

Annual Report 2010-2011



Towards a Green Future

JK LAKSHMI 
C E M E N T Ltd.

Centennial year Celebrations of Lala Lakshmipat Singhanian



Glimpses of the various activities organised throughout the year to celebrate the Centennial year of Lala Lakshmipat Singhanian, Key Architect of J.K. Organisation



Chairman's Message

The year 2010-11 has been an year of opportunities and challenges. Despite sluggish global economic conditions and prevailing uncertainties in the global environment, the Indian economy has continued to grow at a decent pace of 8.5%. The growth story of the Indian economy needs to be powered by infrastructure development.

During the Year, the Company has continued to grow both in terms of its clinkerisation capacity as also in its captive power generation. In the coming year, we plan to significantly enhance our capacities. The Company has embarked on a series of initiatives which would involve investment, both in augmenting capacities by setting up of new plants and diversification into new areas.

It has been a difficult year for the cement industry which witnessed substantial capacity additions resulting into sizeable surplus besides surging cost of inputs. With India placing high emphasis on infrastructure development, demand for cement is expected to grow significantly in the years to come notwithstanding the temporary slow downs, which the Cement Industry may have faced.

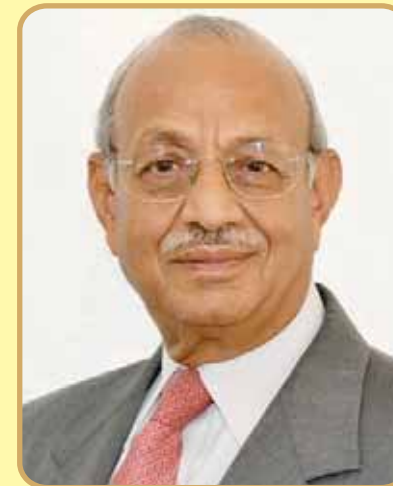
As a Group, we remain committed to Corporate and Social Responsibility. In all of our actions, we strive to ensure that all economic, environmental and social factors are given due attention. We believe that this approach, driven by our core values: caring for people, commitment to excellence and business integrity, has enabled us to be more responsible to serve the Nation and the Society in a better way.

I take this opportunity to express my sincere thanks to all the Shareholders for their continued trust in the management of the Company. I would also like to thank all our customers, dealers, suppliers, business associates, financial institutions, banks and the employees for their invaluable support and cooperation.

Hari Shankar Singhanian
Chairman

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Vice Chairman's Message

Cement Industry has been witnessing a steady and continuous growth in its capacity. With the addition of over 120 Million Tonnes during the last four years, the total installed capacity of the Indian Cement Industry today stands at about 290 Million Tonnes. This would mean that target set by the Government for 11th Five Year Plan has been achieved a year ahead of schedule. The industry therefore is sufficiently geared to meet the cement requirement for both normal and the emerging needs of our growing economy.

This capacity addition has also brought about challenges in its wake. The demand for cement in the Financial Year 2010-11 grew only by 5% in the country as against Planning Commission projection of about 10-12%. This has resulted in a situation of considerable surplus, bringing the prices to uneconomic levels in many markets. As a result margins of the industry got squeezed. This unexpected low growth however does not alter the forecast of a good growth in the coming years as our economy races to its destined position in the global arena and thereby offering enough opportunities in the medium to long-term for absorption of the surplus capacities as also raising appetite for further capacities.

During the year, industry also had to face the challenge of steep rise in the cost of its inputs. Significant increase in the prices of oil in the international market had a cascading effect on the cost of all type of fuels including coal but especially that of the petcoke. Our Company, as you would recollect, has been one of the pioneers in using this alternative fuel for the savings which it brings in the cost per unit of energy. The Company is seized of these cost-push challenges coupled with falling realisation and is taking steps to mitigate adverse impact on its working.

There are other concerns which can be addressed through effective collaboration of the industry with the Government. Logistics is one such area which is becoming increasingly important with the share of logistics cost going up in the final delivered price to the customer. Bulk loading, better road infrastructure, greater augmentation of fleet of wagons, etc. would address this concern. High taxation on the cement industry is yet another important issue which needs serious consideration for healthy growth of this industry. The direct and the indirect tax incidence today works out to nearly 60% of Ex-factory realisation, which is higher in comparison to other countries. It is critical that the Government favourably addresses this long pending concern of the industry.

Cement industry has taken pro-active steps in sensitising the Government, including the local bodies, on the utility and advantage of concrete roads which can bring significant long-term savings to the economy. We look at 2011-12 and beyond with optimism. The path ahead is promising as well as challenging.

A handwritten signature in black ink, appearing to read 'Bharat Hari Singhania'.

Bharat Hari Singhania
Vice Chairman & Managing Director

Board of Directors

Hari Shankar Singhania

Chairman

Bharat Hari Singhania

Vice Chairman & Managing Director

Dr. Raghupati Singhania

Dr. Ajay Dua

K. N. Memani

Shailendra Chouksey

Whole-time Director

B. V. Bhargava

N. G. Khaitan

Raj Kumar Bansal

Pradeep Dinodia

S. K. Wali

Whole-time Director

Vinita Singhania

Managing Director

COMPANY SECRETARY:

Brijesh K. Daga

OFFICES:

Registered Office - Jaykaypuram-307 019, Basantgarh, District Sirohi (Rajasthan).

Administrative Office - Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002.

PLANTS:

I. JK Lakshmi Cement, Jaykaypuram-307 019, Basantgarh, District Sirohi (Rajasthan).

II. JK Lakshmi Cement, Motibhoyan, Kalol, District Gandhinagar (Gujarat).

AUDITORS:

Lodha & Co., Chartered Accountants

BANKERS:

State Bank of India

Punjab National Bank

IDBI Bank Ltd.

Axis Bank Ltd.

REGISTRAR & SHARE

TRANSFER AGENTS:

MCS Limited, Shri Venkatesh Bhawan, F-65, First Floor, Okhla Indl. Area, Phase-I, New Delhi-110 020.

Ph. (011) 41406149, 41406151-52, 41609386, 41709885. Fax No. (011) 41709881

COMPANY WEBSITE:

www.jklakshmicement.com

www.jkorg.in



Managing Director's Message

Amidst substantial capacities built-up in Cement Industry to the tune of 30 Million Tonnes during the last fiscal year and the rather unexpected steep fall in the cement demand growth of about 5%, the Industry experienced severe pressure on the capacity utilisation as also on the price realisation. In this backdrop, the Company could register a decent performance and achieve 91% capacity utilisation.

The Company strengthened further its focus on managing costs and improving efficiencies. To partly offset the steep hike in the fuel cost, a key cost component, the Company could manage to lower consumption of fuel at 82 Kg/MT as against 85 Kg/MT last year. Mounting logistic costs mainly caused by increase in the diesel cost has also been a major concern. The Company resorted to increasing its rail co-efficient to reduce its impact. These are two major cost drivers in cement business.

Commissioning of Green Power and expansion of clinkerisation capacity at a minimal capital cost is yet another step forward to meet the challenges.

We believe that delivering projects on time and on budget is critical to long term success of the business. It is heartening that successful augmentation of Kiln I has resulted in raising the Company's clinker production capacity from 36.3 Lac MT to 39.6 Lac MT. Further, through our structured and dynamic project management practices, the Company has successfully commissioned a 18MW Captive Power Plant and 12 MW Green Power Project through Waste Heat Recovery, taking the Company's total captive power capacity to 66MW. With this, the Company has achieved self-sufficiency on Power front. This would help us to keep energy costs, a key component of production costs, lower and improve profitability.

With the emphasis on continued growth, the work on both the Company's projects of Split Location Grinding Unit of 5.5 Lac Tonnes at Jharli (Haryana) and the Greenfield project of setting up a 27 Lac Tonnes cement plant at Durg has been progressing satisfactorily. This will raise the Company's total installed capacity to about 80 Lac Tonnes per annum by March 2013. The Company has also drawn ambitious plans for expanding its RMC business.

Your Company has been conscious of its responsibility towards Nature and has ensured that its growth and initiatives are most eco-friendly. Massive "Vriksha Ropan" activities and partly substituting consumption of fuel by bio-mass are some of the steps taken in this direction.

For JK Lakshmi, principles of Corporate Social Responsibility and Corporate Citizenship are fundamental to its existence. Towards this end, the Company has made significant contributions in the areas of community welfare, environment conservation and upliftment of the disadvantaged and economically weaker sections of the society. Besides, focus is also on the education of tribal women and children particularly in the villages nearby the Company's Plant.

Our achievements are manifold, but the task ahead is more challenging. With the successful track record and a highly engaged and empowered team of professionals, I am confident that the Company would continue to keep its growth momentum.

Vinita Singhania
Managing Director

The Year That was....



Smt. Vinita Singhania, Managing Director, receiving the prestigious Leading Businesswoman Award



JK Lakshmi Cement being conferred with the Safety Innovation Award



JK Lakshmi Cement Officials come together with business associates to celebrate Holi Milan



Shri Bharat Hari Singhania, Vice Chairman & Managing Director, along with other Directors and Company Officials reviewing the progress of Adult Literacy Programme session



JK Lakshmi Cement Dealers enjoying with their families during their trip abroad



JK Lakshmi Cement pavillion at a Trade Exhibition

The Green Initiative



Responsiveness to a critical need

At JK Lakshmi Cement Limited, corporate management is seized of the critical urgency to implement green practices in industry. With a sense of immense ecological responsiveness JK Lakshmi Cement has initiated exemplary measures relating to energy conservation, materials utilisation, water conservation, emissions reduction, effluents reduction, waste utilisation, product & services, biodiversity & general compliance and ultimately the business results.

Recently JK Lakshmi Cement Ltd. has put up various innovative / environment friendly projects such as:

- Waste heat recovery 12 MW power plant i.e. a saving of 55000 MT of CO2 per annum
- Installation of fly ash drying system
- Installation of biomass handling system i.e. replacement of fossil fuel by biomass

JK Lakshmi Cement Ltd. also took the lead to become the first cement manufacturer in India to adopt a green colour coding of its cement bags to promote a green future.

Recognition that is a measure of our success

At JK Lakshmi Cement Ltd., responsibility for the environment is deeply embedded in the corporate conscience, whether it be extensive plantation of trees, keeping emissions within strict norms, treatment of the effluents or conservation of water. Over the years, our efforts have been consistently recognised.

- JK Lakshmi Cement Limited's Cement Plant in Rajasthan was rated as the Greenest Cement Plant in Rajasthan
- Third Greenest Cement Plant in India
- Energy Conservation Award
- Green Tech Safety Award
- Golden Peacock Environment Management Award
- The National Award for the Second Best Environment Excellence in Limestone Mines for the year



Smt. Vinita Singhania, Managing Director, taking part in the tree plantation drive



JK Lakshmi Cement being awarded the Green Manufacturing Excellence Award

Winning a singular honour

In addition to the above recognitions, JK Lakshmi Cement is proud to have been awarded the "Leaders Award in Large category for the Green Manufacturing Excellence Award" instituted by renowned U.S. based business research and consulting firm - Frost & Sullivan. JK Lakshmi Cement is the first cement company in India to receive this honour.

Based on the assessment conducted by the Frost & Sullivan team, JK Lakshmi outshone the other 44 contenders to receive this honour. This only underscores the Company's best practices for ecological responsiveness.

JK Lakshmi Cement is proud to have been bestowed with this prestigious award, which comes as a recognition for all its efforts put in towards having a green environment.



OPERATIONS

Green Power

JK Lakshmi Cement is among the first few in Indian Cement Industry to have realised the potential of energy loss through hot air being exhausted to atmosphere. Our engineers embarked on to find the right technology to harness the waste gases being emitted from Pre-heater and Clinker Coolers. We in collaboration with M/s Taiheiyu Engineering Corporation and M/s Thermax Limited developed a custom built Waste Heat Recovery plant and generate around 12 MW of power from such waste heat gases. This generation process does not use any fossil fuel, hence it also results in reduction of green house gases.

Setting up of Waste heat recovery project was a challenging task due to space constraints and running plant. Innovative solutions and hard work of our engineers enabled us to commission the plant ahead of its stipulated time frame.

To make it further green, the air cooled condenser technology has been installed in the Green Power Plant to conserve the water which is a very scarce resource in Rajasthan. As a matter of fact all our Power Plants have been using air cooled condenser technology since 2007 thereby saving 20 lac litres of water every day.



Shri C.S. Sadasivan, Chief Executive - Marketing and Shri Ganpat Singh, Chief Executive - Works, at the release of the first consignment under Project Udaan (SAP)



Waste Heat Recovery Power Plant at Jaykaypuram

Green Cement

JK Lakshmi Cement has been able to use fly ash more effectively by drying it to produce world class cement. For drying the fly ash

high temperature gases released from the coolers are utilised thereby saving fossil fuel and also conserve scarce raw material.



Maximising Efficiency

JK Lakshmi Cement has spearheaded various initiatives which have positively inspired the growth of the Company. Project Udaan – SAP implementation initiative went live this year very smoothly and without any major hiccups. With this there will be a total integration of all the functions resulting into increased efficiencies.

We are one of the few companies in India to implement multiple SAP modules in one go across multiple plants, product divisions, departments, across regions. With this, the Company will achieve high level efficiency in its working and lowering the cost of delivery to its end customer.

Certified Excellence

JK Lakshmi Cement has been accredited with the Integrated Management Systems certifications for Quality Management Systems, Environmental Management Systems and Occupational Health & Safety Management Systems.

We take great pride in these achievements which have helped us to benchmark ourselves as the best when it comes to product manufacturing and customer service.

Achievements Recognised

JK Lakshmi Cement has been identified as the leader in Safety Innovation and was awarded “Greentech Foundation Gold Award” and “Safety Innovation Award 2010” this year. The Company undertook major initiatives to ensure a safer working environment for its employees at the plant.

We have been recognised time and again for our efforts to achieve high level of productivity. For the 3rd year in a row, we were awarded the Productivity Excellence Award by the Rajasthan State Productivity Council. The entire work force at JK Lakshmi Cement is a fine example of excellent team work, as a result of which not even a single man hour has been lost during the last 28 years.



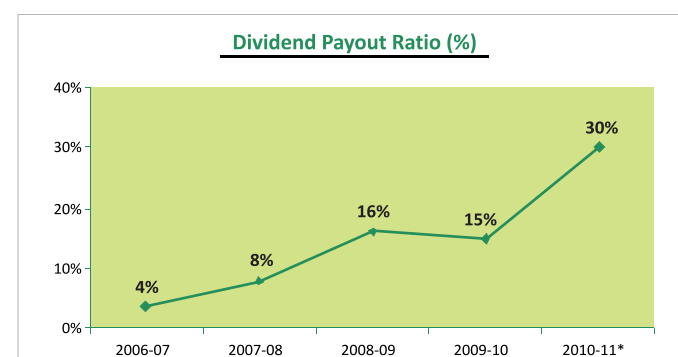
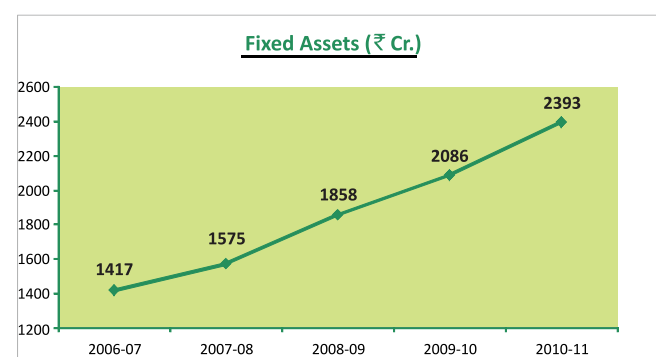
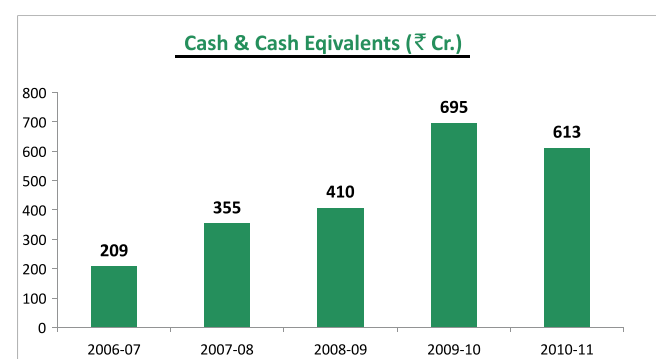
FINANCE

Shareholders' Wealth

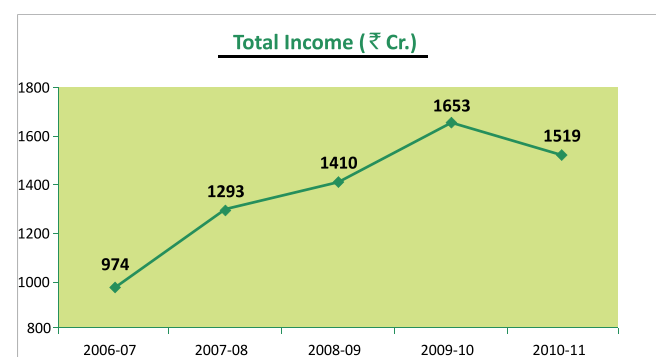
Enhancement of Shareholders' Wealth continues to be one of the most important agenda of the Company. In the pursuit of this objective, several measures have been taken by the Company viz. Stock Split from ₹ 10/- per Share to ₹ 5/- per Share in the year 2009-10 and doubling of Payout Ratio from 15% to 30% in 2010-11.

Rating

Based on the Company's financial discipline & fiscal prudence along with its strong financial fundamentals as also the strength of its Balance Sheet, the Rating Agencies have granted to the Company, the highest possible Short Term Rating of 'PR1+' and a High Safety Long Term Rating of 'AA-'.



*Recommended



Gearing

The Company continues to have its Total Debt Equity Ratio at a comfortable level of 0.99 and Net Debt to Equity position at 0.39. This leaves ample scope for further leveraging the Balance Sheet to fund its future growth plans. The Company has already tied up its entire long term loan requirement of ₹ 850 Crores for the Greenfield Cement Plant being set up at Durg in Chattisgarh at a total capital outlay of ₹1250 Crores. The balance requirement will be met through internal accruals. These loans have been granted by various Banks at the most competitive rates possible in the present interest rate scenario.

Liquidity

The Company constantly manages its liquidity so as to ensure that its utilisation is synchronised with Company's growth plans. The Company's Cash and Cash Equivalent as on 31st March, 2011 amounted to ₹ 613 Crores, which have been deployed in Fixed Deposits with Banks, CDs, Bonds and FMPs of various Mutual Funds, etc. The Company continues to perform the balancing act of generating superior returns by judicious and tax efficient deployment of financial resources while ensuring Safety of Capital. The other Current Assets & Liabilities are monitored on regular basis to keep them at optimum level.

Interest Cost

The Company continues to reduce its interest cost by replacing high cost loans with low cost funds. The interest cost on the Working Capital Borrowings is also being reduced through continuous issuance of the Commercial Paper at the lowest possible rates and also by availing Buyer's Credit from time to time.

Investors' Relation

The Company is regularly meeting its Investors and Financial Analysts to update them about its present and future plans. Investors' grievances, if any, are resolved smoothly and in the shortest possible time.



Smt. Vinita Singhania, Managing Director and Shri S.A. Bidkar, C.F.O. along with other Company Officials at the Group's Inter-Company Finance, Tax, Cost and Company Law Meet



Shri S.A. Bidkar, C.F.O.; Smt. Vinita Singhania, Managing Director; Shri S.K. Wali and Shri Shailendra Chouksey, Whole-time Directors, at the Analysts' Meet



Shri S.K. Wali, Whole-time Director; Shri S.A. Bidkar, C.F.O. and Shri C.K. Bagga, V.P. - Accounts & Finance, at the Bankers' Consortium Meet

MARKETING



Customer-centric Innovation

“Customer First” – the mantra that laid the strong foundation of our growth story and making us the most preferred brand across our market. Since inception, JK Lakshmi Cement has focused on providing the customer with superior quality cement in the country. That promise has been an inspiration for us.



The promise inspired us to come up with innovative methods to reach out to our customers and provide them with a product which is unmatched in terms of quality and assures the customer Mazbooti Guaranteed. Continuous improvements in the services have been a major factor in increasing our customer base.

