



**Benefit of being in the right region coupled with
cheap valuations!**

J K Lakshmi Cement Limited

CMP RS. 143.5 | BUY

5th October 2009

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J K Lakshmi Cement Limited

CMP Rs. 143.5
Target Rs. 210.0

Initiating Coverage
BUY

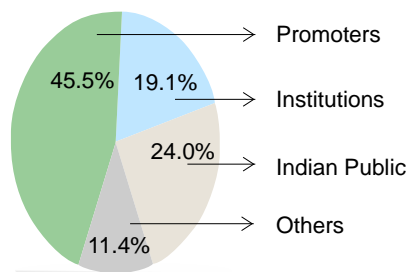
Stock Codes

Bloomberg	: JKLC.IN
Reuters	: JKLC.BO
BSE Code	: 500380
NSE Code	: JKLAKSHMI
BSE Group	: B

Stock Data

Benchmark	: BSE 500
52 Week H/L	: Rs. 147.70/35.25
Float	: 33.33 Mn Shares
Mkt Cap	: Rs. 8,641.6 Mn
Face Value	: Rs. 10.0

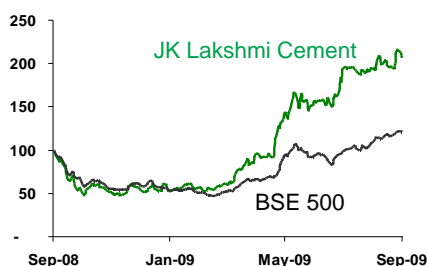
Shareholding Pattern (as on June '09)



Stock Returns (%)

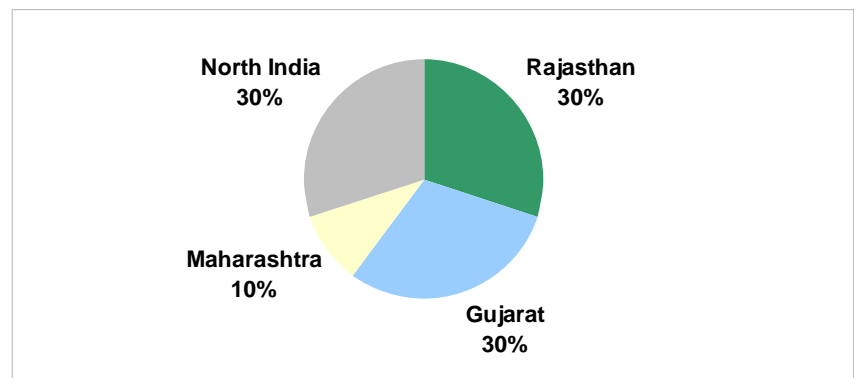
	1 Mth	3 Mths	6 Mths
JKLC	6.34	31.21	244.40
BSE5M	11.09	29.09	133.97

Price Comparison



Vishal Shah : vishal@ppfas.com

JK Lakshmi Cement (JKLC) is a part of the JK group (Hari Shankar Singhania) which is in to Tyres (JK Tyre), Paper (JK Paper), Sugar etc. The company mainly operates in the Western and Northern areas of India. JKLC commenced cement production in the year 1982 at Sirohi, Rajasthan & last year, it also started production from its second plant at Kalol, Gujarat. With the addition of this new plant, its total cement manufacturing capacity now stands at 4.75 MTPA. JKLC also produces Ready Mix Concrete (RMC) and Plaster of Paris (PoP). It has a captive power plant of 36 MW at Sirohi. JKLC has more than 2,000 dealers in its target markets. Approximate State-wise Sales Break-up is as under:



Valuation

JKLC trades at a substantial discount to its replacement cost and to its competitors. We believe that replacement cost is the best metric to value a cyclical business like cement. We conservatively value the company at \$70/ton (at a 30% discount to its replacement cost) which translates to a stock price of Rs. 210.

