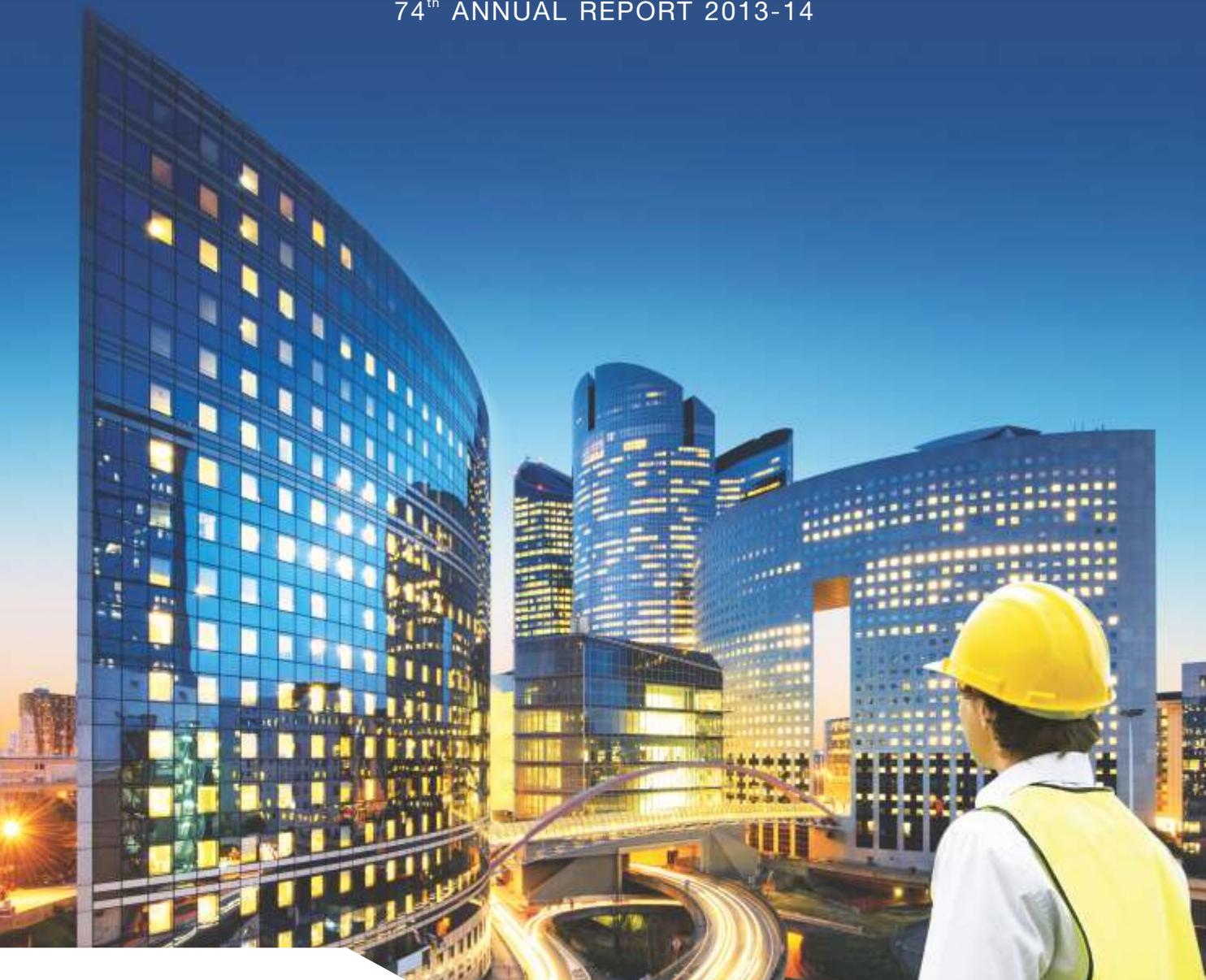


# SCALING HEIGHTS TOUCHING HEARTS

74<sup>th</sup> ANNUAL REPORT 2013-14





## Building A Better Future

With a new majority government in place, people at large and the Cement Industry in particular, have renewed hope for revival of the economy as well as the Industry. The slowdown of the economy during the last three years had adversely impacted the infrastructure development and thereby dented the healthy growth of the Cement Industry.

We at JK Lakshmi Cement share this vision and our optimism in the future of the country has been strengthened further, which has led to the reinforcing of our pledge to play a humble part in creating a better tomorrow. We are more confident than ever that we would not deviate from our chosen path of growth, notwithstanding the temporary period of economic uncertainty.

In keeping with this mission, we expect to commission our new cement plant at Durg, Chattisgarh in the current financial year besides having recently expanded our cement grinding capacities at Jhajjar in Haryana and Jaykaypuram in Rajasthan.

The futuristic construction material, AAC Blocks in which we ventured in the last fiscal year will now have a bigger market space to operate in.

At JK Lakshmi Cement, we are not only focused on increasing our growth capacity, but also the wellbeing of communities across the country. It is this vision of 'inclusive growth' that has motivated us to work relentlessly through various Corporate Social Responsibility initiatives. We hope to take these initiatives to the next level in the coming year, so that in our quest for progress, we not only scale newer heights but also touch millions of hearts.

## Chairman & Managing Director's Message



The country's unflinching faith in democracy and the growing maturity of Indian Voters got reinforced with a record turnout of the electorate in the recently concluded General Elections. History was created when a single party majority was elected after a long gap of 30 years on the agenda of Change, Economic Growth and Infrastructure Development. It is hoped that the new Government would take up its agenda and deliver on its promises to the electorate especially the younger population who constitute, what is largely believed to be India's demographic advantage.

The country's GDP, which has continuously gone down since 2010-11 is likely to start rising again with about 5.6% in 2014-15 and to higher single-digit growth in the coming couple of years. The expected growth in the Indian economy augurs well for the country as a whole and the core sector including Cement Industry in particular.

The government's commitment to providing housing, water and electricity to every citizen is indeed very laudable and has the potential to create nearly a double-digit growth in the cement consumption. The per capita cement consumption of the country which presently is about 185 kg per capita would therefore rise to about 400 kg by 2022 which would be in line with the per capita consumption in emerging nations like Brazil, China, etc.

Your Company has been pursuing an aggressive growth plan during the last 3 years despite not so conducive environment on account of subdued growth of the economy specially the core sector. The Company is therefore confident that when its expanded capacity fructifies, the economy will offer enough opportunities for its absorption.

The Company is gradually stitching up various projects to expand its capacity, and is on the threshold of

commissioning its Greenfield project at Durg in Chattisgarh. Its capacity has already gone up to 6.65 million MT from 5.29 million MT and is expected to increase to about 9.3 million MT by end of next fiscal. This capacity will further get enhanced to nearly 12 million MT by end of FY16 on completion of other ongoing projects.

It is indeed a matter of great satisfaction that the Company's innovative steps to be a market leader in its segment have yielded positive results. JK Lakshmi Cement has emerged to be one of the least cost producers of cement in the country. The efficiency parameter of the Company with respect to power consumption and fuel consumption continues to be one of the best in the Industry.

To uphold its commitment to clean energy, the Company during the year, has set up a 6 MW Solar Power Plant in Rajasthan. It will also enable the Company to meet its renewable energy obligation.

Customer satisfaction has been on our priority agenda. The Company has continuously strived and offered the highest quality products and has been gradually enlarging the scope of its offerings. The commissioning of Autoclaved Aerated Concrete (AAC) Block plant at Jhajjar in Haryana is a step forward in this direction.

The increased demand in cement construction in the coming years would correct the present imbalance between supply and demand. This should ease the pressure on pricing which has been a major dampener in the performance of the Company, particularly in the last year. I am confident that the Company would scale new heights and its investment in growth initiatives would yield rich dividends to all its stakeholders in the years to come.

I am extremely thankful to all our customers, shareholders, channel partners, business associates, financial institutions and all our employees who are an integral part of our stakeholder community, for their invaluable support and confidence. Their continued faith and support has enabled this Company to scale heights, year after year.

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

**BHARAT HARI SINGHANIA**

Chairman & Managing Director

## BHARAT HARI SINGHANIA

Chairman & Managing Director

B. V. BHARGAVA

N. G. KHAITAN

K. N. MEMANI

DR. S. CHOUKSEY  
Whole-time Director

DR. RAGHUPATI SINGHANIA

RAJ KUMAR BANSAL

PRADEEP DINODIA

RAVI JHUNJHUNWALA

S. K. WALI  
Whole-time Director

## VINITA SINGHANIA

Vice Chairman & Managing Director

<b>COMPANY SECRETARY</b>	:	Brijesh K. Daga
<b>REGISTERED OFFICE</b>	:	Jaykaypuram-307019, Basantgarh, District Sirohi (Rajasthan)
<b>ADMINISTRATIVE OFFICE</b>	:	Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110002
<b>CEMENT PLANTS</b>	:	I. Jaykaypuram-307019, Basantgarh, District Sirohi (Rajasthan) II. Motibhoyan, Kalol, District Gandhinagar (Gujarat) III. Village Bajitpur, P.O. Jhamri, District Jhajjar (Haryana)
<b>AUDITORS</b>	:	Lodha & Co., Chartered Accountants
<b>BANKERS</b>	:	State Bank of India, Punjab National Bank, IDBI Bank Ltd., Axis Bank Ltd.
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS</b>	:	MCS Limited, F-65, First Floor, Okhla Indl. Area, Phase-I, New Delhi-110020 Ph: (011) 41406149-52 Fax No: (011) 41709881 E-mail: admin@mcsdel.com
<b>COMPANY WEBSITE</b>	:	www.jklakshmicement.com, www.jkorg.in



The Indian Cement Industry has faced at close quarters, uncertainties and challenges arising out of a slow growth of the country's economy, caused by a combination of global recession with domestic uncertainty in decision making, delays in government clearances, especially environment-related. This has led to a fall in the growth of Indian economy, particularly the core sector and infrastructure development.

The cement sector had to bear the brunt as manifested in the falling cement consumption from 12.0% during FY10 to just 3% during FY14 that resulted in the idling of its capacities.

The capacities built by cement companies during the last 3-4 years, with the hope of continued double-digit growth, ended up only widening the demand and supply gap leading to fierce competition and unremunerative pricing in the market place. Consequently, the margins of cement companies fell and we were no exception.

However, it is heartening to note that despite adverse circumstances and a flat growth in our marketing zone, we were able to grow our business by achieving an increase of 7% in our cement volumes. This has enabled us to achieve capacity-utilisation of 99% which is distinctly higher than our peers in the Industry. The Company has achieved new milestones in its efficiency improvement. Its fuel consumption touched a new low during the year. The power generation from the Company also touched a new high thereby reducing our cost of operations besides enabling us to meet our renewable energy obligation.

With the completion of expansion of its cement grinding facility at Jhajjar in Haryana, the Company's cement producing capacity has increased by nearly 26%. Coupled with the brown-fielding of its cement mills in the mother

plant at Jaykaypuram, the Company's clinkerisation capacity has also been enhanced by 3.3 lac MT.

The Company's plan to revive Udaipur Cement Works Limited (UCWL), which is now its subsidiary, has taken a step forward with UCWL commissioning its own grinding unit of 6.5 lakh MT per annum.

The Greenfield project at Durg is in its final stage where the work is on at a feverish pitch and is expected to be commissioned in the Quarter October-December this year. The new government's stated determination of giving time-bound clearances, including environmental, are steps in the right direction. We look forward with optimism that the government would give clearances for the Company's Orissa grinding unit and Surat grinding unit soon. Meanwhile, all the preparations for undertaking these projects have been put on a fast track mode.

The Company's financial performance has been affected during the year, due to the steep fall in cement prices in most of our marketing zones and the escalations in freight and logistic costs. However, we drive considerable satisfaction from the fact that we have been able to control our costs considerably because of our relentless focus on this vital aspect.

I strongly believe that an organisation grows on the firm shoulders of its people. Empowering people at all levels, continuously enhancing their capabilities and exposing them to new challenges also remain our priority as we prepare to face dynamic scenarios and growth in the market. We are also trying to ensure a seamless transition, from one generation of leaders to another, who can take the Company to the next level of growth.

Moving forward, your Company is considerably enthused by the optimism of millions of Indians that the new government will usher in a new era of change. An era of positivity, growth, development, and welfare. Cement touches the life of the common man. Huge opportunities therefore beckon the Cement Industry and we are confident of playing an important role in this exciting journey.

I would also like to thank our customers, business partners, suppliers and our esteemed shareholders, for their supreme loyalty and confidence. I hope we have been successful in keeping their faith intact in the organisation. We truly understand that a business has to grow in people's hearts to become bigger and better in the world.

VINITA SINGHANIA

Vice Chairman & Managing Director

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Smt. Vinita Singhania, Vice Chairman & Managing Director, JK Lakshmi Cement, being awarded the Rajiv Gandhi Excellence Award for the "Most Entering CEO of the Year" by Smt. Deepa Dasmunshi, Hon'ble Former Minister for Urban Development



Shri S. K. Wali, Whole-time Director, JK Lakshmi Cement receiving the National Safety Award from Shri Sis Ram Ola, Hon'ble Former Minister for Labour & Employment, Govt. of India



Shri D. K. Mehta, Sr. Vice President, Projects - Durg and Dr. Satish Mishra, DGM (Env & Safety), JK Lakshmi Cement receiving the CSR Platinum Award



Dr. S. Chouksey, Whole-time Director and Dr. Tapomoy Deb, General Manager (HR) receiving the prestigious Chairman's People Management Award for Best HR Practices from Dr. Najma Heptullah, Cabinet Minister in the present government, in presence of Shri Bharat Hari Singhania, Chairman & Managing Director, JK Lakshmi Cement and Dr. R. P. Singhania, Chairman & Managing Director, JK Tyre & Industries



Dr. S. Chouksey, Whole-time Director, Shri C. S. Sadasivan, Chief Executive - Marketing, Shri Sunil Agrawal, Senior Vice President - Marketing, along with other team members and our esteemed dealer Mr. Pawan Khandelwal, at the Dealer Appreciation Meet in Delhi



Shri P. L. Mehta, Plant Head - Sirohi with Shri A. K. Bartaria, VP (Production & Quality) receiving the 13th NCCBM Award for Outstanding Contribution to Energy Conservation

## TECHNOLOGICAL INNOVATION – THE KEY TO EXPANSION

The year was full of technological and innovative advancements. The construction of the Durg plant, which is nearing completion in the third quarter of FY15, was undertaken with the latest technology. The Sirohi plant witnessed capacity expansion through innovative in-house modifications. The grinding unit at Jhajjar also doubled its capacity to 13 lac MTPA with the installation of its second unit in the last quarter of FY14 that resulted in overall capacity increment from 52.93 lac MT to 66.43 lac MT for the Company.

## COST EFFECTIVE IN-HOUSE TECHNOLOGICAL FEATS

The Sirohi plant increased its capacity of Kiln-1 from 3000 TPD to 4000 TPD through innovative means with minimum stoppage time. The main drive was upgraded by installing the twin-drive, which was a unique concept in the Cement Industry as it was the first time in the country, when installation was done in a running kiln. Apart from that, a new IKN cooler was also installed. Major Duct modifications were also carried out by replacing existing fans with new high efficiency fans. The uniqueness of this modification was that most of the activities were carried out using scientific approaches of lean production process.

## OPTIMISATION OF CHINESE VRM AT 210 TPH AGAINST RATED CAPACITY 180 TPH

To reduce the risk of the Mill getting unstable at higher RPM, the Company decided to increase resistance in the main drive circuit. This helped in stabilising the mill at 190 TPH capacity and 94% of full mill speed after a number of in-house modifications. After a subsequent number of more innovative experiments, the nozzle ring and dam ring could be optimised, resulting in stabilisation of the mill at 200 TPH. The Company's engineers realised that there was still some margin left in the mill, however the mill fan was the major bottleneck, so a new high efficiency fan was retrofitted in the same foundation to increase production up to the desired level, i.e. 210 TPH.

## INNOVATIVE COST COMPRESSION MEASURES

By utilising waste flue gases, which come out during the manufacturing process, and modifications in the boiler, we increased the steam generation to 9.5T, resulting in the generation of 1700 KWH per hour (6 Cr/annum) of electricity.



JK Lakshmi Cement's Greenfield plant at Durg



Hot Air Recirculation in line-1 IKN cooler installed as part of the Company's Power Saving Initiative



JK Lakshmi Cement initiative to optimise Chinese VRM at 210 TPH against rated capacity of 180 TPH

Various in-house modifications in Calciner and Pyro-process resulted in saving of fuel consumption from 738 K-Cal/Kg of Clinker to 726 K-Cal/Kg of Clinker, i.e. ` 4.01 Cr/annum. The optimisation of the Coal Mill by optimism specific surface area of grinding media resulted in power saving of 3 Units/Ton-Coal i.e. around ` 54.5 Lacs.

The installation of variable frequency drives in Cement Mill & Kiln section helped us in achieving savings of about 100 KWH per hour. The replacement of old generation Slip power recovery system with a new generation one saw an improvement in Power factor from 0.80 to 0.99.

## COMMISSIONING OF AAC BLOCKS PLANT

In continuing with the Company's philosophy of offering diversified products with the latest technology, it has set up a revolutionary and highly automated plant at Jhajjar, which incorporates the superior German technology of "Green Separation" and "Horizontal Autoclaving" to manufacture AAC Blocks. These Autoclaved Aerated Concrete (AAC) Blocks are futuristic and eco-friendly and are already enjoying a premium space in the minds of leading builders, developers and contractors of NCR.

## PLANNING FOR THE FUTURE - INVESTING IN SOLAR ENERGY

Keeping in line with the Company's commitments towards environment friendly production processes, a 6 MW solar power plant has been commissioned in Jodhpur, Rajasthan last year. It has already started generating 10 million units per year and promises to reduce CO2 footprint by 9000 MT per year.

## CONSERVING WATER THROUGH IN-HOUSE INNOVATION

Sustainable Development through Innovations continued to be the priority area at JK Lakshmi Cement - Kalol. Innovative ideas Like Water Conservation through Rainwater Harvesting and treating even the smallest quantity of water discharged from office/plant with the help of package type sewage treatment plants were carried out. The campus of Kalol grinding unit has also been equipped with a 3-tier Rainwater Harvesting arrangement.

All these efforts were in line with the Company's commitment to introduce eco-friendly practices through sustainable water development.



JK Lakshmi Cement SMARTBLOX (Autoclaved Aerated Concrete Blocks) manufacturing unit at Jhajjar



6 MW Solar Power Plant installed at Jodhpur as part of the Company's commitment towards a sustainable environment



Sewage Treatment Plant installed at the Kalol grinding unit is a step towards water conservation

## ATTAINING MAXIMUM GROWTH THROUGH INNOVATIVE MARKETING

As one of India's most trusted cement brands, the Company continually devises measures that interest, excite and delight its customers.

### WINNING RURAL

To strengthen the brand in the minds of consumers, JK Lakshmi Cement has undertaken several marketing activities in different parts of the country. One such activity was the Personalised Shop Facia Campaign titled, 'Meri Guarantee, Mazbooti Guaranteed'. This initiative projected our dealers as JK Lakshmi Cement's brand ambassadors in rural markets. It made them feel like a part of the Company. It also motivated them and increased their level of confidence, which in turn resulted in enhanced dealer engagement, high brand visibility and improved rural marketing thrust.

This innovative campaign won accolades at the national stage when JK Lakshmi Cement was presented with the Gold Award at RMAI (Rural Marketing Association of India) Flame Awards, 2013.

The Company has always sought ingenious approaches to make its presence felt in rural India. In this respect, it introduced another initiative, 'Mazboot Pradesh, Mazbooti Guaranteed' across 600 villages in the regions of Madhya Pradesh and Uttar Pradesh during the year. This integrated marketing approach was highly appreciated by all rural customer segments and has helped in making JK Lakshmi Cement a household name. It popularised the Company among its influencers, customers and retail distribution network and also made it a name to reckon with, in the Cement Industry by virtue of sheer marketing innovation.

### BUILDING RELATIONSHIPS

The Company also encouraged its dealers by way of 'Appreciation Meets' across markets, which applauded their efforts and motivated them. These meets made them aware of important marketing strategies and plans adopted by the Company. The Company organised 'Mazboot Performers' meet to award high performing dealers and create a strong bond with them. Besides, many of these dealers are also taken on regular domestic and overseas visits. These trips are a symbol of the Company's commitment to maintain a strong bonding with its indispensable dealers.



Shri Sunil Agrawal, Senior Vice President - Marketing, Shri S. K. Raina, Senior General Manager - Marketing, Shri Mayank Mathur, Senior Manager - Marketing, Shri Debadatta Sahu, Manager - Marketing, JK Lakshmi Cement receiving the RMAI Flame Awards from Shri Pradeep Kashyap, President - Rural Marketing Association of India



Glimpse of JK Lakshmi Cement's award winning campaign "Meri Guarantee, Mazbooti Guaranteed", personalised Shop Facia Campaign



Shri Rakesh Sharma, Manager - Marketing with the Company's dealers during the scintillating Singapore tour

The Company also does regular Knowledge Sharing Sessions for architects and engineers, wherein experts are brought in to disseminate information about the Cement Industry.

