

# A **new chapter** in an inspiring story.

The JK Green Cement Plant

J.K. Cement Limited | Annual Report-2008-09



Member



Membership No. IGBC-MP-1024

# Contents

<b>02</b> JK Cement Today	<b>08</b> Facts and Figures	<b>10</b> Chairman's Message	<b>12</b> Managing Directors' Overview	<b>16</b> Inspired by Achievement	<b>22</b> Inspired by Responsibility	<b>26</b> Profile of the Board of Directors
<b>30</b> Management Discussion and Analysis Report	<b>38</b> Directors' Report	<b>46</b> Corporate Governance Report	<b>57</b> Financial Statements (Standalone and Subsidiaries)	<b>112</b> Financial Statements (Consolidated)	<b>128</b> Corporate Information	

## Forward - looking statement

In this Annual Report, the forward-looking information if any, is for enabling investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccuracies in our assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, arising as a result of new information, future events or otherwise.



# A New Chapter in an Inspiring Story

## The J.K. Green Cement Plant

We, as humans are the eternal embodiments of ambition. The magnitude of the want to do more, however differs through parameters essentially circumstantial. To take a step forward, to dream beyond and to repeat our cherished performances require the quintessential force that has enamoured the poet to the prophet, the 'Inspiration'.

Inspiration is the spirit that rekindles the urge to break through the monotony of existence. Thus, it remains to be one the most dynamic entities, constantly reinventing itself to keep pace with the needs of recreation. We, too abide by the philosophy of repeating our histories, the splendour of the last won battle is continuously on the verge of inviting a new chapter to it.

For us at J.K. Cement, we have always been inspired by the vision of our founders, our own resilience and ability to constantly challenge the paradigm. And every once in a while, we add a new chapter to this continuous journey of inspiration.



J.K. Cement is an inspired organisation. The small beginnings have today accrued to relevant profits and resilience to weather storms. This is J.K. Cement's story of fighting odds, of raising benchmarks, of institutionalising the spirit of tenacity, responsibility and winning against the odds, which defines our inspiration. To the illustrious story, J.K. Cement now adds a new chapter, the 'greenest' till date, the Mudhol plant in Karnataka. The determination to defend and mark out territory, to the participatory instinct in laying a foundation to build histories of candid successes is what J.K. Cement stands for today.





# J.K. Cement Today

## The Profile

J.K. Cement Ltd. is an affiliate of the industrial conglomerate J.K. Organisation which was founded by Late Lala Kamlapat Singhania. The J.K. Organisation is an association of industrial and commercial companies and has operations in a broad number of industries. J.K. Cement has an over three decade experience in the Cement industry and produces grey cement (both OPC and PPC) as well white cement. J.K. Cement is one of the only three producers of white cement in India. The Company also produces value added products such as white cement based Wall Putty and JK Water Proof cement.

With the installed capacity on the verge of reaching 7.5 MTPA upon commissioning of the Greenfield cement plant at Mudhol, Karnataka, J.K. Cement is taking a step in its bid to become one among the big players in the Indian Cement industry. Today J.K. Cement is one of the largest Cement producers in North India and also the second largest white cement producer in India. The Company exports white cement to a number of countries, including South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

Proximity and access to large reserves of high quality limestone, high quality products and a strong brand name, extensive marketing and distribution network, the over three decade experience and the technical know-how adds to our strengths and gives us a competitive edge over the peers in the cement industry.







# Facilities

## 01 Grey Cement

Nimbahera

**3.25** MTPA

Mangrol

**0.75** MTPA

Gotan

**0.50** MTPA

Mudhol\*

**3.00** MTPA

## 02 White Cement

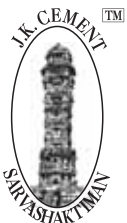
Gotan

**0.40** MTPA



# The Brands

J.K. Cement produces high quality products with a very strong brand recall. The Company has built a strong reputation among Cement purchasers by consistently providing high quality products.





03 Power

Bamania

15.00 MW

Nimbahera (Coal-Based)

20.00 MW

Nimbahera (Waste Heat Recovery)

13.20 MW

Gotan (Coal-Based)

07.50 MW

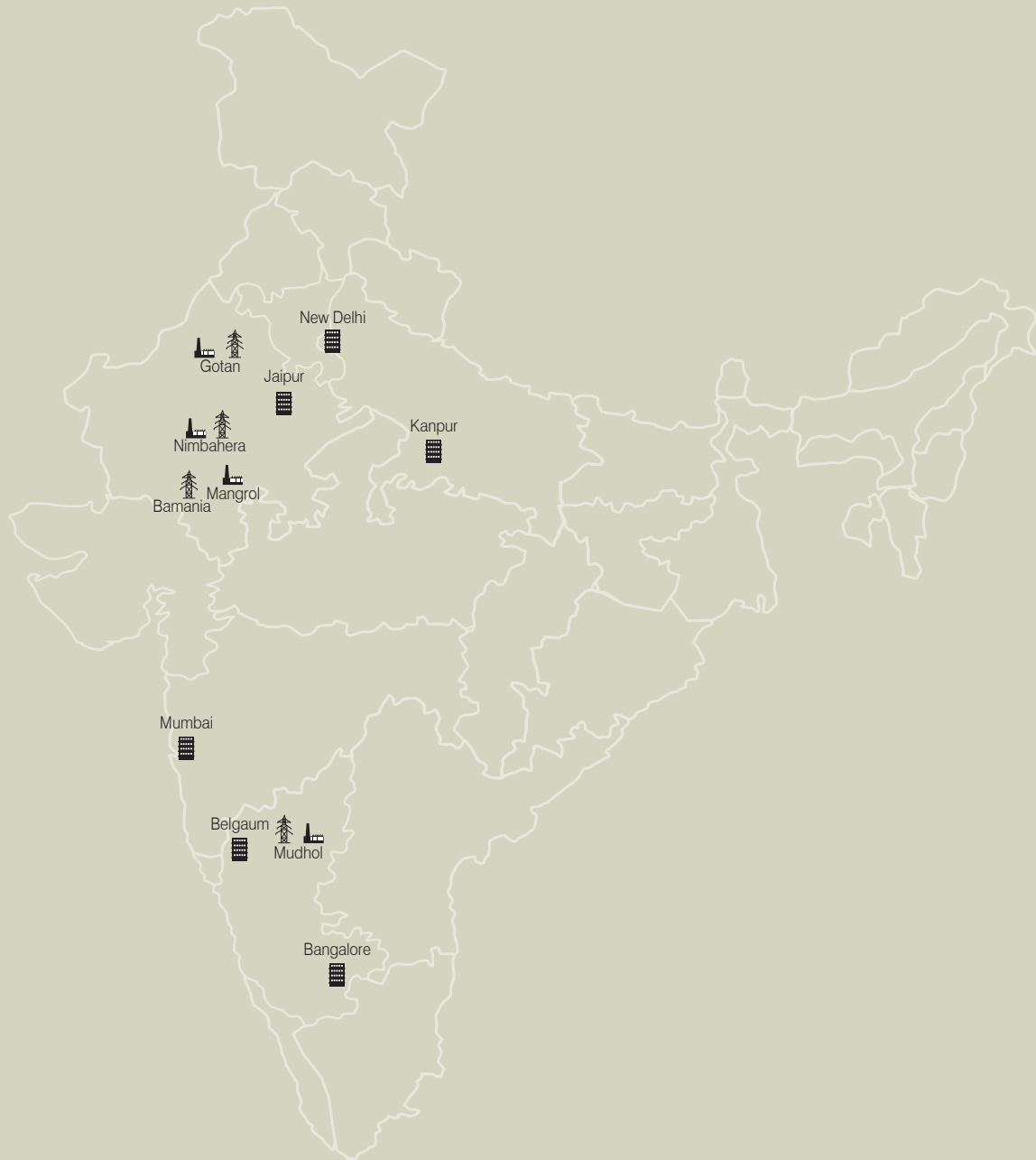
Mudhol\* (Coal-Based)

