

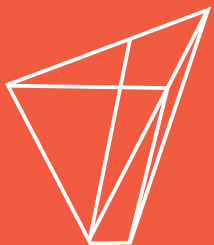
ANNUAL REPORT
2013-14

COURAGE SHAPES DESTINY



JK *Cement* LTD.

COURAGE SHAPES DESTINY



COURAGE
SHAPES
SUSTAINABILITY



COURAGE
SHAPES
EXPANSION



COURAGE
SHAPES
CHARACTER

INSIDE THE REPORT

02-05

Corporate Review

- 2 Welcome to J.K. Cement
 - 4 Our Regional, National and International Footprint
-

06-33

Strategic Review

- 6 Chairman's Statement
 - 8 Letter from the Managing Director and CEO
 - 10 Decades of Solidity and Reliability
 - 13 Courage Shapes Sustainability
 - 17 Courage Shapes Expansion
 - 21 Courage Shapes Character
 - 26 Courage Shapes Compassion
 - 30 Profile of Board of Directors
-

34-56

Statutory Reports

- 34 Management Discussion and Analysis
 - 38 Directors' Report
 - 44 Corporate Governance Report
-

57-104

Financial Statements

- 57 Standalone Financials
 - 85 Consolidated Financials
-

Forward-looking statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.

COURAGE IS A CRUCIAL DIFFERENTIATOR.

It allows you to face challenges chin up, even against the severest odds. It allows you to demonstrate your convictions through your actions. It separates people with gut and gumption from those who capitulate too early.

Courage is never loud or obvious. It acts silently, behind the scenes, allowing the results to reveal themselves. Courage goes a long way in instilling confidence. In fact, they are sometimes two sides of the same coin. Courage, therefore, shapes destiny.

At J.K. Cement, we believe in our ambitions and our approach shows our courage. Despite a challenging environment, we did not reverse the investments we had committed. We continued to grow our capacities in the firm belief that in order to bridge India's development gap the cement sector must provide a huge helping hand.

We believe that a temporary blip in industry fortunes do not necessitate recalibrating investments. Thus, we are on-track and on time, with all our projects, in the journey that will eventually double our overall capacity across all products.

We stayed on course. We backed our instinct. We responded with courage.

We believe this courage will shape our destiny, going forward.

WELCOME TO J.K. CEMENT

J.K. CEMENT IS ONE OF THE LEADING CEMENT AND BUILDING PRODUCTS MANUFACTURERS IN INDIA WITH A DIVERSE PRODUCT PORTFOLIO, CONSISTENTLY GROWING CAPACITY, AND A STRONG NATIONAL AND INTERNATIONAL MARKET PRESENCE.



Panoramic view of the Nimbahera plant

J.K. Cement is today present across the core categories of Grey Cement and White Cement, together with value-added products, such as Wall Putty and Waterproofing Compounds. It has nationally relevant scale across all its products, and is in fact the second largest manufacturer of White Cement and Wall Putty in India. It has a combined cement capacity of over 7.50 MnTPA across all plants, and a cumulative power capacity of over 100 MW.

J.K. Cement has six high-quality plants, five of which are in India and one in the UAE. All the plants in India are equipped with captive power facility (including a waste-heat recovery plant), to be self sufficient in power requirements. These plants also are in proximity to high-quality limestone assets, with long economic life.

J.K. Cement has undertaken rapid expansion to double its capacities across products. Towards this end a new dual process cement plant was commissioned in Fujairah, UAE, during 2013-14 as per schedule. The 1.5 MnTPA Grinding Unit will be commissioned in the first quarter 2014-15, while, the other brownfield expansion at Mangrol is expected to be commissioned in the second quarter of FY 2014-15. Additionally, the Company has also drawn up plans to set up a putty manufacturing unit at Katni in Madhya Pradesh. Our new plants leverage the most advanced technology available globally and focus on resource optimisation.

PRODUCT VERTICALS AND BRANDS

Grey Cement



**J.K. SUPER
CEMENT**

White Cement



ISO 9001:2000 & 14001 CERTIFIED

Value Added Products



White Cement based Putty



PRODUCT VALUE PYRAMID

Total Capacity

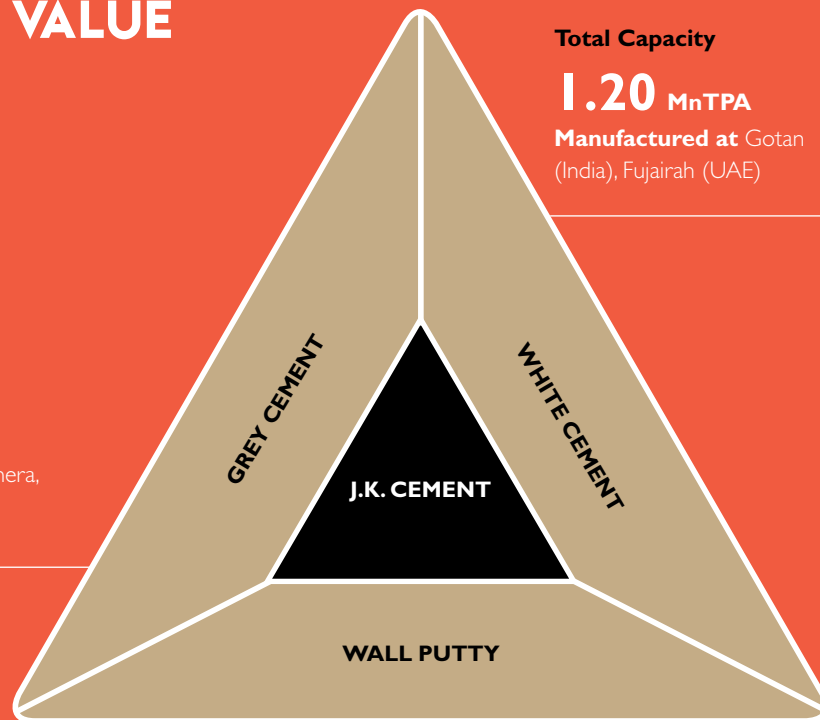
7.50 MnTPA

Manufactured at Nimbahera, Mangrol, Gotan (Rajasthan), Muddapur (Karnataka)

Total Capacity

1.20 MnTPA

Manufactured at Gotan (India), Fujairah (UAE)



Total Capacity

0.50 MnTPA

Manufactured at Gotan (Rajasthan)

EXPANDING CAPACITIES & REVENUES OVER 5 YEARS



Grey Cement

Production (MTPA)

13-14	5337808
09-10	4285086

Net Sales (₹ in Crore)

13-14	1925
09-10	1483



White Cement and Wall Putty

Production (MTPA)

White Cement	
13-14	475558
09-10	301424

Wall Putty	
13-14	91711
09-10	331176

Net Sales (₹ in Crore)

White Cement & Wall Putty	
13-14	857
09-10	338

OUR REGIONAL, NATIONAL AND INTERNATIONAL FOOTPRINT

Our Manufacturing Capacities

Gotan, Nagaur (Rajasthan)



0.47
MnTPA



0.60
MnTPA



0.50
MnTPA



7.50
MW

Nimbahera, Chittorgarh (Rajasthan)



3.25
MnTPA



20
MW



15
MW (Barnania)



13.20
MW

Mangrol, Chittorgarh (Rajasthan)



0.75
MnTPA



3
MnTPA



50
MW

Muddapur, Bagalkot (Karnataka)

Fujairah, (UAE)



0.60
MnTPA

White Cement (Dual process plant capable of producing 1.00 MnTPA Grey Cement also)



Grey Cement



Wall Putty



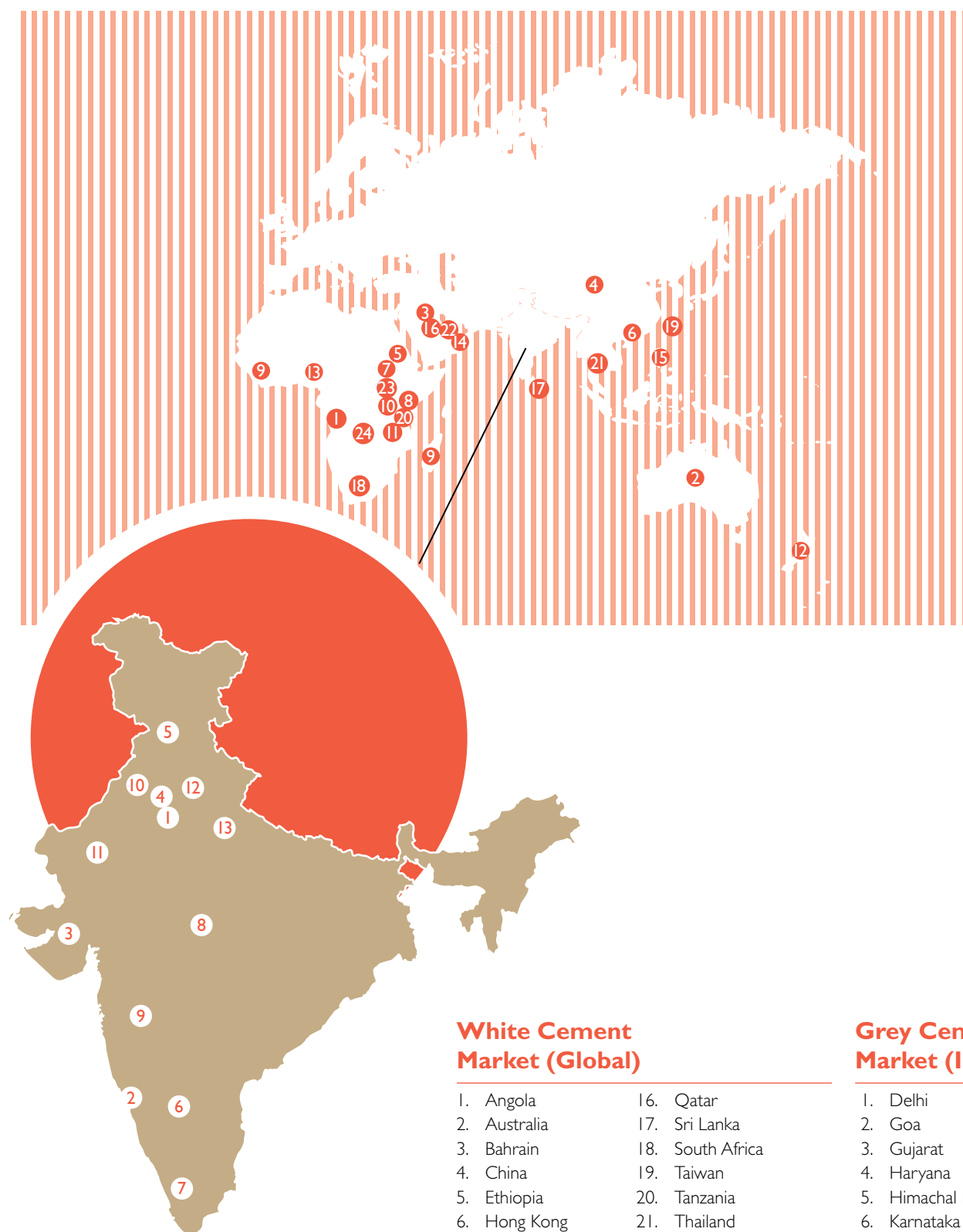
White Cement



Waste Heat Recovery



Thermal Power Plant



White Cement Market (Global)

- | | |
|-----------------|------------------|
| 1. Angola | 16. Qatar |
| 2. Australia | 17. Sri Lanka |
| 3. Bahrain | 18. South Africa |
| 4. China | 19. Taiwan |
| 5. Ethiopia | 20. Tanzania |
| 6. Hong Kong | 21. Thailand |
| 7. Juba | 22. UAE |
| 8. Kenya | 23. Uganda |
| 9. Madagascar | 24. Zambia |
| 10. Malawi | |
| 11. Mozambique | |
| 12. New Zealand | |
| 13. Nigeria | |
| 14. Oman | |
| 15. Philippines | |

Grey Cement Market (India)

- | |
|---------------------|
| 1. Delhi |
| 2. Goa |
| 3. Gujarat |
| 4. Haryana |
| 5. Himachal Pradesh |
| 6. Karnataka |
| 7. Kerala |
| 8. Madhya Pradesh |
| 9. Maharashtra |
| 10. Punjab |
| 11. Rajasthan |
| 12. Uttaranchal |
| 13. Uttar Pradesh |

CHAIRMAN'S STATEMENT

**FORTUNE
FAVOURS
THE
BRAVE!**



DEAR FRIENDS,

INDIA IS A COUNTRY HUNGRY FOR DEVELOPMENT. WE HAVE A HUGE DEMOGRAPHIC ADVANTAGE AND A DEMAND POTENTIAL THAT WE NEED TO LEVERAGE. FOR THAT TO HAPPEN, INDIA NEEDS MASSIVE INVESTMENTS IN PUBLIC, INDUSTRIAL AND SOCIAL INFRASTRUCTURE. THIS MEANS, RAPID SCALE UP IN THE CEMENT CONSUMPTION, PERHAPS REQUIRING EVEN HIGHER EXPANSION OF DOMESTIC CAPACITIES. ESSENTIALLY, WITH A STABLE GOVERNMENT IN PLACE, POST THE HISTORIC ELECTORAL VERDICT OF 2014, INDIA HAS AN OPPORTUNITY TO PURSUE ITS POTENTIAL WITH BOLDNESS, COURAGE AND VIGOUR.

At J.K. Cement, we have made courage the cornerstone of our thought process. 2013-14 was not the best years for the industry, especially for those in core sectors like ours. The demand was sluggish, infrastructure spending by government was all but stalled, and the investment cycle too was down. The after-effects of the Fed-taper in the US, and the resultant impact on the Indian Rupee did not help either. Our own operating performance was impacted, but we did not let that deter us from the path of capacity creation that we had set ourselves on, and continued our projects on plan. We believe it is this courage of conviction that will eventually shape our destiny.

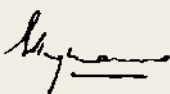
The cement industry growth is normally higher than the overall economy growth (1.2 times) has been sluggish over the past three years. Most manufacturers have witnessed a decadal low in capacity utilisation. The overall cement capacity of roughly 360 MnTPA witnessed an average capacity utilisation of 70%, a far cry from the around 85% witnessed earlier. The outlook is positive, on account of the visible green shoots in the economy and the new wind in our sails. Declining inflation, reducing the current account deficit and project clearances, will definitely provide a much-needed shot in the arm to the Cement sector and the economy in general.

We at J.K. Cement have invested in this optimism. We stuck by our investment commitments and all expansions are progressing as per schedule. All these (the grinding unit at Jhajjar, the brownfield expansion at Mangrol and the investment in Wall Putty, etc), will give us strategic advantages, higher regional play, and at the same time improve our overall competitiveness and cost paradigm. Our new plant in Fujairah (UAE) is commissioned and it will open up many new avenues for us in the GCC region. These are decisions that have a longer gestation and longer payback period, but our ability to withstand a difficult year, while not postponing any of these speaks volumes of the courage with which we are approaching our business.

Of course, none of this takes away from the fact that 2013-14 was a year in which we did not register any significant operational growth. We had to contend with rising input prices, and lower capacity utilisation. This notwithstanding, we were suitably equipped to withstand the difficulties the year posed, because of our efficient operations, capacity management and the contribution of our value-added product.

For long, we have approached the operating environment, bravely and courageously. We continue to do that now, when there is a marked shift in the manner India will approach development and growth. I am proud to report that our team has responded positively, and with the necessary attitudinal shift, while retaining allegiance to our core values. At the same time, our emphasis on sustainable manufacturing, and compliance with best practices with regard to environmental protection continues. I strongly believe that our courage to perform must be accompanied with a strong resolve towards social and environmental goals too. And thus, this is integral to the way we plan our growth forward.

I would like to express gratitude towards all our stakeholders, for their continued faith and belief in us. We are committed to upholding your trust, and continue on our stated mission with creativity, imagination and conviction. Put another way, we will continue to progress with courage, and ensure value creation for all stakeholders!



Gaur Hari Singhania
Chairman

**OUR NEW PLANT IN
FUJAIRAH (UAE) IS
COMMISSIONED AND IT
WILL OPEN UP MANY
NEW AVENUES FOR US
IN THE GCC REGION**

**FOR LONG, WE
HAVE APPROACHED
THE OPERATING
ENVIRONMENT, BRAVELY
AND COURAGEOUSLY.
WE CONTINUE TO DO
THAT NOW, WHEN
THERE IS A MARKED
SHIFT IN THE MANNER
INDIA WILL APPROACH
DEVELOPMENT AND
GROWTH.**

LETTER FROM THE MANAGING DIRECTOR AND CEO

COURAGE
PUSHES
THE LIMITS
OF THE
POSSIBLE



DEAR SHAREHOLDERS,

THE MOST IMPORTANT MATERIAL IN OUR CIVILISATION, IN TERMS OF SHEER MASS, AND ITS IMPACT, IS CEMENT. VACLAV SMIL, THE DISTINGUISHED PROFESSOR EMERITUS AT THE UNIVERSITY OF MANITOBA IN CANADA AND ONE OF THE WORLD'S TOPMOST THINKERS, QUOTES AN ASTONISHING STATISTIC ABOUT CEMENT IN HIS LATEST BOOK TITLED 'HARVESTING THE BIOSPHERE – WHAT WE HAVE TAKEN FROM NATURE'.

It says that China has poured into its buildings, roads and highways more cement over the past three years than the United States has consumed in an entire century. The United States used 4.5 Gigatonnes of cement from 1901-2001, the period when they literally reinvented themselves. In comparison, China alone consumed 6.6 Gigatonnes of Cement in just 3 years from 2011-13.

If you look at the above quoted statistic, the overall growth of China has, for a large part, been driven by its consumption of cement. While there may have been a few negative fallouts such as a state of oversupply in the real estate sector, this has largely been responsible for China's emergence as the world's number one cement consumption destination.

Contrast this with India, where, in 2013-14, our consumption of cement was only a shade more than 250 Million Tonnes. The point I am trying to make is that India has not even begun to scratch the surface of the demand expected from the infrastructure and construction growth we need, and therefore, industries, such as cement should brace themselves for consistent growth in offtake - of a magnitude not experienced before.

Despite this underlying state of opportunity and growth in what is one of the strongest emerging economies in the world, 2013-14 proved challenging to the Indian cement industry in more ways than one. The country's per capita consumption of cement stood at a mere 192 kgs compared to the global average of 365 kgs (excluding China). A granular analysis of the domestic cement consumption pattern revealed that the central and eastern regions lagged behind other regions primarily due to the lack of infrastructure creation. Domestic cement industry players faced the problem of lower capacity utilisation, fuelled by the rise in input expenses, along with a drop in demand due to general inflationary pressures. This gap in demand prompted several domestic cement companies to defer their present expansion plans. J.K. Cement too, failed to record any major growth in its operations.

At the same time, we believe that it is very important to have a long-term objective in challenging times such as these. The aim is to

have a clear perception of where you want to go and how to reach there. After all, you can only implement steps to transform your Company when you have a clear vision of how to ensure the long-term sustainability of the organisation. It is exactly this belief in our long-term objectives that prompted us to continue with our expansion plans as scheduled, the adverse environment notwithstanding.

This courage was backed by a number of solid ground realities. To begin with, we based our expansion plans on a strategic understanding of available opportunities, and our confidence in leveraging them to the maximum.

Two, we are on schedule on all our capacity expansion plans, which will place us among the foremost cement manufacturers in the country, in terms of capacity. With the economy expected to improve in the second half of 2014, backed by a stable government at the centre, we expect to leverage our expanded capacities, helped by our cost-efficiencies.

Three, we had embarked on our expansion plans with a clear de-risking approach. Our entire financial framework was thoughtfully structured, to ensure our internal accruals are always sufficient to cover the debt repayment and finance cost liabilities. This, in turn, has helped us ensure an uninterrupted and timely expansion process. So, even at a time when demand and revenues remained subdued, the combination of these strategies helped us continue our projected activities unhindered.

It is normal to assume that an aggressive pursuit of capacity augmentation comes with its share of cost over runs. In our case, we not only avoided delay, but ensured that the project costs outlined were not overshoot. Absolutely not. In fact, we not only avoided any additional costs, but also avoided any delays in the completion of our expansion deadlines.

Our steady progression will take our Grey and White Cement capacity levels to 10.50 MnTPA and 1.20 MnTPA (including Fujairah, UAE) respectively.

We expect a number of operational and financial benefits from the commercialisation of our extended capacities. These will

subsequently enhance our overall competitiveness.

First, the locational advantage of our Mangrol and Jhajjar plants offers proximity to raw materials and end-users, resulting in savings in logistic cost and raw material cost. Secondly, we are poised to benefit from the policies followed in Rajasthan and Haryana states that would result in significant tax benefits in the form of VAT exemption and VAT deferment, respectively. This will directly contribute to our profitability levels in the coming years.

Thirdly, the expansion at our Fujairah plant (in the UAE) will boost our market presence in the GCC and African countries, and help enlarge our international footprint. Our scope of profitability will be further enhanced by the fact that the Fujairah plant is also capable of dual production, both in the areas of Grey and White Cement. Lastly, the commercialisation of new capacities of the value-added products will also add to our bottomline.

While we are confident of a brighter future with the expected commercialisation of capacities, the financials for the current year were disappointing for more reasons than one. Weakened market sentiments resulted in our revenues declining by 4.2%, and rising input costs, coupled with interest and depreciation expenses, pulled down profits by 58% for the current year. While market sentiments in the northern regions remained stable, the continuous political turmoil in the southern regions caused the demand levels to fall way below expectations.

On the whole, however, I believe we are well-positioned to leverage decades of expertise that we have built up based on our business model. This gives us the strength to enhance our offerings to serve our customers' needs even more effectively in the future. I would like to thank the Government, our customers, shareholders and our employees for their continuous support in our journey of excellence.

Yadupati Singhania

Yadupati Singhania

Managing Director and CEO



40+

YEARS OF SOLIDITY AND RELIABILITY

J.K. CEMENT'S EXPERIENCE OVER THE PAST FOUR DECADES HAS EARNED IT THE REPUTATION OF BEING SOLID AND RELIABLE. IT HAS PLAYED A ROLE IN NUMEROUS INFRASTRUCTURE MILESTONES IN THE COUNTRY.

A FEW KEY ASPECTS THAT MAKE THIS POSSIBLE ARE OUTLINED HERE.

LEADING THE WAY

6,00,000 Tonnes

We are the second largest White Cement manufacturer in the country with production capacity of 0.6 MnTPA.

ECO-FRIENDLY

100+ MW

Apart from being environment-friendly manufacturer (ensuring sustained investments in equipment and processes), we have also set up more than 105.70 MW of coal-based and waste heat recovery power plants. Besides, we have long term agreement with Group Captive Power V.S. Lignite Power Pvt. Ltd. for supply of 15 MW. This has made us self-reliant in our energy requirements.

PRODUCT DIVERSITY

3 Principal Products

J.K. Cement has a diverse product portfolio, comprising conventional grey cement, as well as value added products such as White Cement and Wall Putty. The strategic channelling of downstream products has allowed us to capture a larger part of the cement value chain and create a global footprint.

VALUE-ADDED PRODUCTS

ONE STOP

Our value-added products portfolio make us an integrated and holistic solutions provider in the construction space. Besides manufacturing high quality basic materials, the wider product basket of Wall Putty, Water Proofing solution and Adhesives gives us access to an expanded customer base.

FINANCIAL SUSTAINABILITY

+ve

J.K. Cement's ability to manage its finances in order to meet its spending commitments, today and tomorrow, is aptly balanced between Grey Cement (revenue driver), White Cement and value-added products (earnings driver).

RESERVES OF RESOURCES

30 Years

Within the vicinity of our manufacturing locations, we have access to extensive limestone reserves, that are capable of sustaining production for at least 30 years.

PEOPLE STRENGTH

2300+

Our team is one of our biggest strengths. We make conscious efforts to instill in our people a sense of pride and loyalty for our company. It is the team of 2390 people that work relentlessly towards achieving our business objectives.

1



COURAGE SHAPES SUSTAINABILITY

2



COURAGE SHAPES EXPANSION

3



COURAGE SHAPES CHARACTER

Milestones achieved in 2013-14

12.18% CAGR increase in gross
sales in last five years
.....
Gross sales more than
₹ 320170 Lacs
.....
EBIDTA more than ₹ 37490 Lacs
.....
PAT more than ₹ 9700 Lacs
.....

Focus for 2014-15

Improve profitability
.....
Improve margins from
value added products
.....
Maintain a robust, efficient and
flexible balance sheet
.....
Maintain a tighter control on
working capital
.....
Accelerated cost reduction
.....

Milestones achieved in 2013-14

International expansion
.....
Value added product expansion
.....
Logistical advantage
.....

Focus for 2014-15

Commission plants and start
commercial production
.....
Penetrate further into untapped
domestic regions
.....
Increase international presence
.....
Strengthen the international
production capacities
.....
Increasing dealer network
.....

Milestones achieved in 2013-14

Improve the quality levels
.....
Brand strategy
.....
Brands that make a difference
.....

Focus for 2014-15

Drive revenue growth from
value-added products
.....
Drive more marketing initiatives
to expand market presence
.....
Scale-up domestic and
international distribution network
.....
Increase brand awareness
through online platform
.....

1

COURAGE SHAPES SUSTAINABILITY

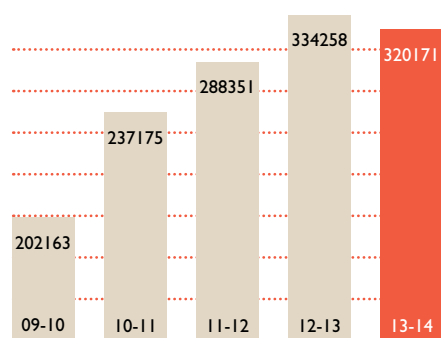
COURAGE IS ABOUT HOLDING THE ANCHOR AND NOT GETTING DISSUADED BY SHORT-TERM BLIPS ON THE GROWTH RADAR. MORE OFTEN THAN NOT, THIS ATTITUDE NOT JUST HELPS TACKLE ADVERSITY, BUT TO BENEFIT FROM IT. ALMOST ALWAYS, IT RESULTS IN A POSITIVE PROGRESSION TOWARDS OBJECTIVES.

