

In a Different **League**

J K Cement Limited | Annual Report 2007-08



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In a **Different League**

A 'different league' speaks of a transformation that changes the context in which a company or its operations are viewed.

The transformation from a regional to a national player.

The transformation from a national to an international player

The transformation from a profitable Company to a socially conscientious contributor.

The transformation from being a power consumer to a power producer.

The transformation from conventional management to SAP based management.

At every stage, JK Cement is entering a different, higher league.

Yet, ultimately all efforts signify the Company's commitment to reward stakeholders and place them in a different, higher league.

JK Cement **at a Glance**

JK Cement is among the prominent grey cement producer in North India and second largest white cement producer in India.

Identity

- Over 30 years experience in the Indian cement industry
- Amongst the leading grey cement manufacturers in the North India with an installed capacity of 4 MTPA
- Second largest white cement manufacturer in India with an installed capacity of 400,000 TPA
- An extensive marketing and distribution network
- High quality products with strong brand recall
- Manufacturing locations in close proximity to some of the largest and richest limestone deposits
- Publicly held Company with equity shares listed on the Bombay and the National Stock Exchanges

Facilities

Product	Location	Capacity (MTPA)
Grey cement	Nimbahera	3.25
	Mangrol	0.75
	Gotan	0.50*
	Mudhol	3.00*
White cement	Gotan	0.40
Power	Bamania	15.00 MW
	Nimbahera	20.00 MW (Coal-based)
	Nimbahera	13.20 MW (Waste Heat Recovery)
	Gotan	07.50 MW (Coal-based)*
	Mudhol	50.00 MW (Coal-based)*

* Under execution





Presence

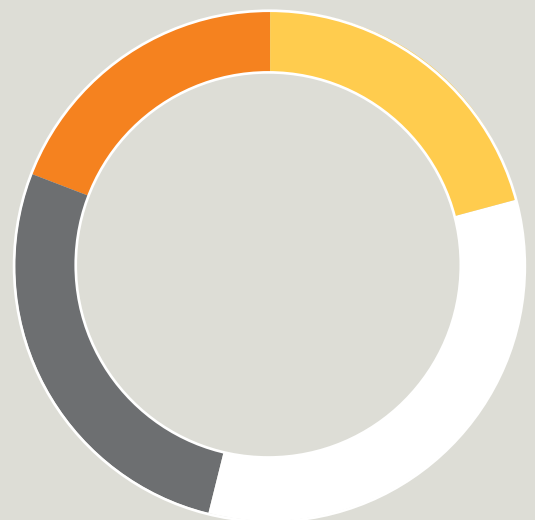


Products

- Sarvashaktiman (43 grade OPC)
- JK Super (Blended cement)
- JK White Cement
- JK Wall Putty

Key Markets

Rajasthan	21%
Haryana	33%
Delhi & U.P	27%
Punjab, M.P & Guj.	19%



Milestones

1975

Commencement of operations – Nimbahera facility comes into being with initial capacity of 0.30 MTPA

1979

Capacity expansion at Nimbahera, capacity more than doubled from 0.30 MTPA to 0.72 MTPA by adding a second line

1982

Third production line added at Nimbahera, with increase in capacity from 0.72 MTPA to 1.14 MTPA

1984

Commencement of lime-based white cement plant at Gotan, with a capacity of 0.05 MTPA

1987

Installation of captive thermal power plant at Bamania

1988

A pre-calcliner installed at Nimbahera, capacity enhanced to 1.54 MTPA

1990

The “Architect of the Year” award instituted

1994

The “Regional Training Centre” for Northern India, established at the Nimbahera plant with aid from the World Bank and the Danish International Development Agency, commenced service

2001

Establishment of a new Grey Cement plant with a capacity of 0.75 MTPA at Mangrol

2004

Capacity at Nimbahera expanded to 2.8 MTPA

2006

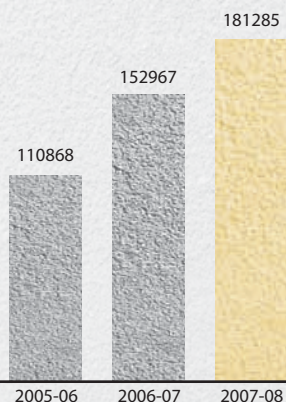
- Capacity of White Cement at Gotan enhanced to 0.35 million tonnes
- Public issue 20 million Equity Shares of Rs. 10/- each at a price of Rs.148/- per share, following the book-building route
- Grey Cement capacity at Nimbahera increased to 4 million tonnes
- Jaykaycem Ltd. became a wholly owned subsidiary of the Company and acquired land to set up a Greenfield Grey Cement plant at Mudhol, Karnataka

2007

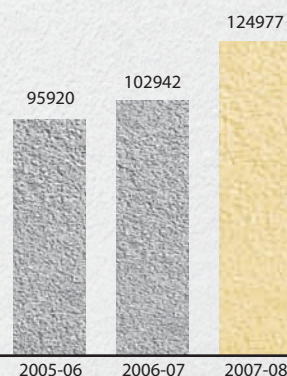
- Acquired assets of M/s. Nihon Nirmaan Ltd. to produce an expected 0.50 million tonnes of Grey Cement
- Capacity of white cement at Gotan enhanced to 0.40 million tonnes

Financial Highlights

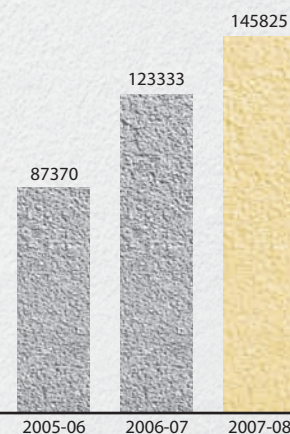
Gross Sales (Rs. in Lacs)



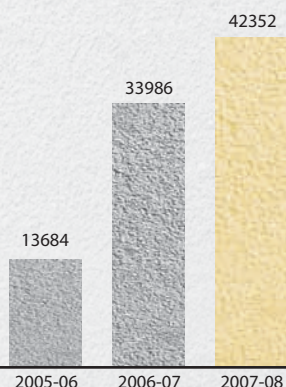
Gross Block (Rs. in Lacs)



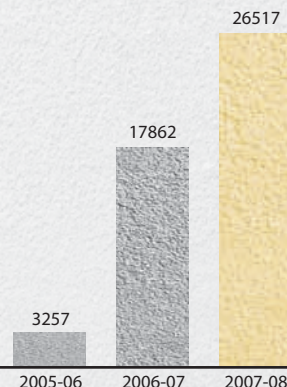
Net Sales (Rs. in Lacs)



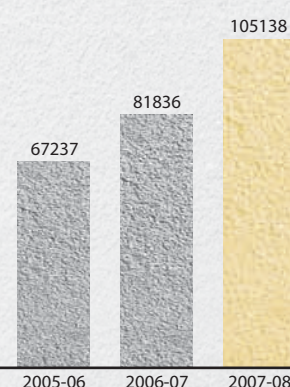
PBIDT (Rs. in Lacs)



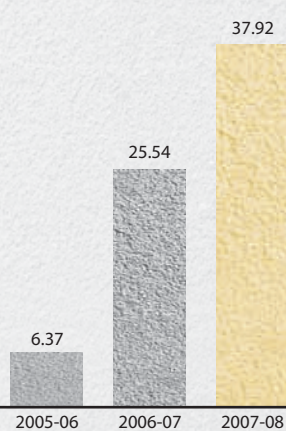
Profit after Tax (Rs. in Lacs)



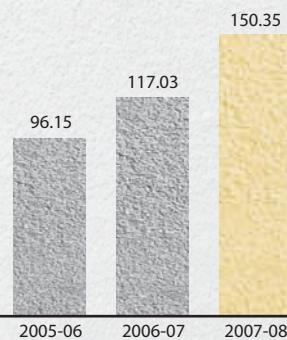
Networth (Rs. in Lacs)



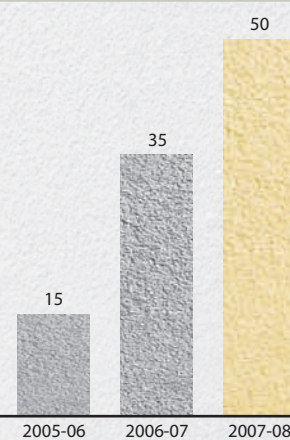
Earning per share (Rs.)



Book Value per share (Rs.)



Dividend (%)





Highlights of the Year

August, 2007: Commissioning of the 20 MW Captive Power Plant at Nimbahera.


September, 2007: Replacement of a 7.5 MW turbine with a 10 MW turbine at the power plant in Bamania.

3.2 MW of the Waste Heat Recovery Power Plant commissioned at Nimbahera.

November, 2007: Signed MOU with Fujairah Government for setting up 2.25 MTPA cement plant.

March 2008: 10 MW of the Waste Heat Recovery Power Plant commissioned at Nimbahera.

31st March, 2008: Production and sales of grey cement touched an all-time high of 3.77 million tonnes and 3.76 million tonnes, respectively, during the year. Further, production of Putty (a value added product of white cement) increased by 39%.





Gaur Hari Singhania

Chairman's Message

Dear Shareholders,

At JK Cement, 2007-08 was a year of accomplishment. One in which our achievements enabled our transition into a different league. It is indeed very satisfying to share with you some of these developments that reflect the fulfilment of our corporate commitments and our continued focus on rapid, sustainable growth.

The most important development in 2007-08 was the unrelenting focus on project execution and capacity augmentation. For much of the past year, our energies were concentrated on the expansion of our capacities, which include a greenfield unit in Karnataka, the retrofitting of our recently acquired facility in Rajasthan, and a split grinding unit in Rajasthan.

In a rapidly developing economic environment, core construction materials such as cement are in constant demand, given their direct correlation with GDP growth. The present capacity in India is just equivalent to demand with additional capacities required to cater to the future increase in demand arising from the construction and real estate industries in India. In such a scenario, capacity augmentation by industry is an imperative. Almost as a necessary analogy – the pressures on equipment suppliers and on resource providers are immense – resulting in many planned capacity schedules getting delayed.

Seen in this perspective, the progress of our capacity expansion is indeed very encouraging, driven by our intrinsic understanding of the

developments in the Indian Cement industry.

When commissioned, each of our initiatives will result in a near doubling of our present capacity, besides marking our transition into a national player.

From enhancing our domestic footprint, we have taken steps to go beyond national boundaries. We entered into a Memorandum of Understanding with Fujairah Municipality in the United Arab Emirates, through our subsidiary J K Cement Works (Fujairah) FZC, to set up a 2.25 MTPA grey cement plant to service the steadily increasing demand in the GCC region. Once again, this reflects our investment in a strategy that is global in nature and looks to address opportunities, wherever they might be.

Rapidly increasing production costs is a cause of worry to all players in the industry. The cost increase factors are external where industry can play no role to control but industry is taking effective steps to reduce the fuel cost by installing captive power plants. At J K Cement, we have countered this effectively with achieving a self sufficiency in captively generated energy.

JK Cement is committed to serving the community which nurtures it. Besides our constant endeavour to protect the environment we are also active in promoting development and education in our area of operation. It is delighting to inform that we established the Sir Padampat Singhania University at Udaipur, under the aegis of the JK Cement Nimbahera Foundation, a public trust, which is one of the most



FOR MUCH OF THE PAST YEAR, OUR ENERGIES WERE CONCENTRATED ON THE EXPANSION OF OUR CAPACITIES, WHICH INCLUDE A GREENFIELD UNIT IN KARNATAKA, THE RETROFITTING OF OUR RECENTLY ACQUIRED FACILITY IN RAJASTHAN, AND A SPLIT GRINDING UNIT IN RAJASTHAN.

advanced higher education facilities in the region.

We are thus working concurrently on number of strategic fronts :

- from concretising our capacity expansion plans, to addressing our markets better
- from optimising our production processes and making our operations energy efficient to securing supplies by captively producing power
- from extending our grey cement leadership to creating a large number of value added products based on our white cement

- from building an organisation of the future, to helping build a future for our stakeholders.

On behalf of all my colleagues on the Board and in the Company, I thank you for your unstinted support to our growth and our initiatives. I look forward to the next year more encouraging and path-breaking developments.

Warm regards,

Gaur Hari Singhania



MD's Overview



OUR GREY CEMENT PRODUCTION INCREASED 3.43 PERCENT TO 3.77 MILLION TONNES. SALES VOLUMES INCREASED IN TANDEM WITH PRODUCTION. HIGHER REALIZATIONS DURING THE CURRENT YEAR COUPLED WITH INCREASE IN PRODUCTION OF BLENDED CEMENT RESULTED IN SUBSTANTIALLY HIGHER PROFITS AFTER SETTING OF PRICE INCREASE OF VARIOUS INPUTS.



Dear Shareholders,

It is my pleasure to inform you that 2007-08 has been a year of significant achievements for J.K. Cement. Over the past financial year, our performance was defined by a 18.24 percent increase in net sales to Rs. 1,458.25 crores; a 27.42 percent increase in profit before tax to Rs. 346.57 crores; a 48.46 percent increase in profit after tax to Rs. 265.17 crores and a similar increase in earnings per share to Rs. 37.92.

Our grey cement production increased 3.43 percent to 3.77 million tonnes. Sales volumes increased in tandem with production. Higher realizations during the current year coupled with increase in production of blended cement resulted in substantially higher profits after setting of price increase of various inputs. White cement production, however, decreased 7.24



percent to 232,073 tonnes in 2007-08. This was compensated by a 39 percent increase in the production of value-added product wall putty which also contributed to the profits.

During our public issue, we committed a commissioning of 43.2 MW of captive power. Today, we have made good on our promise, within budget and schedule. Our 13.2 MW Waste Heat Recovery plant offers twin benefits of producing power from the waste heat generated in the production process as well as earning an alternate revenue stream by being eligible for the United Nations' Clean Development Mechanism. Further, the 7.5 MW coal-based Captive Power Plant at Gotan is well on schedule to be completed, as is the 50 MW power plant at Mudhol.

Work on the 3 MTPA the Greenfield plant at Mudhol, Karnataka, has been progressing at a steady pace.

Over the past year, civil work on the plant commenced considerably. In spite of being afflicted by manpower shortage, the division of plant work between three contractors have served to curb the risk of delay in commissioning. All orders for long delivery items have been placed and deliveries are being received at site according to schedule. Additionally, the refurbishment of the grey cement plant at Gotan is nearing completion with commissioning expected between July and September 2008. Once commissioned, the plant will take our total grey cement capacity to 4.5 MTPA.

We ventured beyond borders to capitalize on immense opportunities that exist in the Middle East. We entered into a Memorandum of Understanding with Fujairah Municipality, through our subsidiary J K Cement Works (Fujairah) FZC, in the United Arab Emirates to set up a 2.25 MTPA grey cement plant.

Other plans on the anvil include the setting up of a 1 MTPA grinding plant in Neem-ka-Thana, Rajasthan, which will allow us to bolster our capabilities and allow us to leverage the increase in blended cement demand.

To strengthen our systems and processes, we are in the process of incorporating SAP, with the implementation expected to be completed by March 2009. The software suite will allow us to provide improved services to our customers by reducing transaction time and also effectively monitor the performance of our plants.

Yours truly,

Yadupati Singhania

Yadupati Singhania
Managing Director



Existing → Desired

Increasing Grinding Capacity

The shift from the existing to the desired level of capacity is a key transformation that takes us into a higher league enabling the Company to calibrate production to market demand.

JK Cement has consistently maintained a healthy mix in the quantities of Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC) it produces.

OPC is used for general construction where as PPC is preferred for building dams and structures near water bodies as it neutralizes the corrosive effect of wet and damp soil. PPC is manufactured by further grinding OPC with 15 to 35 percent of fly ash.

Both grades of cement have strong demand in India due to the increasing investments in infrastructure projects. Catering to this increased demand requires additional grinding capacity. To augment is PPC production, JK Cement is setting up a greenfield grinding unit with 1 MTPA capacity. The new unit is located at Neem Ka Thana, in Rajasthan. Ninety percent of the land required for the project has already been acquired. The Company has also applied for environmental clearance to set up the grinding unit. JK Cement is in an advanced stage of negotiation with a

power producer to procure fly ash at nominal costs.

The new grinding capacity will help us increase PPC cement production and support operations at Nimbahera and Mangrol.





Maharashtra

Andhra Pradesh

Mudhol

Tamil Nadu

Regional → National

Expanding presence in the South

The transformation of JK Cement from a regional to a national player is significant as it takes the Company to a different league – both in terms of manufacturing capacity as well as access to markets.

In a bid to serve this market and mitigate geographical risks, the Company is in the process of setting up a 3 MTPA Greenfield plant at Mudhol, Karnataka. Over the past year, the increase in consumption in the western markets registered the highest growth at 14 percent, followed by the northern and southern markets with 12 and 10 percent growth, respectively. Within the western and southern regions, Maharashtra and Karnataka drove growth at 13 percent and 6 percent, each. The strategic location of the plant gives it easy access to the key markets of Maharashtra and Karnataka.

The new plant features:

- A 6-stage pyrotechnical preheater.
- Large calciner suitable for any type of fuel.
- A totally automated India's first robot-lab facility.

In the year under review there was a slowdown in the construction of the facility due to labour shortages and delays in receiving environmental clearances. To ensure the completion of the plant by March 2009, the Company has deployed heavy lift cranes and related equipment, as well as engaged three contractors.

The new plant will expand the footprint of JK Cement and ramp up cement manufacturing capacity.

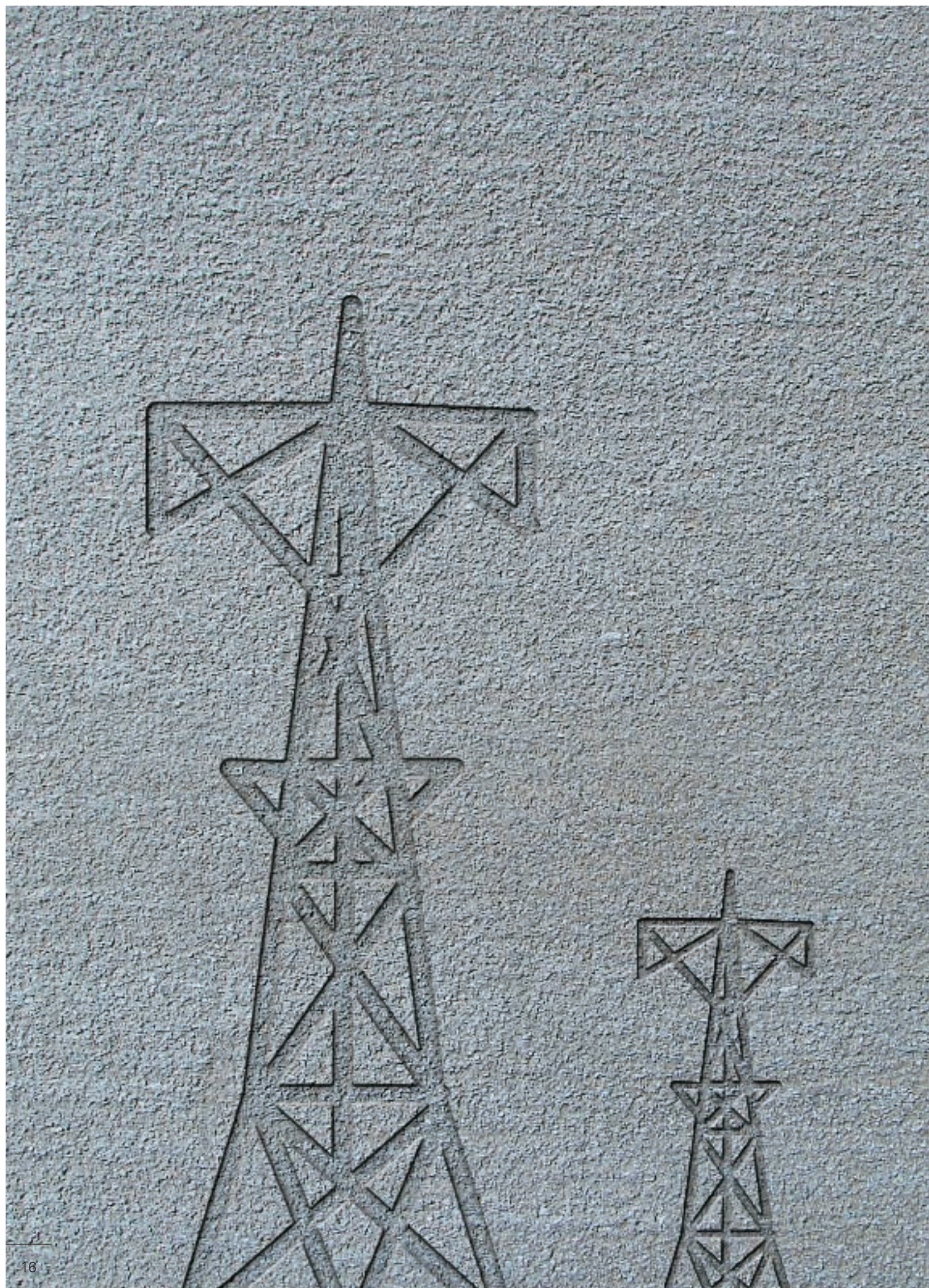
Mudhol Plant Highlights

- Clinker capacity of 2.2 MTPA
- Cement grinding capacity of 3.0 MTPA
- 2 x 25 MW Captive power plant
- Split cement grinding unit with a cement capacity of 1.0 MTPA (as part of Phase II)



	Production	Despatches	Capacity Utilisation (%)
North	36.5	36.5	100
South	54.2	54.1	96
West	28.7	28.7	98

Source: CMA



Grid → Captive

Lowering costs with captive power

The shift from grid to captive power is a transformation that will take JK Cement to a different league, enabling the Company to simultaneously diminish costs and increase revenues.