## THE SOCIAL MEDIA CONNECT

To increase brand visibility and maintain top-of-mind recall, the Company has stepped up its virtual interaction through increased consumer engagement on its Facebook page. The page which already boasts of more than 50,000 followers, was used to create virtual properties like Vastupedia, Constructopedia and Archipedia, that generated a lot of traction amongst followers. Through the creation of a Twitter account and apps like Smart Arena Contest to launch JK SMARTBLOX, the Company has added another feather to its crown.

Its official Brand Page boasts of the largest number of followers for any cement company on Facebook. This achievement has firmly established its position in the online community and made it a vanguard in the global Cement Industry. It has also aimed at meaningful virtual conversations with interactive sessions and interesting contests for the consumers. Through social media, the Company churns out engaging content regularly for its followers.

## CONQUERING NEW SPHERES - LAUNCH OF JK SMARTBLOX

In its endeavour to be a one-stop solution for all construction purposes, JK Lakshmi Cement has launched JK SMARTBLOX - futuristic Autoclaved Aerated Concrete (AAC) Blocks, which are lightweight, eco-friendly and user friendly. With innovative features such as 'Hand Grips' and 'Tongue Groove', high dimensional accuracy and intelligent workability, AAC Blocks offer a varied choice of wall thickness which can be optimised to increase floor space.

Iconic buildings such as Burj Khalifa, the Taipei Trade Tower and Indianapolis University have been constructed with AAC Blocks and the Company's endeavour is to establish JK SMARTBLOX as a popular substitute to conventional red clay bricks in India.

With the planned introduction of JK SMARTBOND and JK SMARTPLASTER, JK Lakshmi Cement seeks to further expand its product basket of new-age and eco-friendly products.



JK Lakshmi Cement's Technical Service Team along with architects and engineers disseminating information about Cement at a Knowledge Sharing Session in progress at Agra



JK Lakshmi Cement's Facebook page has built an intrinsic relationship with the virtual audience through an active and integrated social media approach



The futuristic JK SMART Construction tool-kit being handed over during a JK SMARTBLOX training session at Gurgaon

## RETURNS TO THE SHAREHOLDERS

Maximisation of the Returns to Shareholders has been single most focused agenda of the Company. In the pursuit of this goal, the Company has over the years taken various initiatives to maximise Returns to the Shareholders. These initiatives inter-alia include splitting of its `10/- Equity Share into 2 Equity Shares of `5/- each, Buy-Back of Equity Shares and also maintaining a consistently High Dividend Pay-out Ratio. The Company's efforts in this regard have borne fruits and Returns to the Shareholders over the last 12 months have increased considerably. The Total Shareholders' Return (TSR) has been over 100% over the last 12 months.

## RATING

The Company's strong financial performance based on excellent operational efficiencies has enabled it to continue to have a Long Term Rating of 'AA-' (Double A Minus) signifying strong financial fundamentals as also its inherent strength in the Balance Sheet. Based on its liquidity position, the Company continues to enjoy the highest possible Rating of P1+ (P One Plus) for its Short Term Rating.

## COST COMPETITIVENESS

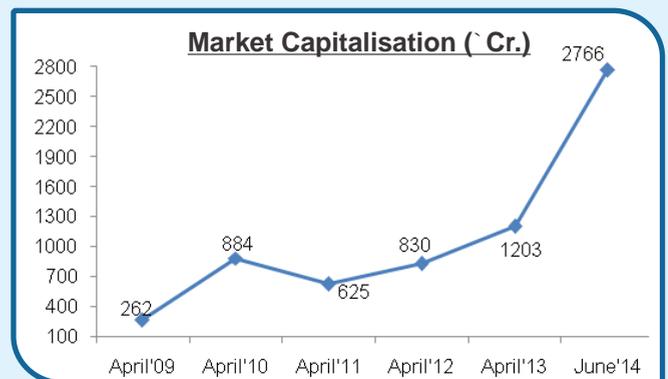
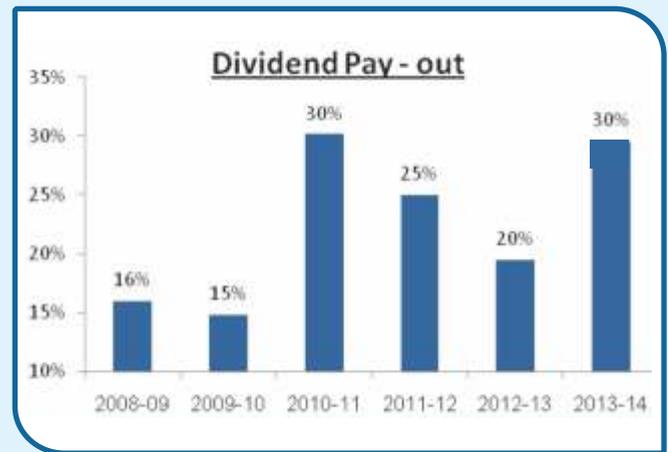
The Company's Efficiency Parameters specially the Power & Fuel Consumption are one of the lowest in the Industry. More importantly, the Power as well as Fuel Consumption per tonne of Cement have consistently been going down for the last several years. The Company has also been able to achieve Capacity Utilisation much higher than the Industry Average as well as that of the other players in our marketing zones. This has enabled the Company to become one of the 'Least Cost Producer of Cement' in the country today.

## WORKING CAPITAL MANAGEMENT

Apart from being one of the least cost producers of Cement, the Company also has one of the most efficient and leanest Working Capital. The Company continues to make efforts to further reduce its Working Capital Cycle (Cash to Cash Cycle). Efficient Working Capital Management enables the Company to turn around its Current Assets faster, thereby reducing the Working Capital requirements.

## FINANCIAL LEVERAGE

The Company is in the midst of expanding its Cement Capacity from 5.29 Million Tonnes as of March 2013 to over 10 Million Tonnes over the next 12-18 months. All these expansions are



Shri S. A. Bidkar, CFO, making a Presentation at the Bankers' Consortium Meeting. Also seen are Shri R. R. Gupta, Sr. VP (A&C) and Shri C. K. Bagga, VP (A&F)

being funded through a mix of Internal Accruals and Long Term Loans. As a result, the Company's Debt Equity Ratio has gone up from 1.09 as of March 2013 to 1.27 as of March 2014. However, considering the available Cash Surplus of about ₹350 Crore as of March, 2014, the Net Debt Equity position remains comfortable at less than 1:1.

## INTEREST COST

Based on the excellent Long Term and Short Term Rating, the Company continues to raise funds with different maturity profiles at the best possible rates. It has a proper blend of fixed and floating rate of interest to take advantage of the changing interest rate scenario in the market. All the Long Term Loans which are on floating rate basis, have an annual reset clause. This enables the Company to continuously swap its Long Term Loans with cheaper funds on annual reset dates without any pre-payment penalty.

The Company has also been able to keep its Working Capital Borrowings at the lowest possible cost through frequent raising of Short Term Borrowings through Commercial Papers and availing Buyers' Credit, whenever possible.

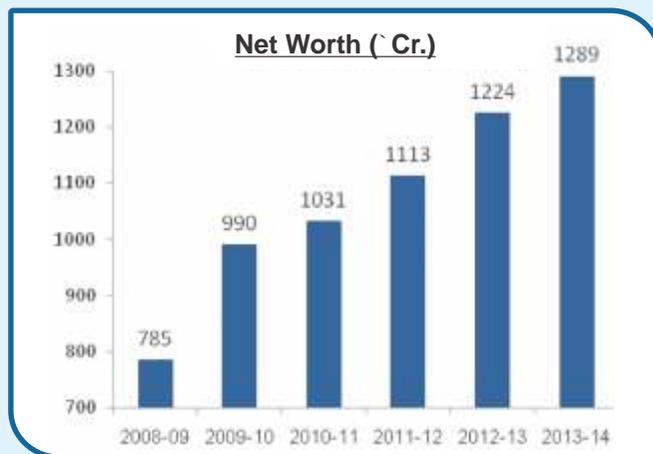
## TREASURY MANAGEMENT

The size of the Company's Treasury Operations of its surplus funds is about ₹350-400 Crore. These surplus funds are being deployed in various Debt instruments of Mutual Funds, FMPs, Banks' CDs and Fixed Deposits of Banks. The Returns from the surplus funds during the year were about ₹29 Crore, which were almost tax-free due to its deployment in tax-efficient instruments and through proper tax planning. The pre-tax Returns from Treasury Operations have consistently been higher than the Cost of Borrowings.

## INVESTORS' RELATIONS

The continuous interaction with the Investors' Community and other stakeholders has been a regular feature of the Company's Investors' Relation Team for the last several years. In such interactions, an in-depth analysis of Company's performance is presented along with its Future Growth Plans highlighting the progress on the various ongoing Capex Projects. Such communication includes Quarterly Conference Calls with the Research Analysts & Investors' Community and periodic Road Shows both in India and abroad on a regular basis. The Company is well covered by various Research Analysts specially in the mid segment category.

Investors' Grievances, if any, are addressed and resolved smoothly by a separate Cell in the shortest possible time frame.



Shri S.A. Bidkar, CFO, sharing Company's Performance & Growth Plans at an Investors' Meet

## EMPLOYEE GROWTH - FOUNDATION OF AN AMBITIOUS ENTERPRISE

JK Lakshmi Cement believes and has demonstrated that energised employees create opportunities for success when they go beyond individual accountabilities, financial results and short-term wins to respond to competitive, organisational and social dynamics. Praise, Recognition, Appreciation and Celebrations, all remain a constant source of energy, which contributes to the overall growth of the Company.

The Company is committed towards driving and practicing its four cultural pillars:

### NOTHING IS IMPOSSIBLE

- Innovation
- Initiative & Drive
- Risk Taking

### VALUE- BASED LEADERSHIP

- Transparency
- Intellectual Integrity
- Caring for People

### RESPECT FOR LEGACY

- Taking risk with people and opportunities
- Selfless alignment of aspirations with corporate value
- Socially responsible citizen and managers

### RECOGNISING PERFORMANCE

- Learning Opportunities
- Role Enhancement
- Reward

## PROMOTING A CULTURE OF GROWTH BY FOSTERING A GREAT WORKPLACE

The HR practices, as embedded in its culture, are designed to nurture a sense of ownership in the employees. The employees at all levels are encouraged to be a part of the decision-making process. SMART: Specific, Measurable, Attainable, Realistic and Time Bound goals are created for each employee through a very robust Performance Management System. Employee participation in Talent Management programmes target specific skills, competencies and foresight to grow and sustain its talent and leadership pool. Succession Planning, Assessment



An interactive engagement programme to create great workplace in progress at JK Lakshmi Cement's head office



JK Lakshmi Cement organises regular annual trips for its employees & their families, that seek to encourage their bonding



Shri A. M. Desai, Senior Vice President - Marketing, addressing JK Lakshmi Cement employees and their families at the get-together in Ahmedabad

and Development Centres are some such people practices which have become the DNA of the Company in formulating individual development plans and have been instrumental in attracting and retaining a growing talent pool. Emphasis is given on continuous learning and self development through inbound and outbound training programmes, study visits, etc. Employees are sent to various top notch institutes like IIMs, XLRI, Michigan Ross School of Business etc. for management development programmes corresponding to identified competencies under JK Lakshmi Cement's Emerging Leadership Model.

## FOSTERING A CULTURE OF CARE - ABOVE & BEYOND CUSTOMS

The Company has a legacy of caring for its employees where the top connects with the front line employees more often in an effort to nurture aspirations, promote leadership and encourage growth of each individual.

Through 'Thought Leadership' we have initiated numerous innovative HR programmes and employee engagement activities. Employee engagement is all about being focused in what an employee does, feeling good about oneself in one's role and the organisation and acting in a way that demonstrates commitment to the organisational values and objectives.

Various events are organised to encourage positive interaction amongst the employees and their families. Some of the engagement initiatives at JK Lakshmi Cement are Cross Functional Teams, Coffee with MD, Krishna-Arjuna Initiative on the lines of holy 'Gita', Inter Company Udaan Competition to bring the best brains together to take the Company forward, Young Leaders Forum, We CARE (Cementing Aspirations through Receptive Exchange) for new joinees, personal wishes on birthday and marriage anniversary from top leadership, MET, SPARK, Boss Must Meet You, PRIDE Scheme, Open House Communication Meetings, Maha Bhoj, Hamara Udyog Hamara Dayitva, etc.

## LEADING THE WAY WITH POSITIVE OUTCOME

Ensuring a tight fit of HR strategy with strategic business plan has helped the Company grow in leaps and bounds. The result of its people management practices is aptly demonstrated with the Company receiving several national and global awards and accolades including HR Excellence Award from CII and Best People Management Practices Award from Chairman JK Organisation (EZ) during the year, to name a few.



Glimpses from the Employee Engagement Activity carried out in various regions of Gujarat



JK Lakshmi Cement members along with Company dealers and associates during the 'Customer-in-culture' initiative in Gujarat



Highly motivated employees stand together for a photo session at the end of a stimulating discussion

## GIVING IS LIVING

The Company believes in sustainable development and realises the importance of social projects to strengthen the community. Over many years, it has established self sustaining innovations that have made societies prosperous. Its main focus areas are Integrated Family Welfare, Health, Literacy Drive, Women Empowerment, Livelihood Intervention, Sports, Environmental Protection, and Rainwater Harvesting.

## A NEW FUTURE - NAYA SAVERA

After a huge response, the 'Naya Savera' Project in Jaykaypuram, Sirohi has now been extended to 16 villages and 43 hamlets covering a population of 51,000. Awareness on reproductive and child health issues was encouraged by doorstep medical visits to needy areas and rallies on adolescent reproductive and sexual health, HIV/AIDS and family planning. This has resulted in a reduced Infant Mortality Rate, a Zero Maternal Mortality Rate, 100% ante and post natal checkups for women in the villages and a high 57% usage of family planning methods in 'Naya Savera' areas.

## CREATING AN EDUCATED INDIA

Since illiteracy is a massive problem in India, the Company took upon the task of motivating women and children to secure their futures in its plants like Sirohi, Durg, Kalol and Jhajjar. It launched a massive Adult Literacy Programme in Sirohi in May 2004 and so far a lot of villagers have been benefitted. It has also adopted and renovated ITI Sirohi to convert it into a "Centre of Excellence" with 100% placement.

In Durg, the Company has arranged meetings with village heads to arrange for infrastructure requirements in schools. About 900 students of government schools are studying through teachers provided by the Company. In Jhajjar, the Company provided software to government school students for their computer education. It has also sponsored 15 students for studying para medical course in the state.

Smt. Vinita Singhania, Vice Chairman & Managing Director inaugurated an Incubation Centre at Kalol that is expected to provide a platform to young engineers to facilitate their research and development work.



Smt. Vinita Singhania, Vice Chairman & Managing Director, JK Lakshmi Cement addressing a Health Camp under the aegis of 'Naya Savera'



Currently around 900 students of government schools are being taught by teachers provided by JK Lakshmi Cement



Smt. Vinita Singhania, Vice Chairman & Managing Director, Shri S. K. Wali, Whole-time Director & other senior officers inaugurating the Incubation Centre at JK Lakshmi Cement – Kalol, Gujarat

## HEALTH IS WEALTH

In its bid to secure a safe and healthy environment for the community, the Company has partnered with the International Labour Organisation to launch an HIV/AIDS awareness programme at Sirohi. It also partnered with the government hospital at Pindwara under the PPP model to renovate it.

The Company has also conducted about 324 health checkup camps in and around the villages of Durg. In Kalol, it has set up dispensaries in villages at regular basis as well as provided nutrition distribution of several TB patients from Gandhinagar District under the “Ann Lakshmi” yojna.



Knowledge being imparted to master trainers to spread further information in the community, during the HIV/AIDS training session organised by JK Lakshmi Cement

## WOMEN ARE THE DRIVERS OF CHANGE

The Company recognises the role women play in bringing about positive social growth and regularly undertakes programmes to make them self-sufficient. In Sirohi, it has introduced the Skill Development Initiative, under which 44 women have been trained for sewing. CSR activities also carried out in 8 villages in and around the Greenfield site at Durg primarily focus on interventions to promote and support livelihood opportunities through its 3 Silai-Kadai training centres. Self-help groups, especially women's groups, have been formed in 7 villages and 136 members are on the path to income generation through stitching and embroidery, broom making, plate/dona making and more. For its efforts, the Company was awarded the Greentech CSR Excellence awards in Platinum and Gold Category.



Women of Bilawatfali, Basantgarh learned sewing skills as part of JK Lakshmi Cement's Skill Development Programme for Indigenous Women

## TOWARDS A SUSTAINABLE PLANET

The Company prides itself in being a pioneer at incorporating cost-efficient energy-friendly techniques for plant operation. In this respect, the Sirohi plant has already moved towards the direction of creating a green planet by building a waste heat recovery system that does not allow waste flue gases to go into the atmosphere. The installation of the solar plant last year in Rajasthan is one more massive step taken by the Company to reiterate its consistent focus towards creating a sustainable planet.

Efforts for rainwater harvesting and recycling waste water for plant operations at Kalol have made the production process more environment-friendly. The Kalol grinding unit has also been actively involved with the Times of India Group in starting a movement called the Environment Awareness campaign.

Efforts like these are just some of the major steps taken by the Company to live up to its commitment, not just towards the community but also the environment.



The Jhajjar Plant is one of the premier green plants of the country

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

The Directors have pleasure in presenting the 74<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2014.

### FINANCIAL RESULTS

₹ in Crores

	2013-14	2012-13
Sales & Other income	<b>2337.86</b>	2355.70
Profit before Interest & Depreciation	<b>346.23</b>	484.16
Profit before Depreciation	<b>269.04</b>	400.62
Profit after Tax	<b>93.00</b>	175.74
Transfer from Debenture Redemption Reserve	<b>4.17</b>	–
Surplus brought forward	<b>110.82</b>	102.00
<b>Amount available for appropriation</b>	<b>207.99</b>	277.74
Appropriations		
- Dividend- (incl. tax on Dividend)	<b>27.53</b>	34.28
- General Reserve	<b>50.00</b>	120.00
- Capital Redemption Reserve	–	2.34
- Debenture Redemption Reserve	–	10.30
- Surplus carried to Balance Sheet	<b>130.46</b>	110.82
	<b>207.99</b>	277.74

### DIVIDEND

The Directors are pleased to recommend a dividend of ₹ 2 (40 %) per Equity Share of ₹ 5 each for the year ended 31<sup>st</sup> March 2014. The Dividend outgo would amount to ₹ 27.53 crore (inclusive of Dividend Distribution Tax of ₹ 4.00 crore). The Dividend subject to approval at the AGM on 4th September 2014, 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

Dr. Raghupati Singhania and Dr. Shailendra Chouksey retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting (AGM).

Shri K.N. Memani retiring by rotation at the ensuing AGM and being eligible, is proposed to be appointed as Independent Director of the Company to hold office for a term of five consecutive years from his appointment at the ensuing AGM.

Shri B.V. Bhargava, Shri N.G. Khaitan, Shri Pradeep Dinodia and Shri Ravi Jhunjhunwala whose period of office is liable to determination by retirement of Directors by rotation, are also proposed to be appointed as Independent Directors of the Company to hold office for a term of five consecutive years each from their appointment at the ensuing AGM. The Company has also received declarations from the said Directors about their independence pursuant to Section 149 of the Companies Act, 2013.

The Board recommends the appointments as aforesaid.

### PERFORMANCE

Financial year 2013-14 has been a year of satisfactory performance at the volume front, amidst lacklustre growth of cement industry during last four years in succession. Company registered a volume growth of 7% over the previous year as against industry's growth of about 3% and nil growth in the Company's operating zone.

Company's sales realizations were lower as compared to previous year as there was a sharp decline in the cement

prices in most of its markets. Company's ex-factory realization would have been better but for the brunt of considerable increase in the Railway freight as well as road freight costs consequent to increase in the diesel prices.

This fall in the realization has been one of the major reasons for Company's lower profitability despite improvement in the efficiency parameters and high capacity utilization i.e. 99% against industry average of 72%.

## EXPANSIONS

The Company continues to believe in the inherent strength of the Indian Economy, notwithstanding the recent drop in cement demand. We therefore believe that the cement industry's future would remain bright. Your Company has thus not slackened the momentum of its growth plans through its various expansion projects.

During the year, the Company has further completed the augmentation of Kiln Capacity resulting in increase in its clinker manufacturing capacity from 42.90 lac tonnes to 46.20 lac tonnes p.a. at its integrated plant at Jaykaypuram and Cement grinding Capacity from 52.93 lac tonnes to 66.43 lac tonnes by putting up an additional Grinding Unit at Jharli in Haryana and increasing capacity at its integrated plant in Sirohi by 7 lac tonnes p.a.

Additionally, the Company is pursuing its plan of setting up Split Location Grinding Unit at Surat.

In the pursuit of investing in futuristic renewable energy resources, the Company during the year has commissioned its 6 MW Solar Power Project in Rajasthan.

Regarding the Greenfield plant at Durg, the progress of the project is now fully on track after the unfortunate incident of arson by some nearby villagers last year and is likely to become operational during the quarter October-December 2014.

The Company has taken major step forward in the revival of Udaipur Cement Works Ltd. (UCWL). The Cement Grinding section of UCWL has been commissioned during the current financial year and orders for pyro-processing equipments have been placed.