Summary Financials

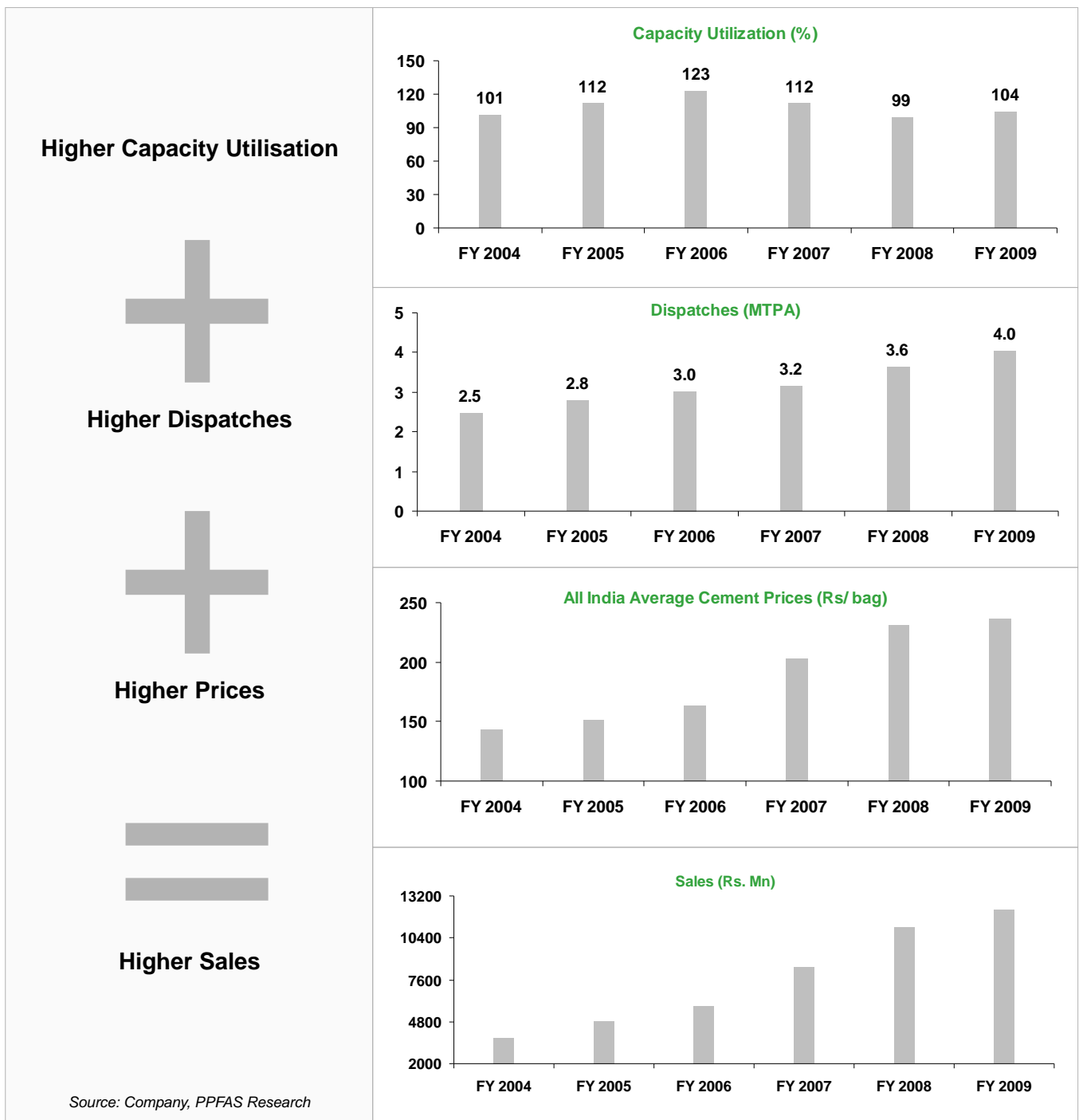
Particulars (Rs Mn)	FY07	FY08	FY09	FY10E	FY11E
Total Revenues	8,438.3	11,076.6	12,245.3	14,878.1	14,929.3
PAT	1,781.1	2,236.7	1,785.7	2,308.9	1,603.3
OPM (%)	29.2%	31.8%	25.9%	31.8%	26.4%
EBITDA (%)	30.7%	32.3%	25.9%	32.0%	26.6%
PAT (%)	21.1%	20.2%	14.6%	15.5%	10.7%
EPS (Rs.)	31.2	36.6	29.2	37.7	26.2
P/E (x)	4.6	3.9	4.9	3.8	5.5
ROCE (%)	18.8%	22.2%	16.1%	22.2%	15.4%
RONW (%)	43.0%	38.1%	21.5%	22.4%	13.8%
DPS (Rs.)	1.0	2.5	4.0	4.0	4.0
Dividend Payout (%)	3.2%	6.8%	13.7%	10.6%	15.3%

Turn Around in Performance

JKLC was a loss making company till FY 2004 but has turned around its performance backed by robust cement demand, increased volumes and improved efficiencies.

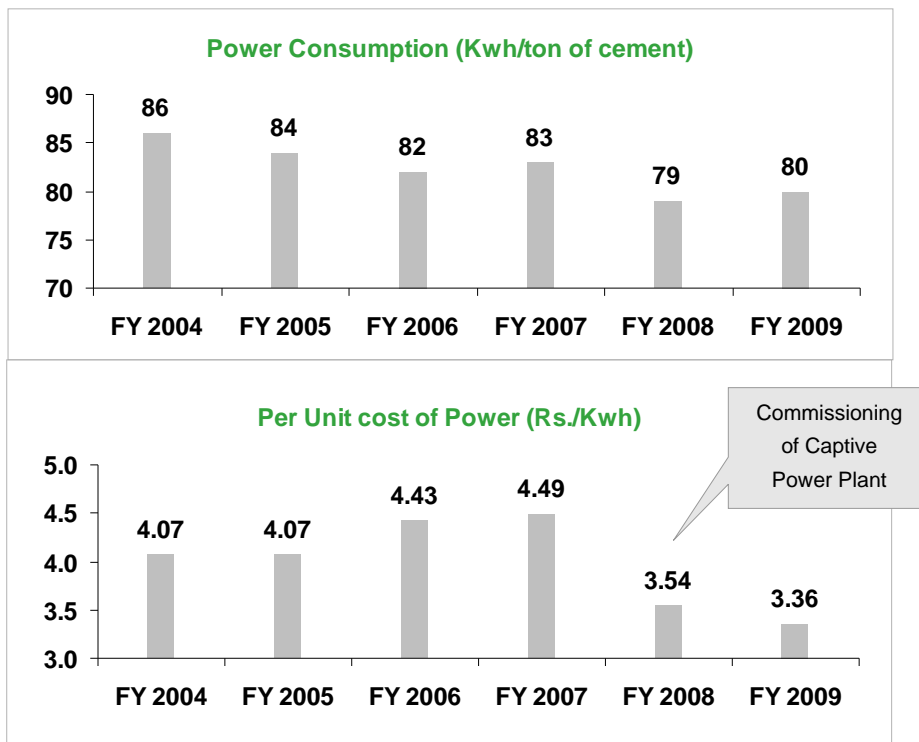
Increase in Production and Sales

The last 4-5 years have been one of the best periods for the cement industry due to buoyant demand fueled by the boom in housing and infrastructure sectors. To take advantage of this demand, JKLC has been steadily ramping up its cement manufacturing capacity for the past few years. On the other hand, it has also maintained a consistently high capacity utilization to cater to this rising demand. The combination of these factors along with rising cement prices have increased Revenues as well as Profitability of JKLC.