In the cement industry, expanding production automatically increases the demand for power. Accessing power from the grid is an expensive proposition. To minimise input costs, and improve dependability of power, the Company is setting up captive power generation plants.

Over the year, the Company commissioned a 20 MW coal-based power plant at Nimbahera. The Company has also replaced its 7.5 MW turbine at Bamania with a 10 MW turbine. JK Cement has also commissioned a 13.2 MW waste heat recovery power plant at Nimbahera. The waste heat recovery plant generates power from the waste hot gasses of the pre-heater as well as the kilns and require no fuel. Thus electricity produced from waste heat recovery will cost significantly lower per unit. The initiative also has a revenue aspect as the energy conservation efforts are eligible for carbon credits under United Nations' Clean Development Mechanism (CDM). So while access to cheap and dependable power will cut costs, selling carbon credits will add to the revenue stream.

A 7.5 MW pet coke based power plant is slated to come up during the year at the Gotan and a further 50 MW of a coal based power plant is under construction in the Mudhol plant.

In 2006-07, the Company entered into a 15 MW power purchase agreement with M/s. Marudhar Power Pvt. Ltd. (Group Captive Power) for the supply of power at a fixed rate for 15 years. This tie up have helped ease the adverse effects of rising fuel costs over the past year. The commissioning of all these power generation

plants will increase the power production capacity of the Company to over 100 MW, and make it self sufficient in power requirements.

This will boost operational performance as well as earn additional revenues.



Captive Power Facilities	Capacity
Coal-based, Nimbahera	20 MW
Coal-based, Bamania	15 MW
Waste Heat, Nimbahera	13.2 MW
Coal-based, Gotan*	7.5 MW
Coal-based, Mudhol*	50 MW
Total	100.7 MW

* under execution



National → International

Capitalizing on growth in the Middle East

The setting up of the first overseas plant is a transformation that will take JK Cement to a higher league, enabling the Company to gain market share in the booming UAE markets.

The Middle East is in the midst of a construction boom.

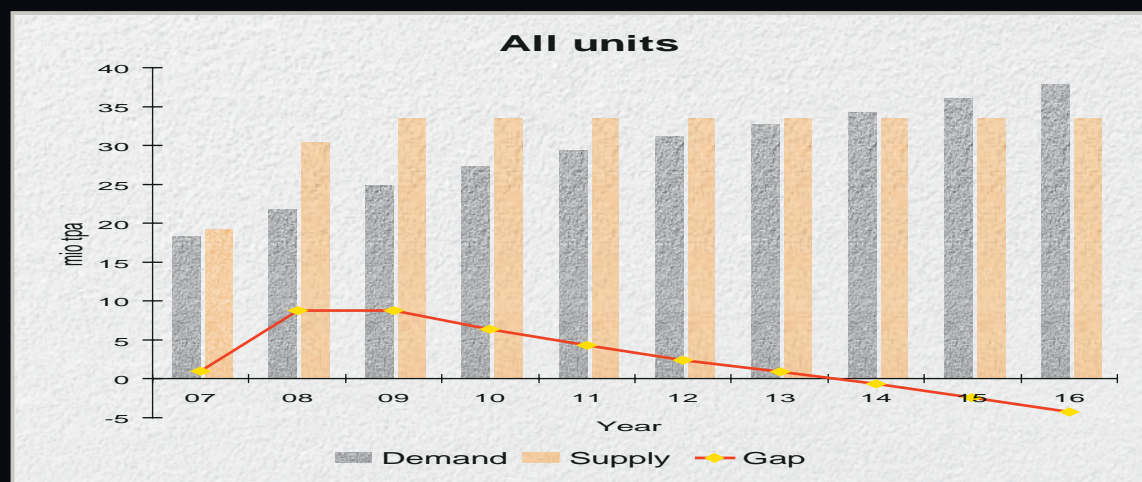
In UAE alone, there are 13 grey cement plants that operate with a combined capacity of 19 MTPA. UAE's clinker capacity though stands at 11.5 MTPA. The shortfall is met through imports. Projections indicate that the current consumption of 18 MTPA will jump to 27 MTPA by 2010, resulting in a surplus demand and short supply situation.

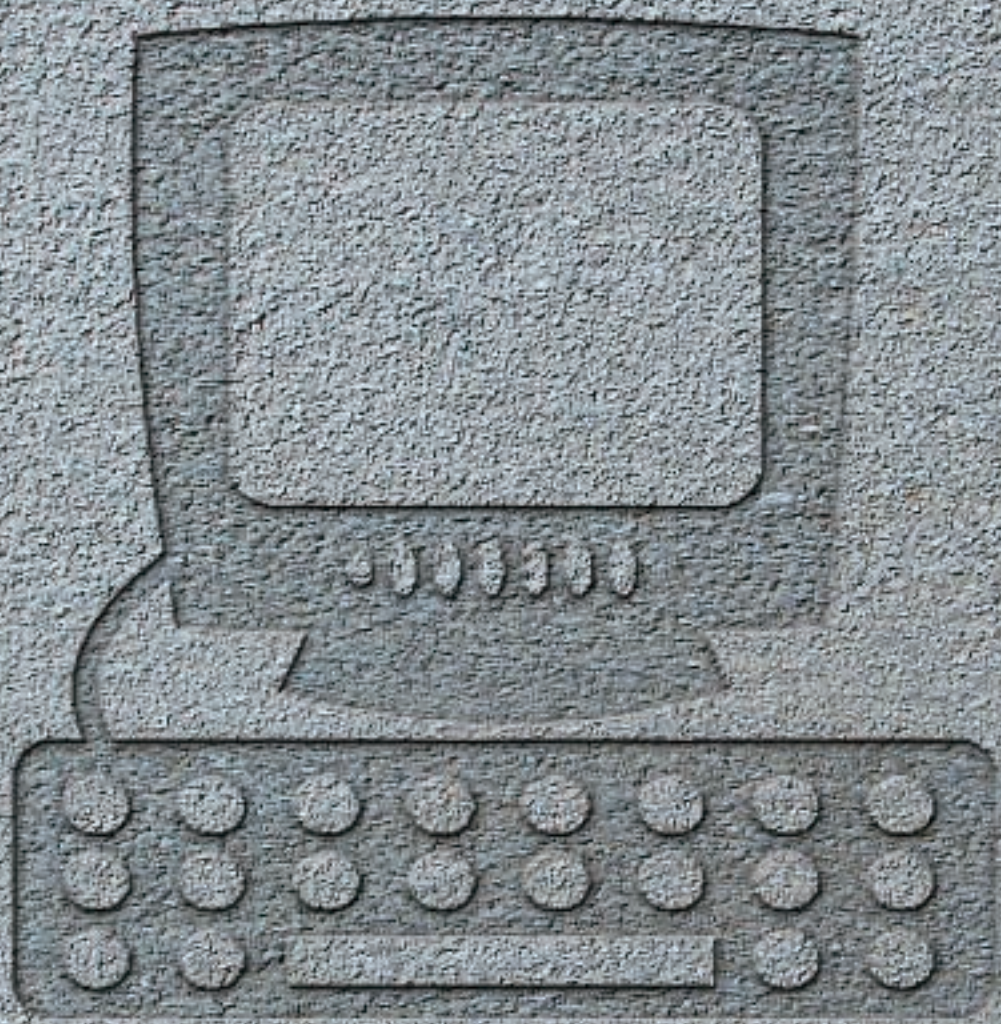
JK Cement is setting up a 2.25 MTPA plant in Fujairah, United Arab Emirates to take advantage of this booming market. The J K Cement Works (Fujairah) FZC a subsidiary of JK Cement has already signed a MOU with the Municipality of Fujairah. The Company has been allotted limestone mines with reserves estimated at 150 million tonnes.

The plant is to be set up 10 km. from village Khatt in Fujairah province, nearly 85 km from Fujairah city. The location is strategic from the logistics point of view.

Strategic Location

- Nearest Highway : 1 km
- Nearest Sea Port : 50 km. Port Saqr in the province of Ras Al Khaimah and 40 km, Dibba Port (proposed)
- Nearest International Airport : 100 km, Dubai





Conventional → SAP

Implementing SAP systems and processes

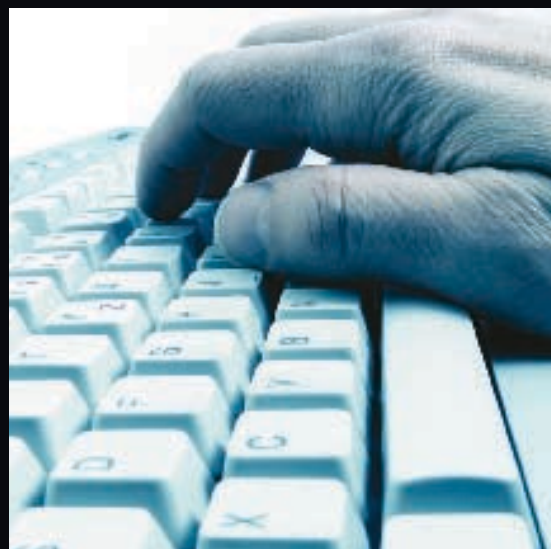
The SAP implementation is a key transformation that will take JK Cement to a higher league, by ushering in an unparalleled collaborative work environment and informed decision making.

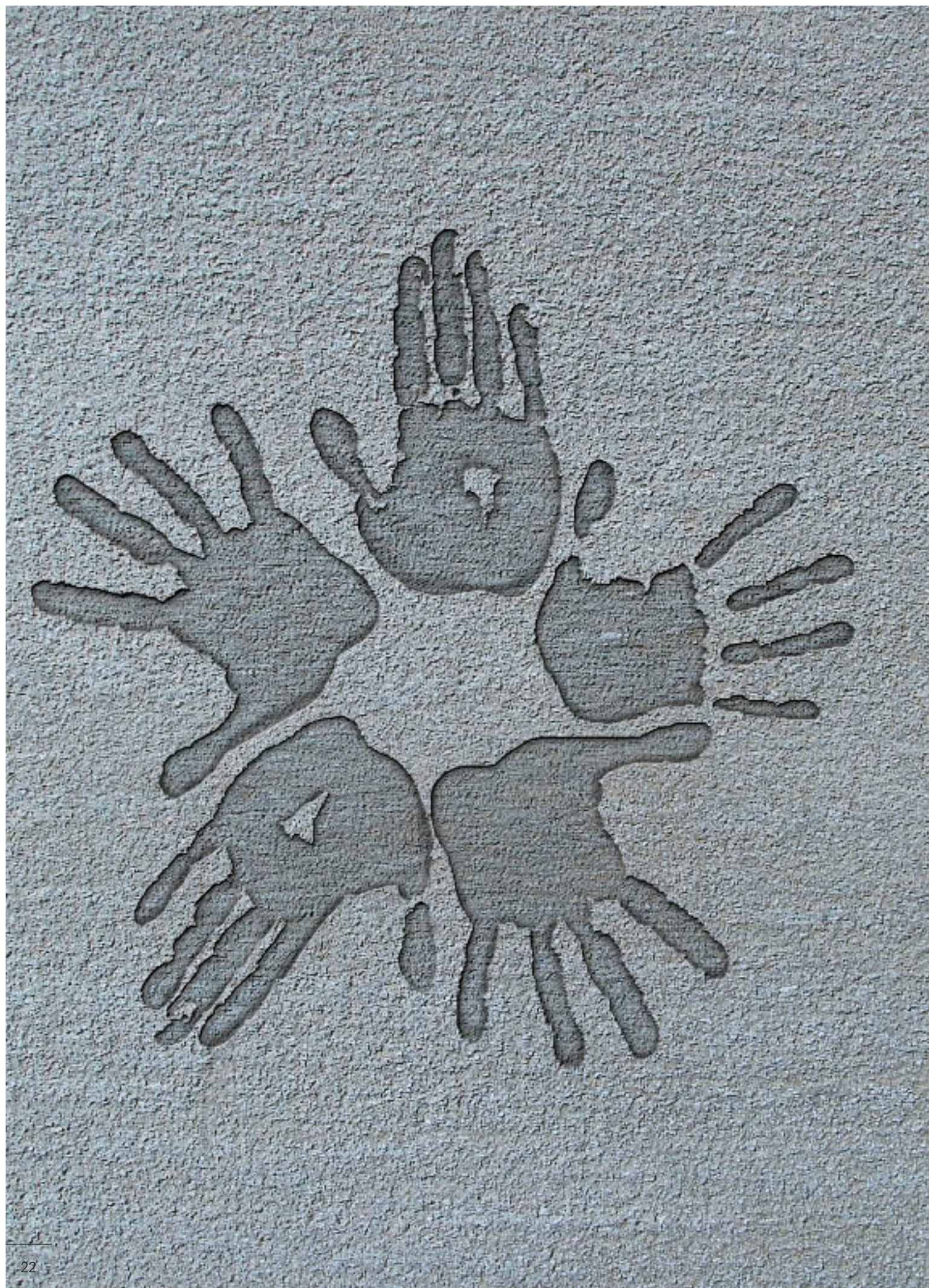
Implementing SAP is a venture that offers multifarious benefits to the Company.

JK Cement has four manufacturing locations separated by significant distances, a large number of marketing offices and a nationwide network of dealers and distributors. SAP will enable these dispersed stakeholders to access real time information. This will aid in informed decision making and improve the efficiency of business operations.

The SAP implementation will also enable improved planning of the manufacturing process and also enhance communication with various sales destinations. The Company will be able to manage inventories better and this will reduce reaction time to market demands. Additionally, it will also be able to optimise its logistics and inventory carrying costs. JK Cement is among the few cement companies in India to invest in a full-fledged SAP implementation across its locations.

By allowing management to get real time information and work collaboratively, the Company will emerge as one of the most responsive cement manufacturers.





Me → Us

Investing in Corporate Social Responsibilities

The CSR programme at JK Cement redefines the role of a company in its social context. It reflects the realisation that a successful company can only sustain itself in a successful society.

JK Cement believes that just as a Company invests in its organisation to make it successful, it needs to invest in society to contribute to its success.

While “capital” is the investment made in the Company, CSR represents the investments made in society.

JK Cement contributes to raising the standard of living of nearby communities by investing in the creation and maintenance of health and education facilities.

- In 2007-08, the Sir Padampat Singhania University at Udaipur, under the aegis of the JK Cement Nimbahera Foundation, was established. The University is one of the leading educational institutions in the region. It offers technical degrees and a variety of academic facilities in an ecological setting.
- The LK Singhania Education Centre, is a CBSE-affiliated co-educational institution that imparts education to children of both plant employees and also those from neighbouring villages.
- The Company also runs two industrial training institutes that offers excellent vocational training to increase the marketable skills of its students.
- Moreover, the Company undertakes free maintenance services in surrounding

panchayats. It has contributed in building a community temple, making potable water available, built roads to connect schools etc. The Company has also founded a hospital and the Nimbahera Dispensary all to ensure better health care.

JK Cement works with the same passion in its social projects as it does in its commercial ventures.

Sir Padampat Singhania University



Consolidated Financial Overview

JK Cement's consolidated net sales went up from Rs. 1,233.33 crores in 2006-07 to Rs. 1,458.25 crores in 2007-08, recording a growth of 18.24 per cent. The net profit moved up from Rs. 178.62 crores in 2006-07 to Rs. 265.17 crores representing a growth of 48.46 per cent. This growth was achieved through the continued investment in the business for reducing costs and creating greater value, such as modernization of the facilities and introducing newer technology to achieve better operational results. Moreover, to enhance shareholders value, the work on brownfield facility of Nihon Nirmaan and on a greenfield facility at Mudhol, Karnataka is well under way.

1 Balance sheet analysis

Sources of Funds

Reserves and surplus

The Company's reserves and surplus increased by 31.09 percent from Rs 750.18 crores in 2006-07 to Rs. 983.41 crores in 2007-08.

Loan funds

The total loan funds increased 10.55 percent Rs. 557.71 crores to Rs. 616.57 crores.

Application of Funds

Fixed assets

The Company's gross block increased 22.06 percent from Rs. 1030.82 crores in 2006-07 to Rs. 1258.23 crores. Its capital work in progress, on the other hand, went up 96.07 percent, from Rs. 229.47 crores in 2006-07 to Rs. 449.91 crores.

Inventories

Inventories increased from Rs. 110.01 crores in 2006-07 to Rs. 114.53 crores in 2007-08, a 4.11 percent growth.

Sundry Debtors

The Company's debtors decreased 8.56 percent from Rs. 62.16 crores in 2006-07 to Rs. 57.26 crores.

Current liabilities

The Company's current liabilities increased 44.35 percent, from Rs. 173.03 crores in 2006-07 to Rs. 249.78 crores in 2007-08.

This growth was achieved through the continued investment in the business for reducing costs and creating greater value, such as modernization of the facilities and introducing newer technology to achieve better operational results.



2 Profit and loss statement analysis

Net sales

Net sales increased from Rs. 1,233.33 crores in 2006-07 to Rs. 1,458.25 crores, growing by 18.24 percent.

Other Income

The Company's other income decreased 36.00 percent from Rs. 10.69 crores in 2006-07 to Rs. 7.86 crores.

Total expenses

The total expenses of the Company went up 14.87 percent from Rs. 938.89 crores in 2006-07 to Rs. 1078.47 crores in 2007-08.

Profits

The Company's profit before tax has recorded a growth of 27.42 percent, rising from Rs. 271.98 crores in 2006-07 to Rs. 346.57 crores in 2007-08. The profit after tax increased by 48.46 percent from Rs. 178.62 crores in 2006-07 to Rs. 265.17 crores in 2007-08.

Earnings per Share

The Company's earnings per share increased 48.47 percent from Rs. 25.54 in 2006-07 to Rs. 37.92 in 2007-08.

Directors' Profiles



Gaur Hari Singhania, Chairman

An M.A. and PhD in economics, Dr. Singhania has been with the Company as a Promoter Director since its operations commenced in 1994. He also holds the Chairmanship in other companies such as JK Synthetics Limited, Juggilal Kamlapat Cotton Spg. & Wvg. Mills Company Limited and JK Traders Limited. He has over five decades of experience and has held important positions such as being the Chairman of the Merchant's Chamber of Uttar Pradesh and the Employers Association of Northern India and the Chairman of the Uttar Pradesh Stock Exchange Association Limited

He has been the interface between the industry and the government. He has been a Director in various government bodies such as Pradeshiya 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 lends his support to a number of charitable and educational institutions. He is also the Chancellor of the Dayanand Shiksha Sansthan and the President of Kanpur Education Society.



Yadupati Singhania, Managing Director and Chief Executive Officer

Mr. Singhania, a B.Tech from IIT Kanpur, has been involved in the cement industry for over thirty years. His active participation and dedication has shaped the Company's growth path. Being an enterprising person, he played a pivotal role in the introduction of international quality white cement in the country.

Mr. Singhania is the Managing Director and Chief Executive Officer of J K Synthetics Limited since 1999, the Director of the Employers Association of Northern India and also the Chancellor of Sir Padampat Singhania University. Among other responsibilities, he is the 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. On the industry front, he is a member of the managing committee of Cement Manufacturers Association and President of Foreign Trade Development (India) Association.

Like his father, he takes keen interest in social activities and has served as the District Governor of Rotary International.



J. P. Bajpai, Non-Executive Independent Director

Mr. Bajpai holds a M.Com degree from Agra University and is a member of the Institute of Company Secretaries of India, New Delhi. Among other responsibilities, he also served as the Senior President (Head Office) and Company Secretary of JK Synthetics Limited. Before being a part of JK Synthetics, he was Statistical Investigator in the Directorate of Industries, Uttar Pradesh. He has experience of over four decades. He also serves as a director on the board of a number of other listed companies.

Mr. Bajpai has avid interest in sports and is passionate about cricket. He has been the Honorary Treasurer of the Board of Control for Cricket in India and is a Director of the Uttar Pradesh Cricket Association. Alongside he is the Chairman of the Development Committee of the Table Tennis Federation of India. He has been the recipient of numerous awards which include Sewa Ratna Award, Best Social Worker Award, Kala Shri Award, Kanpur Ratna Award and Madhavrao Scindia Cricket Academy Life Time Achievement Award.



K. N. Khandelwal, Non-Executive Non-Independent Director

Mr. Khandelwal is a B.Com degree holder from Agra University and a Chartered Accountant. He has been a Director since February 2004. Among other responsibilities, he is the President (Finance and Accounts) of JK Synthetics Limited. He started his career with JK Synthetics Limited in 1969 and has progressed to hold key positions in the Company. He has been on the Boards of several Indian companies. He is a trustee and member on executive bodies of various educational and social institutions and organizations.



Raj Kumar Lohia, Non-Executive Independent Director

Mr. Lohia holds a Bachelor of Arts degree in Economics from Kanpur University. He has been a Director of the Company since September 2004. He has close to 25 years of experience in the fields of commerce and industry. A leading industrialist, he serves as Director on the Board of a number of other companies. He has also received several awards, including the Excellence Award 2005 for contribution in the field of entrepreneurship.

Directors' Profiles



Jayant Narayan Godbole, Non-Executive Independent Director

Mr. Godbole is a Chemical Engineer with over 38 years experience in various fields ranging from operation of small scale units in India to conceiving, implementing and operating mega projects abroad. He retired as Chairman of IDBI in 2005. During his stints with IDBI & also with IIBI he was directly over-looking functions including Zonal Head, Corporate Finance, restructuring & rehabilitation of sick units, Venture capital, merchant banking and investors relation. He stabilized the Corporate Debt Restructuring(CDR) mechanism in India as Chairman of Empowered Group.