## FINANCIAL MANAGEMENT

The continuous improvement in the various efficiency parameters and consistently high capacity utilization has enabled the Company to improve its various key financial ratios year after year. These strong financial fundamentals and also the comfortable liquidity position has enabled the Company to retain its Short Term Rating at 'P1+' (P One Plus) as well as Long Term Rating at 'AA-' (Double A Minus).

## INDUSTRY SCENARIO

The cumulative growth in Industrial Production during FY 14 was flat over FY 13. Within the indices for industrial production, the mining and manufacturing showed a negative growth of 1.1% and 0.7% as per the Central Statistics Office, Government of India. The growth of the Indian Cement Industry has come down to about 3%, which is the lowest in the last four years as per the Index of eight core industries released by the Ministry of Commerce & Industry.

Drop in cement demand was caused mainly by general economic slowdown, low government spending on Infrastructure projects, high inflation and interest rates besides land acquisition issues. Against a demand growth of 7-8 million tonnes, capacity additions were of the order of over 35 million tonnes. This has further affected the capacity utilization of the Industry as also the demand supply situation in the country putting additional pressure on the cement prices.

## NEW PRODUCTS

The Company is consistently working towards increasing its offerings to its valued customers and strengthening its position as "Total constructions solution Provider". Towards this endeavour, the Company has commenced production of AAC Blocks with the brand name "JK SMART BLOX" at its state-of-the art plant at Jharli, Haryana. 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. JK Smart Blox has been able to quickly take premium position in market with its best in class product & unmatched innovative service offerings.

## INTERNAL CONTROL SYSTEM

The Company has a robust internal control system in place. An independent Internal Audit Department carries out extensive audits throughout the year covering all areas of Company's significant operations. Besides the in-house strength, Company has also appointed external auditors for auditing its various Manufacturing & Marketing operations. The Company's Audit Committee regularly reviews adequacy and effectiveness of the internal control system and the operating effectiveness of such controls and monitors implementation of the audit recommendations.

The Company also has a well established Risk Management Policy. The Risk Management Committee of the Company monitors and carries out periodical reviews of the robustness of the Risk Management framework. The Committee presents mitigation plan of the risks akin to the Company and its subsidiaries to the Audit Committee and the Board of Directors.

Further, SAP and ERP systems have connected all the plants, sales offices and head office resulting into seamless data & information flow. Also, the Company has elaborate systems for Budgetary Control and Management information (MIS). A combination of these systems make internal control system of the Company impermeable.

## HUMAN RESOURCES

Your Company is well known for its People Centric approach. Its HR programmes and practices have been continuously evolving to cater to the changing needs of its people and business. A number of new HR initiatives were taken during the year such as SPARK (Stimulating Passion in Achievers for Excellence in Results & Enhanced Knowledge) to tap talents at younger stage, BOSS MUST MEET YOU, to widen the base of leadership communication with employees at plants, to name a few.

This year too the Company has received several awards including Strong Commitment towards HR Excellence from CII, Best People Management Practices Award as a testimony of our promise of 'Great Place to Work Experience'. With a motivated, competent and agile workforce, the Company is

confident to achieve greater heights in its journey aimed at all-round steady growth in the coming years.

## OUTLOOK & STRATEGIC IMPERATIVES

Formation of a new majority Government at Centre has raised considerable expectations for revival of large scale construction activities which augurs well for the Cement Industry. Though, it will be too early to predict an inflexion point in the tapered growth, the very structural and fundamental issues like housing shortage and infrastructure demand make the long term potential of Indian Cement industry quite promising.

While residential and commercial construction will continue to be pivotal in the growth of Cement demand, industry's real boost will come from an increase in the pace of Infrastructure creation over the next 10 years. 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. Higher allocation to this sector including key infrastructure development projects like Dedicated Freight Corridor (DFC) and expediting the tendering process in highway projects have the ability to generate a positive sentiment of economic growth. The share of Infrastructure in the total Cement demand is expected to grow to 40% from present 20% in the course of next decade. These pointers make your Directors confident of the long-term sustainability of the demand for cement.

Increasing urbanization, increase in number of households due to nuclearization of families and upgradation of NON-PUCCA houses to PUCCA houses would ensure a consistent cement demand from housing sector. In rural areas, the share of PUCCA homes is expected to increase from 46% to 60% and in urban area the share is expected to increase from 68% to 80%. Extending JNURM's (Jawaharlal Nehru Urban Renewal Mission) scope to more cities and incentives for construction of affordable housing would go a long way in favor of Cement Industry.

On supply side, the pace of capacity additions has slowed down during the last 2-3 years due to delays in implementation of new projects and brown-field expansions.

Though with a capacity of approx. 360 million tons PA, the industry still has over 25% surplus capacity, it is expected that the surplus would get reduced gradually in next 3 - 4 years. Improvement in utilization rates will help the Industry to manage its costs better and thereby improve upon its margins.

With these hopes the Company expects to achieve higher volumes during the year. Also on the expectation of improvement in the cement demand by the second half of the financial year 2015, some correction in the prices may take place, which had gone down considerably in FY 14. These developments have the potential to affect the Company's financials positively.

## SUBSIDIARY COMPANY

During the current financial year, Udaipur Cement Works Limited (UCWL) has become a subsidiary (associate company in the previous year) of your Company by virtue of increase in the Company's Equity Shareholding from 27.72% to 75.46%, in terms of the BIFR Sanctioned Rehabilitation Scheme of UCWL.

The Annual Accounts of the wholly-owned Subsidiary, Hansdeep Industries & Trading Company Limited and UCWL, 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 8<sup>th</sup> February 2011 of the Ministry of Corporate Affairs, containing the details of the Company's Subsidiaries is attached.

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

## 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

M/s. R.J. Goel & Co., Cost Accountants, Delhi conducted the Cost Audit for the financial year ended 31<sup>st</sup> March 2013 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 31<sup>st</sup> March 2014 is being conducted by the said firm and the Report will be filed.

## CORPORATE SOCIAL RESPONSIBILITY

The Company is in the forefront of fostering a socially responsible corporate climate. Towards this end, the Company has made significant contributions in the areas of health, education, employment generation, water and environment conservation, rural infrastructure and community development, etc., in and around its plant locations. We continue to undertake sustained long term initiatives aimed at the ever greater welfare of not just our workforce and their immediate families but also the larger community of which we are an integral part.

Pursuant to the provisions of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board has been formally constituted inter alia to monitor CSR related activities in terms of the said provisions.

## 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, as amended, regarding employees is given in Annexure B to this 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 judgments 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 thank and acknowledge the Financial Institutions, Banks, Government authorities, Shareholders, suppliers, dealers, business associates and the Company's esteemed customers for their continued trust and support.

Your Directors also wish to acknowledge the committed and dedicated "Team-JK LAKSHMI" whose unstinted work, efforts and ideas have taken the Company on a path of steady growth and development.

On behalf of the Board of Directors

New Delhi

(Bharat Hari Singhania)

Date: 22nd May, 2014

Chairman & Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2014

### a) Conservation of Energy

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

- Up gradation of unit 1 Kiln Cooler Hydraulic control system.
- Up gradation of Kiln Feed solid flow feeder of unit 1 Kiln.
- Installation of twin drive control system (DC drives) for unit 1 Kiln.
- Installation of Hot Air Re-Circulation Duct resulted in increase of Waste Heat Recovery power generation.
- Kiln-1 capacity enhancement through Installation of TA Duct, Enlargement of Cyclone Intel area & Increased Calciner height.
- Replaced existing electro mechanical relays in various HT feeders with the solid state numerical relays to improve electrical system protection.
- Installed new LT APFC system at various machines for improving power factor.
- Optimization of packer dust collector fan speed to save energy.
- Modification & Optimising of Grinding Mills.

### 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 ₹ 5.39 crore (Previous year ₹ 2.7 crore). This is equivalent to 0.26% of the turnover.

### d) Exports, Foreign Exchange Earnings and Outgo

i) Foreign Exchange earned	Nil	(Previous year Nil)
ii) Foreign Exchange used (CIF value of Imports of Fuel, stores and spares, capital goods, consultancy, know-how fee etc.)	64.89	(Previous year ₹ 97.44 crore)

### PARTICULARS OF CONSERVATION OF ENERGY

S. No.	Particulars	Unit	2013-14	2012-13
<b>A.</b>	<b>POWER AND FUEL CONSUMPTION</b>			
1.	Electricity			
(a)	Purchased:			
	Units	(Kwh in Lacs)	<b>1655.89</b>	1637.84
	Total amount	(₹ in crore)	<b>80.36</b>	74.07
	Rate/Unit	(₹)	<b>4.85</b>	4.52
(b)	Own Generation:			
(i)	Through Diesel Generators:			
	Units	(Kwh in Lacs)	<b>1.41</b>	4.42
	Units Per Litre of Furnance Oil / LDO	(kwh)	<b>1.86</b>	2.19
	Furnance Oil / LDO – Cost/Unit	(₹)	<b>23.65</b>	14.75
(ii)	Through Steam Turbine / Generators			
	Units	(Kwh in Lacs)	<b>2021.81</b>	2038.28
	Units Per Kg of Fuel	(kwh)	<b>3.13</b>	2.83
	Fuel Cost/Unit	(₹)	<b>2.15</b>	2.42
2.	Fuel (Pet Coke / Coal)			
	Quality (Grade)	A to D		
a)	Used in Calcining Raw Meal			
	Quantity	(MT)	<b>437658</b>	407051
	Total Cost	(₹ in crore)	<b>287.35</b>	273.20
	Average Cost	(₹/MT)	<b>6566</b>	6712
b)	Used in Steam Turbine/ Generators			
	Quantity	(MT)	<b>64622</b>	71978
	Total Cost	(₹ in crore)	<b>43.50</b>	49.28
	Average Cost	(₹ /MT)	<b>6731</b>	6847
3.	Other Internal Generation	–	–	
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>			
	Electricity	Kwh./MT	<b>73</b>	75
	Fuel (K.Cal/ Kg of Clinker)	K. Cal.	<b>726</b>	738

## 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:

As at 31<sup>st</sup> March 2014, the Board of Directors of the Company, consists of Eleven Directors comprising of seven Non-executive Directors (NED) of which Six are independent (IND). Five Board Meetings were held during the Financial Year 2013–14 ended 31<sup>st</sup> March 2014, on 29<sup>th</sup> May 2013 (2 meetings), 26<sup>th</sup> July 2013, 21<sup>st</sup> October 2013 and 7<sup>th</sup> February 2014. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings Attended	Whether last AGM attended (2.8.2013)	Outside directorships and Committee positions		
				Director-ships \$	Committee Memberships@	Committee Chairmanships@
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Bharat Hari Singhania, Chairman & Managing Director	Executive	5	Yes	4	–	–
Smt. Vinita Singhania, Vice Chairman & Managing Director	Executive	5	Yes	3	–	–
Shri B.V. Bhargava	IND	4	Yes	6	3	3
Shri Kashi Nath Memani	IND	1	No	11	5	5
Shri Nand Gopal Khaitan	IND	5	No	9	6	2
Shri Pradeep Dinodia	IND	5	No	8	4	4
Shri Raj Kumar Bansal (IDBI Nominee) #	IND	2	No	4	1	–
Dr. Raghupati Singhania	NED	4	No	7	1	–
Shri Ravi Jhunjhunwala	IND	2	No	12	2	2
Dr. Shailendra Chouksey, Whole-time Director	Executive	5	Yes	1	–	–
Shri Sushil Kumar Wali, Whole-time Director	Executive	5	Yes	1	–	–

\$ 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.

# Shri Raj Kumar Bansal, IDBI Nominee shall not be treated an Independent Director w.e.f. 1<sup>st</sup> April 2014.

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 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](http://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. As on 31<sup>st</sup> March 2014, the "Terms of Reference" of the Committee and its composition were 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 Board of Directors at its Meeting held on 22<sup>nd</sup> May 2014, has revised the "Terms of Reference" of the Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and read with the revised Clause 49 of the Listing Agreement applicable w.e.f 1<sup>st</sup> October 2014. The Board has also appointed Shri Ravi Jhunjhunwala, an Independent Director, as a member of Audit Committee, from that date, with a view to further strengthen the Audit Committee of Directors.

The Committee now consists of five Directors out of which three are Independent Directors and two are Non-executive Directors. Four meetings of the Audit Committee were held during the year ended 31<sup>st</sup> March 2014.

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
29 <sup>th</sup> May 2013	3
26 <sup>th</sup> July 2013	4
21 <sup>st</sup> October 2013	3
7 <sup>th</sup> February 2014	2

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

Name	Status	No. of Meetings attended
Shri B.V. Bhargava	Chairman	3
Dr. Raghupati Singhania	Member	3
Shri Nand Gopal Khaitan	Member	4
Shri Raj Kumar Bansal (IDBI Nominee)	Member	2

The Chief Financial 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. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As at 31<sup>st</sup> March 2014, the Company had a Shareholders/ Investors Grievance Committee consisting of three Directors out of which two are Non-executive Directors of which one is Independent. The composition of the Committee was in conformity with Clause 49 of the Listing Agreement.

The Board of Directors at its meeting held on 22<sup>nd</sup> May 2014 has rechristened the Committee as 'Stakeholders Relationship Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement applicable w.e.f. 1<sup>st</sup> October 2014. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement.

Dates of the meetings and the number of Members attended :

Dates of meetings	Number of members attended
29 <sup>th</sup> May 2013	3
26 <sup>th</sup> July 2013	3
21 <sup>st</sup> October 2013	3
7 <sup>th</sup> February 2014	2

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

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

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 8 complaints were received which stand resolved and no complaint is pending as on 31<sup>st</sup> March 2014.

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, 27 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. NOMINATION AND REMUNERATION COMMITTEE:**

As at 31<sup>st</sup> March 2014, the Company had a Remuneration Committee comprising of Shri Nand Gopal Khaitan (Chairman of the Committee), Shri B.V. Bhargava and Shri Raj Kumar Bansal (IDBI Nominee), all being Non-executive Independent Directors to consider, determine and recommend remuneration of the Executive Directors to the Board. During the financial year, three Meeting of the Committee were held on 29<sup>th</sup> May 2013, 26<sup>th</sup> July 2013 and 7<sup>th</sup> February 2014 to approve re-appointment and remuneration of Whole-time Directors, annual increments to Managing Directors of the Company for the financial year 2013-14 and approval for drawing higher permissible remuneration by the Chairman & Managing Director from any one of JK Tyre & Industries Limited and the Company of which he is the Managing Director, as permitted under Schedule XIII to the Companies Act 1956.

The Board of Directors at its meeting held on 22nd May 2014 has rechristened the Committee as 'Nomination and Remuneration Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 (Act) and the revised Clause 49 of the Listing Agreement with the Stock Exchanges applicable from 1<sup>st</sup> October 2014. The composition of the Committee is in conformity with the provisions of the Act and the Listing Agreement.

**6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Board of Directors of the Company at its Meeting held on 22nd May 2014, has constituted a Corporate Social Responsibility Committee of Directors (CSR Committee) pursuant to Section 135 of the Companies Act 2013 and the Rules made thereunder. The CSR Committee Comprises of Smt. Vinita Singhania – Chairman, Shri Pradeep Dinodia, Dr. Shailendra Chouksey; and Shri S.K. Wali.

**7. CORPORATE GOVERNANCE COMMITTEE (non-mandatory) :**

The Corporate Governance Committee of Directors of the Company comprises of Shri Pradeep Dinodia (Chairman/ Independent Director), Dr. Shailendra Chouksey and Shri Sushil Kumar Wali. The Committee met on 17<sup>th</sup> May 2013 and 16<sup>th</sup> May 2014 to oversee compliance by the Company of the provisions of the Corporate Governance contained in the Clause 49 of the Listing Agreement.

**8. 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 31<sup>st</sup> March 2014 to the Managing Directors and Whole-time Directors is as follows: Shri Bharat Hari Singhania – ₹ 322.29 lacs plus ₹ 100 lacs payable as commission, Smt. Vinita Singhania – ₹ 339.73 lacs plus ₹ 100 lacs payable as commission, Shri Sushil Kumar Wali – ₹ 197.17 lacs plus ₹10 lacs payable as commission and Dr. Shailendra Chouksey – ₹ 196.82 lacs plus ₹ 10 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 2013-14, the Company paid sitting fees aggregating to ₹4,80,000 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: ₹ 7 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 Jhunjhunwala. 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 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 Jhunjhunwala do not hold any shares. The Company does not have any outstanding convertible instruments.

### 9. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2010-11	Regd. Office: Jaykaypuram, Distt. Sirohi (Rajasthan)	16 <sup>th</sup> July 2011	2.15 P.M.
2011-12	Same as above	4 <sup>th</sup> August 2012	2.00 P.M.
2012-13	Same as above	2 <sup>nd</sup> August 2013	2.30 P.M.

Special Resolutions regarding re-appointment of Managing Directors were passed in the AGM held in 2011. Special Resolution regarding payment of Commission to the Non executive Directors was passed in the AGM held in 2012 and Special Resolutions regarding re-appointment of the whole-time Directors and amendment to Articles of Association of the Company was approved at AGM held in 2013. No special resolutions were required to be put through postal ballot last year.

### 10. DISCLOSURES:

- 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.*
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges 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.*
- 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.

### 11. 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.

### 12. GENERAL SHAREHOLDERS' INFORMATION:

#### (i) Annual General Meeting (AGM) :

- Date and Time : Please refer to Notice for the AGM being sent along with the Annual Report.  
Venue: Regd. Office: Jaykaypuram – 307019, Basantgarh, Dist. Sirohi, (Rajasthan).
- 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 30.06.2014
  - for the half-year ending 30.09.2014
  - for the quarter ending 31.12.2014
  - for the year ending 31.03.2015 (Audited)
  - Annual General Meeting for the Financial Year ending 2014-15
- Within 45 days of the end of the quarter
- Within 60 days of the end of the financial year
- between July and September 2015

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

(iv) **Dividend Payment Date:** During September 2014

(v) **Listing on Stock Exchanges:** The Equity Shares of the Company (Face Value: Rs. 5/-each) are listed on BSE Ltd. and National Stock Exchange (NSE). Annual listing fee for the financial year 2014–15 has been paid to the said Stock Exchanges.

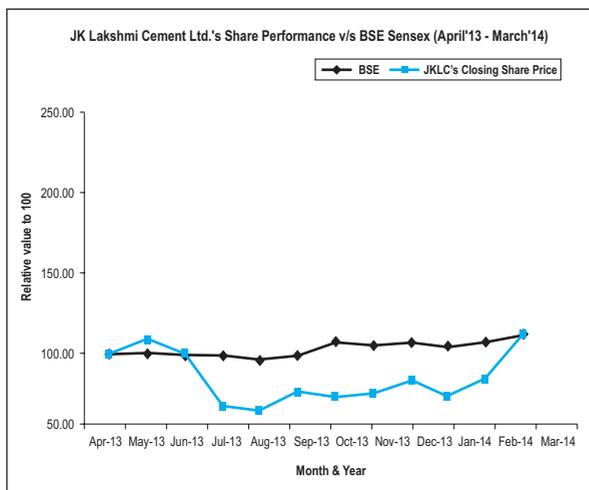
(vi) **Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.:**

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

(vii) **Stock Market Price Data**

Months (2013-2014)	BSE Ltd. (₹)		National Stock Exchange, (NSE) (₹)	
	HIGH	LOW	HIGH	LOW
April 2013	108.70	86.50	104.80	86.25
May 2013	117.90	95.95	118.80	95.75
June 2013	117.50	95.50	117.70	95.50
July 2013	101.10	59.85	101.50	59.50
August 2013	68.70	49.05	69.00	49.15
September 2013	75.00	56.30	74.60	56.00
October 2013	80.90	66.00	80.90	66.00
November 2013	72.55	65.10	72.50	62.25
December 2013	83.50	68.00	83.50	68.75
January 2014	87.60	64.00	87.50	63.50
February 2014	81.10	64.00	81.20	64.10
March 2014	116.90	77.05	116.75	78.50

(viii) **JK Lakshmi Cement Ltd.'s Share Performance v/s BSE Sensex (April'13 – March'14)**



(ix) **Distribution of Shareholdings as on 31<sup>st</sup> March, 2014**

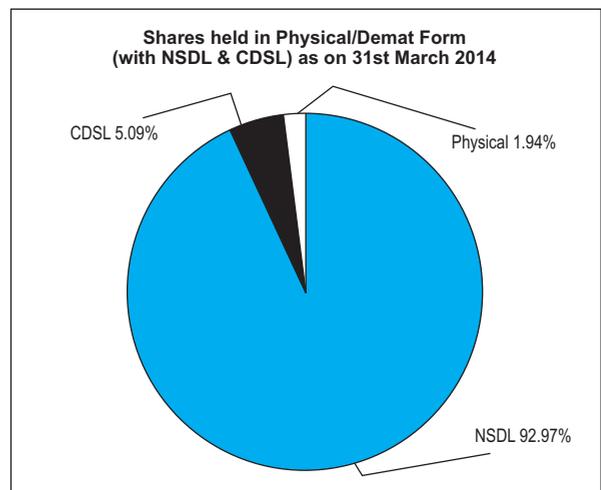
Category (No. of Shares)	No. of Equity Shares of ₹ 5/- each	%	No. of Shareholders	%
1–500	61,73,989	5.25	74,025	93.01
501–1000	23,22,056	1.97	3,062	3.85
1001–5000	41,22,360	3.50	1,919	2.41
5001–10000	18,46,751	1.57	248	0.31
10001 & above	10,32,04,910	87.71	338	0.42
TOTAL	11,76,70,066	100.00	79,592	100.00

(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 31<sup>st</sup> March 2014, 98.06% 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:**
- (1) JK Lakshmi Cement  
Jaykaypuram-307 019,  
Basantgarh, Distt. Sirohi  
Rajasthan
  - (2) JK Lakshmi Cement  
Village Motibhoyan,  
Taluka Kalol (N.G.),  
Distt. Gandhi Nagar - 382 721,  
Gujarat
  - (3) JK Lakshmi Cement  
Village Bajitpur  
PO Jhamri, Jhajar-123 305,  
Haryana
  - (4) JK Lakshmi Cement  
Village Malpuri, Khurd  
Khasodih, P.O. Ahiwara  
Tehsil Dhandha,  
District Durg-490036  
Chhattisgarh

**(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) 30179860  
Fax Nos. 91-11-2373 9475  
Contact Person: Mr. B.K.Daga  
(E-mail: bkdaga@jksmail.com)

**2. Registrar & Share Transfer Agents - MCS Share Transfer Agent 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).