50.00 MW



\* Under Execution

# Presence



Power Plant



Cement Plant



Office



# Company Policy and Management Philosophy

## Policy

**The undermentioned concrete, unyielding and powerful values and ideas that drives our commitment propels the Company forward to cross milestones one after the other.**

- To provide products that fully comply with technical specifications committed to our customers, at the most competitive price
- To ensure complete reliability in our dealings with customers, distributors, suppliers and other partners
- To operate our manufacturing facilities in such a way, that they help to sustain the environment and provide new opportunities for the underprivileged in that region
- To ensure that every department of each of our offices encourage new and better ideas and freedom of expressing the same. The Company also endeavours to cultivate a work environment that rewards excellence in every employee's chosen area of work leading to a harmonious and fulfilling atmosphere
- To motivate every team member to challenge his last best performance and out do it continually
- To remain abreast and imbibe the latest technological trends for the benefit of our customers

## Management Philosophy

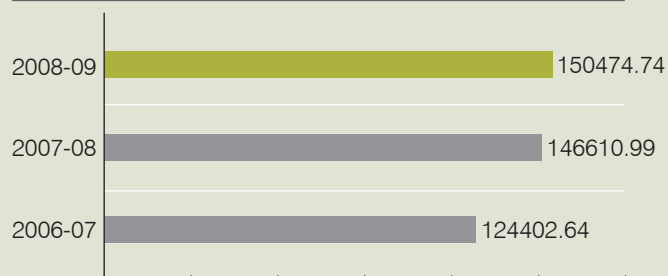
- Customer satisfaction
- Consistent investments in the most contemporary technology available
- Creation of a wide and deep distribution network
- Expansion through all routes – greenfield, brownfield and acquisitions
- Constant focus on cost control & quality
- Investment in development of the best talent and intellectual capital creation
- Ensuring retention of people and achieve a low people turnover
- Ensuring a happy and progressive society is a constant priority



# Facts and Figures

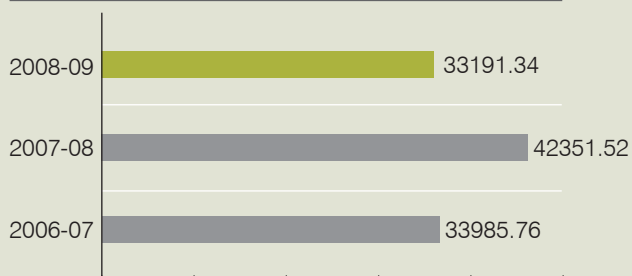
## Total Income

(Rs. lacs)



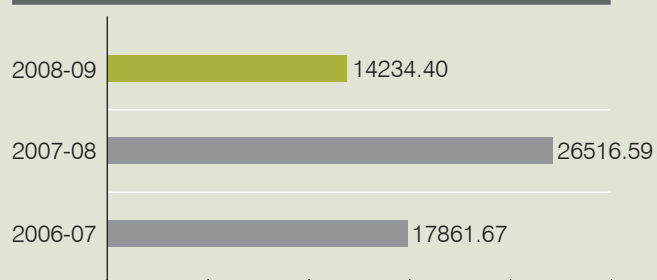
## EBIDTA

(Rs. lacs)



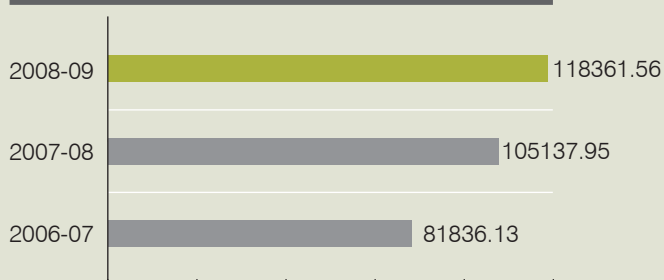
## PAT

(Rs. lacs)



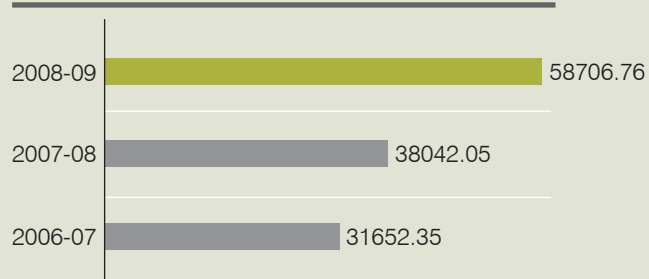
## Networth

(Rs. lacs)

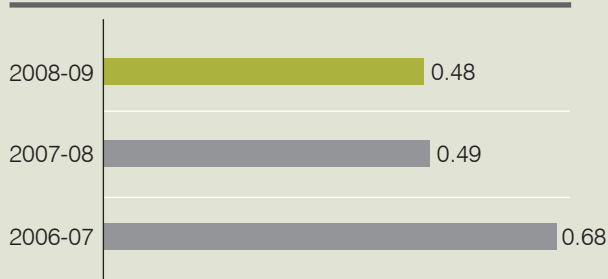


## Working Capital

(Rs. lacs)



## Debt - Equity Ratio



# Financial Highlights

(Rs. lacs)

## For the Year

	2008-09	2007-08	2006-07	2005-06	2004-05
Total Revenue	150474.74	146610.99	124402.64	87851.88	33881.64
Profit after Tax	14234.40	26516.59	17861.67	3256.93	629.72

(Rs. lacs)

## At year-end

	31st March, 2009	31st March, 2008	31st March, 2007	31st March, 2006	31st March, 2005
Networth	118361.56	105137.95	81836.13	67237.02	39166.51
Gross Block	144114.81	124976.81	102941.82	95920.18	92107.23
Net Block	121575.07	108913.38	92244.11	89799.17	90324.69

# J.K. Cement Shares

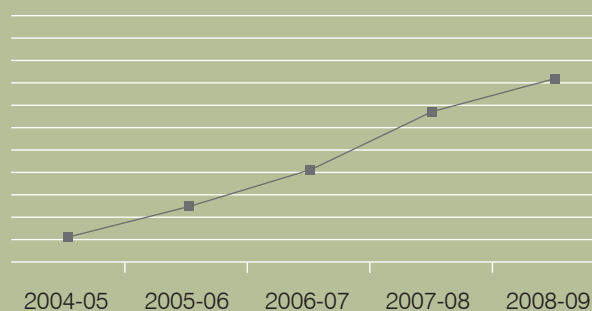
(Rs.)

## Listing Information

The J.K. Cement shares are listed on –

- 1) Bombay Stock Exchange (Code – 532644) – trading under Group - B
- 2) National Stock Exchange (Code – JKCEMENT).