OUR REVENUES HAVE GROWN STEADILY AT A CAGR OF 12% IN THE LAST FIVE YEARS, LEADING TO 2013-14. WE EXPECT TO MAKE THE BEST OF THE DEMAND FOR GREY AND WHITE CEMENT, WHICH IS LIKELY TO RISE IN THE NEAR FUTURE WITH INCREASED GOVERNMENT SPENDING ON HOUSING AND INFRASTRUCTURE DEVELOPMENT. THESE ARE LIKELY TO BE THE GROWTH DRIVERS FOR MORE AGGRESSIVE GROWTH, GOING FORWARD.

KEY PERFORMANCE INDICATORS

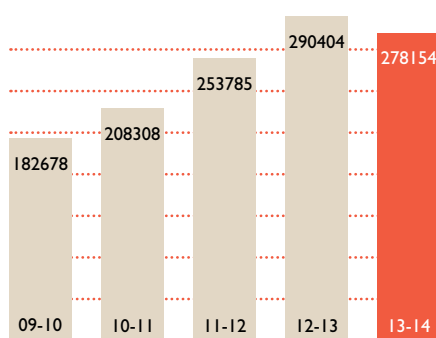
WE HAVE IDENTIFIED A NUMBER OF FINANCIAL KEY PERFORMANCE INDICATORS (KPIs) THAT REFLECT THE INTERNAL BENCHMARKS WE USE TO MEASURE THE SUCCESS OF OUR BUSINESS AND STRATEGY. THESE WILL ENABLE INVESTORS AND OTHER STAKEHOLDERS TO MEASURE OUR PROGRESS.

Gross sales (₹ in Lacs)



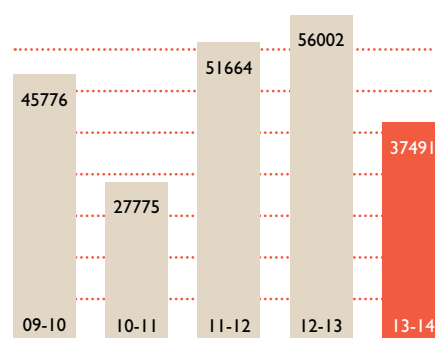
The decline in sales was due to weak economic sentiment and slowdown in infrastructure projects contributing to weak demand for cement.

Net sales (₹ in Lacs)

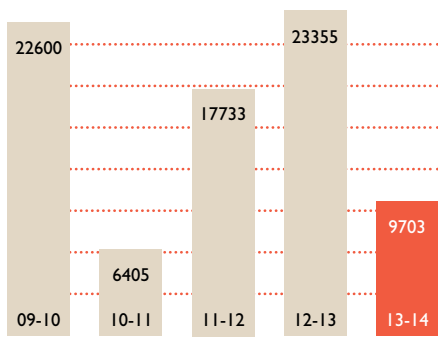


The decline in production at our Muddapur plant by 18% and overall decline in Grey Cement by 6% led to the overall decline in net sales.

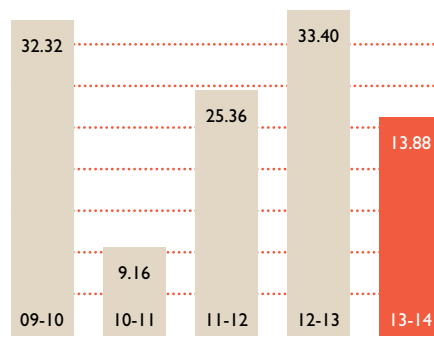
EBIDTA (₹ in Lacs)



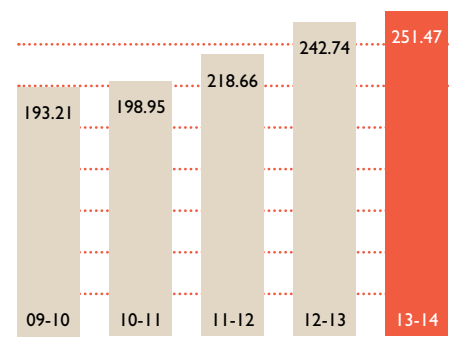
The decline in EBIDTA has been due to depressed market conditions and rising raw material, fuel and logistics costs.

PAT (₹ in Lacs)

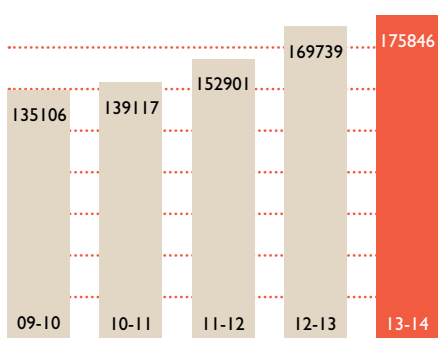
Depressed operating performance and higher interest on borrowings resulted in decreased profitability over the previous year.

EPS (₹)

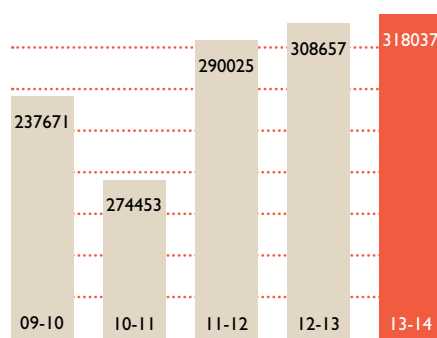
Reduced profitability was one of the major reasons for lower earnings per share.

Book value per share (₹)

The net profit earned during the year has been partially retained within, resulting in increase in the book value per share.

Net worth (₹ in Lacs)

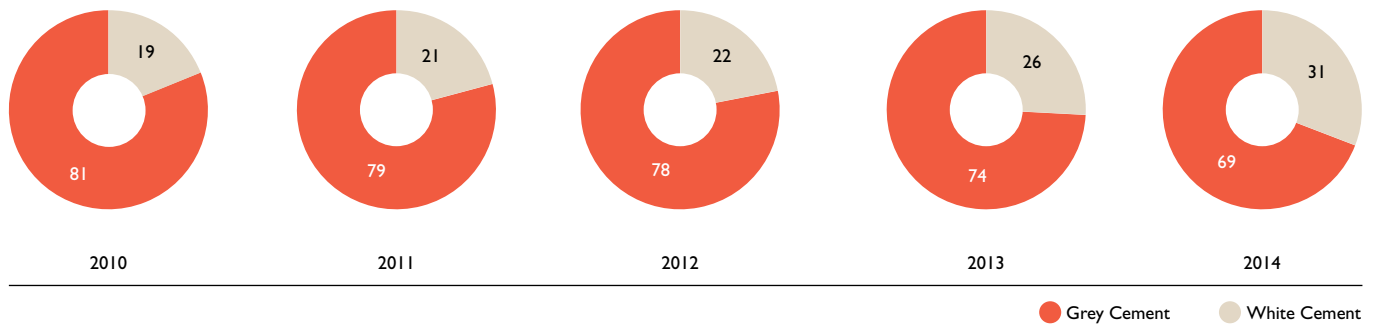
The increased network is testimony to the stable earnings over time of the Company. This indicates a stable financial position.

Gross block (₹ in Lacs)

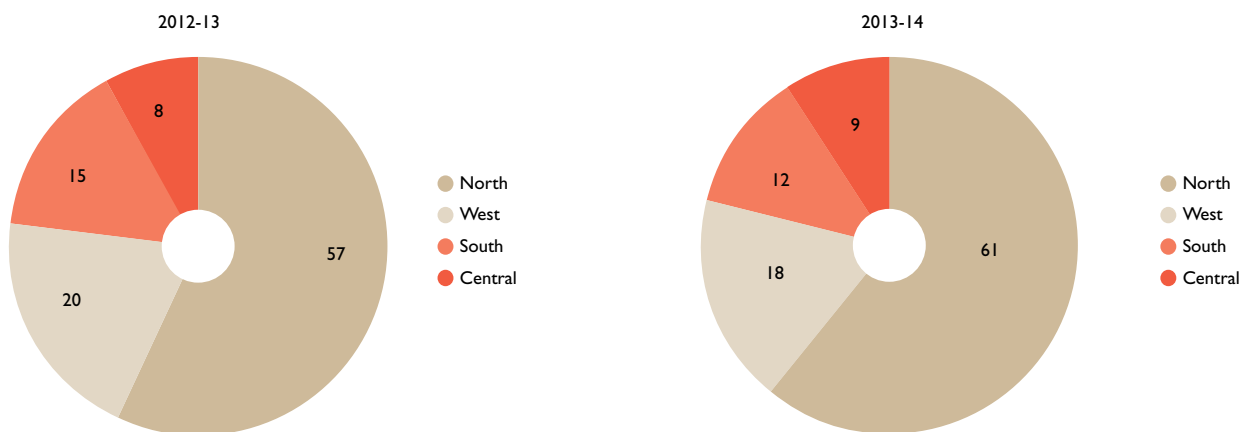
With increased capacities, the overall gross block has increased. This indicates the strengthening asset base of the Company.

OUR REVENUE & MARKET MIX

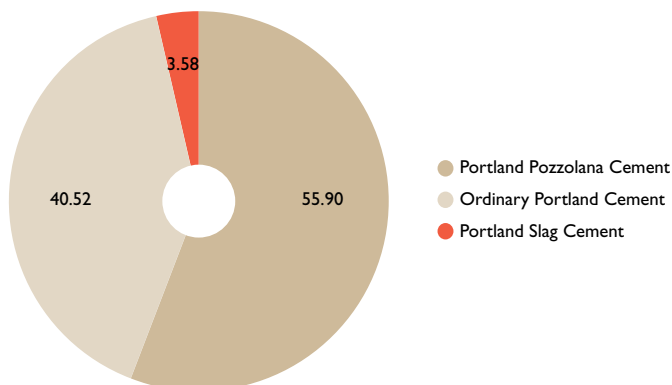
Share of White Cement & Grey Cement in gross sales (%)



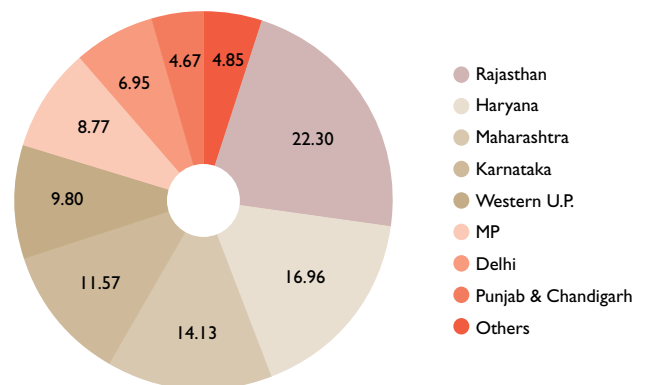
Grey Cement regional snapshot (%)



Product mix- Grey Cement (Production Volume) (%)



Market distribution- Grey Cement (%)





2

COURAGE SHAPES EXPANSION

THE WORLD IS FULL OF OPPORTUNITIES. SOME OBVIOUS. MOST HIDDEN. BUT ALL, WAITING TO BE UNEARTHED. AND LEVERAGED.

COURAGE IS ABOUT IDENTIFYING THE MOST RELEVANT ONES, AND PURSUING THEM WITH SINGLE-MINDED DEDICATION. IT IS ABOUT HAVING A STRONG BELIEF IN THE POWER OF GROWTH, AND CONTINUOUS PROGRESS.

AT J.K. CEMENT, CAPACITY AUGMENTATION IS THE CORNERSTONE OF OUR BUSINESS STRATEGY, DRIVEN BY COURAGE. THEREFORE, WE ARE CONSISTENTLY WORKING ON A WIDE RANGE OF CAPACITY EXPANSION PROJECTS WITH MULTIPLE OBJECTIVES – RANGING FROM EXPANDING GEOGRAPHIC PRESENCE, ADDING SCALE, WIDENING THE PRODUCT PORTFOLIO AND TAPPING INTO POTENTIAL COST SAVINGS.

INDIA'S DEVELOPMENT GAP VIS-À-VIS DEVELOPED WESTERN NATIONS, AND EVEN NEIGHBOURS SUCH AS CHINA, IS SIGNIFICANT. THEREFORE, IN RECENT YEARS, THE THRUST ON URBANISATION, INFRASTRUCTURE CREATION, INDUSTRIAL EXPANSION AND HOUSING HAVE CATALYSED CEMENT DEMAND. HOWEVER, AS A COUNTRY, WE ARE STILL A LONG AWAY FROM FAST-TRACKING THESE INITIATIVES. THUS, AN UNPRECEDENTED QUANTITY OF CEMENT IS LIKELY TO BE CONSUMED.



Team at work at Nimbahera plant



Control room at Jhajjar (Haryana)
split grinding unit



Waste heat recovery
plant at Nimbahera

With our consistently growing capacities, we are set to play a big role in the development focus that India will witness, going forward. We have not scaled down or deferred any of our capital expenditure plans, even during the most adverse scenarios. Instead, we focus on getting these investments onstream on time, and within cost. So that when the inevitable opportunity presents itself, we don't find ourselves ill-prepared.

From drawing up a blueprint way back in 2010, to obtaining and deploying the relevant capital and human resources, J.K. Cement has remained committed to capacity. We commissioned our first plant in South India five years ago. In 2013-14, we commissioned our first plant outside India – at Fujairah, UAE. And we are well on our way to fulfilling the promise of commissioning our brownfield unit at Mangrol and split grinding unit at Jhajjar in the first half of 2014-15.

Domestic expansion

Grey Cement

The 3.0 MnTPA expansion, with clinkeration and 1.5 MnTPA cement grinding capacity at integrated unit in Mangrol (Rajasthan) and 1.5 MnTPA split grinding unit at Jhajjar (Haryana) is expected to be completed soon. The Mangrol plant also includes a captive thermal plant of 25MW and 10MW of Waste Heat Recovery Plant. The Mangrol & Jhajjar units also have railway siding which will facilitate better movement of materials.

The split grinding capacity at Jhajjar (Haryana) will allow significant cost savings on both raw material (fly ash) and finished products (being closer to the consuming markets). It will enable faster response time and lead to margin expansion. The cumulative investment on both these plants (Mangrol and Jhajjar) was ₹1,734 crore (nearly 300 Mn USD).

Tangible benefits

Both the Mangrol and Jhajjar plants will strengthen our operational capabilities, enhancing our product visibility across more of Tier I and Tier II cities. Some of the immediate and tangible benefits include:

- Locational advantage resulting in reduced freight costs
- Proximity to customers will result in reduced marketing costs
- Two plants at the same location (Nimbahera and Mangrol) will lead to optimisation of administrative overheads.
- Post commercialisation, sale from Mangrol unit will be eligible for VAT exemption on sales from a brownfield facility, under the government scheme that rewards fresh investments.
- The Jhajjar unit will also contribute to savings in VAT as the state of Haryana has deferment policy.

Fujairah – our first international manufacturing location

24

Number of countries to which White Cement is exported

₹1088cr+

Capital Expenditure in 2013-14

The dual process plant at Fujairah, UAE, represents a significant milestone in our history. Not only did we commission the plant ahead of schedule, but also ensured that it was built to the most exacting global standards. In addition, we managed to control set-up costs and manage capital costs to deliver this in less than budgeted outlay. Our greenfield facility at Fujairah is a bold step in our expansion strategy, with 90% shareholding by J.K. Cement and 10% by the Government of UAE. The dual process cement plant, capable of producing 0.6 MnTPA White Cement or 1.0 MnTPA Grey Cement, or a combination of both. The plant has already completed trial run and commercial production has begun from March, 2014.

The manufacturing facility comes along with the allotted limestone mines with reserves of more than 150 Million Tonnes. The plant is backed by technology excellence from Taiheiyo Engineering Corporation of Japan, enabling us to produce at a globally relevant quality level.

Tangible benefits

- The plant is well-connected through a network of roads and also a port, giving it superior logistical advantage. It also gives us access to reach out to the African and the GCC markets.
- The quality limestone reserves adjacent to the manufacturing facility will further strengthen our profitability
- The flexibility of the plant to switch production between White and Grey Cement, optimizes ability to switch to production to address market demand suitably.

Value-added product expansion

Wall Putty

We have completed the expansion of our Wall Putty plant at Gotan, taking our total capacity from the previous 0.3 MnTPA to 0.5 MnTPA. The added capacity was built with a total investment of ₹ 52 crore, with the commercialization of the expanded capacity being complete by September 2013.

There are a number of factors to indicate the demand for Wall Putty will increase in the near short term. A conscious and thoughtful approach, we expect the Wall Putty segment to contribute positively to profitability of the Company, being a high-margin product.

With Wall Putty consumption growing steadily at over 25% on year-on-year basis we foresee our existing capacity to be fully stretched by 2015-16. To create additional supply, we are planning to set up a new putty plant at Katni (Madhya Pradesh).

Captive power generation

Considering the volatility in cement prices, being market-controlled, ability to rationalize power cost – the largest cost component in cement manufacturing – is an important factor for competitiveness. With more than 100 MW of power generation (through both the coal-based and the waste heat recovery methods) J.K. Cement caters to its entire power requirement captive. We are investing in power plants concurrently with expansions to ensure that all locations remain self-sufficient when it comes to power. With this approach in mind, 35 MW of power capacity will be added at our Mangrol location, of which 10 MW is through a waste heat recovery plant.



Coal stock pile at Mangrol expansion



Railway siding at Mangrol expansion



White Cement plant at Gotan



First White Cement dispatch from the Fujairah plant



3

COURAGE SHAPES CHARACTER

COURAGE IS AN IMPORTANT FACTOR IN SHAPING CHARACTER. ABILITY TO STAND FOR CERTAIN VALUES, AND REMAIN TRUE TO THEM NO MATTER WHAT, IS A CHARACTER TRAIT THAT IS MADE POSSIBLE BY COURAGE.

AT J.K. CEMENT, WE ARE WORKING TOWARDS MAKING BRAND J.K. A NATURAL CHOICE FOR OUR CUSTOMERS, THROUGH DIVERSE PRODUCT OFFERINGS. TODAY, J.K. CEMENT IS AMONG THE LEADING GREY CEMENT MANUFACTURERS IN INDIA, IN ADDITION TO BEING AMONG TOP FIVE WHITE CEMENT MANUFACTURERS IN THE WORLD. AND WE ARE DOING IT WITH THE COURAGE TO BACK OUR BRAND, AND ALLOW IT TO BE BENCHMARKED TO STRINGENT EVALUATION.

WE ARE EXPANDING NOT JUST ACROSS THE CONVENTIONAL CEMENT PRODUCTS BUT ALSO ACROSS ALL VALUE ADDED PRODUCTS. THIS NOT ONLY GIVES US COST SAVINGS AND BETTER PROFITABILITY ON THE GREY CEMENT, BUT SIGNIFICANT MARGIN EXPANSION DUE TO HIGHER SHARE OF VALUE ADDED PRODUCTS.



Brownfield expansion under process at Mangrol



Panoramic view of the Jhajjar plant

A high level of manufacturing, technologically sound systems, reliability, diversified product portfolio, domestic and global presence – make us what we are today. A household name. Just growth in numbers is not what we aim for. The essence of our business is building a nation – not just a nation built on the best materials, but a lifestyle change for its millions.

Improved portfolio

J.K. Cement's diverse products enjoy strong market positions. Operations across its manufacturing facilities are based on advanced technological equipment, flexible grinding process and the capability to produce high-quality products.

The manufacturing facilities are structured to operate at higher efficiencies, reduced power consumption and simplicity in system processes. Its integrated and split-grinding unit enables the Company to produce various grades of cement.

Brand strategy

J.K. Cement primarily produces and sells all the construction materials manufactured under the umbrella brand 'J.K.'. We have over the years, successfully leveraged our brand, enhanced the revenues and profitability and have met discerning customer needs. Under each product category, we have a distinguished product brand. This strategy has

helped our products to capture the market share, through well-defined communication methods. The overall objective through various brand initiatives is to achieve qualitative and sustainable growth for all our products. In this journey, we feel brand J.K. will continue to play a central role in the overall business plan to deliver targeted growth.

Our brand initiatives for our products are strongly focused around customers. We make sincere efforts to create desirable products backed by inspiring brand campaigns, building a strong reputation for the product. Such strong brand creations for our products help us build credibility among our customers and strengthen product recall.

80%

Share of power generation through captive method (including 13% from Group Captive Power)

70%

Total average capacity utilisation across all the manufacturing plants (Grey and White Cement)

₹28cr

Amount invested in branding and advertisement in 2013-14



Railway siding at our Nimbahera plant

BRANDS THAT MAKE A DIFFERENCE

EACH BRAND AND SUB BRAND IS INDIVIDUALLY RESPONSIBLE FOR BRINGING VALUE TO ITS PRODUCT, THEREBY GIVING A COMPETITIVE EDGE. WE COVER VARIOUS CONSUMER SEGMENTS THROUGH MULTIPLE PRODUCTS THAT DEFINE EACH BRAND.

THE CORE PRINCIPLES COVERING EACH BRAND ARE –

Consumer excitement

Extending brand appeal beyond boundaries

Leadership in brand communication

JK Cement LTD.

JK WALL PUTTY
THE PERFECT PUTTY
FOR INTERIORS & EXTERIORS
White Cement based Putty

Wall Painting guru
Chhutkanuji's mantra
for beautiful walls - J.K. Wall Putty

- Minimum paint usage
- Smoothest and most beautiful walls
- No chance of flaking from seepage

Central Marketing Office: Padam Tower, 19 DDA Community Center, Phase-I, Okhla, New Delhi - 110 020
Tel : 011 49220000 E-mail: jkcw.delhi@jkcement.com
Website: www.jkcement.com
Customer Helpline No. : 1800 102 8868



Road campaign of J.K. Super Cement across India



Branding of our products at dealer outlets

GREY CEMENT



J.K. Cement is one of the premium Grey Cement brands in the country, available as application-friendly Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). The product complies with quality standards specified by the Bureau of Indian Standards (BIS) and is much in demand, by both, the retail and the institutional segment.

Brand value

Premium, Application-friendly, Trusted, Customised

Brand attitude

Vishwaas hai isme kuch khaas hai
(Trust is our hallmark. It is our differentiator)

WHITE CEMENT



J.K. White Cement is specialty cement that is used for decorative purposes and has a wide range of uses as a structural building material.

Brand value

Premium, Application friendly, Trusted, Decorative

Brand attitude

Apni Kalpanaon ko Sakar Kijye
(Making imagination come true)

VALUE ADDED PRODUCT



J.K. Wall Putty is the ideal applicant for smooth and beautiful walls. Its White Cement base prevents seepage and flaking.

Brand value

Protective, Application friendly, Trusted, Glossy, Smooth

Brand attitude

Deewarein bol uthengi
(Bringing surfaces alive through a fine finish)

A red brick wall with a wireframe geometric shape overlaid on it. The shape is a complex polyhedron, possibly a dodecahedron or a similar crystalline structure, rendered in a dark red or black color. The background is a close-up of a red brick wall, with the bricks and mortar lines clearly visible. The overall tone is industrial and modern.

COURAGE SHAPES COMPASSION

AT J.K. CEMENT, WE BELIEVE GROWTH AND SUSTAINABILITY ARE INTEGRAL TO OUR VISION. WE ARE AWARE OF THE MENACE OF CLIMATE CHANGE AND REALISE THE VALUE OF OPTIMAL RESOURCE UTILISATION.

EDUCATION IS ONE OF OUR BIGGEST AREAS OF FOCUS. WE CONTINUE TO REMAIN COMMITTED TO ALL LEVELS OF EDUCATION. THUS, OUR CONTRIBUTION RANGES FROM PRIMARY SCHOOLS AT OUR PLANTS TO UNIVERSITIES SUCH AS THE SPSU AT UDAIPUR, AND VOCATIONAL TRAINING INSTITUTES SUCH AS THE INDUSTRIAL TRAINING CENTRE AT NIMBAHERA AND KANPUR. WE BELIEVE OUR ROLE IN SOCIETY BUILDING IS BEST SERVED THROUGH A STRONG FOCUS ON EDUCATION, THUS STRENGTHENING THE FOUNDATIONS OF THE FUTURE GENERATION. IN ADDITION TO THIS, THERE WERE A NUMBER OF OTHER COMMUNITY AND ENVIRONMENTAL INITIATIVES AT ALL OUR LOCATIONS. SOME OF THESE ARE FEATURED ALONGSIDE.



Free medical check-up
at Nimbahera

Joy of Giving Week

'Joy of Giving Week' as a national manoeuvre started at J.K. Cement in 2009. The activity aims to engage every member in the organisation to contribute selflessly anything that might help the underprivileged with money, time, skills or resources.

Our team collects food grains, toys, basic items etc. for donation at orphanages and old age homes. We encouraged the employees to participate in this noble drive wholeheartedly and the staff came forward with generous contributions. Different department were called to join this activity and our employees

contributed medicines, old toys, clothes, food articles, cereals and grains, pulses, etc. The material collected was distributed at Shishu Bhawan, Cantt., Kanpur and Swaraj Vridhashram, Panki.

Free medical check-up camp

J.K. Cement Works, Nimbahera in association with the Ladies Club 'Surbhi' and Chitrangan Mobile Unit of R.N.T. Medical College, Udaipur organised free medical check-up camps. More than 180 patients received free check-up and were distributed medicines by a team of qualified doctors.

The Ladies club, 'Surbhi' also organised free eye check-ups and cataract operation camps in association with the Geetanjali Medical College and Hospital, Udaipur.

Corporate wellness programme

A health-check-up camp was successfully organised in premises of Kamla Nagar Township (JK Colony) Kanpur, for the employees and their family members. The camp was organised with a view to target three main areas- Orthopaedic check-up, Gynaecological check-up and Dental check-up.

The health check-up camp was free of cost where tests were conducted for ECG, Blood Pressure, Blood Pressure, Blood Sugar; Haemoglobin etc. and physiotherapy was done for free. Many expert doctors provided services to the visitors.

Apart from this, arrangements were made for physio advice and free blood sugar check-up. The objective with which the camp was organised was fulfilled. With the tremendous success and endearing response from the visiting patients, the medical team wishes to conduct more such camps to help serve the community in a better and healthier manner.

Tree plantation

The green movement is an international initiative towards nurturing the environment. J.K. Cement Works, Jharli has already covered 31,371 Sq m area for the development of a green belt in the plant area. About 5000 plants have already been planted and the target is to plant another 5000 trees in the coming years.