*\*The Board of Directors of the Company at its meeting held on 7<sup>th</sup> February 2014 has approved change in the RTA from MCS Ltd. to MCS Share Transfer Agent Ltd.*

**(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 <sup>st</sup> April 2013	14,467	6,24,232
No. of shareholders who approached the Company for transfer of shares from suspense account during the year.	72	11,260
No. of shareholders to whom shares were transferred from suspense A/c during the year.	72	11,260
Aggregate No. of shareholders and the outstanding shares in the suspense account as on 31 <sup>st</sup> March 2014.	14,395	6,12,972
Voting Rights frozen till the rightful owner claims	14,395	6,12,972

**13. DECLARATION:**

This is to confirm that for the financial year ended 31<sup>st</sup> March 2014, 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

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## 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 31<sup>st</sup> March 2014, 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 Chhajjer  
Partner  
Membership No. 403325

Place : New Delhi  
Dated : 22nd May, 2014

## 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 2014, 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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 are 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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 is 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 read together with notes thereon give the information required by Act in the manner so required 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 2014;
- 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, read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - 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 2014 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: 22nd May, 2014

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 45 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, 2014.
  - (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	1995-2000	
		457.23	1997-2001	
		63.12	1996-98	
		473.85	2005-06	
		5.21	1997-98	Jt. Comm. (Appeals)
		113.64	2009-11	CTO, AE
		4920.00	2003-06	Asst. Comm. of Commercial Taxes
		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	5890.70	2002-14	High Court
		228.47	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
		3.96	2005-10	
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	1746.45	2008-14	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 given a Corporate guarantee of ₹ 150 Cr. to a Bank against Term Loan sanctioned to Udaipur Cement Works Limited (UCWL). During the year, UCWL has availed Loan amounting to ₹ 50 Cr. In our opinion, the terms and conditions of the above are not *prima facie* prejudicial to the interests of the Company (Refer note 46).
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: 22nd May, 2014  
Membership No: 403325

## BALANCE SHEET

As at 31st March 2014

₹ in Crore (10 Million)

Particulars	Note	31st March 2014	31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	58.85	58.85
(b) Reserves and Surplus	3	1244.37	1200.95
		<b>1303.22</b>	1259.80
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	4	1362.04	1097.70
(b) Deferred Tax Liabilities (Net)	5	122.59	113.38
(c) Other Long-Term Liabilities	6	41.87	36.42
(d) Long Term Provisions	7	6.06	5.66
		<b>1532.56</b>	1253.16
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-Term Borrowings	8	42.18	41.25
(b) Trade Payables		129.43	128.70
(c) Other Current Liabilities	9	523.68	422.47
(d) Short-Term Provisions	10	35.39	38.27
		<b>730.68</b>	630.69
<b>Total</b>		<b>3566.46</b>	3143.65
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	1569.58	1431.54
(ii) Intangible Assets	11	1.96	3.07
(iii) Capital Work-in-Progress		908.36	688.06
(b) Non-Current Investments	12	108.81	30.81
(c) Long term Loans and Advances	13	266.85	359.10
(d) Other Non-Current Assets	14	1.21	1.21
		<b>2856.77</b>	2513.79
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	338.92	375.65
(b) Inventories	16	102.43	114.84
(c) Trade Receivables	17	55.52	50.11
(d) Cash and Bank Balances	18	35.21	12.65
(e) Short-term Loans and Advances	19	109.50	74.44
(f) Other Current Assets	20	68.11	2.17
		<b>709.69</b>	629.86
<b>Total</b>		<b>3566.46</b>	3143.65
Significant Accounting Policies	1		
Notes on Financial Statements	2-57		

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 22nd May, 2014

B.K. DAGA  
VP & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
B.V. BHARGAVA  
KASHI NATH MEMANI  
N.G. KHAITAN  
RAJ KUMAR BANSAL  
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 2014

₹ in Crore (10 Million)

Particulars	Note	2013-14	2012-13
<b>I. Revenue from Operations</b>	21	<b>2293.59</b>	2300.25
Less : Excise Duty		<b>236.99</b>	245.30
Revenue from Operations(Net)		<b>2056.60</b>	2054.95
<b>II. Other Income</b>	22	<b>44.27</b>	55.45
<b>III. Total Revenue ( I+II )</b>		<b>2100.87</b>	2110.40
<b>IV. EXPENSES</b>			
a) Cost of Materials consumed	23	<b>361.64</b>	337.14
b) Purchase of Stock -in -Trade	24	<b>186.86</b>	132.48
c) Changes in Inventories of Finished goods, Work-in- progress and Stock- in- trade	25	<b>2.69</b>	16.83
d) Employee benefit expense	26	<b>122.95</b>	113.22
e) Other expenses	27	<b>1080.50</b>	1026.57
<b>Total Expenses</b>		<b>1754.64</b>	1626.24
<b>V. Profit before Interest, Depreciation &amp; Tax(PBIDT) (III - IV)</b>		<b>346.23</b>	484.16
Finance Costs	28	<b>77.19</b>	83.54
Depreciation and Amortization Expense	29	<b>135.17</b>	148.93
<b>VI. Profit before Exceptional Items and Tax</b>		<b>133.87</b>	251.69
<b>VII. Exceptional Items</b>	35	<b>18.50</b>	16.33
<b>VIII. Profit before Tax (VI - VII)</b>		<b>115.37</b>	235.36
<b>IX. Tax Expense:</b>			
1) Current Tax		<b>24.18</b>	69.56
Less: MAT credit entitlements		<b>(10.48)</b>	-
Net Current Tax		<b>13.70</b>	69.56
2) Deferred Tax		<b>9.21</b>	(9.94)
3) Tax Adjustments for Earlier Years		<b>(0.54)</b>	-
<b>X. Profit for the period</b>		<b>93.00</b>	175.74
<b>XI. Earning per Equity Share ( ₹):</b>	30		
Cash		<b>21.75</b>	28.03
Basic and Diluted		<b>7.90</b>	14.88
Notes on Financial Statements	2-57		

As per our report of even date

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

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Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

### NOTE 1

#### Significant Accounting Policies

- 1.1. The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- 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 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 :**

	31st March 2014	31st March 2013
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
	<u>200.00</u>	<u>200.00</u>

**Issued, Subscribed and Paid up :**

Equity Shares (with equal rights) 117,670,066 of ₹ 5 each ( Previous year 117,670,066 of ₹ 5 each) fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	<u>58.85</u>	<u>58.85</u>

**a. Reconciliation of number of Share Outstanding :**

Opening Balance	117,670,066	122,351,924
Shares Issued during the year	-	-
Shares bought back during the year *	-	(4,681,858)
Shares Outstanding at the end of the year	<u>117,670,066</u>	<u>117,670,066</u>

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

**of the Company:**

**Shareholder name**

	Number	Number
Bengal & Assam Company Ltd.	27,921,455	27,221,455
Florence Investech Ltd.	13,645,040	13,645,040
JK Fenner (India) Ltd. (Formerly known as Fenner India Ltd.)	10,259,400	10,259,400
HDFC Standard Life Insurance Company Ltd.	6,552,546	-

**c. Terms/ right attached to equity shareholders :**

- i) 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.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

\* Pursuant to the buy back Scheme the Company bought back during the year 2011-12 , 7000 Equity Shares.

₹ in Crore (10 Million)

	31st March 2014	31st March 2013
<b>NOTE 3</b>		
<b>RESERVE AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per last Financial Statement	0.74	0.74
	<u>0.74</u>	<u>0.74</u>
<b>Capital Redemption Reserve</b>		
Balance as per last Financial Statement	25.64	23.30
Add: amount credited for buy- back of equity shares	-	2.34
	<u>25.64</u>	<u>25.64</u>
<b>Securities Premium Reserve</b>		
Balance as per last Financial Statement	88.65	116.74
Less: amount utilised for buy- back of equity shares	-	28.09
	<u>88.65</u>	<u>88.65</u>
<b>Debenture Redemption Reserve</b>		
Balance as per last Financial Statement	38.37	28.07
Add: Provision made during the year	-	10.30
Less: amount transferred to Surplus in Profit and Loss	4.17	-
	<u>34.20</u>	<u>38.37</u>
<b>Revaluation Reserve</b>		
Balance as per last financial statement	36.18	62.60
Less: amount transferred on account of sale of assets	2.65	6.27
Less: amount transferred to the Statement of Profit and Loss as reduction from depreciation	19.40	20.15
	<u>14.13</u>	<u>36.18</u>
<b>General Reserve</b>		
Balance as per last Financial Statement	900.55	780.55
Add: amount transferred from surplus balance in the statement of profit and loss	50.00	120.00
	<u>950.55</u>	<u>900.55</u>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last Financial Statement	110.82	102.00
Add: Transfer from Statement of Profit and Loss	93.00	175.74
Transfer from Debenture Redemption Reserve	4.17	-
Less: Appropriations		
Transfer to General Reserve	50.00	120.00
Transfer to Capital Redemption Reserve	-	2.34
Transfer to Debenture Redemption Reserve	-	10.30
Proposed Dividend	23.53	29.28
Corporate Dividend tax	4.00	5.00
	<u>130.46</u>	<u>110.82</u>
	<u>1244.37</u>	<u>1200.95</u>

## NOTE 4

## LONG TERM BORROWINGS

	Non-Current		Current*	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
<b>SECURED LOANS</b>				
<b>Bonds/Debentures</b>				
Redeemable Non-Convertible Debentures	149.79	199.79	50.00	50.00
<b>Term Loans</b>				
From Financial Institutions	–	–	–	1.72
From Banks	1170.76	824.35	143.59	126.81
	<u>1320.55</u>	<u>1024.14</u>	<u>193.59</u>	<u>178.53</u>
<b>UNSECURED LOANS</b>				
Deferred Sales Tax (refer note 37)	32.01	63.78	31.77	17.50
Fixed Deposits	9.48	9.78	1.70	1.97
	<u>41.49</u>	<u>73.56</u>	<u>33.47</u>	<u>19.47</u>
	<u>1362.04</u>	<u>1097.70</u>	<u>227.06</u>	<u>198.00</u>
Amount disclosed under the head "other current liabilities" (refer Note 9)	–	–	227.06	198.00
	<u>1362.04</u>	<u>1097.70</u>	<u>–</u>	<u>–</u>

\* Due and payable within one year.

- 1 Secured Redeemable Non-Convertible Debentures (NCDs) are privately placed and consists of :
  - i) 9.85% NCDs Series A of ₹ 100 crore are redeemable in two equal annual installments at the end of 4th(since redeemed) and 5th year from the date of allotment i.e. 4th Feb, 2010.
  - ii) 10.05% NCDs Series B-1 of ₹ 40 crore are redeemable in two equal annual installments at the end of 6th and 7th year from the date of allotment i.e. 4th Feb, 2010.
  - iii) 10.35% NCDs Series B-2 of ₹ 60 crore are redeemable in three equal annual installments at the end of 8th, 9th and 10th year from the date of allotment i.e. 4th Feb, 2010.
- 1a. 9% Secured Redeemable Non Convertible Debentures ( NCDs) of ₹. 49.79 crore 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 Banks aggregating to ₹299.19 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:
- Term Loans aggregating to ₹ 28.57 crore are repayable in 8 equal quarterly installments.
  - Term Loan of ₹ 30.62 crore is repayable in 28 equal quarterly installments.
  - Term Loan of ₹ 45.00 crore is repayable in 15 equal quarterly installments .
  - Term Loan of ₹ 70.00 crore shall be repayable in 32 equal quarterly installments commencing from 30th June , 2014.
  - Term Loan of ₹ 125.00 crore shall be repayable in 2 equal half yearly installments commencing from 31st January, 2015 .
- 4 Term Loans from Banks aggregating to ₹105.16 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:
- Term Loans aggregating to ₹ 13.00 crore are repayable in 6 equal quarterly installments.
  - Term Loan of ₹ 10.91 crore is repayable in 8 equal quarterly installments.
  - Term Loan of ₹ 37.50 crore is repayable in 12 equal quarterly installments.
  - Term Loan of ₹ 43.75 crore is repayable in 28 equal quarterly installments .
- 5 Term Loan from a Bank of ₹ 70.00 crore is secured by way of an 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.
- 6 Term Loan from a Bank of ₹ 40.00 crore is secured by way of an exclusive first charge on movable assets of the Company's AAC Block Unit situated at Jhajjar, in the State of Haryana, except charge on current assets. This Term Loan shall be repayable in 32 equal quarterly installments commencing from 30th June 2015.
- 7 Term Loan from a Bank of ₹ 50.00 crore is secured /to be secured by way of an exclusive first charge on movable and immovable assets of the Company's 2nd Split Grinding Unit situated at Jhajjar, in the State of Haryana, except charge on current assets. This Term Loan shall be repayable in 32 quarterly installments commencing from 31st March 2016.
- 8 Term Loans from Banks aggregating to ₹ 750.00 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 Chattisgarh. These Term Loans shall be repayable in 40 equal quarterly installments commencing from 31st December 2015.
- 9 Unsecured Deferred Sales Tax Loan of ₹ 63.78 crore is repayable in 8 quarterly installments .
- 10 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 2014	31st March 2013
<b>NOTE 5</b>		
<b>DEFERRED TAX LIABILITIES (Net)</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	159.54	143.10
<b>Less: Deferred Tax Assets</b>		
Expenses / Provisions allowable	36.95	29.72
Deferred Tax Liability / (Assets) – Net	<u>122.59</u>	<u>113.38</u>
<b>NOTE 6</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade and other deposits	39.87	34.42
Deposits from related party	2.00	2.00
	<u>41.87</u>	<u>36.42</u>
<b>NOTE 7</b>		
<b>LONG –TERM PROVISIONS</b>		
Provision for Employees' Benefits	6.06	5.66
	<u>6.06</u>	<u>5.66</u>
<b>NOTE 8</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Working Capital Borrowing from Banks	19.80	21.10
Buyer's Credit from Bank	21.79	19.25
<b>Unsecured Loans</b>		
Fixed Deposits	0.59	0.90
	<u>42.18</u>	<u>41.25</u>
<p>Working Capital Borrowing from Banks are secured by hypothecation of Stores, Raw Materials, Finished Goods, Stock-in-Process and Book Debts etc. and are further secured by mortgage 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.</p> <p>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.</p>		
<b>NOTE 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debts (refer Note 4)	227.06	198.00
Interest Accrued but not due on borrowings	4.75	4.27
Unclaimed dividends #	1.97	1.55
Unclaimed matured Deposits and interest #	0.27	0.29
Advance from Customers	31.15	26.67
Govt. and other dues	152.44	108.24
Capital Creditors	35.07	16.81
Other liabilities	70.97	66.64
	<u>523.68</u>	<u>422.47</u>
# Investor Education and Protection Fund will be credited as and when due.		
<b>NOTE 10</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provision for Employees' Benefit	7.86	3.85
Proposed Dividend	23.53	29.42
Corporate Dividend Tax	4.00	5.00
	<u>35.39</u>	<u>38.27</u>

**NOTE 11**

₹ in Crore (10 Million)

**TANGIBLE ASSETS**

Description	Gross Block				Depreciation/Amortisation				Net Block	
	1st April 2013	Additions/ Adjust-ments	Sales/ Adj-ustments	31st March 2014	Upto Last Year	During the year	On Sales/ Adjust-ments	To date	31st March 2014	31st March 2013
Freehold Land	182.55	8.75	-	191.30	-	-	-	-	191.30	182.55
Leasehold Land	29.12	6.13	-	35.25	0.15	0.30	-	0.45	34.80	28.97
Buildings	82.92	19.54	-	102.46	25.09	3.21	-	28.30	74.16	57.83
Plant & Machinery	2266.10	247.06	40.84	2472.32	1170.25	140.55	38.19	1272.61	1199.71	1095.85
Furniture & Fixtures	6.36	0.49	1.12	5.73	3.82	0.42	0.56	3.68	2.05	2.54
Office Equipments	7.00	1.36	0.11	8.25	4.63	0.42	0.07	4.98	3.27	2.37
Vehicles, Aircraft and Locomotives	56.31	4.56	1.47	59.40	23.24	7.63	0.97	29.90	29.50	33.07
Railway Siding	42.27	7.97	-	50.24	13.91	1.54	-	15.45	34.79	28.36
Total	2672.63	295.86	43.54	2924.95	1241.09	154.07	39.79	1355.37	1569.58	1431.54
Previous year	2444.40	300.93	72.70	2672.63	1119.26	184.29	62.46	1241.09	1431.54	

a) Includes Obsolescence ₹ 5.74 crore (previous year ₹ 4.46 crore).

**INTANGIBLE ASSETS**

Computer Software b)	5.58	-	-	5.58	2.51	1.11	-	3.62	1.96	3.07
Previous year	5.58	-	-	5.58	1.39	1.12	-	2.51	3.07	

b) Being amortised over a period of 5 years.

**NOTE 12**
**NON-CURRENT INVESTMENTS**

₹ in Crore (10 Million)

(At Cost)	31st March 2014		31st March 2013	
	Numbers	Amount	Numbers	Amount
Long Term (Trade)				
<b>Investment in Subsidiary</b>				
<b>Equity Shares</b>				
Udaipur Cement Works Limited @ (₹ 4 each)	222,775,000	89.11	27,775,000	11.11
Long Term (Other than trade)				
<b>Investment in Subsidiary</b>				
<b>Equity Shares</b>				
Hansdeep Industries and Trading Co. Ltd.(₹ 10 each)	1,050,007	1.05	1,050,007	1.05
<b>Others</b>				
V. S Lignite Power Pvt. Ltd. (₹ 10 each) #	4,396,136	4.40	4,396,136	4.40
Dwarkesh Energy Ltd. (₹ 10 each)	350,000	0.35	350,000	0.35
<b>Investment in Preference Shares</b>				
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)	1,000,000	10.00	1,000,000	10.00
		<b>108.81</b>		<b>30.81</b>
Aggregate book value of quoted investments		89.11		–
Aggregate market value of quoted investments		181.56		–
Aggregate book value of unquoted investments		19.70		30.81

# Under lien with Issuer

@ previous year Associates

₹ in Crore (10 Million)

**NOTE 13**
**LONG - TERM LOANS AND ADVANCES**
**Secured**

	31st March 2014	31st March 2013
Unsecured, considered good		
Capital Advances	85.47	95.16
Deposits / Balances with Govt. Authorities and Others	22.23	62.60
MAT Credit Entitlements	88.40	72.25
Advances against Shares (refer Note 46 a)	33.79	90.54
Other Advances (refer Note 45)	36.96	38.55
	<b>266.85</b>	<b>359.10</b>

**NOTE 14**
**OTHER NON – CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

	31st March 2014	31st March 2013
Non-current Bank Balances (refer Note 18)	1.21	1.21
	<b>1.21</b>	<b>1.21</b>

