



Growth at Work

ANNUAL REPORT 2012-2013



*Our respectful homage to an extraordinary
human being, an inspiring leader, remarkable industrialist
and phenomenal business pioneer.*



SHRI HARI SHANKAR SINGHANIA
20th June 1933 - 22nd February 2013
PRESIDENT, J.K. ORGANISATION



A GREAT LEADER & AN ICONIC INDUSTRIALIST

Leading industrialist, philanthropist and President of J.K. Organisation, Shri Hari Shankar Singhania, passed away on 22nd February 2013. Among his many stellar qualities was the ability to look into the future far better than most mortals could. Yet, in spite of his extraordinary business success, he always held close to his heart the well-being of human beings not as fortunate as him.

He was a doyen of Indian Industry, an institution builder, an entrepreneur, educationist, welfare protagonist and a visionary par excellence.

Hari Shankar ji, who learnt the ropes of business under his illustrious father Late Lala Lakshmpatji Singhania, was actively involved in J.K. Organisation, one of the oldest and largest business Groups in the country, from 1951 at the age of 18 years. He soon became well-known for his entrepreneurial capabilities and setting up various pioneering ventures in India.

Hari Shankar ji was involved in establishing and overseeing the Group's diverse businesses such as aluminium, paper, steel, insurance, jute, paints, office equipment etc. Taking the growth of the Group forward, he set up various industries in several product categories such as Tyre, Cement, Automotive products & Power Transmission systems, Agri Genetics, Dairy products, Sugar, Drugs & Pharmaceuticals, Textiles and more. Today, thanks to his leadership, many of these have emerged as leaders in their respective fields, manufacturing and marketing world-class products. He took keen interest in ensuring that areas around industrial plants in particular, most of them being in backward areas, are developed for overall growth of the society at large.

His unrelenting focus on quality and customer satisfaction, and his belief "*When it is good enough, improve it*", built the culture of excellence in all the Companies within the JK Group.

He also established education and medical foundations which are running a number of schools, academies, university and hospitals across the country. These include the Pushpawati Singhania Reseach Institute (PSRI), a Super Speciality Hospital in Delhi, as well as the newly set up JK Lakshimpat University in Rajasthan which combines the serene settings of the Gurukuls of yesteryears with the technological advancements of the new age. He served as Chairman of Board of Governors of Indian Institute of Management, Lucknow for 15 years.

For his contribution in the field of commerce and industry, in the economic development of India, the President of India had conferred him with the prestigious 'Padma Bhushan' award in 2003. In 2005, Hari Shankar ji was awarded one of the highest Swedish awards - Royal Order of the Polar Star - by the King of Sweden for his contribution to the development of Indo-Swedish business relations.

Hari Shankar ji was the second Indian to serve as the President of the International Chamber of Commerce (ICC), Paris, during 1993 & 94. He was involved with Confederation of Asia-Pacific Chambers of Commerce and Industry, Taipei. He was the only Indian to be nominated on the Board of Atlas Copco, Sweden. He also held with distinction, and was the first Indian, to serve on the Board of the Commonwealth Development Corporation. He led various industry chambers and councils in India and abroad – Bharat Chamber of Commerce, Federation of Indian Chambers of Commerce and Industry (FICCI), ASSOCHAM etc.

In his passing we have lost not just a leader but an extraordinary human being.

His vision will continue to inspire us to strive towards ever-increasing heights in the years to come.



Shri Hari Shankar Singhania with Shri Shripati Singhania during the inauguration of JK Lakshmi Cement Plant in the year 1982 at Jaykaypuram, Distt. Sirohi, Rajasthan



Shri Hari Shankar Singhania with Senior Directors and JK Lakshmi Cement Team during the dispatch of the first Cement consignment from the plant at Jaykaypuram in the year 1982



Shri Hari Shankar Singhania with Senior Directors and Management Team in the year 1982 at Jaykaypuram

THE FAR-SIGHTED VISIONARY

In the 80's, India was a closed economy with socialism still the prevailing creed. But Shri Hari Shankar Singhania knew that this would not last long. In his view, India's integration with the rest of the world was inevitable and when that happened, he knew that the demand for a whole host of goods and services in the country would explode, including housing and infrastructure. It was with this background in mind that Shri Hari Shankar Singhania played a leading role in the entry of the Group into the field of Cement and Tyre.

Shri Hari Shankar Singhania identified Cement as a thrust area for the Group and then plunged headlong into the nitty-gritties of implementation. He identified a suitable site with ample supply of quality limestone nearby and negotiated with the State Government for all the necessary approvals. He played a key role in identifying the best technology and vendors, as well as in closing the financing required for the project. It was a moment of great personal triumph for him when the first batch of cement was produced at the plant. It was branded as "Lakshmi Cement" in honour of his late father Shri Lakshmiapat Singhania.

It did not take long for Shri Hari Shankar Singhania's prophecy to come true. Production at Sirohi commenced in 1982 and liberalisation swept India in the early 90's, changing the industrial landscape of the country completely.

THE TEAM-BUILDER AND GUIDE

Having played a key role in the setting up of Lakshmi Cement (as it was first called), Shri Hari Shankar Singhania then shifted gears to building up a great team to run the show and guiding them. His philosophy was that quality should never be compromised and that is why continuous technological upgradation has been a never-ending process at JK Lakshmi Cement.

While he kept a close eye on the inner workings of the Company, Shri Hari Shankar Singhania also realised

that, ultimately, particularly in the new liberalised economy, it was the consumer who would be King. He was the inspiration behind many “firsts” by the Company in the area of Marketing – such as the launch of green cement bags at a time when everyone was marketing only white bags. The thrust on Rural Marketing as well as the rebranding to JK Lakshmi Cement also bore the stamp of Shri Hari Shankar Singhania.

Under the stewardship of Shri Hari Shankar Singhania, the capacity of JK Lakshmi Cement has grown 10 fold from the time it was set up in 1982. Independent surveys confirm that the Brand Equity of JK Lakshmi Cement is among the best in the country. The Company is now poised to enter the Eastern markets with a new Greenfield plant to be commissioned in the State of Chhatisgarh, as well as increase its range of Cementitious products.

THE PHILANTHROPIST

“People are not pulled from the front or pushed from behind...they are driven from within”.

Shri Hari Shankar ji always believed in the philosophy of improving the quality of life of people and societies at large, while setting up industry, particularly in backward areas. With this objective, the Group has established a number of Education, Health and Social Welfare Centers and Institutes across the country, including Education at Ekal Vidyalayas, running and supporting various schools in the rural areas. Six ITIs under PPP Model were adopted, and SC/ST Girls Hostels supported. He was the inspiration behind undertaking exemplary projects like 'Parivartan' & 'Natal care' for Women and 'Adult Literacy programmes' for illiterates. Several mobile clinics, medical and eye camps are being organised regularly, for needy people of the areas around our manufacturing facilities. He was keen on development of green areas, water harvesting etc., around industrial establishments, as a measure towards protecting the environment. The Company has adopted several environment friendly practices and has been bestowed with numerous green tech safety and environment management awards.



Shri Hari Shankar Singhania and Smt. Vinita Singhania with Business Associates of JK Lakshmi Cement at the foundation stone laying ceremony of Unit II at the plant in Jaykaypuram, Distt. Sirohi, Rajasthan in the year 1993



Shri Hari Shankar Singhania with Senior Directors and Business Partners of the Company in the year 2000



Shri Hari Shankar Singhania, Shri Bharat Hari Singhania and Smt. Vinita Singhania with Senior Management Team of JK Lakshmi Cement at the 72nd Annual General Meeting held in the year 2012 at Jaykaypuram

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CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

At the outset I'd like to pay my humble tribute to late Shri Hari Shankar ji, who led the Company to significant growth as its Chairman since 1975. He was a man of rare business acumen, robust confidence and courage of conviction with a clear corporate philosophy.

He had business perception par excellence on economic issues, both national and global, which was well recognised. A stickler for corporate governance, he led by personal example. He paid great attention to HR initiatives towards development of leaders at all levels across group companies. He constantly emphasised on producing the best quality products with maximum productivity and efficiency. I consider myself very fortunate to have worked with him closely and had the opportunity to observe his detailed preparation for every Board or AGM meeting which he rarely missed. JK Lakshmi Cement has immensely benefitted from his vision and his penchant for growth. We stand committed to carry forward Hari Shankar ji's legacy, his ideals, his philosophy and values to take the Company to greater heights. This, to my mind would be the best possible tribute to his noble soul.

Growth in the economy has slowed down to about 5% in 2012-13, against 6.2% in 2011-12 and 9.3% in 2010-11. This is a significant slow down indeed. We hope the bottom has been reached and now the recovery is on the anvil. It would therefore be prudent to expect a moderate recovery, and not a spurt. The inflationary pressure which prevailed the whole of last year, has somewhat been moderated and can be expected to remain subdued in the coming year. The pace of growth will, however, depend on the economic policies being implemented in the right earnest.

It is my firm conviction that, despite the recent setbacks, the Indian economy has a bright future ahead, because of many of its advantages such as favourable demography, its wide and vibrant industrial base, the talent pool and above all, a large consumption base that remains intact. These should help us to achieve, in the medium to long term, the potential 7-8% annual growth.

The country is also seeing a significant shift from traditional material to cement in housing construction, especially in rural areas, and this will gain momentum as per capita income rises and people aspire for better quality of life. The Government, both at the Union and State level,



continues to place emphasis on infrastructure development and this should benefit the cement industry as also your Company.

With this backdrop, the performance of the Company has been satisfactory. I am happy that the Company is aggressively pursuing its expansion plans to be amongst the select club of 10 million tonne per annum cement producers in the country.

Your Company continues to lay great emphasis on initiatives towards enhancing our commitment to Corporate Social Responsibility. Newer initiatives in this area are being planned to achieve inclusive growth in all the areas of our operations.

As I look ahead, I am confident that the Company shall continue to grow profitably, to the satisfaction of all its stakeholders.

At this point, I would like to thank the dedicated management team and the employees at all levels who have made this progress possible. I would also like to thank our shareholders and other stakeholders who have helped and supported us in this journey.

A handwritten signature in black ink, which appears to read "B. Singhania". The signature is written in a cursive style and is positioned above the printed name.

Bharat Hari Singhania
Chairman & Managing Director

BOARD OF DIRECTORS

BHARAT HARI SINGHANIA
Chairman & Managing Director

B. V. BHARGAVA

N. G. KHAITAN

K. N. MEMANI

RAVI JHUNJHUNWALA

DR. S. CHOUKSEY
Whole-time Director

DR. RAGHUPATI SINGHANIA

RAJ KUMAR BANSAL

PRADEEP DINODIA

S. K. WALI
Whole-time Director

VINITA SINGHANIA
Vice Chairman & 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.
CEMENT PLANTS	:	I. Jaykaypuram-307 019, Basantgarh, District Sirohi (Rajasthan). II. Motibhoyan, Kalol, District Gandhinagar (Gujarat). III. Village Bajitpur, P.O. Jhamri, District Jhajjar (Haryana).
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, F-65, First Floor, Okhla Indl. Area, Phase-I, New Delhi-110 020. Ph. (011) 41406149-52. Fax No. (011) 41709881. E-mail: admin@mcsdel.com
COMPANY WEBSITE	:	www.jklakshmicement.com www.jkorg.in

VICE CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

I am happy to share with you, the Company's performance during the year 2012-13. We have had our share of achievements, opportunities and challenges.

It was a year marked by general economic slowdown, lower consumer demand, a steep rise in diesel prices, stubbornly high inflation and a weakening rupee, interest rates, and a not so clear Government Policy, among others. These factors normally pose serious challenges in meeting sales volume & planning operations and of course, the profits.

It is heartening to note, therefore, that despite the odds, there has been an all round improvement in the Company's performance, be it efficiency improvements, cost compression, optimisation of realisation and, importantly, its profitability. We have consolidated our market position through commissioning of the Split Location Grinding Unit at Jharli, brownfield expansion of kilns and erection of Autoclaved Aerated Concrete (AAC) block plant. AAC blocks would expose the customers to a more modern substitute of conventional bricks. The additional clinker production through recent expansion of its kilns would enable the Company to set up yet another Split Location Grinding Unit to ensure just-in-time deliveries to its valued customers. While there has been a sort of setback in the progress at the Greenfield site at Durg, the team at JK Lakshmi has demonstrated its resilience and enthusiasm to ensure fast resumption of work. Commissioning of the plant shall generate more employment and other opportunities for large sections of the rural population.

With growing global concern over rising energy prices, the need for renewable energy is paramount. The Company has drawn up plans to set up a Solar Power Project of 6 MW in Rajasthan to enhance our presence in the green energy segment.

Human resource development remain on our priority agenda. The Company has taken series of innovative steps towards building competencies and leadership skills. New initiatives were also taken in the areas of community development in the nearby areas of our plant.

We value our shareholders. It is gratifying that our esteemed shareholders have benefited during the year, by increase in EPS and market capitalisation. Also, a higher dividend has been proposed for the year.

The Cement Industry has been witnessing a steady and continuous growth in its capacity. Therefore, the industry is



sufficiently equipped to meet the cement requirement for both normal and the emerging needs of our growing economy, in line with the Government's stated focus on boosting infrastructure and housing sectors. The Company's planned expansion demonstrates its commitment to reinforce its footprint in the country's promising cement sector.

The year ahead is expected to be no less challenging, given the ongoing economic slowdown, capacity additions in the face of subdued demand. We will continue to focus on increasing efficiencies and productivity, new product development, creating value through innovation, building a stronger brand and enhancing people capabilities. We remain committed to deliver both increasingly superior customer service and strong business results.

I am confident that we would live upto the dreams of our late Chairman, Shri Hari Shankar ji Singhania, who had led the Company on the path of rapid, profitable and focused growth throughout.

I would like to thank all our valued customers, vendors and other business associates whose unwavering support and faith in us has contributed to our success. Last, but not the least, I would like to acknowledge all the members of Team JK Lakshmi for their consistently high performance. I take pride in their sincere efforts.

A handwritten signature in black ink, reading "Vinita Singhania". The signature is fluid and cursive, written in a professional style.

Vinita Singhania
Vice Chairman & Managing Director

NOTHING SUCCEEDS WITHOUT GREAT EXECUTION

JK Lakshmi Cement continued its innovative efforts to improve the productivity of the Sirohi Plant in the current year. These efforts have yielded benefits in terms of achieving low cost capacity additions as well as improved operating results in terms of lower fuel and power consumption. A few of the projects undertaken were as under:

CAPACITY INCREASE OF KILN 2 & 3 FROM 4500 TPD TO 5000 TPD

This job involved a tremendous amount of team work and also a challenge to complete major modifications to the Kiln and Cooler. Initial estimates were that the task would require more than 50 days stoppage but our team completed the project within 39 days by using innovative tools like “Theory of Constraints”, thereby achieving a bench mark of the lowest shut-down time of a running Plant to increase the capacity.

OPTIMISATION OF WASTE HEAT RECOVERY SYSTEM

Power Plant engineers along with the Process engineers undertook the challenge of optimising and increasing the

efficiencies of the Waste Heat Recovery system by innovative steps such as using hot air from cooler from mid tap as well as complete use of cooler hot air which helped in generating more power. This in turn has also helped in reducing the Carbon Footprint.

OTHER COST – REDUCTION MEASURES

Continuing on the path of cost reduction, our engineers sourced power through power exchanges for both the Jaykaypuram and Kalol Plants and saved roughly Rs.5 crores. They also made the system self-reliant to take advantage of cheaper power available in exchanges in the future also.

In addition, a number of modifications in maintenance and process were carried out during this year resulting in reduction of down time of the Kiln and reduced heat consumption.

Plant engineers have migrated to total Plant maintenance system on SAP as well as integrated unmanned weighbridges resulting in increased Truck movements, reduction of turn- around time and human errors, as well as a fully transparent system.



IMPROVEMENTS AT KALOL AND JHAJJAR GRINDING UNITS

Our Kalol Grinding Unit was awarded the Quality Management System (QMS) ISO 9001 : 2008, Environment Management System (EMS) ISO 14001 : 2004, Occupational Health and Safety Management System (OHSMS) BS OHSAS 18001 : 2007 and Energy Management System ISO 50001 : 2011 certifications. With this our Grinding Unit has become the first unit location in Gujarat to have received the ISO 50001 – Energy Management System certification. Both the grinding units have taken several measures for energy conservation.

Conservation of water at both Grinding Units at Kalol in Gujarat and Jhajjar in Haryana has been an important initiative. Both the Plants are equipped with a 3 tier Rain Water Harvesting arrangement which ensures that not a single drop of water goes waste. These efforts are in addition to the efforts made to see that equipment selection is done in such a manner that minimum water is required. The Kalol Grinding Unit has reduced its water consumption from 0.049 KL/tonne of Cement to 0.034 KL/tonne of Cement. At Jhajjar, use of air cooled compressors instead of the conventional water cooled ones, at the project stage itself has significantly reduced water requirement. Waste water is being treated and used for plantation purposes as a further conservation measure.

Our Kalol Grinding Unit has also undertaken initiatives such as “Ann Lakshmi”, “Gyan Lakshmi” & “Aarogya Lakshmi” programmes in coordination with the Government of Gujarat for the benefit of the society.

GREENFIELD PROJECT

The work at JK Lakshmi Cement's Greenfield Plant in Durg, Chattisgarh progressed as per schedule during the year. Unfortunately, there was an incident of fire and arson in April, 2013. However, with the backing of the entire Company, the project team has responded magnificently to the challenge. Work is being pursued with renewed vigour at the site and the plant is expected to be commissioned by October, 2014.



Shri P.L. Mehta, Sr. Vice President (Works) & Shri Sujeet Kumar Singh, Sr. Manager (Safety) receiving the International Safety Award



“Gyan Lakshmi” - A CSR initiative of JK Lakshmi Cement in progress at the Kalol plant



Kiln erection at Durg Plant

CUSTOMER DELIGHT TO ACHIEVE HIGHER GROWTH

A company's strength lies in its ability to delight the customer. 'The Customer is God' is the policy that has helped the Company strengthen its foundation to be the giant that it is today.

As one of the most trusted and preferred cement brands in the market, we took many measures to strengthen the goodwill between the customer and us.

CONSOLIDATING RURAL

With the objective of reinforcing the brand JK Lakshmi Cement in the minds of rural consumers, the Company continued its rural marketing activities in Rajasthan, Haryana and Gujarat and also extended its efforts to Delhi this year. Multiple campaigns were rolled out in villages and small towns across markets. This helped in expanding the reach of the brand and it was ably supported with the increased availability of the brand in rural markets. These activities have resulted in increasing JK Lakshmi Cement's rural penetration from 35% to 37% pan India.

The innovative rural marketing campaigns were recognised with the bagging of a prestigious award instituted by The Rural Marketing Association of India.