## Book Value per share



## Share-related data

	2008-09	2007-08	2006-07	2005-06	2004-05
Dividend per share (Rs.)	3.50	5.00	3.50	1.50	0.00
Earnings per share (Rs.)	20.36	37.92	25.54	6.37	1.59
Payout Ratio (%)	20.17	15.43	16.03	36.72	0.00
Book Value per share (Rs.)	169.26	150.35	117.03	96.15	78.45



# Chairman's Message

**By any measure, 2008 was a challenging year. We saw unprecedented volatility in the global business environment, including wide fluctuations in commodity prices and exchange rates with a slowdown in world economies.**

J.K. Cement was not immune to these global forces. Despite this, the resilience we had built into our business, allowed us to continue to deliver top-line growth consistent with our business objectives. The high inflationary pressures, especially in case of inputs for the cement manufacturers, resulted in a temporary drop in our profit figures. Not only this, we maintained a robust financial position, as demonstrated by an improvement of almost all our operating and liquidity parameters.

The year 2009 is a very special one for two

important reasons. It marks the advent of J.K. Cement in the south, with the inauguration of our Mudhol plant. At the same time, it marks the completion of 25 years of our White Cement plant at Gotan. In a sense, both these plants represent significant turning points in the history of J.K. Cement. The White Cement Plant was the first of its kind in the country, and the Mudhol Plant, as you will read elsewhere in this report is one of the most modern cement manufacturing facilities in India and marks an important milestone in our journey to be a national player.

The plant at Mudhol, Karnataka is expected to start full-fledged commercial production in the second quarter of current fiscal. Our domestic market share shall enhance considerably. This plant comes with modern-day automated technological facilities exercising admirable control over operations. The plant is one of the most environment friendly cement plants in India, with measures taken to reduce pollution at all areas of operations as well as in the vicinity. It is indeed one of the most 'green' plant manufacturing grey cement.



**Gaur Hari Singhania**  
Chairman

We are also confident to finalise on our global ambitions too, through our J.K. Cement Works (Fujairah) FZC, which intends to set up a grey cement plant to address the enormous potential that exists in the GCC region.

It is indeed satisfying to report to you that we have not relented on our capital expenditure and capacity expansion plans, though market exigencies may have caused a minor delay in commissioning. However, as soon as we see a recovery, the resultant growth in demand will be well met by us, because of these prudent investments.

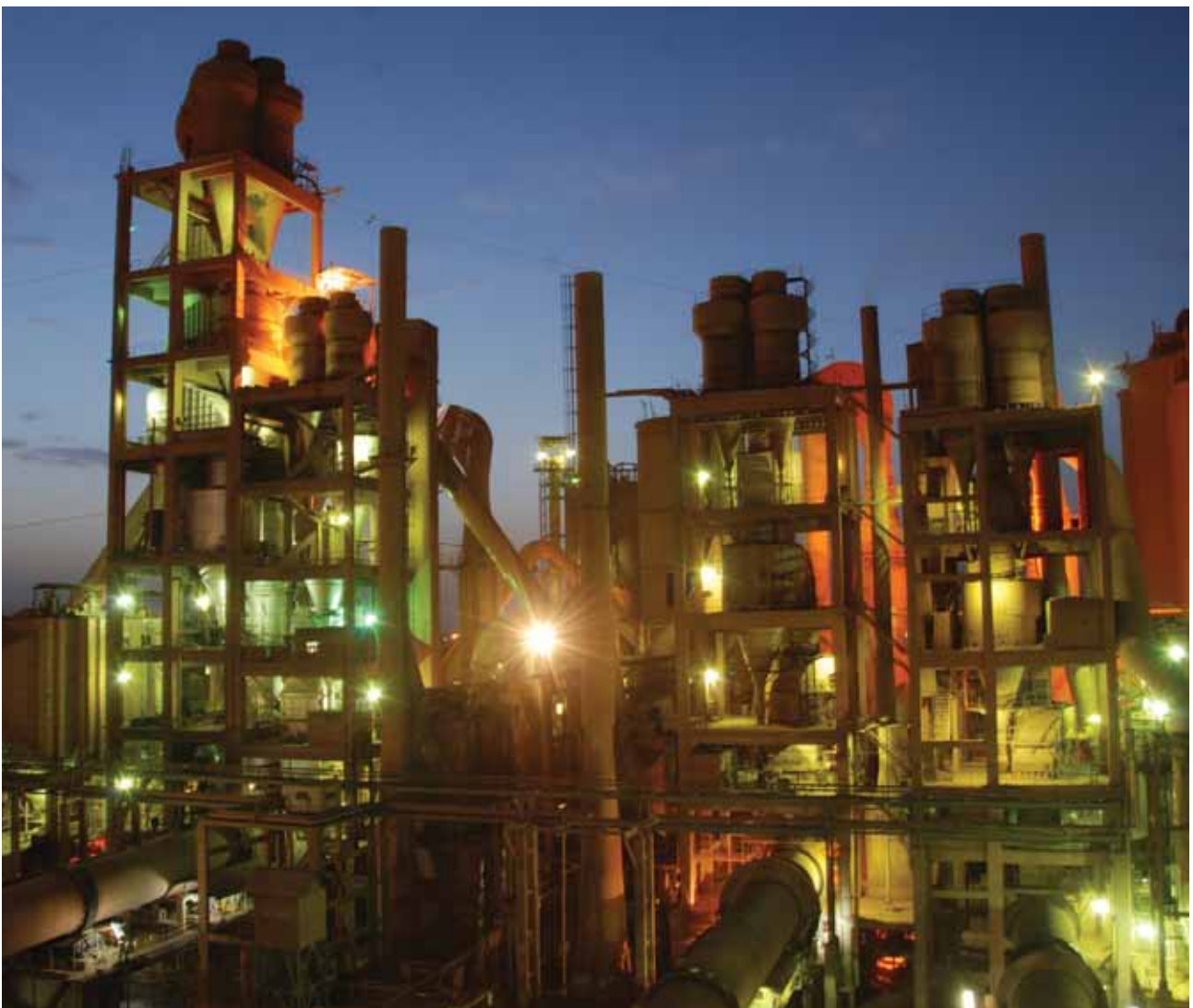
Through all that I have said, it is clear that our long standing experience has made it possible for us to weather any storm and continue on the path of value creation. The greatest contribution in this endeavour has been that of our people, many of whom have stayed with us for over a quarter of a century. It is through their contribution and extreme hard work that we are able to withstand any difficulty and adversity. I would like all stakeholders in joining me to congratulate the entire team at J.K. Cement for having achieved such inspiring results.

I also thank all our other stakeholders for standing by us in one of the toughest years in world economic history and keeping the faith on us. I am confident that we will be able to continuously deliver on our commitments in making J.K. Cement a value accretive organisation for all.

**Warm Regards,**



**Gaur Hari Singhania**  
Chairman



# Managing Director's Overview



**Yadupati Singhania**  
Managing Director

**The year gone by, understatedly, was memorable. The world bears few precedents of disturbances of such magnitude and dramatic downswings in the business environment.**

## **A year to remember**

The most difficult of times can be transformed into the most exciting if there are goals and targets that one is striving towards. A sense of purpose is compelling enough to render the most daunting circumstances ineffectual and can galvanise an organisation towards optimism, hope and a sincere dedication. For J.K. Cement, the year gone by was one such.