Educating the future generation

The staff at J.K. Cement Works, Jharli extended a helping hand to some poor and needy students of Mohanbari Village and distributed books amongst 50 school children in the village.

Community welfare

J.K. Cement Works, Nimbahera organized Family Welfare Programmes, organized by the Health Department (Government of Rajasthan). In this series, two camps were organised at Bari Sadri and Mandphiya where cash incentive were offered to participating family.



Blanket distribution
at Mangrol



Blood donation camp
at Padam Tower, New Delhi



Eye camp at Nimbahera



Tree plantation at Jhajjar



Swaraj Vridha Ashram, Kanpur

Blood donation camp

A yearly blood donation camp is organised at Gotan to commemorate Sir Padampat Singhania's birth anniversary. This year also, our employees participated in good numbers and supported the noble cause. More than 101 units of blood were collected with the support of a team of doctors and medical assistants.

For a good cause

In view of the recent calamity in the state of Uttarakhand, where many lost their lives and others were rendered homeless, team members of J.K. Cement, Muddapur donated one day's salary for the victims to the Prime Minister's Relief Fund. The Management also extended their support and contributed a significant amount towards this noble cause.

Health and safety awareness training programme

A two day health and safety awareness training programme was organized at Muddapur. Awareness was particularly on health, hygiene, first aid, fire fighting, accident prevention and safety management that needs to be followed at all our plants.

PROFILE OF BOARD OF DIRECTORS



DR. GAUR HARI SINGHANIA Chairman (M.A. and Phd in Economics)

Promoter Director of J.K. Cement since inception in 1994.

Prominent in India's business landscape for over five decades; served as a deeply trusted industry- government interface.

Holding Chairmanship in other companies viz. Jaykay Enterprises Limited, Juggilal Kamlapat Cotton Spinning. & Weaving Mills Company Limited and J.K. Traders Limited.

Served as President of the Merchants Chamber of Uttar Pradesh, Chairman of the Employers Association of Northern India and the President of the U.P Stock Exchange Limited.

Held position of Director in Pradeshia Industrial Investment Corporation of Uttar Pradesh. Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh State Sugar Corporation.

A philanthropist and a socially active individual he supports multiple charitable and educational institutions. Chancellor of the Dayanand Shiksha Sansthan and President of Kanpur Education Society, among others;

President of the Uttar Pradesh Cricket Association.



MR. YADUPATI SINGHANIA Managing Director and Chief Executive Office (B.Tech from IIT Kanpur)

Helped to evolve India's cement industry for over three decades.

Played a pivotal role in the introduction of international quality White Cement in India.

Managing Director and Chief Executive Officer of Jaykay Enterprises Limited since 1999; Director of the Employers Association of Northern India and Chancellor of Sir Padampat Singhania University, Udaipur.

President of Kanpur Productivity Council and member of the Board of Governors of the National Council for Cement and Building Material and Jodhpur Chamber of Commerce;

Member of the Managing Committee of Cement Manufacturers' Association;

Deeply involved in social entrepreneurship; Member of Rotary Club.



DR. K.B. AGARWAL Non-Executive Independent Director (Graduate of Law, PhD, ICWA and CS)

Rich experience in Finance, Accounts and Capital Market;

Former President of Merchants Chamber of U.P. and U.P. Stock Exchange Limited. Associated with FICCI and ASSOCHAM and was also involved with various Government committees;

**MR. SUPARAS BHANDARI**

**Non-Executive Independent Director
(Graduate of Science and Law)**

Founder Chairman and Managing Director of Agriculture Insurance Company of India Limited with extensive insurance industry experience for more than four decades.

Served as the General Manager of Oriental Insurance Company of India Limited and Assistant General Manager of United Insurance Company of India Limited.

**MR. JAYANT NARAYAN GODBOLE**

**Non- Executive Independent Director
(B.Tech Hons from IIT Mumbai,
Certificate in Financial Management).**

Possesses more than four decades rich experience in the field of conceiving, implementing and operating mega projects abroad;

He functioned as chairman & Managing Director of IDBI in 2005 at the time of retirement. During his stints with IDBI and IIBI he was responsible for Corporate Finance, restructuring and rehabilitation of sick units ,Venture Capital, merchant banking and investors relations;

Stabilised the Corporate Debt Restructuring (CDR) mechanism in India as the Chairman of an Empowered Group;

**MR. ACHINTYA KARATI**

**Non-Executive Independent Director
(Law Graduate from Calcutta University)**

Served as Senior Advisor to ICICI Securities Limited and also with ICICI Prudential Life Insurance Company Limited;

Vast experience in finance and legal affairs, spanning over three decades;

Diverse expertise across commercial, legal and secretarial matters;

Retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile Industrial Credit and Investment Corporation of India Limited) in March 2004.

Served as Deputy Zonal Manager (North) and Head of Major Client Group (North) in ICICI Limited.

PROFILE OF BOARD OF DIRECTORS (CONTD)



MR. K.N. KHANDELWAL
Non-Executive Non-Independent
Director (Commerce Graduate and a
Chartered Accountant)

Served as President (Finance and
Accounts) of Jaykay Enterprise Limited.

Commenced his career with J.K.
Synthetics Limited in 1969.

Acting as Director of several Indian
Companies.



MR. RAJ KUMAR LOHIA
Non-Executive Independent Director
(Bachelor of Arts in Economics)

About three decades rich experience in
commerce and industry;

Director of the Company since 2004 and
also on the Board of other companies;

Recipient of several awards including the
Excellence Award 2005 for contribution
in the field of entrepreneurship.

A leading industrialist of Kanpur.



MR. ASHOK SHARMA
Non-Executive Independent Director
(Law Graduate and Chartered
Accountant)

Vast experience in finance and audit ,
spanning over three decades;

Being Practising Chartered Accountant
he is handling audit assignments of private
sector organisations, Banks, Insurance
Companies and Financial Institutions;

Served as President of U.P. Stock
Exchange Limited. Served on many
Committees viz. Rehabilitation
Committee for Uttar Pradesh Small
Industries Corporation Limited,
Corporate Committee of CIRC of ICAI,
Indian Council of Arbitrators and Kanpur
Income Tax Bar Association.



MR. JAGENDRA SWARUP
Non-Executive Independent
Director (LLB)

An Advocate with about four decades of practice.

Vast experience in the legal field and particularly on matters relating to Corporate Laws, Banking and Taxation.

Legal advisor to leading Indian Companies and Banks.

Has been a member of Legislative Council of U.P. for about four decades consecutively.

Director of Jaykay Enterprises Ltd. since 2001. Also a Director in the Board of Juggilal Kamlapat cotton Spg. & Weaving Mills Co. Ltd. and Frost International Ltd.

Holding membership of various Associations and also important positions in various fields viz. professional, political, commercial, educational and social.



MR. PAUL HUGENTOBLER
Non-Executive Independent Director
(Civil Engineer & Degree in Economic
Science)

A Swiss national, appointed as Director of the Company with effect from 17th May, 2014.

He possesses a degree in civil engineering from the ETH and a degree in economic science from the University of St. Gallen.

He joined what is now Holcim Group Support Ltd in 1980 as Project Manager; and in 1994 he was appointed Holcim Ltd Area Manager for the Asia Pacific region. From 1999 until 2000, he also served as CEO of Siam City Cement (Public) Company Limited, headquartered in Bangkok, Thailand.

Until his retirement on February 2014, he was appointed a member of the Executive Committee with the responsibility for South Asia and ASEAN except the Philippines.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Review

Indian economy is going through worst phase, when growth has reached its decadal low; inflation has reached its height and rupee at bottom low against dollar. Reduced infrastructure spending by the Government has deteriorated position further. Although agriculture and its allied sector has shown some sign of improvement in second half owing to good monsoon but manufacturing sector is feeling the heat which has restricted overall economic growth to below 5%.

Outlook

Cement industry witnessed low growth of 3-4% in 2013-14. The growth has been affected by prolonged monsoon that extended till festive season, natural disaster such as flood and cyclone that hit some parts of India and last but not least because of low demand due to financial constraint and increasing rate of interest which has led to slowdown in realty and infrastructure sectors. In 2014-15 the economy is expected to grow by 6% on the back of easing supply constraints, lower inflation, softening interest

rate and surge in investment projects. Any upswing in private consumption will further strengthen economic potential in current year. The Government has already started taking decision relating to series of infrastructure reforms which will have significant impact on the growth prospects of the Country.

Cement Industry structure and developments

Overview

Cement is one of India's core industries and a participant in infrastructure growth. The domestic cement sector is the second largest market and contributes 8% to cement production globally. Cement is a cyclical commodity and is directly proportional to the GDP growth of the country, and it accounts for nearly 1.2x of the nominal GDP. The cement capacity as on 31 March, 2014 is 363 Million Tonne and production level stood at 256 Million Tonne. The cement industry witnessed slowdown in demand in first half due to fall in construction activity and virtual drop in Government spending. The demand in second half is also affected due to prolonged monsoon restricting growth to 3-4%. It is the first time in the history of cement industry that cement sector witnessed lower growth than GDP (3-4% as against GDP growth of 5 % approx.). It appears that multiplier effect of cement demand growth to GDP growth has lost its relevance in current fiscal. However in (2014-17E), it is expected the demand of cement to grow at CAGR of 7-8% which is in line with projected GDP growth rate of 6%.

Cement Consumption Pattern

In 2013-14, the Cement Industry added 22 million tonnes of capacity increasing capacity to more than 360 million tonnes; however, prolonged monsoon as well as mining ban imposed on sand mining in some states and reduced Government spending has put pressure on consumption side resulting

in lower capacity utilisation. The demand for cement is dependent on four key segments. Housing segment alone accounts for 67% consumption and balance 33% by infrastructure, commercial and industrial segment.

Outlook

Grey Cement

Cement demand to grow at a CAGR of 7-8% in (2014-17E), primarily driven by demand from rural sector as well as Tier II and Tier III cities. While housing remains largest end user segment but it is infrastructure sector which is expected to grow at 10-11% over next five year.

The cement industry has faced challenges on cost front too which has led industry to think that time has come to consolidate their business and capitalise their synergies. Intense competition among players to have Pan India presence has also led to consolidation with few large players controlling substantial market share.

White Cement

The demand of White Cement is constantly increasing with increase in purchasing power of urban middle class and high income group. White Cement is mainly used as base work for interior and exterior application for both residential and commercial segment as well as for Tiles, Paints and Putty manufacturing.

White Cement based Wall Putty on the other hand is being used as sub-surface for decorative paints which helps to increase the appearance of both interior and external walls. It also minimizes the impact of UV rays & acts as Water resistant.

The demand for White Cement and Wall Putty is increasing constantly and in 2014-15, it is expected to grow 8% and 25% respectively.

THE DOMESTIC CEMENT SECTOR IS THE SECOND LARGEST MARKET AND CONTRIBUTES 8% TO CEMENT PRODUCTION GLOBALLY.





The dual process
Cement plant in
Fujairah, UAE

CEMENT DEMAND TO
GROW AT A CAGR OF
7-8 % IN (2014-17E),
PRIMARILY DRIVEN BY
DEMAND FROM RURAL
SECTOR AS WELL AS TIER II
AND TIER III CITIES.

Demand Drivers effecting Grey Cement

Government Spending

Government has approved lots of infrastructure project entailing huge investment. The cabinet committee on Investment approved 296 projects worth Rs. 6.6 lacs crores, further 3 more industrial corridors were proposed including –Chennai-Bangalore, Bangalore –Mumbai and Amritsar-Kolkata. These all are part of 12th Five year Plan (2012-17) encouraging housing and infrastructure activity with an outlay of Rs. 56 lacs crores or one trillion US dollar.

Housing Sector

Housing sector alone consumes two-third of cement. Both central and state government has taken initiative to promote low cost affordable housing i.e. making of “Pucca” cemented house in place of “Kuchha” house. Almost 85% cement demand for rural housing stems from Pucca house.

The demand for cement is supposed to come from residential project undertaken by developers in Tier II and Tier III cities on account of rising population and growing urbanisation. Further demand for luxury project is also increasing in metro cities due to increase in high income group individuals.

	2001			2011		
	Total	Rural	Urban	Total	Rural	Urban
Total nos.of dwelling units (Million)	187	135	52	245	166	78

Industry risk

India's cement industry has a capacity of almost 360 Mntpa against demand of 256 Mntpa; as such there is wide gap between installed capacity and consumption. Both large and mid-size firm are eyeing for further capacity addition in next two fiscal which will result in continuing supply glut especially in South which is operating at around 60% capacity installation however, any capacity addition in North & East which are operating at 80-85% capacity utilisation will be easily absorbed.

Infrastructure risk

Almost 13% cement demand is driven from infrastructure sector which cannot be ignored by any Government, however any delays in execution of infrastructure projects or slowdown in infrastructure spending on account of delay in taking effective steps to thrash out the bottlenecks and early monsoon threat may continue to have adverse effect on cement demand drastically leading to low capacity utilisation.

Fuel risk

Power and Fuel cost have 26% impact on total operating cost of the company. However unavailability of linkage coal has resulted in increased dependence of cement producer on Pet coke and Imported coal which has resulted in increase in the production cost.

Logistic risk

Logistics play an important role in cement industry which uses both rail and road for to and fro movement of raw material and dispatches of Cement. Due to less availability of rakes from railways, dispatch by road is only alternative left for producer. However, increased cost of diesel and reduction of subsidy on diesel by Government has increased the logistic cost putting pressure on margin.

Opportunities and Threats

Grey Cement

On account of subdued demand in fiscal 2013-14 and world largest democracy going for election, Grey Cement consumption is expected to increase post-election on formation of stable Government. Further, this year was the year of consolidation, merger and acquisition as even big players were feeling the heat due to margin suppression on account of low demand and inflationary pressure. With consolidation and merger, lot of synergies can be capitalised in form of saving in raw material, freight and overhead cost.

To avail such benefit, steps were taken for Brown field expansion of 3 Mntpa at Mangrol with 1.5 Mntpa Split Grinding units at Jhajjar. The integrated unit will result in cost saving on account of better efficiencies and overhead cost. Further, the split grinding unit at Jhajjar near to source of fly ash and natural market will reduce raw material, logistic & overhead cost.

White Cement

The demand for White Cement is increasing rapidly @ 8% per annum in domestic market. With only two national players and having second largest market share our existing capacity is expected to be fully utilised by 2015-16. The Company has set up White Cement Plant at Fujairah (UAE) having capacity of 6 lac tonne per annum. The plant will cater to the growing market of Gulf and African countries. White Cement based Wall Putty on the other hand is increasing at around 25% on YOY basis. In order to meet increase in demand of Wall Putty, capacity of Wall

Putty has already been expanded to 5 lacs tonnes at Gotan through expansion and modernisation. The existing capacity is likely to be fully utilised by next year 2015-16. In order to meet future demand company is planning to setup Wall Putty plant at Katni (Madhya Pradesh). In Phase-I, Wall Putty Plant of 2 lac tonne will be taken up.

Performance during the Year

Grey Cement

The Company recorded 6% decrease in cement production volume over last year. The decrease in volume is basically due to Karnataka plant which has shown 18% de growth in production volume over YOY basis. However, we expect volume to improve in current fiscal on account of stabilisation in political scenario which will result in increased infrastructure demand.

White Cement

White Cement has achieved 8 % increase in production volume and Wall Putty has achieved 28% increase in production volume over last year. The Company expects White Cement and Wall Putty volume to increase by around 8% and 25% respectively.

Human Resources Management

At J.K. Cement, we ensure to provide environment for continuous innovation and improvement by rewarding for their dedicated efforts in achieving Company's goal. We believe whatever we achieved from where we started our journey long back is the result of our people efforts. So, we consistently aim to provide a sustainable environment for learning right from the stage of recruitment to retention.

For this, we have drawn up a long-term strategy to nurture human potential within organisation by retaining and grooming them and by attracting requisite talent from outside to focus on filling gaps across all level of the organisation.

The Company has adopted a well-defined policy of filling up leadership positions internally as well as hiring best talent of industry.

ALMOST 13% CEMENT DEMAND IS DRIVEN FROM INFRASTRUCTURE SECTOR WHICH CANNOT BE IGNORED BY ANY GOVERNMENT.



The attrition level in the cement industry is high. However, J.K. Cement's employee attrition is well within acceptable standards, this is possible only because of Company vision to provide sustainable environment for its dedicated work force.

The Company has put in place a Performance Management System, which helps in grooming and creating a unique workforce. The focus is on identifying competencies, both technical and behavioural. J.K. Cement's culture of dynamism and ethical business practices is inculcated among the employees through both on-the-job training and external training programmes. Our training and development function ensure bringing about changes in the attitude, knowledge and skill of our employee.

The total no. of employee as on 31st March, 2014 is 2390.

Sustainability and Environment

J.K. Cement has stepped into new domain when it started sustainable reporting exercise, a report which is aligned with Global Reporting Initiative (GRI) G3.1 guidelines for A reporting.

With this objective in mind, we have come one step further by circulating its maiden sustainability report 2012-13 for internal purpose only. The report will guide us to take measure which will help in reducing carbon emission, water conservation and promote rain water harvesting, use of alternative fuel such as agro waste and tyre chips etc. and more and more dependence on renewable energy sources such as WHR etc. Last but not least use of by-products in production of cement such as fly ash and slag, this will also reduce increased dependence on our basic raw material i.e. limestone.

We at J.K. Cement always remember that whatever we take from nature, we have some obligation to return also may be in form plantation of tree, development of society by contributing for education and social upliftment of community as whole.

Internal control system

The Internal Audit function is an independent function and is carried out by a team of external as well as in house auditors at the



White Cement plant at Gotan



plants, sales centres, regional offices, and head office. Introduction of the ERP system for revenues has been implemented in all the units. The Company has proper and adequate systems of internal controls to provide reasonable assurance that transactions are authorised, recorded and reported correctly and to ensure compliance with policies and statutes. The internal control system provides for well documented policies, guidelines, authorisations and approval procedures. The Company has an Audit Committee that regularly reviews the reports submitted by the Internal Auditors. SAP implementation has been done across board in all our marketing depots of both White and Grey Cement as well as all our plants. All the working is now being done through SAP. Employees are now well versed with SAP. In fact SAP implementation is also carried in our Fujairah Plant as well.

J.K. CEMENT'S CULTURE OF DYNAMISM AND ETHICAL BUSINESS PRACTICES IS INCULCATED AMONG THE EMPLOYEES THROUGH BOTH ON-THE-JOB TRAINING AND EXTERNAL TRAINING PROGRAMMES.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their Twentieth Annual Report and audited statements of accounts for the year ended 31st March, 2014.

I. Financial Results

	₹/ Lacs	
	2013-14	2012-13
Gross Turnover	320171	334258
Profit before depreciation and tax	27024	46888
Less: Depreciation	13397	12826
Profit Before Tax	13627	34063
Tax Expense (including deferred tax and tax adjustment of earlier years)	3924	10708
Profit After Tax	9703	23355
Add: Balance brought forward from previous year	38620	27716
Less: Appropriation		
Transfer to General Reserve	2000	6000
Transfer to Debenture Redemption Reserve	1632	1133
Dividend to Equity Shares (including tax thereon)	2454	5318
Balance to be carried forward	42237	38620

THE COMPANY'S GROSS TURNOVER REMAINED ₹ 3202 CRORE DURING THE YEAR COMPARED TO ₹ 3343 CRORE IN PREVIOUS YEAR.

2. Overall Performance

Your Company's performance during the year under report has remained marginal in terms of production, sales quantity as well as turnover.

The Company's gross turnover stood at ₹ 3202 Crore during the year compared to ₹ 3343 Crore in previous year. Profit before Depreciation & Tax achieved at ₹ 270 Crore compared to ₹ 469 Crore.

3. Consolidated Financial Statements

The statement as required under Section 212 of the Companies Act, 1956, in respect of the subsidiaries of the Company viz. J.K. Cement (Fujairah) FZC and J.K. Cement Works (Fujairah) FZC is annexed and forms an integral part of this Report. Consolidated Financial Statements form part of the

Annual Report and Accounts. In terms of General Circular Nos.2/2011 and 22/2011 and Board's decision, attaching of the Audited Balance Sheets as at 31st March, 2014 as required under Section 212 (8) of the Companies Act, 1956 in respect of the subsidiaries of the Company have been dispensed with. However, the requisite information for each subsidiary has been disclosed. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company seeking such information.

4. Dividend

Your Directors are pleased to recommend dividend of ₹ 3.00 per share for the financial year ended 31st March, 2014 compared to ₹ 6.50 per share paid for the financial year ended 31st March, 2013.



A view of kilns at Nimbahera plant

DURING THE YEAR UNDER REPORT YOUR COMPANY DECIDED TO IMPLEMENT A WHITE CEMENT BASED WALL PUTTY PROJECT OF 2 LAC TONNE PER ANNUM CAPACITY IN MADHYA PRADESH

5. Operations

Grey Cement

During the year under report, in respect of Grey Cement plants in Rajasthan and Karnataka production decreased by 6.08% at 5.34 Million Tonne (compared to 5.68 Million Tonne last year) and sales by 4.95% at 5.36 Million Tonne (compared to 5.64 Million Tonne last year).

White Cement

Production of White Cement increased by 8.17% at 4.75 Lacs Tonne during the year compared to 4.4 Lacs Tonne while production of value added product Wall Putty registered increase of 27.9%. Sale was also in tandem with production.

6. Projects of the Company

Expansion initiatives

The work at the brown field Grey Cement expansion of 3 Million Tonne

per annum with split grinding unit in Haryana is in advance stage of completion and will be commissioned as per the schedule. At J.K. Cement Works, Mangrol Clinker/Cement production and regular dispatch is expected by September, 2014. At J.K. Cement Works, Jharli, commercial dispatch is expected in June, 2014. During the year under report your Company decided to implement a White Cement based Wall Putty project of 2 Lac Tonne per annum capacity in Madhya Pradesh.

7. Projects of Subsidiary/Joint Venture Company in Hand

(a) Projects under Subsidiary Company:

Cement Plant at Fujairah, UAE

Your company has implemented a Greenfield dual process cement plant having capability of producing

either 0.6 Million Tonne of White Cement or 1 Million Tonne of Grey Cement or a combination of both depending upon the market condition in GCC region, under the subsidiary, J.K. Cement Works (Fujairah), FZC UAE, which is a Joint Venture Company with the Government of Fujairah Establishment. White Cement production has commenced in fourth Quarter of 2013-14. The quality of White Cement has been well accepted in the market.

(b) Project under Joint Venture:

Captive Coal Block in Maharashtra

As reported earlier the Company was allocated a coal block jointly with two other allottees in Bander, Maharashtra. During the year, the Ministry of Coal, Govt. of India, issued an order for de-allocation of the Coal Block. Bander Coal Company Pvt. Ltd., the joint venture Company incorporated by the allottees for mining of coal has filed an application for return of bank guarantee.

DURING THE YEAR UNDER REPORT YOUR COMPANY HAS RAISED ₹ 200 CRORE THROUGH SECURED NON CONVERTIBLE DEBENTURE

8. Finance

During the year under report your Company has raised ₹ 200 Crore through Secured Non Convertible Debentures, availed net additional term loan of ₹ 998 Crore, from various Banks and repaid ₹ 147.25 Crore.

9. Credit Rating

In spite of odd cement industry scenario, CARE has reaffirmed your Company's rating as "CARE AA-" for long term bank facilities and "CARE A1+" for short term bank facilities.

10. Matter of Emphasis

The Competition Commission of India ('CCI'), on the complaint filed by Builders Association of India on the ground of alleged contravention of Competition Law, in Case No.29/2010 passed an Order dated 20.6.2012 imposing total penalty of ₹ 6307 Crore against Cement Manufacturers' Association and 11 Cement Companies including ₹ 128.54 Crore on your Company. Your Company has been advised by legal counsel that it has a good case and accordingly stay petition and appeal were preferred before the Competition Appellate Tribunal ('COMPAT'). COMPAT granted stay of penalty demand against deposit of 10% i.e. ₹ 12.85 Crore. COMPAT is hearing the appeal(s). No provision in the books of account has been considered necessary by management.

11. Subsidiary Companies

A statement pursuant to Section 212 of the Companies Act, 1956 is annexed.

12. Corporate Governance

A report on Corporate Governance is enclosed as part of Annual Report along with the Auditors' Certificate on its compliance.

13. Personnel

13.1 Industrial Relations

The industrial relations during the period under review generally remained cordial at all Cement plants.

13.2 Particulars of Employees

List of employees getting salary in excess of the limits as specified under the provisions of sub-section (2A) of Section

217 of the Companies Act, 1956 (corresponding Section 134 of the Companies Act, 2013) read with Companies (Appointment & Remuneration) Rules 2014 throughout or part of the financial year under review is annexed. However, the Annual Report excluding the aforesaid information is being sent to all the members of the company pursuant to proviso to Section 136 of the Companies Act, 2013. Any member interested in obtaining such particulars may inspect and/or send the request to the Company at its Registered & Corporate Office.

14. Public Deposits

Your Company has not invited any deposits from public / shareholders in accordance with the Section 58A of the Companies Act, 1956 (corresponding Section 73 and 74 of the Companies Act, 2013).

15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and out go in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 (corresponding Section 134 of the Companies Act 2013) in respect of Cement plants are annexed and form part of the Report.

16. Auditors' Report

Auditors' Report to the shareholders does not contain any qualification.

17. Directors

Shri Kailash Nath Khandelwal (DIN 00037250) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for

reappointment. During the year under report Shri Jagendra Swarup (DIN 00164708) was appointed as an Additional Director now being appointed/confirmed as an Independent Director for a term upto five consecutive years and to hold office till relevant Annual General Meeting as per provisions of Companies Act, 2013. Independent Directors Shri Achintya Karati (DIN 00024412), Shri Ashok Sharma (DIN 00057771), Shri Jayant Narayan Godbole (DIN 00056830), Dr. K.B. Agarwal (DIN 00339934), Shri R.K.Lohia (DIN 00203659) and Shri Suparas Bhandari (DIN 00159637) have completed their first term and as per provisions of the Companies Act, 2013, they are to be appointed as Independent Directors for a term upto five consecutive years and to hold office till relevant Annual General Meeting. During the year Shri J.P. Bajpai (DIN 00005996), an Independent Director has relinquished from Directorship of the Company due to ill health. The Board records its appreciation for the contribution rendered by Shri J. P. Bajpai during his tenure.