SUCCESS IN THE NORTHERN MARKETS

Traditionally, JK Lakshmi Cement has been at its strongest in the Western markets of Rajasthan and Gujarat. However the Company has used the commissioning of its new plant in Jharli, Haryana to step up its presence in the

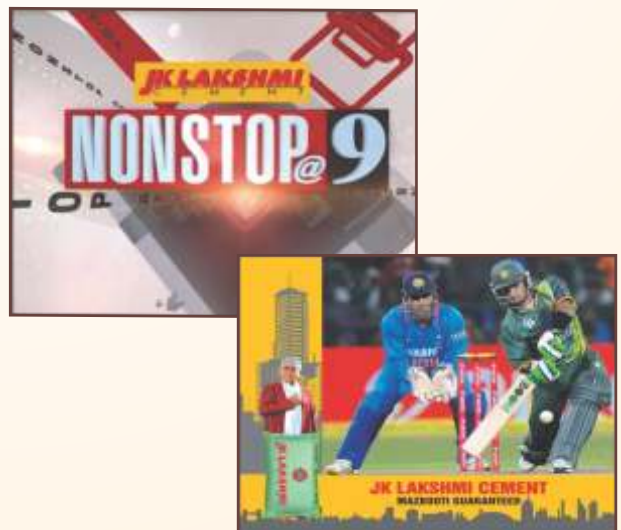
North India. As a first step, the dealer network in the Northern States of Haryana and Delhi was beefed up considerably. In the states of Punjab & U.P., the Company further improved its services and ensured last mile delivery. JK Lakshmi Cement also ran an innovative, engaging and interactive print ad campaign "Pride of Haryana". It was a huge success and got an enthusiastic response from potential customers all across the State where our new plant is located.

The combined effect of our high brand visibility, enhanced dealer engagement and rural marketing thrust was such that sales more than doubled in the Northern markets last year.

BRAND VISIBILITY

To maintain top-of-mind recall, JK Lakshmi Cement sponsored high-reach properties such as the India Pakistan Cricket Series as well as several Budget and Election specials. In addition, "News at 9pm" - the very popular Hindi news show on Zee News at primetime was branded with JK Lakshmi Cement, literally from beginning to end. It was almost impossible to miss the branding even if the news was viewed for a short duration. The brand was also introduced on the social networking site Facebook and it is on its way to acquire significant traction.

All the above activities ensured high visibility for the brand all across the country.



DEALER ENGAGEMENT

The dealer is a vital link between the Company and its customers. We continued to take several measures to educate and motivate this segment. These included Knowledge Sharing Sessions, where experts were brought in and Plant Visits to demonstrate the superior qualities of our brand.

To broaden the horizons of our dealers, the Company organised various domestic and overseas visits, including a tri-country International Marketing Conference.

As an acknowledgment of the success of these efforts, the MTM Corporate Star Award 2012 for the Best Incentive Tour Program for business associates was bagged by JK Lakshmi Cement.

ENTERING NEW MARKETS

Keeping in view the Greenfield project in Durg, a detailed market study has been completed to identify the opportunities for us for a smooth entry into the Eastern market as a premium brand. The core marketing team at various locations has been put in place and work has commenced on the detailed market entry strategy.

EXPANSION IN PRODUCT PORTFOLIO

In its endeavour to provide a one-stop solution for all construction needs, the Company is set to launch JK SMARTBLOX - Autoclaved Aerated Concrete (AAC) blocks. The Company is already manufacturing Ready Mix Concrete under the brand name JK Lakshmi PowerMix, as well as Plaster of Paris - JK Lakshmiplast, which today is acknowledged as of the highest quality.

The Company expects great demand for JK SMARTBLOX on account of the superior German technology behind it and its environment friendliness. AAC blocks are a substitute for conventional red clay bricks and are popular all over the world.

A FIRST IN THE CEMENT INDUSTRY IN INDIA

Taking automation to the highest level, JK Lakshmi Cement has now implemented a system where every billing point in the country does all transactions in real time without any manual intervention. This is done with a hand-held device connected to a GSM network. The device feeds into the SAP server directly. This system prevents human error, fraud or loss and improves the cash flow position of the Company considerably.



Dr. S. Chouksey, Whole-time Director, Shri C.S. Sadasivan, Chief Executive - Marketing along with members of Team JK Lakshmi Cement at the JK Lakshmi PowerMix Kota Plant Launch



Shri Deepender Singh Hooda, Hon'ble Member of Parliament, Rohtak (Haryana), Smt. Geeta Bhukkal, Hon'ble Education Minister, Haryana, Shri Bharat Hari Singhania, Chairman & Managing Director and Smt. Vinita Singhania, Vice Chairman & Managing Director, JK Lakshmi Cement along with other Senior Directors and members flagging off the first cement consignment from the new Grinding Unit in Jhari, Haryana



Dr. S. Chouksey, Whole-time Director and Shri Sunil Agrawal, Sr. Vice President - Marketing, JK Lakshmi Cement along with Business Partners of the Company during a Dealer Engagement Trip to Spain and France

CUTTING EDGE FINANCIAL MANAGEMENT

Finance is the life blood of any business and efficient Financial Management is the key to success for a growing business organisation.

The Company has been deploying a judicious mix of debt and equity to fund its future growth. Over the years, the Company has generated adequate cash resources, which enables the Company to use internal accruals to fuel its growth journey without diluting the equity. This shall overall enhance the value for its stakeholders in the long run.

BUY-BACK OF SHARES & MARKET CAPITALISATION

During the year, the Company successfully completed the Buy-Back of its Equity Shares. This Buy-Back was regarded as a tax-efficient method of rewarding the Shareholders. This Buy-Back initiative of the Company has reaffirmed the Company's belief in its future and has enabled it to get the Company re-rated. The year saw the Equity Share Price of the Company zooming from ₹ 65 level to over ₹ 160 level before settling presently at ₹ 110 level. The Market Capitalisation of the Company increased by 50% from ₹ 800 Crore to ₹ 1200 Crore.

TREASURY MANAGEMENT

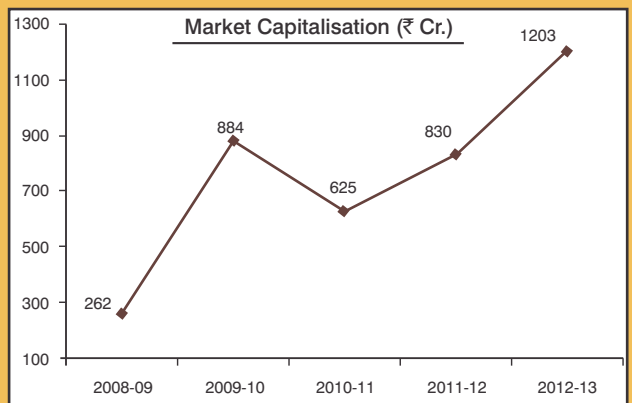
The Company continues to deploy its surplus funds in Fixed Deposits with Banks, CDs, FMPs and Debt Funds of various Mutual Funds apart from investing in Bonds of various PSUs. During the year the Company generated Treasury Income of ₹ 44 Crore, which was almost tax-free due to tax efficient deployment of surplus funds.

WORKING CAPITAL CYCLE

The Company has been efficiently managing its operations with very lean and short Working Capital Cycle. During the year its Cash-to-Cash Cycle reduced from 42 days to 32 days. This has enabled the Company to turn around its Working Capital more frequently thereby reducing its overall interest cost.

INVESTORS' RELATIONS

The Company continues to meet various Fund Managers and Research Analysts both in India as well as across the Globe to communicate its financial performance and share its growth story with the Investors' Community. It holds Conference Calls and Investors' Meets after every Quarterly Results to keep the Analysts and Investors updated about its operating & financial performance. A separate Cell is managing the investors' grievances, if any, and ensures that the same are resolved smoothly in the shortest span of time.



Market Capitalisation graph of the Company over the years



Shri S.K. Wali, Whole-time Director, Shri S.A. Bidkar, CFO, Shri R.R. Gupta, Sr. V.P. (A&C) and Shri C.K. Bagga, VP(A&F) at the Bankers' Consortium Meeting.

WHAT MAKES WORKING AT JK LAKSHMI CEMENT SPECIAL?

The Company has always believed that happy employees lead to happy customers, and this has helped JK Lakshmi Cement to develop a work culture which ensures that job satisfaction and happiness, both are guaranteed.

Recognising the importance of our most valuable asset – our employees – the HR department at JK Lakshmi Cement has devised various management strategies to capitalise and further enhance the human potential.

OUR CULTURE - COMPASSION, ATTITUDE, RESPECT & ENCOURAGEMENT

Key Objectives

- Supporting business/strategy by catalysing human capital through Communication
- Transforming managers into leaders through nurturing talent
- Fostering a culture of innovation
- Building a strong employer branding to attract talent
- Sustaining a customer-centric culture

Key HR Initiatives

With significant expansion in the Indian cement industry, the war for talent has intensified to a greater extent. Some HR initiatives contributing to better company performance have been taken forward while some new HR initiatives have been introduced during the year under report. With a view to sustain a nurturing culture, the Company has taken a large number of initiatives including Open House Communication, Krishna-Arjuna Initiative, 360 Degree Feedback & Executive Coaching, Coffee with MD, Hamara Udhog Hamara Dayitva, PRIDE Scheme – Persuing Right Ideas, We Care and MET – My Exclusive Time.

THE RESULT

With the greater emphasis on a holistic approach towards management of human capital, the Company has been continuously benchmarking its HR practices with its peers externally and internally, ensuring a tight fit between the HR Strategy and objectives of the Company. The result of consistent commitment to human capital was aptly

demonstrated in the Employee Engagement Survey (2013) with external agency M/S TNS India Pvt. Ltd. which was conducted with 94% of MCS participation and TRI*M Index of 91 (85 in 2011). This index shows that employee performance and satisfaction at JK Lakshmi Cement compares with the best in the world.

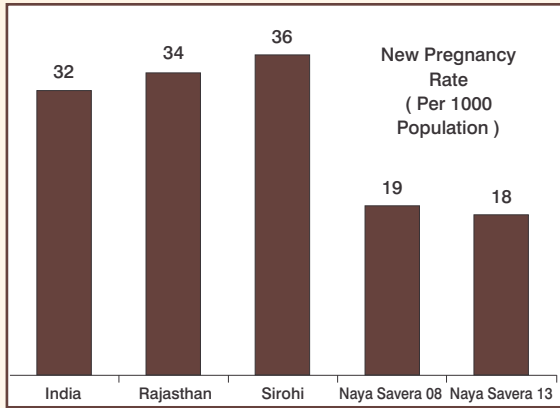
We are also the recipient of numerous national and global awards and accolades for our “Niche HR Practices” because of our strong value based organisation culture and focus on enabling people to succeed both individually as well as professionally.



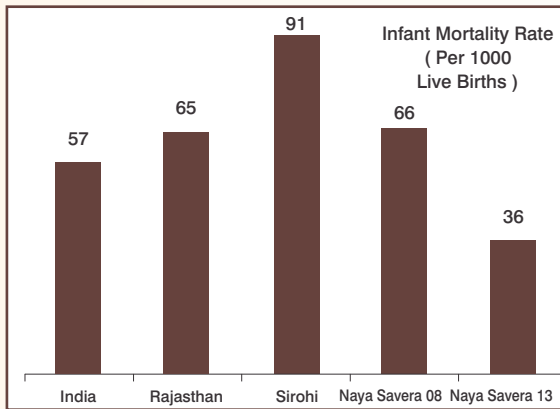
Smt. Vinita Singhania, Vice Chairman & Managing Director with Team Members of JK Lakshmi Cement during an employee engagement programme organised by the HR Team



Ad campaign released by the Company on winning the prestigious “Great Place To Work” Award



The positive impact of Naya Savera Initiative shown in the Pregnancy Rate Graph



Infant Mortality Rate Graph showing the difference made by Naya Savera Initiative over the years



Health Care Camp organised in a village near Durg

EMBRACING CSR WHOLE-HEARTEDLY

The Company has been a strong believer in the community development of the areas where it operates. The testimony to this belief is that the CSR activities were initiated in and around our plant at Jaykaypuram, Distt. Sirohi, Rajasthan way back in 1981, one year prior to the commissioning of the Plant and probably when the word 'CSR' was not even in vogue. We have maintained this tradition in the subsequent Plants that have been commissioned, be it in Kalol, Gujarat or at Jharli in Haryana. Even in Durg, where there is still time for the Greenfield Plant to commence, the Company has, through a specialised agency, initiated community development activities in and around 8 villages of our Plant over a year back.

Under the CSR banner, JK Lakshmi Cement is undertaking different activities in various spheres such as Education, Healthcare/Integrated Family Welfare programme, HIV/AIDS Awareness, Promotion of Sports & Games and other welfare activities.

HEALTHCARE

The Company launched its Integrated Health and Family Welfare Programme titled 'Naya Savera' in 2004, which has played a significant role in improving health in the tribal dominated areas around our Plant.

A Mobile Medical Team, consisting of a Doctor, Midwife (Nurse), Social Worker, Attendant etc regularly visits the villages and tribal hamlets in a pre-planned schedule and provide the health care facilities to the villagers. The Naya Savera Team has adopted various innovative measures to spread mass awareness on Reproductive & Child Health Issues (RCH).

We have received some outstanding results with the consistent efforts of our 'Naya Savera Team' in terms of significant improvement in the Infant Mortality Rate, Maternal Mortality Rate, Institutional Deliveries and reduction in the new pregnancy rates and birth rates.

The Company was also adjudged the 'Aaj Tak Care Award' by Aaj Tak News Channel during the financial year 2012-13.

This award was given to the Company for its efforts in the health sector.

EDUCATION

Education has indeed been one of the focus areas chosen by the Company to serve society. The activities under this head include deployment of teachers in government schools, readmitting drop-out students from schools, awarding meritorious students especially from SC/ST/OBC categories, Adult Literacy programme amongst others.

It is a matter of great satisfaction that at ITI Sirohi adopted by us, 100% placement of pass-out candidates has been achieved and they have been absorbed in various industries across the State.

SUSTAINABILITY AND THE ENVIRONMENT

Various measures have been taken for water conservation and availability in the areas surrounding our plants. These involve digging of new bore wells as well as the repair and maintenance of hand pumps. Plus the laying of entirely new pipelines to transport water. To keep an optimal green cover, JK Lakshmi Cement is actively engaged in the plantation of trees. Senior Directors and Members of the Company have constantly been enthusiastic participants in such activities.

LIVELIHOOD ENHANCEMENT

The Company has formed various Self Help Groups in and around the villages of our Plant locations and through this process, villagers are generating income making their journey towards self reliance.

PROJECT MUSKAN – “HAMARE BUJURG HAMARE ADARSH”

JK Lakshmi Cement has initiated yet another programme named “Muskan” aimed at bringing smiles on the faces of senior citizens residing in the Colony at Jaykaypuram.



Educational Camp set up in rural areas as a part of the Adult Literacy Programme



Shri Bharat Hari Singhania, Chairman & Managing Director, JK Lakshmi Cement, during a tree plantation drive



Self help groups formed as a part of the Livelihood Enhancement Initiative in and around local villages surrounding the JK Lakshmi Cement plant

RECOGNITION FOR EXCELLENCE



MTM Corporate Star Award



Star Brand Award



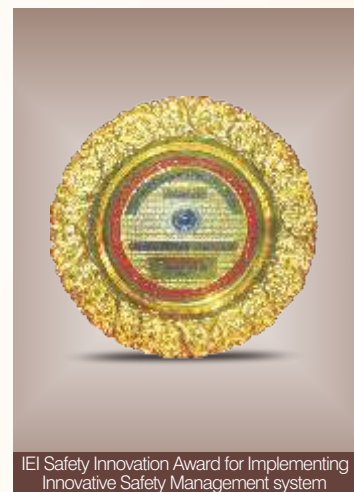
Greentech CSR Gold Award



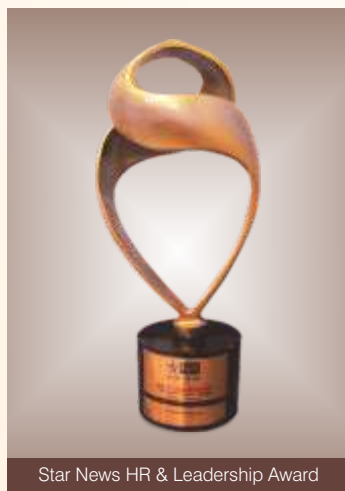
CII National Energy Management Award



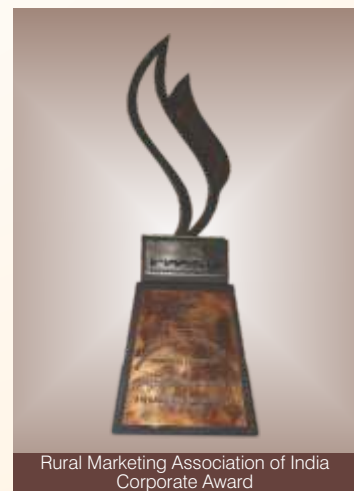
Greentech Safety Gold Award for Outstanding Achievement in Safety Management



IEI Safety Innovation Award for Implementing Innovative Safety Management system



Star News HR & Leadership Award



Rural Marketing Association of India Corporate Award

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

The Directors have pleasure in presenting the 73rd Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

₹ in Crore

	2012-13	2011-12
Sales & Other Income	2355.70	1985.03
Profit before Interest & Depreciation	484.16	399.13
Profit before Depreciation	400.62	311.71
Profit after Tax	175.74	108.78
Surplus brought forward	102.00	95.71
Amount available for appropriation	277.74	204.49
Appropriations		
- Dividend- (incl. tax on Dividend)	34.28	27.49
- General Reserve	120.00	75.00
- Capital Redemption Reserve	2.34	-
- Debenture Redemption Reserve	10.30	-
- Surplus carried to Balance Sheet	110.82	102.00
	277.74	204.49

Financial year 2012-13 has been a year of satisfactory performance, amidst lack lustre growth of cement industry during last three years in succession. Company registered a volume growth of 8% over the previous year as against industry's growth of about 5.5%. Company's capacity utilization at 94% on its enhanced capacity of 53 lac MT compares favourably with that of industry's 74%.

The Company continues to make steady progress in its efficiency parameters. This has enabled the Company to be one of the least cost producers amongst its peers in the Indian Cement Industry.

Company's sales realization aided by improvement in the cement prices in some of our markets as also due to Company's efforts towards the market optimization, both segmentwise and geographywise, has shown satisfactory improvement. Company's ex-factory realization would have been better but for the brunt of considerable increase in the freight costs consequent to increase in the diesel prices.

BUY BACK

The Buy-Back Offer announced by the Company on 7th February 2012 was closed on 6th February 2013. Pursuant to the said Buy-Back, the Company bought back and extinguished 46.89 Lac Equity Shares of ₹ 5 each at an average price of ₹ 64.99 per Equity Share aggregating to ₹ 30.47 crore. Consequent to the Buy-Back, the paid-up Equity Share Capital of the Company has reduced from ₹ 61.18 crore as on 31st March, 2012 to ₹ 58.84 crore as on 31st March 2013.

DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 2.50 per Equity Share of ₹ 5 each (50%) for the year ended 31st March 2013. The Dividend outgo would amount to ₹ 34.28 crore (inclusive of Dividend Distribution Tax of ₹ 5 crore). The Dividend subject to approval at the AGM on 2nd August 2013, will be paid to those members whose names appear on the Register of Members as on the date of book closure for the AGM.