Reduction in Power Costs

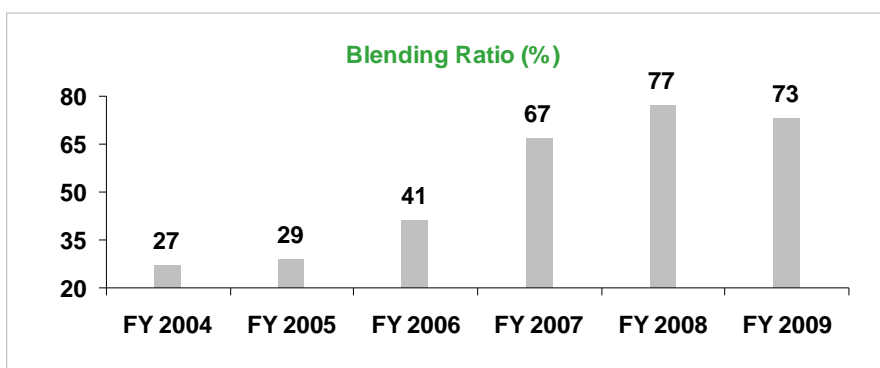
Due to improved efficiencies and higher capacity utilization (fewer plant stoppages), JKLC has been able to bring down its power consumption on a per ton basis. Additionally, JKLC has set up a 36MW captive power plant which provides electricity at a considerably lower rate than what is available from the state grid. Hence, the savings on overall power costs have been significant in improving the bottom line of the company.



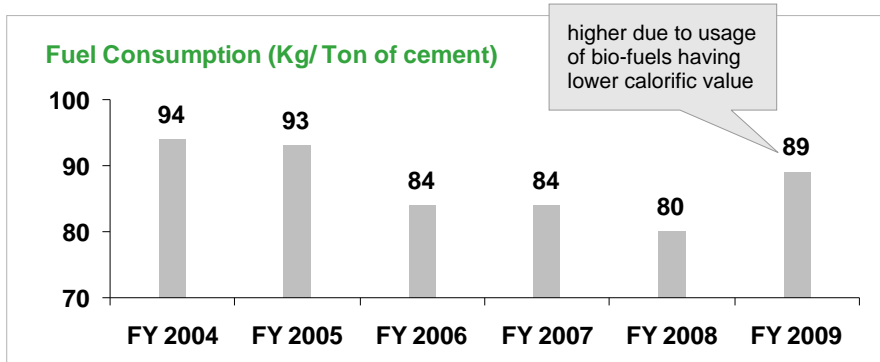
Source: Company, PPFAS Research

Better Blending Ratio (towards PPC) and Lower Fuel Costs

It is more economical to manufacture Blended Cement (PPC) compared to Ordinary Cement (OPC) as less amount of clinker (raw material) is required to produce the same quantity of cement, thereby reducing the fuel usage in the firing process. Also with a higher blending ratio, cement production can be partially increased by setting up additional grinding unit only (instead of setting up both grinding and clinkering units), saving on capital expenditure. Over the years, JK Lakshmi has been selling more of blended cement (PPC) as compared to ordinary cement (OPC) and a higher blending ratio has helped in reducing fuel costs and capital expenditure. Also, using cheaper bio-fuels in addition to coal & coke has helped JKLC to bring down its overall fuel costs.