Suparas Bhandari, Non-Executive Independent Director

Mr. Bhandari is a graduate of Science and Law. He was the founder Chairman and Managing Director of Agriculture Insurance Company of India Ltd. and has over 40 years of extensive experience in the insurance industry. In previous appointments, he has also served as the General Manager of Oriental Insurance Company of India Ltd. and Assistant General Manager of United Insurance Company of India Ltd.



K. B. Agarwal, Non-Executive Independent Director

Dr. K. B. Agarwal 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 Commerce and U.P.Stock Exchange Association Limited as their President.

He had been actively associated with FICCI & ASSOCHAM and was actively involved with various Committees of Government.



Ashok Sharma, Non-Executive Independent Director

Mr. Sharma holds a Bachelor of Law degree from Kanpur University. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the fields of finance and audit spanning 30 years. He is a practicing Chartered Accountant and handles the audit assignments of private sector organizations, banks, insurance companies and financial institutions. He is a director on the Board of Uttar Pradesh Stock Exchange Association Limited and Jaykaycem Limited. He has served on many Committees such as the 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.



Achintya Karati, Non-Executive Independent Director

Mr, Karati holds a Bachelor of Laws degree from Calcutta University. He has vast experience in the financial and legal fields spanning 33 years. He has worked in diverse areas of commercial, legal and secretarial matters. He retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile, Industrial Credit and Investment Corporation of India Limited) in March 2004. During his association with ICICI Limited, he served in various capacities, including Deputy Zonal Manager (North) and Head of Major Client Group (North). Presently, he is a Senior Advisor to ICICI Securities Limited and is also associated with ICICI-Prudential Life Insurance Company Limited.

Risk Management

Risks are integral to virtually all business activities, which may have a financial or reputational impact on the Company. At J K Cement, possible business risks are estimated, controlled, quantified and proper measures are taken to mitigate the same. Key risks are identified for 2007-08 and their respective mitigation strategies have been summarised below.

1 Industry risk

A slowdown in the cement industry may impact the Company's future revenue and profit generating capability.

Risk mitigation

Cement is an indispensable part of any construction. With the thrust on infrastructure, capacity expansions by the private sector and real estate boom in India, industry's growth is secured further ensuring an optimistic rise.

2 Input risk

Inadequate availability of good quality raw material could impact production or raise logistics cost.

Risk mitigation

Limestone is the primary input for cement manufacturing. The Company has access to large reserves of high quality mines in close proximity, and leverages this advantage efficiently. Other raw materials are also available in abundance in the local market.

3 Quality risk

For a Company that manufactures the largest cement assortment, any quality inconsistency could harm reputation and off take.

Risk mitigation

Cement builds a country, cement secures dreams. Hence the "quality" works as a differentiator. The Company adopted the best technology and practices and has acquired ISO 9001 certification for all facilities assuring delivery of quality products. This has ensured customer satisfaction for years.

4 Low product differentiation risk

In a commodity business marked by low product differentiation, the Company's product may suffer reduced off-takes in the clutter of other available products of similar type.

Risk mitigation

The contemporary product basket created by the Company to meet the changing demand proves its product development capabilities. This ensures effective product differentiation resulting in the market shares consolidation and growth in realizations.

5 Brand risk

Brand clutter in the minds of consumers may stagger offtake.

Risk mitigation

The Company has carefully nurtured the brands, and enjoy high awareness among dealers, distributors and customers. Aggressive marketing strategies for white cement products have served to enhance the Company's brand recall. The brand portfolio includes:

Grey cement	White cement
Sarvashaktiman (43 Grade OPC)	J.K. White Cement
J K Super (Blended Cement or PPC)	J K Wall Putty

6 Distribution risk

On time distribution of finished product among the end-users through efficient dealer network upholds Company reputation hence positively affecting realizations.

Risk mitigation

To ensure on time delivery of products, the Company has developed smooth and quick distribution network spanning more than 4000 retailers, providing efficient services to customers. Further, the Company is implementing SAP across the board to enhance communication with various sales destinations.

7 Product substitution risk

The exponential growth of substitute product for cement may virtually pose a problem for the industry and the Company

Risk mitigation

Cement is a non-substitutable product vital for any construction facility.

8 Power cost risk

The manufacturing process of cement is highly power intensive non-availability or interrupted supply may lead to losses

Risk mitigation

The Company commissioned a 13.2 MW waste heat recovery plant and 20 MW coal-based power plant over 2007-08. Further a replacement of the 7.5 MW turbine with a 10 MW turbine at the power plant in Bamania will help meet energy requirements. Another 7.5 MW power plant is in the process of being set up in Gotan. These together, will provide 100% Captive Power Backup and huge power cost benefits.

9 Margins risk

Uncontrolled increase in costs with less than proportionate increase in the selling price may lead to a squeeze in the profit margins of the Company.

Risk mitigation

The grey cement segment heightens competition due to the presence of a large number of players. However, White Cement Industry in India is highly concentrated with the two largest players accounting for substantial majority of India's production capacity. Keeping this situation in mind the Company's products are competitively priced in the grey cement segment while the white cement segment helps in raising the margin with its negligible competition.

Management Discussion And Analysis Report

INDIAN ECONOMY

The Indian economy continues as one of the fastest growing economies in the world. Accelerated growth led by manufacturing and services sectors have enabled the corporate to record strong performances. A GDP growth of around 9 percent in consecutive years and robust domestic consumption shows encouraging signs of continued growth. Indian economy is expected to grow at around 7 to 8 percent during 2008-09 compared to 8.7 percent during 2007-08 as the monetary tightening undertaken over the last 2 years and world economic slowdown is expected to moderate the overall demand situation.

CEMENT INDUSTRY STRUCTURE AND DEVELOPMENT

Grey Cement

The Indian Cement Industry not only ranks second in the production of cement in the world but also produces quality cement to meet global standards. The induction of advanced technology has helped the industry immensely to conserve energy and fuel and to save materials substantially.

The cement industry in India is highly fragmented; there are 139 large cement plants with estimated annual installed capacity of 189 million tonnes. However, the top seven-eight players in the Industry accounts for about 50 percent of the capacity and industry is consolidating through mergers and acquisitions. The industry is also regionalized, as cement units are concentrated in clusters, close to the limestone deposits. Competition is also regionalized since low-value commodity makes transportation over long distances un-economical.

Cement demand has posted a healthy growth rate of 8 percent in tandem with strong economic growth of the country. The industry-achieved production of 168 million tons in fiscal 2007-08 compared to 156 million tons during corresponding previous year. In North India where the Company operates, the demand growth was at -12 percent. The demand has grown at a CAGR of 8 percent for last 15 years and there is nothing cyclical about cement demand. We believe that the present growth rate will be maintained with all drivers of demand, namely, housing, infrastructure, and corporate capex on an upswing.

Recently, the excise duty rates on bulk cement and clinker has been amended. As per amendment, bulk cement to attract excise duty of Rs. 400 per MT or 14 percent ad-valorem, whichever is higher and clinker excise duty at Rs. 450 per MT.

Further, excise duty on the packaged cement with a price of above Rs. 250 per bag (50 kg) has been changed to ad-valorem rate of 12 percent instead of Rs. 600 per tonne charged earlier.

White Cement

The world-wide white cement industry size is about one percent of grey cement industry and in India it is much less than compared to the grey cement industry size of about 189 million tonne per annum.

Unlike grey cement, the white cement industry in India is highly concentrated. There are only three manufacturers of white cement in India out of which Tranvancore Cement is restricted to Kerala, whereas JK White and Birla White, the two largest players are having national presence and account for a major chunk of India's production capacity. Consequently, prices of white cement have been relatively less volatile.

The growth of domestic white cement industry was negligible during 2007-08.

Wall putty continued to find increasing acceptance from the end consumers and recorded significant growth in 2007-08 over 2006-07.

OUTLOOK

Industry

The cement industry is implementing major capacity additions over the existing level of 189 million tonnes per annum. 22 million tonnes (14 million tonnes integrated unit and 8 million tonnes grinding unit) was added during the year 2007-08. Significant capacity addition is expected during 2008-09.

The prospects of cement industry over the medium term are encouraging on the back of robust demand witnessed from housing sector, infrastructure and commercial construction. Cement demand will further receive a fillip from significant rise in industrial projects.

Further, 11th Five Year Plan includes Rs. 18,000 crores Dedicated Rail Freight Corridor to be developed by Indian Railways between Delhi and Mumbai would be a big demand driver for cement. A Delhi-Mumbai Industrial Corridor, planned in synchronization with the freight corridor and estimated to attract huge investment of Rs. 3,60,000 crores, would propel cement demand to unprecedented highs. The growth in demand should help in sustaining the improved realization.

Company

The Company's performance in the



THE CEMENT INDUSTRY IS IMPLEMENTING MAJOR CAPACITY ADDITIONS OVER THE EXISTING LEVEL OF 189 MILLION TONNES PER ANNUM.

current fiscal is likely to show an improvement over the last year on account of (a) additional production from the acquired plant of Nihon Nirman Ltd. for part of the year; (b) full year benefit of commissioning of 20MW Captive Power Plant & 13.2 MW Waste Heat Recovery Power Plant and replacement of 10 MW Turbine; (c) Continuous focus on cost reductions.

Efforts have been made to increase popularisation of the applications of White Cement by involving general masses. Increased awareness is being built up through mass media and word of mouth campaign.

OPPORTUNITIES AND THREATS

The Eleventh Five Year Plan suggests that the economy could grow between 8 and 9 percent per year.

Further, growth in GDP and cement

consumption has a correlation and over the last 10 years the cement consumption is always higher with rare exceptions. The ratio happens to be 1: 1.2/1.3. This also supports the assumption that cement growth should be 2 percent over the GDP growth.

In view of above and accelerated growth of infrastructure, it is assumed that the cement demand would be around 11 percent.

With demand expected to grow at around 11 percent, additional capacity of 21 million tonnes per annum will be required to match the demand.

However with the improved margins there is a possibility of over bunching of capacities in the long term as most of the players have already announced new capacities and the pace of capacity addition may be higher than demand growth. Besides continuous intervention of the Government in the rising cement price could lead an adverse effect.

Looking to the growth in economy, housing sector and commercial construction and low white cement consumption as compared to international consumption rate there is immense opportunity to increase the white cement growth. White cement wall putty, a value added product of white cement, has been continuously recording significant growth rate. The high growth rate of realty and construction industry is expected to create huge demand for putty. Cement wash application is being popularised in semi urban areas.

White cement applications face major threat from competing products. For instance, the white cement paint industry continued with marginal growth due to

more usage of new generation polymer based exterior paints. The perception of mosaic tiles continues to be low compared to substitutes such as marble, ceramic and vitrified tiles, granite, which enjoys high esteem value due to attractive designs shades and less time to complete the floor. Moreover, there is a mushroom growth in the number of wall putty manufacturers while even larger paint manufacturer such as Asian Paint, Berger, Nerolac, Nitco are already supplying putty.

The recent ban on cement export could also hamper the realisation.

RISKS AND CONCERNS

Concerns to the Indian cement industry are high cost of power & Coal, high freight cost, inadequate infrastructure, and poor quality of coal.

In order to utilize the additional production capacity in pipeline, the Government has identified the following thrust areas for increasing demand:

- Further push to housing development programmes;
- Promotion of concrete highways and roads;
- Use of ready-mix concrete in large infrastructure projects; and
- Construction of concrete roads in rural areas under Prime Minister's Gram Sadak Yojana

Any delay or change in Government policy may adversely affect cement demand.

The growth in cement consumption is linked to the GDP. Further, Cement consumption also depends on external factors such as infrastructural spending and fiscal incentives given by the



13.2 MW WASTE HEAT RECOVERY POWER PLANT HAS BEEN COMMISSIONED

government. Although the chances of country going into recession are remote, the recession would affect the cement demand adversely and this may also impact the cement prices.

Cement is a heavily taxed commodity with both the Central and the State Government levying the taxes. Any other increase in taxes will have an adverse impact on the profitability.

Proposed Government action to bring Cement under Essential commodities Act could adversely affect the Industry.

On the input side coal availability is emerging as a risk in spite of the fact that India is the world's third largest coal producer. Continuous increase in price of coal is hampering the profitability. Sectors that will be directly impacted by the coal shortage are power, cement and steel. It could be the right time for the Government to seriously look into the possibility of opening the coal sector for

privatization besides effectively implementing its policy of opening coal sector for captive coal mining.

Any further worsening of domestic coal availability and transportation infrastructure could hamper cement production.

HIGHLIGHTS OF THE YEAR

- Production and sale of cement touched an all-time high of 3.77 million tonnes and 3.76 million tonnes respectively during the year.
- Commissioning of the 20 MW Captive Power Plant.
- Replacement of 10 MW Turbine.
- Commissioning of 13.2 MW Waste Heat Recovery Power Plant.
- Financial closure of Rs. 525 crores term loan for Karnataka Project under wholly owned subsidiary JayKayCem Ltd.
- Signed MOU with Fujairah Government for setting up a 2.2 million tonnes cement plant.
- Increase in the production of value added product (putty) at white cement plant by 39 percent.

HUMAN RESOURCES

Hiring the talent, motivating and retaining them and ensuring their development is a foremost challenge in today's business environment. Your Company focuses on building an expert talent base. We groom existing talent as well as fresh recruits from reputed professional institutions in a variety of areas to enable them to take on positions of greater responsibility. On and off the jobs training programs are organized through internal and external

resources. Employees are also benefited by the Regional Training Center at the Grey Cement Plant at Nimbahera.

The Company firmly recognizes that its human resources are the major source of strength to achieve the Company vision. There is a great team spirit amongst the member of staff. They are key to achieving its vision and are the primary source of competitive advantage. The total number of permanent employee of the Company as at March 31, 2008 was 1664.

Further, the Company has a stable and experienced middle and senior level management team, many of whom have been with the

Company for more than 20 years.

Labour relations have been cordial for over two decades with no interruption of manufacturing activities.

INTERNAL CONTROL SYSTEMS

The Internal Audit function is an independent function and is carried out by team of external as well as in house auditors at the plants, sales centers, regional offices, and head office.

Introduction of the ERP system for revenues is under implementation.

The Company has proper and adequate systems of internal

controls to provide reasonable assurance that transactions are authorized, recorded, and reported correctly and to ensure compliance with policies, statute. The internal control system provides for well-documented policies, guidelines, authorizations, and approval procedures.

The Company has an Audit committee that regularly reviews the reports submitted by the Internal Auditors. The IT environment is being upgraded on a continuous basis with a view to keep pace with the rapid changes taking place in the external environment.

Directors' Report

Dear Members,

Your Directors have pleasure in submitting their Fourteenth Annual Report and audited statements of accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs.in Lacs)

	2007-08	2006-07
Gross Turnover	181284.60	152966.52
Profit before depreciation and tax	38763.81	30513.97
Less: Depreciation	4106.92	3315.77
Profit Before Tax	34656.89	27198.20
Provision for Tax:		
Fringe Benefit Tax	210.00	200.00
Current Tax	7150.00	6984.39
Deferred Tax	780.30	2152.14
Profit After Tax	26516.59	17861.67
Add: Balance brought forward from the previous year	5692.45	694.30
Less: Transfer to General Reserve	15000.00	10000.00
Less: Proposed Dividend on Equity Shares (including tax thereon)	4090.57	2863.52
Balance to be carried forward	13118.47	5692.45

OVERALL PERFORMANCE

The Company during the year under review recorded growth on all the fronts. Its gross turnover increased by 18.5%. The operating profit rose to Rs.423.5 crores from Rs.339.9 crores in 2006-07. Earning per share increased to Rs.37.92 from Rs.25.57 in previous year.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements include Balance Sheet of Jaykaycem Ltd. only as being the project in progress no profit & loss account has been drawn of this subsidiary. These statements alongwith Auditors Report thereon form part of the Annual Report.

DIVIDEND

Your Directors are pleased to recommend the dividend @ Rs.5/- per share on Equity Shares for the financial year ended 31.3.2008 (previous year Rs.3.50 per share).

OPERATIONS

Grey Cement

During the year under report, the production and sales volume of Grey cement at Nimbahera and Mangrol plants was slightly higher than the previous year. Higher realizations during the current year resulted in higher turnover and higher profits despite setting off substantial escalation in power, fuel and other costs.

White Cement

During the year both production and sales volume of white cement has been lower due to restricted growth in demand which resulted in lower profitability. However, additional contributions from higher putty production and sales compensated to some extent.

STATUS OF PROJECTS IN HAND

IPO Funded Schemes

All the Schemes as envisaged in the Prospectus for the IPO have been completed.

Green Field Cement Plant at Mudhol, Karnataka

As reported earlier, a green field grey cement plant is being set up by Jaykaycem Ltd. (wholly owned subsidiary company) at Mudhol in the state of Karnataka. The cost as assessed by IDBI for 3 MTPA capacity (including captive power plant) is Rs.1000 crores and is proposed to be financed by Rupee Term Loan of Rs.525 crores (already tied up) and balance is to be arranged by J.K.Cement Ltd. out of its internal accruals (Rs.263 crores already invested). Land has already been acquired to meet the requirement of plant and colony. Civil work is in full swing. Orders



CIVIL WORK IS IN FULL SWING. ORDERS FOR LONG DELIVERY ITEMS OF PLANT & MACHINERY HAVE ALREADY BEEN PLACED AND DELIVERIES ARE BEING RECEIVED AT SITE AS PER SCHEDULE.

for long delivery items of plant & machinery have already been placed and deliveries are being received at site as per schedule. EPC contract has been awarded to M/s.Thermax for setting up Captive Power Plant. Rs.328.35 cores has already been spent on the project upto 31.3.2008.

Barring unforeseen circumstances, project is likely to be commissioned in March,2009.

J.K.Cement, Gotan

As reported last year, the Company was in process of revamping facilities at J.K.Cement Works at Gotan. The said revamping is in advance stage of completion. The plant with capacity of 0.40 MTPA at investment of Rs.125 crores is likely to be commissioned in second quarter of 2008.

Power plant at Gotan

Substantial progress has been made in respect of implementation of Captive Power plant of 7.5 MW at Gotan for captive use. The project

is likely to be commissioned in June / July, 2008.

FINANCE

- Term Loan of Rs.37.50 crores availed from Allahabad Bank during the previous year have been replaced by Term Loan of Rs.40 crores from Canara Bank.
- During the year, Company's Working Capital Facilities (both fund based and non-fund based) have been increased from Rs.70 crores to Rs.105 Crores.

SUBSIDIARY COMPANIES

- During the year, the Company formed a wholly owned subsidiary under the name and style of J.K.Cement (Fujairah) FZC in the state of UAE to undertake the business of cement and investment. This Company has formed another subsidiary Company under the name and style of J.K.Cement Works (Fujairah) FZC under which it is proposed to set up a green field cement plant at Fujairah, UAE. Details of the project are being worked out.
- A statement pursuant to Section 212 of the Companies Act, 1956 is annexed.

MERGER

The Board of Directors have approved the merger of Jaykaycem Ltd., wholly owned subsidiary Company with the Company w.e.f. 1.4.2008. Necessary formalities and approvals are being obtained.

CORPORATE GOVERNANCE

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

PERSONNEL

Industrial Relations

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

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 throughout or part of the financial year under review is annexed. However, in terms of provisions of section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may send the request to the Company at its Registered Office.

PUBLIC DEPOSITS

Your Company has not invited any deposits from public / shareholders in accordance with the Section 58A of the Companies Act, 1956.

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



DURING THE YEAR, THE COMPANY FORMED A WHOLLY OWNED SUBSIDIARY - J.K.CEMENT (FUJAIRAH) FZC IN THE STATE OF UAE TO UNDERTAKE THE BUSINESS OF CEMENT AND INVESTMENT.

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 in respect of Cement plants are annexed and form part of the Report.

AUDITORS' REPORT

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

COST AUDIT

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the year 2007-08 and cost audit would be completed in respect of these units.

SECRETARIAL AUDIT REPORT

The Company has obtained Secretarial Audit Report from M/s.G.K.Banthia & Co., Company

Secretary, which confirms that the Company has complied all the requirements and formalities as per Companies Act, 1956.

DIRECTORS

- a) During the year under the report Dr. K.B.Agarwal has been appointed as Additional Director on the Board of Directors of the Company and he holds the office up to the ensuing Annual General Meeting. The Company has received notice u/s 257 of the Companies Act, 1956 from a shareholder, proposing his candidature for the office of Director of the Company along with the requisite fees.
- b) Three of your Directors namely Sri R.K.Lohia, Sri A.Karati and Sri Ashok Sharma will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.
- c) Mr.Alok Dhir ceased to be the Director of the Company w.e.f. 12.5.2008.Your Directors wish to place on record their warm appreciation for the valuable services and advice rendered by him during the tenure of his office.

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.

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 (IB) of Section 224 of the Companies Act, 1956. You are requested to consider their appointment.

COST AUDITORS

Pursuant to the directives of the Central Government and provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit of Cement units for the year 2007-08.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the

valuable assistance and support received by your Company from Banks, Govt. of Rajasthan, Central Govt. and their departments. The Board also thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements.

FOR AND ON BEHALF OF THE
BOARD

Place: Kanpur.

Dated: 20th May, 2008

**GAUR HARI
SINGHANIA**

Chairman

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 13.2 MW waste heat recovery power plant.
- Installation of 20 MW Pet coke based captive power plant.
- Installation of 10 MW Turbine at Bamania to replace existing 7.5 MW Turbine.
- Installation of control & automation system at Raw Mills & Kilns.

White Cement

- High efficiency fan with VFD installed at new ESP to conserve energy as well as better performance of ESP.
- High efficiency fan with VFD installed at hot air fan to conserve energy and efficient utilization of hot gases.
- Installation of Calciner for capacity enhancement and thermal efficiency improvement.
- TCS installed before calciner for smooth and consistent operation of clinkerisation process.