DIRECTORS

Your Directors express their profound grief and sorrow on the sad demise of Shri Hari Shankarji Singhania on 22nd February 2013. Shri Singhania joined the Board of Directors of the Company in the year 1951. He became Chairman of the Board in the year 1975 and continued ever since. Shri Hari Shankar ji who joined J.K. Organisation at the young age of 18 years learned the ropes of business under his illustrious father late Lala LakshmiPatji. Shri Singhania held several positions before assuming the Chairmanship of various JK Group of Companies. Shri Singhania contributed immensely not only in the growth of your Company but also in the growth of industrialization and economic development of India. In

recognition, he received numerous prestigious National & International awards. Your Directors pay their respectful homage and tribute to this extraordinary human being, a great leader, an iconic industrialist and a leading statesman.

The Board of Directors at their meeting held on 29th May 2013, appointed Shri Bharat Hari Singhania as the Chairman & Managing Director and Smt Vinita Singhania as Vice Chairman & Managing Director of the Board of Directors of the Company.

Shri N.G. Khaitan, Shri S.K. Wali and Shri B.V. Bhargava, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. The Board commend their reappointment.

INDUSTRY SCENARIO

The quick estimates released by the Central Statistics Office under the Ministry of Statistics & Programme Implementation show cumulative growth in industrial production of a meager 1% in FY 13 over FY 12. Within the indices for industrial production, while the mining showed a negative growth of 2.5%, the growth in manufacturing & electricity was 1.2% and 4% respectively. A deeper analysis of data reveals that most of the growth in manufacturing has come from consumer non- durables like apparels, textiles, footwear etc. Other sectors in manufacturing like consumer non- durables and capital goods have either recorded a marginal growth or negative growth during FY 13 over FY 12.

Similarly, lower growth has plagued the Indian Cement industry for the successive third year, with a growth of only 5.5% during FY 12-13. Against a demand growth of 13 million tonnes, capacity additions were in the order of 17 million tonnes. Drop in cement demand was caused by general economic slowdown, under performance of Infrastructure and industrial projects, high inflation and high interest rates. The shortage of construction materials like bricks, sand etc., also impacted the cement demand growth in certain pockets of North India.

EXPANSIONS

The Company continues to believe in the inherent strength of the Indian economy, notwithstanding the recent drop in cement demand. The cement industry's future would

remain bright. Your Company, therefore, has been pursuing its growth plans through its various expansion projects.

During the year, the Company has completed the augmentation of Kiln Capacities resulting in increase in its clinker manufacturing capacity from 39.60 lac tonnes to 42.90 lac tonnes p.a. at its mother plant at Jaykaypuram.

The Company is also pursuing to set up a Split Location Grinding Unit at Surat.

Your Directors in their last report had informed the Members that the Company's 27 Lac Tonnes Greenfield Project at Durg, has been making satisfactory progress and is likely to become operational by the end of the year 2013. However, progress of work was affected due to the unfortunate incident of arson by a section of villagers from nearby the project site pressing certain unjustified demands. The fire has *inter alia* damaged certain section of equipments, plant and machinery. Fortunately, there has been no casualty of human life during this untoward incident. Project completion therefore would be somewhat delayed. The extent of delay would, however, depend on the delivery of the replaced equipments. The plant being fully insured, the insurance agencies are presently in the process of evaluating the losses. After a period of temporary suspension of about 3-4 weeks, construction work at the plant has since restarted and is progressing well.

The erection work at Company's Aerated Autoclaved Concrete (AAC) Blocks Project at Jharli, Haryana with a capacity of 400M³ per day, has been completed in the month of March 2013. The Project is expected to render stabilized production by end of June 2013. The Project due to its technological and locational advantages, would enable the Company to have a larger customer base in the NCR region.

The Company has stepped up revival of Udaipur Cement Works Ltd. (UCWL). The Cement Grinding section of UCWL is likely to be commissioned in the current financial year.

EYE ON THE MARKET

The Company was able to sustain its growth momentum amidst a difficult marketing scenario by focusing strongly on a strategy of intensive rural marketing penetration coupled with an integrated programme of micro marketing across its

key markets. This enabled the Company to achieve a sales growth of 8% in the face of lower industry growth of all India level and a growth of below 4% in our marketing zone.

Focused campaigns for deep rural penetration in key markets like Rajasthan and Haryana were carried out during the year with excellent results. The Company's new grinding unit at Jhajjar in Haryana was launched successfully in April'12 and is almost operating now at full capacity. The Company which was earlier operating only in select pockets of Haryana is now operating almost right across the State and the sales in the State has increased considerably. The kind of quantum growth achieved in a short time in a new market like Haryana post the launch of the grinding unit, gives us tremendous confidence to move into new markets.

The Company's reliance on its network of highly loyal and exclusive dealers has also enabled it to operate effectively in an increasingly competitive environment created by the entry of new brands. The Company's dealer network grew by over 15% during the year of which an overwhelming majority of dealers have been more than two decades with the Company. The Company also focuses strongly on developing an exclusive network and this strategy has greatly helped during the periods of intense competition.

The Company placed high degree of importance to various CRM activities and loyalty programmes for its channel partners. Various interactive events were held with the channel partners and their families on a calendarized basis right through the year where the top management participated and interacted with the various business partners on a sustained basis. Such interactions not only help to further strengthen the bonds between the Company and its business partners but also enable the senior management to directly listen to the Voice of the Customer.

The Company maintained its high brand visibility during the year through a well planned strategy of being present in high impact programmes. Apart from these topline measures, there has also been great deal of emphasis on carrying out micro marketing activities at ground level in every district.

INCREASING THE PRODUCT BASKET

The Company is continuously increasing its basket of offerings to its customers of value added products, the latest being AAC Blocks with the brand name "JK SMART BLOX".

The AAC blocks, though relatively new in the country, are being extensively used in the developed countries and are a preferred alternative to the traditional red clay bricks (made by using top layer of precious agriculture land). These AAC blocks are light in weight and offer high thermal insulation. With these inherent characteristics, this product will offer recurring life long savings in the power consumption besides savings in construction time and labour cost.

The Company also expanded its RMC presence in its home market of Rajasthan by adding 2 more plants in Rajasthan. These plants incidentally are the first such units set up by the organized sector in the two tier cities. The Company's ability to offer a range of value added products (besides Cement) further consolidates its brand presence in various markets.

INTERNAL CONTROL SYSTEM

The Company has an independent Internal Audit Department to carry out extensive audits throughout the year covering all areas of Company's significant operations. Besides such in-house strength, Company has also appointed external auditors for auditing its various outstation operations. The Audit Committee regularly reviews adequacy and effectiveness of the Company's internal control environment and monitors implementation of audit recommendations.

The Company has further strengthened the internal controls through SAP ERP systems connecting all plants, sales offices and head office enabling seamless data and information flow. The Company also has robust Budgetary Control System and Management Information System (MIS).

HUMAN RESOURCES

In line with Company's philosophy of "Where Caring Partners the Growth", management of Human Resources has always been on the top priority in order to meet key objectives. Besides several HR practices for developing leadership and talent pipeline, executive coaching, training and development, employee engagement initiatives in place already, some new programmes like We - Care (Cementing Aspirations For Receptive Exchange), MET (My Exclusive Time), etc. were undertaken successfully. This year's focus on Next HR Practices is firmly embedded in the HR Architecture which is aligned more towards 'holistic' approach. During the year under report, the Company

showcased its Best HR Practices in several forums and were highly appreciated.

Over the past several years the Company's unrelenting focus on human resources has been demonstrated through consistent and significant improvement in several HR domains including employee retention level, employee satisfaction/engagement level, individual and team performance and maturing of various HR processes and system which has also contributed in unique ways towards better business performance. The result of consistent commitment to human capital was aptly demonstrated in the Employee Engagement Survey (2013) with external agency M/s TNS India Pvt. Ltd. which was conducted with 94% of MCS participation and TRI*M Index of 91 (85 in 2011).

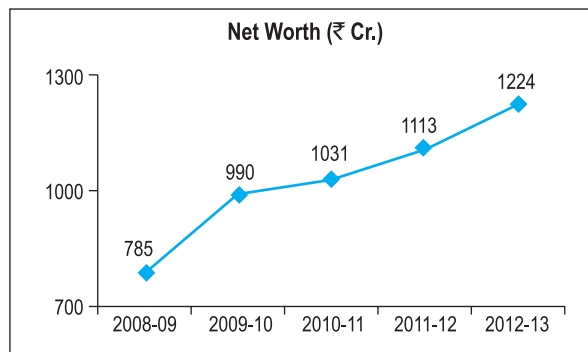
In the context of external recognition, the Company was bestowed upon with several reputed awards for its achievement including "India's Best Companies To Work For 2012" (amongst Top 50 Companies in India, 2nd Position in Leadership Development and 5th position in Manufacturing and Production Industry) from Great Place to Work Institute India and The Economic Times, "NIPM National Award For Best HR Practices 2012" from National Institute of Personnel Management, Strong Commitment towards HR Excellence 2012 from Confederation of Indian Industry, etc. The successful HR Practices and outcomes during the year were result of the Company's long standing value for human beings, their growth, development and well being in the long run with care, compassion and a stimulating environment to continue to grow and excel. This journey of striving for excellence continues with focus on continual growth of the Company through active engagement of its human capital.

FINANCIAL MANAGEMENT

Good revenue growth and strong financials, enhanced profit and strong balance sheet are the highlights of the Company's performance during 2012-13.

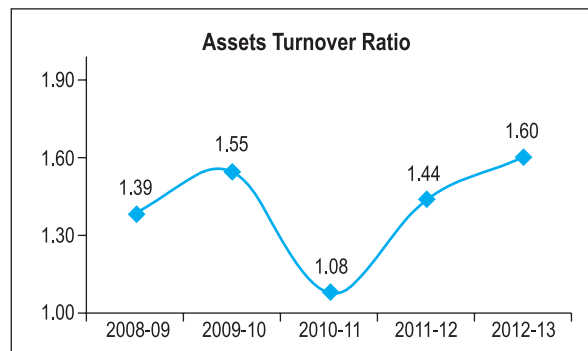
The consistent excellent operational performance has enabled the Company to show good Financial Results year after year. This has resulted in the Company having a very strong Balance Sheet with adequate cushions to withstand any challenges which the Industry may face. Efficient management of the financial resources has resulted in the

Company achieving low gearing and strong key financial fundamentals. The liquidity position of the Company continues to be strong, enabling it to retain the highest possible Short Term Rating of A1+ (A One Plus) for its Commercial Paper Programme. Its inherent strength in the Balance Sheet together with its other strong operating parameters has enabled the Company to maintain its Long Term Rating of AA- (Double A Minus). With these strong Ratings, the Company continues to borrow Short Term Funds at the most competitive rates.



The Company continues to judiciously deploy its surplus resources in the market in tax-efficient instruments of various Mutual Funds and PSUs. As a result, the Company is able to generate high post-tax returns on its surplus funds.

The Assets Turnover Ratio of the Company has consistently been going up with capacity additions through marginal low cost investments in its Clinker & Grinding Capacities as is depicted herein below:



Liquidity & Gearing

For funding the Company's growth plans of doubling the Capacity from 5 million tonnes to 10 million tonnes over the next two years, the Company is deploying a blend of Rupee/

ECB funding alongwith internal accruals without diluting the equity with an eye on the overall Debt Equity Ratio of the Company. This shall enable the Company to enhance the overall returns to the Stakeholders in the long run.

OUTLOOK & STRATEGIC IMPERATIVES

Housing, commercial real estate and infrastructure sectors account for about 95% of the cement consumed in the country. Various studies suggest that approx. 250 million people in the country are homeless and about 80% of rural population does not have a permanent shelter. In case of infrastructure sector, which includes roads, irrigation, water supply, power etc., the gap between the requirements and availability is a well known fact. Your Directors are confident of the long term sustainability of the demand for cement.

Last 3 years' trend in demand growth of the industry has been lower than expectations and below the GDP growth at national level. However, at micro level, there have been huge variations in growth rates between the states. The silver lining is that the States which have been lagging in the past are now working hard to successfully catch up with the rest of the country. A deeper analysis of each year reveals different reasons of lower than expected growth, with slackened pace of infrastructure development being a common factor in these years. Real estate construction to some extent has been impacted due to high rate of inflation leading to credit squeeze & higher interest rates and non availability of labour in many parts of the country.

There are indicators which suggest the possibility of demand bouncing back in the financial year 2013-14. Growing realization among the policy makers to remove the policy bottlenecks in land acquisition could be the most important factor. Providing adequate support for the growth of infrastructure and other construction related sectors including adequate resource allocation to key infrastructure development projects like Dedicated Freight Corridor (DFC), expediting the tendering process in highway projects, extending JNURM (Jawahar Lal Nehru Urban Renewal Mission) scope to more cities, incentives for construction of affordable housing, lowering of interest rates, etc. would go a long way. In addition, there is positive forecast for a normal monsoon, in terms of expectation of amount of rain, the onset time and uniformity of the spread through the country. A good monsoon should bring down the food inflation and

increase in rural incomes resulting in enhanced construction activity and higher cement demand. Many government funded projects generally take off during the election year resulting in boosting construction activity and cement demand. This year, some major states in north and central India are likely to go for elections towards the end of the year followed by general elections in 2014. Therefore it is hoped that the cement demand may bounce back and be on strong growth trajectory.

On supply side, the pace of capacity additions have slowed down during the last year due to delays in implementation of new projects and brownfield expansions. Though, at approx. 360 million tonnes p.a. capacity, the industry still has about 25 - 30% surplus capacity, it is expected that either the surplus to remain at same level or the gap between demand and supply gradually reduce to desired levels in the next 3 - 4 years time. Improvement in utilization rates will help the industry to manage fixed cost better and have better gross margins.

To sum up, it is hoped that the Company shall achieve higher volumes during the year. There are chances of cement demand bouncing back, thereby correction in the prices, which had gone down considerably in the last quarter of FY 13. Further, with the expectation of costs remaining under control on account of efficient operations, we are hopeful of good financials.

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, Statement of Profit and Loss, 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 observations of the Auditors in their Report on Accounts read with the relevant notes are self-explanatory.

COST AUDIT

The Cost Audit for the financial year ended 31st March 2012 was conducted by M/s. R.J. Goel & Co., Cost Accountants, Delhi and as required, Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India.

The Audit of the Cost Accounts of the Company for the financial year ended 31st March 2013 is being conducted by the said firm and the Report will also be filed.

CORPORATE GOVERNANCE

The Company believes in maintaining the highest standards of Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding due compliance of the conditions of Corporate Governance are made 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 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 the members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Secretary at the Company's New Delhi Office.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, 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;
- 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 that period;
- 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.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the continued support and co-operation received from the financial institutions, banks, various Central and State government agencies, shareholders, suppliers, dealers and in particular the valued customers.

Your Directors also record their appreciation for the dedication and passion of "Team-JK Lakshmi" which has enabled the Company to remain at the forefront of the Industry.

On behalf of the Board of Directors

New Delhi

Date: 29th May, 2013

(Bharat Hari Singhania)

Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2013

a) Conservation of Energy

JK Lakshmi Cement Ltd. took following major initiatives with an intention to conserve energy and reduce fuel.

- Installation of Bag House Fan in Kiln-2.
- Optimisation of raw mill by reducing feed size. 0.3 unit/mt
- Installation of high efficiency PH fan in Kiln-2 & Kiln-3.
- Installation of CV fan in Kiln-1, 2 & 3.
- Installation of VFD in CM-3 & CM-5.
- Installation of VFD in OHT water pump.
- Optimisation of Cooler for effective increase AQC-1 steam generation.
- Optimisation of Kiln-2 & Kiln-3 Coal Mill grinding media pattern.
- Installation of high efficiency cooler in Kiln-2 & Kiln-3.
- Modification in power monitoring equipment installed at 132 KV sub-station for improving & monitoring of purchased power from VSLP/ IEX and reducing losses.

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 ₹ 2.71 crore. This is equivalent to 0.13% of the turnover.

d) Exports, Foreign Exchange Earnings and Outgo

₹ In crore

- | | | |
|-----|--|-------|
| i) | Foreign Exchange earned | Nil |
| ii) | Foreign Exchange used | 97.44 |
| | (CIF value of Imports of Fuel, stores and spares, capital goods, etc.) | |

PARTICULARS OF CONSERVATION OF ENERGY

S. No.	Particulars	Unit	2012-13 (12 Months)	2011-12 (12 Months)
A.	POWER AND FUEL CONSUMPTION			
1.	Electricity			
(a)	Purchased:			
	Units	(Kwh in Lacs)	1637.84	1417.71
	Total amount	(₹ in crore)	74.07	64.92
	Rate/Unit	(₹)	4.52	4.58
(b)	Own Generation:			
(i)	Through Diesel Generators:			
	Units	(Kwh in Lacs)	4.42	2.77
	Units Per Litre of Furnance Oil / LDO	(kwh)	2.19	2.16
	Furnance Oil / LDO - Cost/Unit	(₹)	14.75	13.24
(ii)	Through Steam Turbine / Generators			
	Units	(Kwh in Lacs)	2038.28	2339.19
	Units Per Kg of Fuel	(kwh)	2.83	2.55
	Pet Coke / Coal Cost/Unit	(₹)	2.42	2.72
2.	Fuel (Pet Coke / Coal)			
	Quality (Grade)		A to D	A to D
(a)	Used in Calcining Raw Meal			
	Quantity	(MT)	407051	410523
	Total Cost	(₹ in crore)	273.20	276.14
	Average Cost	(₹/MT)	6712	6727
(b)	Used in Steam Turbine/ Generators			
	Quantity	(MT)	71978	91912
	Total Cost	(₹ in crore)	49.28	63.72
	Average Cost	(₹ /MT)	6847	6933
3.	Other Internal Generation	-		
B.	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	Kwh/MT	75	78
	Fuel (K. Cal / Kg of Clinker)	K. Cal.	738	742

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 by following best corporate governance norms in true letter and spirit. 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 practiced by its entire management cadre.

2. BOARD OF DIRECTORS:

The Board of Directors presently consists of Eleven Directors comprising of seven Non-executive Directors (NED) of which six are independent (IND). Four Board Meetings were held during the Financial Year 2012-13 ended 31st March 2013, on 16th May 2012, 26th July 2012, 20th October 2012 and 6th February 2013. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings Attended	Whether last AGM attended (4.8.2012)	Outside directorships and Committee positions		
				Director-ships \$	Committee Memberships@	Committee Chairmanships@
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Hari Shankar Singhania, Chairman*	NED	3	Yes	NA	NA	NA
Shri Bharat Hari Singhania, Chairman & Managing Director*	Executive	4	Yes	3	-	-
Shri B.V. Bhargava	IND	4	Yes	7	3	4
Shri Kashi Nath Memani	IND	4	No	10	5	5
Shri Nand Gopal Khaitan	IND	4	Yes	8	5	1
Shri Pradeep Dinodia	IND	3	No	8	4	4
Shri Raj Kumar Bansal (IDBI Nominee)	IND	3	No	7	3	-
Dr. Raghupati Singhania	NED	4	No	7	1	-
Smt. Vinita Singhania, Vice Chairman & Managing Director*	Executive	4	Yes	3	-	-
Dr. Shailendra Chouksey, Whole-time Director	Executive	4	Yes	1	-	-
Shri Sushil Kumar Wali, Whole-time Director	Executive	4	Yes	1	-	-
Shri Ravi Jhunjunwala	IND	3	No	12	2	2

* Shri Hari Shankar Singhania, Chairman of the Board of Directors, passed away on 22nd February 2013. The Board appointed Shri Bharat Hari Singhania as Chairman & Managing Director and Smt. Vinita Singhania as Vice Chairman & Managing Director of the Board of Directors of the Company w.e.f. 29th May 2013.