Strengthening Relationships

The Company has a strong commitment towards strengthening relationships with customers i.e. Business Associates and the influencer's fraternity comprising of Architects and Masons, by organising knowledge sharing session and mason meets across its markets. The discussions at such events help us to understand the customer needs better and take steps to improve the product offering and enhance customer service.

The number of dealers registered with Company's unique dealer loyalty programme “JK Lakshmi Champs” is on a rise. Through the programme JK Lakshmi Cement has been able to create a bond with not only the dealer but also with his family. All the dealers and their families are delighted with the Champs programme and have relentlessly expressed their delight to JK Lakshmi Cement. The program has built the relationship between the Company and the Business Associates stronger and has helped in rewarding the performing dealers for their efforts.



Interaction with Architects at a Knowledge Sharing Session



Dealers' Meet organised by JK Lakshmi Cement

Go Rural to Win

JK Lakshmi Cement has spearheaded various marketing initiatives in the industry. One such initiative “Go Rural to Win” has helped the Company to reach out to the customers in the rural markets.

Under this initiative, JK Lakshmi Cement adopted an “Integrated Micro-Marketing” approach. Various activities are being organised with high involvement of the consumer, resulting in increased brand awareness as well as substantial increase in sales.



Technical service officers answering to queries in a consumer camp



Visitors taking part in the 'Mazbooti Challenge' contest at a road show



Arm-wrestling contest held during the rural marketing initiative



JK Lakshmi Cement official providing product information to the rural customers

Moving Closer to Customer

To further reach out to its customers in Northern India, JK Lakshmi Cement has laid the foundation for its new grinding unit in the state of Haryana. Located in Jharli, the unit will add 6 Lac MT per annum to the production capacity of the Company.

The work at the grinding unit is on the fast track and is set to be completed by the end of this financial year which will help the brand to increase product availability across the markets of Haryana, Punjab, Delhi and Uttar Pradesh.



Smt. Vinita Singhania, Managing Director, performing the Bhoomi Poojan ceremony at the upcoming Grinding Unit at Jharli, Haryana

HUMAN RESOURCES

Highly Committed Workforce

JK Lakshmi Cement enjoys the status of being one of the preferred employers in the country. To retain this position, the Company conducts an Employee Satisfaction Survey (ESS) every two years to assess the satisfaction levels of the employees in the Company. This survey is carried out and reported by TNS India – a renowned name in the field of research and analysis. They carry out the survey independently and calculate the TRI*M index.

The TRI*M Index is a measure of employee satisfaction. The framework of ESS entails satisfaction/feedback on working environment and terms and conditions of employment, pride in the organisation and existing level of loyalty to the Company, desire to contribute to Company's success, meeting long term and short term Company objectives.

The index ratings for JK Lakshmi Cement have grown from 77 in the year 2005, 80 in the year 2007, 81 in the year 2009 to 85 in the year 2011. With this score, the Company has exalted to being amongst the top 10% at global level. This is indeed a validation of our strength of having a highly committed and satisfied workforce.



JK Lakshmi Cement - Gujarat Cricket Team



Building Competencies

We are known for our innovative HR Practices and initiatives to nurture and build competencies. Regular programs like Competency Development, Coaching & Mentoring Modules, PRIDE Scheme and Young Leader Forum are organised with a mission to develop a competitive task force. As an integral part of development of senior executives, a 360° approach is being adopted to provide feedback from their seniors, peers and subordinates on two high impact behaviours/competency followed with structured coaching by external facilitator.

Various outbound activities and management development programs were organised to strengthen the bond among the members of Team JK Lakshmi.

This year another innovative HR program, Coffee with MD was initiated, to stimulate the involvement of and ideas from the Company's young executives. The response to the program has been encouraging.



Smt. Vinita Singhania, Managing Director; Shri Shailendra Chouksey and Shri S.K. Wali, Whole-time Directors, along with the winners of the "Coffee with MD" initiative



Team JK Lakshmi being awarded the "Gold Award" in an International Convention on Quality Concepts Circle

Honouring Excellence

JK Lakshmi Cement was again recognised as the industry leader this year in the field of HR and was awarded the Greentech HR Excellence Award. The award recognises, rewards and promotes exceptional contributions in the field of HR.

The achievement is an honour to the proactive practices that have been adopted by the Company and the steps taken to nurture and develop each and every individual associated with us.



Shri R.K. Gupta, Head - Human Resources, receiving the "Greentech HR Excellence Award" won by JK Lakshmi Cement

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the 71st Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

	₹ in Crores
	2010-11
Sales & Other Income	1518.99
Profit before Interest & Depreciation	214.34
Profit before Depreciation	163.40
Profit after Tax	59.13
Surplus brought forward	104.35
Amount available for appropriation	163.48
Appropriations	
- Dividend (incl. tax on Dividend)	17.77
- General Reserve	50.00
- Surplus carried to Balance Sheet	95.71
	163.48

DIVIDEND

Your Directors are pleased to recommend a dividend of 25% per Equity Share on the Equity Share Capital of ₹ 61.18 crore (12,23,58,924 fully paid Equity Shares of ₹ 5 each). The Dividend outgo would amount to ₹ 17.77 crore (inclusive of dividend distribution tax of ₹ 2.48 crore).

OPERATIONS

The year 2010-11 was a challenging year for the Cement Industry. Substantial capacity build up in the previous 2-3 years combined with further addition of nearly 30 million tonnes during the financial year created a situation of sizeable surplus, especially in the Company's operating zone. Most of our markets experienced considerable price pressures, whereas cost of inputs particularly that of fuel increased substantially. As a result, the Company's performance was adversely affected. During the year 2010-11, the Company recorded a sales turnover of ₹ 1488 crore and an Operating Profit of ₹ 214.34 crore.

EXPANSIONS

Your Directors are pleased to report that, the expansion work undertaken by the Company for setting up 18 MW Captive Power Plant and 12 MW Green Power Project, through Waste Heat Recovery, have been successfully completed. With this the Company's power capacity has risen by 30 MW to 66 MW. Additionally, the Company has entered into a long term agreement on Private Partnership basis for supply of 21 MW power at rate substantially lower than that of the State Grid. This would raise the Company's total Captive Power availability to 87MW, full benefits of which would be available from Financial Year 2012 onwards.

Work on the Company's Split Location Grinding unit of 5.5 lac tonnes at Jhajjar (Haryana) is also under way and the project is expected to be completed by March 2012.

The Company's Greenfield project of setting up a 2.7 million tonnes Cement Plant at Durg in Chattisgarh at an estimated project cost of ₹ 1250 crore is progressing smoothly. Most of the necessary land has been acquired. The Project is expected to be operative by March 2013. With this, the Company's total installed capacity will go upto about 8 million tonnes p.a.

In line with the Company's growth plans, steps are being taken for revival of Udaipur Cement Works Ltd. (UCWL) which has an installed capacity of 1.2 million tonnes of cement per annum near Udaipur.

It is heartening that the Company's RMC business has grown 20% during the Financial Year 2010-11. The Company has drawn plans to expand its RMC business further.

The Company also jointly with other Group companies proposes to set up a mega thermal power plant of 660 MW in Madhya Pradesh at a total project cost of ₹ 3300 crore through a SPV.

OUTLOOK

During the financial year 2010-11 new capacities of about 30 million tonnes were added in the industry. These capacities are likely to put pressure on the prices in the short term. It is expected that the demand which was very low in the financial year 2010-11 would improve in the current year when some of the surplus would be absorbed. The long term outlook for the industry continues to remain positive as India progresses to achieve stronger economic position in the world scenario. The government has indicated its commitment for achieving a sustained GDP growth of 8% to 9% which would call for sustained double digit growth in cement consumption.

The bigger challenge, is the soaring costs, especially the cost of fuel and petroleum prices, which has a bearing on the cost of production, cost of power as well as on the logistic costs. It is hoped that the Government would recognise these challenges faced by the Industry and would help by ensuring adequate linkages for coal suppliers & rationalising the tax structure.

DIRECTORS

Shri Raj Kumar Bansal has been nominated by IDBI on the Board w.e.f. 15th November 2010 in place of its earlier

Nominee Director, Shri Pradip Roy. The Board of Directors place on record its sincere appreciation of the valuable services rendered by Shri Pradip Roy during his tenure of office.

Shri Hari Shankar Singhanian, Shri B.V. Bhargava and Shri Shailendra Chouksey, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment.

SUBSIDIARY COMPANY

The Annual Accounts of the wholly-owned Subsidiary, Hansdeep Industries & Trading Company Limited, have been consolidated and the Statement pursuant to Section 212 of the Companies Act 1956 read with General Circular No. 51/12/2007-CL-III dated 8th February 2011 of the Ministry of Corporate Affairs, containing the details of the Company's Subsidiary is attached.

In terms of the said Circular dated 8th February 2011, copies of the Balance Sheet, Profit & Loss Account, Reports of the Board and the Auditors of the aforesaid Subsidiary, have not been attached to the Balance Sheet of the Company. However, the annual accounts of the Subsidiary Company and the related detailed information shall be made available to the Shareholders of the Company and that of the Subsidiary seeking such information at any point of time. The annual accounts of the Subsidiary Company are also available for inspection by any Shareholder at the Head Office of the Company and that of its Subsidiary.

AUDITORS

M/s. Lodha & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment. The Auditors have confirmed that they hold a valid certificate issued by the 'Peer Review Board' of Institute of Chartered Accountants of India (ICAI). The observations of

the Auditors in their Report on Accounts read with the relevant notes are self-explanatory.

COST AUDIT

M/s. R. J. Goel & Co., Cost Accountants, New Delhi have been appointed as Cost Auditors of the Company for the Financial Year 2011-12 commencing 1st April 2011 subject to approval of the Central Government. Audit of the Cost Accounts of the Company relating to 'Cement' for the year ended 31st March 2011 will be conducted by the Cost Auditors and Cost Audit Report will be submitted to the Ministry of Corporate Affairs, Government of India within the prescribed time.

The Cost Audit Report for the financial year ended 31st March 2010 was filed by the Cost Auditor with the Ministry of Corporate Affairs, Government of India on 26.08.2010 (Due date 30.09.2010).

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to good Corporate Governance practices and endeavors continuously to maintain highest standards of corporate values and ethics. Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate confirming compliance of the conditions of Corporate Governance form a part of this Annual Report.

CONSERVATION OF ENERGY ETC.

Pursuant to Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, particulars of energy conservation, technology absorption, foreign exchange earnings and outgo are annexed and forms part of the Annual Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended, regarding employees is given in Annexure B to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act 1956, the Annual Report is being sent to all shareholders of the Company excluding the aforesaid information. Any Shareholder interested in obtaining such particulars may write to the Secretary at the Company's New Delhi address.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act 1956 and based on the confirmations received from the concerned officers, the Directors state that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures in the financial statement;
- the accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the financial year ended 31st March 2011;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- the annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors wish to place on record and acknowledge their appreciation for the continued support and valuable co-operation received from the Financial Institutions, Banks, Government Authorities, dealers, suppliers, business associates and Company's valued customers and the esteemed Shareholders for the faith they continue to repose in the Company.

The Directors also express their gratitude to the 'team-JK Lakshmi' for their significant efforts and collective contribution to enable the Company maintain steady progress.

On behalf of the Board of Directors

HARI SHANKAR SINGHANIA
Chairman

New Delhi

Date: 25th May 2011

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2011

a) Conservation of Energy

M/s. JK Lakshmi Cement Ltd. took following major initiatives with an intention to conserve energy and reduce fuel and power consumption.

- ❖ Installation and commissioning of 12 MW GREEN POWER PLANT to utilize the waste heat of pre-heater exhaust of Kilns & Cooler.
- ❖ Installation and commissioning of Vertical Roller Mill (VRM) in place of Ball Mill to grind Limestone for Kiln 1.
- ❖ Reducing Pressure drop across damper in Controlled Inlet System (CIS) of Fan 1 Kiln 2 and of Fan 2 Kiln 3.
- ❖ Stabilization of optimized operation of Fly-Ash Dryer.
- ❖ Reduction in false air ingress in Pre-heater of Kiln 1 from 14% to 9%.
- ❖ Modification of Kiln Inlet tongue-plate of Kiln 1 to reduce material spillage.
- ❖ Installation of Mill Digital Scanner in Cement Mill 2.

b) Technology absorption, adaptation and innovation by technology adaptation

All the above improvements have been completed and the technologies have been fully absorbed and the plant is performing at its optimum capacity.

c) Research and Development

During the year, the Company has spent ₹ 0.29 crore. This is equivalent to 0.02% of the turnover.

d) Exports, Foreign Exchange Earnings and Outgo

₹ in crore

- | | | |
|-----|--|-------|
| i) | Foreign Exchange earned | Nil |
| ii) | Foreign Exchange used
(CIF value of Imports of Fuel,
stores and spares , capital goods,
consultancy, know-how fee etc.) | 51.02 |

PARTICULARS OF CONSERVATION OF ENERGY

Sl. No.	Particulars	Unit	2010-11 (12 Months)	2009-10 (12 Months)
A.	POWER AND FUEL CONSUMPTION			
1.	Electricity			
(a)	Purchased:			
	Units	(Kwh in Lacs)	1400.99	1075.45
	Total amount	(₹ in crore)	63.05	51.76
	Rate/Unit	(₹)	4.50	4.81
(b)	Own Generation:			
(i)	Through Diesel Generators:			
	Units	(Kwh in Lacs)	20.95	113.56
	Units Per Litre of Furnance Oil / LDO	(kwh)	3.52	3.56
	Furnance Oil/LDO - Cost/Unit	(₹)	7.19	6.69
(ii)	Through Steam Turbine/Generators			
	Units	(Kwh in Lacs)	2077.91	2435.36
	Units Per Kg of Fuel	(kwh)	2.15	2.15
	Fuel Cost/Unit	(₹)	3.18	2.09
2.	Fuel (Pet Coke/Coal)			
	Quality (Grade)		A to D	
a)	Used in Calcining Raw Meal			
	Quantity	(MT)	373544	391631
	Total Cost	(₹ in crore)	253.43	175.12
	Average Cost	(₹/MT)	6784	4472
b)	Used in Steam Turbine/Generators			
	Quantity	(MT)	96457	113077
	Total Cost	(₹ in crore)	66.01	50.81
	Average Cost	(₹/MT)	6843	4494
3.	Other Internal Generation		-	-
B.	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	Kwh./MT	79	79
	Fuel (Pet Coke/Coal)	Kg./MT	82	85

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The core values of the Company are:

- ◆ commitment to excellence and customer satisfaction
- ◆ maximising long term shareholders' value
- ◆ socially valued enterprise and
- ◆ caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practised by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of Twelve Directors comprising of eight Non-executive Directors (NED) of which six are independent (IND). The Chairman is Non-executive. Four Board Meetings were held during the Financial Year 2010-11 ended 31st March 2011, on 18th May 2010, 27th July 2010, 12th November 2010, and 27th January 2011. Attendance and other details of the Directors are given below:

The Board periodically reviews Compliance reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors), which is strictly adhered to. In terms of Clause 49 of the Listing Agreement and contemporary practices of good corporate governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said code is available on the Company's website (www.jklakshmicement.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by the Managing Director.

Director	Category	No. of Board Meetings Attended	Whether last AGM attended (14.7.2010)	Outside Directorships and Committee positions		
				Directorships\$	Committee Memberships@	Committee Chairmanships@
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Hari Shankar Singhania, Chairman	NED	4	No	3	-	-
Shri Bharat Hari Singhania, Vice Chairman & Managing Director	Executive	4	Yes	4	-	-
Dr. Ajay Dua	IND	4	No	5	4	1
Shri B.V. Bhargava	IND	3	Yes	9	3	4
Shri Kashi Nath Memani	IND	3	No	12	5	5
Shri Nand Gopal Khaitan	IND	4	No	9	5	1
Shri Pradeep Dinodia	IND	3	No	8	4	4
Shri Raj Kumar Bansal (IDBI Nominee – vice Shri Pradip Roy) #	IND	0	#	6	3	-
Dr. Raghupati Singhania	NED	3	No	7	1	-
Smt. Vinita Singhania, Managing Director	Executive	4	Yes	3	-	-
Shri Shailendra Chouksey, Whole-time Director	Executive	4	Yes	1	-	-
Shri Sushil Kumar Wali, Whole-time Director	Executive	4	Yes	1	-	-
Shri Pradip Roy (IDBI Nominee) #	IND	3	Yes	#	#	#

Lender/Investor. Nomination of Shri Pradip Roy was withdrawn by IDBI w.e.f. 15.11.2010.

\$ As per Section 275 read with Section 278 of the Companies Act 1956.

@ Only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

3. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors since 1987. The "Terms of Reference" of the Committee are in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Committee consists of four Directors out of which three are Independent Directors and one is Non-executive Director. Four meetings of the Audit Committee were held during the year ended 31st March 2011.

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
18 th May 2010	4
27 th July 2010	4
12 th November 2010	3
27 th January 2011	2

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri B.V. Bhargava	Chairman	3
Shri Pradip Roy (IDBI Nominee)#	Member	3
Shri Raj Kumar Bansal		0
Shri Nand Gopal Khaitan	Member	4
Dr. Raghupati Singhania	Member	3

Nomination of Shri Pradip Roy was withdrawn by IDBI. Shri Raj Kumar Bansal was appointed by the Board as a Member of the Audit Committee w.e.f. 15.11.2010

The Chief Finance Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. All the Committee meetings were attended by the Internal Auditors and the Statutory Auditors.

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The Company has Shareholders / Investors Grievance Committee at the Board level. It consists of four Directors, of which two are Independent Directors and one is Non-executive Director. Four meetings of the said Committee were held during the year ended 31st March 2011.

Dates of the meetings and the number of Members attended :

Dates of meetings	Number of members attended
18 th May 2010	4
27 th July 2010	4
12 th November 2010	4
27 th January 2011	3

The names of the Members of the Committee and their attendance at the Meetings :

Name	Status	No. of Meetings attended
Dr. Raghupati Singhania	Chairman	3
Shri Nand Gopal Khaitan	Member	4
Shri Bharat Hari Singhania	Member	4
Dr. Ajay Dua	Member	4

Shri B.K. Daga, Vice President & Company Secretary, is the *Compliance Officer* who oversees the investors' grievances including related to Transfer of shares, Non-receipt of balance sheet and dividends etc. During the year, only one complaint was received which stands resolved and no complaint is pending as on 31st March 2011.

The Company also has a Committee of Directors (COD), which approves registration of transfer and transmission of shares in physical mode on fortnightly basis. During this period, 29 meetings of COD were held. All the valid requests for transfers of shares were processed in time and there are no pending transfers of shares.

5. REMUNERATION COMMITTEE (non-mandatory):

The Remuneration Committee of Directors comprises of three Directors – all being Independent, namely, Shri Nand Gopal Khaitan (Chairman), Shri B.V. Bhargava and Shri Raj Kumar Bansal (IDBI Nominee who has been appointed by the Board w.e.f. 15th November 2010) Shri Pradip Roy ceased to be a member of the said committee from the said date. Two Meetings of the Committee were held (i) on 18th May 2010 to determine remuneration of the Whole-time Directors on their re-appointment for a period of three years each w.e.f. 1st August 2010 and (ii) 27th July 2010 to approve annual increments to the Managing Directors of the Company for the financial year 2010-11.

6. CORPORATE GOVERNANCE COMMITTEE (non-mandatory):

The Corporate Governance Committee of Directors constituted last year comprise of Shri Hari Shankar Singhania (Chairman), Shri Pradeep Dinodia, Shri Shailendra Chouksey and Shri Sushil Kumar Wali. The Committee met on 10th May 2010 to oversee compliance by the Company of the provisions of the Corporate Governance contained in Clause 49 of the Listing Agreement.

7. REMUNERATION PAID TO DIRECTORS:

(i) **Executive Directors:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Funds for the financial year ended 31st March 2011 to the Vice Chairman & Managing Director, Managing Director, Whole-time Directors is as follows: Shri Bharat Hari Singhania - ₹ 228.09 lacs, Smt. Vinita Singhania - ₹ 235.62 lacs, Shri Sushil Kumar Wali - ₹ 122.51 lacs and Shri Shailendra Chouksey - ₹ 122.18 lacs.

The Company does not have any Stock Option Scheme. In the case of Whole-time Directors, notice period is six months. Severance fee for the Vice Chairman & Managing Director and Managing Director is remuneration for the unexpired residue terms or for three years, whichever is shorter.

