



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

[www.jklakshmicement.com](http://www.jklakshmicement.com)

2011-2012

## GROWING TOWARDS CEMENTING A MAZBOOT INDIA



**ANNUAL REPORT 2011-2012**

**JK LAKSHMI**  
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# GROWING TOWARDS CEMENTING A MAZBOOT INDIA

*Over* the last one decade, India's growth story has touched new milestones. Understanding the critical role of infrastructure in the country's growth plans, the Government of India has been making huge investments to support the infrastructure developments in the country. At JK Lakshmi Cement, our effort is to provide a world-class product that leads to constructing long-lasting structures – be it buildings, roads, dams, flyovers, airports, canals, etc. It is a great boost to our motivation that our efforts are contributing towards cementing a Mazboot India.

To play a bigger role in the country's growth story, we have embarked on concrete plans to augment the production capacity. Our major endeavour is a new Greenfield project coming up at Durg, Chattisgarh, to be commissioned by the end of 2013. It will enhance the installed capacity of the Company to 8.5 Million Tonnes per annum. We have already commissioned a new grinding unit in District Jhajjar, Haryana. Our RMC capacity is being expanded and we believe this business has the potential to grow at a faster pace. Our range of value added products will be enhanced with the addition of eco friendly AAC Blocks.

Our investments in these businesses are being matched by boosting skills and capabilities of people in all functional areas to realise the full benefits. We are confident of our growth towards cementing a Mazboot India.

## SNAPSHOTS



Shri P. Chidambaram, Hon'ble Home Minister of India, Shri Hari Shankar Singhania, President - J.K. Organisation, Dr. J.J. Irani, Chairman - Board of Governors, IIM, Lucknow, Dr. Devi Singh, Director, IIM, Lucknow and Shri Bharat Hari Singhania, Vice Chairman - JK Lakshmi Cement, along with the winners at the LakshmiPat Singhania - IIM, Lucknow National Leadership Awards



Smt. Sheila Dikshit, Hon'ble Chief Minister - Delhi, Shri Hari Shankar Singhania, President - J.K. Organisation and Smt. Vinita Singhania, Managing Director, JK Lakshmi Cement, felicitating meritorious employees of the Group for completing 25 years of association

# CHAIRMAN'S MESSAGE

India and China have been the major growth drivers in global cement output in recent years. The cement industry in India has a bright future ahead thanks to favourable factors. These include focus on infrastructure development, emphasis on affordable housing and increased use of cement in rural housing due to gradual shifting away from traditional materials. The increasing allocations year after year on the key infrastructure sector is a testimony to the direction in which our economy is moving. The current low per capita consumption of cement in the country vis-à-vis many other countries indeed reflects the enormous potential the industry offers in the future.

It is a matter of satisfaction that JK Lakshmi Cement has registered much improved performance despite constraints of overcapacity situation in cement industry, hike in railway freight tariffs, continuing rise in input costs especially coal which have impacted adversely the profitability of the domestic cement companies.

The Company is continuing with its expansion programme involving setting up of new Plants and augmenting production capacities with capex of over ₹ 1500 Crore upto the Financial Year 2013-14. The ongoing Projects are under way and making satisfactory progress.

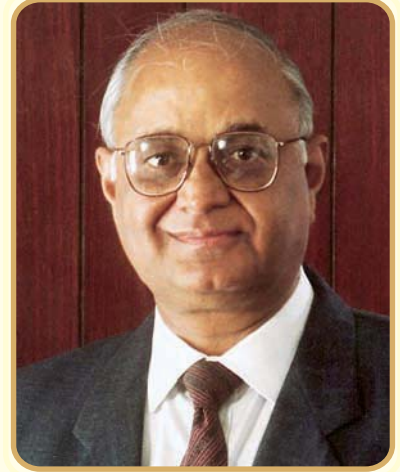
The Company's production capacity already stands expanded by half-a-million tonne in April 2012 with the commissioning of Grinding Unit in Haryana. Company plans to augment its clinkerisation capacity further during the financial year 2012-13 which will enable the company to raise its cement production capacity by another half-a-million tonne. Company's Greenfield plant being set up in Chattisgarh is expected to become operational by the end of calendar year 2013. Completion of these Projects will raise the capacity to 8.5 Million Tonnes p.a. Besides the Company plans to build more RMC Plants.

The Company is also keen to contribute and play its due role in developing the society around its factory by taking up various initiatives in Corporate Social Responsibility. It has been actively engaged with Population Foundation of India in promoting Reproductive and Child Health and also in facilitating population stabilisation, adult education, vocational training and women education, to name a few.

Going forward, we are on an exciting journey ahead. I am confident that the Company shall further grow appropriately and play its due role.

At this time, I would like to thank the dedicated management team and the employees, our shareholders and stakeholders who have helped and supported us in this journey.

Best Wishes



A handwritten signature in black ink, appearing to read 'H. Singhania', written in a cursive style.