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

Grey Cement

- SG Fan No 2 to be replaced by high efficiency new fan.

White Cement

- Installation of 7.5 MW Thermal Power Plant.
- Electronic upgradation of Packing machines.
- Installation of improved GCT system in the steam exhaust circuit.

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Measures as referred in (a) and (b) above have resulted into extra generation/saving of power and saving in cost of production.

B. TECHNOLOGY ABSORPTION

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

Grey Cement

- Generation of Power from Waste Heat recovery plant.
- Production of Cement having higher fineness & strength.

White Cement

- Raw Mix chemical module re-designed for quality improvement and consistency.
- The secondary roller crusher replaced by impact crusher.

(ii) Benefits Derived as a result of above R & D.

Grey Cement

- Reduction in cost.
- Cleaner Environment.
- Production of high fineness of cement.

White Cement

- Consistency in quality further improved with increased plant capacity.
- Arrest the dust generation in confined area to improve work environment.

(iii) Future Action Plan.

Grey Cement

- Satellite Coolers for Kiln 1 & 2 to be replaced by Grate Coolers for higher thermal efficiency.
- Waste Heat Recovery System feasibility being analyzed.

White Cement

- Installation of new 50 Kg packer having ultrasonic sealing facility to improve the dust level, spillage from bag and achieve tamper proofing of bag.
- Covered clinker storage facility for grey and white clinker to arrest dust emissions, waste minimization, quality improvement by eliminating contamination and to comply with pollution control board norms.
- Grinding plant for dolomite for putty product to ensure consistency in putty operation, cost saving as well as to control the dust level.

(iv) 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 Rs. 30 lacs to Research Institutes for carrying out research and development work related to Company's products.

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

Grey Cement (Nimbahera/Mangrol)

- Daily monitoring of power consumption & critical equipment.

White Cement

- Elimination of manual intervention in packing.
- Prevention of spillage of cement.
- Utilization of available capacity to produce grey clinker

(vi) Details of Imported Technology:

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- | | |
|---|---|
| <p>(i) Activities relating to exports initiatives taken to increase exports Development of new export market for products and services and future export plans.</p> <p>(i) Total foreign exchange used and earned:</p> <p style="margin-left: 20px;">(a) Total foreign exchange used and earned.</p> <p style="margin-left: 20px;">(b) Total foreign exchange earned.</p> | <p>Mentioned in the main report.</p> <p style="font-size: 2em;">}</p> <p>Mentioned in Notes on Accounts</p> |
|---|---|

FORM-A

ANNEXURE

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION ENERGY

PARTICULARS	GREY CEMENT		WHITE CEMENT	
	2007-08	2006-07	2007-08	2006-07
(A) POWER AND FUEL CONSUMPTION :				
1. ELECTRICITY				
(A) PURCHASED :				
Units/KWH ('000)	130783	215413	18588	19080
Total Amount (Rs./lacs)	5668.93	9234.63	876.16	805.64
Rate/Unit (Rs.)	4.33	4.29	4.23	4.22
(B) OWN GENERATION :				
(i) Through Diesel Generator:				
Units/KWH ('000)	23897	31130	9214	10717
Unit per Litre of Diesel/Oil	4.12	4.14	3.79	3.85
Rate/Unit (Rs.)	4.48	4.40	5.60	4.77
(ii) Through Steam Turbine Gen. Unit:				
Units/KWH ('000)	200136	101150	NIL	NIL
Unit per Litre of Oil/Coal	1.03	1.12	N/A	N/A
Rate/Unit (Rs.)	3.12	3.40	N/A	N/A
2. COAL (GRADE B, C AND D)				
Quantity (tonnes)	539804	450822	27500	29601
Total Cost (Rs./lacs)	22231.78	17214.79	1475.95	1296.64
Average Rate (Rs./Tonne)	4118	3819	5367	4380
3. FURNACE OIL				
Quantity (K. Ltrs.)	-	-	2280	2609
Total Cost (Rs./Lacs)	-	-	481.64	479.67
Average Rate/K.Ltrs. (Rs.)	-	-	21125	18382
4. OTHER/INTERNAL GENERATION				
(For Generation of Power from D.G.Sets)				
Quantity (K. Ltrs.)	5806.58	7518.77	2430	2785
Total Cost (Rs./lacs)	1070.72	1370.87	515.72	511.36
Average Rate/K.Ltr. (Rs.)	18440	18233	21223	18358
(B) CONSUMPTION PER UNIT OF PRODUCTION:				
1. Electricity (Kwh/Unit)	93	93	120	120
2. Furnace Oil (K.Ltr/Unit)	-	-	127	129
3. Coal (Grade B,C and D) (K.Cals./Kg.)	779	784	1034	1042



Corporate Governance Report

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, its stakeholders i.e. the society at large by adopting better 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.

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

In compliance with the corporate governance norms in terms of constitution of the Board, 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 value in the decision making process of the Board of Directors.

As on 31st March, 2008 the composition of the Board of Directors is given herein below:

- One Promoter, Non-Executive, Non Independent Director
- One Promoter, Executive, Non Independent Director
- Two Non-Executive, Non Independent Directors
- Seven Non-Executive, Independent Directors

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

During the last financial year ended March 31, 2008, five Board Meetings were held on the following dates:

- i) May 12, 2007
- ii) July 28, 2007
- iii) August 25, 2007
- iv) October 26, 2007
- v) January 29, 2008



AT J.K. CEMENT, WE
VIEW CORPORATE
GOVERNANCE IN
ITS WIDEST SENSE,
ALMOST LIKE
TRUSTEESHIP.

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

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Dr. Gaur Hari Singhania	4	No
Shri Yadupati Singhania	4	Yes
Shri K.N. Khandelwal	5	Yes
Shri Alok Dhir\$	-	No
Shri A. Karati	3	No
Shri Ashok Sharma	5	Yes
Shri J.N. Godbole	5	Yes
Shri J.P. Bajpai	5	Yes
Dr.K.B.Agarwal#	2	N.A.
Shri R.K. Lohia	3	Yes
Shri Suparas Bhandari	5	Yes

Appointed as Additional Director w.e.f. 25.08.2007.

\$ Resigned w.e.f. 12.05.2008.

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:

Name of Director	Category	Inter-se relationships between Directors#		No. of other Directorships @	No. of Board Committees (Other than J.K. Cement Ltd.) in which**	
		Director with whom related	Relation		Chairman	Member
Dr. Gaur Hari Singhania <i>Chairman</i>	Promoter, Non-Executive, Non Independent	Yadupati Singhania	Son	5	-	-
Shri Yadupati Singhania <i>M.D & CEO</i>	Promoter, Executive, Non Independent	Dr. Gaur Hari Singhania	Father	9	-	-
Shri K.N. Khandelwal	Non-Executive, Non Independent	Nil	NA	4	-	-
Shri Alok Dhir\$	Non-Executive, Non Independent	Nil	NA	1	-	-
Shri Achintya Karati	Non-Executive, Independent	Nil	NA	5	-	3
Shri Ashok Sharma	Non-Executive, Independent	Nil	NA	1	1	-
Shri J.N.Godbole	Non-Executive, Independent	Nil	NA	11	1	10
Shri J.P. Bajpai	Non-Executive, Independent	Nil	NA	4	-	-
Dr.K.B.Agarwal*	Non-Executive, Independent	Nil	NA	2	2	-
Shri R.K. Lohia	Non-Executive, Independent	Nil	NA	6	-	-
Shri Suparas Bhandari	Non-Executive, Independent	Nil	NA	1	1	-

Disclosure of Inter-se relationship between directors as required under clause 49(IV)(G)(ia) inserted vide circular SEBI/CFD/DIL/CG/1/2008/08/04 dated 08.04.2008

* Appointed as Additional Director w.e.f. 25.08.2007

\$ Resigned w.e.f. 12.05.2008.

@ 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 has been excluded.

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

AUDIT COMMITTEE

i) Broad Terms of Reference

The terms of reference of Audit Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as under Section 292A of the Companies Act, 1956.

ii) Composition of the Committee

As on 31.03.2008, the following Directors were the members of the Audit Committee:

- i) Shri Ashok Sharma (Chairman) : Independent, Non Executive Director
- ii) Shri R.K. Lohia : Independent, Non Executive Director

- iii) Shri A. Karati : Independent, Non Executive Director
iv) Shri K.N. Khandelwal : Non 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 Anil Kumar Agrawal, Sr.V.P. (Fin. & Tax) and Compliance Officer acts as Secretary of the committee. The Statutory Auditors of the Company attend the meetings as special invitees.

iii) Meetings and Attendance

During the financial year ended 31st March, 2008 four meetings were held on 12th May, 2007, 28th July, 2007, 26th October, 2007 and 24th January, 2008.

The attendance at the Committee Meetings was as under:

Name of Director	No. of Meetings attended
Shri Ashok Sharma	4
Shri A. Karati	4
Shri R.K. Lohia	2
Shri K.N. Khandelwal	4

REMUNERATION COMMITTEE

i) Broad Terms of Reference

- (a) To review and decide the policy on specific remuneration package of Managing Director and Non-executive Chairman of the Company.
(b) To decide terms of remuneration of Non-executive Directors of the Company.

ii) Composition of the Committee

Remuneration Committee of the Company as on 31.03.2008 comprised of:

- i) Shri Raj Kumar Lohia (Chairman) : Independent, Non Executive Director
ii) Shri J.P. Bajpai : Independent, Non Executive Director
iii) Shri Alok Dhir\$: Non Independent, Non Executive Director
iv) Shri A.Karati : Independent, Non Executive Director
v) Shri Suparas Bhandari : Independent, Non Executive Director

\$ Resigned w.e.f. 12.05.2008.

Shri Anil Kumar Agrawal, Sr.V.P. (Fin. & Tax) and Compliance Officer acts as Secretary of the Committee.

iii) Meetings and Attendance

During the financial year ended 31st March, 2008 one meeting was held on 3rd May, 2007.

The attendance at the above Meeting was as under: -

Name of Director	No. of Meetings attended
Shri Raj Kumar Lohia	1
Shri J.P. Bajpai	-
Shri Alok Dhir\$	-
Shri A.Karati	1
Shri Suparas Bhandari	1

\$ Resigned w.e.f. 12.05.2008

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 of the Company held by **Non-Executive Directors** of the Company as on 31.03.2008 are as under:

Name of Director	No. of Equity Shares Held	Name of Director	No. of Equity Shares Held
Dr Gaur Hari Singhania	1041973	Shri Ashok Sharma	760
Shri J.P. Bajpai	100	Shri Achintya Karati	640
Shri K.N. Khandelwal	421	Shri J.N.Godbole	NIL
Shri Alok Dhir\$	NIL	Shri Suparas Bhandari	NIL
Shri R.K. Lohia	NIL	Dr.K.B.Agarwal	1010

\$ Resigned w.e.f. 12.05.2008

v) Details of Remuneration to the Directors for the year ended 31st March, 2008

Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
Dr. Gaur Hari Singhania	--	--	3500000	145000	3645000
Shri Yadupati Singhania @	7200000	13399000*	35700000	--	56299000
Shri J.P. Bajpai	--	--	500000	180000	680000
Shri K.N. Khandelwal	--	--	500000	220000	720000
Shri Raj Kumar Lohia	--	--	500000	60000	560000
Shri Alok Dhir\$	--	--	200000	--	200000
Shri Ashok Sharma	--	--	500000	95000	595000
Shri A. Karati	--	--	500000	75000	575000
Shri J.N.Godbole	--	--	500000	50000	550000
Shri Suparas Bhandari	--	--	500000	55000	555000
Dr.K.B.Agarwal #	--	--	300000	20000	320000

* Benefits do 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 Rs.36 Lacs.

@ Appointment of Managing Director & CEO is for a period of 5 years w.e.f. 01/04/2007 upto 31/03/2012.

Part of the year.

\$ Resigned w.e.f. 12.05.2008

SHAREHOLDERS' GRIEVANCE COMMITTEE**i) Composition**

The Committee as on 31.03.2008 comprises of:

- | | |
|--------------------------------|--|
| i) Shri J.P. Bajpai (Chairman) | : Independent, Non Executive Director. |
| ii) Shri K.N. Khandelwal | : Non Independent, Non Executive Director. |
| iii) Shri Raj Kumar Lohia | : Independent, Non Executive Director. |

ii) **Mr. Anil Kumar Agrawal, Sr.V.P. (Fin. & Tax) is the Compliance Officer.**

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 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 438 complaints during the F.Y. 2007-08, and all the 438 complaints were redressed and there was no complaint pending as at 31.03.2008.

iv) Meetings and Attendance

During the financial year ended 31st March, 2008, four meetings were held on 12th May, 2007, 28th July, 2007, 26th October, 2007 and 29th January, 2008.

Name of Director	No. of Meetings attended
Shri J.P. Bajpai	4
Shri K.N. Khandelwal	4
Shri Raj Kumar Lohia	1

CEO/CFO CERTIFICATION

The Managing Director & CEO and the CFO have certified to the Board, *interalia* 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 31.03.2008.

GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Place
2004 – 05	20th August, 2005	12.00 Noon	Auditorium of the Merchants' Chamber of U.P., Kanpur
2005 - 06	29th July, 2006	12.00 Noon	-do-
2006 - 07	25th August, 2007	12.00 Noon	-do-

Except two Special resolutions regarding payment of commission to the Managing Director & CEO and Non-executive Directors, which were passed in the Annual General Meeting of the Company held on 20.08.2005 no other special resolution was passed in the other two meetings.

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. There is no matter proposed to be dealt/ passed by the Company through postal ballot in the ensuing Annual General Meeting.

The Chairman of the Audit Committee was present at AGM held on 25th August, 2007 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 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 Articles of Association of the Company three Directors Shri Raj Kumar Lohia, Shri Achintya Karati and Shri Ashok Sharma will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-election. In addition the Company has received notice from shareholder u/s 257 of the Companies Act, 1956 in respect of Dr. K.B. Agarwal for appointment as Director on the Board of the Company. He was appointed as Additional Director of the Company during the year and hold office upto the ensuing Annual General Meeting. Given below are the brief resumes of the aforesaid Directors pursuant to clause 49 of the listing Agreement:

- (i) **Dr. K.B. Agarwal**, aged about 69 years, is M.Com. LL.B., Ph.D., AICWA and FCS. He has a 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 Commerce and U.P. Stock Exchange Association Limited as their President. He had been actively associated with FICCI & ASSOCHAM and was actively involved with various Committees of Government. As on 31.03.2008 he was holding 1010 Equity shares of the Company.
- (ii) **Shri Raj Kumar Lohia** holds a Bachelor of Arts degree in Economics from Kanpur University. He has vast experience in the fields of Commerce and Industry spanning around 25 years. He has been a director of our Company since September 30, 2004. He is a leading industrialist of Kanpur and also serves as director on the board of number of other Indian Companies. He is the recipient of several awards including the Excellence Award 2005 for contribution in the field of entrepreneurship. As on 31.03.2008 he was holding no Equity share of the Company.
- (iii) **Mr. Achintya Karati** holds a Bachelor of Laws degree from Calcutta University. He has vast experience in the financial and legal fields spanning 33 years. He has worked in diverse areas of commercial, legal and secretarial matters. He retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile, Industrial Credit and Investment Corporation of India Limited) in March 2004. During his association with ICICI Limited, he served in various capacities, including Deputy Zonal Manager (North) and Head of Major Client Group (North). Presently, he is a Senior Advisor to ICICI Securities Limited and is also associated with ICICI-Prudential Life Insurance Company Limited. He also heads the Government and Institutions group of NCDEX, India.
- (iv) **Shri Ashok Sharma** holds a Bachelor of Law degree from Kanpur University. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the fields of finance and audit spanning 30 years. He is a practicing Chartered Accountant and handles the audit assignments of private sector organizations, banks, insurance companies and financial institutions. He is a director on the Board of Uttar Pradesh Stock Exchange Association Limited and Jaykaycem Limited. He has served on many Committees such as the 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 31.03.2008 he was holding 760 Equity shares 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-executives Directors, and members of the Senior Management. A copy of the Code has been put 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 2007-08.

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, Dainik Jagran and Dainik Bhaskar 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** and on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre (NIC).

GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Date Time : - July 26, 2008 at 12:00 Noon.
Venue : - Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

ii) Financial Calendar

(a) First Quarter Results -	By the end of July, 2008
(b) Second Quarter Results -	By the end of October, 2008
(c) Third Quarter Results -	By the end of January, 2009
(d) Results for the year ending 31st March 2009 -	By the end of June, 2009

iii) Date of Book Closure

July 18, 2008 to July 26, 2008 (both days inclusive)

iv) Dividend payment date

The Board of Directors of the Company have recommended a dividend of Rs.5/- per share. The dividend shall be payable on or after July 26, 2008

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 2007-08.

vi) Stock Code

BSE	532644
NSE	JKCEMENT
ISIN NUMBER	INE823G01014

vii) Market Price Data

Month	BSE			
	High	Low	Sensex High	Sensex Low
APRIL 2007	159.00	137.50	14,383.72	12,425.52
MAY 2007	168.00	150.05	14,576.37	13,554.34
JUNE 2007	162.00	136.40	14,683.36	13,946.99
JULY 2007	179.00	143.20	15,868.85	14,638.88
AUGUST 2007	181.95	148.00	15,542.40	13,779.88
SEPTEMBER 2007	182.50	166.00	17,361.47	15,323.05
OCTOBER 2007	204.00	164.00	20,238.16	17,144.58
NOVEMBER 2007	238.80	177.00	20,204.21	18,182.83
DECEMBER 2007	256.70	212.65	20,498.11	18,886.40
JANUARY 2008	224.80	132.00	21,206.77	15,332.42
FEBRUARY 2008	183.50	158.00	18,895.34	16,457.74
MARCH 2008	167.00	123.10	17,227.56	14,677.24

Month	NSE			
	High	Low	Sensex High	Sensex Low
APRIL 2007	158.00	136.00	5,043.03	4,379.37
MAY 2007	168.50	150.00	5,185.95	4,908.99
JUNE 2007	163.00	136.55	5,223.82	4,971.76
JULY 2007	177.80	145.15	5,593.96	5,218.32
AUGUST 2007	178.00	142.90	5,411.29	4,938.51
SEPTEMBER 2007	182.45	165.20	6,094.11	5,424.33
OCTOBER 2007	204.20	142.65	7,169.67	6,151.88
NOVEMBER 2007	239.00	175.10	7,209.99	6,701.81
DECEMBER 2007	252.90	210.00	7,479.08	6,972.75
JANUARY 2008	224.75	130.00	7,642.89	5,955.22
FEBRUARY 2008	185.80	156.10	6,672.07	5,886.53
MARCH 2008	169.80	123.25	6,027.69	5,517.59

viii) Registrar/Transfer Agent

M/s J.K. Synthetics Ltd. are Registrars and Share Transfer Agents of the Company for Physical and Demat segment. Their address for communication is as under:-

Mr. R.C.Srivastava
D.G.M. (Shares)
M/s J.K. Synthetics Ltd.
(Unit J.K. Cement Ltd.)
Kamla Tower,
Kanpur – 208 001
Telephone: 0091-512-2371478 / 81; Ext: 322
Fax: 0091-512-2399854;
email: jkshr@jkcements.com, rajeev@jkcements.com

ix) Share Transfer System

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

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

x) Distribution of Shareholding as on 31.3.2008

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	111711	98.18	4429932	6.34
501 to 1000	1285	1.13	953769	1.36
1001 to 2000	374	0.33	569494	0.81
2001 to 3000	113	0.10	280245	0.41
3001 to 4000	55	0.05	198419	0.28
4001 to 5000	49	0.04	232876	0.33
5001 to 10000	87	0.08	649794	0.93
10001 and above	110	0.09	62612721	89.54
Total	113784	100.00	69927250	100.00

xi) Category of Shareholders as on 31st March 2008

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters And Promoter Group	39	00.03	43048411	61.56
Mutual Funds / UTI	21	00.02	2710098	03.88
Financial Institutions / Banks	105	00.10	11429	00.02
Insurance Companies	6	00.01	3041929	04.35
Foreign Institutional Investors	36	00.03	10066561	14.39
Bodies Corporate	1153	01.01	3697297	05.29
Individuals	112271	98.67	6998332	10.00
Others	153	00.13	353193	00.51
Total	113784	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).

3,72,92,683 Equity shares representing 53.33% of the paid up Equity Capital of the Company have been dematerialised till 31.03.2008.

Consequent to the follow-up offering of 2,00,00,000 Equity shares by the Company in February, 2006, 14,203,298 Equity shares representing 20.31% of the post issue paid up capital of the Company held by the promoters are locked-in for 3 years from the date of allotment i.e. till 12.03.2009 as per SEBI (DIP) Guidelines, 2000.

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

xiv) Plant Location

Company has following plants (All located in Rajasthan):

Plant	Location
Grey Cement Plants	Kailash Nagar, Nimbahera, Distt. Chittorgarh Mangrol, Distt. Chittorgarh Gotan, Distt. Nagaur
White Cement Plant	Gotan, Distt. Nagaur
Thermal Power Plant (For captive consumption)	Bamania, Shambupura, Distt. Chittorgarh
Thermal Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Distt. Chittorgarh
Waste Heat Recovery Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Distt. Chittorgarh

xv) Address for Correspondence

J.K. Cement Ltd.,
Secretarial Department,
Kamla Tower, Kanpur – 208001.
Telephone No.: 0091-512-2371478 / 81, Fax: 0091-512-2399854
Email: jkshr@jkcements.com
Website: www.jkcement.com

CERTIFICATE

To the Members of

J.K. CEMENT LIMITED.

We have examined the compliance of conditions of Corporate Governance by J.K. CEMENT LIMITED as at 31st March, 2008, 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 was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and 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 the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor Grievances were pending for a period exceeding one month.