(ii) **Non-executive Directors:** During the financial year 2010-11, the Company paid sitting fees aggregating to ₹ 7,55,000 to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of Directors of the Company. Commission payable to NEDs :- Shri Hari Shankar Singhania is ₹ 10 lacs; ₹ 6 lacs each to Shri B.V. Bhargava, Shri Nand Gopal Khaitan, Dr. Raghupati Singhania, Shri Kashi Nath Memani, Shri Pradeep Dinodia, Dr. Ajay Dua and Shri Raj Kumar Bansal (IDBI Nominee - payable to IDBI). The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

The number of Equity Shares held by Non-executive Directors: Shri Hari Shankar Singhania – 1,66,518 shares, Shri B.V. Bhargava – 6,660 shares, Shri Nand Gopal Khaitan – 20,924 shares and Dr. Raghupati Singhania – 1,77,948 shares. Dr. Ajay Dua, Shri Kashi Nath Memani, Shri Raj Kumar Bansal (Nominee Director) and

Shri Pradeep Dinodia do not hold any shares. The Company does not have any outstanding convertible instruments.

8. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

Year	Location	Date	Time
2007-08	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	26 th July 2008	5.00 P.M.
2008-09	Same as above	25 th July 2009	2.30 P.M.
2009-10	Same as above	14 th July 2010	2.15 P.M.

Special Resolutions regarding re-appointment of Whole-time Directors and revision in the salary range of the Managing Directors were passed in the AGM held in 2008. Re-appointment of the Whole-time Directors was approved by means of a Special Resolution at last AGM held in 2010. No special resolutions were required to be put through postal ballot last year. An Extra-Ordinary General Meeting was held on 5th December 2009 to approve sub-division of Equity Shares of ₹ 10/- each into two shares of ₹ 5/- each of the Company.

9. DISCLOSURES

- (a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large : *None. Suitable disclosure as required by Accounting Standard (AS-18) on Related Party Transactions has been made in the Annual Report.*
- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital market, during the last three years: *There were no cases of non-compliance of any matter related to capital markets during the last three years.*
- (c) The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by a Whole-time Director meets

on quarterly basis and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee. Board Members are accordingly informed.

10. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are normally published in the leading English newspapers, namely, The Economic Times, The Financial Express / Business Standard and one regional daily "Rajasthan Patrika" (Jaipur), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial results are also displayed on the Company's website – www.jklakshmicement.com. Official news releases are also available on the Company's website.

"Management Discussion & Analysis" forms part of the Annual Report.

11. GENERAL SHAREHOLDERS' INFORMATION

(i) Annual General Meeting (AGM)

(a) Date and Time : Please refer to Notice for the AGM being sent along with the Annual Report.

Venue: Regd. Office: Jaykaypuram-307019, Basantgarh, Dist. Sirohi (Rajasthan).

(b) As required under Clause 49(IV)(G)(i), a brief resume and other particulars of the appointment and re-appointment of the Directors retiring by rotation at the aforesaid AGM are being given in the Notes to the Notice convening the said AGM.

(ii) Financial Calendar (Tentative)

Financial Reporting

- ◆ for the quarter ending 30.06.2011
 - ◆ for the half-year ending 30.09.2011
 - ◆ for the quarter ending 31.12.2011
 - ◆ for the year ending 31.03.2012 (Audited)
 - ◆ Annual General Meeting for the Financial Year ending 2011-12
- } Within 45 days of the end of the quarter
- } Within 60 days of the end of the financial year
- : between July and September 2012

(iii) Date of Book Closure: 12th July to 16th July 2011.

(iv) Dividend Payment Date: July / August 2011.

(v) Listing on Stock Exchanges: The Equity Shares of the Company (Face Value: ₹ 5/- each) are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Annual listing fee for the financial year 2011-12 has been paid to the said Stock Exchanges.

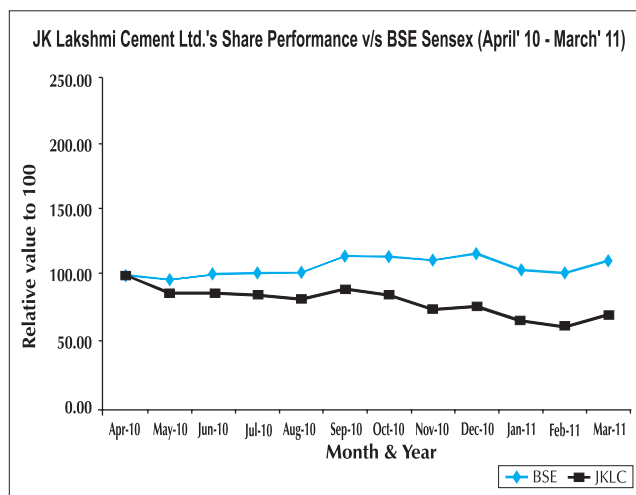
(vi) Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.:

BSE – 500380 and NSE – JKLAKSHMI, ISIN No. INE786A01032.

(vii) Stock Market Price Data

Months (2010-2011)	Bombay Stock Exchange, (BSE) (₹)		National Stock Exchange, (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2010	79.90	71.50	79.80	71.05
May 2010	72.40	60.00	72.50	60.85
June 2010	65.35	61.00	66.50	60.90
July 2010	71.95	61.10	73.20	61.30
August 2010	64.30	51.15	64.15	58.25
September 2010	67.75	58.05	67.90	58.00
October 2010	67.00	61.10	67.00	61.20
November 2010	68.30	48.50	68.00	48.00
December 2010	59.50	50.20	59.40	50.55
January 2011	59.75	47.00	59.40	47.00
February 2011	49.85	40.50	49.80	40.25
March 2011	52.80	44.05	52.50	40.00

(viii) JK Lakshmi Cement Ltd.'s Share Performance v/s BSE Sensex (April'10 - March'11)



(ix) Distribution of Shareholdings as on March 31, 2011

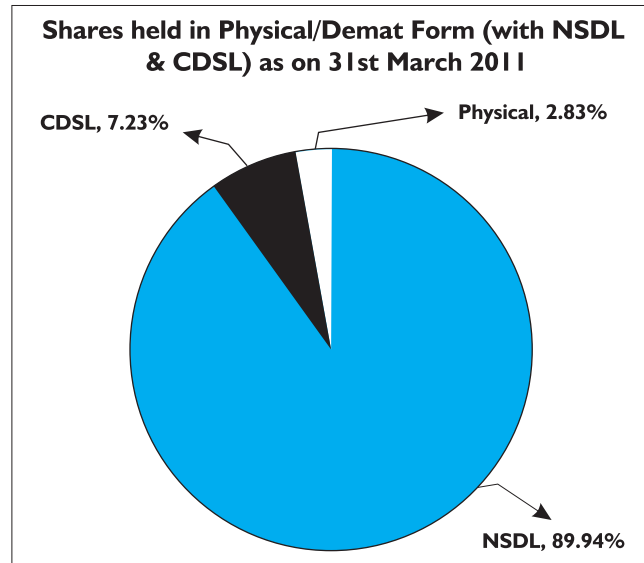
Category (No. of Shares)	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	95,94,824	7.84	1,05,735	91.53
501-1000	42,27,656	3.46	5,448	4.71
1001-5000	74,40,004	6.08	3,477	3.01
5001-10000	32,45,273	2.65	435	0.38
10001 & above	9,78,51,167	79.97	425	0.37
TOTAL	1,22,358,924	100.00	1,15,520	100.00

(x) Share Transfer System

All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15-20 days from the date of receipt thereof and the Share Certificates duly transferred are immediately returned to the transferee/lodger. Transaction in the demated Shares are processed by NSDL/CDSL through the Depository Participants with whom the shareholders have opened their demat account.

(xi) Dematerialisation of Shares and Liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The *ISIN* No. for Equity Shares of the Company for both the depositories is *INE786A01032*. As on



31st March 2011, 97.17% of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

(xii) Outstanding GDRs and likely impact on Equity

GDRs: 7,39,754 GDR underlying Equity Shares of ₹ 5 each stand registered in the name of Citibank, Custodian. These are included in and form part of the existing Equity Share Capital of the Company.

- (xiii) Plant Location:**
- (1) JK Lakshmi Cement
Jaykaypuram-307 019,
Basantgarh, District Sirohi
(Rajasthan).
 - (2) JK Lakshmi Cement
Village Motibhoyan,
Taluka Kalol (N.G.),
Distt. Gandhi Nagar – 382 721,
Gujarat

(xiv) Address for correspondence regarding share transfers and related matters

- JK Lakshmi Cement Limited
Secretarial Department,**
Gulab Bhawan (Rear Block)
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002.
Ph:(011) 30179862-66, 43583073
Fax Nos. 91-11-2373 9475
Contact Person: Mr. B. K. Daga
(E-mail: psbisht@jksmail.com).
- Registrar & Share Transfer Agents-MCS Ltd. (RTA):**
Shri Venkatesh Bhawan,
F-65, First Floor, Okhla Indl. Area, Phase – I,
New Delhi – 110 020
Ph. (011) 41406149, 41406151-52,
41609386, 41709885
Fax No. 91-11-41709881
(E-mail: admin@mcsdel.com).
Contact Person: Mr Aniruddha Mitra
(E-Mail: amitra@mcsdel.com).

It may be noted that MCS Ltd. has sent a communication to the Shareholders whose shares certificates are returned to the Company as undelivered mail or lying unclaimed, requesting them to send a letter giving complete postal address, along with self attested photocopies of PAN Card and proof of address to enable the RTA to dispatch such unclaimed Share Certificates to them. Pursuant to Clause 5A of the Listing Agreement, in case the Shareholders do not provide the requested information as aforesaid to RTA, the unclaimed shares standing registered in their names shall be credited to "Unclaimed Suspense Account". Such Shareholders are therefore requested to, in their own interest, provide requisite information / documents to the RTA.

Shareholders are also requested to quote their Folio No. / DP ID-Client Id and details of shares held in physical/demat mode, E-mail Ids and Telephone/Fax numbers for prompt reply to their communications.

12. Declaration:

This is to confirm that for the financial year ended 31st March 2011, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Vinita Singhania
Managing Director

Disclosure of names of persons constituting group in relation to JK Lakshmi Cement Limited pursuant to Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997

JK Tyre & Industries Ltd., JK Paper Limited, Fenner (India) Ltd., JK Agri Genetics Ltd., BMF Investments Ltd., Florence Alumina Ltd., JK Sugar Ltd., Bengal & Assam Company Ltd., Nav Bharat Vanijya Ltd., Juggilal Kamlapat Udyog Ltd., Param Shubham Vanijya Ltd., J.K. Credit & Finance Ltd., Pranav Investment (M.P.) Company Ltd., Southern Spinners and Processors Ltd., Modern Cotton Yarn Spinners Ltd., Hansdeep Industries and Trading Company Ltd., Bhopal Udyog Ltd., Accurate Finman Services Ltd., Sago Trading Ltd., Dwarkesh Energy Ltd., Saptrishi Consultancy Services Ltd., JK Enviro-Tech Ltd., J.K. Risk Managers & Insurance Brokers Ltd., Panchmahal Properties Ltd., Acorn Engineering Ltd., Elate Builders Pvt. Ltd., LVP Foods Pvt. Ltd., CliniRx Research Pvt. Ltd., Rouncy Trading Pvt. Ltd., Habras International, JK Plant Bio Sciences Research Ltd., Natext Biosciences Pvt. Ltd., Songadh Infrastructure & Housing Ltd., Jaykaypur Infrastructure & Housing Ltd., Umang Dairies Ltd., M/s Juggilal Kamlapat Lakshmipat and Directors of the promoter group and their relatives.

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of JK LAKSHMI CEMENT LIMITED

We have examined the compliance of conditions of Corporate Governance by JK LAKSHMI CEMENT LIMITED for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with, in all material respect, with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LODHA & CO,
Chartered Accountants

N.K. LODHA
Partner

Firm's Registration No. 301051E
Membership No. 85155

Place : New Delhi
Date : 25th May, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

HIGHLIGHTS

- Clinker Capacity Enhanced to 39.60 lac MT from 36.30 lac MT
- 12 MW Green Power Plant commissioned
- 18 MW Thermal Power Plant commissioned
- Capacity Utilisation at 91% as Against 76% of the Industry.
- Clinker Production Maintained at 35.29 (per yr.) lac MT as of Previous Year.
- Cement Production (Including Clinker for Sale) decline by 6% to 43.08 lac MT
- Gross Turnover at ₹ 1488 crore lower by 9.5 %

INDUSTRY SCENARIO

The year 2010-11 was one of the most challenging years in the last one decade for the Indian Cement Industry. The cement demand growth was disappointing at just about 5% which was the lowest in last ten years. On the other hand, the industry added about 30 million MT capacity during the year to raise the total capacity to about 290 million MT. The capacity addition represents a growth of about 11% over the previous year. The various reasons which contributed to the low demand growth rate were hardening of the interest rate, shortage of labour for construction, lower spending by the government departments vis-à-vis allocation. This gap in demand and supply lead to a considerable cement surplus scenario in the Country.

The unexpected fall in demand coupled with new capacity addition during the year as well as new supplies from fully stabilised capacities which were commissioned during the year 2009-10, led to drop in capacity utilisation of the industry to 76% from 85% achieved during the year 2009-10. The industry, particularly in our region, once again

faced severe problem of wagon availability during part of the year which also contributed to lowering of capacity utilisation.

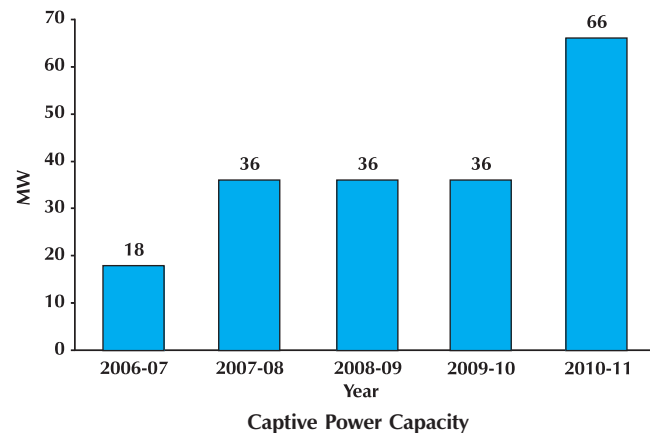
The industry, during the year also experienced a steep increase in the fuel cost due to increase in prices of coal, oil, and other form of fuel in the international market. The excise duty partial roll back of stimulus package, as announced in the budget on 28th Feb 2010, had its own impact during the financial year 2010-11 which adversely affected the net sales turnover.

COMPANY'S PERFORMANCE

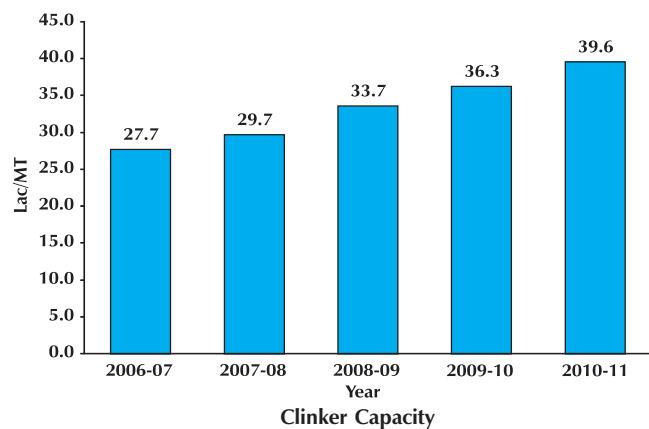
During the year the company's cement production (including clinker for sale) declined by 6% mainly on account of poor demand in our zone as well as huge capacity additions there besides the availability of additional cement from fully stabilized capacity created during previous year. The company could achieve a capacity utilisation of 91% as against industry's 76% and 82% of our zone plants. The extended monsoon, poor wagon availability and disruption in despatches due to Gujjar agitation also contributed to our lower capacity utilisation.

The Company could achieve an improvement in its fuel efficiency. The fuel consumption was reduced to 82 Kg/MT as against 85 Kg/MT achieved during the previous year.

During the year the Company successfully commissioned its 12MW Waste Heat Recovery Power Plant and additional 18MW Thermal Power Plant . After commissioning of these plants Company's total captive power capacity has been enhanced to 66 MW.



During the year the Company also enhanced its clinker capacity to 39.60 lakh MT as compared to 36.30 lakh MT in previous year by augmentation of Kiln I as part of its expansion programme.



Company’s value added business i.e. RMC has recorded an increase of 20% under its growth plan, company has planned to setup atleast 2-3 more new plants during the year 2011-12.

MARKETING

The Company’s rural marketing campaign, launched during the year, is serving fully its objective of reinforcing the brand “JK Lakshmi” in the minds of our rural customers. During the year our rural penetration has increased from 25% to 30%. The Rural Marketing Campaign is an “Integrated Micro-Marketing” approach taken by the company and encompasses high visibility activities like Road Shows in Haats & Daily Markets, participation in religious and commercial melas, Mason/ Contractor Meets, Static Branding and Mobile Van campaign, besides personal contact with the end-customers. Extensive rural market activities are also planned in view of the upcoming Jhajjar (Haryana) Grinding Unit.



Rural Marketing Campaign

Base size of dealer network and the number of dealers registered with company’s unique dealer loyalty programme “JK Lakshmi Champs” was on a rise. Through the programme, JK Lakshmi Cement has been able to create a strong bondage with not only the dealer but also with his family members. All the dealers and their families have responded very positively to the Champs programme. Other Brand Building exercises during the year included new attractive Bag Design, Dealer Engagement Activities amongst many others.

GREEN CEMENT THROUGH GREEN POWER AND GREEN TECHNOLOGY

JK Lakshmi Cement is among the first few in Indian Cement Industry who have realised the potential of energy loss through hot air being exhausted to atmosphere. Experts in this field expressed difficulty to design a system for waste heat recovery from such Pre-heaters where the waste gases are emitted comparatively at lower temperature. However, our engineers accepted the challenge and they embarked on putting in place the right technology to harness the heat emitted from the Pre-heaters & Clinker Coolers and thereby reducing the Greenhouse gas as no coal is used in generating this power. JK Lakshmi Cement in collaboration with M/s Taiheiyo Engineering Corporation and M/s Thermax Limited developed a custom built Waste Heat Recovery plant for this purpose.



Green Power House

To make it further green, the air cooled condenser technology was installed in the Green Power Plant to conserve the water which is a very scarce resource in Rajasthan. As a matter of fact all our Power Plants in the Cement Plant have been using air cooled condenser technology since 2007 thereby saving 20 lac litres of water every day. We are generating around 12 MW of power from waste heat gas recovered from Cement Kilns and this generation process does not use fossil fuel .

HUMAN RESOURCES

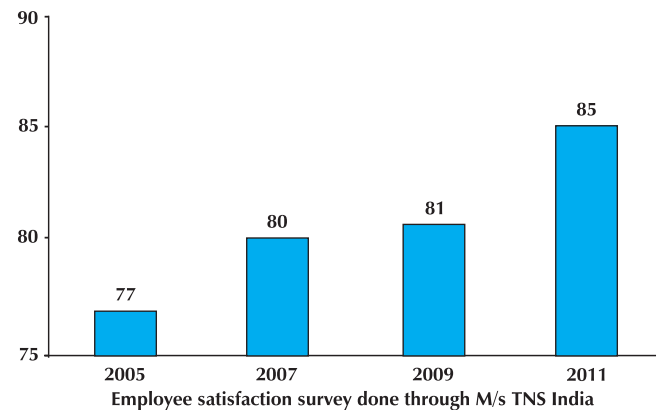
Our Company is seriously committed to the cause of developing people for organisational and individual development and capability building for effective outcomes. This year, our focus has been on identifying, developing, engaging and leveraging human resources for business excellence. One of the key activities undertaken this year was ‘Krishna – Arjuna’ initiative for all levels from DGMs upto frontline to accelerate development of leadership pipeline wherein an Identified High Performer assumes the role of ‘Arjuna’ while the Department Head assumes the role of ‘Krishna’ after formulating 18 months’ Individual Development Plan for Arjuna and the progress is being reviewed every quarter.

Over the past couple of years, quality of leadership in middle and senior management levels has also improved through the principle ‘grow your own timber’ and high potential executives are being monitored closely for their fast growth in our organisation. The Assessment Centres are integrated with Individual Development Plans which is followed by participation in customised Management Development Programmes at IIMs and various trainings covering a wide array of topics such as Competency based, International best seller book based, Adventure based, Customer based, etc. The Company also undertook Executive Coaching for the senior members of our team for further enhancing their leadership skills, besides 360° Feedback through a renowned Consultancy Firm.