The year gone by, understatedly, was memorable. The world bears few precedents of disturbances of such

magnitude and dramatic downswings in the business environment. And we were not immune to a moderation in our performance either. Although our total income rose by 2.64% to Rs. 150474.74 lacs, our post tax profits fell by 46 per cent to Rs. 14234.40 lacs, resisting immense inflationary pressures and a high interest environment. As an established participant in the national economic process, we realise that every downturn is a necessary aberration for a recalibration of industry dynamics. However, it is also true that an intention to create consistent value

can never be defeated by a single bad year. Proof, our book value per share has registered a compounded annual growth of 21.20 per cent in the last four years and presently stands at Rs. 169.26 up from Rs. 150.35 in 2007-08.

## **Taking concrete steps towards long-term value creation**

J.K. Cement emerged from what we consider one of our most eventful and far reaching years in our history, because of a focused approach towards completing our expansion of projects and bringing about





**We must at all times focus on our core business model, as discussed above. If we do so, value creation for shareholders shall continue to take place along with stability and sustainability.**

greater operational efficiency.

At J.K. Cement, our business model is based on a few core beliefs. We believe in our focus on the fundamentals of running a good business – operating excellence, strong values, employee participation and financial discipline. We believe that investing for growth is the key to create value for our shareholders. We hold that cement is and will continue to be, of irreplaceable importance in changing the face of our people, our communities and our world. We, at J.K. Cement, remain committed to excellence.

2008-09 was an invaluable year from the perspective of learning as well. In my opinion the following are the key takeaways from the year.

First, we must at all times focus on our core business model, as discussed above. If we do so, value creation for shareholders shall continue to take place along with stability and sustainability.

Secondly, it is essential that decisions are taken on the basis of pragmatic and relevant insights. Doing this, will mitigate risks and considerably reduce chances of losing out on value for the shareholders.

Lastly, Risk Management will continue to remain the definitive challenge through the business cycles. We aim to recognise, estimate, analyse and effectively resolve apparent and potential risks.

### **Creating a landmark cement plant**

The Mudhol plant is going to be our showcase project as it is one of the most modern cement making facilities in this part of the world. It represents our deep commitment to sustainable manufacturing and is a shining example of how features of environmental protection and social



responsibility can be built into plant design itself, as opposed to retro-fitting them at a later date. Thus, we have equipped our plant with the most modern energy efficiency equipment and ensured that the operations here adhere to the most stringent norms of environment protection globally.

At the same time, another landmark in the history of J.K. Cement, our White Cement plant at Gotan, celebrates 25 years this year, signifying our commitment to consistent pursuance of excellence. We shall also be completing 35 years in Grey Cement business this year.

Hiring and retaining talent is a major cause of concern in today's world. We believe in recruiting a mix of young talent

and experienced expertise. Grooming including on and off the jobs training programmes such as the programmes at the Regional Training Center in Nimbahera have proved highly beneficial to the employees. Cordial Labour relations and the existing team spirit among the workforce have resulted in uninterrupted production process for over two decades. Our activities in the Middle East are a part of our plans of Global expansion.

### **The opportunity beckons**

There is no doubt that any slowdown is an aberration for an economy such as ours, which is fuelled by a mammoth domestic demand. The growth forecast for the Indian economy has been enhanced

to 7% for fiscal 2009-10 and to 10% for 2010-11. The infrastructure industry may accrue optimism from the fact that output in this sector grew by 4.3% in April, 2009 as compared to 2.3% during the same period last year.

There is an unprecedented policy impetus on closing the glaring gaps in India's national infrastructure and significant investments have been committed to bridge them. Together with this a robust growth in housing and allied sectors will ensure that the demand for cement continues to be strong and minor imbalances in the demand and supply situation will sort themselves out in favour of a more linear consumption trajectory.

**We believe that the global economic situation is still very fluid, and although there are voices that proclaim the end of the slowdown, there are yet others who foresee a prolonged period of economic pessimism and demand shrinkage in the European and American markets.**



### **The challenge**

Of course, any growth agenda is always best tempered with a strict vigil on possible challenges. We believe that the global economic situation is still very fluid, and although there are voices that proclaim the end of the slowdown, there are yet others who foresee a prolonged period of economic pessimism and demand shrinkage in the European and American markets. If that were so, its repercussions will invariably engulf India as well. We believe there is sufficient resilience in our balance sheet and operating environment to withstand any such eventuality. At the same time, it is important that we continue to drive down costs and improve product

quality to remain relevant as a company in the long run. Our core differentiator from the competition is our focus on value addition. This is a potential area for development, which shall drive revenues and seek contribution. J.K. Cement has demonstrated its ability to create a happy and performance-inducing work culture. It is no surprise then that a large number of our experienced middle and senior level management team, have been with us for over 25 years.

### **Conclusion**

I would like to thank all our stakeholders for their invaluable support and contribution in a year troubled with slowdowns. Also, I congratulate the “can

do” spirit of our team who have and will continue to eke out opportunities amidst adversities. As the year turns round, we will hope for higher profits and significant capacity expansions, and celebrate the beginning of a new chapter with the Mudhol Plant.

*Y. P. Singhania*

**Yadupati Singhania**

Managing Director







# Inspired by Achievement

The new cement plant at Mudhol is remarkable for a number of reasons. One, it marks our most definitive step in acquiring a pan India presence in Grey cement, being a plant that will service a large section of the southern and west Indian markets due to its strategic location. Second, it represents our determination to continuously invest in capacity creation, irrespective of the market conditions. Third, it is proof of our commitment to sustainable manufacturing, being one of the greenest facilities manufacturing grey cement in this part of the world

“Equipments are not only environment-friendly but also energy efficient. All quality control is on line starting from limestone assembling upto cement grinding by incorporation of latest robot lab – first of its kind in India.”

### The Specifications

The Jaykaycem Cement plant at Muddapur, Mudhol is being set up under Jaykaycem Ltd, a wholly owned subsidiary of J.K. Cement Ltd. The Greenfield grey cement plant, spread across an area of 300 acres has a capacity of 3 Million Tonnes per annum and has a leased limestone mine for raw material security. The plant also has a captive coal based power plant of 50 MW capacity. The total power produced will be higher than the requirements of the plant and the surplus power will be sold to the state grid. Therefore, apart from cement, the Mudhol facility will have an additional revenue stream.

The plant is equipped with most modern-day plant facilities supplied by FL Smidth & Co. These equipments are not only environment-friendly but also energy efficient. All quality control is on line starting from limestone accumulation upto cement grinding by incorporation of latest robot lab – first of its kind in India.

The line for Vajramatti Grid Substation with 78 towers (roughly 18 kms long) has been laid and electricity has been charged. The plant has been allocated water from a river (Ghatprabha) which is around 8 kms away. The Mudhol plant is also equipped with all amenities for employees and workers including residential quarters, guest houses, recreational areas, medical facility among others.

The Mudhol plant is a societally conscious endeavour inspired from an enriched history of the parent organisation which accumulates decades of experience and a commitment to social responsibility.

Designed to perfection, the plant is built at the highest standards prevalent globally. The pivotal feature, among many awe inspiring mechanics is the uncompromising attention paid to environmental issues making it a 'green' cement plant.