Hari Shankar Singhania  
Chairman



# BOARD OF DIRECTORS

HARI SHANKAR SINGHANIA

Chairman

BHARAT HARI SINGHANIA  
Vice Chairman & Managing Director

DR. RAGHUPATI SINGHANIA

RAVI JHUNJHUNWALA

K. N. MEMANI

SHAILENDRA CHOUKSEY  
Whole-time Director

B. V. BHARGAVA

N. G. KHAITAN

RAJ KUMAR BANSAL

PRADEEP DINODIA

S. K. WALI  
Whole-time Director

VINITA SINGHANIA

Managing Director

COMPANY SECRETARY	:	Brijesh K. Daga
OFFICES	:	Registered Office - Jaykaypuram-307 019, Basantgarh, District Sirohi (Rajasthan). Administrative Office - Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002.
PLANTS	:	I. Jaykaypuram-307 019, Basantgarh, District Sirohi (Rajasthan). II. Motibhoyan, Kalol, District Gandhinagar (Gujarat). III. Village Bajitpur, P.O. Jhamri, District Jhajjar (Haryana).
AUDITORS	:	Lodha & Co., Chartered Accountants
BANKERS	:	State Bank of India Punjab National Bank IDBI Bank Ltd. Axis Bank Ltd.
REGISTRAR & SHARE TRANSFER AGENTS	:	MCS Limited, F-65, First Floor, Okhla Indl. Area, Phase-I, New Delhi-110 020. Ph. (011) 41406149-52. Fax No. (011) 41709881. E-mail: admin@mcsdel.com
COMPANY WEBSITE	:	www.jklakshmicement.com www.jkorg.in

## BOARD OF DIRECTORS



L to R : Shri S.K. Wali, Shri Pradeep Dinodia, Shri Raj Kumar Bansal, Shri B.V. Bhargava, Smt. Vinita Singhania, Shri Hari Shankar Singhania, Shri Bharat Hari Singhania, Shri N.G. Khaitan , Shri Ravi Jhunjhunwala, Dr. Raghupati Singhania, Shri Shailendra Chouksey, Shri K.N. Memani



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## VICE CHAIRMAN'S MESSAGE

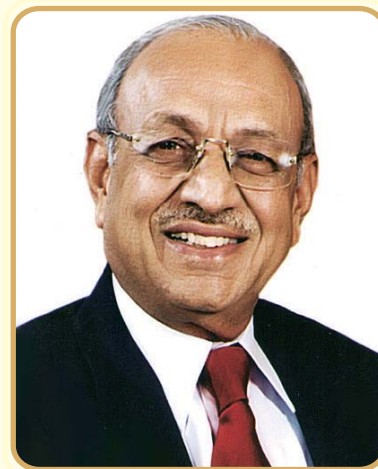
It gives me great satisfaction that despite the industry demand remaining subdued for most part of the year, your Company has performed reasonably well this year. This has been made possible due to consistent and conscious efforts by your management to address cost and efficiency issues in focused manner. As a result the Company today is amongst one of the lowest cost producers in the industry.

Your Company is making steady progress on all its expansion projects in time bound manner. The commissioning of Grinding Unit at Jhajjar in Haryana has just taken place at a time when the demand in its catchment zone is expected to pick up. The commissioning of Green site Plant at Durg shall happen at a time when the gap between demand and supply will begin to narrow down. The right timing of the projects is a critical success factor and we seem to be doing better on this front as well.

Besides the continued slow down of growth in core sectors, particularly in infrastructure, the industry is continuing to face the challenge of rising fuel costs and increased freights. There is little possibility that these will come down in near future, especially with steep devaluation of rupee against major global currencies. Your Company is aware of these challenges and is addressing the issues appropriately.

Enhancement of overall returns to all stakeholders always remains a key focused area for the Company. To meet this objective, the Company continues to take various initiatives at opportune times. During the year, the Company has launched the Buy-Back Scheme, which shall result in overall enhancement in the shareholders' wealth.

I look at the coming year of 2012 – 13 as full of challenges. The challenges bring best in the people and propel them to innovate & excel. Financial prudence and Investors' support have always been at the core of our strength and I count on this strength to convert every challenge into a promising opportunity.



A handwritten signature in black ink, reading "Bharat Hari Singhania". The signature is fluid and cursive, with a long horizontal line extending from the end.

Bharat Hari Singhania  
Vice Chairman & Managing Director



# THE YEAR THAT WAS...



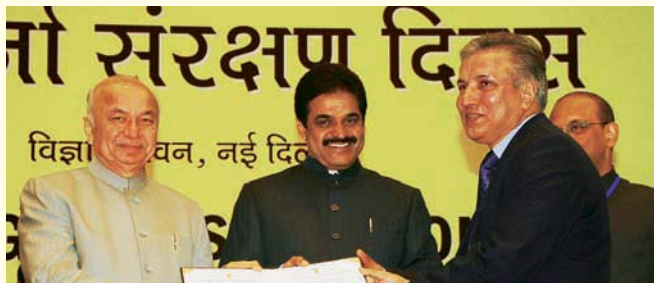
Shri Hari Shankar Singhania, President - J.K. Organisation and Chairman - JK Lakshmi Cement, along with other Directors during a plant visit in Sirohi, Rajasthan