Considerable emphasis was given on improving Employee Engagement Activities such as Young Executives’ Meet, Coffee with MD, Pride Scheme, Shaam Ki Mulakat, Quiz Competition for employees with spouses, etc. The underlying philosophy of few of these initiatives is to bring our executives up to front line getting an opportunity for a one to one interaction

with our Directors. These activities have greatly helped in not only raising the motivational level, but also in terms of retention of our employees. These have also helped in increasing our strength of high performers to 28% compared to 24% during the previous year.

Our constant focus on employee related issues has not only helped in motivating our employees, but has also reduced our attrition rate. The testimony of these is reflected through Company being short listed this year by M/s. Aon Hewitt Associates for the ‘Best Employers in India -2011 study’. The Company undertakes Employee Satisfaction Surveys every alternate year through a renowned external agency – M/s. TNS India and the Survey conducted in March 2011 indicates a sharp increase in the Trim Index from 81 in 2009 to 85 this year.



CORPORATE SOCIAL RESPONSIBILITY:

The Integrated Family Welfare Programme ‘Naya Savera’ made great progress during the year by increasing it’s coverage and being extremely effective in improving the status of health of the mother and child in tribal dominated area. Various medical activities like medical camps, household visits, antenatal check ups, postnatal check ups were conducted during the year and awareness activities were conducted through mass meetings, special programmes for adolescent boys and girls, meetings of the Village Health & Sanitation Committee, Video Shows, Awareness Rallies and Mass Immunisation camps.

The Literacy project has been immently successfull in targeting the tribale women folk and bringing a rebolution the their live. under the project, 27 training centres establrest in near by villages insured 519 indivusuals were made literach during the year Other CSR activities include digging of Wells and installing Hand Pumps in nearby

villages, construction of Road Shelters, improvement of adjoining village roads, etc.



CSR initiative : Naya Savera Education Camp

Our Company has adopted ITI, Sirohi and plans to convert it into a Centre of Excellence. The existing specialisations for Fitter, Electrician and Electronics have been upgraded and new specialisation on Diesel Mechanic, Draftsman and AC Refrigeration are in the process of introduction. The modernisation of ITI and upgradation of facilities has enhanced it's reputation and also have impacted on the employability of the pass outs from the Institute.



CSR initiative : Naya Savera Medical Camp

ADULT LITERACY PROGRAMME

JK Lakshmi Cement is running Literacy Programme in nearby villages for the last five years. The main aim of this literacy drive is to educate the illiterate Adult Girls & Women specially from SC/ ST and Tribals residing in the thickly populated tribal areas so that atleast they can read and write. This programme has been organised in areas where the literacy level is very low.

Our Literacy programme is entirely different from the Govt. Literacy programme. The activities being carried out in our Literacy Centre are.

- Understanding of Hindi Alphabets.
- Add & Subtract of three digit.
- Usage of Mobile.
- Reading Headlines of News Papers.
- Understand the Dates, Days & Year in Calendar.
- Knowledge of English Alphabet and Mobile Number
- Teaching General Knowledge related to Country, State, District, Tehsil and Panchayat including Administrative Officers like Collector, Sarpunch etc. and Chief Minister also.



CSR initiative : Naya Savera Adult Literacy Camp

INTERNAL CONTROL SYSTEM

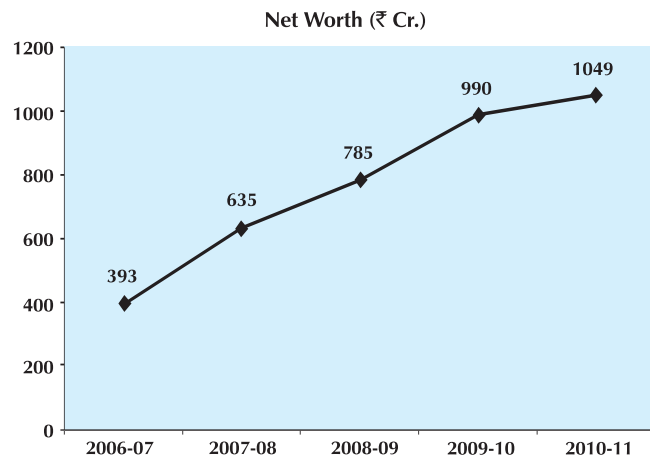
The Company has adequate Internal Control system which is reviewed by the Management and the Internal Auditor through audit of various areas of Company's operations to ensure that the system are being properly complied and transparency is maintained.

Internal Audit Department closely monitors and evaluates the efficacy and adequacy of Internal Control Systems, their compliance with operating systems, accounting procedures and policies at all the company's locations. The Department follows risk based audit approach and draws annual audit plan based on the risk perceived in each business process, validated by the line management and top management.

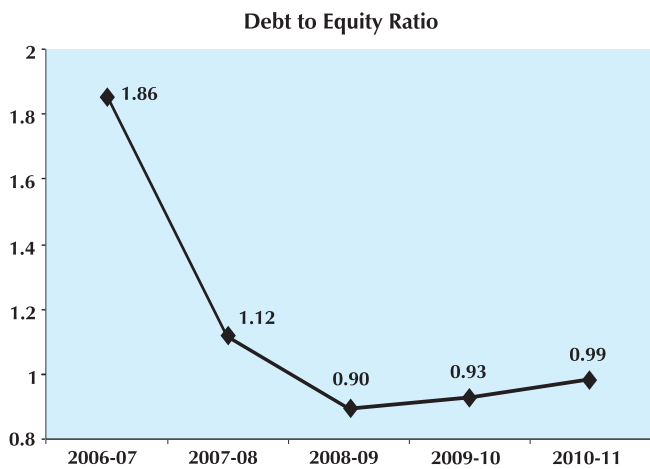
The Audit Committee of the Board also reviews the adequacy and efficacy of the Internal Control System and gives its suggestions for strengthening them whenever required.

FINANCIAL MANAGEMENT

Based on its strong fundamental and its continuously improving financial health, Credit Analysis and Research Limited (CARE) has reaffirmed its long-term Rating of ‘AA-’ for the Company’s long-term borrowings. The Company also continues to enjoy the highest possible rating of ‘PR1+’ for its Commercial Paper and short-term borrowings of Rs.70 Crore. These ratings have enabled the Company to raise its short-term as well as long-term loans at very competitive interest rates.



Gearing of the Company continues to be within the acceptable parameters as can be seen from the following graph:



The Company has consistently been deploying its surplus funds through a very tax efficient treasury management to increase the overall net yield. The Net

Debt to Equity Ratio of the Company continues to be within the acceptable parameters giving it sufficient leverage to borrow further funds in the market to fund its future growth needs as can be seen from the following Table:

Year	Net Debt to Equity Ratio
2006-07	1.32
2007-08	0.55
2008-09	0.37
2009-10	0.20
2010-11	0.39

AWARDS

We bagged a no. of awards highlights the all inclusive efforts of our team. The following awards were won during the year :

- Safety Innovation Award was awarded to J K Lakshmi Cement by the Institution of Engineers (India) safety and quality forum. JK Lakshmi Cement Ltd, first cement company in India who has been awarded as “Leaders award” in large category for “Green manufacturing excellence award 2011” instituted by Frost & Sullivan, Bangalore



Co’s officials receiving Productivity Excellence Award

- JK Lakshmi Cement was awarded the prestigious “Productivity Excellence Award” by Rajasthan State Productivity Council at Jaipur for the third time in a row.
- Smt. Vinita Singhania, Managing Director, JK Lakshmi Cement Ltd was declared as the Leading Businesswoman of the Year.

- Our Quality Circles participated in the International Convention of Quality Circles at Hyderabad and secured the following awards:
- Think Quality Circle secured Gold Award in ICQC-2010.
- Hariom Quality Circle secured Gold Award in ICQC-2010.
- Prakash Quality Circle secured Silver Award in ICQC-2010.

OUTLOOK FOR CEMENT INDUSTRY & STRATEGIC IMPERATIVES

The medium and long term outlook for the Cement Industry remains very positive notwithstanding the lower than expected demand growth in the financial year 2010-11. The portends of growth are strong both in the urban as well as the rural side of the economy.

McKinsey Global Institute in its report titled India's Urban Awakening: Building inclusive cities, sustaining economic growth; has pointed out to the massive shortage in urban infrastructure in face of rising urban population and growing middle class, requiring trillions of dollars of investment in building of infrastructure. We also believe that there is an equally strong Rural growth story which is waiting to happen in wake of government initiatives like Bharat Nirman and National Rural Employment Guarantee Scheme (MNREGA). As Indian democracy matures voters are demonstrating amply loudly and clearly that nothing short of all inclusive growth and a matching growth of the infrastructure would ensure continuance of the government. This in itself is an indicator for strong emphasis on the growth.

Cement demand which traditionally has shown strong correlation with overall economic growth both in India as well as internationally by all account is expected to reach to in excess of 500 million tons in a year by the year 2020 and in excess of 1500 million tons a year by the year 2030. Global trends studied for more than 20 years in developing world indicate that per capita cement consumption and cement demand grow in tandem with economic growth

till per capita income reaches \$ 15000. Average Annual Per capita income in India in terms of Purchasing Power Parity stood at approx. \$ 3000 in the year 2009 and with expected average annual economic growth of 8 – 8.5% till the year 2030, it shall be little over \$ 15000 in 2030. Hence therefore it can reasonably be concluded that except for some minor aberrations and course corrections, cement as a commodity shall remain on strong growth trajectory for next 15 – 20 years.

The cement industry therefore on the whole will have to be continuously on its feet and create capacities to match with growing demand, which by itself shall be a big challenge in face of limited availability of key raw materials such as lime stone, gypsum and coal; and increasingly growing difficulty to find and acquire suitable land for new capacity creation. In past the industry has seen capacity additions coming in spurts, the trend that has continued till 2010, but going forward in face of increasing difficulty and time for green fielding, the future capacity additions are likely to be gradual, evenly paced, and shall focus on effective utilisation of production assets and resources. Technological advances in the area of use of higher proportions of blending materials shall also have an impact on the way in which new capacities shall be added in future.

Logistics is another area, where the cement industry will have to gear up in managing it, both in terms of availability and cost. Bulk cement movements which as on date are a very small fraction of total cement dispatches shall see rapid growth in face of changing construction practices and shortage of labour at construction site. The industry will therefore be required to invest in creation of infrastructure for bulk cement movement as well as faster turnaround time for rail wagons.

Your company through its forward looking thinking and timely actions taken is not only well on course to meet the challenges outlined here but is also on course to retain and improve its position in the industry. The company is also working on a range of initiatives which when unveiled and rolled out in due course of time shall position the company at the forefront of innovation and leadership.

AUDITORS' REPORT

To the Members of

JK LAKSHMI CEMENT LIMITED

We have audited the attached Balance Sheet of **JK LAKSHMI CEMENT LIMITED**, as at 31st March 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 (as amended) (The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 (The Act), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956;
- (e) As per the information and explanations given to us, none of the directors of the Company is disqualified from being appointed as a director under Clause (g) of sub section (1) of section 274 of the Companies Act 1956;

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
- ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For LODHA & CO,
Chartered Accountants

N.K. LODHA
Partner

Place : New Delhi
Date : 25th May, 2011

Firm's Registration No. 301051E
Membership No. 85155

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report of even date of JK LAKSHMI CEMENT LIMITED for the year ended 31st March 2011)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the Management according to the programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such physical verification were not material.
(c) As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
2. (a) The inventory of the Company (except stock lying with the third parties and in transit) has been physically verified by the management at reasonable intervals.
(b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties as covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, the provisions of clause 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable, read with note no.17– Schedule 19B.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Based on the audit procedure performed and on the basis of information and explanations provided by the management, during the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanations provided by the management and based upon audit procedures performed, we are of the opinion that the particular of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and the transactions made in pursuance of such contracts or arrangements (exceeding the value of ₹ 5 lacs in respect of each party during the financial year) have been made at prices which are generally reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA of the Act or any other provisions of the Act and the rules framed thereunder with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2011.
(b) According to the records and information & explanations given to us, there are no dues in respect of custom duty and wealth tax that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of service tax, sales tax, excise duty, income tax and cess that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:-

Nature of statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	3.80	1987-88 1988-89	Assessing Authority
		45.80	1992-93 1993-94	High Court
		42.14	1995-96 to 1999-00	
		807.88	1995-96 to 2005-06	
		457.23	1997-98 to 2000-01	
		5.21 25.95 5.40	1997-98 1998-99 2001-02	Jt. Comm. (Appeals)
The Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	3623.71	2002-03 to 2010-11	High Court
The Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax	817.94	2007-08 to 2009-10	High Court
Central Excise Act, 1944	Excise Duty	46.00	1976-77 to 1982-83	High Court
		2.08 186.51	1984-85 1996-97 1997-98	
		232.92	1996-97	Tribunal
Income Tax Act, 1961	Income Tax	1755.00	2006-07	ITAT
		154.62	2004-05	CIT (A)
		276.56	2007-08	
Minerals (Validation) Act, 1992	Cess	13.38	1994-95	High Court
Orissa Municipality	Water Cess	8.42	1992	High Court
The Rajasthan Finance Act, 2008	Environment and Health Cess	620.25	2008-09 to 2010-11	High Court
Finance Act, 1994	Service Tax	35.68	2007-08	Excise Comm. Jaipur II
		69.05	2008-09	
		117.82	2007-08 2008-09	
		9.50	Mar 2008	Dy. Comm. Jodhpur

10. The Company does not have accumulated losses at the end of financial year and has not incurred cash losses during the current financial year and in the immediately preceding financial year.

11. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund /society, therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the Company.

14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. On the basis of information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

17. On the basis of information and explanations given to us and on an overall examination of the financial statements of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment.

18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year to any parties or companies covered in the register maintained under Section 301 of the Companies Act 1956.

19. On the basis of records made available to us and according to information and explanations given to us, the Company has created securities as stated in footnote (2) of Schedule 3 in respect of Debentures outstanding at the year end.

20. The Company has not raised any money through a public issue during the year.

21. Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of the audit.

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

Place : New Delhi
Date : 25th May, 2011

Firm's Registration No. 301051E
Membership No. 85155

BALANCE SHEET

As at 31st March 2011

₹ in Crore (10 Million)

	Schedule	31st March 2011	31st March 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	61.19	61.19
Reserves and Surplus	2	985.14	959.51
		1046.33	1020.70
Loan Funds			
Secured Loans	3	880.58	777.57
Unsecured Loans	4	136.87	144.16
		1017.45	921.73
Deferred Tax Liability (Net)		107.22	92.10
	TOTAL	2171.00	2034.53
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2318.63	1903.64
Less: Depreciation		937.59	840.65
Net Block		1381.04	1062.99
Capital Work-in-progress		74.43	181.95
		1455.47	1244.94
Investments			
	6	527.77	480.53
Current Assets, Loans and Advances			
Inventories	7	119.92	74.77
Sundry Debtors	8	29.76	28.98
Cash and Bank Balances	9	91.34	220.39
Loans and Advances	10	313.33	341.47
		554.35	665.61
Less: Current Liabilities and Provisions			
Current Liabilities	11	243.27	220.19
Provisions		123.32	136.36
		366.59	356.55
Net Current Assets		187.76	309.06
	TOTAL	2171.00	2034.53
Significant Accounting Policies & Notes on Accounts	19		

As per our report of even date

For LODHA & CO.
Chartered AccountantsN.K. Lodha
PartnerFirm's Registration No. 301051E
Membership No. : 85155
New Delhi, the 25th May, 2011.B.K. DAGA
Vice President & Company SecretaryH.S. SINGHANIA
B.H. SINGHANIAVINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALIChairman
Vice Chairman &
Managing Director
Managing Director

Directors

PROFIT AND LOSS ACCOUNT

For The Year Ended 31st March 2011

₹ in Crore (10 Million)

	Schedule	2010-11	2009-10
INCOME			
Sales		1487.85	1644.05
Less : Excise Duty		169.02	153.55
Net Sales		1318.83	1490.50
Other Income	12	31.14	9.31
		1349.97	1499.81
Increase / (Decrease) in Stock	13	35.06	2.92
		1385.03	1502.73
EXPENDITURE			
Employees	14	80.81	85.44
Manufacturing Expenses	15	756.90	647.90
Other Expenses	16	332.98	335.47
		1170.69	1068.81
PROFIT BEFORE INTEREST AND DEPRECIATION			
Interest & Financial Charges	17	214.34	433.92
		50.94	23.02
PROFIT BEFORE DEPRECIATION			
Depreciation	18	163.40	410.90
		84.61	80.03
PROFIT BEFORE TAX			
Provision for Current Tax		78.79	330.87
Deferred Tax		15.60	55.82
MAT Credit Entitlements		15.12	57.00
Tax adjustments for earlier years (net)		(11.69)	(23.54)
		0.63	0.46
PROFIT AFTER TAX			
Balance brought forward		59.13	241.13
		104.35	102.07
		163.48	343.20
APPROPRIATIONS			
Debenture Redemption Reserve		-	28.07
Proposed Dividend		15.29	18.35
Interim Dividend		-	12.23
Corporate Dividend Tax		2.48	5.20
General Reserve		50.00	175.00
Balance carried forward		95.71	104.35
		163.48	343.20
Basic Earning per Share (₹) - Cash		12.98	30.91
- After Tax		4.83	19.71
Diluted Earning per Share (₹)		4.83	19.71
Significant Accounting Policies & Notes on Accounts	19		

Schedules 12 to 19 attached to the Profit and Loss Account are an integral part thereof.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

Firm's Registration No. 301051E
Membership No. : 85155
New Delhi, the 25th May, 2011.

B.K. DAGA
Vice President & Company Secretary

H.S. SINGHANIA
B.H. SINGHANIA

VINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALI

Chairman
Vice Chairman &
Managing Director
Managing Director

Directors

Annual Report 2010-11

₹ in Crore (10 Million)

Schedule 1

CAPITAL

Authorised :

	31st March 2011	31st March 2010
Equity Shares - 25,00,00,000 (Previous year 25,00,00,000) of ₹ 5 each	125.00	125.00
Preference Shares - 50,00,000 (Previous year 50,00,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00

Issued, Subscribed and Paid up :

Equity Shares 12,23,58,924 ₹ 5 each (Previous year 12,23,58,924 of ₹ 5 each) fully paid up	61.18	61.18
Add: Forfeited Shares	0.01	0.01
	61.19	61.19

Above includes :

- i) 31,77,000 Equity Shares allotted as fully paid-up bonus shares in earlier years by capitalisation of Reserve and Share Premium.
- ii) 1,95,76,124 Equity Shares allotted as fully paid-up in earlier years pursuant to contracts without payment being made in cash.

Schedule 2

RESERVE AND SURPLUS

₹ in Crore (10 Million)

Description	1st April 2010	Additions	Transfers	31st March 2011
Capital Reserve	0.74	-	-	0.74
Revaluation Reserve	30.72	-	a) 15.73	14.99
Capital Redemption Reserve	23.30	-	-	23.30
Debenture Redemption Reserve	28.07	-	-	28.07
Share Premium Account	116.78	-	-	116.78
General Reserve Account	655.55	50.00	-	705.55
Surplus in Profit & Loss Account	104.35	95.71	104.35	95.71
	959.51	145.71	120.08	985.14
Previous year	770.06	307.42	117.97	959.51

a) To Profit & Loss Account ₹ 15.73 crore towards depreciation arising out of revaluation / business valuation of Fixed Assets.