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

For **P.L.TANDON & CO.,**
Chartered Accountants.

P.P. SINGH
Partner

Membership No.72754

Place: Kanpur.
Dated: 20th May,2008

Auditor's Report

TO THE MEMBERS OF J.K. CEMENT LIMITED

1. We have audited the attached Balance Sheet of J.K.Cement Limited, as at 31st March, 2008, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Profit & Loss Account 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 Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 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 31st March, 2008;
 - (b) in the case of the Profit & Loss Account 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.

Place: Kanpur.
Date : 20th May,2008

For **P.L. TANDON & CO.,**
Chartered Accountants
(P.P.SINGH)
PARTNER
Membership No.72754

ANNEXURE TO THE AUDITORS' REPORT

Re: J.K. CEMENT LIMITED

(Referred to in Paragraph (3) 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.

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 has / had granted interest free unsecured loans to Companies. The maximum amount involved during the year was Rs.32154.18 Lacs and the year end balance of such loan granted was Rs.29854.18 Lacs.
- (b) The above loans are interest free and other terms and conditions on which loans have been granted to such parties 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, paragraphs (iii)(f) and (g) of the Order, are not applicable.

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 Rs.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. Accordingly paragraph (vi) of the Order, is not applicable.
- 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, following undisputed amount was payable in respect of aforesaid dues which was in arrear as at 31st March, 2008 for a period more than six months from the date they became payable:

(Rs.in Lacs)

Name of the Statute	Nature of the Dues	Amount	Period to which amount relates
State Finance Act	Land Tax	1.04	01-04-2006 to 31-03-2008

- (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 :

(Rs.in Lacs)

Name of the Statute	Nature of the Dues	Amount	Period to which amount relates	Forum where dispute is pending
State Sales Tax Act	Sales Tax	208.72	1997-98	Allahabad High Court/ Tribunal
Central Sales Tax Act	Sales Tax	3709.61	1999 onwards	Jodhpur High Court
Rajasthan Entry Tax	Entry Tax	1261.11	July, 2006 onwards	Appeal with Jodhpur High Court
Central Excise Act, 1944	Excise Duty Including interest thereon.	419.02	1989	Supreme Court
Central Excise Act, 1944	Excise Duty on Weight difference	164.27	October, 2001 to 17th March, 2004	Jodhpur High Court
Finance Act, 1994	Service Tax	453.76	2006-07	Central Excise Deptt.
State Finance Act	Land Tax	910.79	2006-07	Jodhpur High Court

- 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 (xiii) are not applicable to the Company.
- xiv)** In our opinion, the Company is not dealing in or trading in shares, securities and debentures and other investments. Accordingly, the provisions of clause (xiv) are not applicable to the Company.
- xv)** In our opinion and according to the information and explanations given to us, the terms & conditions of guarantee given by the Company for loans taken by subsidiary companies are not prima facie prejudicial to the interest of the Company.
- xvi)** In our opinion, the term loan 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 report that temporary short term funds have been used for long-term investment.
- xviii)** According to 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)** As the Company has no debenture outstanding at any time during the year, paragraph (xix) of the Order is therefore, not applicable to the Company.
- xx)** We have verified the end use of money raised by public issue from the offer document and as disclosed in the notes to the financial statements.
- 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.

Place: Kanpur.
Date : 20th May, 2008

For **P.L. TANDON & CO.,**
Chartered Accountants

P.P. SINGH
Partner
Membership No.72754

BALANCE SHEET**As At 31st March, 2008**

		(Rs.in Lacs)	
	Schedule	As At 31.03.2008	As At 31.03.2007
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	98341.23	75017.89
		105333.95	82010.61
Loan Funds			
Secured Loans	3	38278.60	42993.92
Unsecured Loans		12773.98	12776.99
		51052.58	55770.91
Deferred Tax Liability			
		5099.30	4319.00
		161485.83	142100.52
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	124976.81	102941.82
Less: Depreciation		16063.43	10697.71
Net Block		108913.38	92244.11
Capital Work-in-Progress		13384.01	16438.60
		122297.39	108682.71
Investments			
	5	950.39	1590.98
Current Assets, Loans & Advances			
Inventories	6	11453.15	11000.55
Sundry Debtors		5725.59	6215.99
Cash & Bank Balances		14544.35	19253.60
Other Current Assets		133.31	128.86
Loans & Advances		35249.56	16510.24
		67105.96	53109.24
Less: Current Liabilities & Provisions			
Liabilities	7	23862.95	17284.53
Provisions		5200.96	4172.36
		29063.91	21456.89
Net Current Assets			
		38042.05	31652.35
Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Preliminary Expenses		4.24	8.44
Deferred Revenue Expenditure		191.76	166.04
		161485.83	142100.52
Notes & Contingent Liabilities			
	13		

As per our Report attached
For **P.L.TANDON & Co.,**
Chartered Accountants

P.P. SINGH
Partner

GAUR HARI SINGHANIA
Chairman

A.K. SARAOGI
President (Corp.Affairs) & CFO

JAYANT NARAIN GODBOLE
Director

K.B.AGARWAL
Director

YADUPATI SINGHANIA
Managing Director & CEO

ASHOK SHARMA
Director

JYOTI PD.BAJPAI
Director

RAJ KUMAR LOHIA
Director

K.N.KHANDELWAL
Director

SUPARAS BHANDARI
Director

Kanpur
Dated : 20th May, 2008

PROFIT AND LOSS ACCOUNT

For The Year Ended 31st March, 2008

	Schedule		2007-2008		(Rs.in Lacs) 2006-2007
INCOME					
Gross Sales			181284.60		152966.52
Less : Excise Duty		21833.55		18496.02	
Sales Tax		13625.77	35459.32	11137.30	29633.32
Net Sales			145825.28		123333.20
Other Income	8		785.71		1069.44
TOTAL			146610.99		124402.64
EXPENDITURE					
Manufacturing Expenses	9		60415.97		53584.58
Payments to and Provisions for Employees	10		6763.87		4883.83
Selling,Administration and other Expenses	11		37079.63		31948.47
Interest (Net)	12		3587.71		3471.79
TOTAL			107847.18		93888.67
Profit Before Depreciation			38763.81		30513.97
Depreciation		5380.51		4594.80	
Less: Transfer from Revaluation Reserve (Refer Note No.5)		1273.59	4106.92	1279.03	3315.77
Profit Before Tax			34656.89		27198.20
Provision for Tax					
Fringe Benefit Tax			210.00		200.00
Current Tax			7150.00		6984.39
Deferred Tax			780.30		2152.14
Profit After Tax			26516.59		17861.67
Balance from previous year			5692.45		694.30
Amount Available For Appropriations			32209.04		18555.97
APPROPRIATIONS					
General Reserve		15000.00		10000.00	
Proposed Dividend		3496.36		2447.45	
Corporate Dividend Tax on above		594.21	19090.57	416.07	12863.52
Balance carried to Balance Sheet			13118.47		5692.45
Earning per share - Basic and Diluted (In Rs.)			37.92		25.54
Notes & Contingent Liabilities	13				

As per our Report attached
For **P.L.TANDON & Co.,**
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Director

Kanpur
Dated : 20th May, 2008

CASH FLOW STATEMENT

For The Year Ended 31st March, 2008

			(Rs.in Lacs)
		2007-2008	2006-2007
A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax as per Profit & Loss Account		34656.89	27198.20
Adjusted for :			
Depreciation	4106.92		3315.77
Deferred Revenue/Preliminary Exp.	49.21		55.39
Interest	5120.87		5285.77
Interest received	(1533.16)		(1813.98)
Profit on sales of investments	(26.68)		(49.47)
Dividend Income	(27.93)		-
Loss on sale of assets	46.56	7735.79	56.45
Operating Profit before Working Capital Changes		42392.68	34048.13
Adjusted for :			
Trade & Other Receivables	(352.69)		(2798.26)
Inventories	(452.60)		(2602.90)
Trade Payable	6563.51	5758.22	(954.14)
Cash Generated from Operations		48150.90	27692.83
Adjusted for :			
Tax Paid	(7184.04)		(5231.85)
Corporate Dividend Tax	(416.07)		-
Dividend paid	(2433.70)		(1042.00)
Deferred Revenue/Preliminary Exp. Incurred	(70.73)	(10104.54)	(39.66)
Net cash from operating activities		38046.36	21379.32
B) CASH FLOW USED IN INVESTING ACTIVITIES			
Acquisition/Purchase of fixed assets including capital advances	(19225.76)		(18003.16)
Sale of fixed assets	117.69		74.60
Purchase of Investments	(2523.00)		(6841.78)
Sale of Investments	3218.20		5300.25
Interest Income	1245.13		1372.70
Net cash used in investing activities		(17167.74)	(18097.39)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Advance to Jaykaycem Ltd. [Wholly Owned Subsidiary]	(18687.20)		(7648.16)
J.K. Cement Fujairah Ltd. [Wholly Owned Subsidiary]	(18.82)		-
Capital subsidy received	2256.19		1213.95
Deferred Sales Tax	(295.88)		157.55
Long Term Borrowings	3000.00		3749.97
Cash Credit Accounts	3215.69		751.82
Repayment of Long Term Borrowings	(11004.29)		(7319.08)
Interest Paid	(5096.25)		(5290.42)
Vehicle Loans & Others	342.69		214.46
Refund from Associate Company	700.00		1600.00
Net cash used in financing activities		(25587.87)	(12569.91)
Net increase in Cash and Cash Equivalents (a+b+c)		(4709.25)	(9287.98)
Opening balance of Cash and Cash Equivalents		19253.60	28541.58
Closing balance of Cash & Cash Equivalents		14544.35	19253.60

As per our Report attached
For **P.L.TANDON & Co.,**
Chartered Accountants

P.P. SINGH
Partner

GAUR HARI SINGHANIA
Chairman

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Director

JYOTI PD.BAJPAI
Director

RAJ KUMAR LOHIA
Director

SUPARAS BHANDARI
Director

Kanpur
Dated : 20th May, 2008

SCHEDULE 1

	(Rs.in Lacs)	
SHARE CAPITAL	As At 31.03.2008	As At 31.03.2007
AUTHORISED		
8,00,00,000 Equity Shares of Rs.10/- each	8000.00	8000.00
	8000.00	8000.00
ISSUED, SUBSCRIBED & PAID UP		
6,99,27,250 Equity Shares of Rs.10/- each	6992.72	6992.72
	6992.72	6992.72

SCHEDULE 2

RESERVES & SURPLUS	As At 31.03.2008		As At 31.03.2007	
Revaluation Reserve				
As per last Balance Sheet	30474.06		31836.60	
Less : Deduction During the year	85.28		83.51	
Less : Transfer to Profit and Loss Account	1273.59	29115.19	1279.03	30474.06
Capital Reserve				
Govt. Subsidy (Refer note no.4)				
As per last Balance Sheet	1213.95		-	
Add: Received during the year	2256.19	3470.14	1213.95	1213.95
Securities Premium Account		25903.61		25903.61
General Reserve				
As per last Balance Sheet	11733.82		2000.00	
Add : Transfer from Profit & Loss Account	15000.00		10000.00	
Less : Gratuity Adjustment	-	26733.82	266.18	11733.82
Profit & Loss Account		13118.47		5692.45
		98341.23		75017.89

SCHEDULE 3

LOAN FUNDS	As At 31.03.2008	As At 31.03.2007
Secured		
Term Loan from Banks	30733.26	38737.63
Cash Credit Accounts	7282.30	4066.60
Vehicle Loans	263.04	189.69
	38278.60	42993.92
Unsecured		
Security Deposits & Others	3287.96	2995.10
Deferred Sales Tax	9486.02	9781.89
	12773.98	12776.99
	51052.58	55770.91

SCHEDULE 4

(Rs.in Lacs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK		
	As at 01.04.2007	Additions	Deductions	Revaluation	As at 31.03.2008	As at 01.04.2007	For the Year	Deduction	upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Goodwill	742.70	-	-	-	742.70	179.49	74.27	-	253.76	488.94	563.21
Freehold Land	2179.73	705.12	-	-	2884.85	-	-	-	-	2884.85	2179.73
Leasehold Land	468.38	-	-	-	468.38	25.65	11.06	-	36.71	431.67	442.73
Buildings	11942.24	663.59	-	-	12605.83	900.76	381.65	-	1282.41	11323.42	11041.48
Plant & Machinery	85226.98	20560.17	116.3	(86.19)	105584.66	9269.99	4736.40	2.67	14003.72	91580.94	75956.99
Railway Sidings	887.42	-	-	-	887.42	97.11	39.77	-	136.88	750.54	790.31
Rolling Stock	105.01	-	-	-	105.01	10.47	4.64	-	15.11	89.90	94.54
Furniture, Fixture & Office Equipment	620.86	81.32	2.04	-	700.14	83.2	47.20	0.24	130.16	569.98	537.66
Vehicles	766.79	288.16	59.82	-	995.13	129.59	84.55	11.90	202.24	792.89	637.20
Other Assets	1.71	0.98	-	-	2.69	1.45	0.99	-	2.44	0.25	0.26
Grand Total	102941.82	22299.34	178.16	(86.19)	124976.81	10697.71	5380.53	14.81	16063.43	108913.38	92244.11
Previous year's figures	95920.18	7254.28	143.90	(88.74)	102941.82	6121.01	4594.80	18.10	10697.71	-	-
Capital Work-in-progress including Capital Advances Rs.2652.14 Lacs (Rs. 3139.80 Lacs)										13384.01	16438.60
										122297.39	108682.71

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

SCHEDULE 5

INVESTMENTS Name of Bodies Corporate	As At 31.03.2008					As At 31.03.2007	
	Whether Long term or short term	Face Value Rs.	No.of Shares / Bonds		Book Value (Rs./lacs)	No.of Shares / Bonds	Book Value (Rs./lacs)
INVESTMENTS IN SHARES, BONDS & MUTUAL FUNDS							
(a) Quoted Investments							
1. Fully paid up equity shares in : - Indian Bank	Short Term	10	-		-	69886	63.60
(b) Unquoted Investments							
1. Investment in shares of Subsidiary Company							
Fully paid up equity shares in : - Jaykaycem Ltd.	Long Term	10	350700		527.38	350700	527.38
Unpaid equity shares in : - J. K. Cement (Fujairah) FZC. (1000 shares of 1000 Deheram each) Less: Unpaid Amount	Long Term		1000	108.67 108.67	- -	- -	- -
2. Investment in shares of other companies							
i) Fully paid up equity shares in : - VS Legnite Power Pvt. Ltd.	Long Term	10	1444445		144.45	-	-
ii) 0.01% cumulative redeemable Preference shares in : - VS Legnite Power Pvt. Ltd.	Long Term	10	2785552		278.56	-	-
3. Bonds/Mutual Funds							
- Birla FTP Half yearly Series1	Short Term	10	-		-	5000000	500.00
- DSPML FTP Series 1I	Short Term	1000	-		-	50000	500.00
					950.39		1590.98

Note: Market value of quoted investments as on 31.03.2008 -- Rs.Nil (Previous year 63.04 Lacs)

SCHEDULE 6

		(Rs.in Lacs)	
CURRENT ASSETS, LOANS & ADVANCES		As At 31.03.2008	As At 31.03.2007
A. INVENTORIES			
Stores, Spare parts etc.		7778.62	6253.42
Raw Materials		1473.75	892.27
Goods-in-Process		1090.74	2320.65
Finished Goods		1013.90	1510.53
Material-in-Transit		96.14	23.68
		11453.15	11000.55
B. SUNDRY DEBTORS			
Debts over six months			
- Considered Good			
Secured		8.14	20.06
Unsecured		244.08	440.61
- Considered Doubtful		316.80	279.36
Other Debts			
- Considered Good			
Secured		336.05	234.57
Unsecured		5137.32	5520.75
		6042.39	6495.35
Less : Provision for Doubtful Debts		316.80	279.36
		5725.59	6215.99
C. CASH & BANK BALANCES			
Cash & Cheques in hand and remittances in transit		1203.82	94.75
Balances with Scheduled Banks in:			
- Current Accounts		6208.01	4430.48
- Deposit Accounts		7132.52	14728.37
(Tied up Rs.1921.22 Lacs, Previous year Rs.10092 Lacs)			
		14544.35	19253.60
D. OTHER CURRENT ASSETS			
Interest accrued on Deposits		133.31	128.86
E. LOANS & ADVANCES			
UNSECURED - Considered Good Unless Otherwise Stated			
Loan - J.K.Synthetics Ltd.		3500.00	4200.00
Loan to wholly owned subsidiary Companies		26354.18	7648.16
Advances Recoverable in cash or in kind or for value to be received			
- Considered good		2232.33	2060.77
- Considered Doubtful		599.11	305.85
Prepaid Expenses		151.85	135.42
Deposits		1614.93	1537.01
Balances with Custom & Excise Departments		1396.27	928.88
		35848.67	16816.09
Less: Provision for Doubtful Advances		599.11	305.85
		35249.56	16510.24
		67105.96	53109.24

SCHEDULE 7

(Rs.in Lacs)

CURRENT LIABILITIES & PROVISIONS	As At 31.03.2008		As At 31.03.2007	
CURRENT LIABILITIES				
Sundry Creditors				
- Small Scale Undertakings ¹	26.21		21.81	
- Micro Small and Medium Enterprises ²	34.05		-	
- Other Creditors	11841.84	11902.10	9158.05	9179.86
Investor Education & Protection Fund shall be credited by following (see note below) #				
- Unclaimed Dividend	20.66		6.91	
- Unclaimed Application Money	2.22		7.39	
- Unclaimed Fraction Money	6.15	29.03	6.19	20.49
Other Liabilities		11570.61		8013.89
Temporary Book Overdraft		361.21		70.29
		23862.95		17284.53
PROVISIONS				
Taxation (Net of Advance Tax & TDS)		1110.39		1308.84
Proposed Dividend on Equity Shares		3496.36		2447.45
Corporate Dividend Tax		594.21		416.07
		5200.96		4172.36
		29063.91		21456.89

1. (Refer Note No.9F(i)

2. (Refer Note No.9F(ii)

Note: Amounts to be transferred to said fund shall be determined on the respective due dates.

SCHEDULE 8

OTHER INCOME	2007-08	2006-07
Claims Realised	51.96	33.95
Current Investments :		
- Profit on Sale of Investments	26.68	49.47
- Dividend	27.93	-
Refund of Electricity duty	-	432.60
Exchange Rate Difference	23.54	131.07
Miscellaneous Income	655.60	422.35
	785.71	1069.44

SCHEDULE 9

(Rs.in Lacs)

MANUFACTURING EXPENSES	2007-08		2006-07	
Purchase of Trading Goods		31.28		45.86
Raw Materials Consumed		14059.15		12230.21
Packing Materials Consumed		5743.87		5525.44
Stores and Spares Consumed		3639.16		2845.84
Power and Fuel		32969.06		30970.13
Repairs To:				
Plant and Machinery		1728.17		1375.13
Buildings		318.40		321.01
Others		38.46		36.65
Insurance		266.93		311.58
Increase/ (Decrease) in Stock :				
Closing Stock :				
Finished Goods	1013.90		1510.53	
Goods-in-process	1090.73		2320.65	
	2104.63		3831.18	
Less :Opening Stock :				
Finished Goods	1510.53		1194.71	
Goods-in-process	2320.65		2452.29	
	3831.18	(1726.55)	3647.00	184.18
Excise Duty		(105.06)		106.91
		60415.97		53584.58

SCHEDULE 10

PAYMENTS TO & PROVISIONS FOR EMPLOYEES	2007-08	2006-07
Salaries,Wages and Bonus	5012.90	3519.77
Contribution to Provident and other Funds	795.40	550.37
Welfare Expenses	955.57	813.69
	6763.87	4883.83

SCHEDULE 11

	(Rs.in Lacs)	
SELLING, ADMINISTRATION & OTHER EXPENSES	2007-08	2006-07
ADMINISTRATION AND OTHER EXPENSES		
Rent	262.22	214.27
Lease Rent	36.41	39.76
Rates and Taxes	218.84	208.59
Travelling and Conveyance Expenses	761.02	668.11
Provision for Doubtful Debts & Advances	399.86	452.36
Debts written off	-	59.50
Loss on sale of Fixed Assets (Net)	46.56	56.45
Expenses relating to previous year	8.55	0.53
Miscellaneous Expenses	3306.68	2757.31
	5040.14	4456.88
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity	1195.21	1057.06
Commision, Brokerage and Incentives	1346.79	1199.31
Selling Expenses	779.92	799.89
Freight and Handling Outward	28717.57	24435.33
	32039.49	27491.59
	37079.63	31948.47

SCHEDULE 12

INTEREST	2007-08	2006-07
Interest :		
on Fixed Loans	3855.98	4089.90
Others	1264.89	1195.87
	5120.87	5285.77
Less: Interest Received (Tax deducted at source Rs.283.58 Lacs Previous year Rs.432.55 Lacs)	1533.16	1813.98
	3587.71	3471.79

SCHEDULE 13

SIGNIFICANT ACCOUNTING POLICIES

1. 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. Sales

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

3. 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.

4. Fixed Assets

Fixed assets are stated at cost (including expenses related to acquisition and installation) adjusted by revaluation of fixed assets.

5. 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 permanent diminution in the value, if any.

6. Inventories

Inventories are valued at "cost or net realizable value, whichever is lower". Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 'First-in-First-out' or 'Average cost' method is followed for determination of cost.

7. Depreciation

- 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/to the month of acquisition/disposal.
- 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) Goodwill is amortised over a period of ten years.
- v) Leasehold land is amortised over the period of lease.

8. Retirement Benefits

The Company's contributions to Provident Fund and Superannuation Fund are charged to Profit & Loss Account. Contribution 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.

9. 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.