\$ 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.

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 Vice Chairman & Managing Director.

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 2013.

Dates of the meetings and the number of Members attended :

Dates of meetings	Number of members attended
16 th May 2012	4
26 th July 2012	4
20 th October 2012	3
6 th February 2013	4

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	4
Shri Raj Kumar Bansal (IDBI Nominee)	Member	3
Shri Nand Gopal Khaitan	Member	4
Dr. Raghupati Singhania	Member	4

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 three Directors, of which one is Independent Director and one is a Non-executive Director. Four meetings of the said Committee were held during the year ended 31st March 2013. The composition of the Committee is in conformity with Clause 49 of the Listing Agreement.

Dates of the meetings and the number of Members attended :

Dates of meetings	Number of members attended
16 th May 2012	3
26 th July 2012	3
20 th October 2012	3
6 th February 2013	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	4
Shri Nand Gopal Khaitan	Member	4
Shri Bharat Hari Singhania	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 7 complaints were received which stand resolved and no complaint is pending as on 31st March 2013.

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, 26 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). During the year, one Meeting of the Committee was held on 20th October 2012 to approve annual increments to the Managing Directors of the Company for the financial year 2012-13.

6. CORPORATE GOVERNANCE COMMITTEE (non-mandatory) :

The Corporate Governance Committee of Directors comprises of Shri Pradeep Dinodia, Dr. Shailendra Chouksey and Shri Sushil Kumar Wali. During the year, the Committee met on 3rd May 2012 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 2013 to the Managing Directors and Whole-time Directors is as follows: Shri Bharat Hari Singhania - ₹ 288.35 lacs plus ₹ 510 lacs payable as commission, Smt. Vinita Singhania - ₹ 307.27 lacs plus ₹ 510 lacs payable as commission, Shri Sushil Kumar Wali - ₹ 172.46 lacs plus ₹ 50 lacs payable as commission and Dr. Shailendra Chouksey - ₹ 172.07 lacs plus ₹ 50 lacs payable as commission.

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 Managing Directors is remuneration for the unexpired residue terms or for three years, whichever is shorter.

(ii) **Non-executive Directors:** During the financial year 2012-13, the Company paid sitting fees aggregating to ₹ 7,25,000 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: ₹ 90 lacs; ₹ 8 lacs each to Shri B.V. Bhargava, Shri Nand Gopal Khaitan, Dr. Raghupati Singhania, Shri Kashi Nath Memani, Shri Pradeep Dinodia,

Shri Raj Kumar Bansal (IDBI Nominee - payable to IDBI) and Shri Ravi Jhunjunwala. 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 (since deceased) - 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. Shri Kashi Nath Memani, Shri Pradeep Dinodia, Shri Raj Kumar Bansal (Nominee Director) and Shri Ravi Jhunjunwala 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
2009-10	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	14 th July 2010	2.15 P.M.
2010-11	Same as above	16 th July 2011	2.15 P.M.
2011-12	Same as above	4 th August 2012	2.00 P.M.

Re-appointment of the Whole-time Directors was approved by means of a Special Resolution at AGM held in 2010. Special Resolutions regarding re-appointment of Managing Directors were passed in the AGM held in 2011 and Special Resolution regarding payment of Commission to the Non-executive Directors was passed in the AGM held in 2012. No special resolutions were required to be put through postal ballot last year.

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 Financial Express, Business Standard, Hindustan Times, Hindu Business Line 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. Sirahi, (Rajasthan).

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

(ii) Financial Calendar (Tentative)

Financial Reporting

- for the quarter ending 30.06.2013
 - for the half-year ending 30.09.2013
 - for the quarter ending 31.12.2013
- } Within 45 days of the end of the quarter
- for the year ending 31.03.2014 (Audited)
 - Annual General Meeting for the Financial Year ending 2013-14
- } Within 60 days of the end of the financial year : between July and September 2014

(iii) **Date of Book Closure:** As in the AGM Notice

(iv) **Dividend Payment Date:** During August 2013

(v) **Listing on Stock Exchanges:** The Equity Shares of the Company (Face Value: ₹ 5/- each) are listed on BSE Ltd. and National Stock Exchange (NSE). Annual listing fee for the financial year 2013-14 has been paid to the said Stock Exchanges.

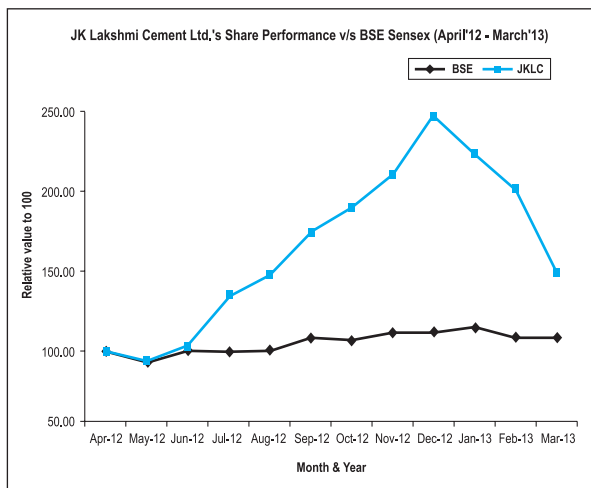
(vi) **Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.:**

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

(vii) Stock Market Price Data

Months (2012-2013)	BSE Ltd. (₹)		National Stock Exchange, (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2012	69.80	64.10	69.70	56.35
May 2012	66.10	59.40	66.50	59.10
June 2012	68.30	59.85	68.40	56.20
July 2012	91.85	68.20	92.00	67.70
August 2012	101.40	87.00	101.35	86.70
September 2012	114.90	90.55	115.00	91.00
October 2012	131.00	104.90	131.00	104.50
November 2012	142.20	120.65	142.40	122.00
December 2012	165.25	129.50	165.30	120.00
January 2013	171.60	130.45	179.95	130.95
February 2013	147.65	123.00	147.50	123.20
March 2013	134.90	95.20	132.65	95.25

(viii) JK Lakshmi Cement Ltd.'s Share Performance v/s BSE Sensex (April'12 - March'13)



(ix) Distribution of Shareholdings as on 31st March, 2013

Category (No. of Shares)	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1-500	63,52,569	5.40	76,110	93.30
501-1000	23,55,029	2.00	3,121	3.83
1001-5000	38,69,427	3.29	1,810	2.22
5001-10000	16,55,069	1.41	223	0.27
10001 & above	10,34,37,972	87.90	313	0.38
TOTAL	11,76,70,066	100.00	81,577	100.00

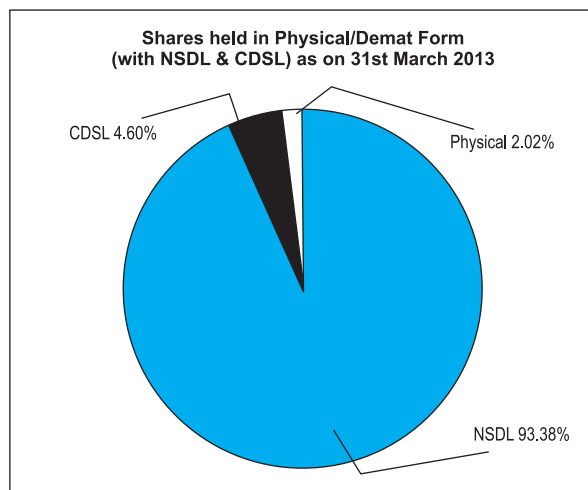
(x) Share Transfer System:

All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt thereof and the Share Certificates duly transferred are immediately returned to the transferee/lodger. Transaction in the dematerialized 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:

The Equity Shares of the Company are actively traded on BSE and NSE. 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 2013, 97.98% 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. shall be made only to the Depository Participant (DP) of the Shareholders.



(xii) Outstanding GDRs and likely impact on Equity:

GDRs: 7,32,554 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:**
- JK Lakshmi Cement
Jaykaypuram-307 019,
Basantgarh, Distt. Sirohi
Rajasthan
 - JK Lakshmi Cement
Village Motibhoyan,
Taluka Kalol (N.G.),
Distt. Gandhi Nagar - 382 721,
Gujarat
 - JK Lakshmi Cement
Village Bajitpur
PO Jhamri, Jhajjar-123 305,
Haryana

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

1. JK Lakshmi Cement Limited

Secretarial Department,

Gulab Bhawan (Rear Block)
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002.
Ph:(011) 30179862-66
Fax Nos. 91-11-2373 9475
Contact Person: Mr. B.K.Daga
(E-mail: psbisht@jkmail.com)

2. Registrar & Share Transfer Agents - MCS Ltd. (RTA):

F-65, First Floor, Okhla Indl. Area, Phase - I,
New Delhi - 110 020,
Ph. (011) 41406149-52,
Fax No. 91-11-41709881
(E-mail: admin@mcsdel.com).
Contact Person: Mr Ajay Dalal
(E-Mail: ajay@mcsdel.com).

(xv) Unclaimed Shares:

In terms of Clause 5A (I) and Clause 5A (II) of the Listing Agreement, the Company reports the following details in respect of Equity Shares lying in the suspense account:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate No. of Shareholders and the outstanding shares in the suspense account lying as on 1 st April 2012	14,523	6,29,422
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	56	5,190
No. of shareholders to whom shares were transferred from suspense A/c during the year.	56	5,190
Aggregate No. of shareholders and the outstanding shares in the suspense account as on 31 st March 2013.	14,467	6,24,232
Voting Rights frozen till the rightful owner claims	14,467	6,24,232

12. DECLARATION:

This is to confirm that for the financial year ended 31st March 2013, 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
Vice Chairman & Managing Director

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 2013, 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
Firm Registration No. 301051E

Saurabh Chhajer
Partner
Membership No. 403325

Place : New Delhi

Dated : 29th May, 2013

Independent Auditors' Report

to the members of JK LAKSHMI CEMENT LIMITED

Report on the financial statements

We have audited the accompanying financial statements of JK Lakshmi Cement Limited, which comprise the Balance Sheet as at 31st March 2013, and the Statement of the Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for audit opinion.

Opinion

In our opinion and best to our information and according to the explanations given to us, the financial statements give the information required by Act in the manner so require and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March 2013,
- b. In case of the Statement of the Profit and Loss, of the profit for the year ended on that date, and
- c. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and the regulatory requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, 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, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act, 1956;
 - e. On the basis of the written representations received from the Directors and taken on records by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2013 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For LODHA & CO.

Chartered Accountants

Firm Registration Number: 301051E

SAURABH CHHAJER

(Partner)

Place: New Delhi

Date: 29th May, 2013

Membership No: 403325

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

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 46 of Financial Statements.
4. In our opinion and according to the information and explanation given to us, there are 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 relevant provisions of the Act and the rules framed there under 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 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, 2013.
(b) According to the records and information & explanations given to us, there are no dues in respect of income tax 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, custom duty 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	45.80	1992-94	High Court
		42.14	1995-00	
		457.23	1997-01	
		63.12	1996-98	
		5.21	1997-98	Jt. Comm. (Appeals)
		113.64	2009-11	CTO, AE
		15.00	2003-04	Jt. Comm. Of Commercial Taxes
		201.85	2007-08	
		58.15	2008-09	
The Rajasthan Tax on Entry of Goods into Local Area Act, 1999	Entry Tax	4902.68	2002-13	High Court
		147.76	2007-08	CTO, AE
The Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax	267.84	2007-10	High Court
Central Excise Act, 1944	Excise duty	37.86	2008-09	CESTAT
		95.42	2005-10	
		134.16	2010-12	Addl. Comm. Customs
Customs Act, 1962	Custom Duty	18.71	2009-10	Asst. Comm. Customs
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	1158.62	2008-13	Supreme Court
Finance Act, 1994	Service Tax	117.82	2007-09	Excise Comm.
		9.50	2007-08	Dy. Comm.

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 adequate securities 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
Firm Registration Number: 301051E

SAURABH CHHAJER
(Partner)
Place: New Delhi
Date: 29th May, 2013
Membership No: 403325

BALANCE SHEET**As at 31st March 2013**

₹ in Crore (10 Million)

Particulars	Note	31st March 2013	31st March 2012
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	58.85	61.19
(b) Reserves and Surplus	3	1200.95	1114.00
		1259.80	1175.19
(2) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	4	1097.70	908.25
(b) Deferred Tax Liabilities (Net)	5	113.38	123.31
(c) Other Long-Term Liabilities	6	36.42	30.76
(d) Long-Term Provisions	7	5.66	3.86
		1253.16	1066.18
(3) CURRENT LIABILITIES			
(a) Short-Term Borrowings	8	41.25	6.34
(b) Trade Payables		128.70	104.74
(c) Other Current Liabilities	9	422.47	401.61
(d) Short-Term Provisions	10	38.27	31.60
		630.69	544.29
	Total	3143.65	2785.66
II. ASSETS			
(1) NON -CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	11	1431.54	1325.14
(ii) Intangible Assets	11	3.07	4.19
(iii) Capital Work-in-Progress		688.06	294.05
(b) Non-Current Investments	12	30.81	6.32
(c) Long-Term Loans and Advances	13	359.10	367.65
(d) Other Non-Current Assets	14	1.21	1.82
		2513.79	1999.17
(2) CURRENT ASSETS			
(a) Current Investments	15	375.65	447.43
(b) Inventories	16	114.84	120.09
(c) Trade Receivables	17	50.11	38.24
(d) Cash and Bank Balances	18	12.65	89.03
(e) Short-Term Loans and Advances	19	74.44	89.65
(f) Other Current Assets	20	2.17	2.05
		629.86	786.49
	Total	3143.65	2785.66
Significant Accounting Policies	1		
Notes on Financial Statements	2-58		

As per our report of even date

For LODHA & CO.
Chartered Accountants
Firm Registration No.: 301051E

Saurabh Chhajer
Partner
Membership No. : 403325
New Delhi, the 29th May, 2013

B.K. DAGA
Vice President & Company Secretary

For and on behalf of the Board

B.H. SINGHANIA
VINITA SINGHANIA
B.V. BHARGAVA
N.G. KHAITAN
PRADEEP DINODIA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI

Chairman & Managing Director
Vice Chairman & Managing Director

Directors

STATEMENT OF PROFIT AND LOSS

For the Year Ended 31st March 2013

₹ in Crore (10 Million)

Particulars	Note	2012-13	2011-12
I. Revenue from Operations	21	2300.25	1921.63
Less : Excise Duty		245.30	203.53
Revenue from Operations (Net)		2054.95	1718.10
II. Other Income	22	55.45	63.40
III. Total Revenue (I+II)		2110.40	1781.50
IV. Expenses			
a) Cost of Materials consumed	23	337.14	285.98
b) Purchase of Stock-in-Trade	24	132.48	80.95
c) Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	25	16.83	0.58
d) Employee benefit expense	26	113.22	98.39
e) Other expenses	27	1026.57	916.47
Total Expenses		1626.24	1382.37
V. Profit before Interest, Depreciation & Tax(PBIDT) (III - IV)		484.16	399.13
Finance Costs	28	83.54	87.42
Depreciation and Amortization Expense	29	148.93	129.73
VI. Profit before Exceptional Items and Tax		251.69	181.98
VII. Exceptional Items	39	16.33	39.24
VIII. Profit before Tax (VI - VII)		235.36	142.74
IX. Tax Expense:			
1) Current Tax		69.56	30.93
Less: MAT credit entitlements		-	(13.07)
Net Current Tax		69.56	17.86
2) Deferred Tax		(9.94)	16.09
3) Tax Adjustments for Earlier Years		-	0.01
X. Profit for the period		175.74	108.78
XI. Earning per Equity Share (₹):	30		
Cash		28.03	24.02
Basic and Diluted		14.88	8.89
Notes on Financial Statements	2-58		

As per our report of even date

 For LODHA & CO.
 Chartered Accountants
 Firm Registration No.: 301051E

 Saurabh Chhajer
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B.H. SINGHANIA	Chairman & Managing Director
VINITA SINGHANIA	Vice Chairman & Managing Director
B.V. BHARGAVA] Directors
N.G. KHAITAN	
PRADEEP DINODIA	
Dr. R.P. SINGHANIA	
Dr. S. CHOUKSEY	
S.K. WALI	

NOTE 1

Significant Accounting Policies

- 1.1 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 (as amended) and relevant provisions of the Companies Act, 1956. Accounting Policies are consistent with the Generally Accepted Accounting Principles.
- 1.2 Fixed Assets are stated at cost adjusted by revaluation / business valuation.
- 1.3 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.
- 1.4 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 Statement of Profit & Loss . Premium in respect of forward contracts is recognized over the life of the contract.
- 1.5 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.
- 1.6 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.
- 1.7 Revenue is recognized when significant risk and reward of ownership have been passed on to the Customer. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss and other revenue incentives are netted from respective head. Project subsidy is credited to Capital Reserve.
- 1.8 Revenue expenditure on Research and Development is charged to Statement of Profit and Loss and capital expenditure is added to Fixed Assets.
- 1.9 Borrowing cost is charged to Statement of Profit and Loss except cost of borrowing for acquisition of qualifying assets which is capitalized till the date of commercial use of the asset.
- 1.10 (i) Depreciation on Buildings, Plant & Machinery {except for Captive Power Plants, Split Grinding Units and Ready Mix Concrete Plants (RMC)} and Railway Siding is provided as per straight line method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as amended. Depreciation on Captive Power Plants, Split Grinding units & Other Assets is provided on written down value method as per the said Schedule. Depreciation on Aircraft and RMC is provided @15% on SLM basis, based on their useful economic life. 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.

- 1.11 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 expense in the Statement of Profit & Loss, 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.
- 1.12 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.
- 1.13 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.
- 1.14 Employee Benefits:
- (i) Defined Contribution Plan
Employees benefits in the form of Superannuation Fund and Provident Fund (PF) considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss 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 Statement of Profit and Loss.

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.
- 1.15 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.

₹ in Crore (10 Million)

NOTE 2**SHARE CAPITAL****Authorised :**

Equity Shares - 250,000,000 of ₹ 5 each (Previous year 250,000,000 of ₹ 5 each)	125.00	125.00
Preference Shares - 5,000,000 (Previous year 5,000,000) of ₹ 100 each	50.00	50.00
Unclassified Shares	25.00	25.00
	200.00	200.00

Issued, Subscribed and Paid up :

Equity Shares (with equal rights) 117,670,066 of ₹ 5 each (Previous year 122,351,924 of ₹ 5 each) fully paid up	58.84	61.18
Add: Forfeited Shares	0.01	0.01
	58.85	61.19

a. Reconciliation of number of Share Outstanding :

Opening Balance	122,351,924	122,358,924
Shares Issued during the year	-	-
Shares bought back during the year (₹ 2.34 crore) (Refer Note 34)	(4,681,858)	(7,000)
Shares Outstanding at the end of the year	117,670,066	122,351,924

b. List of shareholders holding more than 5% of the equity share capital of the Company:

Shareholder name	Number	Number
Bengal & Assam Company Ltd.	27,221,455	27,221,455
Florence Investech Ltd. (Formerly held by JK Agri Genetics Ltd.)	13,645,040	13,645,040
Fenner (India) Ltd.	10,259,400	10,259,400
Life Insurance Corporation of India Ltd.	-	9,546,084

c. Terms/ right attached to equity shareholders :

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.