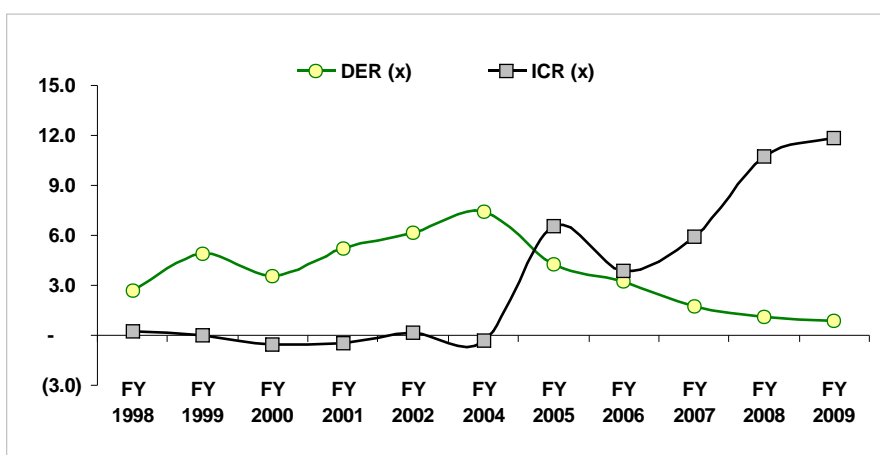
Source: Company, PPFAS Research



Source: Company, PPFAS Research

Reduction in Interest Costs

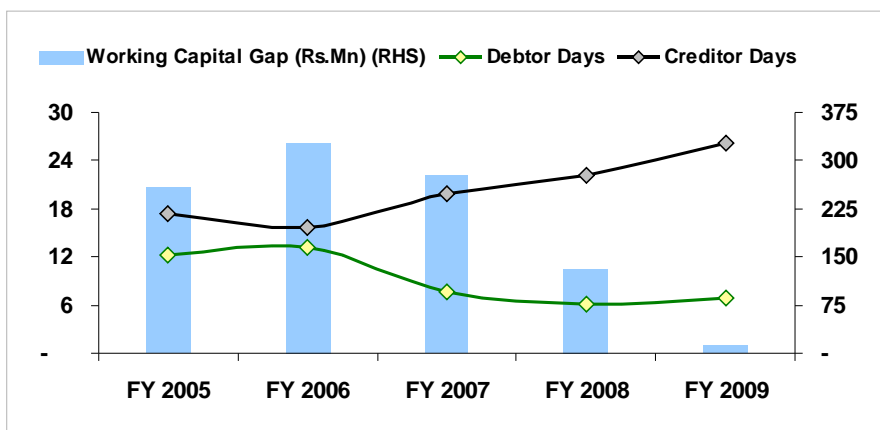
In the past, high interest cost was one of the main contributors to the losses made by the company. JKLC has consistently lowered its debt over the years and maintained a healthy debt-equity ratio. As a result, its interest costs have come down and the company has been able to post better net profit margins.



Source: CapitaLine, PPFAS Research

Better Working Capital Management

JKLC has tightened its working capital requirements over the years by simultaneously increasing the creditor days and decreasing debtors days (by focusing on 'Cash & Carry' policy). Reduction in working capital requirements has not only reduced interest costs on working capital loans, but also increased the availability of cash for capital expenditures.



Source: Company, PPFAS Research

Greenfield Plant at Durg, Chhattisgarh

JKLC is setting up a new 2.75 MTPA greenfield plant at Durg, Chhattisgarh. This plant is expected to complete by FY 2013 at a cost of Rs. 11,000 mn. The Durg region has adequate limestone reserves and the new unit will allow JKLC to tap the Central and Eastern markets of the country. Currently, the company is in the process of acquiring land for the project and has already acquired 40% of the required land.

Increasing Clinker Capacity at Sirohi

JKLC is planning to increase its clinker capacity from 3.63 MTPA to 3.96 MTPA at its existing plant at Sirohi, Rajasthan. It is also scouting for a split grinding unit (at a different location) to service this enhanced clinker production. This project is expected to complete by FY 2011 at a cost of Rs. 700 mn. This enhanced capacity will be able to serve the rising demand till the greenfield plant at Durg becomes operational in FY 2013.

Long Term PPA with V.S. Lignite

JKLC has entered into a long term power purchase agreement (PPA) with V.S. Lignite, a KSK group company. Under this contract, JKLC will be able to source 21MW of power annually at a cost of Rs. 3.3/unit for a period of 20 years. This contract will come into effect from October 2009. JKLC currently sources power from the local grid at a cost of Rs. 4.4/unit. Hence, JKLC is expected to benefit from this contract on a long term basis.

Augmenting Captive Power Plant & New Waste Heat Recovery Plant

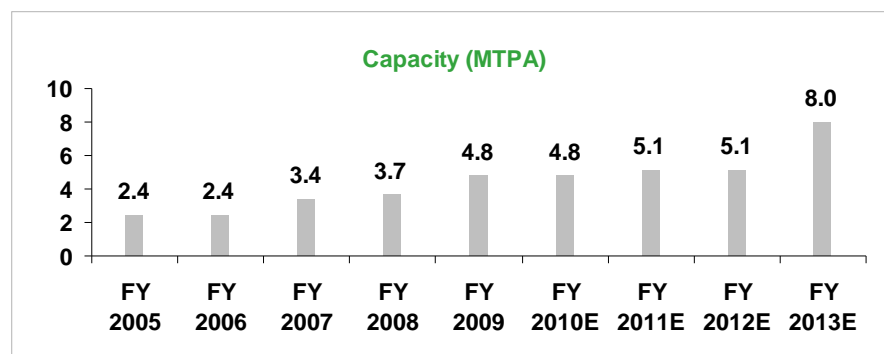
The 36 MW captive power plant at Sirohi only suffices about 65% of the current power requirements. To become fully self sufficient in power and cater to the power requirements of future capacities, JKLC is planning to augment its existing captive power plant at Sirohi by another 18MW at a cost of Rs. 800mn. This process is expected to complete by FY 2011. Also, a waste heat recovery power plant of 12MW (at a cost of Rs. 1250mn) is being set up at the same location. It is also expected to be completed by FY 2011. Even though setting up a waste heat plant entails higher capital expenditure, the cost of power obtained from this plant is as low as Rs.0.5/unit. Hence, the waste heat plant would eventually result in cutting costs for the company.

Summary

Project	Expected Completion	Cost (Rs. Mn)
New Waste Heat Recovery Power Plant (12 MW)	March 2011	1,250
Expansion of Thermal Power Plant (18 MW)	March 2011	800
Expansion of Kiln at Sirohi (0.33 MTPA)	December 2011	700
Greenfield Unit at Durg (2.7 MTPA)	March 2013	11,000
Total Capex Planned		13,750

Volume and Revenue Growth from Capacity Expansions

JKLC had increased its cement manufacturing capacity by 30% (from 3.65 MTPA to 4.75 MTPA) during the previous year (FY 2009). Additional volumes and revenues from this increased capacity will be realized from the current year. We expect the company's revenues to touch Rs. 15000 mn this year. Also, the company expects to add another 0.4 MTPA capacity by FY 2011 and complete its 2.75 MTPA greenfield plant at Durg by 2012-2013. Hence, by 2013, the company will increase its capacity by 67% of its current capacity. This increased capacity will drive the revenues of JKLC.