### **Salient features of the Mudhol plant**

The experienced and the wizened are often synonyms. At J.K. Cement, they are a philosophy. A Company rising unprecedented from the gallows of dismal performances, inconsequential means and a year that will be historically reminiscent of economical animosities, J.K. Cement today has excavated its wisdom to plant seeds of the new and the rejuvenated.

The one-of-a-kind Mudhol Plant in Karnataka is on the verge of commencing commercial operations in the second quarter of this fiscal. Full fledged commercial production would start consequently. The plant with a 2x25 MW captive power plant is designed to produce mixed quality of cement, i.e. OPC, PPC and PBFC.

The Mudhol plant is the 'green' oasis of infrastructure. Located in close proximity to nature, it is generously endowed with multiple air bags and conspicuously sheltered yards to proactively prevent any damage to environment.







### Energy efficiency

The Mudhol Plant is a technological wonder. Below are some of the specifications:

- ✔ Uses large Calciner – 1st plant in India to do so – can be used for low volatile fuel as well
- ✔ New generation vertical roller mills for both raw meal and coal grinding, which are energy efficient
- ✔ 2 Ball mills for cement grinding with central drive maag gear box of Switzerland, which are energy efficient
- ✔ A Vertical roller mill for grinding slag cement and with option to grind OPC/PPC, which will have low energy consumption
- ✔ All the fans are high efficiency fans and having SPRS/Variable Frequency Drive, which will have impact on power consumption
- ✔ Clinker cooler of new generation- SF Cross Bar Cooler supplied by FLS which is energy efficient and low maintenance
- ✔ Bagasse used for burning fuel – obtained from sugarcane industries in the vicinity



The plant also includes a 6-stage pyrotechnical pre-heater and a Central Control Room to maintain strictures in the functioning of all units.

The Mudhol plant has reassuringly institutionalised safety measures for its employees. Infrastructure development is being undertaken around the plant to ensure smooth functions.

J.K. Cement personifies the courage to strive for excellence, to spread congeniality and to expand capacity amid adversities.







## Inspired by Responsibility

J.K. Cement recognises the network with which it shares its successes and failures. It is an organisation which is inspired and is responsible for those who have afforded them operational successes and thereby deserve unstinted attention. This is the courage which has encouraged J.K. Cement to perpetually repeat cherished performances and embark on a new journey. Spreading awareness and societal development are integral parts of J.K. Cement's unflinching devotion to the people.

To increase awareness of White Cement, J.K. Cement initiated the technical education programme about the product, its various end uses and benefits out of the same through its Customer Technical Services (CTS) department.





“J.K. Cement is an organisation which is inspired and is responsible for those who have afforded them operational successes and thereby deserve unstinted attention.”





**“As a socially viable organisation, J.K. Cement recognises and fulfills the duties of living and operating within an inseparable and meticulously interdependent network.”**



The Company's Corporate Social Responsibility can be divided into 4 segments –

- (a) Rural Development – providing water among others.
- (b) Medical facilities – funding hospitals, eye testing facilities, family planning.
- (c) Educational facilities – primary as well as higher secondary education, vocational training and private university.
- (d) Religious endeavours.

In 2007-08, the Sir Padampat Singhanian University at Udaipur, under the aegis of the J.K. 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 Singhanian Education Centre, Gotan 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 offer 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 and built roads to connect schools.

The Company has also founded a hospital and Nimbahera Dispensary to ensure better health care.

The Company regularly conducts plantation and environment friendly activities in the vicinity of its facilities. Furthermore, arranging sports and developmental activities and financial aid to the Lion's Club, the Rotary International and other charitable organisations are part of J.K. Cement's societal endeavours.

Responsibility is the virtue of taking control, of ups and downs, profits and losses. As a socially viable organisation, J.K. Cement recognises and fulfills the duties of living and operating within an inseparable and meticulously interdependent network.

# Profile of the Board of Directors



01

## **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 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.



02

## **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.

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



03

## **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.





04

**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.



05

**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.



06

**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 stabilised the Corporate Debt Restructuring (CDR) mechanism in India as Chairman of Empowered Group.





07

**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.



08

**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 organisations.



09

**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.



10

**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 organisations, 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.



# Management Discussion and Analysis Report

## INDIAN ECONOMY

The economic scenario has changed significantly during 2008–09 with emergence of sub-prime crisis in housing mortgage sector in the U.S. Due to closely knitted financial markets across the world this has spread to global banking sector. Though, India is having relatively strong financial system, sudden outflow of funds by FII's resulted in liquidity crisis, steep fall in stock market and rupee devaluation. The reversal of investment flows to emerging economies like India resulted in economic slowdown and reduced GDP growth. Manufacturing and service sectors both have decelerated. However, India is better placed than many to bear the shock of financial meltdown. Reserve Bank of India have announced various stimulus measures to infuse liquidity into the system and to boost demand through cut in cenvat rates and increased investment in infrastructure projects.

## CEMENT INDUSTRY STRUCTURE AND DEVELOPMENT

### Grey Cement

The Cement Industry in India is highly fragmented; there are 148 large cement plants with estimated annual installed capacity of 218 million tonnes. However, the top seven players in the Industry accounts for about 50% of the capacity. The industry is also regionalized, as cement units are concentrated in clusters, close to the limestone deposits

### % Growth in Cement Production

State	%age Change	State	%age Change
<b>Northern Region</b>		<b>Western Region</b>	
Haryana	212	Gujarat	26
Punjab	32	Maharashtra	-9
Rajasthan	12		
Himachal Pradesh	1		
<b>Northern Region</b>	<b>15</b>	<b>Western Region</b>	<b>9</b>
Eastern Region		Central Region	
Meghalaya	11	Uttar Pradesh	34
Jharkhand	13	Madhya Pradesh	3
Orissa	10		
West Bengal	26		
Chhattisgarh	2		
<b>Eastern Region</b>	<b>8</b>	<b>Central Region</b>	<b>10</b>
<b>Southern Region</b>			
Andhra Pradesh	11		
Tamil Nadu	23		
Karnataka	9		
<b>Southern Region</b>	<b>14</b>		
		<b>All India</b>	<b>12</b>

Source: CMA



### % Growth in Cement Consumption

State	%age Change	State	%age Change
<b>Northern Region</b>		<b>Southern Region</b>	
Uttarakhand	-4	Andhra Pradesh	22
Haryana	4	Tamil Nadu	10
Punjab	-5	Karnataka	-2
Rajasthan	6	Kerala	11
Himachal Pradesh	2		
Delhi	35		
<b>Northern Region</b>	<b>5</b>	<b>Southern Region</b>	<b>10</b>
<b>Eastern Region</b>		<b>Western Region</b>	
Bihar	12	Gujarat	4
Jharkhand	16	Maharashtra	6
Orissa	16		
West Bengal	5		
Chhattisgarh	9		
<b>Eastern Region</b>	<b>11</b>	<b>Western Region</b>	<b>5</b>
		<b>Central Region</b>	
		Uttar Pradesh	10
		Madhya Pradesh	12
		<b>Central Region</b>	<b>10</b>
		<b>All India</b>	<b>8</b>

Source: CMA

### Factors which affected the performance of the industry during the year can be summarized as follows:

- In the first half of fiscal, increase in prices of crude lead to increase in cost of inward / outward movement and other input costs such as Petcoke, Coal and Packing bags etc. to all time high with double digit inflation rate.
- Government also abolished import duty on cement resulting cheaper imports from Pakistan which affected the sales in the Punjab market.
- A ban on export of cement was also introduced.
- Higher interest rates to check inflation and all other factors have adversely affected the cement demand.
- However, in the later part of 2008–09, global economic slowdown eased out pressure on cost and cement demand also picked up due to infrastructure spending and individual housing.