₹ in Crore (10 Million)

NOTE 3
RESERVE AND SURPLUS
Capital Reserve

Balance as per last Financial Statement

31st March 2013	31st March 2012
0.74	0.74
0.74	0.74
Capital Redemption Reserve	
Balance as per last Financial Statement	
23.30	23.30
Add: amount credited for buy- back of equity shares (Previous year ₹ 35000)	
2.34	-
25.64	23.30
Securities Premium Reserve	
Balance as per last Financial Statement	
116.74	116.78
Less: amount utilised for buy- back of equity shares (refer Note 34)	
28.09	0.04
88.65	116.74
Debenture Redemption Reserve	
Balance as per last Financial Statement	
28.07	28.07
Add: Provision made during the year	
10.30	-
38.37	28.07
Revaluation Reserve	
Balance as per last financial statement	
62.60	14.99
Add: Revaluation of certain Fixed assets at Cement plant Jaykaypuram as on 1st April 2011. (refer Note 38)	
-	68.13
Less: amount transferred on account of sale of assets	
6.27	0.21
Less: amount transferred to the Statement of Profit and Loss as reduction from depreciation	
20.15	20.31
36.18	62.60
General Reserve	
Balance as per last Financial Statement	
780.55	705.55
Add: Amount transferred from surplus balance in the Statement of Profit & Loss	
120.00	75.00
900.55	780.55
Surplus in Statement of Profit & Loss	
Balance as per last Financial Statement	
102.00	95.71
Add: Transfer from Statement of Profit and Loss	
175.74	108.78
Less: Appropriations	
Transfer to General Reserve	
120.00	75.00
Transfer to Capital Redemption Reserve (Previous year ₹ 35000)	
2.34	-
Transfer to Debenture Redemption Reserve	
10.30	-
Proposed Dividend	
29.28	23.65
Corporate Dividend Tax	
5.00	3.84
110.82	102.00
1200.95	1114.00

NOTE 4

LONG TERM BORROWINGS

	Non-Current		Current*	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
SECURED LOANS				
Bonds/Debentures				
Redeemable Non-Convertible Debentures	199.79	200.00	50.00	-
Term Loans				
From Financial Institutions	-	1.72	1.72	4.26
From Banks	824.35	621.16	126.81	135.61
	1024.14	822.88	178.53	139.87
UNSECURED LOANS				
Deferred Sales Tax	63.78	82.18	17.50	3.86
Fixed Deposits	9.78	3.19	1.97	11.31
	73.56	85.37	19.47	15.17
	1097.70	908.25	198.00	155.04
Amount disclosed under the head "other current liabilities" (refer Note 9)	-	-	198.00	155.04
	1097.70	908.25	-	-

*Due and payable within one year.

- 1 Secured Redeemable Non-Convertible Debentures (NCDs) are privately placed and consists of :
 - i) 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.
 - 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) 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.
- 1a. During the year the Company issued 9% Secured Redeemable Non Convertible Debentures (NCDs) of ₹ 49.79 crore to the erstwhile term lenders of Udaipur Cement Works Ltd. These 9% NCDs are redeemable in 3 equal annual installments, at the end of 6th, 7th and 8th year from the date of allotment, i.e. 20th July 2012.
- 2 All the 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.

NOTE 4 (Contd...)

- 3 Term Loans from Financial Institution aggregating to ₹ 1.72 crore 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. These Term Loans are repayable in 4 quarterly installments.
- 4 Term Loans from Banks aggregating to ₹ 268.07 crore 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. These Term Loans are / shall be repayable as under:
 - a) Term Loans aggregating to ₹ 63.21 crore are repayable in 4 quarterly installments.
 - b) Term Loan of ₹ 42.86 crore is repayable in 12 equal quarterly installments.
 - c) Term Loan of ₹ 35.00 crore is repayable in 32 equal quarterly installments.
 - d) Term Loan of ₹ 57.00 crore is repayable in 19 equal quarterly installments.
 - e) Term Loan of ₹ 70.00 crore shall be repayable in 32 equal quarterly installments commencing from 30th June 2014.
- 5 Term Loans from Banks aggregating to ₹ 138.09 crore are secured by way of an exclusive charge on certain specified assets of the Company situated at Jaykaypuram, Basantgarh, Distt. Sirohi, in the State of Rajasthan. These Term Loans are repayable as under:
 - a) Term Loans aggregating to ₹ 21.66 crore are repayable in 10 equal quarterly installments.
 - b) Term Loan of ₹ 16.43 crore is repayable in 12 equal quarterly installments.
 - c) Term Loan of ₹ 50.00 crore is repayable in 16 equal quarterly installments.
 - d) Term Loan of ₹ 50.00 crore is repayable in 32 equal quarterly installments .
- 6 Term Loan from a Bank of ₹ 70.00 crore is secured by way of exclusive first charge on immovable & movable fixed assets of the Company's Split Grinding Unit situated at Jhajjar, in the State of Haryana, except charge on the Current Assets. This Term Loan shall be repayable in 32 equal quarterly installments commencing from 30th June 2014.
- 7 Term Loans from Banks aggregating to ₹ 475.00 crore are secured / to be secured by way of first pari passu charge on all the immovable and movable fixed assets of the Company's Greenfield Cement Plant at Durg in the State of Chhattisgarh. These Term Loans shall be repayable in 40 equal quarterly installments commencing from 1st April 2014.
- 8 Unsecured Deferred Sales Tax Loan of ₹ 81.28 crore is repayable in 12 quarterly installments.
- 9 Fixed Deposits represents the Deposits accepted by the Company from Public under its Fixed Deposit Scheme having maturity of 2 & 3 years from the date of deposits.

₹ in Crore (10 Million)

	31st March 2013	31st March 2012
NOTE 5		
DEFERRED TAX LIABILITIES (Net)		
Deferred Tax Liability		
Related to Fixed Assets	143.10	151.16
Less: Deferred Tax Assets		
Expenses / Provisions allowable	29.72	27.85
Deferred Tax Liability / (Assets) - Net	<u>113.38</u>	<u>123.31</u>
NOTE 6		
OTHER LONG TERM LIABILITIES		
Trade and other deposits	34.42	28.76
Deposits from related party	2.00	2.00
	<u>36.42</u>	<u>30.76</u>
NOTE 7		
LONG -TERM PROVISIONS		
Provision for Employees' Benefits	5.66	3.86
	<u>5.66</u>	<u>3.86</u>
NOTE 8		
SHORT TERM BORROWINGS		
Secured Loans		
Working Capital Borrowing from Banks	21.10	5.55
Buyer's Credit from Bank	19.25	-
Unsecured Loans		
Fixed Deposits	0.90	0.79
	<u>41.25</u>	<u>6.34</u>
Working Capital Borrowing from Banks are secured by hypothecation of Stores, Raw Materials, Finished Goods, Stock-in-Process and Book Debts etc. and by way of a second charge on the moveable and immovable assets pertaining to the Cement Unit of the Company situated at Jaykaypuram, Basantgarh, Distt.Sirohi, in the State of Rajasthan.		
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. Sirohi, in the State of Rajasthan.		
NOTE 9		
OTHER CURRENT LIABILITIES		
Current maturities of long-term debts (refer Note 4)	198.00	155.04
Interest Accrued but not due on borrowings	4.27	1.67
Unclaimed dividends #	1.55	1.26
Unclaimed matured Deposits and interest #	0.29	0.30
Advance from Customers	26.67	37.49
Govt. and other dues	108.24	98.73
Capital Creditors	16.81	42.28
Other liabilities	66.64	64.84
	<u>422.47</u>	<u>401.61</u>
# Investor Education and Protection Fund will be credited as and when due.		
NOTE 10		
SHORT-TERM PROVISIONS		
Provision for Employees' Benefit	3.85	4.11
Proposed Dividend	29.42	23.65
Corporate Dividend Tax	5.00	3.84
	<u>38.27</u>	<u>31.60</u>

NOTE 11

₹ in Crore (10 Million)

TANGIBLE ASSETS

Description	Gross Block				Depreciation/Amortisation				Net Block	
	1st April 2012	Additions/ Adjust-ments	Sales/ Adj-ustments	31st March 2013	Upto Last Year	During the year	On Sales/ Adjust-ments	To date	31st March 2013	31st March 2012
Freehold Land	124.67	57.88	-	182.55	-	-	-	-	182.55	124.67
Leasehold Land	0.35	29.02	0.25	29.12	0.09	0.12	0.06	0.15	28.97	0.26
Buildings	72.07	12.60	1.75	82.92	21.06	4.95	0.92	25.09	57.83	51.01
Plant & Machinery	2140.01	195.86	69.77	2266.10	1061.03	a) 170.16	60.89	1170.30	1095.80	1078.98
Furniture & Fixtures	5.30	1.16	0.10	6.36	3.39	0.49	0.06	3.82	2.54	1.91
Office Equipments	6.43	0.60	0.03	7.00	4.27	0.34	0.02	4.59	2.41	2.16
Vehicles, Aircraft and Locomotives	53.30	3.81	0.80	56.31	16.73	7.02	0.51	23.24	33.07	36.57
Railway Siding	42.27	-	-	42.27	12.69	1.21	-	13.90	28.37	29.58
Total	2444.40	300.93	72.70	2672.63	1119.26	184.29	62.46	1241.09	1431.54	1325.14
Previous year	2313.05	138.90	7.55	2444.40	937.32	188.16	6.22	1119.26	1325.14	

a) Includes Obsolescence ₹ 4.46 crore.

INTANGIBLE ASSETS

Computer Software b)	5.58	-	-	5.58	1.39	1.12	-	2.51	3.07	4.19
Previous year	5.58	-	-	5.58	0.27	1.12	-	1.39	4.19	

b) Being amortised over a period of 5 years.

NOTE 12

NON-CURRENT INVESTMENTS

₹ in Crore (10 Million)

(At Cost)	31st March 2013		31st March 2012	
	Numbers	Amount	Numbers	Amount
Long Term (Trade)				
Associate Company				
Udaipur Cement Works Limited (₹ 4 each)	27,775,000	11.11	-	-
Long Term (Other than trade)				
Investment in Equity Shares				
Subsidiary Company				
Hansdeep Industries and Trading Co. Ltd. (₹ 10 each)	1,050,007	1.05	50,007	0.05
Others				
VS Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	4.40	2,022,223	2.02
Dwarkesh Energy Ltd (₹ 10 each)	350,000	0.35	350,000	0.35
Investment in Preference Shares				
VS Lignite Power Pvt. Ltd. (0.01%) (₹ 10 each) #	3,899,777	3.90	3,899,777	3.90
Dwarkesh Energy Ltd OCCRPS (7.0 %) (₹ 100 each) (refer note 47)	1,000,000	10.00	-	-
		<u>30.81</u>		<u>6.32</u>
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate book value of unquoted investments		30.81		6.32

Under lien with Issuer

₹ in Crore (10 Million)

NOTE 13

LONG - TERM LOANS AND ADVANCES

Secured

Unsecured, considered good

	31 st March 2013	31 st March 2012
Capital Advances	95.16	198.80
Deposits / Balances with Govt. Authorities and Others	62.60	37.77
MAT Credit Entitlements	72.25	78.26
Advances against Securities (to Associate, refer Note 47)	90.54	11.44
Other Advances (refer Note 46)	38.55	41.38
	<u>359.10</u>	<u>367.65</u>

NOTE 14

OTHER NON - CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Non-current Bank Balances (refer Note 18)	1.21	1.82
	<u>1.21</u>	<u>1.82</u>

NOTE 15
CURRENT INVESTMENTS

 (valued at lower of cost and quoted / fair value)
 (Other than trade)

₹ in Crore (10 Million)

	31st March 2013		31st March 2012	
	Nos.	Amount	Nos.	Amount
Investment in Bonds				
HDFC 0% 2012	-	-	250	26.81
Indian Railways Finance Corporation Ltd (8.10%,Tax free)	10875	1.09	10875	1.09
Power Finance Corporation Limited (8.30%,Tax free)	14239	1.42	14239	1.42
Investment in Mutual Funds				
Birla Sun Life Fixed Term Plan - Series F M Growth	5010682.000	5.01	-	-
Birla Sun Life Fixed Term Plan - Series F O Growth	10002720.000	10.00	-	-
Birla Sun Life Fixed Term Plan - Series F P Growth	4001031.000	4.00	-	-
Birla Sun Life Interval Income Fund- Annual Plan 2 -Growth D	5000000.000	5.00	-	-
Birla Sun Life Income Plus Gr Regular Plan	1901451.568	10.00	-	-
Birla Sun Life Short Term Fund Gr. Regular Plan	2149530.925	9.00	-	-
DSP BlackRock FMP-Series 86 -12 M Direct Growth	5000000.000	5.00	-	-
DSP BlackRock FMP-Series 51 -12 M Growth	5000000.000	5.00	-	-
DSP BlackRock FMP-Series 84 -12 M Direct Growth	5000000.000	5.00	-	-
DSP BR Strategic Bond Fund Direct Plan Gr.	59038.149	8.00	-	-
DSP BR Strategic Bond Fund Inst Plan Gr.	14670.662	2.00	-	-
HDFC FMP 370 D May 2012 (3) - Growth - Series 22	5000000.000	5.00	-	-
HDFC Income Fund Gr.	3733753.505	10.00	-	-
HSBC Flexi Debt Fund Gr.	1542048.581	2.50	-	-
ICICI Prudential F M P Series 66-368 Days- Plan B D Cumulative	5000000.000	5.00	-	-
ICICI Prudential F M P Series 66-366 Days Plan F D Cumulative	2500000.000	2.50	-	-
ICICI Prudential Income Oppertunities Fund Reg. Plan Gr.	3121527.301	5.00	-	-
IDBI FMP 367 D-Series III(Feb.2013)- Plan A Gr	5000000.000	5.00	-	-
IDFC Fixed Maturity Plan 366 D Series - 79 Growth	10002634.993	10.00	-	-
IDFC Fixed Term Plan Series - 10 Growth	5000000.000	5.00	-	-
IDFC Dynamic Bond Fund Regular Gr	7220633.683	10.00	-	-
Kotak FMP Series 84 Growth	7500000.000	7.50	7,500,000.000	7.50
Kotak FMP Series 88 Growth	5000000.000	5.00	-	-
Kotak Bond Scheme Plan A Growth	2968116.493	10.00	-	-
Reliance Annual Interval Fund Series 1 Gr.	22696406.048	25.00	-	-
Reliance Fixed Horizon Fund XXII Series 9 Gr.	6500000.000	6.50	-	-
Reliance Fixed Horizon Fund XXII Series 10 Gr.	12000000.000	12.00	-	-
Reliance Fixed Horizon Fund XXII Series 14 Div.	10000000.000	10.00	-	-
Reliance Yearly Interval Fund Series 2 Gr.	10000000.000	10.00	-	-
Reliance Dynamic Bond Fund Direct Plan Gr	6414656.207	10.00	-	-
Reliance Dynamic Bond Fund Gr	1593188.799	2.50	-	-
Reliance Inc. Fund Gr Pl Bonus Op. Gr.	33459731.759	30.08	-	-
SBI Dynamic Bond Fund Direct Plan Gr.	6863276.666	10.00	-	-
SUNDRAM Fixed Term Plan - CQ 377 Days Gr	7500000.000	7.50	7,500,000.000	7.50
TATA FMP Series - 40 Scheme F Gr	15000000.000	15.00	-	-
Taurus FMP 369 Days Series X Gr	10000000.000	10.00	-	-
Taurus FMP 369 Days Series U Gr	10000000.000	10.00	-	-
Taurus Short Term Income Fund Existing Plan Gr.	127065.123	25.03	-	-
UTI Fixed Term Income Fund - Series XII-I (368 Days) Gr. Plan	8016598.358	8.02	-	-
UTI Fixed Term Income Fund - Series XII-IV (369 Days) Gr. Plan	10000000.000	10.00	-	-
UTI Dynamic Bond Fund Gr.	7864377.803	10.00	-	-
UTI Bond Fund Direct Plan Gr.	1439727.258	5.00	-	-
UTI Short Term Income Fund Institutional Gr.	4317199.001	6.00	-	-
Birla Sun Life Fixed Term Plan - Series C Y Growth	-	-	5,000,000.000	5.00
Birla Sun Life Fixed Term Plan - Series E A Growth	-	-	5,000,000.000	5.00
Birla Sun Life Fixed Term Plan - Series E B Growth	-	-	10,000,000.000	10.00
Birla Sun Life Fixed Term Plan Series E G Growth	-	-	5,000,000.000	5.00
Birla Sun Life Fixed Term Plan - Series E K Growth	-	-	10,000,000.000	10.00

NOTE 15 (Contd...)