Source: Company, PPFAS Research

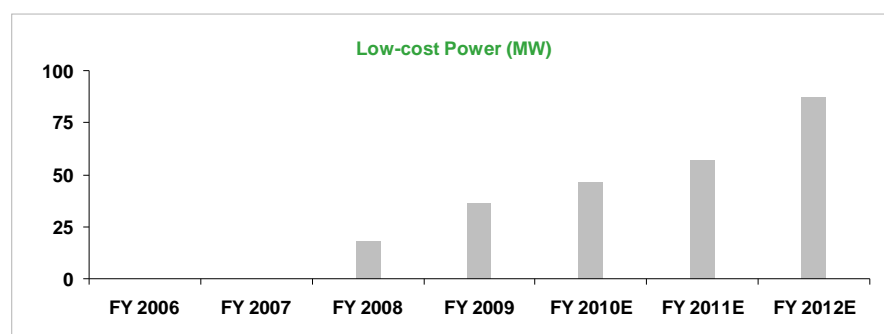
Higher Power and Fuel Efficiencies

Fuel:

JKLC uses pet-coke instead of coal as fuel in the firing stage to manufacture cement clinkers. Even though pet-coke is costlier than coal, it has a higher calorific value which reduces the quantity of fuel consumed. The company mainly sources pet-coke from the nearby Reliance Industries Limited (RIL) refinery at Jamnagar which helps in reducing transportation cost. JKLC had entered into forward contracts with RIL for the supply of pet-coke at cheaper rates in January 2009. At that time, prices of pet coke had corrected from a peak of Rs.8,200/tonne in August 2008 to around Rs.3,800/tonne. Under these contracts, JKLC will continue to get pet-coke from RIL till October 2009. Last year, JKLC has started using Bio-fuels along with regular fuel. Going ahead, this will further decrease the overall cost of fuel.

Power:

As mentioned earlier, JKLC will be able to reduce its power cost in the near future by using power contracted from V.S. Lignite. (starting from October 2009). Additionally, both the new captive plants (thermal and waste heat recovery), which are being constructed at the existing site at Sirohi, are expected to be commissioned by March 2011. This will further reduce the cost of power for JKLC.



Source: Company, PPFAS Research

Operating in High Growth Areas

JKLC mainly operates in Northern and Western markets of India where demand is expected to be robust as compared to the Southern India. Preparations for the Commonwealth Games (to be held in New Delhi) are far behind schedule and construction activity is expected to pick up for timely completion before the event. This would support volumes in the northern region. Gujarat, its other major market is witnessing double digit GDP growth. JKLC has installed a 0.6 MTPA cement grinding unit in Gujarat which will help to make further inroads in this High Growth State.

Revenues from Sale of Excess Power

JKLC will have surplus power once the captive power plants are commissioned (in FY 2011). This will allow JKLC to sell excess power from the next year (FY 2012) onwards. Revenues from sale of excess power would act as a hedge against the cyclical nature of cement business. The company is also thinking about deploying its surplus cash to add further power capacities.

Growing Thrust on RMC Business

Ready Mix Concrete (RMC) offers several advantages over on-site concrete mixing like better quality control, elimination of storage space, elimination of machinery required for mixing, reduction in waste etc. Although India is the second largest cement producer in the world, the consumption of RMC by the Indian construction industry is only 3-4% of total concrete used as against over 60% in developed countries. Considering the growth potential of this segment, JKLC has been pursuing this value-added business under the brand name of "JK Lakshmi Power Mix". It already has 11 RMC plants (total capacity of 0.75mn cubic metre) all across the country in cities like Mumbai, Pune, Delhi, etc. In FY09, the RMC business contributed Rs. 576m to the total revenue (about 4% of the total revenues), which the company plans to increase further.

Lower Tax Outflow

Due to the recent capital expenditures and higher depreciation, JKLC has been paying taxes under the MAT regime for the past two years. Even though the company expects to come out of the MAT regime in the current financial year, high depreciation will lower down the proportion of current tax (v/s deferred tax). Also, the company has built up a MAT credit reserve of Rs. 525Mn which can be used to pay taxes in lieu of cash.

Attractive Valuations

Above all, we believe that attractive valuation is the main reason to invest in JKLC. Even though the company had been making losses earlier, it has performed consistently well in the past five years. JKLC has reduced its debt-equity ratio significantly and its margin and return ratios are in line or better than industry averages but the stock is currently trading at an EV of around \$50/ton which is at a 50% discount to its replacement cost of approximately \$100/ton. It is also trading at a significant discount to other large-cap and mid-cap cement companies which is discussed later.

Supply Overhang

The cement industry is likely to witness around 110 MTPA of new capacities to come up between FY2009-FY2011. This new addition will be almost 50% of the current capacity (~ 220 MTPA) whereas, historically, the demand has grown around 9% pa (~ 1.3x GDP). These additional capacities may create excessive supply pressure if the anticipated housing and infrastructure growth does not take off and can push the capacity utilization and prices downwards, hurting the profitability of the entire industry.

