

JK Lakshmi Cement Ltd has reported a turnover of Rs. 354.79 crore. This turnover is lower than the corresponding quarter figure of Rs. 390.08 crore. The Operating Profit of Rs. 34.12 crores and a Profit after Tax (PAT) of Rs. 4.60 crores represents a steep fall compared to the figures Rs. 90.34 crores and Rs. 45.35 crores respectively during the corresponding quarter of the previous year.

As per the company's official, this fall in profitability is on account of the steep fall in prices compared to the corresponding quarter of the previous year and unprecedented increase in the costs of fuel. While the fall in the prices was envisaged to some extent on account of mismatch in demand and supply but the increase in the cost of the inputs, especially the fuel prices, was unexpectedly much higher. The demand growth of all India during the quarter has been less than 3% while in the North it has been at 3% as against 8% and 10% respectively in the previous year. This fall in the demand coupled with considerable capacity addition which has taken place in the company's market areas have had severe impact on the prices. The company, however, expects these new capacities to get gradually absorbed in the system as the last quarter normally witnesses a higher growth in cement consumption as compared to the previous two quarters. This may augur well for prices to get corrected to some extent to atleast absorb the cost increases.

As per the company's Managing Director, Smt. Vinita Singhania, company's projects, including its Waste Heat Recovery project and additional thermal power capacity of 18 MW are well on progress and are expected to be completed in the coming quarter. Company is also commencing shortly its civil work at Durg Greenfield site for an integrated cement plant and its split location grinding unit in Haryana.