



JK LAKSHMI CEMENT 2014-15 PROFIT UP 3% AT RS. 95.60 CRORE

Despite a difficult year in which cement demand grew by only about 2% in JKLC's marketing zone, Company achieved a revenue growth of about 12% during 2014-15 over the previous year. The Company's sales rose to 2568.49 crore in 2014-15 from Rs. 2293.59 crore in 2013-14. Company's operating profit (PBIDT) went up to Rs. 377.66 crore in 2014-15 from Rs. 346.23 crore in 2013-14. After providing for interest and depreciation, the company's PBT before exceptional item was higher at Rs. 175.02 crore in 2014-15 as against Rs. 133.87 crore in 2013-14. The Company as a matter of abundant caution provided Rs. 49.19 crore as an exceptional item towards the demand notice of sales tax department. The company believes it has a strong case and matter would be decided in its favour. Apart from this, exceptional items also includes Rs. 12.61 crores being one time expenditure incurred on the launch of new product and on setting up of new marketing network in Eastern markets. After accounting for exceptional item and tax, the Company's profit stood at Rs. 95.60 crores in 2014-15 as against Rs. 93 crores in 2013-14.

For the 4th quarter January-March 2015 the Company has reported a decline its sale and PBIDT to Rs. 643.29 crore and Rs. 89.24 crore as against Rs. 721.55 crore and Rs. 136.55 crore respectively in the corresponding quarter of the previous year.

The Cement industry has witnessed an unprecedented January-March quarter with a negative growth which normally is characterized as one of the better quarter amongst the different quarters in terms of volume as well as in terms of prices. The growth has been negative both on all India



Admn. Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi 110 002; Phone: 33001142 / 33001112; Fax: 91-011-23722251/ 23722021;
E-Mail: lcit@jkmail.com; Website: www.jklakshmi.com, C I N L74999RJ1938PLC019511
Regd. & Works Office: Jaykaypuram, Distt. Sirohi, Rajasthan; Phone: 02971-244409/ 244410; Fax: 02971-244417; E-Mail: lakshmi_cement@lc.jkmail.com
Secretarial Deptt. : Gulab Bhawan (Rear Wing), 3rd Floor, 6-A, Bahadur Shah Zafar Marg, New Delhi-110 002
Phone: 30179860, 33001142, 33001112; Fax: 91-11-23739475, E-mail: bkdgaga@jkmail.com





-2-

as well as in our marketing zone which saw a de-growth of nearly 6%. The company suffered relatively higher because of its rural focus, which in fact has been its major strength in the past years. This year due to unseasonal rainfall in this quarter and the consequent crops damage, the rural consumption has been very adversely affected.

Fall in the resultant volumes as also realization affected the company's working which during the same period saw an increase in its costs on account of increase in the royalty on limestone, electricity duty imposed by the state government in their respective budgets and also the increase in the freight cost on account of increase in the railway freight.

The company's Operating profit at Rs. 89.24 crore though lower than the corresponding quarter, were better than the previous quarter figure of Rs. 82.10 crore. However, after providing for Rs. 31.75 crore as exceptional item towards provision for Sales Tax exemption and one time expenditure on the launch of its product in the Eastern Markets, the company's net profit before tax was reduced to Rs. 6.05 crore.

The Company in this quarter has seen commissioning of 1.7 million tonne capacity out of its capacity of 2.7 million tonne of the Greenfield Project at Durg, Chattisgarh.

Mrs Vinita Singhania, Vice Chairman & MD, has expressed satisfaction on the working of the company in the given situation and was happy that despite increase in royalty on limestone and higher fuel prices the company could contain its variable cost with a marginal increase of about 1.5%. This could be possible with the considerable improvement in its





-3-

coal consumption which was brought to a record low of 704 K.Cal/Kg of Clinker in FY 15 as against 726 K.Cal/Kg of clinker in the previous year. The company could also enhance in WHR generation from 6.86 Cr. Units in 2013-14 to 9.06 Cr. Units in 2014-15.

The Company's marketing zone has been witnessing severe fall in the demand and in fact March reported a negative growth in North and Western parts of the country. On account of fall in the demand the cement surplus increased considerably in the company's marketing zone and therefore the prices have continuously been on the decline. The Company is optimistic with the country's infrastructure and vision to provide housing for all would soon give impetus to growth in cement consumption and therefore the current scenario of low prices is not expected to last long.

The Board of Directors has recommended to maintain the Dividend at the last year's level of 40%.