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. Government Subsidies

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

12. 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.

13. Miscellaneous Expenditure

Preliminary expenses are amortised over a period of five years from the year of commencement of manufacturing activity.

Deferred Revenue Expenses:

Expenses on Mines Development/overburden removal is deferred and amortised over a period of Lease/extraction from Mines.

14. Contingent Liabilities

Contingent liabilities are not provided and are disclosed in Notes on Accounts.

NOTES ON ACCOUNTS

		(Rs.in Lacs)	
1.	(A) Contingent Liabilities:	As At 31.03.2008	As At 31.03.2007
	i) In respect of claims excluding claims of employees against the Company not acknowledged as debts	5058.86	1547.76
	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	164.27	144.34
	b) Customs duty	-	322.61
	c) Sales-tax	208.73	120.46
	d) Service tax	453.56	-
	iii) In respect of interest on "Cement Retention Price" realised in earlier years	1047.64	1027.27
	iv) Guarantees given to banks on behalf of Subsidiary Companies.	22418.00	2800.00
	(B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	1695.73	11252.70
2.	Share Capital includes 74,26,950 equity shares of Rs. 10/- each allotted without payment received in cash.		
3.	(A) Term Loans		
	a) SECURED		
	i) From Consortium of Banks - Rs. 27741.86 lacs (Rs.34987.66 lacs)		
	Secured by first pari-passu charge by way of equitable mortgage of all the immovable properties and hypothecation of all the movable assets of the Company both present and future save and except inventories and book debts, cash and bank balances and assets pertaining to J.K. Cement Works, Gotan.		

- ii) From Canara Bank: **Rs.2991.40 lacs (NIL)**
Secured by first charge by way of equitable mortgage of immovable properties and hypothecation of movable assets except current assets and vehicle pertaining to undertaking of J.K. Cement Works, Gotan
- iii) Vehicles Loans : **Rs. 263.04 lacs (Rs. 189.69 lacs)**
Secured by hypothecation of vehicles

(B) CASH CREDIT ACCOUNTS Rs. 7282.30 lacs (Rs.4066.60 lacs)

Secured by first charge on current assets namely inventories, books debts etc. and second charge on fixed assets of the Company except J.K. Cement Works, Gotan.

Loans as stated in 3(A) (a) (i) and Cash Credit Accounts are also guaranteed by Managing Director.

4. Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme,2003 for 7 years from 30th Nov.2004. In terms of the scheme, Commercial Tax Department has determined Rs. 4414.40 lacs as interest subsidy for the period 1st Dec.2004 to 30th Sept.2007.The subsidy amounting to Rs. 3470.14 lacs only released by Government upto 31st March,2008 under the aforesaid scheme has been accounted for as Capital Receipt based on expert advice.
5. 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 Rs. 33601.86 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 Rs. 1273.59 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
6. Title deeds of few properties acquired on transfer of undertakings are in the process of being transferred in the name of the Company.
7. Unhedged foreign currency exposure
- i) Export debtors: US\$ 743543.41 : Rs. 295.56 lacs(US\$529594.48 Rs.227.82 lacs)

8. Disclosures pursuant to clause 32 of the Listing Agreement.

(A) Loans and Advances in the nature of Loans given to Subsidiary Companies are

	Outstanding balance as on 31.03. 2008	Outstanding Balance as On 31.03.2007	(Rs.in Lacs) Maximum balance During the year 2007-2008
Jaykaycem Ltd	26335.36	7648.16	26335.36
J.K. Cement (Fujairah)FZC	18.82	-	18.82

- Investment by loanee in the shares of Company: NIL

- (B) IPO proceeds have been utilised for the objects as stated in prospectus and all the projects as envisaged in prospectus have been commissioned.**

9. Disclosures in accordance with Accounting Standards

(A) Deferred tax assets and liabilities are as under

	31.03.2008	31.03.2007
(a) Deferred Tax Assets		
i) Provision for Doubtful Debts	111.96	94.02
ii) Expenses deductible on payment basis	1346.06	896.88
	1458.02	990.90
(b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income-tax Act	6557.32	5309.90
(c) Net Deferred Tax Liabilities	5099.30	4319.00

(B) Earning per share (EPS)

		(Rs.in Lacs)	
		31.03.2008	31.03.2007
(a)	Net Profit available for Equity Share holders (Numerator used for calculation)	26516.59	17861.67
(b)	Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
(c)	Basic and Diluted earnings per share of Rs.10/-	37.92	25.54

(C) Related Parties Disclosures**(1) (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) J.K. Synthetics Ltd.
- ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd.
- iii) J.K. Traders Ltd.

(d) Wholly Owned Subsidiary Companies

- i) Jaykaycem Ltd.
- ii) J.K. Cement (Fujairah) FZC(w.e.f.11.02.2008)

(e) Fellow Subsidiary

- i) J.K. Cement Works(Fujairah) FZC(w.e.f.17.03.2008)

(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.

		2007-08	2006-07
i)	J.K. Synthetics Ltd.		
	Sale of Product	0.11	0.03
	- Purchase of Assets		0.69
	- Services received	33.71	25.10
	- Rent paid	38.14	28.24
	- Expenses Reimbursed	125.55	113.23
	- Loan given		
	Balance as at beginning	4200	5800.00
	Payment received	700	1600.00
	Balance as at close of the year	3500	4200.00
ii)	J.K. Cotton Spg. & Wvg. Mills Co. Ltd.		
	- Rent paid	3.82	3.60
iii)	Jaykaycem Ltd.		
	- Sale of Assets/Scrap	38.28	-
	- Services rendered	123.53	-
	Balance as at beginning	7648.16	-
	Loan given	18687.20	7648.16
	Balance as at close of the year	26335.36	7648.16
	- Gurantees given	22300.00	2800.00
iv)	J.K. Cement(Fujairah)		
	- Services Rendered	18.82	-
	- Guarantees given	118.00	-
v)	Key Management Personnel and their relatives		
	a) Shri Y.P. Singhania(Managing Director)		
	- Remuneration	562.99	220.96
	b) Dr Gaur Hari Singhania(Relative)		
	- Commission	35.00	25.00
	- Sitting Fees	1.45	1.55

(D) Employees Benefits

Disclosure in term of AS-15 are as under

a) Defined contribution plan

Contribution to defined contribution plan recognised as expenses for the year 2007-08 are as under:

	(Rs.in Lacs)
Employer's contribution to Provident Fund	228.23
Employer's contribution to Superannuation Fund	190.16
Employer's contribution to Family Pension Fund	93.66

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.

(a) Defined benefit plans/compensated absences-As per actuarial valuation

		Gratuity Funded		Leave Encashment Unfunded
		2007-08	2006-07	2007-08
I	Expenses recognised in the Statement of Profit & Loss for the year ended			
1	Current Service Cost	96.76	87.77	111.31
2	Interest Cost	157.17	137.23	33.42
3	Expected return on plan assets	(148.72)	(125.11)	-
4	Net Actuarial(Gains)/Losses	143.63	(45.71)	(18.11)
5	Total expenses	248.84	54.18	126.62
II	Net Asset/(Liability) recognised in the Balance Sheet as at 31.03.2008			
1	Present value of Defined Benefit Obligation	2086.00	1912.20	532.78
2	Fair value of plan assets as at	1903.14	1651.22	-
3	Funded status[Surplus/(Deficit)]	(182.86)	(260.98)	(532.78)
4	Net asset/(Liability) as at	(182.86)	(260.98)	(532.78)
III	Change in obligation during the year ended			
1	Present value of Defined Benefit Obligation at beginning of the year	1912.30	1808.49	418.99
2	Current Service Cost	96.76	87.79	111.31
3	Interest Cost	157.17	137.23	33.42
4	Actuarial(Gains)/Losses	46.22	(45.71)	(18.11)
5	Benefits Payments	(126.35)	(75.58)	(12.83)
6	Present value of Defined Benefit Obligation at the end of the year.	2086.10	1910.17	532.78
IV	Change in Assets during the year ended			
1	Plan assets at the beginning of the year	1866.24	1601.69	-
2	Expected return on plan assets	148.72	125.11	-
3	Contributions by Employer	111.94	-	12.83
4	Actual benefits paid	(126.35)	-	-
5	Actuarial Gains/(Losses)	(97.41)	(75.58)	(12.83)
6	Plan assets at the end of the year	1903.14	1651.22	-

(Rs.in Lacs)			
	Gratuity Funded		Leave Encashment Unfunded
	As at 31.03.08	As at 31.03.07	As at 31.03.08
V Actuarial Assumptions			
1 Discount Rate	8.20	8.50	8.20%
2 Expected rate of return on plan assets	8	8	-
3 Mortality	LIC(94-96) Ultimate	LIC(94-96)	Ultimate
4 Turnover rate :			
Staff	5% of all ages	5% of all ages	5%
Worker	1% of all ages	1% of all ages	1%
5 Salary escalator	10%	10%	10%

(E) The Company is engaged only in cement business and there are no separate reportable segments as per AS-17.

(F) i) Sundry Creditors include dues to Small Scale Undertakings Rs. 26.21 lacs (Previous year Rs.21.81 lacs) excluding interest based on information available. Further no interest during the year has been paid or payable under the agreement. The names of the units to whom Company owes monies for more than 30 days as at 31st March, 2008 are

(1) Agro International (2) A.B. Rubber Products (3) Amin International Ltd (4) Boiler & Engg. Spares (5) Control Engineers (6) Con-Weigh Systems Pvt. Ltd (7) Dhall Co. Engg. Works (8) Everest Industries (9) Fidelity Felt & Textile (10) Falcon and Equipt (11) H.B. Enterprises (12) Jodhpur Chemical & Lime Industries (13) Kisan Extrusions Ltd (14) Khira Industries (15) Mouldvel Rubber Ind (15) Madan Advertisers (16) Noble Rubber Ind (17) Pyrotech Electronics Pvt. Ltd (18) Portwell Laxsons (India) Pvt. Ltd (19) Riya Industries (20) Rakme Engg. & Margine Equipment (21) Remi Sales & Engineering Ltd. (22) Surya Industries (23) Suntech Engg India (24) Saurashtra Engineers (25) Shashi Engicon Pvt. Ltd (26) Skylark (India) Elevator Co (27) Spillban Conveyor Equipment Pvt. Ltd (28) Temsens Inst Pvt. Ltd (29) Vardhman Hoses Pvt. Ltd

ii) The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Based on the information available with Company regarding status of the suppliers as defined under 'Micro, Small and Medium Enterprises Development Act, 2006' is Rs. 34.05 lacs (Previous year Nil). Further no interest during the year has been paid or payable under the agreement. The Name of the parties to whom amount outstanding for more than 45 days are as under:-

(1) Aqua Alloys Pvt. Ltd (2) DB Power Electronics (3) Enbros Technology (4) Earnest Gases Pvt. Ltd (5) GBM MFG Pvt. Ltd (6) Hosemann Goa Pvt. Ltd (7) H.B. Enterprises (8) IPA Pvt. Ltd (8) INDANA Rubber Ind (9) J.M. Machinery (10) Kota Oxygen Pvt. Ltd (11) PowerSystem Engg & Service (12) RICON Industries Ltd (13) Schenck Process India (14) Standard Alloys India (15) Sushma & Co (16) Standard Alloys India Pvt. Ltd (17) Shree Alloys Industries Ltd (18) Vertex Sulz Pvt. Ltd. (19) Wear Resist Technology Ltd.

10. Managerial Remuneration paid/payable to Directors

	(Rs.in Lacs)	
	2007-08	2006-07
Managing Director		
Remuneration	72.00	16.80
Contribution to P.F. & Superannuation	8.64	2.02
Performance linked incentive	36.00	-
Perquisites	89.35	2.14
Commission	357.00	200.00
Total (a)	562.99	220.96
Non Whole Time Directors		
Sitting Fees	9.00	8.65
Commission	75.00	57.00
Total (b)	84.00	65.65
TOTAL (a+b)	646.99	286.61

Computation under section 349 of the Companies Act,1956

	2007-08	2006-07
Profit before Taxes	34656.89	27198.20
Add: (a) Managerial Remuneration	646.99	286.61
(b) Provision for Bad and Doubtful Debts and Advances	399.86	452.36
Less: Profit on sale of investments	26.68	49.47
Dividend Income	27.93	-
Profit as per section 349 of the Companies Act,1956	35649.13	27887.70
a) Commission to Managing Director		
Maximum Remuneration to Managing Director @ 5% of above profit	1782.46	1394.39
Commission as determined by the Board	357.00	200.00
b) Commission to Non Whole Time Directors		
Eligible commission to Non Whole Time Directors @ 1% of above profit	356.49	278.88
Commission as determined by the Board	75.00	57.00

11. Remuneration to Auditors

	2007-08	2006-07
(a) Audit Fee	7.50	5.50
(b) In Other Capacity	1.52	1.68
(c) Reimbursement of Out of Pocket expenses	0.56	0.47

12. Undernoted investments were purchased and re-deemed during the year 2007-08

Name of Mutual Fund	No. of Units	Purchase Value
Principal Floating Rate Fund	4993857.56	500.00
Principal Mutual Fund	5998680.29	600.00
Standard Chartered Mutual Fund-G50 Grindlys Fltg Rate Fnd-LT Inst Pin B-Dly Div.	4998750.31	500.00
Standard Chartered Mutual Fund-G70 StanC Lqdy Mngr-Plus-Daily Div.	49989.50	500.00
Total		2100.00

13. Previous year figures have been regrouped and recasted wherever necessary to conform to the classification of the year.**14.** Schedules 1 to 13 and Significant Accounting Policies form integral part of the accounts and have been duly authenticated.

INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3,4C & 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

A. CAPACITY, TURNOVER, PRODUCTION & STOCKS

(Rs.in Lacs)

Sr. No.	CLASS OF GOODS MANUFACTURED	Unit	Installed@ capacity per annum	Opening Stock		Actual Production	Turnover		Closing Stock	
				Quantity	Value		Quantity	Value	Quantity	Value
1.	PORTLAND/POZZALANA CEMENT	M.T	4000000*	9568	188.17	3765855	3761221	155951.16	14202	267.95
			(4000000)	(9002)	(151.67)	(3640823)	(3640257)	(129370.79)	(9568)	(188.17)
2.	WHITE CEMENT	M.T.	400000	17444	986.89	232073	240845	18514.57	8672	499.49
			(400000)	(15136)	(823.49)	(248880)	(246572)	(18103.02)	(17444)	(986.89)
3.	OTHERS				335.47			6818.87		246.46
					(219.55)			(5492.71)		(335.47)
					1510.53			181284.60		1,013.90
					(1,194.71)			(152,966.52)		(1,510.53)

Notes: Licensed capacity not indicated due to abolition of industrial licences as per notification no. 477(E) dated 25th July, 1991 issued under the Industrial (Development and Regulation) Act, 1951

Previous year figures are for the period 01.04.2006 to 31.03.2007 and are within bracket

@ As certified by the management.

* Pending revamping of J. K. Cement Works, Gotan, its capacity has not been considered

B. RAW MATERIAL CONSUMED

NAME OF MATERIAL	Unit	2007-2008		2006-2007	
		Quantity	Value	Quantity	Value
LIME STONE	M.T	4345064	5288.85	4488477	4589.14
Red Ochre	M.T	309277	957.10	310397	900.44
Pozzolana	M.T	49491	259.20		
Gypsum/Selenite	M.T	192417	1833.42	213627	2126.50
Clay	M.T	53459	266.13	52669	243.62
Fly Ash	M.T.	457773	2898.95	496500	2820.40
Others #			2555.50		1550.11
			14059.15		12230.21

includes consumption of own production.

C. C.I.F VALUE OF IMPORTS

	2007-08	2006-07
a) Components, Stores & Spare Parts and packing material	982.71	799.84
b) Capital Goods	407.13	1426.52
c) Others	-	597.45
	1389.84	2823.81

D. EXPENDITURE IN FOREIGN CURRENCY (On accrual basis)

	(Rs.in Lacs)	
	2007-08	2006-07
a) Know-how/Technical Service Fee	66.07	44.07
b) Others	56.75	71.90
	122.82	115.97

E. VALUE OF RAW MATERIALS, STORES & SPARE PARTS ETC. CONSUMED

	2007-08	2006-07
a) Raw Materials		
Indigenous value	14059.15	12230.21
% of total consumption	100.00%	100.00%
	14059.15	12230.21
b) Stores & Spare Parts etc. (including Packing Material)		
i) Imported Value	592.94	567.22
% of total consumption	6.00%	6.78%
ii) Indigenous value	8790.09	7804.06
% of total consumption	94.00%	93.22%
	9383.03	8371.28

F. REMITTANCE IN FOREIGN CURRENCY

	2007-08	2006-07
Dividend	1.27	0.57

G. EARNING IN FOREIGN EXCHANGE

	2007-08	2006-07
Export of Goods Calculated on FOB Value	1316.72	1597.68
	1316.72	1597.68

As per our Report attached
For **P.L.TANDON & Co.,**
Chartered Accountants

P.P. SINGH
Partner

GAUR HARI SINGHANIA
Chairman

A.K. SARAOGI
President (Corp.Affairs) & CFO

JAYANT NARAIN GODBOLE
Director

K.B.AGARWAL
Director

YADUPATI SINGHANIA
Managing Director & CEO

ASHOK SHARMA
Director

K.N.KHANDELWAL
Director

JYOTI PD.BAJPAI
Director

RAJ KUMAR LOHIA
Director

SUPARAS BHANDARI
Director

Kanpur
Dated : 20th May, 2008

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial year ending of the Subsidiary Company	Number of equity shares of face value of Rs. 10/- each fully paid held by J.K. Cement Ltd. with its nominees in the subsidiary at the end of the financial year of the subsidiary Company and	Extent of the interest of holding Company at the end of financial year of the subsidiary Company.	For the Financial Year of the Subsidiary		For the Previous Financial Years since it became a Subsidiary	
				Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's Accounts	Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's Accounts	Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's Accounts	Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's Accounts
Jaykaycem Ltd.	31.03.2008	3,50,700	100%	—	—	N.A.	N.A.

NOTE: 1) Loss for the period before it become subsidiary of the Company was Rs. 8,35,748/-

2) In terms of the provisions of section 4 of the Companies Act, 1956 J.K.Cement (Fujairah) FZC (JKCF) and J.K.Cement Works (Fujairah) FZC (JKCWF) incorporated on 11th February,2008 and 17th March,2008 respectively, have become subsidiaries of the Company.

As JKCF and JKCWF have yet to close their first financial year, the Company has been advised that the requirement of attaching particulars of subsidiaries under section 212 of the Companies act,1956 does not apply with respect to JKCF and JKCWF.

Place: Kanpur.

Dated: 20th May, 2008

DIRECTORS' REPORT

To the Members

Your Directors present their Twentieth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2008.

FINANCIAL RESULTS :

As reported last, the Company is in process of setting up a green field grey cement plant at Mudhol in the state of Karnataka. The expenditure incurred during the year relate to new project, hence these have been transferred to Pre-operative Expenses. Thus, there is no profit or loss during the year.

GREY CEMENT PROJECT AT KARNATAKA :

The revised cost as assessed by IDBI for 3 MTPA capacity of grey cement plant (including Captive Power plant) is Rs.1000 crores. Land has already been acquired to meet the requirement of plant and colony. Civil work is in full swing. Orders for long delivery items of plant & machinery have already been placed and deliveries are being received at site as per schedule. EPC contract has been awarded to M/s. Thermax Ltd. for setting up Captive Power Plant. Rs.328.35 crores has already been spent on the project up to 31.3.2008. Thus, there is substantial progress. Barring unforeseen circumstances, project is likely to be commissioned in the first quarter of 2009.

SCHEME OF MERGER :

A scheme of merger of the Company with J.K. Cement Ltd. (Holding Company) w.e.f. 1.4.2008 has already been approved and the Directors are taking effective steps for implementation of the same after getting necessary approvals.

FINANCE :

To finance the project, Term Loan of Rs.525 crores has been tied up by a Consortium of Banks led by IDBI. The company has availed disbursement of Rs.105 crores. Holding Company has also put in Rs.263.35 crores in the project against total requirement of Rs.475 crores.

DIRECTORS :

Pursuant to Articles of Association of the Company, Shri A.K. Saraogi and Shri J.S. Reddy retire by rotation from the Board and being eligible offers themselves for re-appointment.

Shri J. N. Godbole, who was appointed as an Additional Director of the Company during the year shall hold office up to ensuing Annual General Meeting. A notice u/s 257 of Companies Act, 1956 has been received from a shareholder proposing his candidature for office of Director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors responsibility Statement, it is hereby confirmed :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) That the selected accounting policies were applied consistently and the Directors made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2008.
- iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the annual accounts have been prepared on a going concern basis.

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. You are requested to consider their appointment

As a nature of good corporate governance practices, the Board of Directors of the Company appointed M/s.G.K.Banthia

COMPLIANCE CERTIFICATE

& Co., Company Secretary to conduct secretarial audit of the Company. The secretarial audit report for the year ended 31st March, 2008 is obtained.

The secretarial audit report confirms that the company has complied with all applicable provisions of the Companies Act 1956, Depository Act 1996, listing arrangement with Stock Exchange Securities contract (Regulation) Act 1956 and all the regulations of SEBI as and where it is applicable to the Company including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation 1997 and Securities and Exchange Board of India (Prohibition for Insider Trading) Regulation 1992.

FIXED DEPOSIT :

The Company has not invited and/or accepted any deposits from the public.

PARTICULARS OF EMPLOYEES :

The Company does not have any employee whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

In terms of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particular in the report of Board of Directors) Rules, 1988, your Directors report there is nothing to be disclosed in respect of (a) Conservation of Energy (b) Technology Absorption and (c) Foreign Exchange Earning & Outgo.