**NOTE 15**
**CURRENT INVESTMENTS**

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

	31st March 2014		₹ in Crore (10 Million)	
	Nos.	Amount	31st March 2013 Nos.	Amount
<b>Investment in Bonds</b>				
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
Reliance Capital Ltd Series B/188 – Type III	995	9.95	–	–
Reliance Capital Ltd Series B/227 – Type I	1000	10.00	–	–
<b>Investment in Mutual Funds</b>				
Birla Sun Life Interval Income Fund – Annual Plan 1–Gr Direct	4,599,139.041	5.00	–	–
Birla Sun Life Fixed Term Plan Series JT (367 days) – Gr Direct	10,000,000.000	10.00	–	–
Birla Sun Life Fixed Term Plan Series JU (369 days) – Gr Direct	5,000,000.000	5.00	–	–
Birla Sun Life Income Plus Gr Regular Plan	1,901,451.568	10.00	1,901,451.568	10.00
Birla Sun Life Short Term Fund Gr. Direct Plan	2,305,666.188	10.24	2,149,530.925	9.00
BOI AXA Fixed Maturity Plan – Series 9 (366 days) Regular Plan Gr.	5,000,000.000	5.00	–	–
DSP Black Rock FMP–Series 146 – 12 M Direct Gr	6,000,000.000	6.00	–	–
DSP Black Rock FMP–Series 149 – 12 M Direct Gr	5,000,000.000	5.00	–	–
DSP BR Stretagic Bond Fund Direct Plan Gr.	164,609.412	23.00	59,038.149	8.00
DSP BR Stretagic Bond Fund Inst Plan Gr.	14,670.662	2.00	14,670.632	2.00
DWS Fixed Maturity Plan – Series 42 Direct Plan – Gr	5,000,000.000	5.00	–	–
HDFC FMP 370 D January 2014 (1) Series 29 Direct – Gr	5,000,000.000	5.00	–	–
HDFC Income Fund – Gr.	3,733,753.505	10.00	3,733,753.505	10.00
HSBC Flexi Debt Fund – Gr.	1,542,048.581	2.50	1,542,048.581	2.50
ICICI Prudential FMP Series 72– 366 Days Plan C Direct Plan Cum	5,000,000.000	5.00	–	–
ICICI Prudential FM P Series 72– 370 Days Plan G Direct Plan Cum	3,000,000.000	3.00	–	–
ICICI Prudential Interval Fund – Series VII Annual Interval Paln C Direct Plan Cum	5,000,000.000	5.00	–	–
ICICI Prudential FM P Series 73– 366 Days Plan A Direct Plan Cum	5,000,000.000	5.00	–	–
ICICI Prudential Income Opportunities Fund Reg. Plan Gr.	3,121,527.301	5.00	3,121,527.301	5.00
IDBI FMP– Series IV – 366 Days (February 2014) – E Direct Plan – Gr.	5,000,000.000	5.00	–	–
IDFC Yearly Series Interval Fund Direct Plan Series 1 Gr	3,000,000.000	3.00	–	–
IDFC Fixed Term Plan Series 65 Direct Plan.– Gr.	10,000,000.000	10.00	–	–
IDFC Fixed Term Plan Regular Plan – Series – 10 Gr	5,000,000.000	5.00	5,000,000.000	5.00
IDFC Dynamic Bond Fund – Gr (Regular Plan)	10,745,384.483	15.00	7,220,633.683	10.00
IDFC Dynamic Bond Fund – Gr.(Direct Plan)	3,532,195.966	5.00	–	–
Kotak Bond Fund Plan A – Growth	2,968,116.493	10.00	2,968,116.493	10.00
L&T Income Opportunities Fund – Gr	7,570,595.806	10.00	–	–
L&T Triple Ace Bond Fund Bonus Op Original.	8,045,570.109	10.00	–	–
Reliance Fixed Horizon Fund – XXV – Series 14 Direct Plan Gr Plan.	10,000,000.000	10.00	–	–
Reliance Yearly Interval Series – I Direct Paln Gr Plan.	4,596,179.655	5.00	–	–
Reliance Dynamic Bond Fund – Direct Plan Gr Plan	12,422,213.714	20.00	6,414,656.207	10.00
Reliance Dynamic Bond Fund – Gr Plan	1,593,188.799	2.50	1,593,188.799	2.50

**NOTE 15 (Contd...)**

	31st March 2014		₹ in Crore (10 Million)	
	Nos.	Amount	31st March 2013	
			Nos.	Amount
Reliance Income.Fund Gr Pl Bonus Op.	23,587,673.039	21.21	33,459,731.759	30.08
Reliance Income Fund – Gr Plan	771,107.095	3.01	–	–
Reliance Liquid Fund – Treasury Plan Direct Plan Gr. Plan	16,006.822	5.00	–	–
Religare Invesco FMP – Sr. 22 – Plan F (15 Months) – Direct Plan Gr.	5,000,000.000	5.00	–	–
Religare Invesco FMP – Sr. 22 – Plan G (370 Days) – Direct Plan Gr.	5,000,000.000	5.00	–	–
SBI Dynamic Bond Fund – Direct Plan – Gr.	6,863,276.666	10.00	6,863,276.666	10.00
TATA Fixed Maturity Plan Series 46 Scheme I – Direct Plan – Gr.	5,000,000.000	5.00	–	–
Templeton India T M A Super Institutional Plan – Direct – Gr	26,165.856	5.00	–	–
UTI Dynamic Bond Fund – Gr.	11,752,493.389	15.00	7,864,377.803	10.00
UTI Bond Fund Direct Plan – Gr.	1,439,727.258	5.00	1,439,727.258	5.00
UTI Short Term Income Fund Institutional Gr.	–	–	4,317,199.001	6.00
Birla Sun Life Fixed Term Plan – Series F M Growth	–	–	5,010,682.880	5.01
Birla Sun Life Fixed Term Plan – Series F O Growth	–	–	10,002,720.000	10.00
Birla Sun Life Fixed Term Plan – Series F P Growth	–	–	4,001,031.000	4.00
Birla Sun Life Interval Income Fund– Annual Plan 2 –Growth D	–	–	5,000,000.000	5.00
DSP Bloackrock FMP–Series 86 –12 M Direct Growth	–	–	5,000,000.000	5.00
DSP Bloackrock FMP–Series 51 –12 M Growth	–	–	5,000,000.000	5.00
DSP Bloackrock FMP–Series 84 –12 M Direct Growth	–	–	5,000,000.000	5.00
HDFC FMP 370 D May 2012 (3) – Growth – Series 22	–	–	5,000,000.000	5.00
ICICI Prudential F M P Series 66–368 Days–B D Cumulative	–	–	5,000,000.000	5.00
ICICI Prudential F M P Series 66–366 Days Plan F D Cumulative	–	–	2,500,000.000	2.50
IDBI FMP 367 D–Series III (Feb 2013)– Plan A Direct Gr	–	–	5,000,000.000	5.00
IDFC Fixed Maturity Plan 366 D Series – 79 Growth	–	–	10,002,634.993	10.00
Kotak FMP Series 84 Growth	–	–	7,500,000.000	7.50
Kotak FMP Series 88 Growth	–	–	5,000,000.000	5.00
Reliance Annual Interval Fund Series 1 Gr.	–	–	22,696,406.048	25.00
Reliance Fixed Horizon Fund XXII Series 9 Gr.	–	–	6,500,000.000	6.50
Reliance Fixed Horizon Fund XXII Series 10 Gr.	–	–	12,000,000.000	12.00
Reliance Fixed Horizon Fund XXII Series 14 Div.	–	–	10,000,000.000	10.00
Reliance Yearly Interval Fund Series 2 Gr.	–	–	10,000,000.000	10.00
SUNDRAM Fixed Term Plan – CQ 377 Days Gr	–	–	7,500,000.000	7.50
TATA FMP Series – 40 Scheme F Gr	–	–	15,000,000.000	15.00
Taurus FMP 369 Days Series X Gr	–	–	10,000,000.000	10.00
Taurus FMP 369 Days Series U Gr	–	–	10,000,000.000	10.00
Taurus Short Term Income Fund Existing Plan Gr	–	–	127,065.123	25.03
UTI Fixed Term Income Fund – Series XII–I (368 Days) Gr Plan	–	–	8,016,598.400	8.02
UTI Fixed Term Income Fund – Series XII–IV (369 Days) Gr Plan	–	–	10,000,000.000	10.00
		<b>338.92</b>		<b>375.65</b>
Aggregate book value of quoted investments		<b>338.92</b>		375.65
Aggregate market value of quoted investments		<b>354.54</b>		398.52
Aggregate book value of unquoted investments		–		–

As the market value of the Bonds is not available, purchase value is considered as market value.

₹ in Crore (10 Million)

**NOTE 16**
**INVENTORIES**

(As certified by the management)

	<b>31 st March 2014</b>	31 st March 2013
Raw Materials (Including in transit – ₹ 0.68 crore; Previous year ₹ Nil)	<b>13.26</b>	9.63
Work –in –progress	<b>8.14</b>	15.58
Finished Goods	<b>25.29</b>	19.95
Stock–in –Trade	<b>0.63</b>	0.08
Stores and Spares (Including in transit – ₹ Nil; Previous year – ₹ 9.90 crore)	<b>55.11</b>	69.60
	<b><u>102.43</u></b>	<u>114.84</u>

**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	<b>0.81</b>	0.12
Doubtful	<b>1.51</b>	1.32
Less: Allowance for doubtful receivables	<b>(1.51)</b>	(1.32)
Other	<b>54.71</b>	49.99
	<b><u>55.52</u></b>	<u>50.11</u>

**NOTE 18**
**CASH AND BANK BALANCES**
**Cash and Cash Equivalents**

Balances with Banks		
On Current Accounts	<b>0.17</b>	0.61
Deposits with original maturity of less than 3 months	<b>20.00</b>	–
Cheques , DD on hand/transit	<b>4.82</b>	8.21
Cash on hand	<b>0.18</b>	0.25
	<b><u>25.17</u></b>	<u>9.07</u>

**Other Bank Balances**

Deposits with original maturity for more than 3 months but less than 12 months	<b>8.04</b>	2.00
Deposits with original maturity for more than 12 months	–	–
Margin Money Deposits	<b>1.21</b>	1.21
Unclaimed Dividend Accounts	<b>1.97</b>	1.55
Saving bank Accounts(Employees Security Deposit account)	<b>0.03</b>	0.03
	<b><u>11.25</u></b>	<u>4.79</u>
Less: Amount disclosed under non–current assets (refer Note 14)	<b>(1.21)</b>	(1.21)
	<b><u>35.21</u></b>	<u>12.65</u>

₹ in Crore (10 Million)

**NOTE 19**

**SHORT-TERM LOANS AND ADVANCES**

**Secured**

Unsecured, considered good

Advance Income tax (Net of Provision)

MAT Credit Entitlements

Prepaid expenses

Balance with Govt. Authorities

Other Advances

<b>31 st March 2014</b>	31 st March 2013
<b>3.21</b>	19.77
–	6.00
<b>3.76</b>	5.15
<b>75.71</b>	20.81
<b>26.82</b>	22.71
<b><u>109.50</u></b>	<u>74.44</u>

**NOTE 20**

**OTHER CURRENT ASSETS**

(Unsecured, considered good unless otherwise stated)

Receivables (Railway claims, Insurance claims, Subsidy and other receivables)

(refer Note 48)

Less: Provision for doubtful claims

<b>72.33</b>	6.39
<b>4.22</b>	4.22
<b><u>68.11</u></b>	<u>2.17</u>

₹ in Crore (10 Million)

**NOTE 21**

**REVENUE FROM OPERATION**

Sale of products

Cement

Others

Other Operating Revenues

Revenue from Operations (gross)

Less: Excise duty

Revenue from Operations (net)

<b>2013-14</b>	2012-13
<b>1948.28</b>	1951.27
<b>344.61</b>	346.74
<b>0.70</b>	2.24
<b><u>2293.59</u></b>	<u>2300.25</u>
<b>236.99</b>	245.30
<b><u>2056.60</u></b>	<u>2054.95</u>

**NOTE 22**

**OTHER INCOME**

Interest Income

Dividend Income

Profit on sale of

Long Term Investments

Current Investments

Profit/(loss) on Sale of Assets (Net)

Other Non – Operating Income

<b>2.92</b>	6.70
<b>0.07</b>	0.24
–	–
<b>27.55</b>	33.70
<b>0.15</b>	0.12
<b>13.58</b>	14.69
<b><u>44.27</u></b>	<u>55.45</u>

₹ in Crore (10 Million)

**NOTE 23**
**COST OF MATERIAL CONSUMED \***

	2013-14	2013-14
Limestone	108.11	95.34
Gypsum	43.09	40.45
Fly ash	53.15	56.62
Packing material	83.01	72.24
Others	74.28	72.49
	<u>361.64</u>	<u>337.14</u>

	% of Total		% of Total	
*				
Indigenous	348.83	96.46	337.14	100.00
Imported	12.81	3.54	-	-
Total	<u>361.64</u>	<u>100.00</u>	<u>337.14</u>	<u>100.00</u>

**NOTE 24**
**PURCHASE OF STOCK-IN-TRADE**

Cement	162.57	111.65
Others	24.29	20.83
	<u>186.86</u>	<u>132.48</u>

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

**Closing Stocks**

Stock-in-progress		
Crushed limestone	2.63	1.92
Raw-meal	1.09	0.99
Clinker	4.42	12.67
	<u>8.14</u>	<u>15.58</u>
Finished Goods	25.29	19.95
Stock-in-Trade	0.63	0.08
	<u>34.06</u>	<u>35.61</u>
Add/(Less) : Excise Duty Variance on Stock	1.14	0.08
(Increase) /Decrease in Stocks	<u>2.69</u>	<u>16.83</u>

**NOTE 26**
**EMPLOYEES BENEFIT EXPENSES**

Salaries and Wages	96.66	89.75
Contribution to Provident and Other Funds	11.02	8.80
Staff Welfare Expenses	15.27	14.67
	<u>122.95</u>	<u>113.22</u>

₹ in Crore (10 Million)

**NOTE 27**
**OTHER EXPENSES**

	2013-14	2012-13
Consumption of Stores and Spares *	66.96	65.41
Power & Fuel	422.02	406.19
Rent	11.89	11.12
(Net of realisation ₹ 0.23 crore, Previous year ₹ 0.21 crore)		
Repairs to Buildings	5.60	5.46
Repairs to Machinery	34.38	33.39
Insurance	3.93	3.30
Rates and Taxes	1.38	1.46
Transport, Clearing and Forwarding Charges	456.84	421.52
Commission on Sales	23.59	21.38
Directors' Fee & Commission	0.54	1.53
Provision for Doubtful Debts	0.20	0.11
Advertisement, Bank Charges, Travelling, Consultancy etc.	53.17	55.70
	<b>1080.50</b>	<b>1026.57</b>

	% of Total		% of Total	
*				
Indigenous	58.29	87.05	57.28	87.57
Imported	8.67	12.95	8.13	12.43
Total	<b>66.96</b>	<b>100.00</b>	<b>65.41</b>	<b>100.00</b>

Net of Scrap sale ₹ 4.85 crore (Previous year ₹ 3.87 crores)

**NOTE 28**
**FINANCE COSTS**

Interest expenses (refer Note 47)	76.62	82.94
Other borrowing cost	0.57	0.60
	<b>77.19</b>	<b>83.54</b>

**NOTE 29**
**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation on Tangible Assets	154.07	184.29
Amortisation on Intangible Assets	1.11	1.12
Less: Transferred from Revaluation Reserve	19.40	20.15
Less: Shown as Exceptional Item	-	16.33
Less: Charged to Capital work in progress	0.61	-
	<b>135.17</b>	<b>148.93</b>

**NOTE 30**
**EARNING PER SHARE**

Profit after tax available for Equity Shareholders	93.00	175.74
Weighted average number of equity shares	11.77	11.81
Earning per Equity Share ( ₹)(face value ₹5 each)		
– Cash	21.75	28.03
– Basic and diluted	7.90	14.88

**NOTES TO ACCOUNT**

31. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 332.60 crore (Previous year ₹ 354.36 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, 2014	31st March, 2013
a) Excise duty	–	2.30
b) Sales tax	60.85	5.45
c) Income Tax	1.30	–
d) Land tax	1.31	1.31
e) Renewable Energy Obligation	19.94	13.04
f) Other matters	6.51	6.85
<b>Total</b>	<b>89.91</b>	<b>28.95</b>

33. 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.
34. 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.
35. Exceptional Item of ₹ 18.50 crore represents provision made against duties / cess in respect of earlier years for matters under litigation.
36. Maximum balance due for Commercial Paper issued during the year was ₹ 50 crore and the year end balance is Nil (Previous year Maximum balance ₹ 55 crore and at the year end Nil).
37. Rajasthan Government had granted the benefit of 75% exemption to the Company for a period of 9 years vide its notification dated 28.4.2003 on the RST and CST payable u/s 15 of Rajasthan Sales Tax Act 1994. With the enactment of VAT Act, 2006 the benefit of exemption for the balance period was converted into deferment w.e.f. 1st April 2006. The Company has received Show Cause Notices for refund of ₹ 128.32 crore (₹ 49.20 crore for exemption availed upto March 2006 and ₹ 79.12 crore for deferment from April 2006 to May 2009. Out of deferment, ₹ 15.34 crore has already been paid as per original repayment schedule). This notice has arisen consequent to Supreme Court's adverse judgment in case of another cement company. Based on the fact that the grounds under which the Company has been granted this benefit is different from the grounds on which the other cement company availed the benefit and as also based on the opinion of senior legal counsel, the Company believes it has a strong ground on which the legal proceedings, if initiated by the Government will be decided in Company's favour.
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 2014 includes aggregate revaluation / business valuation of ₹ 396.77 crore (Previous year ₹ 405.55 crore).
39. Sales include own consumption at cost ₹ 6.98 crore (Previous years ₹ 2.68 crore).
40. a) Consumption of Stores and Spares is net of scrap sale ₹ 4.85 crore (Previous year ₹ 3.87 crore.)  
b) Interest expenses include ₹ 3.97 crore (previous year ₹ 6.47 crore) being interest on entry tax inclusive of ₹ Nil (previous year ₹ 2.29 crore) being prior period.

41. Other-Non-Operating Income represents receipts from aircraft flying ₹ 3.34 crore, ( previous year ₹ 3.58 crore) net of expenses of ₹ 5.63 crore (previous year ₹ 7.27 crore), and ₹ 10.10 crore on account of liabilities no longer required written back (previous years ₹ 11.11 crore recovery of old dues earlier written off).
42. Forward contracts of ₹ 24.37 crore - EUR 0.04 Mn, USD 3.56 Mn, GBP 0.03 Mn, DKK 0.07 Mn (Previous year ₹ 26.85 crore - EUR .08 Mn USD 3.56 Mn, GBP .01 Mn.) taken for the purpose of hedging against letter of credit outstanding as at 31st March, 2014.
43. 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 2014 - 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 2014- Nil (Previous year - Nil).
- b) Some of the Balances of debtors and creditors are in process of confirmation.
44. The Company has only one business segment namely Cementitious Materials.
45. Other advances include an amount of ₹ 36.67 crore (including ₹ 3.33 crore receivable within one year) (Previous year ₹ 40.00 crore) (Maximum balance due ₹ 40.00 crore, previous year ₹ 43.33 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.
46. (a) 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 inclusive of 9% Non Convertible Redeemable Debentures (NCD) of ₹ 49.79 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 infused ₹ 111.79 crore (previous year ₹ 90.54 crore) [ inclusive of issue of NCDs of ₹ 49.79 crore (previous year ₹ 49.79 crore) up to 31st March, 2014]. During the year UCWL has issued Equity Shares of ₹ 78.00 crore to the Company .With this, the Company's holding in UCWL has increased from 27.25% to 75.46% & consequently UCWL has become subsidiary of the Company. The balance of ₹ 33.79 crore is being shown as Advance against Shares.
- (b) The Company has given a Corporate Guarantee to a Bank for a term loan of ₹ 150.00 crore sanctioned by Bank to UCWL. This term loan is to be utilized by UCWL for its Revival and Rehabilitation Project.
47. During the year the Company has received subsidy of ₹ 5.08 crore (previous year ₹ 6.30 crore) in terms of State Investment Promotion Scheme, of which ₹ 3.50 (previous year ₹ 4.94 crore) and ₹ 1.58 (previous year ₹ 1.36 crore) have been reduced from Interest and wages respectively.
48. Company's Greenfield cement plant at durg Chattisgarh was temporarily affected due to incident of arson and fire in April 2013. The Company is adequately covered by the Insurers. Pending assessment of final claim by Insurers ₹ 63.95 crore, (net of interim amount received ₹. 20.00 crore) is shown under other current assets .
49. Disclosure pursuant to Clause 32 of the Listing Agreement : (refer Note 46) (Loans / Advances to employees as per Company's policy are not considered.)