18. Directors' Responsibility Statement

The Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that 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 of the Company for that year;
- (iii) they have taken proper and sufficient care for maintenance of

adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- (iv) they have prepared the annual accounts on a going concern basis.

19. Auditors

M/s. P.L. Tandon & Co., Chartered Accountants, Kanpur, Auditors of the Company, will retire from their office at the ensuing Annual General Meeting. They are, however, eligible for re-appointment. They have furnished a Certificate to the effect that their appointment will be in accordance with limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956 (corresponding Section 139 read with Section 141 of the Companies Act, 2013). You are requested to consider their appointment.

20. Cost Auditors

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the year 2013-14. Pursuant to the directives of the Central Government and provisions of Section 233B of the Companies Act, 1956 (corresponding Section 148 of the Companies Act, 2013), qualified Cost Auditors have been appointed to conduct the cost audit of Cement units for the year 2014-15.

21. Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists in running of Schools at their Cement Plants, ITIs and Sir Padampat Singhania University, Udaipur, imparting value based education to students. During the period under report the

Company played a constructive role in infrastructural development of surrounding areas. Various sports and cultural events were organized at the Schools and also at all the plants. Technical education and training are imparted through Industrial Training Centres at Nimbahera and Kanpur. Emphasis was laid on creation of awareness amongst the villagers about the need to protect the environment. CSR activities carried out by the Company have strengthened the relationship with local people. During the year under report your Company constituted CSR Committee and drawn up Company's CSR policy to plan and implement CSR activities as per provision of Companies Act, 2013

22. Acknowledgements

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. of Rajasthan, Govt. of Karnataka, Central Govt. and Government of Fujairah. The Board thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/Stakeholders for their confidence and faith reposed in Board.

For and on Behalf of the Board



Dr. Gaur Hari Singhania
Chairman

Place : Kanpur

Dated : 17th May, 2014.

Information Required Under Section 217 (1) (E) of the Companies Act, 1956

A. Conservation of Energy

a) Energy conservation measures taken:

Grey Cement

- Installation of pfister pump in calciner.
- Implementation of CFD modification in Kiln-3 preheaters.
- Installation of dynamic separator in Coal mill - I
- Increase use of fly ash
- Reduce electrical energy consumption.
- Power generation by Waste heat recovery plant(Reducing Auxiliary Power Consumption from 11.15% to 10.68%)
- 250 Watt HPSV Area lights has been replaced by 90 Watt LED lights.
- Cooling Fan of Power Transformers TR-ID has been switched off during Winter season.
- Power saving by modification in Coal mill stack area.
- Installation of 900 KVAR Capacitive bank in line with AVVNL & Thermal Bus for improving the Power Factor from 0.96 to 0.99.
- Agro waste firing in pyro processing system. Modification in coal bin aeration system for smooth coal flow and to avoid CO trips
- RM-I Fan controller module upgrade
- Cement mill-2 separator bag filter fan speed reduced.
- Increase in fly ash addition in PPC production from 24.76% to 25.60%
- Increase in pet coke consumption in kiln and calciner from 74.70% to 79.61%.
- Installation of Bucket Elevator at Cement Mill has been done for improving the Fly Ash Conevying System
- Commissioning of Ready Mix Mortar Pilot Plant.
- Energy saved by replacing the old lights and new installation

and Commissioning of LED lights.

- Process optimisation increasing slag usage from 42% to 46% in PSC at Mudhol.
- Process optimization reducing power consumption by 3 kwh/ton cement.
- Reduction of Auxiliary power consumption of CPP from 10.07 % to 9.47%.
- Reduction of Coal consumption in CPP from 0.88 kg/kwh to 0.86 kg/kwh.

White Cement

- More areas were covered for LED lights at selected locations.
- Installation of 20 KW Solar Power Panels for Office lighting
- Installation ofVFD drive at TPP Boiler feed Pump leads to saving of 675 KWH/DAY
- Installation ofVFD Drive at TPP FD Fan leads to Savings of 225 KWH/DAY
- Pulse Optimization of New ESP done which leads to saving of 900 KWH/DAY

b) Additional Investments & proposals being implemented for reduction in conservation of energy.

Grey Cement

- CFD analysis of Preheater-2
- RM-I Separator installation
- SPRS in SG fac-4 and RM-4 fan
- Installation of high efficiency Booster fans
- WHR duct to be modified to increase Boiler inlet temp and hence WHR generation.
- Change in Motor connection from delta to star to save power
- Modification of kiln burner firing line has been done for better process control.
- New Firing system developed in Kiln Hood for utilization of waste oil generated from different sources.
- Upgradation of kiln 3 grate cooler for better heat

recuperation efficiency.

- Replacement of low efficiency motor with higher efficiency motor to reduce load demand.
- Various power conservation projects started to further reduce power consumption by 3kwh/ton.

White Cement

- Installation of Rotary quencher at Kiln outlet .
- Use of VS Lignite power to reduce the cost of Power.
- Installation of 20 KW Solar Power Panels for Office lighting
- Installation ofVFD drive at TPP Boiler feed Pump
- Installation ofVFD dirve at TPP FD Fan.
- Installation of 900 KVAR Capactive bank in line with AVVNL and Thermal Bus
- Optimised re-dispersible powder dosage in putty plant
- Use of High Alumina Clay in dolomite Grinding Mill
- Installation of New RV-19 Mixer in Putty Plant
- Installation of New ESP GCT & Solid Flow Feeder for kiln capacity enhancement.

B. Technology Absorption

i) Research & Development, specific area in which R & D has been carried out

Grey Cement

- CFD analysis of pre-heater cyclones of Line-3(NBH) to reduce pressure drop.
- Brown field cement plant at Mangrol
- Roller press for cement grinding in Combi circuit
- Use of Cinder as a fuel in Petcoke Mill for resource Conservation

ii) Future Action Plan

Grey Cement

- WHR duct to be modified to increase Boiler inlet temp.
- Installation of high efficiency Booster fans(Booster fan-1,2 &3)

- Damper to be removed from coal mill hot air fan inlet duct and circulating air fan stack.
- 150 W Lamps are to be replaced with 28 W LED in all the packers.
- New Pit of Rain Water Harvesting system for improving the Ground water level.
- Online stack emission and ambient air quality monitoring system.

White Cement

- White Clinker storage and handling system.

- Installation of New Petcoke Mill 3
- Installation of Rotary Quencher at Kiln Outlet.

(iii) Expenditure on R & D

The Research & Development activities are carried out by our own team under the advice and consultancy of foreign consultant. Apart from regular expenditure on research activities debited to profit & loss account under different heads, the company has paid contribution of ₹ 42.00 Lacs to Research Institutes for carrying out

research and development work related to Company's products.

(iv) Efforts in brief, made towards Technology Absorption, Adaptation and innovation.

Grey Cement (Nimbahera/Mangrol)

- ₹ 21.62 Lacs investment on CFD analysis and implementation for PH-3.
- Reduction in preheater cyclones pressure drop and hence power consumption.

(v) Details of Imported Technology: Nil

C. Foreign Exchange Earnings And Outgo

- Activities relating to exports initiatives taken to increase exports Development of new export market for products and services and future export plans. Mentioned in the main report.
- Total foreign exchange used and earned:
 - Total foreign exchange used Mentioned in Notes on Accounts
 - Total foreign exchange earned

FORMA

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

ANNEXURE

PARTICULARS	GREY CEMENT		WHITE CEMENT	
	2013-14	2012-13	2013-14	2012-13
A. Power and Fuel Consumption				
I. Electricity				
A) Purchased				
Units/KWH('000)	161818	179081	39755	31553
Total Amount (₹/Lacs)	8806.23	9454.13	2413.53	1900.80
Rate/Unit (₹)	5.44	5.28	6.07	6.02
B) Own Generation:				
i) Through Diesel Generator				
Units/KWH('000)	111	311	-	11.72
Unit per litre of Diesel/Oil	1.47	4.38	-	3.00
Rate/Unit (₹)	37.89	8.75	-	16.62
ii) Through Steam Turbine**				
Units/KWH ('000)	387541	395282	22730	26090
Unit per Kg of Coal	1.33	1.37	0.61	0.61
Rate/Unit (₹)	3.23	3.58	4.40	4.25
2. Petcoke/Coal/Lignite				
Quantity (tonnes)	831103	877549.08	49401.22	43996.71
Total Cost (₹/Lacs)	50139.88	54576.00	3821.73	3294.39
Average Rate (₹/Tonne)	6032.93	6219.14	7736	7488
3. Furnace Oil/Others				
Quantity(K Ltrs)		60	3824	3456
Total cost (₹/Lacs)		27.47	1593.29	1308.77
Average rate/K.ltrs (₹)		45782	41661	37865
4. Other/Internal Generation				
(For Generation of Power from D.G. Sets)				
Quantity (K. Ltrs)	2.82	11.37	-	4
Total cost (₹/Lacs)	3.29	4.80	-	1.94
Average Rate/K. ltr (₹)	52837	42216	-	49906
B) Consumption Per Unit of Production				
1. Electricity(Kwh/Unit)	86	89	114	113
2. Petcoke/Coal/Lignite(K.Cals/Kg)	796	806	925	933

** Including generation of electricity through waste heat recovery plant

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Code of Corporate Governance

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship, integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's business practices to ensure ethical and responsible leadership both at the Board and at the Management Level. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/other key stakeholders.

Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality. This, together with meaningful CSR activities and sustainable development policies followed by the Company, has enabled your Company to earn trust and goodwill of its

investors, business partners, employees and the communities in which it operates.

In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange(s) is concerned, your Company is in full compliance with the norms and disclosures that have to be made.

Board of Directors

(i) Composition of the Board

At J.K. Cement Ltd, the Board is headed by its Non-executive Chairman, Dr. Gaur Hari Singhania. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

As on 31st March, 2014 the composition of the Board of Directors is given herein below:

- One Promoter, Non-Executive, Non Independent Director

- One Promoter, Executive, Non Independent Director
- One Non Executive, Non Independent Director
- Eight Non Executive, Independent Directors

(ii) Attendance of each Director at the Board Meetings and last Annual General Meeting

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2014, four Board Meetings were held on the following dates:

- (i) 11th May, 2013 (ii) 27th July, 2013
(iii) 9th November, 2013 and (iv) 25th January, 2014

The attendance of each Director at Board Meetings and at the last Annual General Meeting (AGM) was as under: -

Sr. No	Name of Director	No. of Board Meetings attended	Attendance at last AGM
1	Dr. Gaur Hari Singhania	4	Yes
2	Shri Yadupati Singhania	4	Yes
3	Shri Ashok Sharma	4	Yes
4	Shri A. Karati	3	Yes
5	Shri Jagendra Swarup (appointed w.e.f. 27.7.13)	3	No
6	Shri J.N. Godbole	4	Yes
7	Shri J.P. Bajpai (ceased to be a Director w.e.f. 31.3.14)	2	Yes
8	Dr. K.B. Agarwal	4	Yes
9	Shri K.N. Khandelwal	4	Yes
10	Shri R.K. Lohia	4	Yes
11	Shri Suparas Bhandari	3	Yes



Grey Cement plant
at Muddapur



(iii) The number of Directorships on the Board and Board Committees of other companies, of which the Directors are members / Chairman is given as under:

Sr. No.	Name of Director	Category	Relationship Interse Directors	No. of other Directorships [@]	No. of Board Committees (Other than J.K. Cement Ltd.) in which ^{**}	
					Chairman	Member
1	Dr. Gaur Hari Singhania Chairman	Promoter; Non Executive, Non Independent	Related to Shri Yadupati Singhania	5	-	-
2	Shri Yadupati Singhania Managing Director & CEO	Promoter; Executive, Non Independent	Related to Dr. Gaur Hari Singhania	9	-	-
3	Shri Ashok Sharma	Non-Executive, Independent	-	-	-	-
4	Shri Achintya Karati	Non-Executive, Independent	-	5	-	5
5	Shri Jagendra Swarup	Non-Executive, Independent	-	3	-	1
6	Shri J.P. Bajpai (ceased to be a Director w.e.f. 31.3.14)	Non-Executive, Independent	-	3	-	1
7	Shri J.N. Godbole	Non-Executive, Independent	-	13	3	8
8	Dr. K.B. Agarwal	Non-Executive, Independent	-	3	2	1
9	Shri K.N. Khandelwal	Non-Executive, Non- Independent	-	2	-	1
10	Shri R.K. Lohia	Non-Executive, Independent	-	5	-	-
11	Shri Suparas Bhandari	Non-Executive, Independent	-	-	-	-

[@] Directorships on all public limited companies, whether listed or not, has been included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 has been excluded.

^{**} Chairmanship/ Membership of the Audit Committee and the Shareholders' Grievance Committee has been considered.

(iv) Non-Executive Directors' compensation and disclosures

Apart from sitting fees paid to the Non-Executive Independent and Non-Independent Directors (except Managing Director & CEO) for attending Board/Committee meetings, Commission was paid during the year details of which are given separately in this report. No transaction has been made with Non-Executive and Independent Directors vis-à-vis your Company.

(v) Other provisions as to Board and Committees

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board and their foresight helps in decision making process.

The Board has unfettered and complete access to any information with your Company. Members of the Board have complete freedom to express their views on agenda items and discussions at Board level are taken after due deliberations and full transparency. The Board provides direction and exercises appropriate control to ensure that your Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

The matters placed before the Board as required under Clause 49 of Listing Agreement inter alia includes:

- Key elements of Annual Budget.
- Business plans and progress thereof.
- Company presentation on quarterly performance.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Delegation of powers to the Management.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant Human Resources related issues.
- Sale/purchase or material nature of investments, assets which is not in normal course of business.
- Any issue which involves possible public or product liability claims of substantial nature including any judgement or order which may have passed stricture on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Review of compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any.
- Minutes of Meetings of Audit Committee, Committee of Directors and other Committees of Board.

Audit Committee

(i) Broad Terms of Reference

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the Company.

The terms of reference of the Audit Committee constituted by the Board in terms of Section 292A of the Companies Act, 1956 (corresponding Section 177 of the Companies Act, 2013) and the Corporate Governance Code as prescribed under clause 49 of the Listing Agreement, which broadly

includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. In particular, these include.

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management, the annual financial statements before submission to the Board for approval with particulars reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement and Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956 (corresponding Section 134(5) of the Companies Act, 2013).
 - b. Changes if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions,
 - g. Qualifications in the draft audit report.
5. Reviewing with the management,

- the quarterly financial statements before submission to the Board for approval
6. Reviewing with the statutory and internal auditors the adequacy of internal controls and steps to be taken for strengthening the areas of weaknesses in internal controls.
 7. Reviewing reporting structure, coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up thereon.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 12. To review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) Management letters/letters of internal control weaknesses issued by the statutory auditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 14. Approval of the Annual Internal Audit Plan
 15. To review whistle Blower Mechanism

(ii) Composition of the Committee

As on 31st March, 2014, the following Directors were the members of the Audit Committee:

- (i) Shri Ashok Sharma (Chairman)
Independent, Non Executive Director
- (ii) Shri A. Karati :
Independent, Non Executive Director
- (iii) Dr. K. B. Agarwal:
Independent, Non Executive Director

- (iv) Shri K.N. Khandelwal:
Non Independent, Non Executive Director
- (v) Shri R.K. Lohia:
Independent, Non Executive Director

All these Directors possess knowledge of Corporate Finance/ Accounts / Company Law/ Industry. Shri A.K.Saraogi, Chief Finance Officer regularly attends the meetings and Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee. The Statutory Auditors of the Company attend the meetings as special invitees.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2014 four meetings were held on (i) 11th May, 2013 (ii) 27th July, 2013 (iii) 9th November, 2013 and (iv) 25th January, 2014

The attendance at the Committee Meetings was as under:

Sr. No.	Name of Director	No. of Meetings attended
1	Shri Ashok Sharma	4
2	Shri A. Karati	3
3	Dr. K. B. Agarwal	4
4	Shri K.N. Khandelwal	4
5	Shri R.K. Lohia	4

(iv) Self Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance on an annual basis. The assessment broadly covers composition, structure and committee meetings; business and risk management; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

Managing Director and quantum of Commission of Non-executive Chairman of the Company.

- (b) To decide quantum of Commission of Non-executive Directors of the Company.

(ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2014 comprised of:

- (i) Shri Raj Kumar Lohia (Chairman): Independent, Non Executive Director
(ii) Shri A. Karati : Independent, Non Executive Director
(iii) Shri J.P. Bajpai : Independent, Non Executive Director (ceased to be a Member w.e.f. 27.7.13)

- (iv) Shri Suparas Bhandari : Independent, Non Executive Director

Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2014 one meeting was held on 11th May, 2013.

Remuneration Committee**(i) Broad Terms of Reference**

- (a) To review and decide the policy on specific remuneration package of

The attendance at the above Meeting was as under: -

Sr. No.	Name of Director	No. of Meetings attended
1	Shri Raj Kumar Lohia	1
2	Shri A.Karati	1
3	Shri J.P. Bajpai	1
4	Shri Suparas Bhandari	1

(iv) Remuneration Policy:

The Company's remuneration policy is based on the principles of (i) pay for responsibility (ii) pay for performance and potential and (iii) pay for growth. Keeping in view the above, the Remuneration Committee is vested with all the necessary powers and authorities to ensure appropriate disclosure on

remuneration to the Managing Director including details of fixed components and performance linked incentives.

As for the Non-executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The Company suitably

remunerates them by paying sitting fee for attending the meetings of the Board and various sub committees of the Board and commission on profits.

The number of Equity Shares held by Non-Executive Directors of the Company as on 31.03.2014 are as under:

Name of Directors	No. of Equity Shares Held	Name of Directors	No. of Equity Shares held
Dr. Gaur Hari Singhania	1041973	Shri Ashok Sharma	640
Shri J.P. Bajpai	100	Shri Achintya Karati	640
Shri K.N. Khandelwal	1000	Dr. K.B. Agarwal	300

(v) Details of Remuneration paid to the Directors for the year ended 31st March, 2014

Sr. No	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	--	--	6000000	380000	6380000
2	Shri Yadupati Singhania @	16800000	29400000*	20000000	--	66200000
3	Shri Ashok Sharma	--	--	650000	160000	810000
4	Shri A. Karati	--	--	650000	130000	780000
5	Shri J.P. Bajpai	--	--	650000	140000	790000
6	Shri J.N. Godbole	--	--	650000	80000	730000
7	Dr. K.B. Agarwal	--	--	650000	530000	1180000
8	Shri K.N. Khandelwal	--	--	650000	450000	1100000
9	Shri Raj Kumar Lohia	--	--	650000	240000	890000
10	Shri Suparas Bhandari	--	--	650000	70000	720000
11	Shri Jagendra Swarup	--	--	650000	100000	750000

*Benefits does not include payment of contribution to Provident Fund, which is exempted perquisite under Para 2 Section II Part II of Schedule XIII of the Companies Act, 1956 but includes Performance incentive of ₹ 84 Lacs.

@ Appointment of Managing Director & CEO is for a period of 5 years w.e.f. 1st April, 2012 upto 31st March, 2017.

Shareholders'/Investors' Grievance Committee

(i) Composition

The Committee as on 31st March, 2014 comprises of:

- Dr. K.B. Agarwal (Chairman): Independent, Non Executive Director.
- Shri Jagendra Swarup: Independent, Non Executive Director (Appointed as Member w.e.f. 27.7.13)
- Shri J.P. Bajpai : Independent, Non Executive Director (Ceased to be Member w.e.f. 27.7.13)
- Shri K.N. Khandelwal: Non Independent, Non Executive Director.

(v) Shri Raj Kumar Lohia: Independent, Non Executive Director.

(ii) Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

(iii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 23 complaints during

the F.Y. 2013-14, and all the 23 complaints were redressed. No Investor grievance has remained unattended/ pending for more than thirty days. Investor's complaints received through SEBI are redressed at www.scores.gov.in. However, nine requests for dematerialization involving 63 equity shares of the Company remained to be attended as at 31.03.2014 was attended/disposed of after 31.03.14 but within stipulated period of 30 days.

(iv) Meeting and Attendance

During the financial year ended 31st March, 2014 four meetings were held on (i) 11th May, 2013 (ii) 27th July, 2013 (iii) 9th November, 2013 and (iv) 25th January, 2014

The attendance at the above Meeting was as under: -

Sr. No.	Name of Director	No. of Meetings attended
1	Shri J.P. Bajpai	2
2	Shri Jagendra Swarup	2
3	Dr. K.B. Agarwal	4
4	Shri K.N. Khandelwal	4
5	Shri Raj Kumar Lohia	4

CEO/CFO Certification

The Managing Director & CEO and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(v) of the Listing Agreement, for the year ended 31.03.2014.

General Body Meetings:

Dates, time and places of last General meetings held are given below: -

Financial Year	Date	Time	Place
2010-11 (AGM)	30th July, 2011	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2011-12 (AGM)	4th August, 2012	12.00 Noon	-do-
2012-13 (EGM)	9th February, 2013	12.00 Noon	Dr. Gaur Hari Singhania Institute of Management & Research, Kamla Nagar, Kanpur
2012-13 (AGM)	27th July, 2013	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur

A special resolution was passed in the Extraordinary General Meeting (EGM) of the Company held on 9th February, 2013.

There were no matters required to be dealt/ passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956 (corresponding Section 110 of the Companies Act, 2013).

The Chairman of the Audit Committee was present at AGMs held on 30th July, 2011, 4th August, 2012 and 27th July, 2013 to answer the queries of the shareholders.

Disclosures: -

- (i) There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries/ Associates or relatives conflicting with Company's interest. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the Annual Report.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during last three years.
- (iii) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

Disclosures regarding appointment or re-appointment of Directors:

According to the provisions of Companies

Act 2013 read with Articles of Association of the Company one Non-Executive Non-Independent Director Shri K.N. Khandelwal will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-election. Given below is the brief resume of Shri K.N. Khandelwal Director pursuant to clause 49 of the Listing Agreement:

Shri Kailash Nath Khandelwal (DIN 00037250) is a Commerce Graduate and a Chartered Accountant having experience of more than 45 years in the field of Finance, Accounts, Taxation etc. He has been acting as Director of the Company since 2004. He also served as President (Finance & Accounts) of Jaykay Enterprises Ltd (formerly J.K. Synthetics Ltd). He is on the Board of other Indian Companies and also acted as Trustee and Member of various educational and social institutions and organisations. As on 31st March, 2014, he held 1000 Nos. of Equity share of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Achintya Karati, Shri Ashok Sharma, Shri Jayant Narayan Godbole, Dr. K.B. Agarwal, Shri R.K. Lohia and Shri Suparas Bhandari being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors upto five consecutive years till respective Annual General Meeting. Respective notices have been received from member(s) proposing their candidature for the office of Directors of the Company. In the opinion of the Board Shri Achintya Karati, Shri Ashok Sharma, Shri Jayant Narayan Godbole, Dr. K.B. Agarwal, Shri R.K. Lohia and Shri Suparas Bhandari fulfill

the conditions specified in the Companies Act, 2013 and rules framed thereunder for their appointment as Independent Directors of the Company and are independent of the management. Given below are the brief resumes of Shri Achintya Karati, Shri Ashok Sharma, Shri Jayant Narayan Godbole, Dr. K.B. Agarwal, Shri R.K. Lohia and Shri Suparas Bhandari pursuant to Clause 49 of the Listing Agreement:

Shri Achintya Karati (DIN 00024412) is a Non-Executive Independent Director. He is a Law Graduate from Calcutta University. He Served as Senior Advisor to ICICI Securities Limited and also with ICICI Prudential Life Insurance Company Limited. He possesses vast experience in finance & legal affairs, spanning over three decades and diverse expertise across commercial, legal and secretarial matters. He retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited in March 2004. He also served as Deputy Zonal Manager (North) and Head of Major Client Group (North) in ICICI Limited. As on 31st March, 2014, he held 640 Nos. of Equity share of the Company.

Shri Ashok Sharma (DIN 00057771) is a Non-Executive Independent Director. He is a Law Graduate and a Practising Chartered Accountant. He possesses vast experience in finance and audit spanning over three decades. Being a Practising Chartered Accountant he is handling audit assignments of private sector organisations, Banks, Insurance Companies and Financial Institutions. He is former Chairman of U. P. Stock Exchange Limited. He served on many Committees viz. Rehabilitation

Committee for Uttar Pradesh Small Industries Corporation Limited, Corporate Committee of CIRC of ICAI, Indian Council of Arbitrators and Kanpur Income Tax Bar Association. As on 31st March, 2014, he held 640 Nos. of Equity share of the Company.

Shri Jayant Narayan Godbole (DIN 00056830) is a B.Tech (Hons.) from IIT Mumbai and also holding certificate in Financial Management. He possesses over 39 years experience in various fields ranging from operation of small scale units in India to conceiving, implementing and operating mega projects abroad. He functioned as Chairman & Managing Director of IDBI in 2005 at the time of retirement. During his stints with IDBI and IIBI he was directly overlooking functions including Zonal Head, Corporate Finance, restructuring and rehabilitation of sick units, venture capital, merchant banking and investors' relation. He stabilised the corporate debt restructuring (CDR) mechanism in India as the Chairman of the Empowered Group. As on 31st March, 2014, he does not hold any Equity share of the Company.

Dr. K.B. Agarwal (DIN 00339934) is a graduate of Law, PhD. ICWA and CS. He has vast experience in the fields of Finance, Accounts and Capital Market. He has been associated with several industry and trade associations and served Merchants' Chamber of U.P. and U.P. Stock Exchange Association Limited as their President. He has been actively associated with FICCI & ASSOCHAM and was actively involved with various Committees of Government. As on 31st March, 2014, he held 300 Nos. of Equity share of the Company.

Shri Raj Kumar Lohia (DIN 00203659) is a Non-Executive Independent Director. He is Bachelor of Arts in Economics. He is an industrialist and possesses over 28 years rich experience in commerce and industry and Director of the Company since 2004 and also on the Board of other companies. He is recipient of several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship. As on 31st March, 2014, he does not hold any Equity share of the Company.