₹ in Crore (10 Million)

Schedule 3

SECURED LOANS

	31st March 2011	31st March 2010
a) Redeemable Non- Convertible Debentures	200.00	200.00
b) Term Loans from Financial Institutions	20.97	28.20
c) Term Loans from Banks	638.41	537.78
d) Working Capital Loans from Banks	12.13	11.59
e) Buyer's credit form Bank	9.07	-
	<u>880.58</u>	<u>777.57</u>

- 1 Secured Redeemable Non-Convertible Debentures (NCDs) are privately placed and consists of :
 - i) 9.85% NCDs Series A of ₹ 100 crore are redeemable in two equal annual installments at the end of 4th and 5th year from the date of allotment i.e. 4th Feb, 2010.
 - ii) 10.05% NCDs Series B-1 of ₹ 40 crore are redeemable in two equal annual installments at the end of 6th and 7th year from the date of allotment i.e. 4th Feb, 2010.
 - iii) 10.35% NCDs Series B-2 of ₹ 60 crore are redeemable in three equal annual installments at the end of 8th, 9th and 10th year from the date of allotment i.e. 4th Feb, 2010.
- 2 NCDs are secured by a mortgage on the Company's immovable properties located in the State of Gujarat and are also secured by way of a first charge on all the immovable and movable fixed assets pertaining to the Company's Cement Unit situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan, ranking pari-passu with the charges created on the said fixed assets, subject to the prior charges in favour of Banks on specified assets.
- 3 Term Loans of ₹ 20.97 crore from Financial Institutions (FIs) and Term Loans of ₹ 446.95 crore from Banks are secured by way of a first charge on all the immovable and movable properties pertaining to the Company's Cement Unit situated at Jaykaypuram, Basantgarh, Distt.Sirohi, in the State of Rajasthan, ranking pari-passu with the charges created on the said assets subject to the prior charges in favour of Banks on specified assets and Company's Banks for working capital on specified movables assets.
- 4 Term Loans of ₹ 191.46 crore from Banks are secured by way of an exclusive charge on certain specified assets of the Company.
- 5 Working Capital Loans from Banks are secured by hypothecation of Stores, Raw Materials, Finished Goods, Stock-in-Process and Book Debts etc. and by way of second charge on the immovable assets pertaining to the Cement Unit of the Company situated at Jaykaypuram, Basantgarh, Distt.Sirohi, in the State of Rajasthan.
- 6 Buyer's Credit is secured by a charge on the underlying assets and by a second and subservient charge on the moveable assets of the Company situated at Jaykaypuram, Basantgarh, Distt. Siroh, in the State of Rajasthan.
- 7 Term Loans repayable within one year ₹ 142.62 crore (Previous year ₹ 117.22 crore)

₹ in Crore (10 Million)

Schedule 4

UNSECURED LOANS

	31st March 2011	31st March 2010
a) Deferred Sales Tax	94.32	101.73
b) Trade Deposits	20.46	18.05
c) Fixed Deposits	22.09	24.38
	<u>136.87</u>	<u>144.16</u>

Schedule 5

FIXED ASSETS

₹ in Crore (10 Million)

Description	Gross Block				Depreciation				Net Block	
	1st April 2010	Additions/Adjustments	Sales/Adjustments	31st March 2011	Upto Last Year	During the year	On Sales/Adjustments	To date	31st March 2011	31st March 2010
Freehold Land	53.09	65.91	-	(a) 119.00	-	-	-	-	119.00	53.09
Leasehold Land	0.35	-	-	0.35	0.08	0.01	-	0.09	0.26	0.27
Buildings	65.57	4.10	-	69.67	17.49	1.73	-	19.22	50.45	48.08
Plant & Machinery	1721.37	308.11	2.43	2027.05	797.63	93.20	2.29	888.54	1138.51	923.74
Furniture Fixtures & Equipments	9.82	0.84	0.19	10.47	6.52	0.62	0.11	7.03	3.44	3.30
Vehicles, Aircraft and Locomotives	18.99	34.45	1.38	52.06	8.42	3.55	1.00	10.97	41.09	10.57
Railway Siding	34.45	-	-	34.45	10.51	0.96	-	11.47	22.98	23.94
Intangible Assets Computer Software (b)	-	5.58	-	5.58	-	0.27	-	0.27	5.31	-
Total	1903.64	418.99	4.00	2318.63	840.65	100.34	3.40	937.59	1381.04	1062.99
Previous year	1760.48	146.70	3.54	1903.64	747.39	95.75	2.49	840.65	1062.99	

Notes :

- (a) Includes cost of Land ₹ 1.44 lacs pending registration.
(b) being amortised over a period of 5 years.

Schedule 6

INVESTMENTS

₹ in Crore (10 Million)

	Class of Shares/ Debentures	31st March 2011		31st March 2010	
		Nos.	Book Value	Nos.	Book Value
LONG-TERM INVESTMENTS (In Fully Paid Shares, other than trade, Unquoted)					
VS Lignite Power Pvt. Ltd. #	Equity	2,022,223	2.02	2,022,223	2.02
VS Lignite Power Pvt. Ltd. (0.01%) #	Preference	3,899,777	3.90	3,899,777	3.90
Subsidiary Company Hansdeep Industries and Trading Co. Ltd.					
	Equity	50,007	0.05	50,007	0.05
CURRENT INVESTMENTS (Quoted)					
Axis Fixed Term Plan-Series1(384 days) Retail Growth	Units	10,000,000.000	10.00	10,000,000.000	10.00
Birla Sun Life Fixed Term Plan Series CA - Growth	Units	8,000,000.000	8.00	8,000,000.000	8.00
Canara Robeco FMP-Series 5 -13 M (Plan B) - Growth	Units	4,000,000.000	4.00	4,000,000.000	4.00
DSP Blackrock FMP 13 M- Series 2 - Growth	Units	15,000,000.000	15.00	15,000,000.000	15.00
Edelweiss Capital Ltd - NCD 30 Jun 10	Debentures	-	-	500,000	5.00
Edelweiss Capital Ltd - NCD 30 Jun 10	Debentures	-	-	500,000	5.00
HDFC 0% 2011	Bonds	750,000	77.78	750,000	77.78
HDFC 0% 2012	Bonds	250,000	26.81	-	-
HDFC FMP 13 M March 2010 (3) Growth Series XII	Units	5,000,000.000	5.00	5,000,000.000	5.00
ICICI Prudential Fixed Maturity Plan Series 51 -1 Year Plan A Cumulative	Units	-	-	10,000,000.000	10.00
ICICI Prudential Fixed Maturity Plan Series 51-13M Plan C - Cumulative	Units	15,000,000.000	15.00	15,000,000.000	15.00
IDFC Ltd. 0% 2011	Bonds	100,000	9.04	800,000	74.69
JM Fixed Maturity Fund Series XVI Yearly Plan- Institutional Growth Plan	Units	-	-	10,000,000.000	10.00
Kotak FMP 13 Months Series 6 Growth	Units	10,000,000.000	10.00	10,000,000.000	10.00
L & T Fixed Maturity Plan Series - 12 - Plan- 15M March 10-I- Growth	Units	5,000,000.000	5.00	5,000,000.000	5.00
Reliance Fixed Horizon Fund XIV Series 2 Growth Plan	Units	10,000,000.000	10.00	10,000,000.000	10.00
Reliance Fixed Horizon Fund -XIII- Series 2- Growth Plan	Units	-	-	10,000,000.000	10.00
Reliance Fixed Horizon Fund -XIV Series 1 Growth Plan	Units	25,000,000.000	25.00	25,000,000.000	25.00
Religare Fixed Maturity Plan Series II Plan B (15 M)	Units	10,000,000.000	10.00	10,000,000.000	10.00
SBNPP FTP 367 Days Series S Growth	Units	-	-	20,000,000.000	20.00
UTI Fixed Term Income YFMP (3/10) Institutional Growth Plan	Units	10,000,000.000	10.00	10,000,000.000	10.00
UTI Fixed Term Income Fund - Series VII- 11 (407 Days) Growth Plan	Units	10,000,000.000	10.00	10,000,000.000	10.00
Birla Sun Life Fixed Term Paln - Series C K (368 Days) Growth	Units	10,000,000.000	10.00	-	-
Canara Robeco - FMP - Series 6 - 13 Months (Plan A) Growth	Units	5,000,000.000	5.00	-	-
DSP Blackrock FMP-12 M-Series 5 Growth	Units	10,000,000.000	10.00	-	-
DSP Blackrock FMP-Series 12 Growth	Units	15,000,000.000	15.00	-	-
DSP Blackrock FMP-12 M-Series 13 Growth	Units	10,000,000.000	10.00	-	-
DWS Fixed Term Fund SERIES 81 Growth Plan	Units	10,000,000.000	10.00	-	-
Fidelity FMP Series 2 - Plan D - Growth	Units	5,000,000.000	5.00	-	-
Fidelity FMP Series 5 - Plan A - Growth	Units	5,000,000.000	5.00	-	-
Fidelity FMP Series V - Plan E - Growth	Units	5,000,000.000	5.00	-	-
ICICI Prudential Fixed Maturity Plan Series 53-1Yr Plan F Cumulative	Units	15,001,069.000	15.00	-	-
ICICI Prudential Fixed Maturity Plan Series 55-1Year Plan D Cumulative	Units	5,000,000.000	5.00	-	-
IDBI FMP - 395 Days Series 1 (March 2011)-A- Growth	Units	5,000,000.000	5.00	-	-
IDBI FMP - 367 Days Series 1 (February 2011)-B- Growth	Units	5,000,000.000	5.00	-	-
IDFC Fixed Maturity Yearly Series - 35 Growth	Units	20,000,000.000	20.00	-	-
ICICI Prudential Fixed Maturity Plan Series 55-1Year Plan A Cumulative	Units	10,000,000.000	10.00	-	-
JM FMP Series XIX -Plan A Growth	Units	10,000,000.000	10.00	-	-
Kotak FMP 370 Days Series 9	Units	10,000,000.000	10.00	-	-
Kotak FMP Series 32	Units	10,000,000.000	10.00	-	-
Kotak FMP Series 34	Units	5,000,000.000	5.00	-	-
Kotak FMP Series 38	Units	2,000,000.000	2.00	-	-
Kotak FMP Series 40	Units	5,000,000.000	5.00	-	-
Reliance Fixed Horizon Fund -XV - Series 4 Growth Plan	Units	15,000,000.000	15.00	-	-
Reliance Fixed Horizon Fund -XVII - Series 2 Growth Plan	Units	10,000,000.000	10.00	-	-
Reliance Fixed Horizon Fund -XVII - Series 4 Growth Plan	Units	20,000,000.000	20.00	-	-
TATA FMP Series - 30 Scheme A Growth	Units	20,009,819.000	20.01	-	-
Taurus FMP 370 Days Series D Growth	Units	5,000,000.000	5.00	-	-
CD ICICI Bank	Units	1,000,000	24.16	-	-
(Unquoted)					
Birla Sun Life Dynamic Bond Fund - Retail - Growth	Units	-	-	9,883,870.914	15.00
Birla Sun Life MIP II - Saving 5 Plan - Growth	Units	-	-	9,212,168.546	15.00
HDFC Floating R Income Fund - Long Term (Growth)	Units	-	-	5,354,404.255	8.00
HDFC Income Fund Gr.	Units	-	-	2,411,532.915	5.00
HDFC MIP ST - Growth	Units	-	-	3,135,523.295	5.00
HDFC MIP- LT Growth	Units	-	-	4,832,078.016	10.00
HSBC MIP - Saving Plan - Growth	Units	-	-	5,597,855.495	10.00
LIC MF Floating Rate Fund Short Term Plan Growth	Units	-	-	12,000,936.822	12.00
LIC Saving Plus Fund- Gr. Plan	Units	-	-	55,709.943	0.08
Reliance Monthly Income Plan- Growth Plan	Units	-	-	12,657,385.282	25.01
Templeton Floating Rate Income Fund Long Term PlanSuper Institutional - Gr.	Units	-	-	7,996,844.766	10.00
Templeton India Short Term Income Plan Institutional Gr.	Units	-	-	68,970.927	10.00
			527.77		480.53
Aggregate book value of quoted investments			521.80		349.46
Aggregate market value of quoted investments			537.21		350.96
Aggregate book value of unquoted investments			5.97		131.07

As the market value of the Bonds and Debentures is not available, face value is considered as market value.

Under lien with Issuer

All investments are fully paid up and other than trade.

₹ in Crore (10 Million)

	31st March 2011	31st March 2010
Schedule 7		
INVENTORIES		
(As certified by the Management)		
Stores and Spares	59.99	53.49
Raw Materials	4.51	4.71
Materials-in-Transit	2.22	-
Finished Goods	21.69	10.91
Stock-in-Process	31.51	5.66
	<u>119.92</u>	<u>74.77</u>
Schedule 8		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Exceeding six months	0.80	-
Other Debts	28.96	28.98
	<u>29.76</u>	<u>28.98</u>
Schedule 9		
CASH AND BANK BALANCES		
Cash on hand	0.26	0.17
Remittances in transit and Cheques on hand	24.26	0.26
Balance with Scheduled Banks :		
On Current Accounts	4.21	3.19
On Deposit Accounts (Includes lodged with bank ₹ Nil- Previous year ₹ 0.09 crore)	62.59	216.75
On Saving Bank Accounts (Employees Security Deposit)	0.02	0.02
	<u>91.34</u>	<u>220.39</u>

₹ in Crore (10 Million)

	31st March 2011	31st March 2010
Schedule 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	95.63	113.13
Income Tax Advance Payments	104.17	112.35
Fringe Benefit Tax Advance payments	1.09	1.99
MAT Credit Entitlements	87.69	76.00
Deposits with Government Authorities and Others	24.75	13.00
Deposits with Body Corporates	-	25.00
	313.33	341.47
Schedule 11		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors (Refer Note no. 15 a - Schedule 19 B)	83.31	58.98
Other Liabilities	156.81	158.77
Investor Education and Protection Fund (Refer Note no. 14 - Schedule 19 B)	1.37	0.98
Interest accrued but not due on Loans	1.78	1.46
	243.27	220.19
Provisions		
Provision for Retirement benefits	5.70	3.38
Provision for Taxation	98.85	109.61
Provision For Fringe Benefit Tax	1.00	1.90
Proposed Dividend	15.29	18.35
Corporate Dividend Tax	2.48	3.12
	123.32	136.36
	2010-11	2009-10
Schedule 12		
OTHER INCOME		
Profit on sale/adjustment of Fixed Assets (Net of Loss/discard ₹ 0.09 crore, Previous year ₹ 0.10 crore)	0.51	0.01
Current Investments (Other than Trade)		
- Profit on Sale	19.00	6.47
- Dividend	0.63	2.43
Excess Provisions Written Back	2.71	-
Miscellaneous Income (Refer note no.10(c) - Schedule 19 B)	8.29	0.40
	31.14	9.31

₹ in Crore (10 Million)

	2010-11	2009-10
Schedule 13		
INCREASE/(DECREASE) IN STOCKS		
Opening Stocks		
Stock-in-process	5.66	3.77
Finished Goods	10.91	9.05
	<u>16.57</u>	<u>12.82</u>
Closing Stocks		
Stock-in-process	31.51	5.66
Finished Goods	21.69	10.91
	<u>53.20</u>	<u>16.57</u>
Add / (Less) : Excise Duty Variance on Closing / Opening Stock	(1.57)	(0.83)
Increase / (Decrease) in Stocks	<u>35.06</u>	<u>2.92</u>
Schedule 14		
EMPLOYEES		
Salaries, Wages, Bonus and Gratuity etc.	62.24	69.38
Contribution to Provident and Other Funds	7.00	6.22
Employees' Welfare & Other benefits	11.57	9.84
	<u>80.81</u>	<u>85.44</u>
Schedule 15		
MANUFACTURING EXPENSES		
Raw Materials Consumed	218.88	219.65
Purchase of Finished Goods	20.19	16.86
Consumption of Stores & Spares	100.67	98.43
Power, Fuel and Water	391.93	289.95
Repairs to Buildings	3.72	4.02
Repairs to Machinery	21.51	18.99
	<u>756.90</u>	<u>647.90</u>

₹ in Crore (10 Million)

	2010-11	2009-10
Schedule 16		
OTHER EXPENSES		
Insurance	3.09	2.39
Rent (Net of realisation ₹ 0.15 crore, Previous year ₹ 0.11 crore)	8.14	6.82
Transport, Clearing and Forwarding Charges	263.57	252.49
Commission on Sales	15.54	14.87
Directors' Fee	0.08	0.08
Donations (₹ 40,000)	-	5.02
Provision for Doubtful Debts	0.11	0.47
Rates and Taxes	0.38	0.95
Previous year -Rates and Taxes	-	15.86
Advertisement, Bank Charges, Printing and Stationery, Postage, Telephone, Travelling, Consultancy and Miscellaneous Expenses	42.07	36.52
	<u>332.98</u>	<u>335.47</u>
Schedule 17		
INTEREST & FINANCIAL CHARGES		
Interest on :		
Term Loans, Debentures and Fixed Deposits	56.49	51.17
Others	3.42	3.81
	<u>59.91</u>	<u>54.98</u>
Less: Interest Income	8.97	31.96
	<u>50.94</u>	<u>23.02</u>
Schedule 18		
DEPRECIATION		
Depreciation on Fixed Assets	100.34	95.75
Less: Transferred from Revaluation Reserve	15.73	15.72
	<u>84.61</u>	<u>80.03</u>

Schedule 19

NOTES ON ACCOUNTS

A. Significant Accounting Policies

1. The financial statements have been prepared under historical cost convention (except for certain fixed assets which have been adjusted by revaluation/business valuation) on accrual basis in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. Accounting Policies are consistent with the Generally Accepted Accounting Principles.
2. Fixed Assets are stated at cost adjusted by revaluation/business valuation.
3. Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective fixed assets on completion of construction/erection.
4. Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to Profit & Loss Account. Premium in respect of forward contracts is recognized over the life of the contract.
5. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost and quoted / fair value computed categorywise.
6. Inventories are valued at lower of cost and net realisable value (except scrap/ waste which are valued at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
7. Export incentives, Duty drawbacks and Other benefits are recognized in the Profit and Loss Account. Project subsidy is credited to Capital Reserve.
8. Revenue expenditure on Research and Development is charged to Profit and Loss Account and capital expenditure is added to Fixed Assets.
9. Borrowing cost is charged to Profit and Loss Account except cost of borrowing for acquisition of qualifying assets which is capitalised till the date of commercial use of the asset.
10. (i) Depreciation on Buildings, Plant & Machinery and Railway Siding is provided as per straight line method considering the rates in force at the time of respective additions of the assets made before 2nd April 1987 and on additions thereafter at the rates and in the manner specified in Schedule XIV to the Companies Act 1956. Depreciation on Other Assets is provided on written down value method as per the said Schedule as amended. Continuous Process Plants as defined in Schedule XIV have been considered on technical evaluation. Depreciation on impaired assets is provided on the basis of their residual useful life.
(ii) Leasehold Land is being amortized over the lease period.
(iii) Depreciation on the increased amount of assets due to revaluation / business valuation is computed on the basis of residual life of the assets as estimated by the valuers on straight line method.
11. The carrying amounts of Assets are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. An impairment loss is recognised, as an expenses in the Profit & Loss Account, wherever the carrying amount of the Asset exceeds its recoverable amount. Previously recognised impairment loss is further provided or reversed depending on change in its estimated recoverable amount in subsequent years.
12. Intangible Assets are being recognized if the future economic benefits attributable to the Assets expected to flow to the Company and cost of the Asset can be measured reliably. The same are being amortised over the expected duration of benefits.

Schedule 19 (Contd..)

13. Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognised in respect of current year and prospective years. Deferred Tax Assets is recognized on the basis of reasonable/virtual certainty that sufficient future taxable income will be available against which the same can be realised.

14. Employee Benefits:

(i) Defined Contribution Plan

Employees benefits in the form of Superannuation Fund , Provident Fund (PF) and ESIC considered as defined contribution plan and the contributions are charged to the Profit and Loss Account of the year when the contribution to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit method, as at the date of the Balance Sheet. Actuarial gain / losses, if any, are immediately recognized in the Profit and Loss Account.

The Provident Fund Contribution is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. Shortfall, if any, shall be made good by the Company.

(iii) Short Term Employee Benefits

Short term compensated absences are provided based on past experience of the leave availed.

15. Provision in respect of present obligation arising out of past events are made in Accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities (if material) are disclosed by way of Notes to Accounts. Contingent Assets are not recognised or disclosed in Financial Statements but are included, if any, in the Director's Report.

B. Notes on Accounts

1. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 336.70 crore (Previous year ₹ 133.33 crore).
2. Contingent liabilities in respect of claims not accepted by the Company (matters in appeals) and not provided for are as follows :

	₹ in Crore (10 Million)	
	31 st March, 2011	31 st March, 2010
a) Excise duty liabilities	14.58	4.68
b) Sales tax liability	9.36	9.35
c) Income Tax	30.86	26.55
d) Land tax	1.31	1.31
e) Other matters	25.45	22.22
Total	81.56	64.11

3. Maximum balance due for Commercial Paper issued during the year was ₹ 40 crore and the year end balance is Nil (Previous year Maximum balance ₹ 20 crore and at the year end Nil).