Smaller and Regional Player

JKLC is a small player as compared to other bigger players of the Birla and Holcim group. Hence it may not have the pricing power like the bigger players. Also, JKLC is a regional player and caters only to the northern and western parts of the country. In case of a slow down in these areas, diversified (pan-India) players would fare better than a regional player like JKLC.

Import Threat

JKLC's key markets (Gujarat, Rajasthan and North India) share their borders with Pakistan. Pakistan has been a cement exporter to India and other west Asian countries and lately cement companies in Pakistan have been ramping up their capacities. Although cement imported from Pakistan may not be a big threat now (due to low price differential between local and imported cement), adverse government policies like abolishing import duties (customs duty, countervailing duty (CVD), Special additional duty (SAD)) and hiking local excise duty would increase this price differential and provide imported cement an unfair price advantage over cement manufactured by local players in the northern and western part of the country. The government has taken such steps in the recent past to check runaway cement prices and in an inflationary scenario, this regulatory risk cannot be totally ignored.

Increase in Fuel and Raw Material Costs

Fuel costs (coal & coke) make up for almost 40% - 45% of the total manufacturing expenses. JKLC has shown good profitability in the current year due to a decrease in prices of coal and coke which have fallen considerably from their peaks in August 2008. In January 2009, JKLC had entered into long term agreements for coke (till October 2009). This will ensure fuel availability at cheap rates for the major part of 2009 but going ahead, JKLC will have to purchase fuel and raw materials at a higher cost. On the freight front, JKLC has improved its rail-road ratio to 50:50. Even then, going ahead, freight costs will continue to depend on the cost of diesel. Packaging of cement is done in HDPE bags which are again sensitive to crude oil prices. Hence, increase in the price of energy commodities will push up the prices of coal & coke (fuel), diesel (transportation) and HDPE (packaging material). A recurrence of a surge in global energy commodities (like 2008) cannot be totally negated and can highly dent the profitability of JKLC.

Cap on Blending Ratio

Continuous increase in the blending ratio (PPC:OPC) over the years has been helpful in pushing up profits for JKLC. Currently, the blending ratio stands near 70% (70% PPC and 30% OPC for 100% cement produced). Going ahead, it will be difficult to increase the blending ratio by a significant percentage as demand growth is expected to be led by the infrastructure sector, where the acceptable blending ratio is less than housing sector (which has been a major contributor to cement demand in the previous years).

Funding for Capital Expenditures

To carry out its various expansions, JKLC has lined out a capex of Rs. 2500mn for FY10 and Rs. 4,500mn for FY11 (though we have assumed higher estimates). The company plans to finance these capital expenditures through a mix of debt and internal accruals. Currently, JKLC has cash and cash equivalents of approximately Rs. 5,000Mn and going ahead, it plans to maintain a debt-equity ratio of 1.1x – 1.2x while raising finances. Although this financing plan seems to be conservative, increase in project costs or decrease in revenues can strain the finances of the company. As JKLC has a higher percentage of fixed costs (interest and depreciation), its profit is more sensitive to price changes as compared to other unleveraged players.

Increase in Excise Duty

In Dec 2008, Government had reduced excise duty on cement from 12% to 8% as a part of the fiscal stimulus package to fight the overall slowdown in the economy. Since then, the cement industry has been amongst the first ones to beat the economic slowdown and moreover, all cement companies have shown improved volumes and profitability. Hence, going ahead, looking at the overall healthy performance of the cement industry, the Government can revert back to higher excise duty on cement, which in turn could hurt the demand for the commodity.

Cement is a cyclical commodity and the earnings of cement companies tend to be volatile. Hence it is difficult to accurately predict the earnings of cement companies. We have analyzed the sensitivity of JK Lakshmi's earnings (EPS for FY 2011) vis-a-vis the following factors:

- Gross Realization
- Excise Duty
- Price of Fuel (Pet-coke)

FY11 EPS Sensitivity:

Pet coke (Rs/ton)	Gross Realization (Rs/ton) @ 8% Excise Duty			Gross Realization (Rs/ton) @ 10% Excise Duty		
	3,500	3,600	3,700	3,500	3,600	3,700
5600	25.2	28.3	31.3	22.8	25.8	28.8
5200	27.5	30.5	33.6	25.1	28.1	31.1
5000	28.6	31.6	34.7	26.2	29.2	32.2
4800	29.7	32.3	35.8	27.3	30.3	33.3
4400	32.0	35.0	38.1	29.6	32.3	35.6
4000	34.2	37.3	40.3	31.8	34.8	37.8

We believe that excess industry capacity will suppress cement prices to an extent and marginally drive down realizations. Hence we have assumed a Gross Realization of **Rs. 3,500/T** (v/s Rs. 3,600-3,650/T currently).

Government had reduced the excise duty on cement last year. With rising fiscal deficit, we believe that there could be rise in excise duty in FY 2011. Hence, we have assumed an excise duty of **10%** in our estimates.

Price of Pet-coke have increased considerably from their lows. At present, prices are hovering around Rs. 4,800/T. To be on the safer side, we have assumed a pet-coke price of **Rs. 5,000/T** in our estimates.

Based on the above assumptions, we arrive at FY11E of Rs. 26.2.

Valuation

Cement is a cyclical commodity and the business is capital intensive. Cement companies cannot be accurately valued using price/earnings ratio. Cyclical companies generally tend to have a low P/E ratio at the peak of the cycle and a high P/E ratio at the bottom of the cycle. Hence, we use Replacement Cost as our Valuation Metric (which is not volatile like earnings).