ACKNOWLEDGEMENT :

Your Directors wish to place on record the appreciation for the assistance provided by IDBI and other Banks, Govt. of Karnataka and Central Govt.

For and behalf of the Board

A.K. SARAOGI
Director

R.G. BAGLA
Director

Place: Kanpur.
Dated: 20th May, 2008

AUDITOR'S REPORT

To

The Members of Jaykaycem Limited

1. We have audited the attached Balance Sheet of Jaykaycem Limited, as at 31st March, 2008 and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. No Profit and Loss Account has been prepared since the Company is yet to commence its revenue operations and the necessary details as per Part II of Schedule VI to the Companies Act, 1956 have been disclosed in Note no.5 of Schedule 7 as "Incidental Expenditure during Construction"
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 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, 2008; and
 - (b) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **P. L. TANDON & CO.,**
Chartered Accountants

P. P. SINGH
Partner

Place: Kanpur.

Dated: 20th May, 2008

Membership No. 72754

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph (3) 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.
- 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 has not granted any Loan secured / unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any Loans, Secured or Unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(b), (c) and (d) of the Order, are not applicable.
 - (e) The Company has / had taken interest free unsecured loan from holding Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.26335.36 Lacs and the year end balance was Rs. 26335.36 Lacs.
 - (f) The above loan is interest free and other terms and conditions on which loan has been taken are not prima facie, prejudicial to the interest of the Company.
 - (g) There is no stipulation for the repayment of loan.
- 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 Rs. 5 Lakhs 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) According to the information and explanations given to us, the Company's project for setting up Green Field Cement Plant is at advance stage of construction and the Company has not commenced the commercial production and hence maintenance of cost record is not applicable during the year under audit.

- 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 aforesaid dues were in arrears as at 31st March, 2008 for a period more than six months from the date they became payable:
 - (c) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company 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 and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the companies (Auditor's Report) order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institution.
- xvi) In our opinion, the term loan 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 report that the no funds raised on short term basis have been used for long-term investment.
- xviii) According to 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) As the Company has no debenture outstanding at any time during the year, Therefore, the provisions of Clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) The Company has not raised any monies by way of 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

P. P. SINGH
Partner

Membership No. 72754

Place: Kanpur.
Dated: 20th May, 2008

BALANCE SHEET**As at 31st March, 2008**

		(Rs. in lacs)	
	Schedule	As At 31.03.2008	As At 31.03.2007
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	3507000	3507000
Reserves & Surplus	2	6500000	6500000
		10007000	10007000
Loan Funds			
Secured Loans	3	1060489708	-
Unsecured Loans		2633535848	764815624
		3694025556	764815624
TOTAL		3704032556	774822624
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	84643267	14015017
Less : Depreciation		1592568	51495
Net Block		83050699	13963522
Capital Work-in-Progress		3160698572	650808688
		3243749271	664772210
Current Assets, Loans & Advances			
Cash & Bank Balances	5	300181442	106916353
Other Current Assets		8349517	2346550
Loans & Advances		262383636	1811151
		570914595	111074054
Less: Current Liabilities & Provisions			
Liabilities	6	111470352	1862682
		111470352	1862682
Net Current Assets			
		459444243	109211372
Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Preliminary Expenses		3294	3294
Profit & Loss Account			
		835748	835748
TOTAL		3704032556	774822624
Notes & Contingent Liabilities	7		

As per our Report attached
For **P. L. TANDON & Co.,**
Chartered Accountants

YADUPATI SINGHANIA
Director

A. K. SARAOGI
Director

ASHOK SHARMA
Director

P. P. SINGH
Partner

J. N. GODBOLE
Director

R. G. BAGLA
Director

ANOOP K. SHUKLA
Company Secretary

Place : Kanpur
Dated : 20th May, 2008

CASH FLOW STATEMENT

For the year ended 31st March, 2008

	(Rs.)	
	2007-2008	2006-2007
A) CASH FLOW FROM OPERATING ACTIVITIES	-	-
B) CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition/Purchase of fixed assets including capital advances	(2578806117)	(653168943)
Interest Income	11328909	-
Advances & Other Receivables	(259274125)	(2482650)
Liabilities	109607670	1188052
Net Cash used in Investing activities	(2717143664)	(654463541)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Advances from JKCL	1868720224	764815624
Term Loan from Banks	1050000000	-
Overdraft from Bank	10489708	-
Interest Paid	(18801180)	-
Repayment of Advances	-	(3750000)
Net Cash generated from financing activities	2910408752	761065624
Net Increase in cash and cash equivalents	193265089	106602083
Opening balance of Cash & cash equivalents	106916353	314270
Closing balance of Cash & cash equivalents	300181442	106916353

As per our Report attached
For **P. L. TANDON & Co.,**
Chartered Accountants

YADUPATI SINGHANIA
Director

A. K. SARAOGI
Director

ASHOK SHARMA
Director

P. P. SINGH
Partner

J. N. GODBOLE
Director

R. G. BAGLA
Director

ANOOP K. SHUKLA
Company Secretary

Place : Kanpur
Dated : 20th May, 2008

SCHEDULE 1

		(Rs.)
SHARE CAPITAL	As At 31.03.2008	As At 31.03.2007
AUTHORISED		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
	10000000	10000000
ISSUED, SUBSCRIBED & PAID UP		
350700 Equity Shares of Rs.10/- each fully paidup	3507000	3507000
	3507000	3507000

SCHEDULE 2

RESERVES & SURPLUS	As At 31.03.2008	As At 31.03.2007
Securities Premium Account	6500000	6500000
	6500000	6500000

SCHEDULE 3

LOAN FUNDS	As At 31.03.2008	As At 31.03.2007
Secured		
Term Loans from Banks	1050000000	-
Overdraft (Secured against FDR)	10489708	-
Sub Total	1060489708	-
Unsecured		
Loan from Holding Co.	2633535848	764815624
Sub Total	2633535848	764815624
	3694025556	764815624

SCHEDULE 4

(Rs.)

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2007	Additions	As at 31.03.2008	As at 01.04.2007	For the Year	upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Freehold Land	-	8511956	8511956	-	-	-	8511956	-
Leasehold Land	11603267	36615750	48219017	-	-	-	48219017	11603267
Buildings	-	1162575	1162575	-	1594	1594	1160981	-
Plant & Machinery	433765	12235842	12669607	9989	813389	823378	11846229	423776
Furniture, Fixtures and Office Equipments.	382864	4227427	4610291	6441	125727	132168	4478123	376423
Vehicles	1595121	7151880	8747001	35065	524916	559981	8187020	1560056
Other Assets	-	722820	722820	-	75447	75447	647373	-
TOTAL	14015017	70628250	84643267	51495	1541073	1592568	83050699	13963522
Previous year's figures	11603267	2411750	14015017	-	51495	51495		
Capital Work-in-progress							3160698572	650808688
							3243749271	664772210
Capital Work in progress incldes								
i) Capital Advances Rs. 1385913713 (Rs.618386533)								
ii) Construction material etc.at site Rs. 252355538 (Rs. Nil)								
iii) Incidental expenditure during Construction Rs. 132825609 (Rs.15881199)								

SCHEDULE 5

CURRENT ASSETS, LOANS & ADVANCES	As At 31.03.2008	As At 31.03.2007
(a) CASH & BANK BALANCES		
Cash & Cheques in hand and remittances in transit	356640	818170
Balances with Scheduled Banks in:		
Current Accounts	1510468	4858849
Deposit Accounts	298314334	101239334
(Tiedup Rs 2249.40 Lacs, Previous year Rs.1012.39 Lacs)	300181442	106916353
(b) OTHER CURRENT ASSETS		
Interest accrued on Deposits	8349517	2346550
	8349517	2346550
(c) LOANS & ADVANCES		
UNSECURED- Considered Good unless otherwise stated		
Advances Recoverable in cash or in kind or for value to be received		
Considered good	91347628	1666126
Tax deducted at source	1310435	12075
Prepaid Expenses	378917	44200
Deposits	1331450	88750
Balances with Custom & Excise Departments	168015207	-
	262383636	1811151
GRAND TOTAL	570914595	111074054

SCHEDULE 6

CURRENT LIABILITIES & PROVISIONS	As At 31.03.2008	As At 31.03.2007
CURRENT LIABILITIES		
Sundry Creditors	46289480	897642
Other Liabilities	5250850	940888
Temporary Book Overdraft	59930022	24152
	111470352	1862682

SCHEDULE 7**SIGNIFICANT ACCOUNTING POLICIES****1. Concepts**

The financial statements are prepared under the historical cost convention 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 (including expenses related to acquisition and installation).

4. 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 permanent diminution in the value, if any.

5. Depreciation

- 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/to the month of acquisition/disposal.
- iii) The leasehold land shall be amortised during the remaining lease period starting from commencement of commercial production till the end of lease.

6. Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution 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.

7. Contingent Liabilities

Contingent liabilities are not provided and are disclosed in Notes on Accounts.

NOTES & CONTINGENT LIABILITIES

1. Contingent Liabilities:

	(Rs.)	
	As At 31.03.2008	As At 31.03.2007
Estimated amount of contracts remaining to be executed on Capital Accounts (net of advances) and not provided for	3984684000	3424214000

2. Term Loans:

Secured

From Consortium of Banks- Rs. 1050000000 lacs (Previous year –Nil)

- i) Secured by First Pari Passu charge by way of mortgage of all the immovable properties and hypothecation of all movable properties (save and except book debts) including movable machinery, machinery spares, tools and other accessories present and future subject to prior charges created and/or to be created in favour of working capital lenders on Company's inventories and such other movables as may be agreed by the lender for securing the Company's working capital advances.
- ii) And Irrevocable Corporate guarantee of J.K. Cement Ltd.

3. 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.

Name of Related Party	Relationship
J.K. Cement Ltd.	Holding Company

	(Rs.)	
J K Cement Ltd.	2007-08	2006-07
Purchase of Assets	3827832	-
Services Received	12353044	-
Balance as at beginning	764815624	-
Loan taken	1868720224	764815624
Balance as at close of the year	2633535848	764815624

4. (a) There was no outstanding dues of Small Scale Industrial Undertaking for more than 30 days as at 31st March, 2008.
- (b) Disclosure of Sundry Creditors is based on the information available with Company regarding status of the suppliers as defined under 'Micro, Small and Medium Enterprises Development Act, 2006: Amount outstanding for more than 45 days is nil.

5. The Company is setting up a Green field Cement plant at Mudhol, Karnataka. No Profit & Loss Account is prepared since the Company has not commenced revenue operations. The expenditure incurred during the construction period are classified as "incidental expenditure during construction" pending capitalization and will be apportioned to assets on the completion of the project. Necessary details as per Part II of Schedule VI of Companies Act, 1956 have been disclosed below;

	(Rs.)	
	2007-2008	2006-2007
Rent	1231551	219800
Lease Rent	313429	115803
Rates & taxes	323100	80140
Travelling & Conveyance	6581798	688904
Legal & Professional Charges	36008529	2902155
Letter of Credit & Other Bank Charges	28322435	6556784
Interest on Fixed Loan	17252612	-
Interest on Overdraft	1508572	-
Interest on Others	39996	-
Interest received on Fixed Deposits	-18630236	-2348785
Advertisement & Publicity	229562	2104539
Depreciation	1541073	51495
Audit Fee	150000	9000
Freight & Handling (Asset Specific)	8561322	7088
Establishment Expenses	17529126	-
Welfare Expenses	195610	-
Insurance	119209	8684
Repairs & Maintenance:		
Plant & Machinery	10159	-
Others	250808	-
Other Administrative Expenses	15405755	5485592
Add: Last year balance	15881199	-
Total Expenditure	132825609	15881199

6. Information pursuant to para 3, 4C and 4D of part II of Schedule VI of the Companies Act, 1956.

	(Rs.)	
	2007-08	2006-07
i) Capacity, Turnover, Production & Stocks	N.A.	N.A.
ii) Raw Materials consumed	N.A.	N.A.
iii) C.I.F. Value of Imports: Capital goods	150656909	-
iv) Expenditure in Foreign Currency	NIL	NIL
v) Value of raw materials, stores & spare parts etc. consumed	NIL	NIL
vi) Remittance in Foreign exchange	NIL	NIL
vii) Earning in Foreign exchange	NIL	NIL

7. Remuneration paid/payable to auditors:

	(Rs.)	
	2007-08	2006-07
i) As Auditors	150000	9000
ii) In other capacity	15000	NIL
iii) Reimbursement of out of pocket expenses	29301	NIL

8. Schedule 1 to 7 and Significant Accounting Policies form integral part of accounts and have been duly authenticated.

9. Previous year's figures have been recasted/regrouped wherever necessary.

As per our Report attached
For **P. L. TANDON & Co.,**
Chartered Accountants

YADUPATI SINGHANIA
Director

A. K. SARAOGI
Director

ASHOK SHARMA
Director

P. P. SINGH
Partner

J. N. GODBOLE
Director

R. G. BAGLA
Director

ANOOP K. SHUKLA
Company Secretary

Place : Kanpur
Dated : 20th May, 2008

BALANCE SHEET ABSTRACT

and Company's general Business profile

1 Registration Details

Registration No. U 2 6 9 5 1 U P 1 9 8 8 P L C 0 1 0 1 1 1 State Code 2 0

Balance Sheet Date 3 1 0 3 0 8
Date Month Year**2 Capital raised during the year (Amount in Rs. Thousands)**Public Issue N I L Rights Issue N I L
Bonus Issue N I L Private Placement N I L**3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities 3 8 1 5 5 0 3 Total Assets 3 8 1 5 5 0 3

Sources of FundsPaid-up Capital 3 5 0 7 Reserves and Surplus 6 5 0 0
Secured Loans 1 0 6 0 4 9 0 Unsecured Loans 2 6 3 3 5 3 5
Deferred Taxation**Application of Funds**Net Fixed Assets 3 2 4 3 7 4 9 Investments
Net Current Assets + - 4 5 9 4 4 4 Misc. Expenditure 3
Accumulated Losses 8 3 6**4 Performance of Company (Amount in Rs. Thousands)**Turnover Total Expenditure
Profit/Loss Before Tax + - Profit/Loss After Tax + -
Earning per Share in Rs. Dividend Per Share in Rs.**5 Generic Names of Principal Products of the Company (As per monetary Terms)**

Item Code No. (ITC Code) 2 5 2 3 2 9 . 0 1

Product Description P O R T L A N D C E M E N T

Item Code No. (ITC Code)

Product Description

As per our Report attached
For **P. L. TANDON & Co.,**
Chartered Accountants**YADUPATI SINGHANIA**
Director**A. K. SARAOGI**
Director**ASHOK SHARMA**
Director**P. P. SINGH**
Partner**J. N. GODBOLE**
Director**R. G. BAGLA**
Director**ANOOP K. SHUKLA**
Company SecretaryPlace : Kanpur
Dated : 20th May, 2008

AUDITORS' REPORT

To

The Board Of Directors Of J.K. Cement Limited

On The Consolidated Financial Statements of J.K. Cement Limited And its Subsidiaries.

1. We have audited the attached Consolidated Balance Sheet of J.K. Cement Limited and its subsidiary, as at 31st March, 2008, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of J.K. Cement Limited and its subsidiaries included in the consolidated financial statements.
4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of J.K. Cement Limited and its subsidiaries, we are of the opinion that the attached Consolidated Financial Statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its subsidiary as at 31st March, 2008;
 - (b) in the case of the Consolidated Profit & Loss Account, of the Consolidated Profits of the Company and its subsidiary for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of the Company and its subsidiary for the year ended on that date.

For **P. L. TANDON & CO.,**
Chartered Accountants.

P. P. SINGH
Partner

Membership No. 72754

Place: Kanpur.

Dated: 20th May, 2008

CONSOLIDATED BALANCE SHEET**As At 31st March, 2008**

		(Rs. in lacs)	
	Schedule	As At 31.03.2008	As At 31.03.2007
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	98341.23	75017.89
		105333.95	82010.61
Loan Funds	3		
Secured Loans		48883.50	42993.92
Unsecured Loans		12773.98	12776.99
		61657.48	55770.91
Deferred Tax Liability		5099.30	4319.00
		172090.73	142100.52
APPLICATION OF FUNDS			
Goodwill		435.70	435.70
Fixed Assets	4		
Gross Block		125823.24	103081.97
Less: Depreciation		16079.36	10698.22
Net Block		109743.88	92383.75
Capital Work-in-Progress		44991.00	22946.69
		154734.88	115330.44
Investments	5	423.00	1063.60
Current Assets, Loans & Advances	6		
Inventories		11453.15	11000.55
Sundry Debtors		5725.59	6215.99
Cash & Bank Balances		17546.16	20322.76
Other Current Assets		216.81	152.33
Loans & Advances		11524.92	8880.19
		46466.63	46571.82
Less: Current Liabilities & Provisions	7		
Liabilities		24977.65	17303.16
Provisions		5187.86	4172.36
		30165.51	21475.52
Net Current Assets		16301.12	25096.30
Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Preliminary Expenses		4.27	8.44
Deferred Revenue Expenditure		191.76	166.04
		172090.73	142100.52
Notes & Contingent Liabilities	13		

As per our Report attached
For **P.L.TANDON & Co.,**
Chartered Accountants

P.P. SINGH
Partner

GAUR HARI SINGHANIA
Chairman

A.K. SARAOGI
President (Corp.Affairs) & CFO

JAYANT NARAIN GODBOLE
Director

K.B.AGARWAL
Director

YADUPATI SINGHANIA
Managing Director & CEO

ASHOK SHARMA
Director

JYOTI PD.BAJPAI
Director

RAJ KUMAR LOHIA
Director

K.N.KHANDELWAL
Director

SUPARAS BHANDARI
Director

Kanpur
Dated : 20th May, 2008

CONSOLIDATED PROFIT & LOSS ACCOUNT

For The Year Ended 31st March, 2008

(Rs. in lacs)

	Schedule		2007-2008		2006-2007
INCOME					
Gross Sales			181284.60		152966.52
Less : Excise Duty		21833.55		18496.02	
Sales Tax		13625.77	35459.32	11137.30	29633.32
Net Sales			145825.28		123333.20
Other Income	8		785.71		1069.44
			146610.99		124402.64
EXPENDITURE					
Manufacturing Expenses	9		60415.97		53584.58
Payments to and Provisions for Employees	10		6763.87		4883.83
Selling, Administration and other Expenses	11		37079.63		31948.47
Interest (Net)	12		3587.71		3471.79
			107847.18		93888.67
Profit Before Depreciation			38763.81		30513.97
Depreciation		5380.51		4594.80	
Less: Transfer from Revaluation Reserve (Refer Note No.5)		1273.59	4106.92	1279.03	3315.77
Profit Before Tax			34656.89		27198.20
Provision for Tax					
Fringe Benefit Tax			210.00		200.00
Current Tax			7150.00		6984.39
Deferred Tax			780.30		2152.14
Profit After Tax			26516.59		17861.67
Balance from previous year			5692.45		694.30
Amount Available For Appropriations			32209.04		18555.97
APPROPRIATIONS					
General Reserve		15000.00		10000.00	
Proposed Dividend		3496.36		2447.45	
Corporate Dividend Tax on above		594.21	19090.57	416.07	12863.52
Balance carried to Balance Sheet			13118.47		5692.45
Earning per share - Basic and Diluted (In Rs.)			37.92		25.54
Notes & Contingent Liabilities	13				

As per our Report attached
For **P.L.TANDON & Co.,**
Chartered Accountants

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Director

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Director

Kanpur
Dated : 20th May, 2008

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31st March, 2008

(Rs. in lacs)

		2007-2008		2006-2007
a) Cash flow from operating activities				
Profit before Tax as per Profit & Loss Account		34656.89		27198.20
Adjusted for :				
Depreciation	4106.92		3315.77	
Deferred Revenue/Preliminary Exp.	49.21		55.39	
Interest	5120.87		5285.77	
Interest received	(1533.16)		(1813.98)	
Profit on sales of investments	(26.68)		(49.47)	
Dividend Income	(27.93)			
Loss on sale of assets	46.56	7735.79	56.45	6849.93
Operating Profit before Working Capital Changes		42392.68		34048.13
Adjusted for :				
Trade & Other Receivables	(352.69)		(2798.26)	
Inventories	(452.60)		(2591.02)	
Trade Payable	6563.51	5758.22	(942.26)	(6331.54)
Cash Generated from Operations		48150.90		27716.59
Adjusted for :				
Tax Paid	(7184.04)		(5231.85)	
Corporate Dividend Tax	(416.07)			
Dividend paid	(2433.70)		(1042.00)	
Deferred Revenue/Preliminary Exp. Incurred	(70.73)	(10104.54)	(39.66)	(6313.51)
Net cash from operating activities		38046.36		21403.08
b) Cash flow used in investing activities				
Acquisition/Purchase of fixed assets including capital advances	(45013.81)		(24534.85)	
Sale of fixed assets	117.69		74.60	
Purchase of Investments	(2523.00)		(6841.78)	
Sale of Investments	3218.20		5300.25	
Interest Income	1358.42	(42842.50)	1372.70	(24629.08)
Advances & Other Recoverable	(2592.74)		(24.83)	
Liabilities	1096.07	(1496.67)	(11.88)	(36.71)
Net cash used in investing activities				
c) Cash flow from financing activities				
J. K. Cement Fujairah Ltd. [Wholly Owned Subsidiary]	(18.82)			
Capitla subsidy received	2256.19		1213.95	
Deferred Sales Tax	(295.88)		157.55	
Long Term Borrowings	13500.00		3749.97	
Cash Credit Accounts/Overdraft	3320.59		751.82	
Repayment of Long Term Borrowings	(11004.29)		(7356.58)	
Interest Paid	(5284.27)		(5290.42)	
Vehicle Loans & Others	342.69		214.46	
Refund from Associate Company	700.00		1600.00	
Net cash from financing activities		3516.21		(4959.25)
Net increase in Cash and Cash Equivalents (a+b+c)		(2776.60)		(8221.96)
Opening balance of Cash and Cash Equivalents		20322.76		28544.72
Closing balance of Cash & Cash Equivalents		17546.16		20322.76

