

JK Lakshmi net up 54 % during Q4 Enhances capacity from 3.65 Million MT to 4.75 Million MT

JK Lakshmi Cement, flagship company of JK Organisation, today reported a net profit of Rs. 104.08 crores during the fourth quarter of just concluded financial year 2008-09. This represents 54% increase over the Rs. 67.63 crores net profit posted during the corresponding period last year. The board of directors adopted the financial results in a meeting today and recommended a dividend of Rs. 4.00 per share.

The sales and production during the quarter has registered an impressive growth of 18% . While the production went up to 11.52 lac MT over the corresponding quarter's figure of 9.77 lac MT the gross turnover stood at Rs 403 crores against Rs. 340 crores during the corresponding quarter of the previous year.

"When compared on a sequential basis, during the fourth quarter we have been able to effectively reverse the slide in profitability witnessed in the first three quarters. Increased volume, all-round improvement in the efficiencies and reduction in the input costs have helped us to improve the profitability. We have also been able to complete our expansion projects in time and in this quarter by addition of 11 lac MT our capacity has grown by 30%" said Ms Vinita Singhania, Managing Director, JK Lakshmi Cement.

This expansion program includes the clinkerisation and grinding capacity of 5.5 lac MT at Sirohi in Rajasthan besides a Split Location Grinding Unit at Kalol, near Ahmedabad, with a capacity of 5.5 lac MT. The effective combined cement capacity has thus moved from 36.5 lac MT to 47.5 lac MT.

During the fiscal year 2008-09, the company's gross turnover increased by 9% to Rs. 1404 crore against the turnover of Rs. 1286 crore in the previous financial year. The production during the year has gone up by 11% thereby achieving a capacity utilization of 104%. The net profit at Rs. 178.59 crore was lower against Rs. 223.67 crore posted in the previous financial year due to high input costs during the first three quarters FY 2008-09.

Despite the increase in the transportation rates, both of road and rail, during the year, company has been able to contain its logistic cost through market segmentation and improved rail-road combinations.

Speaking about the expansion plans of the company, Mrs Singhania said, "We have taken up the work of Waste Heat Recovery system which would generate 12 MW power and which would bring further savings in the power cost after its commissioning in the year 2011. The project entails an investment of Rs. 125 crore." Commenting on the progress of the greenfield site at Durg in Chattisgarh, she said " Satisfactory progress has been made in the area of land acquisition and we expect our Greenfield plant at Durg to be completed by 2011-12."

Regarding the price scenario, the company expects stable prices during the current financial year.