JKLC continues to be valued at a substantial discount to its Replacement Cost and to its competitors:

Company	PE	PBV	EV/T (\$)
Ambuja Cement	11.0	2.7	116.0
ACC	14.2	3.2	118.0
Grasim	11.9	2.3	108.0
Ultratech Cement	10.2	2.8	95.0
Shree Cement	10.1	4.8	97.0
India Cement	8.8	1.3	78.0
Binani Cement	9.7	2.8	65.0
Birla Corporation	6.9	1.7	60.0
JK Lakshmi Cement	4.8	1.0	50.0

We believe that the fear of excess industry capacity in the near future is contributing to this depressed valuation. Even though excess capacity has been a concern for the industry in the past couple of years, delay in commissioning of new capacities and robust cement demand have helped cement prices to remain firm (contrary to market expectations).

Apart from this part, we also believe that the cement industry is well placed to weather a slowdown as compared to the last cycle due to:

- Higher degree of consolidation in the industry (especially by the Holcim and Aditya Birla groups) which will obviate unnecessary price cuts and
- Higher proportion of variable costs (like raw material, power and fuel) compared to fixed costs (lower interests) will not force manufacturers to sell cement below their economic cost of production

Conclusion

Overall, we are optimistic about the future of J K Lakshmi Cement and conservatively value the company at \$70/ton (a 30% discount to its replacement cost). At the target valuation, the stock would trade at Rs. 210 (8x FY11(E) EPS and 1.1x FY11(E) BVPS). We recommend a “BUY” on the stock.

Earnings Statement							
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	FY09	FY10E	FY11E
Total Revenues	4,867.8	5,824.8	8,438.3	11,076.6	12,245.3	14,878.1	14,929.3
- Growth (%)		19.7%	44.9%	31.3%	10.6%	21.5%	0.3%
Total Expenditure	4,239.0	4,562.5	5,973.6	7,558.6	9,079.0	10,147.1	10,981.1
Operating Profit	628.8	1,262.3	2,464.7	3,518.0	3,166.3	4,731.0	3,948.2
Forex Gain/(Loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income	144.4	25.7	128.3	61.6	0.7	35.3	22.8
EBITDA	773.2	1,288.0	2,593.0	3,579.6	3,167.0	4,766.3	3,971.0
Depreciation	489.6	530.6	443.4	585.3	691.0	913.2	1,096.5
EBIT	283.6	757.3	2,149.6	2,994.3	2,476.0	3,853.1	2,874.5
Interest	43.9	194.8	361.4	278.5	209.1	355.2	445.7
PBT	239.7	562.5	1,788.2	2,715.8	2,266.9	3,497.9	2,428.8
Tax	(4.3)	8.0	7.1	269.3	481.2	1,188.9	825.6
PAT Before EI	244.0	554.5	1,781.1	2,446.5	1,785.7	2,308.9	1,603.3
- Growth (%)		127.3%	221.2%	37.4%	-27.0%	29.3%	-30.6%
Extra-ordinary Items	15.7	0.0	0.0	(209.8)	0.0	0.0	0.0
PAT	259.7	554.5	1,781.1	2,236.7	1,785.7	2,308.9	1,603.3
Ratio Analysis							
Particulars	FY05	FY06	FY07	FY08	FY09	FY10E	FY11E
OPM (%)	12.9%	21.7%	29.2%	31.8%	25.9%	31.8%	26.4%
EBITDA (%)	15.9%	22.1%	30.7%	32.3%	25.9%	32.0%	26.6%
PBIT (%)	5.8%	13.0%	25.5%	27.0%	20.2%	25.9%	19.3%
PAT (%)	5.3%	9.5%	21.1%	20.2%	14.6%	15.5%	10.7%
Interest Cover (x)	6.5	3.9	5.9	10.8	11.8	10.8	6.4
EPS (Rs.)	4.7	11.1	31.2	36.6	29.2	37.7	26.2
P/E (x)	30.6	12.9	4.6	3.9	4.9	3.8	5.5
P/BV (x)	4.9	3.3	2.0	1.4	1.1	0.9	0.8
BVPS (Rs.)	29.5	42.9	72.5	105.0	135.9	168.5	189.6
Market Cap (Rs. Mn.)	7,937.0	7,140.0	8,190.5	8,779.3	8,779.3	8,779.3	8,779.3
M Cap/Sales (x)	1.6	1.2	1.0	0.8	0.7	0.6	0.6
EV (Rs. Mn.)	12,970.1	13,934.0	13,398.0	12,250.4	11,649.3	10,997.6	13,720.4
EV/EBITDA (x)	16.8	10.8	5.2	3.4	3.7	2.3	3.5
EV/Sales (x)	2.7	2.4	1.6	1.1	1.0	0.7	0.9
ROCE (%)	3.3%	8.4%	18.8%	22.2%	16.1%	22.2%	15.4%
RONW (%)	14.9%	26.0%	43.0%	38.1%	21.5%	22.4%	13.8%
Debt/Equity Ratio (x)	4.3	3.2	1.8	1.1	0.8	0.7	0.6
Inventory T/o Days	24.6	23.0	24.1	20.5	19.7	19.3	21.7
Debtors T/o Days	12.2	13.2	7.7	6.1	7.0	6.6	7.3
Advances T/o Days	25.6	77.9	50.9	53.3	64.4	32.6	32.9
Creditors T/o Days	17.4	15.6	19.8	22.3	26.3	22.0	25.6
Working Cap T/o Days	37.8	88.7	97.4	136.2	110.3	116.2	55.5
Fixed Assets T/o (Gross)	0.8	0.8	1.0	1.2	1.1	1.1	0.9
DPS (Rs.)	0.0	0.0	1.0	2.5	4.0	4.0	4.0
Dividend Payout (%)	0.0%	0.0%	3.2%	6.8%	13.7%	10.6%	15.3%
Dividend Yield (%)	0.0%	0.0%	0.7%	1.7%	2.8%	2.8%	2.8%