Shri Suparas Bhandari (DIN 00159637) is graduated in Science and Law. He possesses more than four decades of rich insurance industry experience and is the founder Chairman and Managing Director of Agriculture Insurance Company of India Limited. He also served as Assistant General Manager of United Insurance Company of India Ltd and General Manager of Oriental Insurance Company of India Ltd. As on 31st March, 2014, he does not hold any Equity share of the Company.

The Board of Directors of the Company appointed Shri Jagendra Swarup as an Additional Director w.e.f. 27.7.13 in accordance with the provisions of Section 260 of the Companies Act, 1956 (corresponding Section 161 of the Companies Act, 2013) and Article 127 of the Articles of Association of the Company and to hold office upto the next Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Shri Jagendra Swarup being eligible, offers himself for appointment, is proposed to be appointed as an Independent Director upto five consecutive years till respective Annual General Meeting. Notice has been received from a member proposing his candidature for the office of Director of the Company. In the opinion of the Board Shri Jagendra Swarup fulfills the conditions specified in the Companies Act, 2013 and rules framed thereunder for his appointment as an Independent Director of the Company and is independent of the management. Given below is the brief resume of Shri Jagendra Swarup pursuant to clause 49 of the Listing Agreement:

Shri Jagendra Swarup (DIN 00164708) is an Advocate. He has been in practice for over 37 years and has vast experience in the legal field and particularly on matters relating to Corporate Laws, Banking and Taxation. He is the legal advisor to leading Indian Companies and Banks. He is holding membership of various Associations and also important positions in various fields viz. professional, political, commercial, educational and social. He has been a member of Legislative Council

of U.P. for about four decades consecutively. He has been a Director of Jaykay Enterprises Ltd. since 2001. He is also a Director in the Board of Juggilal Kamlatpat Cotton Spg. & Weaving Mills Co. Ltd. and Frost International Ltd. As on 31st March, 2014, he does not hold any Equity share of the Company.

Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non-executive Directors, and members of the Senior Management. A copy of the Code has been hosted on the Company's website www.jkcement.com.

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Managing Director & CEO in this regard is given below:

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management personnel of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2013-14."

Yadupati Singhania
(Managing Director & CEO)

Means of Communications

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with Listing Agreement and the same are normally published in Business Standard, Economic Times, Nav Bharat Times, Hindustan, Times of India, and Nafan Nusan newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

All vital information relating to the Company

and its performance, including quarterly results etc. are simultaneously posted on Company's website www.jkcement.com. Further, Shareholding pattern and quarterly corporate governance report is uploaded on the NSE Electronic Application Processing System (NEAPS) maintained by NSE and www.listing.bseindia.com maintained by BSE.

Details of shares lying in the Escrow

Account of the Registrar & Share Transfer Agent.

As per SEBI Circular dated April 24, 2009 bearing reference no. SEBI/CFD/DIL/LA/1/2009/24/04, every Company is required to report the details of the shares lying in the

Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is reported that as on 31.03.2014, 160 number of equity shares of 3(three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd, Kanpur (DPId. IN301330 Client ID 19881648).

Prevention of Insider Trading.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992, a comprehensive code of conduct for prevention and regulation of trading in the Company's share by insiders is in vogue.

The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the company.

General Shareholders Information

(i) Annual General Meeting

Date Time	Saturday the 26th July, 2014 at 12:00 Noon.
Venue	Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

(ii) Financial Calendar

(a) First Quarter Results -	Within 45 days from the close of Quarter Ending June, 2014
(b) Second Quarter Results -	Within 45 days from the close of Quarter Ending September, 2014
(c) Third Quarter Results -	Within 45 days from the close of Quarter Ending December, 2014
(d) Results for the year ending 31st March, 2015	Within 60 days from the close of Quarter/Year Ending March, 2015

(iii) Date of Book Closure

Wednesday 16th July, 2014 to Saturday 26th July, 2014 (both day inclusive)

(iv) Dividend payment date:

The Board of Directors of the Company have recommended a dividend of ₹ 3.00 per share for the year 2013-14 which shall be payable on or after 26th July, 2014

(v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2013-14.

(vi) Stock Code

BSE	532644
NSE	JKCEMENT
ISIN NUMBER	INE823G01014

(vii) Market Price Data

Month	BSE			
	High	Low	Sensex High	Sensex Low
APRIL, 2013	289.60	232.40	19622.68	18144.22
MAY, 2013	298.90	218.95	20443.62	19451.26
JUNE, 2013	253.00	221.85	19860.19	18467.16
JULY, 2013	238.00	162.00	20351.06	19126.82
AUGUST, 2013	185.00	148.15	19569.20	17448.71
SEPTEMBER, 2013	199.80	170.00	20739.69	18166.17
OCTOBER, 2013	203.85	170.00	21205.44	19264.72
NOVEMBER, 2013	201.95	180.20	21321.53	20137.67
DECEMBER, 2013	217.90	185.00	21483.74	20568.70
JANUARY, 2014	200.40	163.00	21406.66	20343.78
FEBRUARY, 2014	169.55	152.60	21140.51	19963.12
MARCH, 2014	251.15	165.00	22467.21	20920.98

Month	NSE			
	High	Low	Nifty High	Nifty Low
APRIL, 2013	279.00	236.50	5962.30	5477.20
MAY, 2013	298.00	223.55	6229.45	5910.95
JUNE, 2013	255.00	220.05	6011.00	5566.25
JULY, 2013	237.90	161.50	6093.35	5747.60
AUGUST, 2013	186.40	150.25	5808.50	5118.85
SEPTEMBER, 2013	197.80	172.50	6142.50	5318.90
OCTOBER, 2013	203.80	180.20	6309.05	5700.95
NOVEMBER, 2013	200.95	180.60	6342.95	5972.45
DECEMBER, 2013	217.50	187.20	6415.25	6129.95
JANUARY, 2014	200.00	165.45	6358.30	6027.25
FEBRUARY, 2014	171.45	152.60	6282.70	5933.30
MARCH, 2014	251.80	165.20	6730.05	6212.25

(viii) Registrar/Transfer Agent

M/s Jaykay Enterprises Ltd. is acting as Registrar and Share Transfer Agent of the Company for Physical and Demat segment. Their address for communication is as under:-

M/s Jaykay Enterprises Ltd.

(Unit J.K. Cement Ltd.)

Kamla Tower;

Kanpur – 208 001

Telephone: (0512) 2371478 – 81;

Ext: 322/323

Fax: (0512) 2332665/2399854;

email: investorservices@jkcement.com ;

rc.srivastava@jkcement.com

(ix) Share Transfer System

Share Transfer work of physical segment is attended to by the Company's Registrar & Share Transfer Agent within the prescribed period under law and the Listing Agreements with Stock Exchanges.

All share transfers etc. are approved/ ratified by a Committee of Directors, which meets periodically.

(x) Distribution of Shareholding as on 31st March, 2014

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
UP TO 500	85927	98.67	2685767	3.84
501 TO 1000	690	0.79	498775	0.71
1001 TO 2000	203	0.23	303761	0.44
2001 TO 3000	74	0.09	189846	0.27
3001 TO 4000	26	0.03	95006	0.14
4001 TO 5000	25	0.03	118217	0.17
5001 TO 10000	45	0.05	338463	0.48
10001 AND ABOVE	96	0.11	65697415	93.95
TOTAL	87086	100.00	69927250	100.00

(xi) Category of Shareholders as on 31st March 2014

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
PROMOTERS AND PROMOTER GROUP	29	00.04	46801619	66.93
MUTUAL FUNDS / UTI	37	00.04	5637717	08.06
FINANCIAL INSTITUTIONS / BANKS	106	00.12	11001	00.02
INSURANCE COMPANIES	4	0	1037828	01.48
FOREIGN INSTITUTIONAL INVESTORS	47	00.05	8646723	12.37
BODIES CORPORATE	765	00.88	1740163	02.49
INDIVIDUALS	85891	98.63	5839168	08.35
OTHERS	207	00.24	213031	00.30
TOTAL	87086	100.00	69927250	100.00

(xii) Dematerialisation of Shares: -

The Company's Equity shares have been allotted ISIN (INE823G01014) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

6,93,00,113 Equity share representing 99.10% of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2014.

(xiii) The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

(xiv) Plant Location

Company has following plants:

Plant	Location
INDIAN	
Grey Cement Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
	Mangrol, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist: Bagalkot, Karnataka
	Jharli, Dist: Jhajjar, Haryana (under implementation)
White Cement Plant	Gotan, Dist. Nagaur, Rajasthan
	Village : Rupaund, Tehsil – Badwara, Distt. Katni, M.P (under implementation)
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan
	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
	Gotan, Dist. Nagaur, Rajasthan
	Muddapur, Dist: Bagalkot, Karnataka
	Mangrol, Chittorgarh, Rajasthan (under implementation)
Waste Heat Recovery Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
OVERSEAS SETUP BY SUBSIDIARY	
Dual process White/Grey Cement Plant	Plot No.7, Habhab, Tawian Fujairah, UAE

(xv) Address for Correspondence:

Mr. Shambhu Singh
 Senior General Manager (Legal) &
 Company Secretary,
 J.K. Cement Ltd.,
 Kamla Tower, Kanpur – 208001.
 Telephone No.: 0512 2371478 – 81
 Fax: 0512-2332665/2399854
 Email: shambhu.singh@jkcement.com
 Website: www.jkcement.com

Sustainability and Environment

The Company's Sustainability framework continued to assess Sustainability risks and opportunities both at the unit and corporate levels and monitor the various sustainability initiatives. The Company initiatives aimed at low carbon emissions, low air and water pollution, use of alternative fuel, renewable energy etc

J.K. Cement to begin with drawn up its sustainability report for 2012-13. The Report is developed based on prevailing guidelines. The sustainability report reflects upon our triple-bottom line performance and highlights the major initiatives taken by us during the period 2012-13.

Currently we have an installed Grey Cement capacity of 7.5 MTPA, making us one of the leading manufacturers in the country. We believe in constant innovation, and invest immense time and resources in R&D activities towards our constant strive to develop and deliver best quality products to our customers. We have a highly experienced in-house R&D team responsible for product innovations, who regularly engage with external consultants.

Our current product portfolio includes 56% Portland Pozzolana cement (PPC), 40% Ordinary Portland cement (OPC) and 4% Portland Slag cement. Our Grey Cement

is currently sold in 13 states in India; J.K. Cement's major market includes Rajasthan, Haryana, Delhi, Western Uttar Pradesh, Maharashtra, Punjab, Madhya Pradesh, Gujarat, Kerala, Goa and Karnataka states. Similarly, our White Cement has seen huge demand within the country, besides being exported to nearly 29 countries across the world spanning across Asia, Middle East, Africa and Asia Pacific geographies.

The cement industry forms the backbone of today's societal growth; Cement being the key material required for the infrastructure development. The demand of cement has been rising at fast pace and is expected to rise even more sharply. At the same time, the industry has a huge impact on the environment, much larger than some other traditional industrial sectors. However, there are no viable substitutes to Cement and Cement will continue to fuel urban development in the coming years. Here, operational efficiency and product innovation by the Cement industry leading to reduced resource consumption and emissions presents the best way forward. We, at J.K. Cement, understand this situation and are constantly striving to reduce our Environment footprint. We realize the importance of conserving and consuming the earth's resources with discretion, and are working towards this goal through various innovative initiatives and improvements in our operational efficiency. Going forward we aim to use the most advanced technology to produce the most efficient products consuming only the minimal of the earth's resources.

Occupational Health and Safety

We consider Health and Safety as fundamental values to be integrated into all our activities. Enhancing our working conditions to enable high standards of

safety for our workplace is instrumental for business success. Keeping this philosophy in mind, we consider every single incident as a source of learning and an opportunity for improving our existing systems. We have various practices and policies in place for ensuring work-place safety and safeguarding employees against events concerning work-place related serious disease and fatalities. All our offices and sites have established EHS Management systems with designated responsibilities and safety infrastructure, which are under constant supervision and upgradation to comply with leading international standards. During the year 2012-13 total number of reportable injuries for both permanent and contractual workers was one each. Moreover, the organization recorded a total lost days of 44 and 14 for permanent and contractual employees respectively. 100% of our work force is covered under the formal joint management worker health and safety committees. We have organized various awareness and counseling programs on health and safety. Going forward our focus will be on continued efforts towards embedding and strengthening the competencies of our people across all regions and businesses.

Managing the Risks of Fraud, Corruption and Unethical Business Practices

The Company is committed to Fraud and Corruption-free work culture. In view of the potential risk of fraud and corruption due to rapid growth and geographical spread of operations, the Company has put greater emphasis to address this risk.

AUDITORS' CERTIFICATE

To
The Members of **J.K. Cement Limited.**

We have examined the compliance of conditions of Corporate Governance by J.K. CEMENT LIMITED for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **P.L. Tandon & Co.**
Chartered Accountants
Registration No. 000186C

P.P. Singh
Partner
Membership No. 72754

Place : Kanpur
Dated : 17th May, 2014

INDEPENDENT AUDITOR'S REPORT

to the members of J.K. Cement Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of J.K. Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of 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 Standards notified under 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 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 financial statements are free from material misstatement.

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 the assessment of the 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 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 our audit opinion.

OPINION

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note No. 36.1 (A) (IV) of the financial statements relating to the order of the Competition Commission of India (CCI), concerning alleged contravention of the provisions of the Competition Act, 2002 and imposing a penalty of ₹ 12854 lacs on the company. The company is advised that it has a good case before Competition Appellate Tribunal and accordingly no provision has been considered necessary by the company in this regard.

REPORT ON OTHER LEGAL AND 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 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 purpose 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **PL.TANDON & Co**
Chartered Accountants
Registration Number: 000186C

Signature
P.P. SINGH
(PARTNER)

Place : Kanpur
Dated : 17th May, 2014

Membership Number: 072754

ANNEXURE TO THE AUDITOR'S REPORT

Re: J.K. CEMENT LIMITED

Referred to in Paragraph I under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets other than furniture and fixtures and office equipments.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and therefore, do not effect going concern assumption.
- ii. In respect of its Inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us :
 - (a) The Company had granted Unsecured Loans to Two Companies. The maximum amount involved during the year was ₹ 379 lacs and the yearend balance of such loan granted was ₹ 379 lacs.
 - (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - (c) No terms and conditions for repayment of the loan are stipulated.
 - (d) There is no overdue amount of such loans.
 - (e) The Company has not taken any Loan from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not taken any Loans, Secured or Unsecured, from parties listed in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4(iii)(f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- v. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956, therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- vii. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- ix. According to the information and explanations given to us, in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, services tax, customs, excise duty were in arrear as at 31st March, 2014 for a period more than six months from the date they became payable.

- (c) According to the records of the company, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, are as follows :-

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which Amount Relates	Forum where Dispute is Pending
Finance Act 2008 (State)	Environment and Health Cess	1714.54	2008-09 to 2013-14	Jodhpur High Court and Bangalore High Court
State Sales Tax Act	Sales Tax	4932.37	1991-92 onwards	Various Court in Uttar Pradesh and Rajasthan
Central Sales Tax Act	Sales Tax	1334.55	1999 Onwards	Appeal with D.C.S.T
Rajasthan Entry Tax	Entry Tax	6287.67	July, 2006 Onwards	Appeal with Jodhpur High Court
Rajasthan Entry Tax	Interest on Entry Tax	2456.13	2002-03 Onwards	Appeal with Jodhpur High Court
Uttar Pradesh Entry Tax	Interest on Entry Tax	314.47	2008-09 and 2009-10	Appeal with Supreme Court
Central Excise Act, 1944	Excise Duty including Interest thereon	419.02	1989	Supreme Court
Finance Act, 1994	Service Tax	1085.42	June, 2007 to March, 2008	Central Excise Department
Central Excise Act, 1944	Excise Duty including Interest	1598.51	July, 1999 to March, 2008	Central Excise Department
Service Tax	Service Tax on GTA	228.89	-	Central Excise Department

- x. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- xii. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- xiii. In our opinion, the Company is not a Chit Fund or a Nidhi Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- xv. The company has given guarantees for loans taken by others from banks and financial institution. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. According to information and explanations given to us, the Company had created the security in respect of debentures issued.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **P.L. TANDON & Co**
Chartered Accountants
Registration Number: 000186C

Signature
P.P. SINGH
(PARTNER)

Place : Kanpur
Dated : 17th May, 2014

Membership Number: 072754

BALANCE SHEET

as at 31st March, 2014

	Note No.	As at 31-03-2014	₹/Lacs As at 31-03-2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	6992.72	6992.72
Reserves and Surplus	2	168853.05	162745.93
		175845.77	169738.65
Non Current Liabilities			
Long-Term Borrowings	3	198655.60	95314.01
Deferred Tax Liability (Net)	4	26848.00	24904.00
Other Long Term Liabilities	5	9725.35	8710.79
Long Term Provisions	6	1387.21	1233.96
		236616.16	130162.76
Current Liabilities			
Short-Term Borrowings	7	19850.33	18865.43
Trade Payables	8	24672.66	19651.66
Other Current Liabilities	9	49836.32	45091.28
Short-Term Provisions	10	3452.49	6683.81
		97811.80	90292.18
TOTAL		510273.73	390193.59
ASSETS			
Non Current Assets			
Fixed Assets	11		
Tangible Assets		231149.41	236180.22
Intangible Assets		106.92	248.12
Capital Work-in-Progress		110198.74	10750.74
Non-Current Investments	12	25300.66	16929.88
Long term Loans and Advances	13	14241.99	22835.18
		380997.72	286944.14
Current Assets			
Current Investments	14	4650.00	-
Inventories	15	54195.48	46137.63
Trade Receivables	16	11170.68	11527.03
Cash and Cash Equivalents	17	34755.29	33245.73
Short Term Loans and Advances	18	23081.95	11670.58
Other Current Assets	19	1422.61	668.48
		129276.01	103249.45
TOTAL		510273.73	390193.59
Significant Accounting Policies			
Notes on Financial Statements	1-39		

As per our Report attached
For **P.L.Tandon and Co**
Chartered Accountants

P.P. Singh
Partner

Place : Kanpur
Dated : 17th May, 2014

Dr. Gaur Hari Singhania
Chairman

A.K. Saraogi
President (Corp.affairs) & CFO

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director and CEO

Achintya Karati
Ashok Sharma
Jagendra Swarup
Jayant Narain Godbole
Kailash Nath Khandelwal
Krishna Behari Agarwal
Raj Kumar Lohia
Suparas Bhandari

Directors

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014

	Note No.	2013-2014	2012-2013
₹/Lacs			
INCOME			
Revenue From Operations	20	279584.60	291196.77
Other Income	21	4793.34	4867.35
TOTAL REVENUE		284377.94	296064.12
EXPENSES			
Cost of Materials Consumed	22	46223.11	42066.48
Purchases of Stock-in-Trade		98.57	53.12
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(3857.42)	(3674.87)
Employee Benefits Expenses	24	16779.40	15788.67
Finance Costs	25	15259.74	13981.51
Depreciation and Amortization Expenses	26	13397.01	12825.59
Other Expenses	27	182850.22	180960.89
TOTAL EXPENSES		270750.63	262001.39
Profit before Tax		13627.31	34062.73
Tax Expense			
Current Tax		2880.00	8761.49
Less: MAT Credit entitlement		(351.00)	-
Earlier Years Tax		(548.53)	(46.32)
Deferred Tax		1944.00	1993.00
Profit for the Year		9702.84	23354.56
Earning per Equity share of ₹10/- each			
Basic and Diluted (In ₹)		13.88	33.40
Significant Accounting Policies			
Notes on Financial Statements	I-39		

As per our Report attached
For P.L. Tandon and Co
Chartered Accountants

P.P. Singh
Partner

Dr. Gaur Hari Singhania
Chairman

A.K. Saraogi
President (Corp.affairs) & CFO

Yadupati Singhania
Managing Director and CEO

Achintya Karati
Ashok Sharma
Jagendra Swarup
Jayant Narain Godbole
Kailash Nath Khandelwal
Krishna Behari Agarwal
Raj Kumar Lohia
Suparas Bhandari

Directors

Place : Kanpur
Dated : 17th May, 2014

Shambhu Singh
Company Secretary

CASH FLOW STATEMENT

for the year ended 31st March, 2014

	₹/Lacs	
	2013-2014	2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit & Loss Account	13627.31	34062.73
Adjusted for		
Depreciation	13390.25	12825.59
Interest	14348.7	13617.16
Interest Received	(3544.32)	(3803.17)
Dividend Income	(1.98)	(4.44)
Profit on Sale of Investments	(74.50)	-
Loss on Sale of Assets(Net)	62.12	217.15
Mines Restoration Charges	17.27	61.29
	24197.54	22913.58
Operating Profit before Working Capital Changes	37824.85	56976.31
Adjusted for		
Trade & Other Receivables	(9425.91)	(2792.38)
Inventories	(1668.44)	(9854.68)
Trade Payable & Other Liabilities	(327.97) (11422.32)	5920.13 (6726.93)
Cash Generated From Operations	26402.53	50249.38
Adjusted for		
Tax Paid	(2346.45)	(7741.87)
Corporate Dividend Tax	(772.47)	(567.20)
Dividend Paid	(4545.27)	(3496.36)
	(7664.19)	(11805.64)
Net Cash From Operating Activities	18738.34	38443.95
B. CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition/Purchase of fixed assets including capital advances	(94965.54)	(35854.37)
Sale of Fixed Assets	171.67	161.09
Purchase of Investments	(20620.78)	(20845.69)
Sale of Investments	7674.50	5004.44
Dividend	1.98	-
Interest Income	3118.85	3826.00
Net Cash Used In Investing Activities	(104619.32)	(47708.53)

CASH FLOW STATEMENT

for the year ended 31st March, 2014

		₹/Lacs
	2013-2014	2012-2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	-	5456.13
Loan to Associates	(364)	15.00
Capital subsidy received	77.69	84.41
Deferred Sales Tax / VAT	(1260.37)	510.45
Long Term Borrowings	124604.92	9500.00
Cash Credit Accounts	984.9	10582.72
Repayment of Long Term Borrowings	(19725.15)	(15158.65)
Interest Paid	(17673.61)	(13587.07)
Security Deposits	1014.56	-
Vehicle Loans & Others	(268.4)	973.33
Net Refunds From Associate Companies		885.00
Net cash used in financing activities	87390.54	(738.68)
Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	1509.56	(10003.26)
Opening balance of Cash and Cash Equivalents	33245.73	43248.99
Closing balance of Cash & Cash Equivalents	34755.29	33245.73

As per our Report attached
For P.L.Tandon and Co
Chartered Accountants

P.P. Singh
Partner

Place : Kanpur
Dated : 17th May, 2014

Dr. Gaur Hari Singhania
Chairman

A.K. Saraogi
President (Corp.affairs) & CFO

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director and CEO

Achintya Karati
Ashok Sharma
Jagendra Swarup
Jayant Narain Godbole
Kailash Nath Khandelwal
Krishna Behari Agarwal
Raj Kumar Lohia
Suparas Bhandari

Directors

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
I. SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of ₹10/- each	8000.00	8000.00
(8,00,00,000 Equity Shares of ₹10/- each)		
	8000.00	8000.00
Issued, Subscribed and Paid up		
6,99,27,250 Equity Shares of ₹10/- each fully paidup	6992.72	6992.72
(6,99,27,250 Equity Shares of ₹10/- each fully paidup)		
	6992.72	6992.72

I.1 The reconciliation of number of shares outstanding is set out below:

Equity shares at the beginning of the year	69927250
Equity shares at the end of the year	69927250

I.2 Details of Shareholders holding more than 5% shares

S.No.	Name of the share holder	Shares held on 31-03-2014	% 31-03-2014	Shares held on 31-03-2013	% 31-03-2013
1)	Yadu International Ltd	22655100	32.40	22655100	32.40
2)	Yadupati Singhania	13246086	18.94	13246086	18.94
3)	Juggilal Kamlatpat Holding Ltd.	7228418	10.34	7050000	10.08

	As at 31-03-2014	As at 31-03-2013
2. RESERVES AND SURPLUS		
a) Capital Reserve		
Govt. Subsidy		
As per last Balance Sheet	9473.41	9389.00
Add: Received during the year	77.69	84.41
	9551.10	9473.41
b) Securities Premium Reserve		
As per last Balance Sheet	25988.60	25988.60
c) Debenture Redemption Reserve		
As per last Balance Sheet	3397.50	2265.00
Add: Transfer from Profit and Loss Account	1632.50	1132.50
	5030.00	3397.50
d) Revaluation Reserve		
As per last Balance Sheet	22726.37	24009.65
Less: Deduction During the year	0.05	62.79
Less: Transfer to Profit and Loss Account	1219.02	1220.49
	21507.30	22726.37
e) General Reserve		
As per last Balance Sheet	62540.05	56540.05
Add: Transfer from Profit and Loss Account	2000.00	6000.00
	64540.05	62540.05
f) Surplus		
As per last Balance Sheet	38620.00	27715.68
Balance in Statement of Profit and Loss	9702.84	23354.56
	48322.84	51070.24
Less: Appropriations		
Transfer to General Reserve	2000.00	6000.00

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
2. RESERVES AND SURPLUS		
Transfer to Debenture Redemption Reserve	1632.50	1132.50
Proposed Dividend on Equity Shares	2097.82	4545.27
Tax on Dividend	356.52	772.47
	6086.84	12450.24
	42236.00	38620.00
	168853.05	162745.93

- 2.1 Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme, 2003. Government has released ₹ 9551.10 Lacs as interest subsidy for the period 1st Dec. 2004 to 31.03.2014 including ₹ 77.69 Lacs during the year which has been accounted for as Capital Receipt based on expert advice.

	As at 31-03-2014	As at 31-03-2013
3. LONG TERM BORROWINGS		
a) Secured		
Non Convertible Debentures	60000.00	40000.00
Term Loan from Banks	131772.62	46870.17
Vehicle Loans	132.33	274.30
VAT Loans	2879.24	2879.24
	194784.19	90023.71
b) Unsecured		
Deferred Sales Tax Liability	3871.41	5290.30
	3871.41	5290.30
	198655.60	95314.01

3.1 Non Convertible Debentures (NCDS): ₹ 60000.00 Lacs (₹ 40000.00 Lacs)

Security for NCDs for ₹ 40000 Lacs (₹ 40000 Lacs)

- i) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified below in 3.2(i)(a).