Schedule 19 (Contd..)

4. In respect of certain disallowances and additions made by the Income Tax Authorities, Appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally settled.
5. Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.
6. Under the Sales Tax exemption granted by the State Government, contingent liability may arise, if the Hon'ble Supreme Court of India, in case of another Company on the same subject, decides contrary to the judgement of Hon'ble High Court of Rajasthan, presently amount cannot be ascertained.
7. a) Factory & Service Buildings and Plant & Machinery of Lakshmi Cement Plant were revalued as at 1st April,1990. Certain fixed assets of Lakshmi Cement Plant were revalued and updated as at 1st April, 1997 and certain Buildings, Plant & Machinery and other assets of Lakshmi Cement Plant were revalued and / or updated as at 31st March, 2000. Based on report of the valuer on business valuation of Cement business, fixed assets value was redetermined at net replacement cost basis on 1st April 2005. Further certain Plant and Machinery were revalued and updated as at 1st April 2008 based on current replacement value. The Gross Block as at 31st March, 2011 includes cumulative surplus of ₹ 354.83 crore (Previous year ₹ 354.83 crore) arising on revaluation / business valuation.
b) Balance in Revaluation Reserve is net of ₹ 70.34 crore (Previous year ₹ 70.34 crore) arised on revaluation and ₹ 114.54 crore (Previous year ₹ 114.54 crore) arised on business valuation (refer 7(a) herein above), after providing for additional depreciation.
8. Sundry Debtors exceeding six months and loans and advances are net of provisions for doubtful debts ₹ 1.30 crore and ₹ 4.22 crore respectively (Previous year ₹ 1.19 crore and ₹ 4.22 crore respectively).
9. Sales include own consumption at cost ₹ 0.75 crore (Previous years ₹ 0.34 crore).
10. a) Consumption of Stores and Spares is net of scrap sale ₹ 2.93 crores (Previous year ₹ 2.89 crore).
b) Interest Income under Schedule 17 includes ₹ 8.97 crore on Deposits with Banks and others (Previous year ₹ 31.96 crore). Tax deducted at source ₹ 0.88 crores (Previous year ₹ 2.31 crore).
c) Miscellaneous income includes ₹ 7.59 crore Aircraft Income, ₹ 0.25 crore recovered against advances written off (Previous year includes ₹ 0.09 crore recovery against debtors written off and ₹ 0.04 crore interest on Income tax).
11. a) Foreign exchange gain (net) amounting ₹ 0.61 crore (Previous year ₹ 0.63 crore) has been included in respective heads of accounts in Profit & Loss Account.
b) Forward contracts of ₹ 25.48 crore – EUR 2.29 Mn, USD 2.44 Mn (Previous year ₹ 3.38 crore – EUR 0.04 Mn. USD 0.009 Mn and DKK 0.03 Mn.) taken for the purpose of hedging against letter of credit outstanding as at 31st March, 2011.
12. Research and Development expenditure amounting to ₹ 0.29 crore (Previous year ₹ 0.31 crore) has been debited to Profit and Loss Account.
13. Loans and Advances includes ₹ 1.83 crore being Advance for Securities (Previous year ₹ 1.45 crore).
14. Investor Education and Protection Fund includes ₹ 1.05 crore for unclaimed dividend (Previous year ₹ 0.82 crore), ₹ 0.28 crore for unclaimed fixed deposits (Previous year ₹ 0.10 crore), and ₹ 0.04 crore interest accrued on above (Previous year ₹ 0.06 crore).

Schedule 19 (Contd...)

15. a) Based on information available with the Company in respect of MSME (The Micro Small & Medium Enterprises Development Act 2006). The details are as under :
- Principal and Interest amount due and remaining unpaid as at 31st March, 2011 - Nil (Previous year - Nil).
 - Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).
 - The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (Previous year - Nil).
 - Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
 - Interest Accrued and unpaid as at 31st March, 2011 - Nil (Previous year - Nil)
- b) Some of the Balances of debtors and creditors are in process of confirmation.
16. The Company has only one business segment i.e. Cement.
17. Advance recoverable in cash or in kind include an amount of ₹ 46.67 crore (Previous year ₹ 50 crore) (Maximum balance due ₹ 50 crore, previous year ₹ 53.33 crore) due from a Group Company and arising out of an earlier Court Sanctioned Scheme of Reconstruction, Arrangement and Demerger.
18. The Company shall be taking up revival and rehabilitation of Udaipur Cement Works Limited (UCWL) after its Rehabilitation Scheme is approved by BIFR. In this connection, the Company has given a Letter of Comfort to BIFR to infuse/arrange funds to meet any crystallized liability in UCWL.
19. Investments purchased and sold during the year
- Axis Liquid Fund Institutional - Gr. 4,79,67,99,057.160 Units, Axis Fixed Term Plan Series 3 (3 Months) Dividend Payout 50,00,000.000 Units, Birla Sun Life Dynamic Bond Fund Gr. 98,83,870.915 Units, Birla Sun Life Saving Fund Institutional Gr. 1,25,89,160.777 Units, Birla Sunlife Cash Plus IPP Gr. 3,45,63,370.579 Units, DSP Bloackrock FMP-3M-Series 17 Dividend 50,00,000.000 Units, DWS Insta Cash Plus Fund Institutional Plan Gr. 97,70,459.342 Units, DSP BR Money Manager Fund Institutional - Gr. 38,165.588 Units, DSP Bloackrock FMP-3 M-Series 21 Gr. 50,00,000.000 Units, DSP Bloackrock FMP-3 M-Series 22 Gr 40,00,000.000 Units, DSP BR Liquidity Fund Institutional-Gr. 10,63,878.563 Units, DSP BR FMP 3M Series 17 Dividend Payout 50,00,000.000 Units, Edelweiss Ultra Short Term Bond Fund Institutional Gr. 42,43,617.599 Units, HDFC Cash Management Fund Treasury Advantage Plan - Wholesale - Gr. 96,94,363.688 Units, HDFC Liquid Fund Premium Plan- Gr. 1,33,81,289.738 Units, HDFC Quarterly Interval Fund Plan B Wholesale Gr. 85,74,922.176 Units, HDFC Cash Management Fund Saving Plan -Gr. 12,34,299.708 Units, ICICI Prudential Liquid Super Inst. Plan Gr 13,89,135.717 Units, IDBI Liquid Fund Gr. 39,58,358.073 Units, IDBI Ultra Short Term Fund Gr. 1,08,35,907.656 Units, LIC MF Liquid Fund Gr. 47,38,354.014 Units, LIC MF Floating Rate Fund Short Term Plan - Daily Dividend Plan 20,59,00,028.494 Units, LIC MF Liquid Fund - Dividend Plan 17,98,85,526.205 Units, L & T Liquid Inst. Plus - Cumulative 15,76,358.821 Units, L & T Freedom Income - STP -Regular Cum Original 20,09,534.180 Units, Principal Cash Management Fund Option Institutional Plan Dividend Reinvestment Daily 2,001,010.608 Units, Reliance Money Manager Fund Institutional Option- Gr. Plan 5,12,031.791 Units, Reliance Liquid Fund Treasury Plan Institutional Option-Gr Plan 1,05,38,507.104 Units, Reliance Liquidity Fund Option- Growth Plan 4,03,67,260.105 Units, Reliance Liquid Fund-Cash Plan-Gr Option 4,03,76,733.512 Units, Reliance Floating Rate Fund Short Term Plan Daily Dividend Reinvestment Plan 4,86,93,862.081 Units, Templeton India Treasury Management Account Institutional Plan Gr. 26,561.548 Units, Templeton India Floating Rate Income Fund Long Term Gr. 26,561.548 Units, TATA Liquid Super Hingh Inv. Fund - Appreciation 1,12,301.754 Units, UTI Liquid Cash Plan Institutional Gr. 1,29,551.677 Units, UTI Treasury Advantage Fund Institutional Plan Gr. 1,98,133.229 Units, UTI Liquid Cash Plan Institutional Daily Income Option 49,051.540 Units, UTI Fixed Income Interval Fund- Series II Quarterly Interval Plan VI Institutional Dividend Plan 50,51,262.012 Units, Sundaram BNP Paribas Interval Fund Qty Plan D Gr. 1,24,70,590.191 Units.

Schedule 19 (Contd..)

	₹ in Crore (10 Million)	
	2010-11	2009-10
20. Computation of Net Profit for the purpose of calculating Managerial Remuneration :		
Profit as per Profit and Loss Account	78.79	330.87
Add : Remuneration to Managing Directors / Whole-time Directors	7.08	21.08
Commission to Non- executive Directors(NED)	0.52	2.20
Director Fee	0.08	0.08
Wealth Tax	0.08	0.04
Provision for Doubtful Debts	0.11	0.47
	<u>86.66</u>	<u>354.74</u>
Less : Profit on sale of Investments	19.63	8.90
Profit on sale of Assets (net)	0.51	0.01
Net Profit for the purpose of Managerial Remuneration u/s 349	<u>66.52</u>	<u>345.83</u>
10% of the above	6.65	34.58
1% of the above	0.67	3.46
Commission to NED is restricted to	0.52	2.20
Managerial Remuneration		
Salaries	4.26	3.69
Commission	-	15.24
Contribution to Provident and other Funds *	1.17	0.98
Perquisites (Value as per Income Tax Rules)	1.65	1.17
	<u>7.08</u>	<u>21.08</u>

* The above excludes provision for Gratuity and Leave encashment, where the actuarial valuation is done on overall Company basis.

a) The above remuneration paid to the Managerial Personnel by way of minimum remuneration, in terms of the appointment exceeds the limit prescribed under Section 309(3) of the Companies Act 1956, by ₹ 43.30 lacs . The Company has already submitted Applications to the Central Government for its approval, which is awaited.

	₹ in Crore (10 Million)	
	2010-11	2009-10
21. Amount paid to Auditors :		
(i) Statutory Auditors :		
Audit Fee	0.07	0.07
For Taxation matters	0.01	0.01
For Other Services	0.04	0.02
Reimbursement of Expenses	0.01	-
	<u>0.13</u>	<u>0.10</u>
(ii) Cost Auditors :	₹	₹
Cost Audit Fee	40000	40000
	<u>40000</u>	<u>40000</u>

Schedule 19 (Contd...)

₹ in Crore (10 Million)

	2010-11	2009-10
22. Expenses charged to Raw Material (Limestone) account includes :		
Salaries, Wages, Bonus and Gratuity etc.	3.42	2.81
Contribution to Provident Fund	0.29	0.19
Employees' Welfare	0.63	0.65
Consumption of Stores and Spares	21.20	22.36
Power, Fuel and Water	3.24	2.58
Repairs to Machinery	15.70	12.06
Insurance	0.09	0.05
Rates and Taxes	1.31	1.56
Royalty	34.07	30.88
Miscellaneous Expenses	0.41	0.24
	80.36	73.38

23. Related Party Disclosure

List of Related Parties :

a) Subsidiary

Hansdeep Industries & Trading Co. Ltd.

b) Key Management Personnel (KMP) :

Shri Bharat Hari Singhania

Vice Chairman & Managing Director

Smt. Vinita Singhania

Managing Director

Shri S.K. Wali

Whole-time Director

Shri S. Chouksey

Whole-time Director

c) Enterprise over which KMP is able to exercise significant influence :

JK Tyre & Industries Ltd. (JKTIL)

Rockwood Properties Pvt. Ltd. (RPPL)

The following transactions were carried out with related parties in the ordinary course of business :

₹ in Crore (10 Million)

Nature of Transactions

Enterprise over which KMP is
able to exercise significant influence

- Sharing of Expenses received	3.20	0.51
- Sharing of Expenses paid	0.66	0.47
- Purchase of Tyres	1.36	0.54
- Payment of Expenses #	0.39	0.39
- Sale of Cement *	0.06	0.12
- Loans / Advances given @	-	15.00
- Security Deposit received / Advances recovered	2.00	15.00
- Other Income/Interest Income from Advances	2.54	0.06
Outstanding as at year end:		
- Receivable :		
- RPPL	0.42	0.42
- Payable :		
- JKTIL	2.00	0.09

All the above transactions are with JKTIL except the one marked with # is with RPPL.

Details of remuneration to Key Management Personnel are given in Note No.20

* Maximum amount outstanding ₹ 0.02 crore (Previous year ₹ 0.04 crore)

@ Maximum amount outstanding Nil (Previous year ₹ 15.00 crore)

Schedule 19 (Contd..)

24. Capital work in progress includes Machinery in stock, construction / erection materials, advances for Construction and Machinery and also include the following pre - operation expenses pending allocation.

	₹ in Crore (10 Million)	
	2010-11	2009-10
Power, Fuel and Water	1.51	0.68
Salaries, Wages, Bonus and Gratuity etc.	3.91	0.05
Employees Welfare and Other benefits	0.54	0.01
Insurance	0.08	0.06
Rent	0.78	0.12
Travelling, Consultancy & Miscellaneous Expenses	5.61	3.76
Interest on Term Loans and Debentures	20.74	-
	<u>33.17</u>	<u>4.68</u>
Add : Expenditure upto previous year	14.56	10.98
Less : transferred to Fixed Assets	35.71	1.10
	<u>12.02</u>	<u>14.56</u>

25. Earnings per Share

	2010-11	2009-10
a) Net Profit after Tax available for Equity Shareholders	59.13	241.13
b) Weighted average No. of Equity Shares	12,23,58,924	12,23,58,924
c) Basic and Diluted Earnings per share (₹) - Cash	12.98	30.91
- After Tax	4.83	19.71

26. Deferred Tax

The break-up of deferred tax asset / (liability) is as follows:

	₹ in Crore (10 Million)	
	As at 31 st March, 2011	As at 31 st March, 2010
Deferred tax asset on account of:		
i) Unabsorbed depreciation and carried forward business losses	15.69	-
ii) Others	22.84	19.04
	<u>38.53</u>	<u>19.04</u>
Deferred tax liability on account of:		
Difference between book depreciation and tax depreciation	145.75	111.14
Net deferred tax asset / (liability)	<u>(107.22)</u>	<u>(92.10)</u>

Schedule 19 (Contd...)

27. Particulars of Capacity (Per annum) Production, Sales and Stocks :

Description	Unit	Installed Capacity (a) Quantity	Production Quantity	Sales		Opening Stocks		Closing Stocks	
				Quantity	₹ in Crore	Quantity	₹ in Crore	Quantity	₹ in Crore
Cement	Tonnes	47,45,000	38,89,094	(b) 43,04,930	(c) 1487.85	51,230	10.91	77,531	21.69
		(47,45,000)	(41,56,760)	(b) (45,89,507)	(c) (1644.05)	(42,078)	(9.05)	(51,230)	(10.91)

Notes:

- (a) As certified by the Management
- (b) Includes Clinker sale 4,18,838 Tonnes (Previous year 4,16,535 Tonnes), Cement used in Ready Mix Concrete (RMC) 1,00,242 Tonnes (Previous year 85,077 Tonnes) and shortages & samples 1,523 Tonnes (Previous year 3,162 Tonnes).
- (c) Including Clinker sale ₹ 94.52 crore (Previous year ₹ 110.85 crore), RMC sale ₹ 105.01 crore (Previous year ₹ 82.89 crore) and Other sales ₹ 16.39 crore (Previous year ₹ 11.26 crore).
- (d) Figures in Bracket represent previous year.
28. Purchase of Cement 23,299 Tonnes - ₹ 9.62 crore (Previous year :25,364 Tonnes - ₹ 16.86 crore), Others Finished Goods ₹ 10.57 crore (Previous year ₹ 7.20 crore)

29. Particulars of Raw Materials consumed :

Description	2010-11		2009-10	
	Quantity Tonnes	Amount ₹ in Crore (10 Million)	Quantity Tonnes	Amount ₹ in Crore (10 Million)
Limestone	49,16,150	80.36	49,41,046	73.38
Gypsum	2,86,916	29.02	3,32,090	29.23
Fly Ash	6,07,082	44.14	6,49,314	46.02
Purchased Clinker	62,984	15.98	82,348	22.78
Others		49.38		48.24
		218.88		219.65

30. Disclosure pursuant to Clause 32 of the Listing Agreement : Nil

Note : Loans/Advances to employees as per Company's policy are not considered.

Schedule 19 (Contd..)

31. EMPLOYEE DEFINED BENEFITS :

(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation on 31st March 2011.

₹ in Crore (10 Million)

	2010-11		2009-10	
	Gratuity Funded	Leave Encashment Non Funded	Gratuity Funded	Leave Encashment Non Funded
I Expenses recognised in the Statement of Profit & Loss Account for the year ended 31st March 2011				
1 Current Service Cost	1.23	0.35	0.98	0.33
2 Interest Cost	1.47	0.29	1.32	0.25
3 Expected return on plan assets	(1.68)	-	(1.13)	-
4 Actuarial (Gains) / Losses	1.76	0.27	(0.48)	0.59
5 Total expense	2.78	0.91	0.69	1.17
II Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2011				
1 Present Value of Defined Benefit Obligation as at 31st March 2011	23.53	4.31	19.67	3.83
2 Fair value of plan assets as at 31st March 2011	23.10	-	21.06	-
3 Funded status [Surplus/(Deficit)]	(0.43)	-	1.40	-
4 Net asset / (liability) as at 31st March 2011	(0.43)	(4.31)	1.40	(3.83)
III Change in obligation during the Year ended 31st March 2011				
1 Present Value of Defined Benefit Obligation at the beginning of the year	19.67	3.83	16.85	3.14
2 Current Service Cost	1.23	0.35	0.98	0.33
3 Interest Cost	1.47	0.29	1.32	0.25
4 Actuarial (Gains) / Losses	1.56	0.27	0.93	0.59
5 Benefits Payments	(0.40)	(0.43)	(0.41)	(0.48)
6 Present Value of Defined Benefit Obligation at the end of the year	23.53	4.31	19.67	3.83
IV Change in Assets during the Year ended 31st March 2011				
1 Fair value of plan assets at the beginning of the year	21.06	-	14.08	-
2 Expected return on plan assets	1.68	-	1.13	-
3 Contributions by employers	1.04	-	4.86	-
4 Actual benefits paid	(0.40)	(0.43)	(0.41)	(0.48)
5 Actuarial gains / (losses)	(0.28)	0.27	1.41	0.59
6 Fair value of plan assets at the end of the year	23.10	-	21.06	-
7 Actual return on plan assets	1.48	-	2.54	-
V The major categories of plan assets as % of total plan				
Mutual Fund	100%		100%	
VI Actuarial Assumptions :				
1 Discount Rate	7.50%		7.85%	
2 Expected rate of return on plan assets	8.00%	-	8.00%	-
3 Mortality	LIC (1994-96) duly modified		LIC (1994-96) duly modified	
4 Turnover rate	age upto 30-3%, from 31		to 44 -2%, above 44 -1%	
5 Salary Escalation	5.00%		5.50%	

(a) Defined Benefit Plans -

Amounts recognised as expenses and included in the Schedule 14 and note 22 of herein above.

Item "Salaries, Wages, Bonus and Gratuity etc" includes ₹ 2.78 crore (Previous year ₹ 0.69 crore) for gratuity, ₹ 0.91 crore (Previous year ₹ 1.17 crore) for leave encashment.

Item "contributions to provident and other funds" is ₹ 1.12 crore (Previous year ₹ 0.94 crore) for PF funded.

Schedule 19 (Contd..)

(b) Defined Contribution Plans -

Amount recognised as an expense and included in the Schedule 14 "Contributions to Provident and other Funds" of Profit and Loss Account ₹ 6.17 crore (Previous year ₹ 5.30 crore)

(c) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.

(d) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(e) Provident Fund

Pending the issuance of the Guidance Note from the Institute of Actuaries of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability.

