

JK LAKSHMI CEMENT'S SALES UP 32 %, PAT UP 26% IN 2007-08

Rs 1100 crore investment lined up for green field plant at Chattisgarh

JK Lakshmi Cement, the flagship of JK Organisation today announced a **32% per cent jump in gross sales at Rs 1286 crores** during the financial year 2007-08 against the gross sales of Rs 971 crores achieved in 2006-07. The **net profit for the current fiscal at Rs 223.67 crore** represents a **rise of 26%** over the previous year. The board of directors of the company took on record the audited results of the company in a meeting today.

The directors have recommended a payment of **final equity dividend of 15%** for the year ended March 2008, in addition to the interim dividend of 10% already paid, thereby making a **total equity dividend of 25%** for the year 2007-08.

The company's earning per share (**EPS**) **during the year went up to Rs.38.72.**

"The good performance is attributed to increased production, higher cement sales and much improved all round efficiencies", said Ms Vinita Singhania, Managing Director, JK Lakshmi Cement. "The rising costs of major inputs would have squeezed the margins, but for these improvements in efficiencies and cost savings", she added.

During the year, the company was able to reduce power consumption to 79 kwh per ton from 83 kwh per ton of cement in the previous year. Similarly the coal consumption could be reduced from 84 kg per ton of cement to 80 kg per ton of cement leading to significant savings.

Considerable savings could also be effected in the power cost due to stabilization of the company's 36 MW captive power plant commissioned during the year.

The proportion of blended cement increased to 77 per cent during the year up from 67 per cent in the previous year leading to increase in the volume of cement manufactured by the company as well as reduction in the cost of production.

While cement production was up by 15 per cent during the financial year under review, the cement sales were up by 21 per cent by optimum production.

In the current year, the capacity will increase from 3.6 million ton to about 5 million ton through enhancement of clinkerisation capacity as well as installation of a split location grinding unit in Gujarat. Both these projects are likely to be completed by end of current calendar year.

The company is aggressively pursuing its value added business of Ready Mix Concrete (RMC) to increase profitability. During the year under review, five more RMC plants were set up by the company (each with a capacity of 60 cubic metre per annum) at Mohali, Surat, Baroda, Ahmedabad and the second unit at Jaipur. In the current financial year, the company plans to set up RMC plants at five new locations taking the number of RMC units to 14.

The company is putting up a 2.7 million ton capacity greenfield project at Chattisgarh entailing an investment of about Rs 1100 crore. The necessary approvals for the mining lease etc have been obtained. The project is scheduled to be commissioned by 2011.