₹ in Crore (10 Million)

**NOTE 50**

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

	2013-14	2012-13
i) Revenue Expenditure		
1 Employees Cost	3.18	1.62
2 Cost of Material and Testing Charges	0.43	0.21
3 Other R & D Expenses	1.25	0.35
4 R & D Cess	0.34	0.33
Sub Total (i)	<u>5.20</u>	<u>2.51</u>
ii) Capital Expenditures	0.19	0.20
Total (i+ii)	<u>5.39</u>	<u>2.71</u>

**NOTE 51**

Amount paid to Auditors :

(i) Statutory Auditors :		
Audit Fee	0.11	0.08
For Taxation matters	0.02	0.02
For Other Services	0.04	0.02
Reimbursement of Expenses	<u>0.01</u>	<u>0.01</u>
	<u>0.18</u>	<u>0.13</u>
(ii) Cost Auditors :		
Cost Audit Fee (₹)	<u>75000</u>	<u>50000</u>
	<u>75000</u>	<u>50000</u>

**NOTE 52**

Expenses charged to Raw Material (Limestone) account includes :

Salaries & Wages	4.53	3.86
Contribution to Provident and Other Funds	0.35	0.21
Employees' Welfare Expenses	0.60	0.93
Consumption of Stores and Spares	32.74	27.35
Power & Fuel	3.56	3.55
Repairs to Machinery	3.12	5.00
Material Handling	19.12	15.14
Insurance	0.12	0.11
Rates and Taxes	-	1.43
Royalty	43.50	37.46
Miscellaneous Expenses	0.47	0.30
	<u>108.11</u>	<u>95.34</u>

**NOTE 53**

RELATED PARTY DISCLOSURE

List of Related Parties :

- a) Subsidiary  
 Hansdeep Industries & Trading Co. Ltd.  
 Udaipur Cement Works Ltd.(UCWL) w.e.f. 28.03.2014 (previous year Associate)
- b) 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 53 (Contd...)**

- c) Enterprise over which KMP is able to exercise significant influence :  
 JK Tyre & Industries Ltd. (JKTIL)  
 Rockwood Properties Pvt. Ltd. (RPPL)

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

i) ₹ in Crore (10 Million)

Nature of Transactions	Subsidiary	Associates	Enterprise over which KMP is able to exercise significant influence \$	Subsidiary	Associates	Enterprise over which KMP is able to exercise significant influence \$
	2013-14			2012-13		
- Sharing of Expenses received	0.01	-	0.86	-	-	0.96
- Sharing of Expenses paid	-	-	0.56	-	-	0.60
- Purchase of Tyres	-	-	0.44	-	-	0.51
- Payment of Expenses #	-	-	0.44	0.02	-	0.39
- Sale of Clinker/Cement	0.13	18.25	0.27	-	0.17	0.12
- Purchase of Cement	1.21	27.36	-	-	-	-
- Other Income	-	0.08	3.05	-	-	3.58
- Investments	78.00	-	-	1.00	11.11 <sup>@</sup>	-
- Sale of Assets	-	-	-	0.99	-	-
- NCD's issue	-	-	-	-	49.79	-
- Advances given (refer Note 46 a.)	-	21.25	-	-	29.31	-
- Corporate Guarantee for Term Loan availed from Bank	50.00	-	-	-	-	-
<b>Outstanding as at year end:</b>						
- Receivable :	-	-	-	-	-	-
UCWL	35.82	-	-	-	90.54	-
RPPL	-	-	0.42	-	-	0.42
- Payable :						
JKTIL	-	-	2.01	-	-	2.04

- ii) Details of remuneration to KMP : Chairman & Managing Director ₹ 4.22 crore (previous year ₹ 7.99 crore), Vice Chairman & Managing Director ₹ 4.40 crore (previous year ₹ 8.71 crore) and Whole-time Directors ₹ 2.07 crore each (previous year ₹ 2.22 crore each). Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

@ Received Equity Shares in lieu of old recovery

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

**NOTE 54**

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)

	2013-14	2012-13
Power & Fuel	4.98	2.67
Salaries and Wages	16.90	10.00
Staff Welfare expenses	0.52	0.37
Insurance	4.94	0.39
Rent	0.37	0.27
Travelling, Consultancy & Miscellaneous Expenses	9.25	9.44
Finance costs	72.51	52.98
Depreciation	0.61	-
	<b>110.08</b>	76.12
Add : Expenditure upto previous year	114.50	54.13
Less : Transferred to Fixed Assets ( Includes interest ₹ 6.77 crore, previous year ₹ 6.18 crore)	15.47	15.75
Less : Transferred to Insurance Claim	7.24	-
	<b>201.87</b>	114.50

**NOTE 55**
**EMPLOYEE DEFINED BENEFITS :**
**(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation on 31st March, 2014.**

₹ in Crore (10 Million)

		2013-14		2012-13	
		Gratuity Funded	Leave Encashment Non Funded	Gratuity Funded	Leave Encashment Non Funded
<b>I</b>	<b>Expenses recognised in the Statement of Profit &amp; Loss for the year ended March 31, 2014</b>				
1	Current Service Cost	1.80	0.78	1.51	0.67
2	Interest Cost	2.23	0.42	2.00	0.35
3	Expected return on plan assets	(2.55)	–	(2.35)	–
4	Actuarial (Gains) / Losses	1.19	0.59	(0.13)	0.76
5	Total expense	2.67	1.79	1.03	1.78
<b>II</b>	<b>Net Asset/(Liability) recognised in the Balance Sheet as at March 31, 2014</b>				
1	Present Value of Defined Benefit Obligation as at March 31, 2014	36.38	6.80	31.83	6.01
2	Fair value of plan assets as at March 31, 2014	33.71	–	31.84	–
3	Funded status [Surplus/(Deficit)]	(2.67)	–	–	–
4	Net Asset / (Liability) as at March 31, 2014	(2.67)	(6.80)	₹9551	(6.01)
<b>III</b>	<b>Change in obligation during the Year ended March 31, 2014</b>				
1	Present Value of Defined Benefit Obligation at the beginning of the year	31.83	6.01	28.51	4.98
2	Current Service Cost	1.80	0.78	1.51	0.67
3	Interest Cost	2.23	0.42	2.00	0.35
4	Actuarial (Gains) / Losses	1.41	0.59	0.59	0.76
5	Benefits Payments	(0.89)	(1.00)	(0.79)	(0.74)
6	Present Value of Defined Benefit Obligation at the end of the year	36.38	6.80	31.83	6.02
<b>IV</b>	<b>Change in Assets during the Year ended March 31, 2014</b>				
1	Fair value of plan assets at the beginning of the year	31.83	–	29.40	–
2	Expected return on plan assets	2.55	–	2.35	–
3	Contributions by employers	–	1.00	0.15	0.74
4	Actual benefits paid	(0.89)	(1.00)	(0.79)	(0.74)
5	Actuarial gains / (losses)	0.22	–	0.73	–
6	Fair value of plan assets at the end of the year	33.71	–	31.84	–
7	Actual return on plan assets	2.77	–	3.08	–
<b>V</b>	<b>The major categories of plan assets as % of total plan</b>				
	Mutual Fund	100%		100%	
<b>VI</b>	<b>Actuarial Assumptions :</b>				
1	Discount Rate	7.00%		7.00%	
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 55 (Contd...)**

(a) Defined Benefit Plan

Amounts recognised as an expenses and included in the Note 26 and Note 52 of herein above.

Item "Salaries and Wages" includes ₹ 1.79 crore (Previous year ₹ 1.78) for Leave Encashment.

Item "Contributions to Provident and Other Funds" includes ₹ 2.67 crore (Previous year ₹ 1.03 crore) for Gratuity.

(b) Defined Contribution Plans –

Amount recognised as an expense and included in Note 26 and Note 52 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹ 8.66 crore (Previous year ₹ 7.70 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	2009-10	2010-11	2011-12	2012-13	2013-14
<b>I) Gratuity Funded</b>					
Defined Benefit Obligation	19.67	23.53	28.51	31.83	<b>36.38</b>
Fair Value of Plan Assets	21.06	23.10	29.39	31.84	<b>33.71</b>
Surplus/(Deficit)	1.39	(0.43)	0.88	₹ 9551	<b>(2.67)</b>
Expected Adjustments on Plan Liabilities	(1.44)	(3.99)	(2.57)	3.51	<b>(1.42)</b>
Expected Adjustments on Plan Assets	1.41	(0.08)	0.39	0.73	<b>0.22</b>
<b>II) Leave Encashment</b>					
Defined Benefit Obligation	3.83	4.31	4.98	6.01	<b>6.80</b>
Fair Value of Plan Assets	–	–	–	–	<b>–</b>
Surplus/(Deficit)	(3.83)	(4.31)	(4.98)	(6.01)	<b>(6.80)</b>
Expected Adjustments on Plan Liabilities	(0.70)	(0.17)	(0.95)	(0.57)	<b>(0.59)</b>

**NOTE 56**

Other Particulars :

₹ in Crore (10 Million)

	2013-14	2012-13
a) Expenditure in Foreign Currency on account of		
i) Consultancy and know-how fee	<b>2.56</b>	2.52
ii) Interest	<b>0.24</b>	0.09
iii) Others	<b>0.75</b>	0.57
	<b>3.55</b>	<b>3.18</b>
b) Earning in Foreign Currency on account of FOB value of Exports	–	–
c) C.I.F. Value of Imports :		
i) Raw Materials	<b>3.34</b>	–
ii) Power & Fuel	<b>10.38</b>	9.57
iii) Stores and Spares	<b>9.79</b>	8.88
iv) Capital Goods	<b>37.83</b>	75.81
	<b>61.34</b>	<b>94.26</b>

**NOTE 57**

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 22nd May, 2014

B.K. DAGA

VP & Company Secretary

SUDHIR A. BIDKAR

Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA

VINITA SINGHANIA

B.V. BHARGAVA

KASHI NATH MEMANI

N.C. KHAITAN

RAJ KUMAR BANSAL

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 2014

₹ in Crore (10 Million)

	2013-14	2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Exceptional Items	133.87	251.69
Adjustments for:		
Depreciation and Amortisation	135.17	148.93
Interest & Dividend Income	(2.99)	(6.94)
Profit on sale of Assets & Current Investments (Net)	(27.70)	(33.82)
Finance Costs	77.19	83.54
Provision for doubtful debts	0.20	0.11
Exceptional Items	(18.50)	—
Write back / Written Off amount recovered	(10.09)	(11.11)
Operating Profit before Working Capital changes	287.15	432.40
Adjustments for:		
Trade and Other Receivables	(30.20)	(63.01)
Inventories	12.41	5.25
Trade and Other Payables	91.93	6.18
Cash generated from Operations	361.29	380.82
Income Tax Payments (Net)	(6.75)	(48.55)
<b>Net Cash from Operating Activities</b>	<b>354.54</b>	<b>332.27</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(505.86)	(591.30)
Sale of Fixed Assets	1.25	4.09
(Purchase) / Sale of Investments (net)	(13.72)	92.10
Dividend Received	0.07	0.24
Interest Received	2.66	6.51
<b>Net Cash from / (used in) Investing Activities</b>	<b>(515.60)</b>	<b>(488.36)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buy- Back of Equity Shares	—	(30.42)
Proceeds from Long-term borrowings	490.00	330.00
Repayment of Long-term borrowings	(196.60)	(147.38)
Short-term borrowings (net)	0.93	34.91
Interest paid	(76.71)	(80.94)
Dividend paid (including Dividend Distribution Tax)	(34.00)	(27.07)
<b>Net Cash from / (used in) Financing Activities</b>	<b>183.62</b>	<b>79.10</b>
<b>D. Increase / (Decrease) in</b>		
Cash and Cash Equivalents	22.56	(76.99)
<b>E. Cash and Cash Equivalents as at the beginning of the year</b>	<b>13.86</b>	<b>90.85</b>
<b>F. Cash and Cash Equivalents as at the close of the year (Note 14 &amp; 18)</b>	<b>36.42</b>	<b>13.86</b>
<b>Notes:</b>		
1. Cash and Cash Equivalents include:		
– Cash, Cheques in hand and remittances in transit	5.00	8.45
– Balances with Scheduled Banks	31.42	5.41
	<b>36.42</b>	<b>13.86</b>
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 Chhajjer  
Partner

Membership No. : 403325  
New Delhi, the 22nd May, 2014

B.K. DAGA  
VP & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
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PRADEEP DINODIA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K. WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

₹ crore

Sl.no.	Name of the Subsidiary Company	Share Capital	Reserves & Surplus / (Accumulated Losses)	Total Assets	Total Liabilities	Details of Investments (other than Investment in Subsidiary)	Turnover including other income	Profit / (Loss) before taxation	Income Tax expenses	Profit/ (Loss) after taxation	Proposed Dividend
1	Udaipur Cement Works Ltd. @	123.18	98.87	134.79	76.70	–	1.22	2.35	–	2.35	–
2	Hansdeep Industries & Trading Co Ltd.	1.05	0.01	1.06	₹ 11438	0.12	0.05	₹ 17337	₹ 3304	₹ 14033	–

@ Statement of Profit & Loss figures are of 18 months. The Company has become subsidiary w.e.f. 28th March 2014.

The Company has complied with the conditions as stipulated by the Ministry of Corporate Affairs, Govt. of India, New Delhi vide its General Circular No. 2/2011 dated 8th February, 2011, whereby directions u/s 212(8) of the Companies Act, 1956 was issued granting exemption from attaching the Accounts of Subsidiaries of the Company. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company and its subsidiaries seeking such information at any point of time. The annual accounts of the subsidiary companies are available for inspection by any investor at the Head Office of the Company and the concerned subsidiary.

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JK LAKSHMI CEMENT LIMITED

### Report on the Consolidated Financial Statements of JK Lakshmi Cement Limited and its Subsidiaries

We have audited the accompanying Consolidated Financial Statements of JK Lakshmi Cement Limited ("the Company") and its subsidiary companies ("Group") which comprise the Consolidated Balance Sheet as at 31st March 2014, and the Consolidated Statement of Profit and Loss and Consolidated 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 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 Group 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 Group's preparation and fair 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 but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. 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 is sufficient and appropriate to provide a basis for 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 subsidiaries as noted below, the Consolidated Financial Statements read together with notes thereon give the information required by Act in the manner so required and 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 Group as at 31st March, 2014;
- In the case of Consolidated Statement of the Profit & Loss, of the Profit of the Group for the year ended on that date; and
- In the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### Other Matters

We did not audit the financial statements of the subsidiaries. The financial statements of the subsidiaries reflect total assets of ₹135.85 crore as at 31st March 2014, revenue of ₹ 1.27 crore and net cash inflow ₹ 51.27 crore for the year ended on that date. Further the financial statements of the subsidiaries 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 subsidiaries is based solely on the reports of the other auditor. Our opinion is not qualified in respect of other matters.

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

Place: New Delhi  
Date: 22nd May, 2014

Saurabh Chhajjer  
(Partner)  
Membership No: 403325

## CONSOLIDATED BALANCE SHEET

As at 31st March 2014

₹ in Crore (10 Million)

Particulars	Note	31st March 2014	31st March 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	58.85	58.85
(b) Reserves and Surplus	3	1244.55	1200.24
		<b>1303.40</b>	1259.09
<b>(2) MINORITY INTEREST</b>			
		<b>9.81</b>	-
<b>(3) NON-CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	4	1412.04	1097.70
(b) Deferred Tax Liabilities (Net)	5	122.59	113.38
(c) Other Long-Term Liabilities	6	41.98	36.42
(d) Long Term Provisions	7	6.42	5.66
		<b>1583.03</b>	1253.16
<b>(4) CURRENT LIABILITIES</b>			
(a) Short-Term Borrowings	8	42.18	41.25
(b) Trade Payables		134.99	128.70
(c) Other Current Liabilities	9	541.85	422.48
(d) Short-Term Provisions	10	35.85	38.27
		<b>754.87</b>	630.70
<b>Total</b>		<b>3651.11</b>	3142.95
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	11	1623.71	1432.51
(ii) Intangible Assets	11	2.17	3.07
(iii) Capital Work-in-Progress		925.19	688.06
(b) Goodwill on Consolidation		74.83	-
(c) Non-Current Investments	12	18.65	29.04
(d) Long term Loans and Advances	13	234.59	359.10
(e) Other Non-Current Assets	14	1.56	1.21
		<b>2880.70</b>	2512.99
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	15	339.03	375.72
(b) Inventories	16	108.09	114.84
(c) Trade Receivables	17	56.55	50.11
(d) Cash and Bank Balances	18	87.57	12.68
(e) Short-term Loans and Advances	19	110.49	74.44
(f) Other Current Assets	20	68.68	2.17
		<b>770.41</b>	629.96
<b>Total</b>		<b>3651.11</b>	3142.95

Significant Accounting Policies 1  
The accompanying notes are an integral part of the financial statements

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 22nd May, 2014

B.K. DAGA  
VP & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
VINITA SINGHANIA  
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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 2014

₹ in Crore (10 Million)

Particulars	Note	2013-14	2012-13
<b>I. Revenue from Operations</b>	21	<b>2293.79</b>	2300.25
Less : Excise Duty		<b>237.18</b>	245.30
Revenue from Operations (Net)		<b>2056.61</b>	2054.95
<b>II. Other Income</b>	22	<b>44.31</b>	55.47
<b>III. Total Revenue (I+II)</b>		<b>2100.92</b>	2110.42
<b>IV. EXPENSES</b>			
a) Cost of Materials consumed	23	<b>362.64</b>	337.14
b) Purchase of Stock-in-Trade	24	<b>185.82</b>	132.48
c) Changes in Inventories of Finished goods, Work-in-progress	25	<b>2.69</b>	16.83
d) Employee benefit expense	26	<b>122.98</b>	113.22
e) Other expenses	27	<b>1080.68</b>	1026.57
<b>Total Expenses</b>		<b>1754.81</b>	1626.24
<b>V. Profit before Interest, Depreciation &amp; Tax(PBIDT) (III – IV)</b>		<b>346.11</b>	484.18
Finance Costs	28	<b>77.19</b>	83.54
Depreciation and Amortization Expense	29	<b>135.27</b>	148.95
<b>VI. Profit before Exceptional Items and Tax</b>		<b>133.65</b>	251.69
<b>VII. Exceptional Items</b>		<b>18.50</b>	16.33
<b>VIII. Profit before Tax (VI – VII)</b>		<b>115.15</b>	235.36
<b>IX. Tax Expense:</b>			
1) Current Tax		<b>24.18</b>	69.56
Less: MAT credit entitlements		<b>(10.48)</b>	–
Net Current Tax		<b>13.70</b>	69.56
2) Deferred Tax		<b>9.21</b>	(9.94)
3) Tax Adjustments for Earlier Years		<b>(0.54)</b>	–
<b>X. Profit for the year before minority interest / associates</b>		<b>92.78</b>	175.74
<b>XI. Minority Interest</b>		<b>(0.04)</b>	–
<b>XII. Share in Profit/(Loss) of Associate</b>		<b>1.06</b>	(0.71)
<b>XIII. Profit for the year</b>		<b>93.88</b>	175.03
<b>XIV. Earning per Equity Share (₹):</b>	30		
Cash		<b>21.83</b>	27.97
Basic and Diluted		<b>7.98</b>	14.82

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

Saurabh Chhajjer  
Partner  
Membership No. : 403325  
New Delhi, the 22nd May, 2014

B.K. DAGA  
VP & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

B.H. SINGHANIA  
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RAJ KUMAR BANSAL  
PRADEEP DINODIA  
Dr. R.P. SINGHANIA  
Dr. S. CHOUKSEY  
S.K. WALI

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

**NOTE 1**
**Principles on Consolidation**

1.1. The Accounts have been prepared to comply with the requirements of Accounting Standard - 21 and 23 to include all items.

1.2. a) The Consolidated Financial Statements comprises of Financial statements of JK Lakshmi Cement Limited (Parent Company) and the following as on 31.03.2014:

<b>Name</b>	<b>Proportion of ownership interest</b>	<b>Financial statements as on</b>	<b>For the period</b>
Hansdeep Industries and Trading Company Ltd.	100%	31/03/2014	12 months
Udaipur Cement Works Ltd.*	75.46%	31/03/2014	18 months

\*Subsidiary w.e.f. 28th March, 2014.

- b) 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.
- c) 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".
- d) 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.
- e) The difference between the cost of investment and share of net assets at the time of acquisition of shares in the subsidiaries and associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- f) The Accounting policies of the parent Company, its subsidiary and associate are largely similar.
- g) Significant Accounting policies and notes accompanying to financial statements of the Company and its subsidiaries are set out in their respective financial statements.

₹ in Crore (10 Million)

**NOTE 2**

**SHARE CAPITAL**

**Authorised :**

	31st March 2014	31st March 2013
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
	<u>200.00</u>	<u>200.00</u>

**Issued, Subscribed and Paid up :**

Equity Shares (with equal rights) 117,670,066 of ₹ 5 each ( Previous year 117,670,066 of ₹ 5 each) fully paid up	58.84	58.84
Add: Forfeited Shares	0.01	0.01
	<u>58.85</u>	<u>58.85</u>

**a. Reconciliation of number of Share Outstanding :**

Opening Balance	117,670,066	122,351,924
Shares Issued during the year	-	-
Shares bought back during the year *	-	(4,681,858)
Shares Outstanding at the end of the year	<u>117,670,066</u>	<u>117,670,066</u>

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

**of the Company:**

**Shareholder name**

	Number	Number
Bengal & Assam Company Ltd.	27,921,455	27,221,455
Florence Investech Ltd.	13,645,040	13,645,040
JK Fenner (India) Ltd. (Formerly known as Fenner India Ltd/)	10,259,400	10,259,400
HDFC Standard Life Insurance Company Ltd.	6,552,546	-

**c. Terms/ right attached to equity shareholders :**

- i) 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.
- ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

\* Pursuant to the buy back Scheme the Company bought back during the year 2011-12 , 7000 Equity Shares.