₹ in Crore (10 Million)

	31st March 2013		31st March 2012	
	Nos.	Amount	Nos.	Amount
Birla Sun Life Floating Rate Fund Short Term IP Growth	-	-	280,990.238	4.00
DSP BlackRock FMP Series 32 -12 M- Growth	-	-	10,000,000.000	10.00
DSP BlackRock FMP Series 31-12 M- Growth	-	-	5,000,000.000	5.00
DSP BlackRock FMP Series 19-12 M- Growth	-	-	10,006,639.600	10.01
DSP BlackRock FMP Series 34-12 M- Growth	-	-	5,000,000.000	5.00
DWS Fixed Maturity Plan SERIES 3 Growth Plan	-	-	5,000,000.000	5.00
DWS Fixed Maturity plan SERIES 5 Growth Plan	-	-	5,000,000.000	5.00
Edelweiss Fixed Maturity Plan - Series 5- 91 Days Gr	-	-	5,000,000.000	5.00
Fidelity FMP Series 6 - Plan E - Growth	-	-	10,000,000.000	10.00
HDFC FMP 370 D Jan 2012 (1) - Growth - Series XIX	-	-	5,001,309.000	5.00
HSBC Fixed Term Plan - Growth - Series 82	-	-	5,000,000.000	5.00
ICICI Prudential Fixed Maturity Plan Series 54-1Year Plan D Cumulative	-	-	10,000,000.000	10.00
ICICI Prudential Fixed Maturity Plan Series 61-1Year Plan E Cumulative	-	-	5,000,000.000	5.00
ICICI Prudential Fixed Maturity Plan Series 62-1Year Plan A Cumulative	-	-	5,000,000.000	5.00
IDBI FMP - 395 Days Series 1 (March 2011) -A- Growth	-	-	5,000,000.000	5.00
IDBI FMP - 369 Days Series II (February 2012) -C- Growth	-	-	5,000,000.000	5.00
IDFC Fixed Maturity Yearly Series - 51 Growth	-	-	5,000,000.000	5.00
IDBI Liquid Fund Growth	-	-	17,384.000	2.00
JM High Liquidity Fund- Super Institutional plan- Growth	-	-	1,190,398.248	2.00
Kotak FMP Series 44 Growth	-	-	10,000,000.000	10.00
Kotak FMP Series 72 Growth	-	-	10,000,000.000	10.00
Kotak FMP Series 75 Growth	-	-	5,000,000.000	5.00
L&T Fixed Maturity Plan V (Feb. 368 D)- A Growth	-	-	5,000,000.000	5.00
Reliance Fixed Horizon Fund -XIX - Series 4 Growth Plan	-	-	10,000,000.000	10.00
Reliance Fixed Horizon Fund -XXI - Series 2 Growth Plan	-	-	10,000,000.000	10.00
Reliance Fixed Horizon Fund -XXI - Series 4 Growth Plan	-	-	10,000,000.000	10.00
Reliance Fixed Horizon Fund -XXI - Series 5 Growth Plan	-	-	10,000,000.000	10.00
Reliance Fixed Horizon Fund -XXI - Series 6 Growth Plan	-	-	5,000,000.000	5.00
Reliance Fixed Horizon Fund -XXI - Series 8 Growth Plan	-	-	5,000,000.000	5.00
Religare Fixed Maturity Plan - Series VII-Plan A (370 Days) Gr.	-	-	6,000,000.000	6.00
Religare Fixed Maturity Plan - Series VII-Plan C (369 Days) Gr.	-	-	5,000,000.000	5.00
Religare Fixed Maturity Plan - Series XII-Plan E (369 Days) Gr.	-	-	5,002,590.000	5.00
Religare Fixed Maturity Plan - Series XIII-Plan A (370 Days) Gr.	-	-	5,000,000.000	5.00
SBI Debt Fund Series 367 Days - 14- Growth	-	-	5,000,000.000	5.00
SBI Debt Fund Series 367 Days - 16- Growth	-	-	5,000,000.000	5.00
Sundaram FMP - CJ 366 Days Growth	-	-	5,000,000.000	5.00
TATA FMP Series - 38 Scheme D Growth	-	-	5,000,000.000	5.00
TATA FMP Series - 38 Scheme I Growth	-	-	5,000,000.000	5.00
TATA FMP Series - 39 Scheme A Growth	-	-	5,000,000.000	5.00
Taurus FMP 369 Days Series P Growth	-	-	5,000,000.000	5.00
Taurus FMP 370 Days Series M Growth	-	-	5,000,000.000	5.00
TATA Money Market Fund Institutional Plan Growth	-	-	1,188,008.245	2.00
Taurus Liquid Fund Super Institutional Gr.	-	-	34,611.708	4.00
UTI Fixed Term Income Fund - Series IX - II (369 Days) Growth Plan	-	-	10,798,800.000	10.80
UTI Fixed Term Income Fund - Series IX - III (367 Days) Growth Plan	-	-	10,000,000.000	10.00
Other Investments				
Bank Certificate of Deposits (CDs)				
Axis Bank Ltd -22 May 12	-	-	2500	24.39
Axis Bank Ltd - 12 Jun 12	-	-	1000	9.74
Bank of Maharashtra - 24 May 12	-	-	2500	24.38
Indian Bank - 10 Sep 12	-	-	1000	9.48
UCO Bank - 20 Jun 12	-	-	2500	24.31
		375.65		447.43
Aggregate book value of quoted investments		375.65		447.43
Aggregate market value of quoted investments		398.52		457.53
Aggregate book value of unquoted investments		-		-

As the market value of the Bonds and CD's is not available, purchase value is considered as market value.

₹ in Crore (10 Million)

	31 st March 2013	31 st March 2012
NOTE 16		
INVENTORIES		
(As certified by the management)		
Raw Materials	9.63	6.80
Work-in-progress	15.58	32.28
Finished Goods	19.95	19.72
Stock-in-Trade	0.08	0.36
Stores and Spares #	69.60	60.93
	<u>114.84</u>	<u>120.09</u>
# Includes Coal in transit ₹ 9.90 crore (Previous year Nil)		
NOTE 17		
TRADE RECEIVABLES		
(Unsecured, considered good unless otherwise stated)		
Outstanding for period exceeding Six months from the date they are due for payment		
Considered good	0.12	-
Doubtful	1.32	1.21
Less: Allowance for doubtful receivables	(1.32)	(1.21)
Other	49.99	38.24
	<u>50.11</u>	<u>38.24</u>
NOTE 18		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with Banks		
On Current Accounts	0.61	2.62
Deposits with original maturity of less than 3 months	-	55.00
Cheques, DD on hand / transit	8.21	28.63
Cash on hand	0.25	0.25
	<u>9.07</u>	<u>86.50</u>
Other Bank Balances		
Deposits with original maturity for more than 3 months but less than 12 months	2.00	-
Deposits with original maturity for more than 12 months	-	1.25
Margin Money Deposits	1.21	1.82
Unclaimed Dividend Accounts	1.55	1.26
Saving bank Accounts (Employees Security Deposit account)	0.03	0.02
	<u>4.79</u>	<u>4.35</u>
Less: Amount disclosed under non- current assets (refer Note 14)	(1.21)	(1.82)
	<u>12.65</u>	<u>89.03</u>

₹ in Crore (10 Million)

NOTE 19

SHORT-TERM LOANS AND ADVANCES

Secured

Unsecured, considered good

	31 st March 2013	31 st March 2012
Advance Income tax (Net of Provision)	19.77	18.26
MAT Credit Entitlements	6.00	22.51
Prepaid expenses	5.15	2.65
Balance with Govt. Authorities	20.81	9.80
Other Advances	22.71	36.43
	<u>74.44</u>	<u>89.65</u>

NOTE 20

OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Receivables (Railway / Insurance claims, Subsidy and other receivables)	6.39	6.27
Less: Provision for doubtful claims	4.22	4.22
	<u>2.17</u>	<u>2.05</u>

₹ in Crore (10 Million)

NOTE 21

REVENUE FROM OPERATION

	2012-13	2011-12
Sale of products		
Cement	1951.27	1654.99
Others	346.74	259.60
Other Operating Revenues	2.24	7.04
Revenue from Operations (Gross)	<u>2300.25</u>	<u>1921.63</u>
Less: Excise duty	245.30	203.53
Revenue from Operations (Net)	<u>2054.95</u>	<u>1718.10</u>

NOTE 22

OTHER INCOME

Interest Income	6.70	5.61
Dividend Income	0.24	-
Profit on sale of		
Long Term Investments	-	-
Current Investments	33.70	53.75
Profit/(loss) on Sale of Assets (Net)	0.12	0.66
Other Non - Operating Income	14.69	3.38
	<u>55.45</u>	<u>63.40</u>

₹ in Crore (10 Million)

NOTE 23
COST OF MATERIAL CONSUMED *

	2012-13	2011-12
Limestone	95.34	88.25
Gypsum	40.45	24.59
Fly ash	56.62	54.66
Packing material	72.24	62.78
Others	72.49	55.70
	<u>337.14</u>	<u>285.98</u>

*	% of Total		% of Total	
Indigenous	337.14	100.00	278.92	97.53
Imported	-	-	7.06	2.47
Total	<u>337.14</u>	<u>100.00</u>	<u>285.98</u>	<u>100.00</u>

NOTE 24
PURCHASE OF STOCK-IN- TRADE

	2012-13	2011-12
Cement	111.65	64.76
Others	20.83	16.19
	<u>132.48</u>	<u>80.95</u>

NOTE 25
**CHANGE IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

	2012-13	2011-12
Opening Stocks		
Stock-in-progress		
Crushed limestone	1.37	1.34
Raw -meal	1.01	0.11
Clinker	29.90	30.06
	<u>32.28</u>	<u>31.51</u>
Finished Goods	19.72	21.69
Stock-in-Trade	0.36	-
	<u>52.36</u>	<u>53.20</u>

Closing Stocks

Stock-in-progress		
Crushed limestone	1.92	1.37
Raw-meal	0.99	1.01
Clinker	12.67	29.90
	<u>15.58</u>	<u>32.28</u>
Finished Goods	19.95	19.72
Stock-in-Trade	0.08	0.36
	<u>35.61</u>	<u>52.36</u>
Add/(Less) : Excise Duty Variance on Stock (Increase) /Decrease in Stocks	<u>0.08</u>	<u>(0.26)</u>
	<u>16.83</u>	<u>0.58</u>

NOTE 26
EMPLOYEES BENEFIT EXPENSES

	2012-13	2011-12
Salaries and Wages	89.75	74.80
Contribution to Provident and Other Funds	8.80	10.92
Staff Welfare Expenses	14.67	12.67
	<u>113.22</u>	<u>98.39</u>

₹ in Crore (10 Million)

NOTE 27
OTHER EXPENSES

	2012-13	2011-12
Consumption of Stores and Spares*	65.41	60.42
Power & Fuel	406.19	413.63
Rent	11.12	9.90
(Net of realisation ₹ 0.21 crore, Previous year ₹ 0.19 crore)		
Repairs to Buildings	5.46	4.72
Repairs to Machinery	33.39	25.73
Insurance	3.30	4.23
Rates and Taxes	1.46	0.88
Transport, Clearing and Forwarding Charges	421.52	331.31
Commission on Sales	21.38	17.30
Directors' Fee & Commission	1.53	1.53
Provision for Doubtful Debts	0.11	-
Prior Period Expenses	-	3.98
Advertisement, Bank Charges, Travelling, Consultancy etc.	55.70	42.84
	1026.57	916.47

	% of Total		% of Total	
* Indigenous	57.28	87.57%	52.12	86.26%
Imported	8.13	12.43%	8.30	13.74%
Total	65.41	100.00%	60.42	100.00%

Net of Scrap sale ₹ 3.87 crore (Previous year ₹ 3.59 crore)

NOTE 28
FINANCE COSTS

Interest expenses (refer Note 41 b)	82.94	86.76
Other borrowing cost	0.60	0.66
	83.54	87.42

NOTE 29
DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible Assets	184.29	188.16
Amortisation on Intangible Assets	1.12	1.12
Less: Transferred from Revaluation Reserve	20.15	20.31
Less: Shown as Exceptional Item	16.33	39.24
	148.93	129.73

NOTE 30
EARNING PER SHARE

Profit after tax available for Equity Shareholders	175.74	108.78
Weighted average number of equity shares	11.81	12.24
Earning per Equity Share (₹) (face value ₹ 5 each)		
- Cash	28.03	24.02
- Basic and diluted	14.88	8.89

NOTES TO ACCOUNT

31. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 354.36 crore (Previous year ₹ 240.89 crore).
32. 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)	
	31st March, 2013	31st March, 2012
a) Excise duty	2.30	15.88
b) Sales tax	5.45	15.86
c) Income Tax	-	6.84
d) Land tax	1.31	1.31
e) Other matters	19.89	11.80
Total	28.95	51.69

33. Maximum balance due for Commercial Paper issued during the year was ₹ 55 crore and the year end balance is Nil (Previous year Maximum balance ₹ 60 crore and at the year end Nil).
34. The Board of Directors of the Company in February, 2012, approved the Buy-Back of its Equity Shares up to an amount of ₹ 97.50 crore subject to a price cap of ₹ 70/- per Equity Share. The Company's Buy-back Scheme was closed on 6th February, 2013. Under the Buy- Back Scheme, the Company bought back and extinguished 46,88,858 Equity Shares resulting in reduction in the Equity Share Capital from ₹ 61.19 crore to ₹ 58.85 crore. The Company utilized ₹ 30.47 crore for the Buy Back for which, ₹ 28.13 crore has been drawn from the Securities Premium Reserve and ₹ 2.34 crore has been appropriated from the Surplus in the Statement of Profit & Loss to Capital Redemption Reserve.
35. 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. During the Current year Income Tax is higher than Minimum Alternative Tax (MAT) and therefore, the Company has utilized MAT credit entitlement of ₹ 22.51 crore (Previous year ₹ Nil) and forms part of the current tax of the year.
36. 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.
37. 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.
38. Factory & Service Buildings and Plant & Machinery of Lakshmi Cement Plant, Jaykaypuram Rajasthan were revalued as at 1st April 1990. Certain fixed assets of aforesaid Plant were revalued and updated as at 1st April, 1997 and certain Buildings, Plant & Machinery and other assets of aforesaid 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 re-determined at net replacement cost basis on 1st April 2005. Certain Plant and Machinery and Railway siding of aforesaid plant were revalued and up dated as at 1st April 2008 and 1st April 2011. The Gross Block as at 31st March 2013 includes aggregate revaluation / business valuation of ₹ 405.55 crore (Previous year ₹ 422.43 crore).
39. During the current year ,the Company has changed with retrospective effect, the method of providing depreciation on Split Grinding Units from 'Straight Line' to 'Written Down Value' at the rate prescribed in Schedule XIV to the Companies Act, 1956. This shall result in more systematic basis of apportionment of Depreciation charge over the useful economic life of the Split Grinding Units. This change has resulted in an additional depreciation charge of

₹ 27.83 crore comprising of ₹ 11.50 for the year and ₹ 16.33 crore for the earlier years, which has been shown as an Exceptional Item. The Profit after tax for the year would have been higher by ₹ 18.80 crore had the Company continued to follow the earlier method of depreciation.

40. Sales include own consumption at cost ₹ 2.68 crore (Previous years ₹ 3.85 crore).
41. a) Consumption of Stores and Spares is net of scrap sale ₹ 3.88 crore (Previous year ₹ 3.59 crore.)
b) Interest expenses include ₹ 6.47 crore (Previous year ₹ 7.76 crore) being interest on entry tax inclusive of ₹ 2.29 crore (Previous year ₹ 7.76 crore) being prior period.
42. Other-Non-Operating Income represents receipts from aircraft flying, net of expenses of ₹ 7.27 crore (Previous year ₹ 5.80) and ₹ 11.11 crore recovery of old dues earlier written off.
43. a) Foreign exchange gain (net) amounting ₹ 1.08 crore (Previous year loss (net) ₹ 0.67 crore) has been included in respective heads of accounts in Statement of Profit and Loss.
b) Forward contracts of ₹ 26.85 crore - EUR 0.08 Mn, USD 3.56 Mn, GBP 0.01 Mn (Previous year ₹ 19.98 crore - EUR 2.83 Mn USD 0.13Mn.) taken for the purpose of hedging against letter of credit outstanding as at 31st March, 2013.
44. 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 :
 - i) Principal and Interest amount due and remaining unpaid as at 31st March 2013 - Nil (Previous year - Nil).
 - ii) Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).
 - iii) 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).
 - iv) Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
 - v) Interest Accrued and unpaid as at 31st March 2013- Nil (Previous year - Nil).
b) Some of the Balances of debtors and creditors are in process of confirmation.
45. The Company has only one business segment namely Cementitious Materials.
46. Other advances include an amount of ₹ 40.00 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 43.33 crore) (Maximum balance due ₹ 43.33 crore, previous year ₹ 46.66 crore) due from a Group Company and arising out of an earlier Scheme of Reconstruction, Arrangement and Demerger sanctioned by Hon'ble High Courts of Rajasthan (Jodhpur) and Delhi.
47. The Company has taken up revival and rehabilitation of Udaipur Cement Works Limited (UCWL) after its Rehabilitation Scheme got approved by BIFR in January, 2012. The Company is to invest ₹ 150.00 crore in UCWL including 9% Non Convertible Redeemable Debentures (NCD) of ₹ 50 crore, issued by the Company directly to the erstwhile Term Lenders of UCWL against their outstanding dues. In this connection, the Company has given a Letter of Comfort to BIFR to infuse / arrange funds to meet any crystallized liability in UCWL. The Company has already paid ₹ 90.54 crore (Previous year ₹ 11.44 crore) [including issue of NCDs of ₹ 49.79 crore (Previous year Nil) up to 31st March, 2013] shown as Advance against Securities to be issued by UCWL.
48. Other Advances (refer Note 19) include Nil (Previous year ₹ 3 crore) paid by the Company to Dwarkesh Energy Limited, a SPV for the Power Project, for subscribing to their Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹ 10 crore (face value ₹ 100.00). The OCCRPS have since been allotted to the Company.
49. During the year the Company has received subsidy of ₹ 6.30 crore (Previous year ₹ 7.82 crore) in terms of State Investment Promotion Scheme, of which ₹ 4.94 (Previous year ₹ 6.71 crore) and ₹ 1.36 (Previous year ₹ 1.11 crore) have been reduced from Interest and wages respectively.
50. Disclosure pursuant to Clause 32 of the Listing Agreement : (refer Note 47) (Loans / Advances to employees as per Company's policy are not considered.)

₹ in Crore (10 Million)

NOTE 51

Expenditure on Research and Development (R&D) activities During the year:

	2012-13	2011-12
i) Revenue Expenditure		
1. Employees Cost	1.62	-
2. Cost of Material and Testing Charges	0.21	-
3. Other R & D Expenses	0.35	-
4. R & D Cess	0.33	0.32
Sub Total (i)	<u>2.51</u>	<u>0.32</u>
ii) Capital Expenditure	0.20	-
Total (i+ii)	<u>2.71</u>	<u>0.32</u>

NOTE 52

Amount paid to Auditors :

(i) Statutory Auditors :		
Audit Fee	0.08	0.08
For Taxation matters	0.02	0.02
For Other Services	0.02	0.06
Reimbursement of Expenses	0.01	0.01
	<u>0.13</u>	<u>0.17</u>
(ii) Cost Auditors :		
Cost Audit Fee (₹)	50000	50000
	<u>50000</u>	<u>50000</u>

NOTE 53

Expenses charged to Raw Material (Limestone) account includes :

Salaries & Wages	3.86	3.68
Contribution to Provident and Other Funds	0.21	0.21
Employees' Welfare Expenses	0.93	0.80
Consumption of Stores and Spares	27.35	24.73
Power & Fuel	3.55	3.16
Repairs to Machinery	20.14	17.02
Insurance	0.11	0.09
Rates and Taxes	1.43	1.43
Royalty	37.46	36.84
Miscellaneous Expenses	0.30	0.29
	<u>95.34</u>	<u>88.25</u>

NOTE 54

RELATED PARTY DISCLOSURE

List of Related Parties :

- a) Subsidiary
Hansdeep Industries & Trading Co. Ltd.
- b) Associates
Udaipur Cement Works Ltd.(UCWL) w.e.f. 8th Aug, 2012.
- c) Key Management Personnel (KMP) :
Shri Bharat Hari Singhania
Smt. Vinita Singhania
Shri S.K. Wali
Dr. S. Chouksey

Chairman & Managing Director
 Vice Chairman & Managing Director
 Whole-time Director
 Whole-time Director

NOTE 54 (Contd...)

- d) 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 :

Nature of Transactions	Subsidiary	Associates	₹ in Crore (10 Million)	
			Enterprise over which KMP is able to exercise significant influence \$	
	2012-13			2011-12
- Sharing of Expenses received			0.96	0.73
- Sharing of Expenses paid			0.60	0.66
- Purchase of Tyres			0.51	0.85
- Payment of Expenses #	0.02		0.39	0.35
- Sale of Cement		0.17	0.12	0.10
- Other Income			3.58	3.07
- Investments	1.00	11.11[@]		-
- Sale of Assets	0.99			-
- NCD's issue		49.79		-
- Advances given		29.31		9.61
Outstanding as at year end:				
- Receivable :				
UCWL		90.54		11.44
RPPL			0.42	0.42
- Payable :				
JKTIL	-		2.04	2.00

- ii) Details of remuneration to KMP : Chairman & Managing Director ₹ 7.99 crore (Previous year ₹ 5.75 crore), Vice Chairman & Managing Director ₹ 8.17 crore (Previous year ₹ 5.91 crore) and Whole-time Directors ₹ 2.22 crore each (Previous year ₹ 1.82 crore each). Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

\$ All previous year transactions are with JKTIL except the one marked with # is with RPPL.