HOWEVER, INDIA IS BETTER PLACED THAN MANY TO BEAR THE SHOCK OF FINANCIAL MELTDOWN. RESERVE BANK OF INDIA HAVE ANNOUNCED VARIOUS STIMULUS MEASURES TO INFUSE LIQUIDITY INTO THE SYSTEM AND TO BOOST DEMAND THROUGH CUT IN CENVAT RATES AND INCREASED INVESTMENT IN INFRASTRUCTURE PROJECTS.





### White Cement

The world-wide White Cement Industry size is about one per cent of Grey Cement Industry and in India it is much less compared to the Grey Cement Industry size of about 218 million tonnes 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 Travancore Cements is restricted to Kerala, whereas JK White and Birla White, the two largest players have a national presence and account for a substantial majority of India's production capacity. Consequently, prices of white cement have been relatively less volatile.

Despite the economic slowdown, Domestic White Cement industry posted growth of 6% during 2008-09.

Wall Putty also continued to find increasing acceptance from the end consumers and recorded significant growth in FY09 over FY08. The Company's Putty sales have increased by 76% during 2008 - 09.

## OUTLOOK

### Industry

Materialization of additional capacities (see graph below) coupled with a low demand growth will bring down the capacity utilization levels and could also lead to pricing pressure. Market conditions for medium term will be based on effectiveness of stimulus packages and will remain challenging depending upon global economic recession.

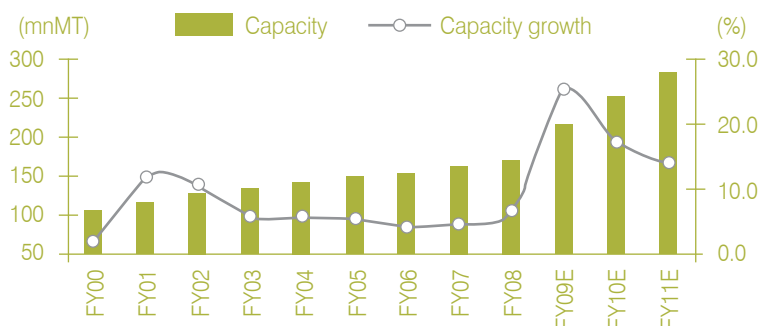
### Factors Expected To Drive The Demand For Cement:

Cement demand has posted a growth rate of 8% despite turbulence faced during the year. During April 09, cement production was 16.84 million tonnes, registering a growth of 12.12% as compared to 15.02 million tonnes in April 08. Cement despatches were 16.65 million

tonnes in April 09, showing a growth of 13.03% as compared to 14.73 million tonnes in April 08.

Cement capacity addition during the year were 20 million tonnes (integrated unit 16 million tonnes and grinding unit 4 million tonnes) which is lower than expected and equivalent to the likely demand growth of 8%. However, cement industry

### Cement capacity additions in India



Source: RHH, Company, Equipment Supplier websites



**THERE ARE ONLY THREE MANUFACTURERS OF WHITE CEMENT IN INDIA OUT OF WHICH TRAVANCORE CEMENTS IS RESTRICTED TO KERALA, WHEREAS JK WHITE AND BIRLA WHITE TWO LARGEST PLAYERS ARE HAVING NATIONAL PRESENCE AND ACCOUNTS FOR THE SUBSTANTIAL MAJORITY OF INDIA'S PRODUCTION CAPACITY.**

is implementing major capacity additions over the existing level of 218 million tonnes per annum which are likely to commission in 2009-10.

- Stimulus Packages announced by the Government from time to time impacting the cement sector either ways – The recent cut in excise duty benefitted the players in the cement sector to the extent of Rs.10 per bag (approximately).
- Increasing investment in infrastructure – Despite the adversity in the economy, India has witnessed sustained investment in infrastructure build-up.
- Growth in real estate and housing

sector – Although the year saw a cool off in the real estate sector, yet the sector welcomed an investment of Rs. 174208 crores.

- Increased urbanization has further led to increasing demand for the cement. An amount of Rs. 14700 crores is expected by HUDCO (Housing & Urban Development Corporation) in 2009-10.

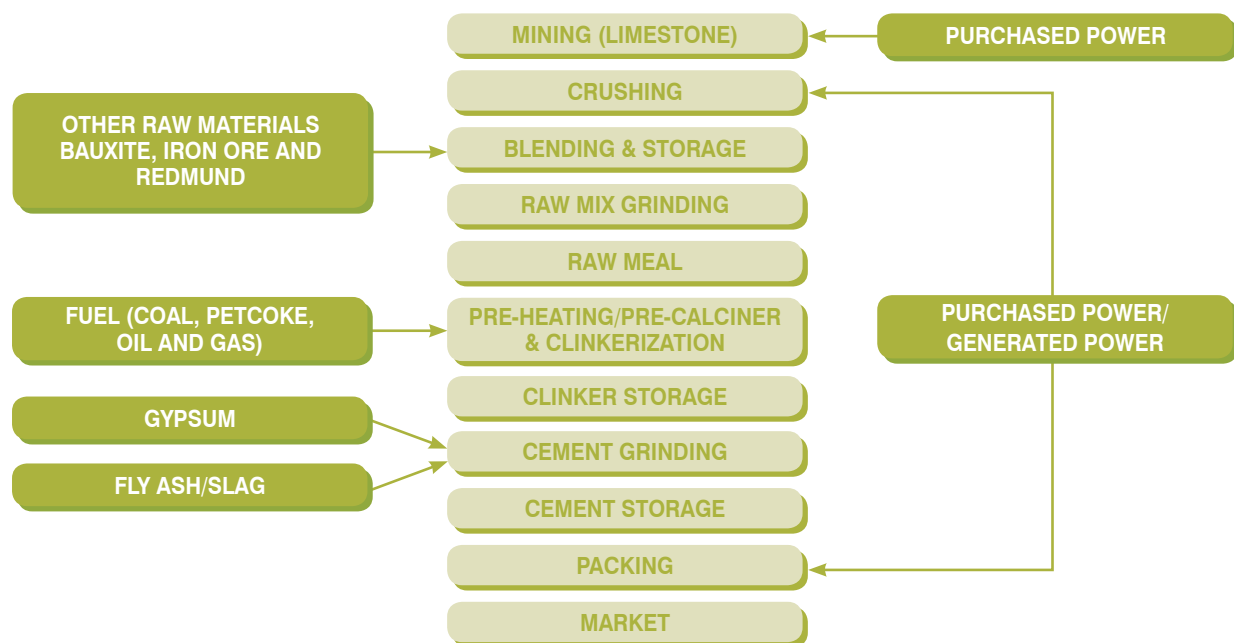
Domestic demand for cement has been increasing at a fast pace in India and it has surpassed the economic growth rate of the country. The cement consumption in India has been forecasted to grow by over 22% by 2009-10 from 2007-08. We expect cement demand to remain buoyant on the

back of strong fundamentals and pressing need for infrastructure development and low cost housing.