₹ in Crore (10 Million)

	31st March 2014	31st March 2013
<b>NOTE 3</b>		
<b>RESERVE AND SURPLUS</b>		
<b>Capital Reserve</b>		
Balance as per last Financial Statement	0.74	0.74
	<u>0.74</u>	<u>0.74</u>
<b>Capital Redemption Reserve</b>		
Balance as per last Financial Statement	25.64	23.30
Add: amount credited for buy- back of equity shares	-	2.34
	<u>25.64</u>	<u>25.64</u>
<b>Securities Premium Reserve</b>		
Balance as per last Financial Statement	88.65	116.74
Less: amount utilised for buy- back of equity shares	-	28.09
	<u>88.65</u>	<u>88.65</u>
<b>Debenture Redemption Reserve</b>		
Balance as per last Financial Statement	38.37	28.07
Add: Provision made during the year	-	10.30
Less: amount transferred to Surplus in Profit and Loss	4.17	-
	<u>34.20</u>	<u>38.37</u>
<b>Revaluation Reserve</b>		
Balance as per last financial statement	36.18	62.60
Less: amount transferred on account of sale of assets	2.64	6.27
Less: amount transferred to the Statement of Profit and Loss as reduction from depreciation	19.40	20.15
	<u>14.14</u>	<u>36.18</u>
<b>General Reserve</b>		
Balance as per last Financial Statement	900.55	780.55
Add: amount transferred from surplus balance in the statement of profit and loss	50.00	120.00
	<u>950.55</u>	<u>900.55</u>
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per last Financial Statement	110.11	102.00
Add: Transfer from Statement of Profit and Loss	93.88	175.74
Transfer to Debenture Redemption Reserve	4.17	
Less: Appropriations		
Transfer to General Reserve	50.00	120.00
Transfer to Capital Redemption Reserve	-	2.34
Transfer to Debenture Redemption Reserve	-	10.30
Proposed Dividend	23.53	29.28
Corporate Dividend tax	4.00	5.00
	<u>130.63</u>	<u>110.11</u>
	<u>1244.55</u>	<u>1200.24</u>

## NOTE 4

## LONG TERM BORROWINGS

	Non-Current		Current*	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
<b>SECURED LOANS</b>				
<b>Bonds/Debentures</b>				
Redeemable Non- Convertible Debentures	149.79	199.79	50.00	50.00
<b>Term Loans</b>				
From Financial Institutions	–	–	–	1.72
From Banks	1220.76	824.35	143.59	126.81
	<u>1370.55</u>	<u>1,024.14</u>	<u>193.59</u>	<u>178.53</u>
<b>UNSECURED LOANS</b>				
Deferred Sales Tax	32.01	63.78	31.76	17.50
Fixed Deposits	9.48	9.78	1.71	1.97
	<u>41.49</u>	<u>73.56</u>	<u>33.47</u>	<u>19.47</u>
	<u>1412.04</u>	<u>1097.70</u>	<u>227.06</u>	<u>198.00</u>
Amount disclosed under the head "other current liabilities" (refer Note 9)	–	–	227.06	198.00
	<u>1412.04</u>	<u>1097.70</u>	<u>–</u>	<u>–</u>

\* Due and payable within one year.

Note in respect of Security clause, repayment are disclosed in separate respective financial statements of the Company and its subsidiaries.

₹ in Crore (10 Million)

## NOTE 5

## DEFERRED TAX LIABILITIES (Net)

	31st March 2014	31st March 2013
Deferred Tax Liability Related to Fixed Assets	159.54	143.10
<b>Less: Deferred Tax Assets</b>		
Expenses / Provisions allowable	36.95	29.72
Deferred Tax Liability / (Assets) – Net	<u>122.59</u>	<u>113.38</u>

## NOTE 6

## OTHER LONG TERM LIABILITIES

	31st March 2014	31st March 2013
Trade and other deposits	39.98	34.42
Deposits from related party	2.00	2.00
	<u>41.98</u>	<u>36.42</u>

₹ in Crore (10 Million)

**NOTE 7**
**LONG –TERM PROVISIONS**

Provision for Employees' Benefits

31st March 2014	31st March 2013
6.42	5.66
<u>6.42</u>	<u>5.66</u>

**NOTE 8**
**SHORT TERM BORROWINGS**
**Secured Loans**

Working Capital Borrowing from Banks

19.80 21.10

Buyer's Credit from Bank

21.79 19.25

**Unsecured Loans**

Fixed Deposits

0.59 0.90

42.18 41.25

Note in Respect of Security Clause are disclosed in separate respective financial statements of the Company and its subsidiaries.

**NOTE 9**
**OTHER CURRENT LIABILITIES**

Current maturities of long–term debts (refer Note 4)

227.06 198.00

Interest Accrued but not due on borrowings

4.76 4.27

Unclaimed dividends #

1.97 1.55

Unclaimed matured Deposits and interest #

0.27 0.29

Advance from Customers

34.60 26.67

Govt. and other dues

164.66 108.24

Capital Creditors

36.11 16.81

Other liabilities

72.42 66.65

541.85 422.48

# Investor Education and Protection Fund will be credited as and when due.

**NOTE 10**
**SHORT–TERM PROVISIONS**

Provision for Employees' Benefit

8.32 3.85

Proposed Dividend

23.53 29.42

Corporate Dividend Tax

4.00 5.00

35.85 38.27

## NOTE 11

₹ in Crore (10 Million)

## TANGIBLE ASSETS

Description	Gross Block				Depreciation/Amortisation				Net Block	
	1st April 2013	Additions/ Adjustments*	Sales/ Adjustments	31st March 2014	Upto Last Year	During the year**	On Sales/ Adjustments	To date	31st March 2014	31st March 2013
Freehold Land	182.55	9.91	–	192.46	–	–	–	–	192.46	182.55
Leasehold Land	29.30	6.98	–	36.28	0.15	0.96	–	1.11	35.17	29.15
Buildings	83.73	35.91	0.06	119.58	25.11	10.11	0.01	35.21	84.37	58.62
Plant & Machinery	2266.09	435.40	95.27	2606.22	1170.24	284.76	89.89	1365.11	1241.11	1,095.85
Furniture & Fixtures	6.37	2.10	1.12	7.35	3.83	1.51	0.56	4.78	2.57	2.54
Office Equipments	7.01	1.92	0.11	8.82	4.61	0.61	0.08	5.14	3.68	2.40
Vehicles, Aircraft and Locomotives	56.31	4.72	1.49	59.54	23.26	7.79	1.00	30.05	29.49	33.05
Railway Siding	42.27	10.04	1.05	51.26	13.92	3.56	1.08	16.40	34.86	28.35
Total	2673.63	506.98	99.10	3081.51	1241.12	309.30	92.62	1457.80	1623.71	1432.51
Previous year	2445.39	300.93	72.70	2673.62	1119.26	184.31	62.46	1241.11	1432.51	

a) Includes Obsolescence ₹ 5.74 crore ( previous year ₹ 4.46 crore).

\* includes Fixed Assets of ₹ 172.08 crore on acquisition of subsidiary during the year.

\*\* includes accumulated Depreciation of ₹ 155.13 crore on acquisition of subsidiary during the year.

## INTANGIBLE ASSETS

Computer Software b)	5.58	0.27	–	5.85	2.51	1.17	–	3.68	2.17	3.07
Previous year	5.58	–	–	5.58	1.39	1.12	–	2.51	3.07	

b) Being amortised over a period of 5 years.

\*\*includes accumulated Depreciation of ₹ 0.05 crore on acquisition of subsidiary during the year.

₹ in Crore (10 Million)

	31st March 2014	31st March 2013
<b>NOTE 12</b>		
<b>NON-CURRENT INVESTMENTS (at Cost)</b>		
<b>Long Term (trade)</b>		
Investment in Associates @		
Equity Shares	–	10.39
<b>Others</b>		
Equity Shares	4.75	4.75
Investment in Preference Shares	13.90	13.90
	<u>18.65</u>	<u>29.04</u>
@ Current year subsidiary		
<b>NOTE 13</b>		
<b>LONG – TERM LOANS AND ADVANCES</b>		
<b>Secured</b>		
Unsecured, considered good		
Capital Advances	85.58	95.16
Deposits / Balances with Govt. Authorities and Others	23.64	62.60
MAT Credit Entitlements	88.40	72.25
Advances against Securities	–	90.54
Other Advances	36.97	38.55
	<u>234.59</u>	<u>359.10</u>
<b>NOTE 14</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
Non-current Bank Balances	1.56	1.21
	<u>1.56</u>	<u>1.21</u>
<b>NOTE 15</b>		
<b>CURRENT INVESTMENTS</b>		
(valued at lower of cost and quoted / fair value)		
(Other than trade)		
Investment in Bonds	22.46	2.51
Investment in Mutual Funds	316.57	373.21
	<u>339.03</u>	<u>375.72</u>
<b>NOTE 16</b>		
<b>INVENTORIES</b>		
(As certified by the management)		
Raw Materials (Including in transit – ₹ 0.68 crore; Previous year ₹ Nil)	15.42	9.63
Work-in-progress	8.14	15.58
Finished Goods	27.80	19.95
Stock-in-Trade	0.63	0.08
Stores and Spares (Including in transit – ₹ Nil; Previous year – ₹ 9.90 crore)	56.10	69.60
	<u>108.09</u>	<u>114.84</u>

₹ in Crore (10 Million)

**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

1.66 0.12

Doubtful

5.26 1.32

Less: Allowance for doubtful receivables

(5.26) (1.32)

Other

54.89 49.99

56.55 50.11

**NOTE 18**

**CASH AND BANK BALANCES**

**Cash and Cash Equivalents**

Balances with Banks

On Current Accounts

51.39 0.61

Deposits with original maturity of less than 3 months

21.13 –

Cheques , DD on hand/transit

4.82 8.23

Cash on hand

0.19 0.25

77.53 9.09

**Other Bank Balances**

Deposits with original maturity for more than 3 months but less than 12 months

8.04 2.00

Deposits with original maturity for more than 12 months

0.35 –

Margin Money Deposits

1.21 1.21

Unclaimed Dividend Accounts

1.97 1.56

Saving bank Accounts(Employees Security Deposit account)

0.03 0.03

11.60 4.80

Less: Amount disclosed under non– current assets ( refer Note 14)

(1.56) (1.21)

87.57 12.68

**NOTE 19**

**SHORT– TERM LOANS AND ADVANCES**

**Secured**

Unsecured, considered good

Advance Income tax (Net of Provision)

3.26 19.77

MAT Credit Entitlements

– 6.00

Prepaid expenses

3.86 5.15

Balance with Govt. Authorities

76.92 20.81

Other Advances

26.45 22.71

110.49 74.44

₹ in Crore (10 Million)

	<b>31st March 2014</b>	31st March 2013
<b>NOTE 20</b>		
<b>OTHER CURRENT ASSETS</b>		
(Unsecured, considered good unless otherwise stated)		
Receivables ( Railway/ Insurance claims , Subsidy and other receivables)	72.33	6.39
Assets held for Sale	0.57	
	<u>72.90</u>	<u>6.39</u>
Less: Provision for doubtful claims	4.22	4.22
	<u>68.68</u>	<u>2.17</u>
	<b>2013-14</b>	<b>2012-13</b>
<b>NOTE 21</b>		
<b>REVENUE FROM OPERATION</b>		
Sale of products		
Cement	1948.61	1951.27
Others	344.48	346.74
Other Operating Revenues	0.70	2.24
Revenue from Operations (gross)	<u>2293.79</u>	<u>2300.25</u>
Less: Excise duty	237.18	245.30
Revenue from Operations (net)	<u>2056.61</u>	<u>2054.95</u>
<b>NOTE 22</b>		
<b>OTHER INCOME</b>		
Interest Income	2.93	6.70
Dividend Income	0.07	0.24
Profit on sale of		
Long Term Investments	-	-
Current Investments	27.56	33.71
Profit/(loss) on Sale of Assets (Net)	0.14	0.12
Other Non – Operating Income	13.61	14.70
	<u>44.31</u>	<u>55.47</u>
<b>NOTE 23</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Limestone	108.11	95.34
Gypsum	43.20	40.45
Fly ash	53.29	56.62
Packing material	83.07	72.24
Others	74.97	72.49
	<u>362.64</u>	<u>337.14</u>

₹ in Crore (10 Million)

**NOTE 24**

**PURCHASE OF STOCK-IN-TRADE**

	2013-14	2012-13
Cement	161.53	111.65
Others	24.29	20.83
	<u>185.82</u>	<u>132.48</u>

**NOTE 25**

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

**Opening 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 @	22.46	19.72
Stock-in-Trade	0.08	0.36
	<u>38.12</u>	<u>52.36</u>

**Closing Stocks**

Stock-in-progress		
Crushed limestone	2.63	1.92
Raw-meal	1.09	0.99
Clinker	4.42	12.67
	<u>8.14</u>	<u>15.58</u>
Finished Goods	27.80	19.95
Stock-in-Trade	0.63	0.08
	<u>36.57</u>	<u>35.61</u>
Add/(Less) : Excise Duty Variance on Stock (Increase) /Decrease in Stocks	1.14	0.08
	<u>2.69</u>	<u>16.83</u>

@ ₹ 2.51 crore pertains to subsidiary acquired during the year.

**NOTE 26**

**EMPLOYEES BENEFIT EXPENSES**

Salaries and Wages	96.68	89.75
Contribution to Provident and Other Funds	11.02	8.80
Staff Welfare Expenses	15.28	14.67
	<u>122.98</u>	<u>113.22</u>

₹ in Crore (10 Million)

**NOTE 27**
**OTHER EXPENSES**

	2013-14	2012-13
Consumption of Stores and Spares	66.96	65.41
Power & Fuel	422.07	406.19
Rent	11.89	11.12
(Net of realisation ₹ 0.23 crore, Previous year ₹ 0.21 crore )		
Repairs to Buildings	5.60	5.46
Repairs to Machinery	34.39	33.39
Insurance	3.93	3.30
Rates and Taxes	1.38	1.46
Transport, Clearing and Forwarding Charges	456.93	421.52
Commission on Sales	23.59	21.38
Directors' Fee & Commission	0.54	1.53
Provision for Doubtful Debts	0.20	0.11
Advertisement, Bank Charges, Travelling, Consultancy etc.	53.20	55.70
	<u>1080.68</u>	<u>1026.57</u>

**NOTE 28**
**FINANCE COSTS**

Interest expenses	76.62	82.94
Other borrowing cost	0.57	0.60
	<u>77.19</u>	<u>83.54</u>

**NOTE 29**
**DEPRECIATION AND AMORTISATION EXPENSE**

Depreciation on Tangible Assets	154.17	184.31
Amortisation on Intangible Assets	1.12	1.12
Less: Transferred from Revaluation Reserve	19.40	20.15
Less: Shown as Exceptional Item	-	16.33
Less: Charged to Capital work in progress	0.62	-
	<u>135.27</u>	<u>148.95</u>

**NOTE 30**
**EARNING PER SHARE**

Profit after tax available for Equity Shareholders	93.88	175.74
Weighted average number of equity shares	11.77	11.77
Earning per Equity Share ( ₹)( face value ₹5 each)		
- Cash	21.83	27.97
- Basic and diluted	7.98	14.82

**NOTES TO ACCOUNT**

31. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 411.48 crore (Previous year ₹ 354.36 crore).
32. Contingent liabilities in respect of claims not accepted by the Company (matters in appeals) and not provided for are as follows :

	<b>31st March, 2014</b>	₹ in Crore (10 Million) 31st March, 2013
a) Excise duty	<b>0.07</b>	2.30
b) Sales tax	<b>61.27</b>	5.45
c) Income Tax	<b>1.30</b>	–
d) Land tax	<b>11.61</b>	1.31
e) Renewal Energy Obligation	<b>19.94</b>	
f) Other matters	<b>8.32</b>	19.89
<b>Total</b>	<b><u>102.51</u></b>	<u>28.95</u>

33. With respect to subsidiary UCWL
- a) Minority interest includes Preference shares of ₹ 5.10 crore.
- b) In view of uncertainty to have taxable profits in near future, Deferred Tax Assets have not been considered. The relief from Minimum Alternate Tax (MAT) is available to the Company.
- c) The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of take-over of the cement undertaking from Bajaj Hindustan Ltd) will be borne by Bajaj Hindustan Ltd.
- d) Profit / (Loss) of UCWL till 27th March, 2014 is considered as share of Profit / (Loss) in associate.
- e) JK Lakshmi Cement Ltd. has taken up revival and rehabilitation of Udaipur Cement Works Limited (UCWL) after its Rehabilitation Scheme got approved by BIFR in January, 2012.
34. Previous year's figures have been regrouped / re-classified wherever necessary. Previous year's figures are not comparable since they are without UCWL figures. UCWL has become subsidiary of the Company w.e.f. 28th March 2014.

**NOTE 35**

**RELATED PARTY DISCLOSURE**

List of Related Parties :

List of Related Parties :

- a) Key Management Personnel (KMP) :

Shri Bharat Hari Singhania	Chairman & Managing Director
Smt. Vinita Singhania	Vice Chairman & Managing Director
Shri S.K. Wali	Whole-time Director
Dr. S. Chouksey	Whole-time Director

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

JK Tyre & Industries Ltd. (JKTIL)  
Rockwood Properties Pvt. Ltd. (RPPL)



## CONSOLIDATED CASH FLOW STATEMENT

### For the Year Ended 31st March 2014

₹ in Crore (10 Million)

	2013-14	2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Exceptional Items	133.65	251.69
Adjustments for:		
Depreciation and Amortisation	135.27	148.95
Interest & Dividend Income	(2.99)	(6.94)
Profit on sale of Assets & Current Investments (Net)	(27.70)	(33.82)
Finance Costs	77.19	83.54
Provision for doubtful debts	0.20	0.11
Exceptional Items	(18.50)	–
Write back / Written Off amount recovered	(10.09)	(11.11)
Operating Profit before Working Capital changes	287.03	432.42
Adjustments for:		
Trade and Other Receivables	(30.20)	(63.01)
Inventories	12.41	5.25
Trade and Other Payables	91.94	6.18
Cash generated from Operations	361.18	380.84
Income Tax Payments (Net)	(6.75)	(48.55)
Share of Minority in Profits	(0.04)	–
<b>Net Cash from Operating Activities</b>	<b>354.39</b>	<b>332.29</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(505.86)	(591.30)
Sale of Fixed Assets	1.25	4.09
(Purchase) / Sale of Investments (net)	(13.77)	92.11
Dividend Received	0.07	0.24
Interest Received	2.66	6.51
<b>Net Cash from / (used in) Investing Activities</b>	<b>(515.65)</b>	<b>(488.35)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buy- Back of Equity Shares	–	(30.42)
Proceeds from Long-term borrowings	540.00	330.00
Repayment of Long-term borrowings	(196.60)	(147.38)
Short-term borrowings (net)	0.93	34.91
Interest paid	(76.71)	(80.94)
Dividend paid (including Dividend Distribution Tax)	(34.00)	(27.07)
<b>Net Cash from / (used in) Financing Activities</b>	<b>233.62</b>	<b>79.10</b>
<b>D. Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>72.36</b>	<b>(76.96)</b>
<b>E. Cash &amp; Cash Equivalents at time of acquisition of Subsidiary</b>	<b>2.88</b>	<b>–</b>
<b>F. Cash and Cash Equivalents as at the beginning of the year</b>	<b>13.89</b>	<b>90.85</b>
<b>G. Cash and Cash Equivalents as at the close of the year (Note 14 &amp; 18)</b>	<b>89.13</b>	<b>13.89</b>
<b>Notes:</b>		
1. Cash and Cash Equivalents include:		
– Cash, Cheques in hand and remittances in transit	5.01	8.48
– Balances with Scheduled Banks	84.12	5.41
	<b>89.13</b>	<b>13.89</b>

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 22nd May, 2014

B.K. DAGA  
VP & Company Secretary

SUDHIR A. BIDKAR  
Chief Financial Officer

For and on behalf of the Board

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

Chairman & Managing Director  
Vice Chairman & Managing Director

Directors

## JK LAKSHMI CEMENT LIMITED

(CIN : L74999RJ1938PLC019511)

Regd. Office : Jaykaypuram, Basantgarh, District Sirohi, Rajasthan- 307019

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

Email: bkdaga@jkmail.com, Website : www.jklakshmi.com

Phone: 30179860-861, Fax: 91-11-23739475

### NOTICE

NOTICE is hereby given that the **74<sup>th</sup> 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 **Thursday, the 4<sup>th</sup> September 2014 at 11.00 A.M.** to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Dr. Shailendra Chouksey (DIN: 00040282), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Raghupati Singhania (DIN: 00036129), who retires by rotation and being eligible, offers himself for re-appointment.
5. 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 139 of the Companies Act 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Lodha & Co., Chartered Accountants, New Delhi, (Registration No.301051E) be and are hereby appointed as Auditors of the Company for a term of three consecutive years, from the conclusion of the 74<sup>th</sup> Annual General Meeting (AGM) till the conclusion of its 77<sup>th</sup> AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration of ₹ 11,00,000/- p.a. (Rupees Eleven Lacs only) for the first year, 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.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to fix remuneration of the said Auditors for the subsequent two years thereafter, based on the recommendations of

the Audit Committee of Directors of the Company in consultation with the said Auditors; and to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

#### As Special Business

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

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. R.J. Goel & Co., the Cost Auditors, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15 ending 31<sup>st</sup> March 2015, of ₹ 75,000 p.a. 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, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri K.N. Memani, Director of the Company (DIN: 00020696), who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual

General Meeting, upto the conclusion of 79<sup>th</sup> Annual General Meeting of the Company in the year 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri B.V. Bhargava, Director of the Company (DIN: 00001823), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 79<sup>th</sup> Annual General Meeting of the Company in the year 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri N.G. Khaitan, Director of the Company (DIN: 00020588), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 79<sup>th</sup> Annual General Meeting of the Company in the year 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Pradeep Dinodia, Director of the Company (DIN: 00027995), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 79<sup>th</sup> Annual General Meeting of the Company in the year 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ravi Jhunjhunwala, Director of the Company (DIN: 00060972), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 79<sup>th</sup> Annual General Meeting of the Company in the year 2019."

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

"RESOLVED that in supersession of the resolution passed by the Company with respect to the borrowing powers of the Board of Directors at the Extra-ordinary General Meeting held on 30<sup>th</sup> January 2014, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as "the Board") for borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary and/or expedient for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate ₹ 3,000 Crores (Rupees Three Thousand Crores only)."