Security for NCDs for ₹ 20000 Lacs (NIL)

- ii) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable fixed assets, present and future pertaining to Company's existing cement plant at village Muddapur, Karnataka.

3.2 i) Term Loans related to Cement Plants at Rajasthan

- a) From Banks : ₹ 23143.39 Lacs : (₹ 19003.27 Lacs)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all the movable assets of the Company both present and future save and except i) inventories, book debts, cash and bank balances and all assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Muddapur, Karnataka ii) properties for office and guest house including those having exclusive charge of other lenders and iii) New Cement plant at Mangrol and Jharli.

- b) From Canara Bank : ₹ 921.73 Lacs : (₹ 1566.47 Lacs) and From Export Import Bank of India: ₹ 1500 Lacs (₹ Nil)

Secured by equitable mortgage of immovable properties and hypothecation of movable assets pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.

NOTES

on Financial Statements for the year ended 31st March, 2014

ii) Term Loans related to Cement Plant at Karnataka

- a) From Consortium of Banks: ₹ 25323.58 Lacs (₹ 34151.28 Lacs)

Secured by First Pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable assets, present and future (save and except book debts) pertaining to J.K. Cement Works, Muddapur, Karnataka subject to prior charges in favour of working capital lenders on inventories and other current assets.

- b) From State Bank of India: ₹ 5137.21 Lacs (₹ Nil)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

- c) From Allahabad Bank: ₹ 1500 Lacs (₹ Nil)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

iii) Term Loans related to New Cement Plants at Rajasthan and Haryana

From Consortium of Banks : ₹ 83645.36 Lacs (Nil)

Secured by First pari-passu charge on all immovable fixed assets (save and except mining land) and all movable fixed assets (save and except book debts) being acquired out of loan for the new cement Plants at Mangrol, Rajasthan and split Grinding Unit at Jharli, Haryana and second charge on current assets related to the above plants.

iv) Term Loans related to the Properties : ₹ 3158.05 Lacs (₹ 4194.74 Lacs)

Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable assets pertaining to the specified properties.

Maturity profile

Non Convertible Debentures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	₹/Lacs Total
SERIES A										
at 10.25%	-	-	1800	1800	2700	2700	-	-	-	9000
at 10.50%	-	-	1800	1800	2700	2700	-	-	-	9000
at 11.00%	-	-	1400	1400	2100	2100	-	-	-	7000
SERIES B										
at 11%	5300	-	1940	1940	2910	2910	-	-	-	15000
SERIES C										
at 10.50%	-	-	-	-	-	3300	1300	1950	1950	8500
at 11.00%	-	-	-	-	-	6300	1300	1950	1950	11500
TOTAL NCD	5300	-	6940	6940	10410	20010	2600	3900	3900	60000

Term Loans from Banks

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	₹/Lacs Total
3.2)(i)a) Rajasthan Plant	4197.53	3763.15	3762.15	3762.15	3250.57	2979.29	714.29	714.26	-	-	23143.39
3.2)(i)b) Grey Gotan Plant	852.23	69.50	-	-	-	-	-	-	-	-	921.73
EXIM	-	178.57	714.29	607.14	-	-	-	-	-	-	1500.00
3.2)(ii)a) Karnataka Plant	6466.42	8785.72	8785.72	1285.72	-	-	-	-	-	-	25323.58
State Bank of India	137.21	600.00	600.00	600.00	600.00	600.00	600.00	600.00	800.00	-	5137.21
Allahabad Bank	-	156.25	312.50	312.50	312.50	312.50	93.75	-	-	-	1500.00
Mangrol Project	-	-	6000.00	12000.00	12000.00	12000.00	12000.00	12000.00	12000.00	5645.36	83645.36
3.2)(iv) Property Loans	903.31	688.93	571.43	571.43	422.95	-	-	-	-	-	3158.05
TOTAL LOANS	12556.70	14242.12	20746.09	19138.94	16586.02	15891.79	13408.04	13314.26	12800.00	5645.36	144329.32

NOTES

on Financial Statements for the year ended 31st March, 2014

3.3 VAT Loan(Interest free) from Govt. Of Karnataka: ₹ 2879.24 Lacs (₹ 2879.24 Lacs)

Secured by second Pari Pssu charge by way of equitable mortgage of land building and plant and machinery pertaining to J.K. Cement Works, Muddapur, Karnataka and bank guarantee. Second charge on assets are yet to be created.

Maturity profile: Payable after September, 2021 onwards.

3.4 Vehicle Loans : ₹ 326.13 Lacs (₹ 594.53 Lacs)

Secured by hypothecation of vehicles

	2014-15	2015-16	2016-17	2017-18	Total
Principal	193.80	96.13	28.52	7.68	326.13

3.5 Unsecured Loan

Deferred Sales Tax Liability: ₹ 4662.28 Lacs (₹ 5922.65 Lacs)

₹ 186.65 Lacs (₹ 396.03 Lacs) as at 31.03.2014 interest free deferred sales tax liability payable in quarterly equitable instalment of ₹ 31.15 Lacs.

₹ 4475.63 Lacs (₹ 4529.54 Lacs): Interest free deferred sales tax liability. The avilment of said scheme is still continued. The payment of said scheme upto 31.03.2014 are as under

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
538.40	666.27	752.29	605.12	488.46	659.95	636.62	128.42	4475.53

	As at 31-03-2014	₹/Lacs As at 31-03-2013
4. DEFERRED TAX ASSETS & LIABILITIES :		
a) Deferred Tax Assets		
i) Provision for Doubtful Debts	201.56	180.23
ii) Expenses deductible on payment basis	3551.60	3019.77
Sub Total	3753.17	3200.00
b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income tax Act	30601.17	28104.00
c) Net Deferred Tax Liabilities (b-a)	26848.00	24904.00

	As at 31-03-2014	₹/Lacs As at 31-03-2013
5. OTHER LONG TERM LIABILITIES		
Security Deposits	9725.35	8710.79
	9725.35	8710.79

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
6. LONG TERM PROVISIONS		
Provision for Employees Benefits	1233.30	1097.33
Provision for Mines Restoration Charges	153.91	136.63
	1387.21	1233.96

6.1 Provision for Mines Restoration charges:

	Opening Balance	Provision during the year	Closing Balance
	136.63	17.28	153.91

	As at 31-03-2014	As at 31-03-2013
7. SHORT TERM BORROWINGS		
Secured		
Loan from Banks	19850.33	18865.43
	19850.33	18865.43

7.1 Cash Credit Account : ₹ 19850.33 Lacs (₹ 18865.43 Lacs)

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders.

	As at 31-03-2014	As at 31-03-2013
8. TRADE PAYABLES		
Micro, Small & Medium Enterprises	214.10	64.62
Other *	18069.15	15966.91
Acceptances	6389.41	16031.53
	24672.66	19651.66

*including project creditors ₹ 1018.99 Lacs (Prev. Year ₹ 1038.47 Lacs)

- 8.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2014 as per the terms of Contract.

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014		As at 31-03-2013	
9. OTHER CURRENT LIABILITIES				
Current maturities of long-term debt (Refer Note No.3.2)				
Term Loan from Bank	12556.70		12045.60	
Vehicle Loan	193.80		320.23	12998.18
Deferred Sales Tax Liability	790.87	13541.37	632.35	914.23
Interest Accrued but not due on Borrowings		1313.85		
Interest Accrued and due on Borrowings		237.75		
Investor Education & Protection Fund shall be credited by following				
Unclaimed Dividend	117.85		102.64	
Unclaimed application money	-		2.08	
Unclaimed fraction Money	9.24	127.09	9.24	113.96
Temporary Book Overdraft		93.35		-
Other Payable		34522.91		31064.91
	49836.32		45091.28	

9.1 Other payable includes the liability of employees, Sales Tax/VAT dues and rebates to customer etc.

	As at 31-03-2014		As at 31-03-2013	
10. SHORT TERM PROVISIONS				
Provision for employees benefits	973.15		1346.07	
Provision for Wealth Tax	25.00		20.00	
Proposed Dividend on Equity Shares	2097.82		4545.27	
Tax on Dividend	356.52		772.47	
	3452.49		6683.81	

NOTES

on Financial Statements for the year ended 31st March, 2014

11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01-04-2013	Additions	Deductions Adjustments	Revaluation	As at 31-03-2014	For the Year	Deductions Adjustments	Upto 31-03-2014	As at 31-03-2014	As at 31-03-2013
Tangible Assets										
Freehold Land	15660.64	2367.02	1.63		18026.03				18026.03	15660.64
Leasehold Land	5685.27	1405.14			7090.41	199.45		853.17	6237.24	5031.55
Factory Buildings	1446.202	544.97			15006.99	506.49		2802.81	12204.18	12165.70
Non Factory Buildings	2098.119	687.67			21668.86	408.09		2640.27	19028.59	18749.01
Plant & Machinery	242282.50	4059.65	86.05	(0.09)	246256.01	12663.12	16.75	75937.67	170318.34	178991.20
Railway Sidings	2357.79				2357.79	117.42		605.74	1752.05	1869.47
Rolling Stock	1050.1				1050.1	4.61		42.90	62.11	66.72
Furniture, Fixtures and Office Equipments.	2266.27	261.92	3.45		2524.74	156.31	0.21	765.63	1759.11	1656.74
Vehicles	2622.31	186.04	206.98		2601.37	239.07	47.35	914.21	1687.16	1899.82
Other Assets	546.55	165.50			712.05	180.27		637.45	74.60	89.37
	306969.55	9677.91	298.11	(0.09)	316349.26	14474.83	64.31	85199.85	231149.41	236180.22
Intangible Assets										
Goodwill	742.70				742.70	74.27		699.38	43.32	117.59
Computer Softwares	945.16				945.16	66.93		881.56	63.60	130.53
	1687.86				1687.86	141.20		1580.94	106.92	248.12
GRAND TOTAL	308657.41	9677.91	298.11	(0.09)	318037.12	14616.03	64.31	86780.79	231256.33	236428.34
Previous year's figures	290024.77	19333.57	618.39	(82.54)	308657.41	14046.08	259.89	72229.07	110198.74	10750.74
Capital Work-in-progress									341455.07	247179.08

Note: i) Some assets discarded where value of the assets are not determined, the adjustment of sale proceeds is made from historical value directly.

- ii) Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock had been revalued as on 04.11.2004 by the approved valuers on the basis of assessment about current value of the similar assets. Current values had been determined by cost approach method. Accretion on account of revaluation amounting to ₹ 33203.82 Lacs had been credited to Revaluation Reserve. Depreciation on additional value is provided on the basis of life determined by the valuers. An amount of ₹ 1219.02 Lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014			As at 31-03-2013	
	Face Value	Units/ Shares	Book Value	Units/ Shares	Book Value
12. NON CURRENT INVESTMENTS					
Name of the Bodies Corporate					
Others Investments					
A) Investments in Equity Instruments					
i) Unquoted fully paid up					
1. Subsidiary Companies					
J.K. Cement (Fujairah) FZC. **	AED 1000	34826	4758.11	34826	4758.11
2. Joint Venture					
Bander Coal Company Private Limited	₹ 10	375000	37.50	375000	37.50
3. Others					
VS Lignite Power Private Limited @	₹ 10	3140101	314.01	3140101	314.01
ReNew Wind Energy AP (Pvt.) Ltd.	₹ 10	8000	8.00		
B) Investments in Preference Shares					
Unquoted					
1. Subsidiary Companies					
3% cumulative 11 years compulsory convertible preference shares in J. K. Cement (Fujairah) FZC. #	AED 1000	18300	2717.30	18300	2717.30
3% cumulative 12 years compulsory convertible preference shares in J. K. Cement (Fujairah) FZC. #	AED 1000	33027	4886.70	18337	2722.80
3% cumulative 11 years redeemable Preference shares in J. K. Cement (Fujairah) FZC. #	AED 1000	18362	2739.38	18362	2739.31
3% cumulative 12 years redeemable Preference shares in J. K. Cement (Fujairah) FZC. #	AED 1000	25707	4119.95	4774	712.22
3% cumulative 13 years compulsory convertible preference Share in J.K.Cement(Fujairah)FZC #	AED 1000	3759	668.30	-	-
3% cumulative 14 year compulsory convertible preference Share in J.K.Cement(Fujairah)FZC #	AED 1000	3586	637.55	-	-
3% cumulative 13 years Redeemable preference shares in J.K.Cement (Fujairah)FZC #	AED 1000	8080	1414.05	-	-
Share Application Money-Redeemable Preference shares		-	620.00	-	-
Share Application Money-Compulsory Convertible Preference share		-	601.25	-	-
2. Others					
0.01% cumulative redeemable Preference shares (Fully paid up) : VS Lignite Power Private Limited @	₹ 10	2785552	278.56	2785552	278.56
C) Investments in Mutual Funds					
Quoted					
Fixed Maturity Plan- IDBI - E-Growth	₹ 10	-	-	5000000	500.00
Fixed Maturity Plan- IDBI - B-Growth	₹ 10	-	-	5000000	500.00
Fixed Maturity Plan- IDBI - C-Growth	₹ 10	-	-	1000000	100.00
SBI-Debt Fund- 14 Months Regular Plan	₹ 10	-	-	10000000	1000.00
Baroda Pioneer FMP-372 Days	₹ 10	-	-	5000000	500.00
J.P.Morgan Active Bond Fund Institutional	₹ 10.1292	-	-	493622.40	50.00
BOI AXA Fixed Maturity Plan Series I 3	₹ 10	5000000	500.00	-	-
HDFC FMP-Series 29	₹ 10	5000000	500.00	-	-
Baroda Pioneer FMP Series N	₹ 10	5000000	500.00	-	-
TOTAL			25300.66	-	16929.88
Aggregate Market Value of Quoted Investments			1505.10		2707.88
Aggregate Amount of Unquoted Investments			23800.66		14279.88

Notes:

** 17826 Equity Shares are pledged with IDBI.

@ 3140101 Equity shares and 2785552 Preference shares are under lien with issuer company as Security towards obligations.

110821 Preference Shares are Pledged with IDBI Bank

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
13. LONG TERM LOANS & ADVANCES		
Unsecured and Considered Good		
Capital Advances	10641.66	20832.95
Deposits	3093.45	1621.68
Others	506.88	380.55
	14241.99	22835.18

	As at 31-03-2014	As at 31-03-2013
14. CURRENT INVESTMENTS		
Name of the Bodies Corporate	Face Value Units/ Shares Book Value	Units/ Shares Book Value
Others Investments		
Investments in Mutual Funds		
Quoted		
Fixed Maturity Plan- IDBI -B-Growth	₹ 10 5000000.00 500.00	- -
Fixed Maturity Plan- IDBI -C-Growth	₹ 10 1000000.00 100.00	- -
SBI-Debt Fund-14 Months Regular Plan	₹ 10 10000000.00 1,000.00	- -
Baroda Pioneer FMP-372 Days	₹ 10 5000000.00 500.00	- -
J.P.Morgan Active Bond Fund Institutional	₹ 10.1292 493622.40 50.00	- -
IDBI FMP Series- III -366 Days	₹ 10 5000000.00 500.00	- -
ICICI Prudential	₹ 10 10000000.00 1000.00	- -
LIC Nomura FMP-Series 7I	₹ 10 5000000.00 500.00	- -
HDFC Fixed Maturity Plans-Series29	₹ 10 5000000.00 500.00	- -
TOTAL	4650.00	-
Aggregate Market Value of Quoted Investments	4938.57	

	As at 31-03-2014	As at 31-03-2013
15. INVENTORIES		
Raw Materials	4676.51	5155.67
Work-in-Process	9206.34	5538.29
Finished Goods	6374.22	6191.20
Stock-in-Trade	15.99	9.65
Stores, Spare parts etc.	29601.84	25995.82
Less: Provision for Diminution in the Value of Stores,Spare Parts etc.	38.91 29562.93	16.76 25979.06
Goods-in-Transit		
Raw Materials	421.73	43.86
Stores, Spare parts etc.	3937.76	3219.90
	54195.48	46137.63

Note: Stock of Stores, Spare parts also includes stock of Project material aggregate to ₹ 5288.36 (₹ 2110.21).

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
16. TRADE RECEIVABLE		
Trade Receivable over six months		
Considered Good		
Secured	77.89	80.27
Unsecured	274.07	334.27
Considered doubtful	524.42	482.75
Less: Provision for Doubtful Debts	524.42	482.75
Sub Total	351.96	414.54
Other Trade Receivable		
Considered Good		
Secured	2599.85	2410.53
Unsecured	8218.87	8701.96
Sub Total	10818.72	11112.49
	11170.68	11527.03

	As at 31-03-2014	As at 31-03-2013
17. CASH & CASH EQUIVALENTS		
Balances with Banks in:		
Current Accounts	6412.94	6910.15
Unclaimed Dividend	117.85	104.72
Fixed Deposits	28196.80	26142.41
Cheques and Drafts on hand	0.60	59.76
Cash on hand	27.10	28.69
	34755.29	33245.73

17.1 Fixed Deposits with banks includes deposits of ₹ 1646.11 Lacs (₹ 2406.75 Lacs) with maturity more than 12 months and ₹ 5559.72 Lacs (₹ 10462.13 Lacs) tied up against overdraft/other commitments.

	As at 31-03-2014	As at 31-03-2013
18. SHORT TERM LOANS & ADVANCES		
Unsecured Considered Good unless otherwise stated		
Loans and advances to related parties (Refer Note No.33)	379.00	15.00
Other Loan and Advances ;		
Considered good	8379.06	5798.65
Doubtful	30.03	30.73
Taxation(Net of Provisions)	675.49	770.92
MAT Credit Entitlement	3930.54	3238.82
Prepaid Expenses	417.69	423.49
Balances with Custom & Excise Departments	9300.17	1423.70
Sub Total	23111.98	11701.31
Less: Provision for doubtful advances	30.03	30.73
	23081.95	11670.58

18.1 Disclosures pursuant to clause 32 of the Listing Agreement.

- Loans and Advances in the nature of Loans(interest free) given to Subsidiary Company : NIL (NIL)
- Investment by loanee in the shares of the Company : NIL (NIL)

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	₹/Lacs As at 31-03-2013
19. OTHER CURRENT ASSETS		
(Unsecured Considered Good)		
Interest Accrued on Deposit	771.46	612.29
Others	651.15	56.19
	1422.61	668.48

	2013-2014	₹/Lacs 2012-2013
20. REVENUE FROM OPERATIONS		
a) Sale of Products	320171.42	334258.30
Less : Excise Duty	42017.26	43854.57
	278154.16	290403.73
b) Other Operating Revenues;		
Claims Realised	532.57	398.72
Sale of Carbon Credit	-	61.92
Exchange Rate Difference	81.54	118.91
Other Operating Income	816.33	213.49
	1430.44	793.04
	279584.60	291196.77

	2013-2014	₹/Lacs 2012-2013
21. OTHER INCOME		
Interest received on Fixed Deposits and Others	3544.32	3803.17
Net Gain on Sale of Current Investments	74.50	-
Dividend on Current Investments	1.98	4.44
Other Non Operating Income	1172.54	1059.74
	4793.34	4867.35

	2013-2014	₹/Lacs 2012-2013
22. COST OF MATERIAL CONSUMED		
Cost of Raw Materials Consumed	46223.11	42066.48
	46223.11	42066.48

	2013-2014	₹/Lacs 2012-2013
22.1 Particulars of Material consumed		
Name of Material		
Lime Stone	14856.58	15519.54
Red Ochre	2196.93	2155.69
Dairen-DA-I 100 MP	7925.04	4969.40
Pozzolana	-	42.93
Gypsum/Selenite	4024.05	4086.02
Clay	295.95	720.14
Fly Ash	6586.50	5949.78
Others	10338.06	8622.98
TOTAL	46223.11	42066.48

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹/Lacs
	2013-2014	2012-2013
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods/Stock-in-Trade	6200.85	4046.16
Goods in Process	5538.29	4018.11
Sub Total	11739.14	8064.27
Closing Stock		
Finished Goods/Stock-in-Trade	6390.22	6200.85
Goods in Process	9206.34	5538.29
Sub Total	15596.56	11739.14
Net Sub Total	(3857.42)	(3674.87)

		₹/Lacs
	2013-2014	2012-2013
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	13674.69	12663.60
Contribution to Provident and Other funds	1667.12	1849.92
Welfare Expenses	1437.59	1275.15
	16779.40	15788.67

24.1 Disclosure in term of AS-15 are as under

a) Defined contribution plan

Contribution to defined contribution plan recognised as expenses for the year 2013-14 are as under

Employer's contribution to Provident Fund	682.55	513.18
Employer's contribution to Superannuation Fund	429.60	501.66
Employer's contribution to Family Pension Fund	224.27	203.28

b) Defined benefit plan

The Employees Gratuity Fund Scheme managed by a Trust is a defined benefit Plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognised in the same manner as gratuity.

			₹/Lacs
	2013-14	2012-13	
I. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED			
1. Current Service Cost	273.72	226.88	271.66
2. Interest Cost	377.68	356.31	92.69
3. Expected return on plan assets	(387.97)	(351.88)	-
4. Net Actuarial(Gains)/Losses	(73.47)	293.62	44.22
Total expenses	190	524.93	408.57
II. NET ASSET/(LIABILITY) RECOGNISED IN THE BALANCE SHEET AS AT 31.03.2014			
1. Present value of Defined Benefit Obligation	5089.04	4882.20	1468.97
2. Fair value of plan assets	4944.09	4403.39	-
3. Funded status[Surplus/(Deficit)]	(144.95)	(478.81)	(1468.97)
4. Net asset/(Liability)	(144.95)	(478.81)	(1286.49)

NOTES

on Financial Statements for the year ended 31st March, 2014

	Gratuity Funded		Leave encashment Unfunded	
	2013-14	2012-13	2013-14	2012-13
III. CHANGE IN OBLIGATION DURING THE YEAR ENDED				
1. Present value of Defined Benefit Obligation at beginning of the year	4882.20	4329.21	1286.49	1004.60
2. Current Service Cost	273.72	226.88	271.76	223.88
3. Interest Cost	377.68	356.31	92.69	81.10
4. Actuarial(Gains)/Losses	(241.59)	244.52	44.22	77.99
5. Benefits Payments	(202.97)	(274.72)	(226.29)	(101.08)
6. Present value of Defined Benefit Obligation at the end of the year.	5089.04	4882.20	1468.87	1286.49
IV. CHANGE IN ASSETS DURING THE YEAR ENDED				
1. Plan assets at the beginning of the year	4403.39	4178.81	-	-
2. Expected return on plan assets	387.93	351.88	-	-
3. Contributions by Employer	523.86	196.52	-	-
4. Actual benefits paid	(202.97)	(274.72)	(226.29)	(101.08)
5. Actuarial Gains/(Losses)	(168.12)	(49.10)	-	-
6. Plan assets at the end of the year	4944.09	4403.39	(226.29)	(101.08)
V. ACTUARIAL ASSUMPTIONS:				
1. Discount Rate	8.50%	7.90%	8.50%	7.90%
2. Expected rate of return on plan assets	8.50%	8.50%	-	-
3. Mortality	Indian Assured Lives Mortality (IALM) (2006-08) Ult. Modified	LIC (94-96) Ultimate	Indian Assured Lives Mortality (IALM) (2006-08) Ult. Modified	LIC (94-96) Ultimate
4. Turnover rate : Staff Worker	5% of all ages 1% of all ages	5% of all ages 1% of all ages	5% of all ages 1% of all ages	5% of all ages 1% of all ages
5. Salary escalator	10%	10%	10%	10%
6. Maximum limit		₹ 10,00,000/-		

	2013-2014	2012-2013
25. FINANCE COST		
Interest Expenses	18310.98	13594.18
Less: transfer to project in progress	(3962.28)	(18.50)
Sub Total (Net interest)	14348.70	13575.68
Interest on Income Tax	41.00	41.48
Other Borrowing Cost	781.10	261.49
Net Loss on Foreign Currency Transactions and Translation	88.94	102.86
	15259.74	13981.51

	2013-2014	2012-2013
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	14616.03	14046.08
Less: Transfer from Revaluation Reserve (Refer Note No. I I.ii)	1219.02	1220.49
	13397.01	12825.59

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹/Lacs
	2013-2014	2012-2013
27. OTHER EXPENSES		
a) Manufacturing Expenses		
Stores and Spares Consumed	7361.39	8057.36
Packing Materials Consumed	13786.62	12710.59
Power and Fuel	67390.14	71399.45
Repairs To		
Plant & Machinery	5386.30	4723.74
Buildings	867.11	862.13
Insurance	566.99	473.46
Other manufacturing expenses.	277.30	272.63
	95635.85	98499.36
b) Administration and Other Expenses		
Rent	1259.25	952.04
Lease Rent	15.52	15.34
Rates and Taxes	68.34	607.50
Travelling and Conveyance Expenses	2030.34	1789.93
Provision for Doubtful Debts/Advances	49.34	80.93
Debts and Advances written off	0.09	0.52
Loss on disposal of Fixed Assets (Net)	62.12	217.15
Expenses relating to Earlier Years	-	10.81
Provision for obsolete stock	22.15	-
Miscellaneous Expenses	8546.51	7626.26
	12053.66	11300.48
c) Selling and Distribution Expenses		
Advertisement and Publicity	2799.43	4413.14
Selling Expenses	8481.16	6317.18
Freight and Handling Outward	63338.56	59968.87
Sales Tax/VAT	541.56	461.86
	75160.71	71161.05
	182850.22	180960.89

		₹/Lacs
	2013-2014	2012-2013
28.1 Value of Raw Materials, Stores & Spare Parts Etc. Consumed		
a) Raw Materials		
i) Imported Value	14010.95	10161.10
% of total consumption	30.31%	25.54%
ii) Indigenous value	32212.16	31905.38
% of total consumption	69.69%	74.46%
	46223.11	42066.48
b) Stores & Spare Parts etc. (including packing material)		
i) Imported Value	1549.39	1604.18
% of total consumption	7.33%	7.02%
ii) Indigenous value	19598.62	19163.77
% of total consumption	92.67%	92.98%
	21148.01	20767.95

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹/Lacs
	2013-2014	2012-2013
28.2 VALUE OF IMPORTS ON CIF BASIS		
a) Raw Material	13781.93	7990.28
b) Components, Stores & Spare Parts, Packing Material and Coal	13780.54	9848.91
c) Capital Goods	2056.79	34.20
TOTAL	29619.26	17873.39
		₹/Lacs
	2013-2014	2012-2013
28.3 Payment to Auditors		
a) Audit Fee	30.00	28.00
b) Certification and attestation fee	3.80	4.36
c) Reimbursement of out of pocket expenses	1.02	1.40
TOTAL	34.82	33.76
		₹/Lacs
	2013-2014	2012-2013
28.4 Expenditure In Foreign Currency (on accrual basis)		
a) Know how/Technical Service Fee	10.56	43.98
b) Others	171.58	106.58
	182.14	150.56
		₹/Lacs
	2013-2014	2012-2013
29. EARNING IN FOREIGN CURRENCY		
Export of Goods calculated on FOB value	5257.38	4362.08
		₹/Lacs
	2013-2014	2012-2013
30. REMITTANCE IN FOREIGN CURRENCY		
Dividend	2.08	1.60
31. UNHEDGED FOREIGN CURRENCY EXPOSURE:		
Export Debtors: (US\$ 956013.60) ₹ 574.52 Lacs (US \$796684.12): ₹ 434.55 Lacs		
		₹/Lacs
	2013-2014	2012-2013
32. EARNING PER SHARE (EPS)		
a) Net Profit available for Equity Share holders (Numerator used for calculation)	9702.84	23354.56
b) Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
c) Basic and Diluted earnings per share of ₹ 10/-	13.88	33.40

NOTES

on Financial Statements for the year ended 31st March, 2014

33. RELATED PARTIES DISCLOSURES

I) a) Parties where the control/significant influence exists
i) Juggilal Kamlatpat Holding Ltd
ii) Yadu International Ltd
b) Key Management Personnel & their Relatives:
i) Shri Yadupati Singhania Managing Director & C.E.O.
ii) Dr. Gaur Hari Singhania (Relative)
c) Enterprises significantly influenced by Key Management Personnel or their Relatives.
i) Jaykay Enterprises Ltd
ii) J.K. Cotton Ltd.
iii) Jaykaycem (Eastern) Ltd
iv) Jaykaycem (Central) Ltd
v) J.K. Cement (Western) Ltd
d) Subsidiary Companies.
i) J.K. Cement (Fujairah) FZC (Holding Company of (ii) below)
ii) J.K. Cement Works (Fujairah) FZC
e) Joint Venture
i) Bander Coal Company (P) Ltd

(Related parties relationship is as identified by the Company and relied upon by the Auditors).