As per our Report attached
For **P.L.TANDON & Co.,**
Chartered Accountants

P.P. SINGH
Partner

GAUR HARI SINGHANIA
Chairman

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Director

K.N.KHANDELWAL
Director

SUPARAS BHANDARI
Director

Kanpur
Dated : 20th May, 2008

SCHEDULE 1

		(Rs. in lacs)	
SHARE CAPITAL	As At 31-03-08	As At 31-03-07	
AUTHORISED			
8,00,00,000 equity shares of Rs.10/- each	8000.00	8000.00	
	8000.00	8000.00	
ISSUED, SUBSCRIBED & PAID UP			
6,99,27,250 equity shares of Rs.10/- each	6992.72	6992.72	
	6992.72	6992.72	

SCHEDULE 2

RESERVES & SURPLUS	As At 31-03-08		As At 31-03-07	
Revaluation Reserve				
As per last Balance Sheet	30474.06		31836.60	
Less : Deduction During the year	85.28		83.51	
'Less : Transfer to Profit and Loss Account	1273.59	29115.19	1279.03	30474.06
Capital Reserve				
Govt. Subsidy (Refer note no.4)				
As per last Balance Sheet	1213.95		-	
Add: Received during the year	2256.19	3470.14	1213.95	1213.95
Securities Premium Account		25903.61		25903.61
General Reserve				
As per last Balance Sheet	11733.82		2000.00	
Add : Transfer from Profit & Loss Account	15000.00		10000.00	
Less : Gratuity Adjustment	-	26733.82	266.18	11733.82
Profit & Loss Account		13118.47		5692.45
		98341.23		75017.89

SCHEDULE 3

LOAN FUNDS	As At 31-03-08	As At 31-03-07
Secured		
Term Loans from Banks	41233.26	38737.63
Cash Credit/Overdraft Accounts	7387.20	4066.60
Vehicle Loans	263.04	189.69
	48883.50	42993.92
Unsecured		
Security Deposits & Others	3287.96	2995.10
Deferred Sales Tax	9486.02	9781.89
	12773.98	12776.99
	61657.48	55770.91

SCHEDULE 4

(Rs. in lacs)

FIXED ASSETS	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01-04-2007	Additions	Deductions	Revaluation	As at 31-03-2008	As at 01-04-2007	For the Year	Deductions	Upto 31-03-2008	As at 31-03-2008	As at 31-03-2007
Goodwill	742.70	-	-	-	742.70	179.49	74.27	-	253.76	488.94	563.21
Freehold Land	2179.73	790.24	-	-	2969.97	-	-	-	-	2969.97	2179.73
Leasehold Land	584.41	366.16	-	-	950.57	25.65	11.06	-	36.71	913.86	558.76
Buildings	11942.24	675.22	-	-	12617.46	900.76	381.67	-	1282.43	11335.03	11041.48
Plant & Machinery	85231.32	20682.52	116.3	(86.19)	105711.35	9270.09	4744.54	2.67	14011.96	91699.39	75961.23
Railway Sidings	887.42	-	-	-	887.42	97.11	39.77	-	136.88	750.54	790.31
Rolling Stock	105.01	-	-	-	105.01	10.47	4.64	-	15.11	89.90	94.54
Furniture, Fixtures and Office Equipments.	624.69	123.59	2.04	-	746.24	83.26	48.46	0.24	131.48	614.76	541.43
Vehicles	782.74	359.68	59.82	-	1082.60	129.94	89.80	11.90	207.84	874.76	652.80
Other Assets	1.71	8.21	-	-	9.92	1.45	1.74	-	3.19	6.73	0.26
GRAND TOTAL	103081.97	23005.62	178.16	(86.19)	125823.24	10698.22	5395.95	14.81	16079.36	109743.88	92383.75
Previous year's figures	96036.21	7278.40	143.90	(88.74)	103081.97	6121.01	4595.31	18.10	10698.22		
Capital Work-in-progress										44991.00	22946.69
										154734.88	115330.44

Capital Work-in-progress includes

- i) Capital Advances Rs.16,511.28 Lacs (Rs. 9323.67 Lacs)
- ii) Construction Material etc. Rs. 2,523.56 Lacs (Rs. Nil)
- iii) Incidental expenditure during Construction Rs. 1,328.26 Lacs (Rs. 158.81 Lacs)

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

SCHEDULE 5

INVESTMENTS		As At 31-03-08			As At 31-03-07	
		Face Value	No. of Shares/ Bond	Book Value	No. of Shares/ Bond	Book Value
Name of Bodies Corporate	Whether Long term or short term					
Investments in Shares, Bonds & Mutual Funds						
(a) Quoted Investments						
1. Fully paid up equity shares in						
- Indian Bank	Short Term	10	-	-	69886	63.60
(b) Unquoted Investments						
1. Investment in shares						
i) Fully paid up equity shares in						
- VS Legnite Power Pvt. Ltd.	Long Term	10	1444445	144.44	-	-
ii) 0.01% cumulative redeemable Preference shares in : - VS Legnite Power Pvt. Ltd.	Long Term	10	2785552	278.56	-	-
2. Bonds/Mutual Funds						
- Birla FTP Half yearly Series1	Short Term	10	-	-	5000000	500.00
- DSPML FTP Series 1I	Short Term	1000	-	-	50000	500.00
				423.00	-	1063.60

Note : Market value of quoted investments as on 31.03.2008 -- Rs.Nil (Previous year 63.04 Lacs)

SCHEDULE 6

	(Rs. in lacs)	
CURRENT ASSETS, LOANS & ADVANCES	As At 31-03-08	As At 31-03-07
A. INVENTORIES		
Stores, Spare parts etc.	7778.62	6253.42
Raw Materials	1473.75	892.27
Goods-in-Process	1090.74	2320.65
Finished Goods	1013.90	1510.53
Material-in-Transit	96.14	23.68
	11453.15	11000.55
B. SUNDRY DEBTORS		
Debts over six months		
- Considered Good		
Secured	8.14	20.06
Unsecured	244.08	440.61
- Considered Doubtful	316.80	279.36
Other Debts		
- Considered Good		
Secured	336.05	234.57
Unsecured	5137.32	5520.75
	6042.39	6495.35
Less : Provision for Doubtful Debts	316.80	279.36
	5725.59	6215.99
C. CASH & BANK BALANCES		
Cash & Cheques in hand and remittances in transit	1207.39	102.93
Balances with Scheduled Banks in :		
- Current Accounts	6223.11	4479.07
- Deposit Accounts	10115.66	15740.76
(Tied up Rs.4170.62 Lacs, Previous year 11104.39 Lacs)		
	17546.16	20322.76
D. OTHER CURRENT ASSETS		
Interest accrued on Deposits	216.81	152.33
E. LOANS & ADVANCES		
UNSECURED - Considered Good Unless Otherwise Stated		
Loan - J.K.Synthetics Ltd.	3500.00	4200.00
Loan to wholly owned subsidiary Companies	18.82	-
Advances Recoverable in cash or in kind or for value to be received		
- Considered good	3145.81	2077.55
- Considered Doubtful	599.11	305.85
Prepaid Expenses	155.63	135.86
Deposits	1628.24	1537.90
Balances with Custom & Excise Departments	3076.42	928.88
	12124.03	9186.04
Less: Provision for Doubtful Advances	599.11	305.85
	11524.92	8880.19
	46466.63	46571.82

SCHEDULE 7

(Rs.in Lacs)

CURRENT LIABILITIES & PROVISIONS	As At 31.03.2008		As At 31.03.2007	
CURRENT LIABILITIES				
Sundry Creditors				
- Small Scale Undertakings	26.21		21.81	
- Micro Small and Medium Enterprises	34.05		-	
- Other Creditors	12304.73	12364.99	9167.03	9188.84
Investor Education & Protection Fund shall be credited by following (see note below) #				
- Unclaimed Dividend	20.66		6.91	
- Unclaimed Application Money	2.22		7.39	
- Unclaimed Fraction Money	6.15	29.03	6.19	20.49
Other Liabilities		11623.12		8023.30
Temporary Book Overdraft		960.51		70.53
		24977.65		17303.16
PROVISIONS				
Taxation (Net of Advance Tax & TDS)		1097.29		1308.84
Proposed Dividend on Equity Shares		3496.36		2447.45
Corporate Dividend Tax		594.21		416.07
		5187.86		4172.36
		30165.51		21475.52

Note: Amounts to be transferred to said fund shall be determined on the respective due dates.

SCHEDULE 8

OTHER INCOME	2007-08	2006-07
Claims Realised	51.96	33.95
Current Investments :		
- Profit on Sale of Investments	26.68	49.47
- Dividend	27.93	-
Refund of Electricity duty	-	432.60
Exchange Rate Difference	23.54	131.07
Miscellaneous Income	655.60	422.35
	785.71	1069.44

SCHEDULE 9

(Rs.in Lacs)

MANUFACTURING EXPENSES	2007-08		2006-07	
Purchase of Trading Goods		31.28		45.86
Raw Materials Consumed		14059.15		12230.21
Packing Materials Consumed		5743.87		5525.44
Stores and Spares Consumed		3639.16		2845.84
Power and Fuel		32969.06		30970.13
Repairs To:				
Plant and Machinery		1728.17		1375.13
Buildings		318.40		321.01
Others		38.46		36.65
Insurance		266.93		311.58
Increase/ (Decrease) in Stock :				
Closing Stock :				
Finished Goods	1013.90		1510.53	
Goods-in-process	1090.73		2320.65	
	2104.63		3831.18	
Less :Opening Stock :				
Finished Goods	1510.53		1194.71	
Goods-in-process	2320.65		2452.29	
	3831.18	(1726.55)	3647.00	184.18
Excise Duty		(105.06)		106.91
		60415.97		53584.58

SCHEDULE 10

PAYMENTS TO & PROVISIONS FOR EMPLOYEES	2007-08	2006-07
Salaries,Wages and Bonus	5012.90	3519.77
Contribution to Provident and other Funds	795.40	550.37
Welfare Expenses	955.57	813.69
	6763.87	4883.83

SCHEDULE 11

(Rs.in Lacs)

SELLING, ADMINISTRATION & OTHER EXPENSES	2007-08	2006-07
ADMINISTRATION AND OTHER EXPENSES		
Rent	262.22	214.27
Lease Rent	36.41	39.76
Rates and Taxes	218.84	208.59
Travelling and Conveyance Expenses	761.02	668.11
Provision for Doubtful Debts & Advances	399.86	452.36
Debts written off	-	59.50
Loss on sale of Fixed Assets (Net)	46.56	56.45
Expenses relating to previous year	8.55	0.53
Miscellaneous Expenses	3306.68	2757.31
	5040.14	4456.88
SELLING AND DISTRIBUTION EXPENSES		
Advertisement and Publicity	1195.21	1057.06
Commision, Brokerage and Incentives	1346.79	1199.31
Selling Expenses	779.92	799.89
Freight and Handling Outward	28717.57	24435.33
	32039.49	27491.59
	37079.63	31948.47

SCHEDULE 12

INTEREST	2007-08	2006-07
Interest:		
On Fixed Loans	3855.98	4089.90
Others	1264.89	1195.87
	5120.87	5285.77
Less: Interest Received (Tax deducted at source Rs.283.58 Lacs)		
Previous year Rs.432.55 Lacs)	1533.16	1813.98
	3587.71	3471.79

SCHEDULE 13-CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS

1. Principles of Consolidation

- (I) The consolidated financial statements of the Group have been prepared on the following basis:
- The consolidated financial statements of the Group are prepared in accordance with Accounting Standard-21 " Consolidated Financial Statements" issued by ICAI.
 - The financial statements of the Company and its Subsidiary 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.
 - 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.
 - The excess of cost of investment in the Subsidiary Company over the net assets at the time of acquisition of shares in the Subsidiary is recognized in the financial statement as goodwill.

2. The Subsidiary Company considered in the consolidated financial statements is

Name of the Company	Country of Incorporation	Holding as on 31.03.08
Jaykaycem Ltd	India	100%

In terms of the provisions of section 4 of the Companies Act, 1956 J.K. Cement(Fujairah) FZC(JKCF) and J.K. Cement Works(Fujairah) FZC(JKCWF) incorporated on 11th Feb. 2008 and 17th March, 2008 respectively, have become subsidiaries of the Company.

As JKCF and JKCWF have yet to close their first financial year so the same are not considered for preparing consolidated financial statement.

3. 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 its Subsidiary.

NOTES ON ACCOUNTS

		(Rs.in Lacs)	
1.	(A) Contingent Liabilities:	As At 31.03.2008	As At 31.03.2007
	i) In respect of claims excluding claims of employees against the Company not acknowledged as debts	5058.86	1547.76
	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	164.27	144.34
	b) Customs duty	-	322.61
	c) Sales-tax	208.73	120.46
	d) Service tax	453.56	-
	iii) In respect of interest on "Cement Retention Price" realised in earlier years	1047.64	1027.27
	iv) Guarantees given to banks on behalf of Subsidiary Companies.	22418.00	2800.00
	(B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	41542.57	45494.84

2. Share Capital includes 74,26,950 equity shares of Rs. 10/- each allotted without payment received in cash.

3. **(A) Term Loans**

a) SECURED

- i) From Consortium of Banks- **Rs. 27741.86 lacs (Rs. 34987.66 lacs)**
Secured by first pari-passu charge by way of equitable mortgage of all the immovable properties and hypothecation of all the movable assets of J.K. Cement Ltd both present and future save and except inventories and book debts, cash and bank balances and assets pertaining to J.K. Cement Works, Gotan.
- ii) From Consortium of Banks: **Rs. 10500.00 lacs (NIL)**
Secured by First Pari Passu charge by way of mortgage of all the immovable properties and hypothecation of all movable properties (save and except book debts) including movable machinery, machinery spares, tools and other accessories present and future subject to prior charges created and/or to be created in favour of working capital lenders on Company's inventories and such other movables as may be agreed by the lender for securing the Company's working capital advances of Greenfield cement plant at Mudhol of Jaykaycem Ltd.
- iii) From Canara Bank : **Rs. 2991.40 lacs (NIL)**
Secured by first charge by way of equitable mortgage of immovable properties and hypothecation of movable assets except current assets and vehicle pertaining to undertaking of J.K. Cement Works, Gotan.
- iv) Others : Vehicles Loans : **Rs. 263.04 lacs (Rs. 189.69 lacs)**
Secured by hypothecation of vehicles

(B) CASH CREDIT ACCOUNTS Rs. 7282.30 lacs (Rs.4066.60 lacs)

- i) Secured by first charge on current assets namely inventories, books debts etc. and second charge on fixed assets of the J.K. Cement Ltd except J.K. Cement Works, Gotan.
- ii) OVERDRAFTS- **Rs. 104.90 lacs (NIL)**
Secured by Fixed Deposits of Jaykaycem Ltd.
Loans as stated in 3(A) (a) (i) and Cash Credit Accounts are also guaranteed by Managing Director.

4. Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme, 2003 for 7 years from 30th Nov. 2004. In terms of the scheme, Commercial Tax Department has determined Rs. 4414.40 lacs as interest subsidy for the period 1st Dec. 2004 to 30th Sept. 2007. The subsidy amounting to Rs. 3470.14 lacs released by Government upto 31st March, 2008 under the aforesaid scheme has been accounted for as Capital Receipt based on expert advice.
5. Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock of J.K. Cement Ltd 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 Rs. 33601.86 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 Rs. 1273.59 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
6. Title deeds of few properties acquired on transfer of undertakings are in the process of being transferred in the name of J.K. Cement Ltd.
7. Unhedged foreign currency exposure
ii) Export debtors: US\$ 743543.41: Rs. 295.56 lacs (US\$ 529594.48 Rs. 227.82 lacs)

8. **Disclosures in accordance with Accounting Standards**

(A) Deferred tax assets and liabilities are as under

(Rs.in Lacs)

	31.03.2008	31.03.2007
(a) Deferred Tax Assets		
i) Provision for Doubtful Debts	111.96	94.02
ii) Expenses deductible on payment basis	1346.06	896.88
	1458.02	990.90
(b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income-tax Act	6557.32	5309.90
(c) Net Deferred Tax Liabilities	5099.30	4319.00

(B) Earning per share (EPS)

	31.03.2008	31.03.2007
(a) Net Profit available for Equity Share holders (Numerator used for calculation)	26516.59	17861.67
(b) Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
(c) Basic and Diluted earnings per share of Rs.10/-	37.92	25.54

(C) Related Parties Disclosures

- (1) (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) J. K. Synthetics Ltd.
 - ii) J. K. Cotton Spg. & Wvg. Mills Co. Ltd.
 - iii) J. K. Traders Ltd.
- (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.

(Rs.in Lacs)

	2007-08	2006-07
i) J. K. Synthetics Ltd.		
Sale of Product	0.11	0.03
- Purchase of Assets	-	0.69
- Services received	33.71	25.10
- Rent paid	38.14	28.24
- Expenses Reimbursed	125.55	113.23
- Loan given		
Balance as at beginning	4200.00	5800.00
Payment received	700.00	1600.00
Balance as at close of the year	3500.00	4200.00
ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd.		
- Rent paid	3.82	3.60
iii) J. K. Cement (Fujairah) FZC		
- Services Rendered	18.82	-
- Guarantees given	118.00	-
iv) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania (Managing Director)		
- Remuneration	562.99	220.96
b) Dr Gaur Hari Singhania (Relative)		
- Commission	35.00	25.00
-Sitting Fees	1.45	1.55

9. Managerial Remuneration paid/payable to Directors

(Rs.in Lacs)

	2007-08	2006-07
Managing Director:		
Remuneration	72.00	16.80
Contribution to P.F. & Superannuation	8.64	2.02
Performance linked incentive	36.00	-
Perquisites	89.35	2.14
Commission	357.00	200.00
Total (a)	562.99	220.96
Non Whole Time Directors		
Sitting Fees	9.00	8.65
Commission	75.00	57.00
Total (b)	84.00	65.65
TOTAL (a+b)	646.99	286.61

Computation under section 349 of the Companies Act,1956

(Rs.in Lacs)

	2007-08	2006-07
Profit before Taxes	34656.89	27198.20
Add: (a) Managerial Remuneration	646.99	286.61
(b) Provision for Bad and Doubtful Debts and Advances	399.86	452.36
Less: Profit on sale of investments	26.68	49.47
Dividend Income	27.93	-
Profit as per section 349 of the Companies Act,1956	35649.13	27887.70
a) Commission to Managing Director		
Maximum eligible commission to Managing Director @ 5% of above profit	1782.46	1394.39
Commission as determined by the Board	357.00	200.00
b) Commission to Non Whole Time Directors		
Eligible commission to Non Whole Time Directors @ 1% of above profit	356.49	278.88
Commission as determined by the Board	75.00	57.00

10. Remuneration to Auditors

(Rs.in Lacs)

	2007-08	2006-07
(a) Audit Fee	9.00	5.59
(b) In Other Capacity	1.67	1.68
(c) Reimbursement of Out of Pocket expenses	0.85	0.51

11. Previous year figures have been regrouped and recasted wherever necessary to conform to the classification of the year.

NOTES

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Gaur Hari Singhania, *Chairman*

Yadupati Singhania, *Managing Director & CEO*

Ashok Sharma

Achintya Karati

Jyoti Prasad Bajpai

Kailash Nath Khandelwal

Raj Kumar Lohia

Suparas Bhandari

Jayant Narayan Godbole

Dr. K. B. Agarwal

BANKERS

Allahabad Bank

Andhra Bank

Canara Bank

Dena Bank

Indian Bank

Indian Overseas Bank

Jammu & Kashmir Bank

United Bank of India

REGISTERED OFFICE

Kamla Tower,
Kanpur - 208 001.

CENTRAL MARKETING OFFICE

Ghalib Institute, Mata Sundari Lane,
New Delhi – 110 002.

WORKS

J. K. CEMENT WORKS

Nimbahera (Rajasthan)

Mangrol (Rajasthan)

Gotan (Rajasthan)

J. K. WHITE CEMENT WORKS

Gotan (Rajasthan)

J.K. THERMAL POWER

Bamania (Rajasthan)

UTILITIES

THERMAL POWER PLANT

Kailash Nagar,

Nimbahera,

Distt. Chittorgarh

WASTE HEAT RECOVERY POWER PLANT

Kailash Nagar,

Nimbahera,

Distt. Chittorgarh

KEY MANAGEMENT PERSONNEL

R. G. Bagla, *Group Executive President*

A. K. Saraogi, *President (Corporate Affairs) & CFO*

M. P. Rawal, *President (T & MS)*

D. Ravishanker, *President (Works) – Grey Cement*

B. K. Arora, *President (Works) – White Cement*

Ashok Ghosh, *President (H.R.) & New Initiatives*

V. P. Singh, *President (Marketing) – White Cement*

R. C. Shukla, *Sr. Vice President (Marketing) – Grey Cement*

Anil Kumar Agarwal

Sr. Vice President (Finance & Tax) and Compliance Officer

AUDITORS

M/s. P. L. Tandon & Co.

Chartered Accountants

Westcott Building,

The Mall, Kanpur - 208 001.

REGISTRARS & TRANSFER AGENT

J. K. Synthetics Ltd.

Kamla Tower,

Kanpur – 208 001

Email : jkshr@jkcements.com

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 realized, although we believe we have been prudent in assumptions. The achievements of results is 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 statements, whether as a result of new information, future events or otherwise.

J K Cement Ltd,

REGISTERED OFFICE

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