore, on the back of the higher volumes and

Rs 7,076 Cr

NET SALES FOR THE YEAR