- 2 Following are the transactions with related parties as defined under Accounting Standard-18 on Related party disclosures issued by the Institute of Chartered Accountants of India.

	2013-2014	2012-2013
i) Jaykay Enterprises Ltd		
Services received	47.19	47.19
Rent paid	40.52	49.28
Expenses Reimbursed	75.20	75.88
Loan given:		
Balance as at beginning	-	900.00
Payment received	-	900.00
Balance as at close of the year	-	-
ii) J.K. Cotton Ltd		
Rent paid	45.09	23.80
Purchases	2.01	1.30
Sale of Products	1.07	2.03
III) J.K. Cement (Fujairah) FZC		
Loan given:		
Balance as at beginning	-	5456.13
Received & adjusted during the year	-	5456.13
Balance as at close of the year	-	-
Corporate Guarantees	47116.83	18655.52
Investment during the Year	9512.78	5456.13
iv) Bander Coal Company Pvt Ltd		
Corporate Guarantees	339.00	339.00
iv) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania (Managing Director)		
Remuneration	690.08	1219.50
b) Dr Gaur Hari Singhania (Relative)		
Commission	60.00	60.00
Sitting Fees	3.80	1.70

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹/Lacs
	2013-2014	2012-2013
v) J.K. Cement(Western) Ltd		
Opening	15.00	-
Advances given during the year	-	15.00
Balance as at close of the year	15.00	15.00
vi) Jaykaycem (Central) Ltd.		
Loan given during the year	364.00	-
Interest received	13.12	-
Balance at close of the year	377.12	-

34. DISCLOSURE OF COMPANY'S INTEREST IN JOINT VENTURE.

The Ministry of Coal, Government of India, has allotted a Coal block in Maharashtra to the Company together with two other allottees for captive consumption. The allottees have formed a Joint Venture Company i.e. Bander Coal Company Private Ltd.(BCCPL) for the aforesaid purpose. In terms of Joint Venture agreement, the Company has been allotted 375000 Equity Shares of ₹ 10/- each aggregating 37.5% of the Paid-up Equity Share Capital of BCCPL. During the year, the ministry of coal, Govt. of India issued an order for de-allocation of the Coal Block.

Details of the Company's interest in its Joint Venture, having Joint Control, as per the requirement of Accounting Standard(AS)-27 on "Financial Reporting of Interests in Joint Ventures", are as under based on unaudited Annual Accounts for the year ended 31.03.2014.

Sl. No.	Particulars	Bander Coal Company Pvt. Ltd
	% Share held	37.50
a)	Assets	34.38
b)	Liabilities	0.04
c)	Income	1.65
d)	Expenses	4.73

35. Board of Directors have proposed dividend of ₹ 3 per equity share of face value of ₹ 10/- each.

36. The Company is engaged only in cementious materials and there are no separate reportable segments as per AS-17.

		₹ /Lacs
	31-03-2014	31-03-2013
37. CONTINGENT LIABILITIES AND COMMITMENTS.		
I. A) Contingent Liabilities		
i) In respect of claims not acknowledged as debts by the Company	10956.76	6653.00
ii) In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts – no provision has been considered necessary by the Management		
a) Excise duty	1598.51	1452.55
b) Sales tax	4932.37	3834.79
c) Service tax	1085.42	890.17

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹ /Lacs
	31-03-2014	31-03-2013
iii) In respect of interest on "Cement Retention Price" realised in earlier years	1169.92	1149.54
v) The Competition Commission of India (CCI) has upheld the Complaint of Builders Association of India alleging caretalisation by some Cement Manufacturing Companies including us and imposed a penalty of ₹ 12854 Lacs on the Company. The Company had filed an appeal against the order before Competition Appellate Tribunal (COMPAT), COMPAT has stayed the penalty imposed by CCI in an interim order upon deposit of 10% of penalty amount till the final disposal of appeal. The Company has deposited ₹ 1285 Lacs in the form of fixed deposit favouring COMPAT. Based on expert legal advise company believes that it has fair chances before COMPAT and accordingly no provision has been made in accounts.	12854.00	12854.00
v) Corporate guarantees given to Banks for finance provided to subsidiary Companies.	47116.83	18655.52
vi) Other Financial Guarantees including of Joint Ventures.	952.89	952.89
B) Commitments		
i) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	14395.67	47839.50

38. The Ministry of Corporate Affairs, Government of India, vide General Circular no. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to the fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary informations relating to the subsidiaries has been included in the Consolidated Financial Statements.

39. Previous year figures have been regrouped and recasted wherever necessary to conform to the classification for the year.

SIGNIFICANT ACCOUNTING POLICIES

I. ACCOUNTING CONCEPTS

The financial statements are prepared under the historical cost convention (except for fixed assets which are revalued) on an accrual basis and in accordance with the applicable mandatory Accounting Standards.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of Financial Statements and the results of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current event and actions, actual results could differ from these estimates.

3. FIXED ASSETS

Fixed assets are stated at cost adjusted by revaluation of fixed assets. Cost comprises the purchase price and attributable cost of bringing the asset to its working condition for its intended use.

4. DEPRECIATION AND AMORTIZATION

I) Tangible Assets

- i) Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions/deductions to fixed assets is being provided on pro-rata basis from the month of acquisition.
- iii) Depreciation on additional value of Revalued Assets is provided on the basis of life determined by the valuers. An amount equivalent to depreciation on additional values resulting from revaluation is withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
- iv) Leasehold land is amortised over the period of lease.

II) Intangible Assets

- i) Computer Software cost is amortised over a period of three years.
- ii) Good will is amortised over a period of ten years.

5. IMPAIRMENT OF ASSETS

The carrying amount of assets is reviewed at each balance sheet date. If there is any indication of impairment based on internal and external factors, an impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value the estimated future cash flows are discounted to their present value at the weighted average cost of capital. For the purpose of accounting of impairment due consideration is given to revaluation of reserves, if any.

After impairment depreciation is provided on the revised carrying amount of the assets over remaining useful life.

6. GOVERNMENT SUBSIDIES

Government grants/subsidies are accounted for only when there is a certainty of receipt.

7. INVESTMENTS

Current investments are stated at lower of cost or fair market value. Long term investments are stated at cost after deducting provisions made for other than temporary diminution in the value, if any.

8. INVENTORIES

Inventories are valued at "cost or net realizable value, whichever is lower". Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a moving weighted average basis (Store Spare parts etc and Raw materials). In respect of work in process and finished goods cost is determined on a monthly moving weighted average basis.

9. SALES

Sale of goods is recognized at the point of sale to customer. Sale includes excise duty. In order to comply with the accounting interpretation(ASI-14) issued by the Institute of Chartered Accountants of India, sales(including excise duty) and net sales(excluding excise duty) is disclosed in Profit & Loss Account.

10. BORROWING COST

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/ construction of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to Profit & Loss Account.

11. RETIREMENT BENEFITS

The Company's contributions to Provident Fund and Superannuation Fund are charged to Profit & Loss Account. Contributions to Gratuity Fund are made on actuarial valuation and Provision for Leave encashment are made on the basis of actuarial valuation and charged to Profit & Loss Account.

12. FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are accounted at equivalent rupee value earned/incurred. Year end balance in current assets/ liabilities is accounted at applicable rates. Exchange difference arising on account of fluctuation in the rate of exchange is recognized in the Profit & Loss Account.

Investment in subsidiary company is expressed in Indian Rupees at the rate of exchange prevailing at the date of investment.

13. PROVISION FOR CURRENT AND DEFERRED TAX

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future. Permanent timing difference adjustments are not accounted for in provisions.

14. MINES RESTORATION EXPENDITURE

The expenditure on restoration of the mines based on technical estimates by Internal/External specialists is recognized in the accounts. The total estimated restoration expenditure is apportioned over the estimated quantity of mineral resources(likely to be made available) and provision is made in the accounts based on minerals mined during the year.

15. OPERATING LEASES

Leases where significant portion of risk and reward of ownership are retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Profit & Loss Account.

16. PROVISION/CONTINGENCY

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed.

FINANCIAL DETAILS

of Subsidiary Companies

FINANCIAL DETAILS OF SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Closing Exchange Rate adopted on 31.12.2013 ₹ /AED	Capital	Reserves	Total Assets	Total Liabilities	Investment (Included in Total Assets)	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend
J.K. Cement (Fujairah) FZC	16.8415	25,147.72	(138.68)	25,027.71	18.68	24,988.23	-	(16.15)	-	(16.15)	-
J.K. Cement Works (Fujairah) FZC	16.8415	26,689.22	(3,453.25)	89,072.69	65,836.72	-	-	(2,389.97)	-	(2,389.97)	-

1. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
2. The Company has consolidated the financial statements of its subsidiary as per Accounting Standard (AS)-21 "Consolidated Financial Statements" issued by the "Institute of the Chartered Accountants of India".

Place: Kanpur

Dated: 17th May, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of J.K.Cement Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of J.K. Cement Limited ("the Company") its subsidiaries and joint venture, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of 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 Company in accordance with accounting principles generally accepted in India including Accounting Standards notified under 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 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances 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 consolidated financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditor on the financial statements of subsidiaries, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the consolidated statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of subsidiaries and joint venture, whose financial statements reflect total assets of ₹ 66061.24 lacs as at 31-12-2013/31-03-2014, total revenues of ₹ 34.25 lacs and cash flow amounting to ₹ 1821.85 lacs for the year ended on that date.

Our opinion is not qualified in respect of other matters.

For **PL.TANDON & Co**
Chartered Accountants
Registration Number: 000186C

Signature
P.P. SINGH
(PARTNER)

Place : Kanpur
Dated : 17th May, 2014

Membership Number: 072754

CONSOLIDATED BALANCE SHEET

as at 31st March, 2014

	Note No.	As at 31-03-2014	₹/Lacs As at 31-03-2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	6992.72	6992.72
Reserves and Surplus	2	167622.63	162061.86
		174615.35	169054.58
Minority Interest		1449.52	476.59
Non Current Liabilities			
Long Term Borrowing	3	244151.78	105953.29
Deferred Tax Liability (Net)	4	26846.54	24903.89
Other Long Term Liabilities	5	9725.35	8710.79
Long Term provisions	6	1476.55	1263.23
		282200.22	140831.20
Current Liabilities			
Short term Borrowings	7	20601.18	18865.43
Trade Payables	8	44009.32	19656.52
Other Current Liabilities	9	49968.72	45161.35
Short Term Provisions	10	3490.66	6729.59
		118069.88	90412.89
TOTAL		576334.97	400775.26
ASSETS			
Non Current Assets			
Fixed Assets	11		
Tangible Assets		232580.02	236648.86
Intangible Assets		106.92	248.12
Capital Work-in-Progress		178739.63	25448.18
Intangible Assets under Development		14.31	11.42
Non-Current Investments	12	2100.57	3242.57
Long Term Loans and Advances	13	27216.04	27587.36
		440757.49	293186.51
Current Assets			
Current Investments	14	4650.00	-
Inventories	15	54195.48	46137.63
Trade Receivables	16	11170.68	11527.03
Cash and Cash Equivalents	17	40864.48	37533.07
Short Term Loans and Advances	18	23255.78	11712.45
Other Current Assets	19	1441.06	678.57
		135577.48	107588.75
TOTAL		576334.97	400775.26
Significant Accounting Policies			
Notes on Financial Statements	I-34		

As per our Report attached
For **P.L.Tandon and Co**
Chartered Accountants

P.P. Singh
Partner

Dr. Gaur Hari Singhania
Chairman

A.K. Saraogi
President (Corp.affairs) & CFO

Yadupati Singhania
Managing Director and CEO

Achintya Karati
Ashok Sharma
Jagendra Swarup
Jayant Narain Godbole
Kailash Nath Khandelwal
Krishna Behari Agarwal
Raj Kumar Lohia
Suparas Bhandari

Directors

Place : Kanpur
Dated : 17th May, 2014

Shambhu Singh
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2014

	Note No.	2013-14	2012-13
INCOME			
Revenue From Operations	20	279584.60	291196.77
Other Income	21	4827.59	4879.99
TOTAL REVENUE		284412.19	296076.76
EXPENSES			
Cost of Materials Consumed	22	46223.11	42066.48
Purchase of Stock-in-Trade		98.57	53.12
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(3857.42)	(3674.87)
Employee Benefits Expenses	24	16958.85	15902.48
Finance Costs	25	15261.59	13983.38
Depreciation and amortization expenses	26	13420.51	12868.80
Other Expenses	27	184889.22	181123.00
TOTAL EXPENSES		272994.43	262322.39
Profit before Tax		11417.76	33754.37
Tax Expense			
Current Tax		2880.00	8761.49
Less: MAT Credit entitlement		(351.00)	-
Earlier Years Tax		(548.53)	(46.32)
Deferred Tax		1942.66	1993.38
Profit for the Year		7494.63	23045.82
Add: Share of Loss transferred to Minority Interest		220.65	30.83
Profit after Tax & Minority Interest		7715.28	23076.65
Earning per Equity share of ₹10/- each.		11.03	33.00
Basic and Diluted (In ₹)			
Significant Accounting Policies			
Notes on Financial Statements	I-34		

As per our Report attached
For P.L. Tandon and Co
Chartered Accountants

P.P. Singh
Partner

Dr. Gaur Hari Singhania
Chairman

A.K. Saraogi
President (Corp.affairs) & CFO

Yadupati Singhania
Managing Director and CEO

Achintya Karati
Ashok Sharma
Jagendra Swarup
Jayant Narain Godbole
Kailash Nath Khandelwal
Krishna Behari Agarwal
Raj Kumar Lohia
Suparas Bhandari

Directors

Place : Kanpur
Dated : 17th May, 2014

Shambhu Singh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2014

		₹/Lacs
	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit & Loss Account	11417.76	33754.37
Adjusted for :		
Depreciation	13504.21	12868.80
Interest	14348.70	13617.16
Interest received	(3578.48)	(3815.24)
Dividend Income	(1.98)	(4.44)
Profit on sale of Investments	(74.50)	-
Loss on sale of assets(Net)	62.12	217.15
Mines restoration Charges	17.27	61.29
	- 24277.34	- 22944.72
Operating Profit before Working Capital Changes	35695.10	56699.09
Adjusted for :		
Trade & Other Receivables	(9015.70)	(2803.38)
Inventories	(1668.44)	(9854.68)
Trade Payable & Other Liabilities	19080.07 8395.93	5966.08 (6691.98)
Cash Generated from Operations	44091.03	50007.11
Adjusted for :		
Tax Paid	(2346.36)	(7742.08)
Corporate Dividend Tax	(772.47)	(567.20)
Dividend paid	(4545.27)	(3496.36)
	(7664.10)	(11805.64)
Net cash from operating activities	36426.93	38201.47
B. CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition/Purchase of fixed assets including capital advances	(155946.90)	(54636.79)
Sale of fixed assets	184.29	161.09
Purchase of Investments	(11108.03)	(7319.57)
Sale of Investments	7674.50	5004.44
Exchange Rate Fluctuation Reserve on Conversion	297.27	294.83
Dividend	1.98	-
Interest Income	3146.05	3828.21
Net cash used in investing activities	(155750.84)	(52667.79)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2014

	2013-14	2012-13
		₹/Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	-	4389.21
Fresh Capital Introduced	1122.83	-
Loan to Associates	(364.00)	15.00
Capital subsidy received	77.69	84.41
Deferred Sales Tax / VAT	(1260.37)	510.45
Long Term Borrowings	157942.39	20139.28
Cash Credit/OD Accounts	1735.75	10582.72
Repayment of Long Term Borrowings	(19725.15)	(15284.29)
Interest Paid	(17673.61)	(13587.07)
Security Deposits	1014.56	-
Loss on Exchange Rate Fluctuation	-	-
Vehicle Loans & Others	(214.77)	942.89
Net Refunds From Associate Companies	-	885.00
Net cash used in financing activities	122655.32	8677.60
Net increase/ (decrease) in Cash and Cash Equivalents (a+b+c)	3331.41	(5788.72)
Opening balance of Cash and Cash Equivalents	37533.07	43321.79
Closing balance of Cash & Cash Equivalents	40864.48	37533.07

As per our Report attached
For **P.L.Tandon and Co**
Chartered Accountants

Dr. Gaur Hari Singhania
Chairman

Yadupati Singhania
Managing Director and CEO

P.P. Singh
Partner

A.K. Saraogi
President (Corp.affairs) & CFO

Achintya Karati
Ashok Sharma
Jagendra Swarup
Jayant Narain Godbole
Kailash Nath Khandelwal
Krishna Behari Agarwal
Raj Kumar Lohia
Suparas Bhandari

Directors

Place : Kanpur
Dated : 17th May, 2014

Shambhu Singh
Company Secretary

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
I. SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of ₹10/- each	8000.00	8000.00
(8,00,00,000 Equity Shares of ₹10/- each)		
	8000.00	8000.00
Issued, Subscribed and Paid up		
6,99,27,250 Equity Shares of ₹10/- each fully paidup	6992.72	6992.72
(6,99,27,250 Equity Shares of ₹10/- each fully paidup)		
	6992.72	6992.72

I.1 The reconciliation of number of shares outstanding is set out below:

Equity shares at the beginning of the year	69927250
Equity shares at the end of the year	69927250

I.2 Details of Shareholders holding more than 5% shares .

S.No.	Name of the share holder	Shares held on	%	Shares held on	%
		31-03-2014	31-03-2014	31-03-2013	31-03-2013
1	Yadu International Ltd	22655100	32.40	22655100	32.40
2	Yadupati Singhania	13246086	18.94	13246086	18.94
3	Juggilal Kamlapat Holding Ltd.	7228418	10.34	7050000	10.08

	As at 31-03-2014	As at 31-03-2013
2. RESERVES AND SURPLUS		
a) Capital Reserve		
Govt. Subsidy		
As per last Balance Sheet	9473.41	9389.00
Add: Received during the year	77.69	84.41
	9551.10	9473.41
b) Securities Premium Reserve		
As per last Balance Sheet	25988.60	25988.60
c) Debenture Redemption Reserve		
As per last Balance Sheet	3397.50	2265.00
Add :Transfer from Profit and Loss Account	1632.50	1132.50
	5030.00	3397.50
d) Revaluation Reserve		
As per last Balance Sheet	22726.37	24009.65
Less : Deduction During the year	0.05	62.79
Less :Transfer to Profit and Loss Account	1219.02	1220.49
	21507.30	22726.37
e) General Reserve		
As per last Balance Sheet	62540.05	56540.05
Add :Transfer from Profit and Loss Account	2000.00	6000.00
	64540.05	62540.05
f) Foreign Currency Translation Reserve		
As per last Balance Sheet	242.48	(42.88)
Adjustment during the year	1441.21	285.36
	1683.69	242.48
g) Surplus		
As per last Balance Sheet	37693.45	27067.04
Balance in Statement of Profit and Loss A/c	7715.28	23076.65
	45408.73	50143.69

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
2. RESERVES AND SURPLUS		
Less: Appropriations		
Transfer to General Reserve	2000.00	6000.00
Transfer to Debenture Redemption Reserve	1632.50	1132.50
Proposed Dividend on Equity Shares	2097.82	4545.27
Tax on Dividend	356.52	772.47
	6086.84	12450.24
	39321.89	37693.45
	167622.63	162061.86

- 2.1 Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme, 2003. Government has released ₹ 9551.10 Lacs as interest subsidy for the period 1st Dec. 2004 to 31.03.2014 including ₹ 77.69 Lacs during the year which has been accounted for as Capital Receipt based on expert advice.

	As at 31-03-2014	As at 31-03-2013
3. LONG TERM BORROWINGS		
a) Secured		
Non Convertible Debentures	60000.00	40000.00
Term Loan from Banks	177232.80	57509.45
Vehicle Loans	168.33	274.30
VAT Loans	2879.24	2879.24
	240280.37	100662.99
b) Unsecured		
Deferred Sales Tax Liability	3871.41	5290.30
	3871.41	5290.30
	244151.78	105953.29

3.1 Non Convertible Debentures (NCDs): ₹ 60000.00 Lacs (₹ 40000.00 Lacs)

Security for NCDs for ₹ 40000 Lacs (₹ 40000 Lacs)

- i) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified below in 3.2(i)(a).

Security for NCDs for ₹ 20000 Lacs (NIL)

- ii) Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable fixed assets, present and future pertaining to Company's existing cement plant at village Muddapur, Karnataka.

3.2 i) Term Loans related to Cement Plants at Rajasthan

- a) From other Banks: ₹ 23143.39 Lacs : (₹ 19003.27 Lacs)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all the movable assets of the Company both present and future save and except i) inventories, book debts, cash and bank balances and all assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Muddapur, Karnataka ii) properties for office and guest house including those having exclusive charge of other lenders and iii) New Cement plant at Mangrol and Jharli.

- b) From Canara Bank: ₹ 921.73 Lacs (₹ 1566.47 Lacs)
From Export Import Bank of India: ₹ 1500 Lacs (₹ Nil)

NOTES

on Financial Statements for the year ended 31st March, 2014

Secured by equitable mortgage of immovable properties and hypothecation of movable assets pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.

ii) Term Loans related to Cement Plant at Karnataka :

- a) From Consortium of Banks: : ₹ 25323.58 Lacs (₹ 34151.28 Lacs)

Secured by First Pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable assets, present and future (save and except book debts) pertaining to J.K. Cement Works, Muddapur, Karnataka subject to prior charges in favour of working capital lenders on inventories and other current assets.

- b) From State Bank of India: ₹ 5137.21 Lacs (₹ Nil) Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets except mining land and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

- c) From Allahabad Bank: ₹ 1500 Lacs (₹ Nil)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all movable fixed assets, present and future pertaining to J.K. Cement Works, Muddapur, Karnataka.

iii) Term Loans related to New Cement Plants at Rajasthan and Haryana

From Consortium of Banks : ₹ 83645.36 Lacs (Nil)

Secured by First pari-passu charge on all immovable fixed assets (save and except mining land) and all movable fixed assets (save and except book debts) being acquired out of loan for the new cement Plants at Mangrol, Rajasthan and split Grinding Unit at Jharli, Haryana and second charge on current assets related to above plants.

- iv) Term Loans related to the Properties : ₹ 3158.05 Lacs (₹ 4194.74 Lacs)

Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable assets pertaining to the specified properties.

- v) Term Loans related to Cement Plant at Fujairah : ₹ 45460.20 Lacs (₹ 10639.28 Lacs)

First pari-passu charge on the entire movable and immovable fixed assets pertaining to J.K. Cement Works (Fujairah)FZC, UAE, as per prevalent local laws in UAE. Charge to be created within 6 months from commencement of commercial production. Assignment of the rights in respect of lease hold land to be created.

Corporate Guarantee of J.K. Cement Ltd. is given uptill the completion of one year from the date of commercial production.

Pledged of 51% of J.K. Cement Ltd. Shareholding in J.K. Cement (Fujairah)FZC on pari-passi basis.

Pledged of 51% of J.K. Cement Ltd. (Fujairah)FZC shareholding held in J.K. Cement Works (Fujairah)FZC on pari-passi basis and non-disposal undertaking from J.K. Cement (Fujairah) FZC for the balance 39% of its shareholding.

Maturity Profile: As per terms of Lone Agreement with the Consortium Bankers, the repayment of loan shall be in 28 equal quarterly installments commencing from 1st October 2015.

3.3 VAT Loan (Interest free) from Govt. of Karnataka: ₹ 2879.24 Lacs (₹ 2879.24 Lacs)

Secured by second Pari Pssu charge by way of equitable mortgage of land building and plant and machinery pertaining to J.K. Cement Works, Muddapur, Karnataka and bank guarantee. Second charge on assets are yet to be created.

Maturity profile: Payable after September, 2021 onwards.