@ Received Equity Shares in lieu of old recovery.

NOTE 55

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)	
	2012-13	2011-12
Power & Fuel	2.67	0.47
Salaries and Wages	10.00	9.15
Staff Welfare expenses	0.37	0.24
Insurance	0.39	0.54
Rent	0.27	1.13
Travelling, Consultancy & Miscellaneous Expenses	9.44	13.21
Finance costs	52.98	18.15
	76.12	42.89
Add : Expenditure upto previous year	54.13	12.02
Less : Transferred to Fixed Assets		
(Includes interest ₹ 6.18 crore, previous year ₹ 0.71 crore)	15.75	0.78
	114.50	54.13

NOTE 56
EMPLOYEE DEFINED BENEFITS :
(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation on 31st March, 2013.

₹ in Crore (10 Million)

		2012-13		2011-12	
		Gratuity Funded	Leave Encashment Non Funded	Gratuity Funded	Leave Encashment Non Funded
I	Expenses recognised in the Statement of Profit & Loss for the year ended 31st March, 2013				
1	Current Service Cost	1.51	0.67	1.36	0.49
2	Interest Cost	2.00	0.35	1.76	0.33
3	Expected return on plan assets	(2.35)	-	(1.85)	-
4	Actuarial (Gains) / Losses	(0.13)	0.76	2.19	0.95
5	Total expense	1.03	1.78	3.46	1.77
II	Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2013				
1	Present Value of Defined Benefit Obligation as at 31st March, 2013	31.83	6.01	28.51	4.98
2	Fair value of plan assets as at 31st March, 2013	31.84	-	29.39	-
3	Funded status [Surplus/(Deficit)]	-	-	0.88	-
4	Net Asset / (Liability) as at 31st March, 2013	₹ 9551	(6.01)	0.88	(4.98)
III	Change in obligation during the Year ended 31st March, 2013				
1	Present Value of Defined Benefit Obligation at the beginning of the year	28.51	4.98	23.53	4.31
2	Current Service Cost	1.51	0.67	1.36	0.49
3	Interest Cost	2.00	0.35	1.76	0.33
4	Actuarial (Gains) / Losses	0.59	0.76	2.57	0.95
5	Benefits Payments	(0.79)	(0.74)	(0.71)	(1.10)
6	Present Value of Defined Benefit Obligation at the end of the year	31.83	6.01	28.51	4.98
IV	Change in Assets during the Year ended 31st March, 2013				
1	Fair value of plan assets at the beginning of the year	29.40	-	23.10	-
2	Expected return on plan assets	2.35	-	1.85	-
3	Contributions by employers	0.15	-	4.77	-
4	Actual benefits paid	(0.79)	(0.74)	(0.71)	(1.10)
5	Actuarial gains / (losses)	0.73	0.76	0.39	0.95
6	Fair value of plan assets at the end of the year	31.84	-	29.40	-
7	Actual return on plan assets	3.08	-	2.23	-
V	The major categories of plan assets as % of total plan				
	Mutual Fund	100%		100%	
VI	Actuarial Assumptions :				
1	Discount Rate	7.00%		7.50%	
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%		5.00%	

NOTE 56 (Contd...)

- a) Defined Benefit Plan
Amount recognised as an expenses and included in the Note 26 and Note 53 of herein above.
Item "Salaries and Wages" includes ₹ 1.78 crore (Previous year ₹ 1.77 crore) for Leave Encashment.
Item "Contributions to Provident and Other Funds" includes ₹ 1.03 crore (Previous year ₹ 3.46 crore) for Gratuity.
- (b) Defined Contribution Plans -
Amount recognised as an expense and included in Note 26 and Note 53 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹ 7.70 crore (Previous year ₹ 7.43 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) Experience Adjustments

₹ in Crore (10 Million)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
I) Gratuity Funded					
Defined Benefit Obligation	16.85	19.67	23.53	28.51	31.83
Fair Value of Plan Assets	14.08	21.06	23.10	29.39	31.84
Surplus/(Deficit)	(2.77)	1.39	(0.43)	0.88	₹ 9551
Expected Adjustments on Plan Liabilities	(2.73)	(1.44)	(3.99)	(2.57)	3.51
Expected Adjustments on Plan Assets	(0.14)	1.41	(0.08)	0.39	0.73
II) Leave Encashment					
Defined Benefit Obligation	3.14	3.83	4.31	4.98	6.01
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(3.14)	(3.83)	(4.31)	(4.98)	(6.01)
Expected Adjustments on Plan Liabilities	(0.77)	(0.70)	(0.17)	(0.95)	(0.57)

NOTE 57

Other Particulars :

₹ in Crore (10 Million)

- a) Expenditure in Foreign Currency on account of
- Consultancy and know-how fee
 - Interest
 - Others
- b) Earning in Foreign Currency on account of FOB value of Exports
- c) C.I.F. Value of Imports :
- Raw Materials
 - Power & Fuel
 - Stores and Spares
 - Capital Goods

	2012-13	2011-12
	2.52	0.79
	0.09	0.23
	0.57	0.95
	3.18	1.97
	-	-
	9.57	8.97
	8.88	5.59
	75.81	16.84
	94.26	31.40

NOTE 58

Previous year's figures have been re-grouped / re-classified wherever necessary.

As per our report of even date

For LODHA & CO.
Chartered Accountants
Firm Registration No.: 301051E

Saurabh Chhajer
Partner
Membership No. : 403325
New Delhi, the 29th May, 2013

B.K. DAGA
Vice President & Company Secretary

For and on behalf of the Board

B.H. SINGHANIA
VINITA SINGHANIA
B.V. BHARGAVA
N.G. KHAITAN
PRADEEP DINODIA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI

Chairman & Managing Director
Vice Chairman & Managing Director

Directors

CASH FLOW STATEMENT

For the Year Ended 31st March 2013

₹ in Crore (10 Million)

	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Exceptional Items	251.69	181.98
Adjustments for:		
Depreciation and Amortisation	148.93	129.73
Interest & Dividend Income	(6.94)	(5.61)
Profit on sale of Assets & Current Investments (Net)	(33.82)	(54.41)
Finance Costs	83.54	79.66
Provision for doubtful debts	0.11	-
Written Off amount recovered	(11.11)	-
Operating Profit before Working Capital changes	432.40	331.35
Adjustments for:		
Trade and Other Receivables	(63.01)	(30.12)
Inventories	5.25	(0.17)
Trade and Other Payables	6.18	119.94
Cash generated from Operations	380.82	421.00
Income Tax Payments	(48.55)	(43.18)
Net Cash from Operating Activities	332.27	377.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(591.30)	(489.19)
Sale of Fixed Assets	4.09	1.78
(Purchase) / Sale of Investments (Net)	92.10	127.76
Dividend Received	0.24	-
Interest Received	6.51	6.10
Net Cash from / (used in) Investing Activities	(488.36)	(353.55)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy- Back of Equity Shares	(30.42)	(0.05)
Proceeds from Long-term borrowings	330.00	345.00
Repayment of Long-term borrowings	(147.38)	(255.47)
Short-term borrowings (Net)	34.91	(16.89)
Interest paid	(80.94)	(79.79)
Dividend paid (including Dividend Distribution Tax)	(27.07)	(17.56)
Net Cash from / (used in) Financing Activities	79.10	(24.76)
D. Increase / (Decrease) in Cash and Cash Equivalents	(76.99)	(0.49)
E. Cash and Cash Equivalents as at the beginning of the year	90.85	91.34
F. Cash and Cash Equivalents as at the close of the year	13.86	90.85
Notes:		
1. Cash and Cash Equivalents include:		
- Cash, Cheques in hand and remittances in transit	8.45	28.88
- Balances with Scheduled Banks	5.41	61.97
	13.86	90.85

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
Firm Registration No.: 301051E

Saurabh Chhajer
Partner
Membership No. : 403325
New Delhi, the 29th May, 2013

B.K. DAGA
Vice President & Company Secretary

For and on behalf of the Board

B.H. SINGHANIA
VINITA SINGHANIA
B.V. BHARGAVA
N.G. KHAITAN
PRADEEP DINODIA
Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI

Chairman & Managing Director
Vice Chairman & 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	31.03.2013	
3	Shares held in the Subsidiary Company on the above date :		
	i) Number - Equity		1,050,007
	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	₹	60
	b) For the previous Financial years since it became the Holding Company's Subsidiary	₹	136531
	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 (8)		Not applicable

For and on behalf of the Board

B.H. SINGHANIA *Chairman & Managing Director*
 VINITA SINGHANIA *Vice Chairman & Managing Director*

B.V. BHARGAVA
 N.G. KHAITAN
 PRADEEP DINODIA
 Dr. R.P. SINGHANIA
 Dr. S. CHOUKSEY
 S.K. WALI

Directors

B.K. DAGA
 Vice President & Company Secretary

New Delhi, the 29th May, 2013

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JK LAKSHMI CEMENT LIMITED, ITS SUBSIDIARY AND ASSOCIATE

TO THE BOARD OF DIRECTORS OF JK LAKSHMI CEMENT LIMITED

We have audited the accompanying Consolidated Financial Statements of JK Lakshmi Cement Limited ("the company"), its subsidiary company and its interest in associate, which comprise the Consolidated Balance Sheet as at 31st March 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the

explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiary and the associate as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- In the case of Consolidated Statement of the Profit & Loss, of the Profit of the Company for the year ended on that date; and
- In the case of Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Other Matters

We did not audit the financial statements of the subsidiary. The financial statements of the subsidiary reflect total assets of ₹ 1.06 crore as at 31st March 2013, revenue of ₹ 0.03 crore and net cash inflow ₹ 0.03 crore for the year ended on that date. Further the financial statements of the subsidiary have been audited by other auditor, whose report has been furnished to us by the management and our opinion, in so far as it relates to the amounts included in respect of the said subsidiary is based solely on the report of the other auditor.

We did not audit the financial statements of the associate, namely, Udaipur Cement Works Limited, whose unaudited financial statements reflect a share of loss of ₹ 0.71 crore for the period ended 31st March, 2013. The said financial statements have been approved by its board of directors and were furnished to us by the management, and our opinion, in so far as it relates to the amounts included in respect of the interest in said associate, is based solely on the report of the other auditor.

The detailed notes of the consolidated financial statements have not been prepared for the reason stated in Note no. 5 of the accompanying consolidated financial statements.

Our opinion is not qualified in respect of other matters.

For LODHA & CO.
 Chartered Accountants
 Firm Registration Number: 301051E

Place: New Delhi
 Date: 29th May, 2013

Saurabh Chhajer
 (Partner)
 Membership No: 403325

CONSOLIDATED BALANCE SHEET

As at 31st March 2013

₹ in Crore (10 Million)

Particulars	31st March 2013	31st March 2012
I. EQUITY AND LIABILITIES		
(1) SHAREHOLDERS' FUNDS		
(a) Share Capital	58.85	61.19
(b) Reserves and Surplus	<u>1200.24</u>	<u>1114.00</u>
	1259.09	1175.19
(2) NON-CURRENT LIABILITIES		
(a) Long-Term Borrowings	1097.70	908.25
(b) Deferred Tax Liabilities (Net)	113.38	123.31
(c) Other Long-Term Liabilities	36.42	30.76
(d) Long-Term Provisions	<u>5.66</u>	<u>3.86</u>
	1253.16	1066.18
(3) CURRENT LIABILITIES		
(a) Short-Term Borrowings	41.25	6.34
(b) Trade Payables	128.70	104.74
(c) Other Current Liabilities	422.48	401.61
(d) Short-Term Provisions	<u>38.27</u>	<u>31.61</u>
	630.70	544.30
Total	<u>3142.95</u>	<u>2785.67</u>
II. ASSETS		
(1) NON -CURRENT ASSETS		
(a) Fixed Assets		
(i) Tangible Assets	1432.51	1325.14
(ii) Intangible Assets	3.07	4.19
(iii) Capital Work-in-Progress	688.06	294.05
(b) Non-Current Investments	29.04	6.27
(c) Long-Term Loans and Advances	359.10	367.65
(d) Other Non-Current Assets	<u>1.21</u>	<u>1.82</u>
	2512.99	1999.12
(2) CURRENT ASSETS		
(a) Current Investments	375.72	447.49
(b) Inventories	114.84	120.09
(c) Trade Receivables	50.11	38.24
(d) Cash and Bank Balances	12.68	89.03
(e) Short-Term Loans and Advances	74.44	89.65
(f) Other Current Assets	<u>2.17</u>	<u>2.05</u>
	629.96	786.55
Total	<u>3142.95</u>	<u>2785.67</u>

Notes on Financial Statements 1-5

As per our report of even date

For LODHA & CO.
 Chartered Accountants
 Firm Registration No.: 301051E

Saurabh Chhajer
 Partner
 Membership No. : 403325
 New Delhi, the 29th May, 2013

B.K. DAGA
 Vice President & Company Secretary

For and on behalf of the Board

B.H. SINGHANIA
 VINITA SINGHANIA
 B.V. BHARGAVA
 N.G. KHAITAN
 PRADEEP DINODIA
 Dr. R.P. SINGHANIA
 Dr. S. CHOUKSEY
 S.K. WALI

Chairman & Managing Director
 Vice Chairman & Managing Director

Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year Ended 31st March 2013

₹ in Crore (10 Million)

Particulars	2012-13	2011-12
I. Revenue from operations	2300.25	1921.63
Less : Excise Duty	245.30	203.53
Revenue from operations(Net)	2054.95	1718.10
II. Other Income	55.47	63.41
III. Total Revenue (I+II)	2110.42	1781.51
IV Expenses		
a) Cost of materials consumed	337.14	285.98
b) Purchase of stock-in-trade	132.48	80.95
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	16.83	0.58
d) Employee benefit expense	113.22	98.39
e) Other expenses	1026.57	916.47
Total Expenses	1626.24	1382.37
V. Profit before Interest, Depreciation & Tax(PBIDT) (III - IV)	484.18	399.14
Finance Costs	83.54	87.42
Depreciation and Amortization Expense	148.95	129.73
VI. Profit before Exceptional Items and Tax	251.69	181.99
VII. Exceptional Items	16.33	39.24
VIII. Profit before Tax (VI - VII)	235.36	142.75
IX. Tax Expense:		
1) Current tax	69.56	30.93
Less: MAT credit entitlements	-	(13.07)
Net Current tax	69.56	17.86
2) Deferred tax	(9.94)	16.09
3) Tax adjustments for earlier years	-	0.01
X. Profit after Tax	175.74	108.79
XI. Share in Profit /(Loss) of Associate	(0.71)	-
XII. Profit for the period	175.03	108.79
XIII. Earning per Equity Share (₹):		
Cash	27.97	24.02
Basic and Diluted	14.82	8.89

Notes on Financial Statements

1-5

As per our report of even date

For LODHA & CO.
Chartered Accountants
Firm Registration No.: 301051E

Saurabh Chhajer
Partner
Membership No. : 403325
New Delhi, the 29th May, 2013

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Dr. S. CHOUKSEY
S.K. WALI

Chairman & Managing Director
Vice Chairman & Managing Director

Directors

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 31st March 2013

₹ in Crore (10 Million)

	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Exceptional Items	251.69	181.98
Adjustments for:		
Depreciation and Amortisation	148.95	129.73
Interest & Dividend Income	(6.94)	(5.61)
Profit on sale of Assets & Current Investments (Net)	(33.84)	(54.41)
Finance Costs	83.54	79.66
Provision for doubtful debts	0.11	-
Written Off amount recovered	(11.11)	-
Operating Profit before Working Capital changes	432.40	331.35
Adjustments for:		
Trade and Other Receivables	(63.01)	(30.12)
Inventories	5.25	(0.17)
Trade and Other Payables	6.20	119.94
Cash generated from Operations	380.84	421.00
Income Tax Payments	(48.55)	(43.18)
Net Cash from Operating Activities	332.29	377.82
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(591.30)	(489.19)
Sale of Fixed Assets	4.09	1.78
(Purchase) / Sale of Investments (Net)	92.11	127.76
Dividend Received	0.24	-
Interest Received	6.51	6.10
Net Cash from / (used in) Investing Activities	(488.35)	(353.55)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy- Back of Equity Shares	(30.42)	(0.05)
Proceeds from Long-term borrowings	330.00	345.00
Repayment of Long-term borrowings	(147.38)	(255.47)
Short-term borrowings (Net)	34.91	(16.89)
Interest paid	(80.94)	(79.79)
Dividend paid (including Dividend Distribution Tax)	(27.07)	(17.56)
Net Cash from / (used in) Financing Activities	79.10	(24.76)
D. Increase / (Decrease) in Cash and Cash Equivalents	(76.96)	(0.49)
E. Cash and Cash Equivalents as at the beginning of the year	90.85	91.34
F. Cash and Cash Equivalents as at the close of the year	13.89	90.85
Notes:		
1. Cash and Cash Equivalents include:		
- Cash, Cheques in hand and remittances in transit	8.48	28.88
- Balances with Scheduled Banks	5.41	61.97
	13.89	90.85

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
Firm Registration No.: 301051E

Saurabh Chhajer
Partner
Membership No. : 403325
New Delhi, the 29th May, 2013

B.K. DAGA
Vice President & Company Secretary

For and on behalf of the Board

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Dr. R.P. SINGHANIA
Dr. S. CHOUKSEY
S.K. WALI

Chairman & Managing Director
Vice Chairman & Managing Director

Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The Accounts have been prepared to comply with the requirements of Accounting Standard - 21 and 23 to include all material items.
2. a) The Consolidated Financial Statements comprises of Financial statements of JK Lakshmi Cement Limited (Parent Company) and the following as on 31/03/2013:

i) Subsidiary :

Name	Proportion of ownership interest	Financial statements as on
Hansdeep Industries and Trading Company Ltd.	100%	31/03/2013

Impact of minority interest is insignificant and immaterial, hence not considered

ii) Associate:

Name	Status	Ownership interest	Financial statement as on (unaudited/reviewed)
Udaipur Cement Works Ltd.	Reviewed	27.72%	31/03/2013

- b) In case of associates, where Company holds directly or indirectly through subsidiaries 20% or more equity or / and exercises significant influence, investments are accounted for by using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
 - c) Post acquisition, the Company accounts for its share in the change in net assets of the associate (after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate to the extent of its share) through its Statement of Profit and Loss in respect of the change attributable to the associates' Statement of Profit and Loss and through its reserves for the balance.
 - d) The Accounting policies of the parent Company, its subsidiary and associate are largely similar.
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. The Company has taken up the Revival & Rehabilitation of Udaipur Cement Works Ltd. (UCWL) pursuant to the Rehabilitation Scheme approved by BIFR in January, 2012. The Company, JK Lakshmi Cement Ltd. is to invest ₹ 150.00 crore in UCWL including 9% Non Convertible Redeemable Debentures (NCD) of ₹ 50 crore, issued by the Company directly to the erstwhile Term Lenders of UCWL against their outstanding dues. In this connection, the Company has given a Letter of Comfort to BIFR to infuse / arrange funds to meet any crystallized liability in UCWL. The Company has already paid ₹ 90.54 crore (Previous year ₹ 11.44 crore). UCWL being a Sick Company under BIFR, the value of the Company's investment of ₹ 11.11 crore in Equity Share of UCWL is entirely represented by Goodwill.
 5. In view of insignificant / negligible transactions of the subsidiary Company and Share of Profit / (Loss) of Associate, notes are not prepared.