#### COMPANY

The Company is one of the largest cement manufacturers in Northern India and the second largest white cement manufacturer in India. It sells grey cement primarily to purchasers located in Northern India, while white cement is sold to purchasers throughout India. The Company also exports white cement to a number of countries, including South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

#### Cement Manufacturing Process



### Grey Cement

The Company's performance in the current fiscal is likely to show an improvement over the last year on account of stabilized additional production from the acquired plant of Nihon Nirman Ltd. for full year. Further, greenfield cement plant of 3 million tonnes being set up by the wholly owned subsidiary in Karnataka is likely to commission in second quarter of current fiscal. The Company is ready to adapt the changing conditions and poised to position itself better from regional to national player during this period of low growth.

### White Cement

Looking at the impressive growth of White Cement and Wall Putty recorded in 2008-09 when all the sectors were badly hit by global recession, outlook for 2009-10 is positive. Efforts have been made to increase popularization of the applications of White Cement by involving the general consumers. There is still a vast scope for growth of Wall Putty. Awareness is being built up through a sustained media campaign.

### Performance During The Year

Due to increased input cost and limited ability to pass on such increases to the market on account of low demand growth, Company's financial results were adversely affected. However, several steps have been taken to mitigate the impact of external factors by increasing productivity and efficiencies. The acquired assets of M/s. Nihon Nirman Ltd. have

been refurbished to produce 4.7 lac tonnes of Grey Cement per annum and commissioned in Sep.'08. A 7.5 M.W. Coal based Captive Power plant has also been commissioned at White Cement unit in Sep.'08. Further, the Company has taken steps for promoting brand and strengthening distribution network in suburban and rural areas to cater to robust demand in the housing sector. During the year 2008-09, the Company's total income increased marginally from Rs. 1812.85 Crores in 2007-08 to Rs. 1876.45 Crores. However Profit before Depreciation & Tax was lower at Rs. 286.38 Crores compared to Rs. 387.64 Crores. The Company's PAT also decreased from Rs. 265.17 Crores in 2007-08 to Rs. 142.34 Crores in 2008-09.

### OPPORTUNITIES AND THREATS

#### Grey Cement

Growth of GDP and cement consumption has a correlation and cement growth is normally 2% over the GDP growth. Demand will be driven by stimulus packages announced by the Government for housing and infrastructure sectors. Infrastructural development is need of the nation and affordable housing still remains a cherished dream of Indian citizens. Efficacy of packages and improvement in global scenario could provide impetus to economic growth and cement demand. Though Indian economy has strong fundamentals, it is also badly hit by the global economic recession with reduced rate of industrial production and

deceleration of service sector. GDP growth rate forecasts were also progressively reduced during 2008-09. Thus, deepening of global recession is a major threat and India growth story is not expected to be on stream unless scenario is improved globally. The over bunching of capacities could also cause a supply overhang.

#### White Cement

Looking to low White Cement consumption as compared to international consumption rate there is immense opportunity to increase the White Cement growth. With stimulus packages and improvement in scenario White Cement and Wall Putty both the products are expected to record even better growth rate. Cement wash application is also being popularised in semi urban areas.

White Cement applications face major threat from competing products. For instance, White Cement Paint Industry continued with marginal growth due to more usage of new generation polymer based exterior paints. Value Addition of polymer based paints are perceived to be much higher than cement based 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 availability and less time taken to complete the floor. Moreover, there is a mushroom growth of the manufacturer of Wall Putty also, even larger paint manufacturer are already supplying Putty.





## RISKS AND CONCERNS

RISKS	IN CONTEXT OF J.K. CEMENT LTD.	RISK MITIGATION
ECONOMY RISK	Cement is positively co-related to the growth of the economy. Hence, the Company is not insulated from the downfall of the economy and has a direct impact on its profitability.	The Government stimulus packages during the last few months of FY 09 has led to recovery of the cement industry in the beginning of FY 10.
INPUT COST RISK	The rising prices of coal, fuel, freight, etc. brings down the realization of the Company and affects the margins too.	In order to hedge the Company's profitability from the volatility in coal prices, the Company has initiated steps for allotment of Coal Block and a block has also been allotted jointly with two other partners.
GOVERNMENT CONTROL	Taxes and other levies imposed by the Government of India or State Governments that affect the cement industry include excise duty, VAT, entry tax, income tax and other taxes and duties or surcharges introduced on permanent or temporary basis from time to time.  Any change in such levies may result in higher operating cost and lower the sales realization.	In order to tide over the economic slowdown, the Government has offered incentives to cement as well as the infrastructure industry.
SAFETY & ENVIRONMENTAL NORMS	Cement operations are subject to various Indian national and State environmental laws and regulations relating to control of pollution. These laws and regulations are increasingly becoming stringent and may in future, create substantial environmental compliance or remediation liability and costs.	The Company has an internal control procedure of keeping environmental concerns in hand. The plant at Mudhol is actually an environment friendly plant with measures taken to reduce any sort of pollution.
TIMELY SUPPLY OF RAW MATERIAL	The Company is dependant upon suppliers for the supply of certain raw material including gypsum and additives such as laterite, bauxite, iron ore, etc. If the raw materials are not available on time, it may lead to disruption in the operation of the business and adversely affect the Company's profitability.	The Company has leased out limestone mines for use in its plants.

**DEMAND WILL BE DRIVEN BY STIMULUS PACKAGES ANNOUNCED BY THE GOVERNMENT FOR HOUSING AND INFRASTRUCTURE SECTORS. INFRASTRUCTURAL DEVELOPMENT IS NEED OF THE NATION AND AFFORDABLE HOUSING STILL REMAINS A CHERISHED DREAM OF INDIAN CITIZENS.**



## **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 its vision. There is a great team spirit amongst the member of

staff. They are key to achieving corporate objectives and are the primary source of competitive advantage. The total number of permanent employee of the Company as at March 31, 2009 was 1799.

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 25 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.



**THE COMPANY FIRMLY RECOGNIZES THAT ITS HUMAN RESOURCES ARE THE MAJOR SOURCE OF STRENGTH TO ACHIEVE ITS VISION. THERE IS A GREAT TEAM SPRIT AMONGST THE MEMBER OF STAFF. THEY ARE KEY TO ACHIEVING CORPORATE OBJECTIVES AND ARE THE PRIMARY SOURCE OF COMPETITIVE ADVANTAGE.**





# Directors' Report

## Dear Members,

Your Directors have pleasure in submitting their Fifteenth Annual Report and audited statements of accounts for the year ended 31st March, 2009.

RS. LACS

2008-09

## 1. FINANCIAL RESULTS

Gross Turnover	187645.39
Profit before depreciation and tax	28638.28
Less: Depreciation	5242.22
Profit Before Tax	23396.06
Provision for Tax:	
- Fringe Benefit Tax	196.50
- Current Tax	5568.00
- Deferred Tax	3397.16
Profit After Tax	14234.40
Add: Balance brought forward from the previous year	13118.47
Less: Transfer to General Reserve	10000.00
Less: Proposed Dividend on Equity Shares (including tax thereon)	2863.39
Balance to be carried forward	14489.48

## 2. OVERALL PERFORMANCE

The Company's turnover increased to Rs. 1876.45 Crores during the year as against to Rs. 1812.85 Crores in previous year. However Profit before Depreciation and Tax was lower at Rs. 286.38 Crores compared to Rs. 387.64 Crores due to reduced

margins on account of the general slowdown in the economy and higher operational costs due to substantial increase in fuel cost in first nine months of operations. The situation improved in last quarter on account of various steps initiated by the Government.