Smt. Vinita Singhania, Managing Director, inaugurating a village road- CSR initiative of the Company



Smt. Vinita Singhania, Managing Director, being honoured by Shri Rajendra Pareek, Hon'ble Minister for Industries (Govt. of Rajasthan), on being appointed as the Chief Patron of Rajasthan Chamber of Commerce and Industry (RCCI)



Shri S.K. Wali, Whole-time Director, receiving the 'Certificate of Merit' for Energy Conservation from Shri Sushil Kumar Shinde, Hon'ble Union Minister of Power



Students' health check-up being carried out at the medical camp organised by JK Lakshmi Cement



Shri Shailendra Chouksey, Whole-time Director, and other Senior Officials of the Company receiving the Golden Peacock HR Excellence Award



## MANAGING DIRECTOR'S MESSAGE

Our continued focus on strengthening bond with all the stakeholders including our customers and our people centric approach stood us in goodstead when despite subdued industry growth of 7%, your Company's sales volume grew by over 14% in the concluded financial year 2012.

We achieved better than most of our industry peers in terms of capacity utilisation, energy efficiencies, and manpower productivity. I take pride in the fact that our output per man-hour spent is one among the best in the industry and we have one of the lowest attrition rates in the times when the war for talent is at its peak.

The testimony of our achievement on people front is in being recognized as one of India's Best Companies to work for by Great Place to Work Institute, India. JK Lakshmi Cement is the only Cement Company that has figured among Top 50 in this survey and it has been rated as one of the best in special category for Leadership & Innovation in Employee Retention strategies.

The economy in general and the cement industry in particular is passing through an uncertain and turbulent phase. The cement demand growth in last two years has been below the industry's expectations. Energy costs, rail freight and other input costs have significantly gone up. Some of the capacity additions which were delayed in last year are expected to come on stream this year. Collectively it would mean further widening of demand supply gap and consequent pressure on prices & profitability. I am of the firm belief that our investments in relationships and people will make all the difference that is needed to charter out of turbulence and be firmly on the path of sustained growth.

On other hand we are and we shall continue to invest in growth through new Greenfield projects, expansion at existing locations, and in new business avenues which look promising. We shall also leverage our resources to cut costs and reach out to new pinnacles of efficiencies, in line with our philosophy "when going gets tough the tough gets going".

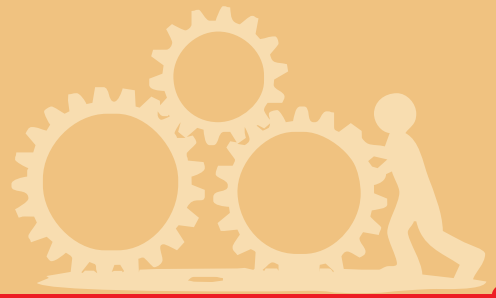
I would like to thank all my people and all the stakeholders for the continued faith that they have bestowed upon us. Together let's cherish and live the spirit of "WE CARE".



A handwritten signature in black ink, which appears to read "Vinita Singhania".

Vinita Singhania  
Managing Director

# OPERATIONS



Shri PL. Mehta - Vice President (Commercial) and Shri Dinesh Pandya - General Manager (P&A), receiving the Safety Innovation Award



JK Lakshmi Cement's newly commissioned Grinding Unit in Jhajjar, Haryana

## EXCELLENCE IN INNOVATION

JK Lakshmi Cement is recognised in the cement industry for taking up challenges with great passion and deliver astounding results. This year too, our team has made us proud by coming up with innovative solutions for maximising efficiency at its plants. The results have not only helped us achieve efficiency in processes but has also resulted in cost savings. Following projects exemplify the innovation culture in the Company:

### In-house development of Burner Pipe

During the rehabilitation of one of the kilns at the Sirohi Plant, our team decided to manufacture burner pipe in-house. The burner is a critical component of kiln combustion system. An effective burner design helps in optimizing combustion of fuels in the kiln. The burner pipe, developed in-house has maximized the fuel efficiency and heat recovery from the cooler. The quality of clinker manufactured is better because of brighter and shorter flame. The cost of developing the burner pipe in-house was just ₹ 10 Lacs as against ₹ 80 Lacs that would have been paid for purchasing a new burner.

### Innovative Wind Power

The enthusiastic engineers of Team JK Lakshmi have developed an innovative device which is a combination

of small windmill developed in-house and the waste gases discharged from the bag filter fan. These devices installed at the Cement Grinding Units at Kalol (Gujarat) and Jhajjar (Haryana) are able to generate free renewable green energy sufficient to power more than 17 CFLs each of 17 watts and is sufficient to illuminate the office areas at these locations. This innovation, a first of its kind, is the beginning of a new era in the field of renewable energy. Such small windmills can be installed at any industrial unit, where clean exhaust gases are available and these windmills can significantly contribute towards the sustainable development of the nation.



A view of the innovative Green Power Pilot Project developed in-house