As per our report of even date

For LODHA & CO.
Chartered Accountants
Firm Registration No.: 301051E

Saurabh Chhajer
Partner
Membership No. : 403325
New Delhi, the 29th May, 2013

B.K. DAGA
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S.K. WALI

Chairman & Managing Director
Vice Chairman & Managing Director

Directors



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

NOTICE

NOTICE is hereby given that the 73rd 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 **Friday, the 2nd August 2013 at 2.30 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 2013 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri N.G.Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Sushil Kumar Wali, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri B.V.Bhargava, 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,(Registration No. 301051E) be and are hereby appointed as Auditors of the Company from the conclusion of the 73rd Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration of ₹ 11,00,000 (Rupees Eleven Lacs only) 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 the provisions of Sections 269, 309, 198 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the re-appointment of Shri Sushil Kumar Wali as Whole-time Director of the Company for a period of three years w.e.f. 1st August 2013, be and is hereby approved on the terms and remuneration as 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, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Chairman & Managing Director / Vice Chairman & Managing Director of the Company be and are hereby severally authorised to vary and/ or revise the remuneration of the said Whole-time Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or 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 the provisions of Sections 269, 309, 198 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the re-appointment of Dr. Shailendra Chouksey as Whole-time Director of the Company for a period of three years w.e.f. 1st August 2013, be and is hereby approved on the terms and remuneration as 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, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Chairman & Managing Director / Vice Chairman & Managing Director of the Company be and are hereby severally authorised to vary and/ or revise the remuneration of the said Whole-time Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto."

9. To consider and if thought fit to pass, with or without modification(s), the following as **Special Resolution**:

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force, the Articles of Association of the Company be and is hereby amended in the following manner:

- (a) The existing Article 82 be substituted by the following new article:

"**82.** The Chairman of the Board of Directors or in his absence the Vice- Chairman, if any, shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman or Vice-Chairman or in case of his not being present or being unwilling to take the Chair within fifteen minutes of the time appointed for holding such meeting, the members present shall choose one of the Directors to be the Chairman, and if all the Directors present decline to take the Chair, or if there be no Director present, then the members present shall choose one of their number to be Chairman of the meeting."

- (b) The existing Article 132 including the marginal heading thereof be substituted by the following:

"132. Chairman & Vice Chairman

The Directors may elect from amongst themselves a Chairman and a Vice-Chairman of their meetings and determine the period for which they shall hold office. All meetings of the Directors shall be presided over by the Chairman or the Vice-Chairman, if present but if at any meeting of the Directors, the Chairman or the Vice-Chairman be not present within five minutes after the time appointed for holding the same then the Directors present at the meeting shall choose one of their number then present to be the Chairman of the meeting."

- (c) The following new Article numbered 128AA be inserted after the existing Article 128A :

"128AA. Chairman and Managing Director/Whole-time Director/Chief Executive Officer

An individual may be appointed or re-appointed as the Chairman of the Company as well as the Managing Director or Whole-time Director or Chief Executive Officer of the Company at the same time."

By Order of the Board

Regd. Office:

Jaykaypuram-307 019
Basantgarh, Dist. Sirohi (Rajasthan)
29th May, 2013

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 29th July 2013 to 2nd August 2013 (both days inclusive).
4. The Dividend @ ₹ 2.50 per Equity Share of ₹ 5 each (50%) 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 Register of Members of the Company

on 2nd August 2013 or to their mandatees. In respect of shares held by the Members 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 N.G.Khaitan	Shri Sushil Kumar Wali	Shri B.V.Bhargava
Age	62 Years	62 Years	77 Years
Qualification	Attorney-at-Law	B.E. (Hons) in Chemical Engineering	LL.B., M.Com.
Expertise in Specific Functional Areas	Solicitor & Advocate	General Management	Development Banking and Project Finance
Date of Appointment on the Board	2 nd December 1993	20 th July 2002	3 rd April 1997
Name(s) of other Companies in which Directorships held (as per Section 275 and 278 of the Companies Act 1956)	Director : - Chase Bright Steel Ltd. - HSIL Ltd. - Mangalam Timber Products Ltd. - Mangalam Cement Ltd. - Naga Dhunseri Group Ltd. - Reliance Chemotex Industries Ltd. - Rasoi Ltd. - DPSC Ltd.	Director : - JKLC Employees' Welfare Association Ltd.	Director : - CRISIL Ltd. - Excel Crop Care Ltd. - Grasim Industries Ltd. - Supreme Industries Ltd. - L&T Infrastructure Finance Company Ltd. - Grasim Bhiwani Textiles Ltd. - L&T Finance Holdings Ltd.
Name (s) of Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	Chairman-Audit Committee: - Mangalam Timber Product Ltd. Member- Audit Committee: - HSIL Ltd. - Reliance Chemotex Industries Ltd. - Mangalam Cement Ltd. - DPSC Limited Member-Shareholders/ Investor Grievance Committee: - HSIL Ltd.	-	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 Nos. 7 & 8

Shri Sushil Kumar Wali and Dr. Shailendra Chouksey were re-appointed as Whole-time Directors of the Company for a period of three years each w.e.f. 1st August 2010 with due approval of the Shareholders at the Annual General Meeting held on 14th July 2010.

The Board of Directors of the Company at its meeting held on 29th May 2013 has re-appointed Shri Sushil Kumar Wali and Dr. Shailendra Chouksey as Whole-time Directors of the Company for a further period of three years each w.e.f. 1st August 2013, on the terms of remuneration determined by the Remuneration Committee of Directors, as set out herein, subject to requisite approvals.

Information pursuant to para 1(C) of Section II of Part II of the Schedule XIII to the Companies Act, 1956 (the Act):

I. General Information:

1. Nature of Industry: Cement.
2. Date or expected date of Commencement of Commercial Production: The first Cement plant of the Company at Jaykaypuram, Basantgarh, Distt. Sirohi (Rajasthan) 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:

₹/Crore

Particulars	Financial Year (12 months) ended		
	31.03.2013	31.03.2012	31.03.2011
Gross Sales and Other Income	2,355.70	1985.03	1524.31
Operating Profit (PBIDT)	484.16	399.13	223.88
Profit before Depreciation	400.62	311.71	163.40
Profit after Tax (PAT)	175.74	108.78	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 Appointees:

- (1) **Shri Sushil Kumar Wali**, aged 62 years, holds a Bachelor's Degree in Chemical Engineering with distinction. He has undergone National and International trainings in Business Management at IIM Ahmedabad, Wharton University, U.S.A. and Blue Circle, U.K. Shri Wali has also undergone international training in coaching and now he is a certified coach from International Coaching Community. He joined the Board of Directors of the Company on 20th July 2002. Shri Wali has been closely associated with the Cement Industry for over 38 years. Starting as a Plant Engineer in 1972, he rose to the position of Joint President (Operations) in Lakshmi Cement of JK Corp Limited in 1998. He has also handled finalization and implementation of the Company's Cement Project in consultation with World Bank, U.S.A.

Shri Wali is serving as Chairman/Member of a number of Committees set up by CMA/Government/Chambers of Commerce & Industry like Technical Committee of CMA, Committee for Interaction on Specific Issues related to BIS of Cement Manufacturers Association (CMA), Task Force set up by Ministry of Power and FICCI for India Industrial Programme for Energy Conservation, Industry Representative on ASSOCHAM Energy Team and Asia Pacific Partnership on Clean Development and Climate. Shri Wali is also a member of the Governing Body of National Council for Cement & Building materials. He is currently Chairman of the Advisory Committee of CMA-IIP project on "Increasing Thermal Substitution Rate" in Indian Cement Industry.

During the tenure of Shri S.K. Wali as Whole-time Director, the Company expanded its capacity from 1.9 million tonnes to 5.3 million tonnes at substantial low capital cost. Further, on completion of the Company's on going expansion Projects, the capacity is expected to increase to 8.5 million tonnes. The Company has also achieved high efficiency parameters in the areas of energy consumption, use of alternate fuels, establishing of green power etc., thereby affected substantial savings in costs and improved productivity.

- (2) **Dr. Shailendra Chouksey**, aged 62 years, is a Ph.D. in Management, Post Graduate in Physics and is a MBA from the Faculty of Management Studies, Delhi University. He has over 36 years of corporate experience. He started his career as a Management Trainee in Times of India group. He joined JK Corp Ltd in 1986 as Sr. Sales Manager and moved up the ladder by dint of sheer hard work to positions of General Manager, Vice President and Joint President by the year 1998. He was inducted in the Board of JK Lakshmi Cement as a Whole-time Director in 2002. The Company is engaged in the manufacturing and marketing of different varieties of cement. He joined the Company when the capacity was 0.5 million tonne. He played a key role in raising this capacity gradually to the present level of 5.3 million tonnes which is poised to grow further to 8.5 million tonnes. He played key role in making JK Lakshmi Cement the first cement unit to have got ISO 9002 certification in North India in 1994. He introduced the concept of coloured packing for cement for the First time in the industry and getting requisite approval from BIS, etc. He played a key role in changing the profile of cement which was perceived as a pure commodity to be recognised as branded category.

He is responsible for all the commercial, financial and marketing activities of the company and is responsible to lead company's large distribution network of Sales Promoters, dealers and transporters to achieve company's objectives and Brand Positioning. He attributes his achievements to a strong people centric approach and team work.

He has attended the Advanced Management Programme at The Wharton School, University of Pennsylvania, USA, besides attending various other Senior Executives programmes including the one conducted by Harvard Business School in collaboration with Tata Management Training Centre, IIM Ahmedabad, etc. He is a member of Managing Committee of Cement Manufacturers Association, ASSOCHAM National Council for Competition Law, Working Group on Cement Industry XIth & XIIth Plan (constituted by Ministry of Industry). He is currently the Chairman of Finance/Legal Matters Committee, Cement Manufacturers Association.

(3) Past remuneration of the aforesaid Whole-time Directors: Details as approved by the Shareholders at the Annual General Meeting of the Company held on 14th July 2010 shall be open for inspection at the Regd. Office of the Company.

(4) Job Profile of the Whole-time Directors and suitability: The Whole-time Directors are vested with powers of management subject to the control, direction and superintendence of the Board of Directors and the Managing Directors of the Company. The responsibilities of the managerial personnel have substantially increased with the growth of the Company.

Shri Sushil Kumar Wali has been "Occupier" under the Factories Act, 1948 of Company's Cement Factory at Sirohi, Rajasthan, the grinding mill at Kalol (Gujarat) & Jhajjar (Haryana) and the new AAC Blocks Project at Jharli, Distt. Jhajjar (Haryana) and the new cement plant being set up at Durg (Chattisgarh). He has been also nominated under the Legal Metrology Act 2009. He has been responsible for various expansions Projects of the Company, attending to and other aspects of the working of the Company including technical, materials, administrative and Corporate Governance matters.

Dr. Shailendra Chouksey has been responsible for attending to the marketing, commercial, administrative and various other aspects of working of the Company.

(5) Remuneration Proposed: The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 29th May 2013 have approved the following terms of remuneration of each of the Whole-time Directors for a tenure of three years each w.e.f. 1st August 2013.

A. Salary

(i) Shri Sushil Kumar Wali : ₹ 7,00,000 per month in the salary range of ₹ 6,00,000 to ₹ 10,00,000 per month;

(ii) Dr. Shailendra Chouksey : ₹ 7,00,000 per month in the salary range of ₹ 6,00,000 to ₹ 10,00,000 per month; with such increments as may be decided by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company from time to time.

B. Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car (s) with driver, telephone etc., and such other perquisites, allowances and benefits as may be decided by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman & Managing Director/ Vice Chairman & Managing Director of the Company.

C. Performance linked incentive.

D. Commission: 1% of the net profits computed under Sections 349 and 350 of the Companies Act, 1956 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.

Items C & D above will be as may be determined by the Chairman & Managing Director / Vice Chairman & Managing Director of the Company from time to time.

E. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per rules of the Company.

- F. Gratuity at the rate of 15 days Salary for each completed year of service.
 - G. Encashment of unavailed leave as per rules of the Company.
 - H. The Board or a Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act.
 - 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 Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A,B and C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above.
- (6) 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. The 'Remuneration Committee' constituted by the Board in terms of the said Schedule, perused the remuneration of managerial persons in the cement industry and other companies comparable with the size of the Company, financial position of the Company and the trends in industry, qualification, experience, responsibilities, past performance, past remuneration etc. of the aforesaid Whole-time Directors of the Company before approving their proposed remuneration.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides, the remuneration proposed as aforesaid, the Whole-time Directors do not have any other pecuniary relationship with the Company and they are not related to any managerial personnel.

III. Other Information:

As the Shareholders are aware, the Company has registered all round improvements and consistently good performance for the last 7-8 years through increased production, higher cement sales and much improved all round efficiencies. In spite of a challenging business environment, the Company has continued to make significant progress in the year 2012-13, achieving steady growth in production, sales and profits. The Company continues to drive efficiencies in operating levels particularly in the areas of fuel and power consumption. The Company has adequate profits under the Act and has also been regular in payment of dividends for the last 7 years. Amidst challenges facing the industry, future profitability of the Company will largely depend on the business environment, cost of inputs, consumer demand, inflation, interest rate, Government policies and general state of economy. Cement Industry has taken proactive measures for expanding the capacities to meet the emerging situation.

None of the Directors other than Shri Sushil Kumar Wali and Dr. Shailendra Chouksey for themselves may be deemed to be concerned or interested in the aforesaid resolutions. This may also be treated as abstract of memorandum of interest of Directors under Section 302 of the Companies Act, 1956.

Item No. 9

It is considered desirable to carry out minor amendments in the Articles of Association of the Company to provide that (a) in the absence of the Chairman of the Board of Directors, the Vice-Chairman shall be entitled to chair the General Meetings; (b) the Directors may elect, from amongst themselves, a Chairman and a Vice-Chairman of their meetings; and (c) an explicit clause for appointment of an individual as the Chairman of the Company as well as the Managing Director etc. as mentioned in the Resolution.

Under Section 31 of the Companies Act 1956, approval of the Shareholders is required to any alteration in the Articles by means of Special Resolution. The above Resolution is accordingly recommended for approval of the shareholders.

A copy of the Company's Articles of Association shall be available for inspection at the Regd. Office of the Company between 10 A.M. and 12 Noon on any working day upto and including the date of the AGM.

None of the Directors may be deemed to be concerned or interested in the proposed resolution.

By Order of the Board

Regd. Office:

Jaykaypuram-307 019
Basantgarh, Dist. Sirohi (Rajasthan)
29th May, 2013

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**, 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 electronically online with the RTA. Please log on to www.mcsdel.com and click on Investors Services to register your queries/ grievances which will be promptly responded by the RTA. 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@jksmail.com in case their response is not received within a week's time. Shareholder can also write to the Company in this regard.
7. **Unclaimed Dividends- Transfer to Investor Education and Protection Fund:** Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the unclaimed dividend for the financial year ended 31st March 2007 will become due for transfer to the Investor Education and Protection Fund on 16th August 2014.
It may be noted that after the expiry of the said due date for transfer of unclaimed dividend to the said Fund, no claim shall lie in respect of unclaimed dividend.
Shareholders who have not claimed their dividend for the financial years 2006-07 to 2011-12 may send 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. Shareholders are requested to quote their Folio No. DPID Client ID and details of shares held in physical/demat mode, e-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.

Green Initiative in Corporate Governance: Register E-mail Address

The Ministry of Corporate Affairs has 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: Jaykypuram-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 73rd Annual General Meeting of the Company being held at Jaykypuram-307 019, Basantgarh, Distt. Sirohi, Rajasthan on Friday, the 2nd August, 2013 at 2.30 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*

Note: 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 73rd Annual General Meeting of the Company to be held on Friday, the 2nd August, 2013 at 2.30 P.M. and at any adjournment thereof.

Signed this ----- day of ----- 2013.

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

Signature(s)

Affix
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 Jaykypuram-307019, Basantgarh, Dist. Sirohi, Rajasthan, at least 48 hours before the scheduled time.

THE YEAR THAT WAS...



Shri Bharat Hari Singhania, Chairman & Managing Director, JK Lakshmi Cement conferring the People Management Award to Team JK Lakshmi Cement.



Shri Deepender Singh Hooda, Hon'ble Member of Parliament, Rohtak, Smt. Geeta Bhukkal, Hon'ble Education Minister, Haryana, along with Senior Directors of JK Lakshmi Cement at the launch of Haryana Grinding Unit



Smt. Vinita Singhania, Vice Chairman & Managing Director along with senior members of JK Lakshmi Cement at the 2nd International Marketing Summit in Singapore



Dr. S. Chouksey, Whole-time Director, JK Lakshmi Cement receiving the "Great Place to Work" Award



Smt. Vinita Singhania, Vice Chairman & Managing Director, JK Lakshmi Cement receiving the Construction World - Woman of the year Award



Shri S.K. Wali, Whole-time Director, JK Lakshmi Cement receiving the AAJ TAK Care Award

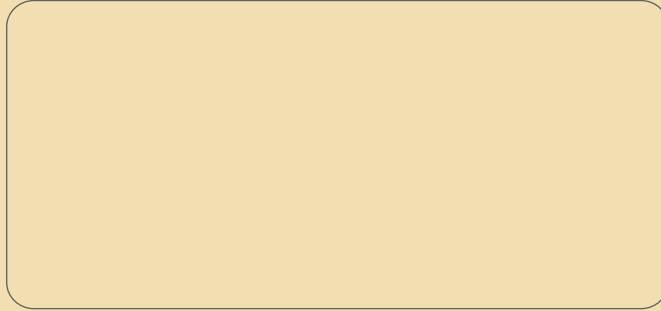


Shri Sunil Agrawal, Sr. Vice President - Marketing, JK Lakshmi Cement receiving the RMAI Corporate Awards 2012



Dr. S. Chouksey, Whole-time Director, JK Lakshmi Cement receiving the National Award for Best HR Practices

BOOK POST



If undelivered, please return to:



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



FORM A

Annual Audit Report to be filed with the Stock Exchanges along with Audited Annual Accounts pursuant to Clause 31 (a) of the Listing Agreement

1.	Name of the Company:	JK Lakshmi Cement Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	<p>For Lodha & Co. Chartered Accountants</p> <p><i>Saurabh Chhajer</i> (Saurabh Chhajer) Partner</p> <p>Firm's Registration No. 301051E Membership No. 403325</p> <p><i>Shri S.A. Bidkar</i> (Shri S.A. Bidkar) CFO</p> <p><i>Shri B.V. Bhargava</i> (Shri B.V. Bhargava) Audit Committee Chairman</p> <p><i>Smt. Vinita Singhania</i> (Smt. Vinita Singhania) Managing Director</p>	



Admn. Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi 110 002; Phone: 33001142 / 33001112; Fax: 91-011-23722251 / 23722021;
E-Mail: lcit@jkmail.com; Website: jklakshmi.com

Regd. & Works Office: Jaykypuram, Distt. Sirohi, Rajasthan; Phone: 02971-244409 / 244410; Fax: 02971-244417; E-Mail: lakshmi_cement@ic.jkmail.com

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

Phone: 43583073, 33001142, 33001112; Fax: 91-11-23739475, E-mail: rgupta@jkmail.com