		₹ in Crore (10 Million)	
		2010-11	2009-10
32	Other Particulars :		
a)	Expenditure in Foreign Currency on account of		
	i) Consultancy and know-how fee	1.23	1.49
	ii) Interest	1.39	1.84
	iii) Others	<u>0.36</u>	<u>0.96</u>
		<u>2.98</u>	<u>4.29</u>
b)	Earning in Foreign Currency on account of FOB value of Exports	-	-
c)	C.I.F. Value of Imports :		
	i) Raw Materials	4.16	-
	ii) Power & Fuel	9.13	67.84
	iii) Stores and Spares	8.38	5.30
	iv) Capital Goods	<u>26.37</u>	<u>7.63</u>
		<u>48.04</u>	<u>80.77</u>
d)	Raw Materials, Stores and Spares consumed :		
		2010-11	2009-10
		₹ in Crore (10 Million.)	₹ in Crore (10 Million.)
		% of Total	% of Total
	i) Raw Materials :		
	Imported	0.36	-
	Indigenous	<u>218.52</u>	<u>219.65</u>
		<u>218.88</u>	<u>219.65</u>
		<u>100.00</u>	<u>100.00</u>
	ii) Stores and Spares :		
	Imported	5.23	6.83
	Indigenous *	<u>98.37</u>	<u>94.49</u>
		<u>103.60</u>	<u>101.32</u>
		<u>100.00</u>	<u>100.00</u>

* Excluding Scrap sale ₹ 2.93 crore (Previous year ₹ 2.89 crore)

33. Previous year's figures have been re-arranged and re-cast wherever necessary.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

Firm's Registration No. 301051E
Membership No. : 85155
New Delhi, the 25th May, 2011.

B.K. DAGA
Vice President & Company Secretary

H.S. SINGHANIA
B.H. SINGHANIA

VINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALI

Chairman
Vice Chairman &
Managing Director
Managing Director

Directors

Balance Sheet Abstract and Company's General Business Profile as per Schedule VI, Part IV of the Companies Act 1956

I. REGISTRATION DETAILS :

Registration No.	019511
State Code	17
Balance Sheet Date	31.03.2011

II. CAPITAL RAISED DURING THE YEAR

(Amount in ₹ Thousands)

Public Issue	NIL
Bonus Issue	NIL
Rights Issue	NIL
Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in ₹ Thousands)

Total Liabilities	25,375,921
Total Assets	25,375,921

SOURCES OF FUNDS

Paid-up Capital	611,901
Reserves & Surplus	9,851,456
Secured Loans	8,805,810
Unsecured Loans	1,368,679
Deferred Tax Liability	1,072,191

APPLICATION OF FUNDS

Net Fixed Assets	14,554,704
Investments	5,277,685
Net Current Assets	1,877,648
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

IV. PERFORMANCE OF THE COMPANY

(Amount in ₹ Thousands)

Turnover including Other Income	15,189,922
Total Expenditure	14,402,064
Profit before tax and exceptional item	787,858
Profit After Tax	591,353
Earnings per Share (₹)	4.83
Dividend Rate (%)	25%

V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per Monetary terms)

Item Code No.	2523.29
Product Description	Cement

H.S. SINGHANIA
B.H. SINGHANIA

*Chairman
Vice Chairman &
Managing Director
Managing Director*

VINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALI

Directors

New Delhi, the 25th May, 2011.

B.K. DAGA
Vice President & Company Secretary

CASH FLOW STATEMENT
For the Year Ended 31st March 2011

₹ in Crore (10 Million)

	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and exceptional items	78.79	330.87
Adjustments for:		
Depreciation	84.61	80.03
Interest on Investments, Deposits & Others	(9.60)	(34.39)
Profit on sale of assets & investments (net)	(19.51)	(6.48)
Bad debts recovered	-	-
Interest expenses (Gross)	59.91	54.98
Provision for doubtful debts	0.11	0.47
Foreign Exchange Rate Difference	0.18	-
Operating Profit before Working Capital changes	194.49	425.48
Adjustments for:		
Trade and Other Receivables	18.33	(45.44)
Inventories	(45.15)	(8.75)
Trade and Other Payables	25.08	44.36
Cash generated from Operations	192.75	415.65
Income Tax Payments	(18.83)	(59.06)
Net Cash from Operating Activities	173.92	356.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(311.47)	(231.61)
Sale of Fixed Assets	1.12	0.88
(Purchase) / Sale of Investments (net)	(28.24)	(385.15)
Dividend Received	0.63	2.43
Interest Received	20.50	27.71
Net Cash from / (used in) Investing Activities	(317.46)	(585.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	203.33	323.34
Repayment of Long-term borrowings	(117.22)	(108.83)
Short-term borrowings (net)	9.44	5.03
Interest / premium paid	(59.59)	(53.73)
Dividend Paid (including dividend distribution tax)	(21.47)	(42.94)
Net Cash from / (used in) Financing Activities	14.49	122.87
D. Increase / (Decrease) in		
Cash and Cash Equivalents	(129.05)	(106.28)
E. Cash and Cash Equivalents as at the beginning of the year	220.39	326.67
F. Cash and Cash Equivalents as at the close of the year	91.34	220.39
Notes:		
1. Cash and Cash Equivalents include:		
- Cash, Cheques in hand and remittances in transit	24.52	0.43
- Balances with Scheduled Banks	66.82	219.96
	91.34	220.39

2 Previous year's figures have been re-arranged and re-cast wherever necessary.

As per our report of even date

 For LODHA & CO.
 Chartered Accountants

 N.K. Lodha
 Partner

 Firm's Registration No. 301051E
 Membership No. : 85155
 New Delhi, the 25th May, 2011.

 B.K. DAGA
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 N.G. KHAITAN
 RAJ KUMAR BANSAL
 Dr. R.P. SINGHANIA
 S. CHOUKSEY
 S.K. WALI

 Chairman
 Vice Chairman &
 Managing Director
 Managing Director

Directors

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956

1	Name of the Subsidiary Company	Hansdeep Industries & Trading Co. Ltd
2	Financial year of the Company ended on	31.03.2011
3	Shares held in the Subsidiary Company on the above date :	
	i) Number - Equity	50007
	ii) Extent of holding	100%
4	The net aggregate amount of the Profits/(losses) of the Subsidiary Company as far as it concerns the members of the Holding Company :	
	i) Not dealt with in the Holding Company's Accounts :	
	a) For the Financial year of the Subsidiary	₹ 22644
	b) For the previous Financial years since it became the Holding Company's Subsidiary	₹ 118391
	ii) Dealt with in the Holding Company's Accounts :	
	a) For the Financial year of the Subsidiary	₹ Nil
	b) For the previous Financial years since it became the Holding Company's Subsidiary	₹ Nil
	Additional Information u/s 212 (5)	Not applicable

New Delhi, the 25th May, 2011.

B.K. DAGA
Vice President & Company Secretary

H.S. SINGHANIA
B.H. SINGHANIA

VINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALI

Chairman
Vice Chairman &
Managing Director
Managing Director

Directors

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF JK LAKSHMI CEMENT LIMITED

We have audited the attached Consolidated Balance Sheet of JK Lakshmi Cement Limited and its subsidiary Company as at March 31, 2011, and also the related Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary company, Hansdeep Industries and Trading Co Ltd, whose financial statements reflect total assets of ₹ 5.46 lacs as at March 31, 2011 and total revenues of ₹ 0.37 lacs for the year ended. This statement was audited by other auditor whose report has been furnished to us and our opinion, in so far as it relates to this Company is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with

the requirements of Accounting Standard 21, 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of JK Lakshmi Cement Limited and its subsidiary company included in the aforesaid consolidation.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its Subsidiary included in the Consolidated Financial Statements, we are of the opinion that the said consolidated financial statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India subject to Note 4 regarding non-preparation of notes and schedules as stated in the said note:

- a) In the case of Consolidated Balance Sheet, of the consolidated state of affair of the Company and its subsidiary as at 31st March 2011
- b) In the case of Consolidated Profit & Loss Account of the consolidated results of operation of the Company and its subsidiary for the year then ended; and
- c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flow of the Company and its subsidiary for the year then ended.

For LODHA & CO.
Chartered Accountants

N.K. LODHA
Partner

Place : New Delhi
Date : 25th May, 2011

Firm's Registration No. 301051E
Membership No. 85155

CONSOLIDATED BALANCE SHEET

As at 31st March 2011

₹ in Crore (10 Million)

	31st March 2011	31st March 2010
SOURCES OF FUNDS		
Shareholder's Funds		
Capital	61.19	61.19
Reserves and Surplus	985.14	959.51
	1046.33	1,020.70
Loan Funds		
Secured Loans	880.58	777.57
Unsecured Loans	136.87	144.16
	1017.45	921.73
Deferred Tax Liability (Net)	107.22	92.10
TOTAL	2171.00	2,034.53
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	2318.63	1,903.64
Less: Depreciation	937.59	840.65
Net Block	1381.04	1,062.99
Capital Work-in-progress	74.43	181.95
	1455.47	1,244.94
Investments		
	527.77	480.53
Current Assets, Loans and Advances		
Inventories	119.92	74.77
Sundry Debtors	29.76	28.98
Cash and Bank Balances	91.34	220.39
Loans and Advances	313.33	341.47
	554.35	665.61
Less: Current Liabilities and Provisions		
Current Liabilities	243.27	220.19
Provisions	123.32	136.36
	366.59	356.55
Net Current Assets	187.76	309.06
TOTAL	2171.00	2034.53

Notes on Account

As per our report of even date

For LODHA & CO.
Chartered AccountantsN.K. Lodha
PartnerFirm's Registration No. 301051E
Membership No. : 85155
New Delhi, the 25th May, 2011.B.K. DAGA
Vice President & Company SecretaryH.S. SINGHANIA
B.H. SINGHANIAVINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALIChairman
Vice Chairman &
Managing Director
Managing Director

Directors

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For The Year Ended 31st March 2011

₹ in Crore (10 Million)

	2010-11	2009-10
INCOME		
Sales	1487.85	1644.05
Less : Excise Duty	169.02	153.55
Net Sales	1318.83	1490.50
Other Income	31.14	9.31
	1349.97	1499.81
Increase/(Decrease) in Stock	35.06	2.92
	1385.03	1502.73
EXPENDITURE		
Employees	80.81	85.44
Manufacturing Expenses	756.90	647.90
Other Expenses	332.98	335.47
	1170.69	1068.81
PROFIT BEFORE INTEREST AND DEPRECIATION	214.34	433.92
Interest & Financial Charges	50.94	23.02
PROFIT BEFORE DEPRECIATION	163.40	410.90
Depreciation	84.61	80.03
PROFIT BEFORE TAX	78.79	330.87
Provision for Current Tax	15.60	55.82
Deferred Tax	15.12	57.00
MAT Credit Entitlements	(11.69)	(23.54)
Tax adjustments for earlier years (net)	0.63	0.46
PROFIT AFTER TAX	59.13	241.13
Balance brought forward	104.35	102.07
	163.48	343.20
APPROPRIATIONS		
Debenture Redemption Reserve	-	28.07
Proposed Dividend	15.29	18.35
Interim Dividend	-	12.23
Corporate Dividend Tax	2.48	5.20
General Reserve	50.00	175.00
Balance carried forward	95.71	104.35
	163.48	343.20
Basic Earning per Share (₹) - Cash	12.98	30.91
- After Tax	4.83	19.71
Diluted Earning per Share (₹)	4.83	19.71
Notes on Accounts		

As per our report of even date

 For LODHA & CO.
 Chartered Accountants

 N.K. Lodha
 Partner

 Firm's Registration No. 301051E
 Membership No. : 85155
 New Delhi, the 25th May, 2011.

 B.K. DAGA
 Vice President & Company Secretary

 H.S. SINGHANIA
 B.H. SINGHANIA

 VINITA SINGHANIA
 Dr. AJAY DUA
 B.V. BHARGAVA
 KASHI NATH MEMANI
 N.G. KHAITAN
 RAJ KUMAR BANSAL
 Dr. R.P. SINGHANIA
 S. CHOUKSEY
 S.K. WALI

 Chairman
 Vice Chairman &
 Managing Director
 Managing Director

Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The Accounts have been prepared to comply with the requirements of Accounting Standard - 21 to include all material items.
2. Consolidated Financial Statements (CFS) comprised the financial statements of JK Lakshmi Cement Limited and its subsidiary Hansdeep Industries & Trading Co Ltd. (Shareholding 100%, Incorporated in India) as on 31st March 2011.
3. The Consolidated Financial Statements have been prepared based on a line-by-line consolidation using uniform accounting policies for like transactions and other events in similar circumstances. The effects of intra group transactions are eliminated in consolidation.
4. In view of insignificant / negligible transactions of the subsidiary Company, notes and schedules are not prepared.

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

Firm's Registration No. 301051E
Membership No. : 85155
New Delhi, the 25th May, 2011.

B.K. DAGA
Vice President & Company Secretary

H.S. SINGHANIA
B.H. SINGHANIA

VINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALI

*Chairman
Vice Chairman &
Managing Director
Managing Director*

Directors

Consolidated Cash Flow Statement For The Year Ended 31st March 2011

	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	78.79	330.87
Adjustments for:		
Depreciation	84.61	80.03
Interest on Investments, Deposits & Others	(9.60)	(34.39)
Profit on sale of assets & investments (net)	(19.51)	(6.48)
Interest expenses (Gross)	59.91	54.98
Provision for doubtful debts	0.11	0.47
Foreign Exchange rate difference	0.18	
Operating Profit before Working Capital changes	194.49	425.48
Adjustments for:		
Trade and Other Receivables	18.33	(45.44)
Inventories	(45.15)	(8.75)
Trade and Other Payables	25.08	44.36
Cash generated from Operations	192.75	415.65
Income Tax Payments	(18.82)	(59.06)
Net Cash from Operating Activities	173.93	356.59
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(311.47)	(231.61)
Sale of Fixed Assets	1.11	0.88
(Purchase) / Sale of Investments (net)	(28.24)	(385.15)
Interest Received	20.50	27.71
Dividend Received	0.63	2.43
Net Cash from / (used in) Investing Activities	(317.47)	(585.74)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	203.33	323.34
Repayment of Long-term borrowings	(117.22)	(108.83)
Short-term borrowings (net)	9.44	5.03
Interest paid	(59.59)	(53.73)
Dividend Paid (including dividend distribution tax)	(21.47)	(42.94)
Net Cash from / (used in) Financing Activities	14.49	122.87
D. Increase / (Decrease) in		
Cash and Cash Equivalents	(129.05)	(106.28)
E. Cash and Cash Equivalents as at the beginning of the year	220.39	326.67
F. Cash and Cash Equivalents as at the close of the year	91.34	220.39
Notes:		
1. Cash and Cash Equivalents include:		
- Cash, Cheques in hand and remittances in transit	24.52	0.45
- Balances with Scheduled Banks	66.82	219.94
	91.34	220.39

As per our report of even date

For LODHA & CO.
Chartered Accountants

N.K. Lodha
Partner

Firm's Registration No. 301051E
Membership No. : 85155
New Delhi, the 25th May, 2011.

B.K. DAGA
Vice President & Company Secretary

H.S. SINGHANIA
B.H. SINGHANIA

VINITA SINGHANIA
Dr. AJAY DUA
B.V. BHARGAVA
KASHI NATH MEMANI
N.G. KHAITAN
RAJ KUMAR BANSAL
Dr. R.P. SINGHANIA
S. CHOUKSEY
S.K. WALI

Chairman
Vice Chairman &
Managing Director
Managing Director

Directors



Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002

NOTICE

NOTICE is hereby given that the 71st Annual General Meeting of the Members of **JK LAKSHMI CEMENT LIMITED** will be held at the Registered Office of the Company at Jaykaypuram-307 019, Basantgarh, Dist. Sirohi, Rajasthan, on Saturday, the **16th July 2011** at 2.15 P.M. to transact the following business:

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year ended 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Hari Shankar Singhanian, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri B.V. Bhargava, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Shailendra Chouksey, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as **Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act 1956, M/s. Lodha & Co., Chartered Accountants, New Delhi be and are hereby appointed as Auditors of the Company from the conclusion of the 71st Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration of Rs. 8,00,000 (Rupees Eight Lacs) excluding service tax as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit."

As Special Business

7. To consider and if thought fit to pass, with or without modification(s), the following as **Special Resolution:**
"RESOLVED that pursuant to Sections 269, 309, 316 and 198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification or re-enactment thereof ("the Act"), the re-appointment of **Shri Bharat Hari Singhanian** as the Managing Director of the Company for a period of five years w.e.f. 1st October 2011 be and is hereby approved on the terms of remuneration set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 349 and 350 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites and benefits, as approved herein be paid as minimum remuneration to the said Managing Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.
RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorised to vary and/or revise the remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."
8. To consider and if thought fit to pass, with or without modification(s), the following as **Special Resolution:**
"RESOLVED that pursuant to Sections 269, 309 and 198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification or re-enactment thereof ("the Act"), the re-appointment of **Smt. Vinita Singhanian** as the Managing Director of the Company for a period of five years w.e.f. 1st August 2011 be and is hereby approved on the terms of remuneration set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 349 and 350 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites and benefits as approved herein be paid as minimum remuneration to the said Managing Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.
RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorised to vary and/or revise the remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

By Order of the Board

Regd. Office:

Jaykaypuram-307 019
Basantgarh, Dist. Sirohi(Rajasthan)
25th May 2011

B.K. Daga
Vice President &
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 is annexed.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 12th July 2011 to 16th July 2011 (both days inclusive).
4. The Dividend @ ₹ 1.25 per Equity Share of ₹ 5 each (25%) as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to the Members whose names are borne on the Company's Register of Members on the 16th July 2011 or to their mandatees. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
5. Appointment of Directors

Brief resumes of the Directors proposed to be re-appointed (item Nos. 3, 4 and 5) are given hereunder:

Name	Shri Hari Shankar Singhania	Shri B.V. Bhargava	Shri Shailendra Chouksey
Age	79 Years	75 Years	60 Years
Qualification	B.Sc.	LL.B., M.Com.	M.Sc. (Physics), MBA
Expertise in Specific Functional Areas	Industrialist	Development Banking and Project Finance	Corporate Management
Date of Appointment on the Board	07 th December 1951	03 rd April 1997	20 th July 2002
Name(s) of other Companies in which Directorships held (as per Section 275 and 278 of the Companies Act 1956)	Chairman : - JK Tyre & Industries Ltd. - JK Paper Limited - Bengal & Assam Company Ltd.	Director : - CRISIL Ltd. - Excel Crop Care Ltd. - Grasim Industries Ltd. - ICICI Lombard General Insurance Company Ltd. - Supreme Industries Ltd. - L&T Infrastructure Finance Company Ltd. - Grasim Bhiwani Textiles Ltd. - Lakshmi Precision Screws Ltd. - L&T Finance Holdings Limited	Director : JKLC Employees' Welfare Association Ltd.
Name (s) of Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	–	Chairman - Shareholders/Investors Grievance Committee: CRISIL Ltd. Chairman - Audit Committee: - Grasim Industries Ltd. - Excel Crop Care Ltd. - Grasim Bhiwani Textiles Ltd. Member - Audit Committee: - CRISIL Ltd. - L&T Infrastructure Finance Company Limited - L&T Finance Holdings Ltd.	–

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

Item No. 7

As the Shareholders are aware, Shri Bharat Hari Singhania was re-appointed as Managing Director of the Company for a period of five years from 1st October 2006, with due approvals of the Board of Directors, the Shareholders at the Extra-Ordinary General Meeting held on 10th January 2007 and the Central Government. Further, the Shareholders at the Annual General Meeting held on 26th July 2008 approved revision in his salary range w.e.f. 1st October 2008. The tenure of office of the said Managing Director will accordingly determine on 30th September 2011.

The Board of Directors of the Company has re-appointed Shri Bharat Hari Singhania as Managing Director of the Company for a period of five years w.e.f. 1st October 2011 pursuant to Section 269 read with Schedule XIII of the Companies Act 1956 or any statutory modification or re-enactment thereof ("the Act"), on the terms of remuneration approved by the Remuneration Committee of Directors as detailed hereunder :

Relevant details under to para 1(C)(iv) of Section II of Part II of the Schedule XIII to the Act :

I. General Information:

1. Nature of Industry: Cement.
2. Date or expected date of commencement of commercial production: The Lakshmi Cement plant of the Company was commissioned in the year 1982.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

Particulars for the financial year ended 31 st March 2011	₹ in Crore
Net Sales and Other Income	1318.83
Operating Profit (Before Interest, Depreciation and Tax)	214.34
Profit Before Tax	78.79
Profit After Tax	59.13

5. Export performance and net foreign exchange collaborations: Not Applicable
6. Foreign investments or collaborators, if any : Not Applicable

II. Information about the Appointee

- (1) **Shri Bharat Hari Singhania**, aged 73 years, a Graduate in Commerce, is an industrialist with over 54 years of experience in managing various industries including Cement, Automotive Tyres, Paper, Jute, Synthetics, high yielding Hybrid Seeds, etc. Shri Bharat Hari Singhania was and has been Chairman/Director of several industrial and other companies. He is the past President of the Indian Chamber of Commerce and Chairman of Indian Jute Mills Association. He also headed the Indian Jute Industries Research Association and has served on various government committees and participated on various overseas delegations.