3.4 Vehicle Loans : ₹ 379.77 Lacs (₹ 594.53 Lacs)

Secured by hypothecation of vehicles

Maturity profile of Vehicle Loan:

	2014-15	2015-16	2016-17	2017-18	Total
Principal	211.43	114.88	45.78	7.68	379.77

3.5 Unsecured Loans:

Deferred Sales Tax Liability: ₹ 4662.28 Lacs (₹ 5922.65 Lacs)

₹ 186.65 Lacs (₹ 396.03 Lacs) as at 31.03.2014 interest free deferred sales tax liability payable in quarterly equitable instalment of ₹ 31.15 Lacs.

₹ 4475.63 Lacs (₹ 4529.54 Lacs): Interest free deferred sales tax liability. The availment of said scheme is still continued.

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
4. DEFERRED TAX ASSETS & LIABILITIES		
a) Deferred Tax Assets		
i) Provision for Doubtful Debts	201.56	180.23
ii) Expenses deductible on payment basis	3551.60	3019.82
iii) Unabsorbed loss	1.47	0.06
	3754.63	3200.11
b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income Tax Act	30601.17	28104.00
c) Net Deferred Tax Liabilities (b-a)	26846.54	24903.89

	As at 31-03-2014	As at 31-03-2013
5. OTHER LONG TERM LIABILITIES		
Security Deposits	9725.35	8710.79
	9725.35	8710.79

	As at 31-03-2014	As at 31-03-2013
6. LONG TERM PROVISIONS		
Provision for employees benefits	1322.64	1126.60
Provision for Mines Restoration Charges	153.91	136.63
	1476.55	1263.23

6.1 Provision for Mines Restoration charges:

	Opening Balance	Provision during the year	Closing Balance
	136.63	17.28	153.91

	As at 31-03-2014	As at 31-03-2013
7. SHORT TERM BORROWINGS		
Secured		
Loan from Banks (CC Accounts)	19850.33	18865.43
Loan from Banks (over draft)	750.85	-
	20601.18	18865.43

7.1 Cash Credit Account : ₹ 19850.33 Lacs (₹ 18865.43 Lacs)

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders.

7.2 Bank over draft: Fujairah ₹ 750.85 Lacs (NIL)

Secured against Fixed deposits.

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014		As at 31-03-2013	
8. TRADE PAYABLES				
Micro, Small and Medium Enterprises	214.10		64.62	
Other Trade Payables *	37389.83	37603.93	15969.74	16034.36
Acceptances		6405.39		3622.16
	44009.32		19656.52	

*including project creditors ₹ 20339.57 Lacs (Prev. Year ₹ 1038.47 Lacs)

- 8.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2014 as per the terms of Contract.

	As at 31-03-2014		As at 31-03-2013	
9. OTHER CURRENT LIABILITIES				
Current maturities of long term debt				
Term Loan from Bank	12556.7		12045.6	
Vehicle Loan	211.44		320.23	
Deferred Sales Tax Liability	790.87	13559.01	632.35	12998.18
Interest Accrued but not due on Borrowings		1313.85		914.23
Interest Accrued and due on Borrowings		237.75		
Investor Education and Protection Fund shall be credited by following				
Unclaimed Dividend	117.85		102.64	
Unclaimed application Money	-		2.08	
Unclaimed fraction Money	9.24	127.09	9.24	113.96
Temporary Book Overdraft		93.35		-
Other Payable		34637.67		31134.98
	49968.72		45161.35	

- 9.1 Other payable includes the liability of employees, Sales Tax/VAT dues and rebates to customer etc.

	As at 31-03-2014		As at 31-03-2013	
10 SHORT TERM PROVISIONS				
Provision for employee benefits	1011.32		1391.85	
Provision for Wealth Tax	25.00		20.00	
Proposed Dividend on Equity Shares	2097.82		4545.27	
Tax on Dividend	356.52		772.47	
	3490.66		6729.59	

on Financial Statements for the year ended 31st March, 2014

Note: i) Some assets discarded where value of the assets are not determined, the adjustment of sale proceeds is made from historical value directly.

ii) Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock had been revalued as on 04.11.2004 by the approved valuers on the basis of assessment about current value of the similar assets. Current values had been determined by cost approach method. Accretion on account of revaluation amounting to ₹ 33203.82 Lacs had been credited to Revaluation Reserve. Depreciation on additional value is provided on the basis of life determined by the valuers. An amount of ₹ 1219.02 Lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014		₹/Lacs As at 31-03-2013
12. NON CURRENT INVESTMENTS			
Name of the Bodies Corporate	Face Value	Units/ Shares	Units/ Shares
Others Investments			
A) Investments in Equity Instruments			
Unquoted			
Fully paid up equity shares :			
VS Lignite Power Private Limited @	₹ 10	3140101	314.01
ReNew Wind Energy AP (Pvt.) Ltd.	₹ 10	8000	8.00
B) Investments in Preference Shares			
Unquoted			
0.01% cumulative redeemable Preference shares (Fully paid up) :			
VS Lignite Power Private Limited @	₹ 10	2785552	278.56
Sub-Total Unquoted		600.57	592.57
C) Investments in Mutual Funds			
Quoted			
Fixed Maturity Plan- IDBI -E-Growth	₹ 10	-	5000000
Fixed Maturity Plan- IDBI -B-Growth	₹ 10	-	5000000
Fixed Maturity Plan- IDBI -C-Growth	₹ 10	-	1000000
SBI-Debt Fund-14 Months Regular Plan	₹ 10	-	10000000
Baroda Pioneer FMP	₹ 10	-	5000000
J.P.Morgan Active Bond Fund Institutional	₹ 10.1292	-	493622.40
BOI AXA Fixed Maturity Plan Series I 3	₹ 10	5000000	500.00
HDFC FMP-Series 29	₹ 10	5000000	500.00
Baroda Pioneer FMP Series N	₹ 10	5000000	500.00
		1500.00	2650.00
TOTAL		2100.57	3242.57
Aggregate Market Value of Quoted Investments		1505.10	2707.88
Aggregate Amount of Unquoted Investments		600.57	592.57

Notes:

@ 3140101 Equity shares and 2785552 Preference shares are under lien with issuer company as Security towards obligations.

	As at 31-03-2014	₹/Lacs As at 31-03-2013
13. LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
Capital Advances	23574.01	25077.71
Deposits	3093.45	1621.68
Others	548.58	887.97
	27216.04	27587.36

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014			₹/Lacs As at 31-03-2013
14. CURRENT INVESTMENTS				
Name of the Bodies Corporate	Face Value	Units/ Shares		Units/ Shares
Others Investments				
<i>Investments in Mutual Funds</i>				
Quoted				
Fixed Maturity Plan- IDBI -B-Growth	₹ 10	5,000,000.00	500.00	-
Fixed Maturity Plan- IDBI -C-Growth	₹ 10	1,000,000.00	100.00	-
SBI-Debt Fund-14 Months Regular Plan	₹ 10	10,000,000.00	1,000.00	-
Baroda Pioneer FMP-372 Days	₹ 10	5,000,000.00	500.00	-
J.P.Morgan Active Bond Fund Institutional	₹ 10.1292	493,622.40	50.00	-
IDBI FMP Series-I I I -366 Days	₹ 10	5,000,000.00	500.00	-
ICICI Prudential	₹ 10	10,000,000.00	1,000.00	-
LIC Nomura FMP-Series 7I	₹ 10	5,000,000.00	500.00	-
HDFC Fixed Maturity Plans-Series29	₹ 10	5,000,000.00	500.00	-
TOTAL			4,650.00	NIL
Aggregate Market Value of Quoted Investments			4,938.57	

	As at 31-03-2014		₹/Lacs As at 31-03-2013
15. INVENTORIES			
Raw Materials	4676.51		5155.71
Work-in-Process	9206.34		5538.29
Finished Goods	6374.22		6200.85
Stock-in-Trade	15.99		
Stores, Spare parts etc.	29601.84		25995.78
Less: Provision for Diminution in the value of Stores,Spares Parts etc.	38.91	29562.93	16.76
Goods-in-Transit			
Raw Materials	421.73		43.86
Stores, Spare parts etc.	3937.76		3219.90
	54195.48		46137.63

Note: Stock of Stores, Spare parts also includes stock of Project material aggregate to ₹ 5288.36 (₹ 2110.21).

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	As at 31-03-2013
16. TRADE RECEIVABLE		
Trade Receivable over six months		
Considered Good		
Secured	77.89	80.27
Unsecured	274.07	334.27
Considered doubtful	524.42	482.75
Less: Provision for Doubtful Debts	524.42	482.75
Sub Total	351.96	414.54
Other Trade Receivable		
Considered Good		
Secured	2599.85	2410.53
Unsecured	8218.87	8701.96
Sub Total	10818.72	11112.49
	11170.68	11527.03

	As at 31-03-2014	As at 31-03-2013
17. CASH & CASH EQUIVALENTS		
Balances with Banks in		
Current Accounts	11040.14	9159.12
Unclaimed Dividend	117.85	104.72
Fixed Deposits	29636.72	28162.52
Cheques and Drafts on hand	0.60	59.76
Cash on hand	69.17	46.95
	40864.48	37533.07

17.1 Fixed Deposits with banks includes deposits of ₹ 1646.11 Lacs (₹ 2406.75 Lacs) with maturity more than 12 months and ₹ 6310.57 Lacs (₹ 11886.67 Lacs) tied up against overdraft/other commitments.

	As at 31-03-2014	As at 31-03-2013
18. SHORT TERM LOANS & ADVANCES		
(Considered Good unless otherwise stated)		
Unsecured		
Loans and advances to related parties (Refer Note No. 31.(2))	379.00	15.00
Other Loan and Advances		
Considered good	8437.97	5840.13
Doubtful	30.03	30.73
Taxation(Net of Provisions)	675.79	771.31
MAT Credit Entitlement	3930.54	3238.82
Prepaid Expenses	532.31	423.49
Balances with Custom & Excise Departments	9300.17	1423.70
Sub Total	23285.81	11743.18
Less: Provision for doubtful advances	30.03	30.73
	23255.78	11712.45

NOTES

on Financial Statements for the year ended 31st March, 2014

	As at 31-03-2014	₹/Lacs As at 31-03-2013
19. OTHER CURRENT ASSETS		
(Unsecured Considered Good)		
Interest Accrued on Deposit	789.91	622.38
Others	651.15	56.19
	1441.06	678.57

	2013-14	₹/Lacs 2012-13
20. REVENUE FROM OPERATIONS		
a) Sale of Products	320171.42	334258.30
Less : Excise Duty	42017.26	43854.57
	278154.16	290403.73
b) Other Operating Revenues		
Claims Realised	532.57	398.72
Sale of Carbon Credit	-	61.92
Exchange Rate Difference	81.54	118.91
Other Operating Income	816.33	213.49
	1430.44	793.04
	279584.60	291196.77

	2013-14	₹/Lacs 2012-13
21. OTHER INCOME		
Interest received on Fixed deposits and others	3578.48	3815.25
Net Gain on Sale of Current Investments	74.50	-
Dividend on Current Investments	1.98	4.44
Other Non Operating Income	1172.63	1060.30
	4827.59	4879.99

	2013-14	₹/Lacs 2012-13
22. COST OF MATERIAL CONSUMED		
Cost of Raw Materials Consumed	46223.11	42066.48
	46223.11	42066.48

	2013-14	₹/Lacs 2012-13
22.1 Particulars of Material consumed:		
Name of Material		
Lime Stone	14856.58	15519.54
Red Ochre	2196.93	2155.69
Dairen-DA-1100 MP	7925.04	4969.40
Pozzolana	-	42.93
Gypsum/Selenite	4024.05	4086.02
Clay	295.95	720.14
Fly Ash	6586.50	5949.78
Others	10338.06	8622.98
TOTAL	46223.11	42066.48

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹/Lacs
	2013-14	2012-13
23. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods/Stock-in-Trade	6200.85	4046.16
Goods in Process	5538.29	4018.11
Sub Total	11739.14	8064.27
Closing Stock		
Finished Goods/Stock-in-Trade	6390.22	6200.85
Goods in Process	9206.34	5538.29
Sub Total	15596.56	11739.14
Net Sub Total	(3857.42)	(3674.87)

		₹/Lacs
	2013-14	2012-13
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	13854.14	12777.41
Contribution to Provident and Other funds	1667.12	1849.92
Welfare Expenses	1437.59	1275.15
	16958.85	15902.48

		₹/Lacs
	2013-14	2012-13
25. FINANCE COST		
Interest Expenses	20063.82	13594.18
Less: transfer to project in progress	(5715.12)	(18.50)
Interest on Income Tax	41.00	41.48
Other Borrowing Cost	782.95	263.36
Net Loss on Foreign Currency Transactions and Translation	88.94	102.86
	15261.59	13983.38

		₹/Lacs
	2013-14	2012-13
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	14639.53	14089.29
Less: Transfer from Revaluation Reserve (refer note no. 11.ii)	1219.02	1220.49
	13420.51	12868.80

		₹/Lacs
	2013-14	2012-13
27. OTHER EXPENSES		
a) Manufacturing Expenses		
Stores and Spares Consumed	7361.39	8057.36
Packing Materials Consumed	13786.62	12710.59
Power and Fuel	67390.14	71399.45
Repairs To:		
Plant and Machinery	5386.30	4723.74
Buildings	867.11	862.13
Insurance	566.99	473.46
Other Manufacturing Expenses	277.30	272.63
	95635.85	98499.36

NOTES

on Financial Statements for the year ended 31st March, 2014

		₹/Lacs
	2013-14	2012-13
27. OTHER EXPENSES		
b) Administration and Other Expenses		
Rent	1313.07	976.34
Lease Rent	15.52	15.34
Rates and Taxes	91.94	617.11
Travelling and Conveyance Expenses	2102.89	1805.60
Provision for Doubtful Debts/Advances	49.34	80.93
Debts and Advances written off	0.09	0.52
Loss on disposal of Fixed Assets (Net)	62.12	217.15
Expenses relating to Earlier years	-	10.81
Provision for obsolete store	22.15	-
Miscellaneous Expenses	10435.54	7738.79
	14092.66	11462.59
c) Selling and Distribution Expenses		
Advertisement and Publicity	2799.43	4413.14
Selling Expenses	8481.16	6317.18
Freight and Handling Outward	63338.56	59968.87
Sales Tax/VAT	541.56	461.86
	75160.71	71161.05
	184889.22	181123.00

28. UNHEDGED FOREIGN CURRENCY EXPOSURE

Export Debtors: (US\$ 956013.60) ₹ 574.52 Lacs (US \$796684.12): ₹ 434.55 Lacs

		₹/Lacs
	2013-14	2012-13
29. EARNING PER SHARE		
a) Net Profit available for Equity Share holders (Numerator used for calculation)	7715.28	23076.65
b) Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
c) Basic and Diluted earnings per share of ₹10/-	11.03	33.00

- 30.** During the quarter the Company's fellow Subsidiary Company, J.K. Cement Works (Fujairah) FZC, has commenced its White Cement production in March, 2014.

31. RELATED PARTIES DISCLOSURES

(I) a) Parties where the control/significant influence exists	
i) Juggilal Kamlapat Holding Ltd	
ii) Yadu International Ltd	
b) Key Management Personnel & their Relatives	
i) Shri Yadupati Singhania Managing Director & C.E.O	
ii) Dr. Gaur Hari Singhania (Relative)	
c) Enterprises significantly influenced by Key Management Personnel or their Relatives.	
i) Jaykay Enterprises Ltd	
ii) J.K. Cotton Ltd.	
iii) Jaykaycem (Eastern) Ltd	
iv) Jaykaycem (Central) Ltd	
v) J.K. Cement (Western) Ltd	

(Related parties relationship is as identified by the Company and relied upon by the Auditors).

NOTES

on Financial Statements for the year ended 31st March, 2014

- (2) Following are the transactions with related parties as defined under Accounting Standard-18 on Related party disclosures issued by the Institute of Chartered Accountants of India.

		₹/Lacs
	2013-14	2012-13
(i) Jaykay Enterprises Ltd		
Services received	47.19	47.19
Rent paid	40.52	49.28
Expenses Reimbursed	75.20	75.88
Loan given:		
Balance as at beginning	-	900.00
Payment received	-	900.00
Balance as at close of the year	-	-
(ii) J.K. Cotton Ltd.		
Rent paid	45.09	23.80
Purchases	2.01	1.30
Sale of Products	1.07	2.03
(iii) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania (Managing Director)		
Remuneration	690.08	1219.50
b) Dr Gaur Hari Singhania (Relative)		
Commission	60.00	60.00
Sitting Fees	3.80	1.70
(iv) J.K. Cement (Western) Ltd		
Opening	15.00	-
Advances given during the year		15.00
Balance as at close of the year	15.00	15.00
(v) Jaykaycem (Central) Ltd		
Loan given during the year	364.00	-
Interest received	13.12	-
Balance at close of the year	377.12	-

		₹/Lacs
	2013-14	2012-13
32. CONTINGENT LIABILITIES AND COMMITMENTS.		
I. (A) Contingent Liabilities		
(i) In respect of claims not acknowledged as debts by the Company	10956.76	6653.00
(ii) In respect of disputed demands for which Appeals are pending with Appellate Authorities/Courts – no provision has been considered necessary by the Management		
a) Excise duty	1598.51	1452.55
b) Sales tax	4932.37	3834.79
c) Service tax	1085.42	890.17
(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1169.92	1149.54

NOTES

on Financial Statements for the year ended 31st March, 2014

	2013-14	2012-13
32. CONTINGENT LIABILITIES AND COMMITMENTS. (CONTD.)		
(iv) The Competition Commission of India (CCI) has upheld the Complaint of Builders Association of India alleging cartelisation by some Cement Manufacturing Companies including us and imposed a penalty of ₹ 12854 Lacs on the Company. The Company had filed an appeal against the order before Competition Appellate Tribunal (COMPAT), COMPAT has stayed the penalty imposed by CCI in an interim order upon deposit of 10% of penalty amount till the final disposal of appeal. The Company has deposited ₹ 1285 Lacs in the form of fixed deposit favouring COMPAT. Based on expert legal advice company believes that it has fair chances before COMPAT and accordingly no provision has been made in accounts.	12854.00	12854.00
(v) Other Financial Guarantees	613.89	613.89
Guarantee issued by bankers on behalf of the company	336.83	
DIVIDEND		
Dividend on preference shares	26.28	
(B) Commitments		
i) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	25887.30	108849.12

33. The Company is engaged only in cementitious materials and there are no separate reportable segments as per AS-17.

34. Previous year figures have been regrouped and recasted wherever necessary to conform to the classification for the year.

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

Principles of Consolidation .

- I. The consolidated financial statements of the Group have been prepared on the following basis:
 - a) The consolidated financial statements of the Group are prepared in accordance with Accounting Standard-21 " Consolidated Financial Statements" issued by ICAI.
 - b) The financial statements of the Company, its Subsidiary Company and Joint Venture Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.
 - c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements
 - d) Calendar year as accounting year is adopted by J.K. Cement (Fujairah) FZC and J.K. Cement Works (Fujairah) FZC and the books are being prepared on year ending 31.12.2013
2. **The Companies considered in the consolidated financial statements are:**

Name of the Company	Nature of Company	Country of Incorporation	Holding as on 31.03.14
J.K. Cement (Fujairah) FZC	Subsidiary	U.A.E.	100%
J.K. Cement Works (Fujairah) FZC	Fellow Subsidiary	U.A.E.	90%
Bander Coal Company Pvt. Ltd	Joint Venture	India	37.5%

3. Investment in subsidiary company is expressed in Indian Rupees at the rate of exchange prevailing at the date of investment.
4. **Other Significant Accounting Policies**

These are set out under 'Significant Accounting Policies' as given in the Unconsolidated Financial Statements of J.K. Cement Ltd and except for J.K. Cement Works (Fujairah) FZC where the pre-operative expenses are shown as loss as per IAS-38.

SHAREHOLDERS GENERAL INFORMATION & GUIDANCE

1. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone number, ECS/ NECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number at any of our e-mail address viz. (a) shambhu.singh@jkcement.com, (b) rc.srivastava@jkcement.com, (c) investorservices@jkcement.com, (d) jkshr@jkcement.com and send ECS/NECS Mandate to the Registered Office of the Company.
2. The equity shares of your company are listed on the Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai and the same are compulsorily traded in dematerialised mode. **Shareholders who wish to dematerialise their shareholdings may send their request on prescribed form (available with DP) along with share certificate(s)/ for dematerialisation through depository participant (DP) with whom they are maintaining a demat account. The ISIN of the Company is INE 823G01014.**
3. The share holders who have not received corporate benefit i.e. share certificates, on account of shares held by them in Jaykay Enterprises Ltd., dispatched by the Company during April, 2005 may intimate the Company by quoting reference of Folio No. / DP-ID and Client ID etc.
4. The share holders who have not received dividend warrants for the year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 on account of their change in address or any other reason may write to the Company's Registrar & Transfer Agent, Jaykay Enterprises Ltd, Kamla Tower; Kanpur by quoting reference of their folio or DP-ID & Client ID.
5. The shareholders who wish to seek any information, clarification in respect of share transfer activities or status of their grievances may write to Company's Registrar & Transfer Agent, Jaykay Enterprises Ltd, Kamla Tower; Kanpur at email address: shambhu.singh@jkcement.com.
6. The share holders of physical segment who are having identical names in different folios are advised to consolidate their holdings in one folio which will facilitate the investors in receiving consolidated dividend or non-cash corporate benefit in future and would reduce un-necessary paper work and service cost.
7. The Investors who have not received Demat credit of shares allotted under public issue may write to us by quoting reference of their application no., name, address & No. of shares applied for:
8. Shareholders of physical segment who wish to notify change in their address may intimate complete new address with Pin code by quoting their Folio No. and proof of Address i.e. copy of telephone/electricity bill or any receipt of Municipal Corporation etc.

The Shareholders who holds shares in electronic / (Demat) segment may notify change in their address to the DP with whom they are maintaining a Demat account. No request For change in address from the holders of Demat segment will be entertained directly by the Company.
9. The shareholders who wish to make nomination may send their application on prescribed form no. SH13 as prescribed under Companies Act, 2013 Rules framed there under. The said form is also available on Company's website www.jkcement.com.
10. The Shareholders who holds shares in physical segment are mandatorily required to notify their updated Bank Account Details for printing on the Dividend Warrant as required in Sebi Circular No.CIR/MRD/DP/10/2013 dated 21st March, 2013.
11. **In the Financial Year 2011-12, your Company framed 'Investor Facilitator Scheme' to provide an opportunity to its Small Shareholders holding up to 100 equity shares in physical form/ segment, if they so desire to dispose of their holdings and realise the market value without undergoing the process of dematerialisation of shares and other costs related thereto. If any shareholder is desirous to avail such opportunity may contact Shri Shambhu Singh, Sr. General Manager (Legal) & Company Secretary, J.K. Cement Ltd., Kamala Tower, Kanpur-208001 or at E-Mail Id: shambhu.singh@jkcement.com**

NOTES

[illegible]

CORPORATE INFORMATION

Board of Directors

Dr. Gaur Hari Singhania, Chairman
Yadupati Singhania, Managing Director & CEO
Achintya Karati
Ashok Sharma
Jagendra Swarup (Appointed w.e.f. 27.7.13)
Jayant Narayan Godbole
Jyoti Prasad Bajpai (Ceased w.e.f. 31.3.14)
Kailash Nath Khandelwal
Dr. K.B. Agarwal
Paul Hugentobler (Appointed w.e.f. 17.5.14)
Raj Kumar Lohia
Suparas Bhandari

Bankers

Allahabad Bank
Andhra Bank
Canara Bank
Dena Bank
Export Import Bank of India
IDBI Bank Ltd.
Indian Bank
Indian Overseas Bank
ING Vysa Bank
Jammu & Kashmir Bank
State Bank of India
United Bank of India

Registered & Corporate Office

Kamla Tower,
Kanpur - 208001

Key Management Personnel

Yadupati Singhania, Managing Director & CEO
Raghavpat Singhania- Special Executive
Madhavkrishna Singhania -Special Executive
A.K. Saraogi, President (Corporate Affairs) & CFO
Ashok Ghosh, President (Education & CSR.)
B.K. Arora, President (Works) -White Cement
D. Ravi Shanker, President (Projects)
R.C. Shukla, President (Marketing)-Grey Cement
K.K. Jalori, Unit Head-Grey Cement-North
Antriksha Kumar Jain, Unit Head-Grey Cement-South
Mohan Sharma, Head (Marketing) -White Cement
V.D.V. Singh, Head-Corporate H.R.
N. Gowrishankar, Head - J.K. Cement Works (Fujairah) FZC
Ashok Cherian, Chief Information Officer
Anil Agrawal, Sr.Vice President (Tax & Management Services)
Arun Khurana, Head (Logistics)
R. Ganesh, Head Marketing Grey Cement, South
Ajay Mathur, Head - Marketing & Sales (U.A.E Operations)

Company Secretary

Shambhu Singh

Auditors

M/s P.L.Tandon & Co., Chartered Accountants,
West Cott Building, The Mall, Kanpur - 208001

Registrar & Share Transfer Agent

Jaykay Enterprises Ltd.
Kamla Tower, Kanpur-208001
E-mail: jkshr@jkcement.com

Central Marketing Office

Padam Tower, 19, DDA Community Centre,
Okhla, Phase-I, New Delhi-110020

Plant

Indian

Grey Cement Plants

Location

Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
Mangrol, Dist. Chittorgarh, Rajasthan
Gotan, Dist. Nagaur, Rajasthan
Muddapur, Dist: Bagalkot, Karnataka
Jharli, Dist: Jhajjar, Haryana (under implementation)

White Cement Plant

Gotan, Dist. Nagaur, Rajasthan
Village : Rupaund, Tehsil - Badwara, Distt. Katni, M.P. (under implementation)

Thermal Power Plants

Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan
Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
Gotan, Dist. Nagaur, Rajasthan
Muddapur, Dist: Bagalkot, Karnataka
Mangrol, Chittorgarh, Rajasthan (under implementation)

Waste Heat Recovery Power Plant
(For captive consumption)

Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan

Overseas Setup By Subsidiary

Dual process White/Grey Cement Plant

Plot No.7, Habhab, Tawian Fujairah, UAE



**J.K. SUPER
CEMENT**



JK Cement LTD.

Registered and Corporate Office

Kamla Tower, Kanpur - 208001, Uttar Pradesh, INDIA

Telephone: 0091-512-2371478 / 81, Fax: 0091-512-2399854 email: jkskr@jkcement.com Web: www.jkcement.com