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

"RESOLVED that in supersession of the resolution passed by the Company with respect to mortgaging and/or charging by the Board of Directors at the Extra-ordinary General Meeting held on 30<sup>th</sup> January 2014, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to

as "the Board") to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding ₹ 3,000 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/ Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other financial instruments or assistance.

RESOLVED FURTHER that the Board be and is hereby authorized to finalise the terms and conditions with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees and the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things as they deem necessary and/or expedient in connection therewith and incidental thereto."

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

RESOLVED that pursuant to the provisions of Sections 73 & Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and other applicable provisions, if any, and subject to such conditions, approvals, permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as "the Board") to continue to invite/ accept/ renew from time to time unsecured/ secured deposits from public and/ or Members of the Company upto permissible limits as prescribed under Rule 3(4) of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things as they deem necessary and expedient in connection therewith and incidental thereto.

**By Order of the Board**

**Regd. Office:**

Jaykaypuram-307 019  
Basantgarh, Dist. Sirohi (Rajasthan)  
30<sup>th</sup> July, 2014

**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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Statement pursuant to Section 102(1) of the Companies Act 2013 is annexed.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 1<sup>st</sup> September 2014 to 4<sup>th</sup> September 2014 (both days inclusive)
4. The Dividend @ ₹ 2 per Equity Share of ₹ 5 each (40%) 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 4<sup>th</sup> September 2014 or to their mandatees. In respect of shares held by the Members in dematerialized form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
5. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants. Physical copy of the Annual Report for 2013-14 may be sent on request by any Member.
6. Electronic copy of the Notice of the 74<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**8. Appointment of Directors**

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

<b>Name</b>	<b>Dr. Shailendra Chouksey</b>	<b>Dr. Raghupati Singhania</b>
Age	62 Years	67 Years
Qualification	M.Sc. (Physics), MBA, Ph.D. in Management	B.Sc., Honorary Doctorate in Science
Expertise in Specific Functional Areas	Corporate Management	Industrialist
Date of Appointment on the Board	20 <sup>th</sup> July 2002	4 <sup>th</sup> June 1991
Name(s) of other Companies in which Directorships held (as per Section 165 of the Companies Act 2013)	Director : - JKLC Employees' Welfare Association Ltd.	Chairman & Managing Director: JK Tyre & Industries Ltd. Chairman : - J.K. Fenner (India) Ltd. - JKT & I Employees Welfare Association Ltd. Director : - JK Agri Genetics Ltd. - DCM Engineering Ltd. - Radico Khaitan Ltd. - Bengal & Assam Company Ltd.
Name (s) of Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	–	Member- Audit Committee: - Radico Khaitan Ltd.

**Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the Members, facility to exercise their right to vote at the 74<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The instructions for members for voting electronically are as under:-**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the company name "JK LAKSHMI CEMENT LTD." from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field</li> <li>Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.</li> </ul>
DOB or Dividend Bank Details	<p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 1<sup>st</sup> August 2014 in the Dividend Bank details field.</p>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on "JK LAKSHMI CEMENT LTD."

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xviii) The voting period begins on 27<sup>th</sup> August 2014 at 10.00 A.M. and ends on 29<sup>th</sup> August 2014 at 5.30 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1<sup>st</sup> August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

(xx) The Company has appointed Shri Manoj Maheshwari (FCS 3355), Practicing Company Secretary, Partner, V.M. & Associates; as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The Scrutiniser will

submit his Report to the Chairman of the Company within three working days after the conclusion of e-voting period.

- (xxi) The results of AGM shall be declared on or after the AGM of the Company. The results declared along with the Scrutiniser's Report shall be available on the Company's website within two days of passing of the resolutions at the AGM.

### STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT 2013

#### Item No. 6

The Board, on the recommendations of the Audit Committee, has approved the re- appointment and remuneration of the existing Cost Auditors, M/s. R.J. Goel & Co., Cost Accountants, who have been appointed as Cost Auditors of the Company since Financial Year 1999-2000, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March 2015 on a remuneration of ₹ 75,000/- p.a. (Rupees Seventy Five Thousand Only).

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors by the Company has to be ratified by the Shareholders of the Company.

The resolution is accordingly recommended for approval of the Members as an Ordinary Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

#### Item No. 7

Shri K.N. Memani was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 25<sup>th</sup> July 2009. Shri Memani retires by rotation at this AGM. The Board of Directors of the Company has recommended appointment of Shri K.N. Memani as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri K.N. Memani, aged 75 years, is a Chartered Accountant. Shri Memani was the Chairman & Country Managing Partner of Ernst & Young, India till 31<sup>st</sup> March 2004. He specializes in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy etc. and is consulted on the corporate matters by several domestic and foreign companies. Government of India had appointed Shri Memani as Chairman of the Quality Review Board, an oversight Board to review the quality of Auditors. He was a Co-Chairman of the Expert Committee constituted by the Ministry of Company Affairs for the drafting of new Companies Act. He was on the External Audit Committee (EAC) of the International Monetary Fund (IMF) for two consecutive years (1998-2000) and was appointed the Chairman of EAC for the year 1999-2000. He is the only Indian appointed in this Committee by IMF. Shri Memani was the Chairman of the

American Chamber of Commerce in India during the year 2005-06 and 2007-08 and the President of PHD Chambers of Commerce and Industry and is associated with various other Chambers of Commerce. He is the former President of Federation of Indian Export Organizations and Indo American Chamber of Commerce. Currently, he is member of the managing committees of Federation of Indian Chambers of Commerce and Industry, Indo American Chamber of Commerce, American Chamber of Commerce, Associated Chamber of Commerce, PHD Chambers of Commerce etc. Shri Memani is also member of governing bodies of some business schools, social, educational and charitable organizations and foundations.

Shri K. N. Memani is also a Director on the Board of Aegon Religare Life Insurance Company Ltd., DLF Ltd., Emami Ltd., Great Eastern Energy Corporation Ltd., HT Media Ltd., ICICI Venture Funds Management Company Ltd. and National Engineering Industries Ltd., Smart Ventures Limited, Invest India, Spice Mobility Ltd. and Chambal Fertilizers and Chemicals Limited.

Shri Memani is also Chairman of the Audit Committee of Great Eastern Energy Corporation, HT Media Ltd., DLF Limited, Spice Mobility Ltd. and Member of the Audit Committee of National Engineering Industries Ltd., Aegon Religare Life Insurance Company Ltd. and Chambal Fertilizers and Chemicals Ltd. He is also Member of Shareholders Grievance Committee/ Stakeholders Relationship Committee of Great Eastern Energy Corporation Ltd. Shri Memani does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri K.N. Memani has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Memani is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri K. N. Memani fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri Memani as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri K.N. Memani, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### Item No. 8

Shri B.V. Bhargava was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 25<sup>th</sup> September 1997.

The Board of Directors of the Company has recommended appointment of Shri B.V. Bhargava as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri B.V. Bhargava has had a distinguished career in development banking and project finance for nearly three decades. He retired from ICICI w.e.f. 1<sup>st</sup> May 1996 as Vice Chairman and Managing Director. Shri Bhargava was the Chairman of the ICICI Telecom Group, a special group constituted by ICICI to advise the Government on key issues pertaining to reform of the telecommunications section such as the creation of independent regulatory body and the entry conditions for private section in telecom services.

Shri B.V. Bhargava is also a Director of various large companies, namely, Supreme Industries Ltd., Grasim Industries Ltd., L&T Infrastructure Finance Company Limited, Excel Crop Care Ltd., L&T Finance Holdings Ltd. and Grasim Bhiwani Textiles Ltd. Shri Bhargava is also Chairman of the Audit Committee of Grasim Industries Ltd., Excel Corp Care Ltd. and Grasim Bhiwani Textiles Ltd. and Member of Audit Committee of L&T Finance Holdings Ltd. He is also Member of Shareholders Grievance Committees/ Stakeholders Relationship Committee of Grasim Industries Ltd. Shri Bhargava holds by himself 6,660 shares in the Company.

Shri B.V. Bhargava has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Bhargava is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri B. V. Bhargava fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri Bhargava as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri B. V. Bhargava, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### **Item No. 9**

Shri N. G. Khaitan was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 6<sup>th</sup> August 1994. The Board of Directors of the Company has recommended appointment of Shri N. G. Khaitan as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri N. G. Khaitan, an Attorney-At-Law, is a leading Solicitor and practicing Advocate. Shri Khaitan is Senior Partner of Khaitan & Co., Kolkata, a renowned Law Firm and has more than 31 years experience in legal profession. He specializes *Inter alia* in corporate and arbitration matters, commercial and civil litigation, mergers and acquisitions and joint ventures.

Shri N. G. Khaitan is on the Board of various large companies, namely, Chase Bright Steel Ltd., HSIL Ltd., India Power Corporation Ltd., Mangalam Timber Products Ltd., Mangalam Cement Ltd., Naga Dhunseri Group Ltd., Reliance Chemotex Industries Ltd., Rasoi Ltd. and Warren Tea Ltd. Besides, being a Director on the Board of large number of public listed companies, Shri Khaitan is also Audit Committee Chairman of Mangalam Timber Products Ltd. and Audit Committee Member of HSIL Ltd., Reliance Chemotex Industries Ltd., Mangalam Cement Limited and India Power Corporation Limited. He is also Chairman of Shareholders/ Investor Grievance Committee/ Stakeholders Relationship Committee of HSIL Limited. Shri Khaitan holds by himself 20,924 shares in the Company.

Shri N. G. Khaitan has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Khaitan is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri N. G. Khaitan fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri Khaitan as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri N. G. Khaitan, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### **Item No. 10**

Shri Pradeep Dinodia was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 25<sup>th</sup> July 2009. The Board of Directors of the Company has recommended appointment of Shri Pradeep Dinodia as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri Pradeep Dinodia, aged 60 years, is a Chartered Accountant and Senior Counsel in Income Tax Appellate Tribunal. Shri Dinodia is the Managing Partner of S.R. Dinodia & Co., a leading firm of Chartered Accountants in India

established in 1952 and an active member of the MGI, which is a worldwide association of independent auditing, accounting and consulting firms. Shri Dinodia has specialized expertise in Corporate Governance, Direct Taxes and Cross Border Transactions. He was the Vice Chairman of the International Fiscal Association, India Branch for six years. He is an active member of Indo-UK Accountancy Task Force (Jetco.) constituted by the Commerce Ministry, Government of India. He has been a member of various technical committees and forums of the Institute of Chartered Accountants of India (ICAI) - Accounting Standard Board, Fiscal Laws Committee, Peer Review Board and has been a special invitee on the Auditing and Assurance Board of the ICAI. Shri Dinodia is a member of the Finance Committee of India International Centre. He has been a prolific speaker in several Workshops, Seminars and Forums organized by Professional Institutes and Chambers of Commerce and has read Papers on varied topics in all major business centres of the world. Besides, he is also Chairman of the Happy School Society, Delhi.

Shri Pradeep Dinodia is Chairman on the Board of Shriram Pistons & Rings Ltd. and is a Director on the Board of DCM Shriram Consolidated Ltd., Hero MotoCorp Ltd., Hero Corporate Service Ltd., DFM Foods Ltd., Micromatic Grinding Technologies Ltd., SPR International Auto Exports Ltd. and Ultima Finvest Ltd. Shri Dinodia is also Chairman of the Audit Committee of Hero MotoCorp Ltd., Hero Corporate Service Ltd. and DFM Foods Ltd., Chairman of the Shareholders & Investors Grievance Committee/ Stakeholders Relationship Committee of DCM Shriram Consolidated Ltd. and Member of the Audit Committee of DCM Shriram Consolidated Ltd., Shriram Pistons & Rings Ltd. and Shareholders & Investors Grievance Committee/ Stakeholders Relationship Committee of Hero MotoCorp Ltd., Shriram Pistons & Rings Ltd. Shri Dinodia does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Pradeep Dinodia has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Dinodia is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Pradeep Dinodia fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri Dinodia as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri Pradeep Dinodia, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

**Item No. 11**

Shri Ravi Jhunjunwala was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 4<sup>th</sup> August 2012. The Board of Directors of the Company has recommended appointment of Shri Ravi Jhunjunwala as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Shri Ravi Jhunjunwala, aged 58 years, holds a Graduate degree in Commerce. He did his MBA from the Centre D'etudes Industrielles (CEI), Geneva (now IMI, Lausanne). Shri Ravi Jhunjunwala is the Chairman & Managing Director of ₹ 4,739 crore (over \$1b) LNJ Bhilwara Group. The group is a diversified conglomerate in Textiles, Graphite Electrodes, Power and IT enabled services. The group, under his leadership, has played a pioneering role in many contemporary businesses and today, has 14 Companies (six of them listed) with impeccable financial health. Shri Jhunjunwala is the Managing Director of HEG Ltd. Due to his vision and management, HEG Ltd. now possesses the world's largest single location plant for Graphite Electrodes with an installed Capacity of 80,000 mt. In the mid-nineties, Shri Ravi Jhunjunwala embarked on a strategic business diversification plan of entering into Hydro Power Generation. In 1996 he was handed over charge of the entire LNJ Bhilwara group. His vision has enabled the Group gain significant stature on the global platform with presence in more than 75 countries across continents. Shri Ravi Jhunjunwala is also active on number of National Management/Industry Forums and is associated with various Trade/Industry bodies including CII and FICCI. He is also an active member of World Presidents Organization (WPO).

Shri Ravi Jhunjunwala is Chairman & Managing Director on the Boards of HEG Ltd. and Malana Power Company Ltd. and is a Director on the Boards of RSWM Ltd., Maral Overseas Ltd., Bhilwara Energy Ltd., AD Hydro Power Ltd., Cheslind Textiles Ltd., Indo Canadian Consultancy Services Ltd., BSL Ltd., Bhilwara Green Energy Ltd., NJC Hydro Power Ltd. and India Glycols Ltd. Shri Jhunjunwala is also Chairman of the Audit Committee of Malana Power Company Ltd. and AD Hydro Power Ltd. and Member of the Shareholders'/ Investors Grievance Committee/ Stakeholders Relationship Committee of HEG Ltd. & BSL Ltd. Shri Jhunjunwala does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Ravi Jhunjunwala has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Jhunjunwala is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Ravi Jhunjunwala fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company

and is independent of the management. Copy of the draft letter of appointment of Shri Jhunjhunwala as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

Except Shri Ravi Jhunjhunwala, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

#### **Item No. 12**

The Company at its Extra-ordinary General Meeting held on 30<sup>th</sup> January 2014, had authorised the Board of Directors of the Company to continue to borrow for the purposes of the Company, moneys in excess of paid-up capital of the Company and its free reserves upto an amount not exceeding ₹2,000 Crore, at any point of time pursuant to Section 180(1)(c) of the Companies Act 2013 (the Act).

The Company's activities have increased significantly. To meet the increasing requirements of funds for various expansion and other projects envisaged by the Company, it is considered necessary to increase the said borrowing limits to ₹3,000 Crore.

Pursuant to Section 180(1)(c) of the Companies Act 2013, the Board can exercise borrowing powers, in excess of the paid-up capital of the Company and free reserves of the Company, with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

#### **Item No. 13**

The Company at its Extra-ordinary General Meeting held on 30<sup>th</sup> January 2014, had authorised the Board of Directors of the Company to continue to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding ₹ 2,000 crore, in the aggregate on account of principal, together with interest thereon pursuant to Section 180(1)(a) of the Companies Act 2013.

The operations of the Company have increased significantly. To meet the increasing requirements of funds for various expansion and other projects, the Company will have to resort to further borrowings from financial and other lending institutions upto a limit of ₹ 3,000 crore, sanctioned by the Board. As security for such borrowings, the immovable and movable properties of the Company pertaining to any one or more of its units will have to be mortgaged/charged in favour of Financial and other lending institutions.

Pursuant to Section 180(1)(a) of the Companies Act 2013, the Board can exercise power to create mortgage and/or charge on the immovable and movable properties of the Company, with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

#### **Item No. 14**

The members are aware that the Company has been accepting public deposits as permissible under the provisions of Companies Act, 1956.

However, pursuant to the provisions of Sections 73 to 76 of the Companies Act, 2013 (the Act) read with Companies (Acceptance of deposits) Rules, 2014 applicable w.e.f. 1<sup>st</sup> April 2014, the Company is required to obtain approval of Members for inviting/accepting/ renewing deposits from the Public from that date.

The Company upon obtaining approval of the Members will comply with the said provisions of the Act including credit rating, deposit insurance etc., before inviting / accepting / renewing any deposits. The resolution is accordingly recommended for approval of the Members as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives 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)  
30<sup>th</sup> July, 2014

**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 Share Transfer Agent 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](http://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@jkm.com](mailto:bkdaga@jkm.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 124 of the Companies Act 2013 (Section 205A of the erstwhile Companies Act 1956), the unclaimed dividend for the financial year ended 31st March 2007 which becomes due for transfer to the Investor Education and Protection Fund (IE & PF) on 16th August 2014 is being deposited in the month of July 2014. Interim dividend for the financial year 2007-08 will become due for transfer to IE & PF on 3rd March 2015 and Unclaimed Dividend for the financial year ended 31st March 2008 will become due for transfer to IE & PF on 29th August 2015.  
  
Shareholders who have not claimed their dividend for the financial years 2006-07 to 2012-13 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 72 of the Companies Act 2013, Shareholders holding shares in the Company, singly or jointly, may nominate a person to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Shareholders. Shareholders holding shares in physical form, may send their nomination in the prescribed Form SH 13, duly filled in, to the Secretarial Department at the address mentioned above. Shareholders holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.
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. DP ID 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 Share Transfer Agent 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).

Further, pursuant to Section 101 of the Companies Act 2013 and the Rules made thereunder also, the Company may follow above mode.



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 74<sup>th</sup> Annual General Meeting of the Company being held at Jaykypuram-307 019, Basantgarh, Distt. Sirohi, Rajasthan on **Thursday, the 4<sup>th</sup> September, 2014 at 11.00 A.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.**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



CIN: L74999RJ1938PLC019511

Regd. Office: Jaykypuram-307 019, Basantgarh, Dist. Sirohi, Rajasthan  
E-mail: [bkdaga@jklmail.com](mailto:bkdaga@jklmail.com); Website: [www.jklakshmi.com](http://www.jklakshmi.com)

**PROXY FORM**

Name of the member(s) :
Registered Address :
E-mail Id :
Folio No./ Client ID :
DP ID :

Name : ..... Email : .....

Address : .....

..... Signature : \_\_\_\_\_

*or failing him/her*

Name : ..... Email : .....

Address : .....

..... Signature : \_\_\_\_\_

*or failing him/her*

Name : ..... Email : .....

Address : .....

..... Signature : \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 74<sup>th</sup> Annual general meeting of the company, to be held on the Thursday, 4<sup>th</sup> September 2014 at 11 a.m. at Jaykypuram-307 019, Basantgarh, Dist. Sirohi (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
1	Adoption of the financial statements of the Company for the financial year ended 31st March 2014 and the Reports of the Board of Directors and Auditors thereon.
2	Declaration of dividend on Equity Shares.
3	Re-appointment of Dr. Shailendra Chouksey who retires by rotation.
4	Re-appointment of Dr. Raghupati Singhania who retires by rotation.
5	Appointment of Auditors and fixing their remuneration.
6	Approval of the remuneration of the Cost Auditors.
7	Appointment of Shri K.N. Memani as an Independent Director.
8	Appointment of Shri B.V.Bhargava as an Independent Director.
9	Appointment of Shri NG. Khaitan as an Independent Director.
10	Appointment of Shri Pradeep Dinodia as an Independent Director.
11	Appointment of Shri Ravi Jhunjhunwala as an Independent Director.
12	Authorisation to the Board of Directors for borrowings upto an amount not exceeding Rs. 3,000 crores.
13	Authorisation to the Board of Directors to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding Rs. 3,000 crores.
14	Approval for acceptance of deposits by the Company.

Signed this ..... day of ..... 2014.

Signature of Shareholder ..... Signature of Proxy holder (s) .....

Affix  
Revenue  
Stamp

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Jaykaypuram-307019, Basantgarh, Dist. Sirohi, Rajasthan, not less than 48 hours before the commencement of the Meeting.



Standing from Left to Right: Dr. R. P. Singhania; Shri Sanjeev Bikhchandani; Shri Y. C. Deveshwar;  
 Shri Mohammad Hamid Ansari, Hon'ble Vice President of India;  
 Dr. C. Rangarajan; Prof. Goverdhan Mehta; Shri Bharat Hari Singhania; Dr. Devi Singh; Dr. J. J. Irani;  
 At The Front: Smt. Anjee Agarwal & Dr. Rajinder Johar (Lying) at Lakshmi Singhania - IIM Lucknow, National Leadership Awards



Shri Bharat Hari Singhania, Chairman & Managing Director, Smt. Vinita Singhania, Vice Chairman & Managing Director, Shri B. V. Bhargava, Director  
 with Senior Management Team of JK Lakshmi Cement at the 73rd Annual General Meeting at Jaykaypuram



**JK LAKSHMI**   
C E M E N T L t d.

Secretarial Deptt., Gulab Bhawan, 3rd Floor (Rear Block)  
6, Bahadur Shah Zafar Marg, New Delhi - 110002