Shri Bharat Hari Singhania, Vice Chairman and Managing Director of the Company is also simultaneously Managing Director of JK Tyre and Industries Limited. He is also involved in policy planning, vision and strategy and long term developmental activities of the Company, besides Corporate Governance and Board coordination. He has long experience of managing industrial and other Companies.

- (2) Past Remuneration of Shri Bharat Hari Singhania was approved by the Shareholders at the Extra-ordinary General Meeting of the Company held on 10th January 2007 and Annual General Meeting held on 26th July 2008.
- (3) Job Profile and his suitability: Shri Bharat Hari Singhania as Managing Director of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision and strategy and long term developmental activities of the Company, besides Corporate Governance and Board co-ordination. He is also Vice Chairman of the Board.
- (4) Remuneration proposed: The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 25th May 2011 have approved the following terms of remuneration of Shri Bharat Hari Singhania for a tenure of 5 years w.e.f. 1st October 2011, as under:
 - A. Salary: ₹ 16 lacs p.m. with such increments as may be decided by the Board from time to time in the salary range of ₹ 15 lacs p.m. to ₹ 30 lacs p.m.
 - B. Perquisites, allowances and benefits: Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.
 - C. Performance linked incentive, as may be decided by the Board from time to time.
 - D. Commission: 2% of the net profits computed under Sections 349 and 350 of the Companies Act, or more as may be decided by the Board from time to time.
The term "Board" as mentioned above shall include any Committee of Directors authorised by the Board.
 - E. Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
 - F. Gratuity at the rate of 15 days salary for each completed year of service.
 - G. Encashment of unavailed leave.

- H. The Board may, from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, Performance Linked Incentive and other benefits subject to the overall ceiling prescribed under the Companies Act 1956 or any statutory modifications thereto or re-enactments thereof.
- I. In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act 1956 in any financial year or years, the Managing Directors shall be entitled to such remuneration as they may be then drawing, as specified in paras (A), (B) & (C) above, as minimum remuneration and be also entitled to perquisites mentioned in paras (E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Schedule XIII to the Companies Act 1956 or any statutory modifications thereto or re-enactments thereof.

Shri Bharat Hari Singhania, Vice Chairman and Managing Director of the Company is also Managing Director of JK Tyre and Industries Limited (JKTIL). In terms of Section III of Part II of Schedule XIII to the Act, Shri Singhania is entitled to and may draw remuneration from the Company or JKTIL or both the companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the said companies.

- (5) Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person: The executive remuneration in the Industry has increased manifold. Appreciating this, the Central Government has also from time to time raised the ceilings specified in Schedule XIII to the Act. The Remuneration Committee of Directors of the Company had, while approving the remuneration of Shri Bharat Hari Singhania took into account the financial position of the Company and the trends in industry, qualification, experience, responsibilities, past performance, past remuneration etc. and remuneration drawn by managerial persons in the industry.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri Bharat Hari Singhania does not have any pecuniary relationship with the Company. Shri Bharat Hari Singhania is brother of Shri Hari Shankar Singhania, Chairman and Dr. Raghupati Singhania, Director; and brother-in-law of Smt. Vinita Singhania, Managing Director.

III. Other Information:

- (1) Reasons of loss or inadequate profits: At present, the Company has adequate profits. However, the appointment of Shri Bharat Hari Singhania is for a term of 5 years and the future trend in profitability will largely depend on state of Economy in general and the Cement Industry in particular, business environment, growth in demand, cost of inputs etc.

The Cement Industry has experienced substantial capacity built-up to the tune of 30 Million Tones during the last fiscal. Against this, the demand for cement unexpectedly grew only by 5% due to which the Industry experienced severe pressure on the capacity utilization as also on the price realization. In addition, the Industry had to also face the challenge of steep rise in cost of inputs especially fuel and logistics costs. The Company had to therefore, bear the brunt of cost push challenges on one hand and falling realizations on the other.

- (2) Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms: In the above scenario, the Company could register a decent performance and achieve 91% capacity utilization during the Financial Year 2010-11 ended 31st March 2011.

The Company has strengthened its focus on, managing costs and improving efficiencies and has managed to lower consumption of fuel at 82 Kg/MT as against 85 Kg/MT last year. With the augmentation of Kiln I, the Company's clinker production capacity has risen from 36.30 lakh MT to 39.60 lakh MT.

The Company has also successfully commissioned its 18MW Captive Power Plant and a 12 MW Green Power Plant through Waste Heat Recovery, taking the Company's total captive power capacity to 66MW. Additionally, the Company has entered into a long-term agreement on Private Partnership basis for supply of 21MW power at a rate substantially lower than that of the State Grid. This would raise the Company's total captive power availability to 87MW, full benefits of which would be available from Financial Year 2012 onwards. The work on both the Company's projects of Split Location Grinding Unit of 5.5 lac tonnes at Jhajjar (Haryana) and the Greenfield project of setting up a 27 lac tonnes cement plant at Durg has been progressing satisfactorily. This will raise the Company's total installed capacity to about 80 lac tones p.a. by March 2013. The Company has also drawn ambitious plans for expanding its RMC business.

None of the Directors other than Shri Bharat Hari Singhania and Shri Hari Shankar Singhania, Smt. Vinita Singhania and Dr. Raghupati Singhania, being relatives of Shri Bharat Hari Singhania, may be deemed to be concerned or interested in the aforesaid resolution.

The terms of remuneration now proposed to be drawn by the said Managing Director from the Company set out hereinabove may also be treated as abstract of memorandum of interest of the Directors under Section 302 of the Companies Act 1956.

The Resolution is recommended to the Shareholders for passing as a Special Resolution.

Item No. 8

As the Shareholders are aware, Smt. Vinita Singhania was re-appointed as Managing Director of the Company for a period of five years from 1st August 2006, with due approvals of the Board of Directors, the Shareholders at the Extra-Ordinary General Meeting held on 10th January 2007 and the Central Government. Further, the Shareholders at the Annual General Meeting held on 26th July 2008 approved revision in her salary range w.e.f. 1st August 2008. The tenure of office of the said Managing Director will accordingly determine on 31st July 2011.

The Board of Directors of the Company has re-appointed Smt. Vinita Singhania as Managing Director of the Company for a period of five years w.e.f. 1st August 2011 pursuant to Section 269 read with Schedule XIII of the Companies Act 1956 or any statutory modification or re-enactment thereof ("the Act"), on the terms of remuneration approved by the Remuneration Committee of Directors as detailed hereunder :

Relevant details under to para 1(C)(iv) of Section II of Part II of the Schedule XIII to the Act :

I. General Information:

1. Nature of Industry: Cement.
2. Date or expected date of commencement of commercial production: The Lakshmi Cement plant of the Company was commissioned in the year 1982.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

Particulars for the financial year ended 31 st March 2011	₹ in Crore
Net Sales and Other Income	1318.83
Operating Profit (Before Interest, Depreciation and Tax)	214.34
Profit Before Tax	78.79
Profit After Tax	59.13

5. Export performance and net foreign exchange collaborations: Not Applicable
6. Foreign investments or collaborators, if any : Not Applicable

II. Information about the Appointee

(1) **Smt. Vinita Singhania**, a businesswoman, aged 59 years, is a Graduate in Arts. She has long experience of managing Cement business. Vested with substantial powers of management under the superintendence, control and direction of the Board of Directors, Smt. Singhania, Managing Director, looks after planning, coordination and control of production and sales, developmental activities of the Company, interaction with associations of the cement industry and HRD function of the Company. She has been instrumental in shaping the HR culture of the Company. The Company had the honour of being the first cement company in India which has been awarded with "Leaders Award" in large category for "Green Manufacturing Excellence Award 2011" instituted by Frost & Sullivan. The Company also bagged the Awards for Best Professionally managed company having turnover > ₹ 500 Crore, Best Employer Award 2008.

Smt. Singhania, spearheaded the launching of Company's blended cement, which results in a higher contribution than a conventional portland cement. Under her able leadership, the Company has also made a foray into value added products namely, Ready Mix Concrete and Plaster of Paris.

Smt. Vinita Singhania has the distinction of being the first woman President of Cement Manufacturers Association. She was elected unanimously as the President of this important body of cement manufacturers in October 2009. Contributions made by Smt. Vinita Singhania, have also been recognized by various awards viz., "Achievement award as an Industry Doyen" instituted by Construction Industry Development Council, New Delhi and the Construction Industry, "Golden Peacock Women Business Leadership Award 2010" instituted by Institute of Directors, New Delhi & World Council for Corporate Governance, U.K., "Outstanding Business Woman Award 2009" instituted by PHD Chambers of Commerce & Industry, New Delhi, Best CEO with HR Orientation for the year 2009-10 by Greentech Foundation, "CEO with HR Orientation Award" for the year 2008 at the Asia Pacific HR Congress, among others.

- (2) Past Remuneration of Smt. Vinita Singhania was approved by the Shareholders at the Extra-ordinary General Meeting of the Company held on 10th January 2007 and Annual General Meeting held on 26th July 2008.
- (3) Job Profile and her suitability: Smt. Vinita Singhania is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. She also looks after planning, coordination and control of production and sales, developmental activities of the Company, interaction with associations of the cement industry and HRD function of the Company.
- (4) Remuneration proposed: The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 25th May 2011 have approved the following terms of remuneration of Smt. Vinita Singhania for a tenure of 5 years w.e.f. 1st August 2011, as under:
 - A. Salary: ₹ 16 lacs p.m. with such increments as may be decided by the Board from time to time in the salary range of ₹ 15 lacs p.m. to ₹ 30 lacs p.m.
 - B. Perquisites, allowances and benefits: Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.

- C. Performance linked incentive, as may be decided by the Board from time to time.
- D. Commission: 2% of the net profits computed under Sections 349 and 350 of the Companies Act, or more as may be decided by the Board from time to time.
The term "Board" as mentioned above shall include any Committee of Directors authorised by the Board.
- E. Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
- F. Gratuity at the rate of 15 days salary for each completed year of service.
- G. Encashment of unavailed leave.
- H. The Board may, from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, Performance Linked Incentive and other benefits subject to the overall ceiling prescribed under the Companies Act 1956 or any statutory modifications thereto or re-enactments thereof.
- I. In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act, in any financial year or years, the Managing Directors shall be entitled to such remuneration as they may be then drawing, as specified in paras (A), (B) & (C) above, as minimum remuneration and be also entitled to perquisites mentioned in paras (E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Schedule XIII to the Companies Act, 1956 or any statutory modifications thereto or re-enactments thereof.

(5) Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person: The executive remuneration in the Industry has increased manifold. Appreciating this, the Central Government has also from time to time raised the ceilings specified in Schedule XIII to the Act. The Remuneration Committee of Directors of the Company had, while approving the remuneration of Smt. Vinita Singhania took into account the financial position of the Company and the trends in industry, qualification, experience, responsibilities, past performance, past remuneration etc. and remuneration drawn by managerial persons in the industry.

(6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Smt. Vinita Singhania does not have any pecuniary relationship with the Company. Smt. Vinita Singhania is sister-in-law of Shri Hari Shankar Singhania, Chairman, Shri Bharat Hari Singhania, Vice Chairman and Managing Director and Dr. Raghupati Singhania, Director.

III. Other Information:

(1) Reasons of loss or inadequate profits: At present, the Company has adequate profits. However, the appointment of Smt. Vinita Singhania is for a term of 5 years and the future trend in profitability will largely depend on state of Economy in general and the Cement Industry in particular, business environment, growth in demand, cost of inputs etc.

The Cement Industry has experienced substantial capacity built-up to the tune of 30 Million Tones during the last fiscal. Against this, the demand for cement unexpectedly grew only by 5% due to which the Industry experienced severe pressure on the capacity utilization as also on the price realization. In addition, the Industry had to also face the challenge of steep rise in cost of inputs especially fuel and logistics costs. The Company had to therefore, bear the brunt of cost push challenges on one hand and falling realizations on the other.

(2) Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms: In the above scenario, the Company could register a decent performance and achieve 91% capacity utilization during the Financial Year 2010-11 ended 31st March 2011.

The Company has strengthened its focus on managing costs and improving efficiencies and has managed to lower consumption of fuel at 82 Kg/MT as against 85 Kg/MT last year. With the augmentation of Kiln 1, the Company's clinker production capacity has risen from 36.30 lakh MT to 39.60 lakh MT.

The Company has also successfully commissioned its 18MW Captive Power Plant and a 12 MW Green Plant Project through Waste Heat Recovery, taking the Company's total captive power capacity to 66MW. Additionally, the Company has entered into a long-term agreement on Private Partnership basis for supply of 21MW power at a rate substantially lower than that of the State Grid. This would raise the Company's total captive power availability to 87MW, full benefits of which would be available from Financial Year 2012 onwards. The work on both the Company's projects of Split Location Grinding Unit of 5.5 lac tonnes at Jhajjar (Haryana) and the Greenfield project of setting up a 27 lac tonnes cement plant at Durg has been progressing satisfactorily. This will raise the Company's total installed capacity to about 80 lac tones p.a. by March 2013. The Company has also drawn ambitious plans for expanding its RMC business.

None of the Directors other than Smt. Vinita Singhania and Shri Hari Shankar Singhania, Shri Bharat Hari Singhania and Dr. Raghupati Singhania, being relatives of Smt. Vinita Singhania, may be deemed to be concerned or interested in the aforesaid resolution.

The terms of remuneration now proposed to be drawn by the said Managing Director from the Company set out hereinabove may also be treated as Abstract of Memorandum of Interest of the Directors under Section 302 of the Companies Act 1956.

The Resolution is recommended to the Shareholders for passing as a Special Resolution.

By Order of the Board

Regd. Office:

Jaykaypuram-307 019
Basantgarh, Dist. Sirohi(Rajasthan)
25th May 2011

B.K. Daga
Vice President &
Company Secretary

FOR ATTENTION OF THE SHAREHOLDERS

1. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip and advise correction, if any, therein. Also please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Requests for transfer of Equity Shares and related correspondence should be addressed to the **Company's Registrar and Share Transfer Agents : MCS Limited**, Venkatesh Bhawan, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA). The Shareholders may approach their Depository Participant for getting their shares dematerialised and in respect of shares already held in dematerialised mode for registration of change in their addresses, bank mandates, nominations etc.
4. Transferee(s) seeking transfer of shares in physical form should furnish copy of their PAN card to the Company / RTA for registration of transfer of shares.
5. Shareholders having multiple folios are requested to write to the RTA for consolidation of the Folios to save the administrative or servicing cost.
6. Investor Grievances can be lodged online with the RTA. Please log in to www.mcsdel.com and click on Investors Services to register your queries/ grievances which will be promptly responded by the RTA. In case of any difficulty, please write to the Company Secretary at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: bkdaga@jkm.com.
7. **Unclaimed Dividend:** Shareholders who have not claimed their dividend for the financial years 2006-07, 2007-08, 2008-09 and 2009-10 may sent their unclaimed dividend warrants to the Company Secretary for revalidation at the address given at Point No.6 above.
8. **Nomination:** Pursuant to Section 109A of the Companies Act 1956, individual Shareholders holding Shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares of the Company shall vest in the event of death of the sole/ all joint Shareholders.
9. **Dematerialisation of Shares and Liquidity:** Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is INE786A01032.
10. **Undelivered/Unclaimed Share Certificates:** The RTA (MCS Ltd.) has sent a communication to the Shareholders whose share certificates are returned to the Company as undelivered mail or lying unclaimed, requesting them to send a letter giving complete postal address, along with self attested photocopies of PAN Card and proof of address to enable the RTA to dispatch such unclaimed Share Certificates to them. Pursuant to Clause 5A of the Listing Agreement, in case the Shareholders do not provide the requested information as aforesaid to RTA, the unclaimed shares standing registered in their names shall be credited to "Unclaimed Suspense Account".

Such Shareholders are therefore requested to, in their own interest, provide requisite information / documents to the RTA and obtain the Share Certificates and get them dematerialised.

Shareholders are also requested to quote their Folio No. / DP ID-Client Id and details of shares held in physical/ demat mode, E-mail Ids and Telephone/Fax numbers for prompt reply to their communications.

Green Initiative in Corporate Governance : Register E-mail Address

The Ministry of Corporate Affairs has now permitted companies to send various notices / documents under the Companies Act 1956, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in : (1) dematerialised mode, with their Depository Participants; and (2) physical mode with MCS Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request : Folio No. / DP ID-Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).



Regd. Office: Jaykaypuram-307 019, Basantgarh, Dist. Sirohi, Rajasthan

ADMISSION SLIP

Folio No./ DP ID - Client ID #	
No. of Equity Shares held	

I hereby record my presence at the 71st Annual General Meeting of the Company being held at Jaykaypuram-307 019, Basantgarh, Distt. Sirohi, Rajasthan on Saturday, the 16th July, 2011 at 2.15 P.M.

Name of the Shareholder (in block letter)
Name of Proxy / Authorised Representative attending* (in block letter)

* Strike out whichever is not applicable
Applicable for Shareholders holding shares in dematerialised form.

Signature of the attending Shareholder/Proxy/Authorised Representative*

Notes: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Shareholders intending to appoint a proxy may use the Proxy Form given below.



Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002.

PROXY FORM

I / We -----
of ----- being a member/members of JK Lakshmi Cement Ltd. hereby appoint
Shri/Smt./Km. ----- of -----
or failing him Shri/Smt./Km.- ----- of -----
or failing him Shri/Smt./Km.- ----- of -----
as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 71st Annual
General Meeting of the Company to be held on Saturday, the 16th July, 2011 at 2.15 P.M. and at any
adjournment thereof.

Signed this ----- day of ----- 2011.

Folio No./DP ID - Client ID #	
No. of Equity Shares held	

Signature(s)

Affix Re.1 Revenue Stamp

Applicable for Shareholders holding shares in dematerialised form.

Note : The proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company at Jaykaypuram-307019, Basantgarh, Dist. Sirohi, Rajasthan, at least 48 hours before the scheduled time.



Snapshots

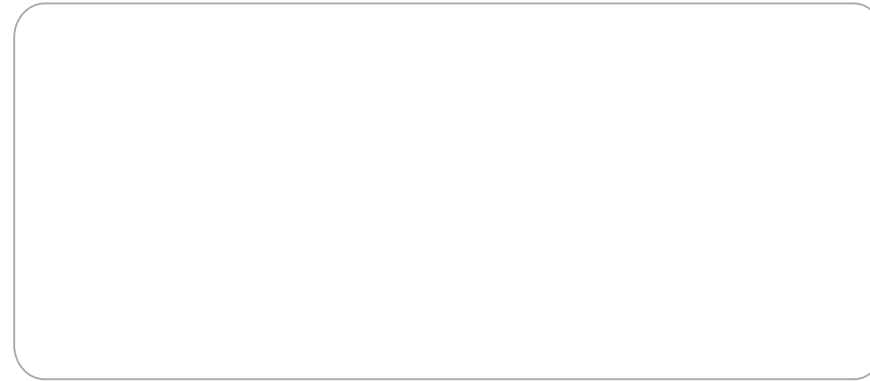


The eminent group of panelists - (L to R): Shri T.N. Ninan, Editorial Director - Business Standard; Smt. Naina Lal Kidwai, Country Head - HSBC; Shri Hari Shankar Singhania, President - J.K. Organisation; Prof. Nouriel Roubini, World-famous Economist and Dr. Amit Mitra, Ex-Secretary General - FICCI, currently Finance Minister of West Bengal, at the Lakshmipat Singhania Centennial Lecture



(L to R): Shri S.K. Wali, Whole-time Director; Smt. Vinita Singhania, Managing Director; Shri B.V. Bhargava, Chairman, Audit Committee; Shri Bharat Hari Singhania, Vice Chairman & Managing Director; Shri B.K. Daga, Vice President & Company Secretary; Shri Pradip Roy, Nominee Director, IDBI and Shri Shailendra Chouksey, Whole-time Director, at the 70th Annual General Meeting

BOOK POST



If undelivered, please return to:



Secretarial Deptt.
Gulab Bhawan, 3rd Floor (Rear Block)
6, Bahadur Shah Zafar Marg,
New Delhi-110 002