Balance Sheet							
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	FY09	FY10E	FY11E
Equity Capital	552.9	497.7	570.9	611.9	611.9	611.9	611.9
Reserves	1,081.2	1,635.5	3,568.3	5,813.5	7,701.6	9,696.8	10,986.2
Shareholders Funds	1,634.0	2,133.2	4,139.2	6,425.4	8,313.5	10,308.7	11,598.1
Borrowed Funds	6,975.3	6,917.0	7,296.4	7,078.4	7,026.7	7,023.7	7,018.2
Deferred Tax Liability	(380.4)	(380.4)	(380.4)	(120.0)	351.0	1,015.2	1,355.0
Total Liabilities	8,228.9	8,669.7	11,055.2	13,383.8	15,691.2	18,347.6	19,971.4
Fixed Assets	5,999.9	7,252.9	8,221.3	9,119.7	11,101.5	13,136.7	17,434.8
Investments	1,716.0	1.1	581.1	130.3	889.1	474.4	267.1
Current Assets							
Inventory	327.5	366.4	558.2	621.8	660.2	784.8	887.4
Sundry Debtors	162.4	209.9	177.6	186.1	233.2	270.5	298.6
Loans & Advances	342.0	1,242.9	1,176.9	1,618.9	2,159.4	1,326.9	1,344.7
Cash & Bank Balance	226.2	121.9	1,507.9	3,477.0	3,267.5	4,330.9	1,810.0
Current Liabilities							
Sundry Creditors	232.3	248.6	458.8	675.6	881.2	898.1	1,046.5
Provisions	53.0	17.7	106.1	437.8	906.4	378.6	424.7
Other Current Liabilities	269	259	603	657	832	700	600
Net Current Assets	503.7	1,415.7	2,252.8	4,133.8	3,700.6	4,736.5	2,269.6
Miscellaneous Expenditure	9.3	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	8,228.9	8,669.7	11,055.2	13,383.8	15,691.2	18,347.6	19,971.4
Cash Flow							
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	FY09	FY10E	FY11E
Opening Cash & Bank	106.3	226.2	121.9	1,507.9	3,477.0	3,267.5	4,330.9
Profit After Tax	259.7	554.5	1,781.1	2,236.7	1,785.7	2,308.9	1,603.3
Investment Income	(70.3)	(55.1)	(101.0)	(306.9)	(334.9)	(264.9)	(162.4)
Interest Paid	72.0	223.1	438.9	539.6	495.1	595.2	595.7
Miscellaneous Exp W/Off	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	489.6	530.6	443.4	585.3	691.0	913.2	1,096.5
Deferred Taxation	(4.3)	0.0	0.0	(8.6)	215.3	664.2	339.8
Others	(179.0)	308.9	46.9	193.0	(66.0)	525.4	0.0
Change in Working Cap	(8.6)	(994.8)	431.2	301.2	358.7	(497.9)	(53.9)
CF - Operating Activities	559.2	567.3	3,040.4	3,540.3	3,144.9	4,244.3	3,418.9
Change in Fixed Assets	10.5	(1,773.6)	(1,536.1)	(1,580.9)	(2,238.0)	(2,975.9)	(5,422.0)
Change in Investments	28.6	1,718.1	(558.1)	495.9	(749.0)	414.7	207.4
Investment Income	39.0	28.4	77.6	261.2	286.9	264.9	162.4
CF - Investing Activities	78.1	(27.1)	(2,016.6)	(823.8)	(2,700.1)	(2,296.3)	(5,052.2)
Increase in Equity	0.0	(363.1)	421.6	358.4	0.0	0.0	0.0
Changes in Borrowings	(445.4)	(58.3)	379.5	(218.0)	(51.7)	(3.0)	(5.5)
Interest Paid	(72.0)	(223.1)	(438.9)	(749.4)	(495.1)	(595.2)	(595.7)
Dividend Paid	0.0	0.0	0.0	(138.4)	(107.4)	(286.3)	(286.3)
CF - Financing Activities	(517.4)	(644.6)	362.2	(747.4)	(654.2)	(884.6)	(887.5)
Net Change in Cash	119.8	(104.3)	1,386.0	1,969.1	(209.4)	1,063.4	(2,520.8)
Closing Cash & Bank Balance	226.2	121.9	1,507.9	3,477.0	3,267.5	4,330.9	1,810.0

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Disclosure of Interest Statement

1. Analyst Ownership of the scrip
2. PPFAS ownership of the scrip
3. PMS ownership of the scrip

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Contact

Ridhim Thapar	Institutional Sales	ridhim@ppfas.com	91 22 2284 6555 Extn 312
Vishal Shah	Analyst - Investment Research	vishal@ppfas.com	91 22 2284 6555 Extn 315

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Parag Parikh Financial Advisory Services Limited

130/132, Great Western Building, 1st Floor, S. B. Marg, Near Lion Gate, Fort, Mumbai - 400 001.

Tel : 91-22-2284 6555 Fax : 91-22-2284 6553, e-mail : researchcall@ppfas.com

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