## 3. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of Jaykaycem Ltd., J.K.Cement (Fujairah) FZC and J.K.Cement Works (Fujairah) FZC alongwith Auditors' Report thereon form part of the Annual Report.



Your Directors are pleased to recommend the dividend @ Rs

# 3.50

per share on Equity Shares for the financial year ended 31.3.2009.

#### 4. DIVIDEND

Your Directors are pleased to recommend the dividend @ Rs.3.50 per share on Equity Shares for the financial year ended 31.3.2009.

#### 5 OPERATIONS

##### Grey Cement

During the year under report, production of grey cement was 3.79 Million Tonnes as against 3.76 Million Tonnes during the previous year. However, contribution was lower during the year on account of steep increase in fuel cost and comparatively lower sales realizations.

##### White Cement

Production of White Cement increased by 7.71% at 2,49,958 M.T. during the year compared to 2,32,073 M.T. while value added products registered increase of 75.63%. Sale was also in tandem to production. The contribution of both the products during the year was comparatively higher.

#### 6. STATUS OF PROJECTS IN HAND

##### (a) Projects Completed

The Company has successfully implemented:-

- (i) Revamping of grey cement plant

at Gotan with an installed capacity of 471900 M.T.

- (ii) Coal based Captive Power Plant of 7.5 MW at Gotan.

##### (b) Projects under subsidiary

##### Companies:

##### Green Field Grey Cement Plant at Mudhol, Karnataka:

As reported earlier, the green field grey cement plant of 3 Million Tonnes Per Annum capacity being set up by M/s Jaykaycem Ltd. (A wholly owned subsidiary of the Company) at Mudhol in the state of Karnataka is at the final stage of implementation. Out of the total cost outlay of Rs.1000 crores (including captive power plant), Rupee Term Loan of Rs. 497 Crores (as against sanctioned Rupee Term Loan of Rs.525 crores) has been disbursed by the consortium of Bankers led by IDBI Bank Ltd and Rs. 475 Crores has been contributed by the Company. Major work of civil construction and erection of Phase-I has already been completed. The trial runs are expected to commence by June 2009.

##### Cement Plant at Fujairah, UAE

The Company is re-working the details of the Cement Plant in U.A.E. in view of the present business scenario.

##### (c) Projects under Joint Venture:

##### Captive Coal Block in Maharashtra

The Company has been allotted coal block in the state of Maharashtra jointly with other two Companies. A Joint Venture Agreement has been executed. Further steps are being taken to implement the project.

#### 7. FINANCE

During the year under report:

- (a) Term Loan of Rs. 234 Crores was sanctioned by the Banks out of which the Company availed a sum of Rs. 172 Crores.
- (b) The working capital limits have been increased from 105 Crores to 150 Crores.

#### 8. SUBSIDIARY COMPANIES

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

#### 9. MERGER

The Company's Petition confirming

THE GREEN FIELD GREY CEMENT PLANT OF 3 MILLION TONNES PER ANNUM CAPACITY BEING SET UP BY M/S JAYKAYCEM LTD. (A WHOLLY OWNED SUBSIDIARY OF THE COMPANY) AT MUDHOL IN THE STATE OF KARNATAKA IS AT THE FINAL STAGE OF IMPLEMENTATION.



merger of Jaykaycem Ltd., wholly owned subsidiary company with the Company is pending before the Hon'ble High Court of judicature at Allahabad.

#### **10. CORPORATE GOVERNANCE**

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

#### **11. PERSONNEL**

##### **(i) Industrial Relations**

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

##### **(ii) 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.

#### **12. PUBLIC DEPOSITS**

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

#### **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

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

#### **14. AUDITORS' REPORT**

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

#### **15. COST AUDIT**

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the

year 2008-09 and cost audit would be completed in respect of these units.

#### **16. ABRIDGED BALANCE SHEET**

The Company shall be sending Abridged Balance Sheet to all its members as permitted by SEBI guidelines dated 26.04.2007. Full Balance Sheet shall be placed on Company's Website. Members, who are desirous of getting full Balance Sheet may send their request to the Company at the address of its Registered Office.

#### **17. DIRECTORS**

Three of your Directors namely Sri J.P. Bajpai, Sri J.N. Godbole and Sri Suparas Bhandari will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

#### **18. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- (ii) they have selected such



**DURING THE YEAR UNDER REPORT, PRODUCTION OF GREY CEMENT WAS 3.79 MILLION TONNES AS AGAINST 3.76 MILLION TONNES DURING THE PERVIOUS YEAR.**



accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

- (iii) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a going concern basis.

## 19. AUDITORS

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

## 20. 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 2008-09.

## 21. 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



**GAUR HARI SINGHANIA**

Chairman

Place: Kanpur

Dated: 23rd May'2009.

Production of White Cement  
increased by

**7.71%**

at 2,49,958 M.T. during the year  
compared to 2,32,073



**INFORMATION REQUIRED UNDER  
SECTION 217 (1) (e) OF THE  
COMPANIES ACT, 1956**

**A. CONSERVATION OF ENERGY**

**(a) Energy conservation  
measures taken:**

**Grey Cement**

- FLS Fuzzy operation in Raw Mill No. 1 & 2, Kiln 1 & 2, Cement Mill 1 & 2.
- Waste Heat Recovery System stabilized.
- Smoke Gas fan 2 replaced by high efficiency fan.
- Upgradation of cement mill with twin drive to achieve higher capacity and economy of cement grinding.
- Installation of high efficiency motor, VFD drives, high efficiency fans, high efficiency separators, vertical roller mill and energy efficient CFL lighting.
- Installation of VRM at Raw mill stage
- Installation of electronic packer

**White Cement**

- 7.5 MW Thermal Power Plant was made operational to achieve full capacity to achieve economy in power cost
- Optimization of TCS before calciner for smooth and smooth operation and consistency at Clinkerisation process.
- For general lighting more areas were covered for CFL use.

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

**Grey Cement**

- Upgradation of control & automation system
- Replacement of cooler fans.

**White Cement**

- Improved GCT system in

the steam exhaust circuit for resource conservation, improved quality as well as environment.

- Installation of new 50 Kg packer having Ultrasonic sealing facility to minimize spillage from bag and achieve temper proofing of the bag.
- Covered clinker storage facility for clinker to arrest dust emissions, waste minimization, and quality improvement by contamination elimination.
- Grinding plant for dolomite for putty product to ensure consistency in putty operation, cost saving as well as to control the dust level.

**(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**

- Optimization of raw mill to cater higher raw mix requirement for enhanced kiln capacity after calciner installation.
- Installation of check weigher system at putty plant.
- The new X-Ray with XRD was installed for improved consistency in quality control

**(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**

- The clinker sample grinding automation resulted in eliminating variations during testing stage.
- Improved quality control at clinker stage by adopting free lime control & consistency.

**(iii) Future Action Plan**

**Grey Cement**

- Satellite Coolers to be replaced by Grate Coolers for Kiln 1 & 2 for better thermal efficiency.
- Mechanical transport system for Raw mill 1 & 2, Cement mill 1 & 2 for electrical energy conservation.
- Modification of cement transport pipeline in Cement mill 2.
- Waste Heat Recovery System feasibility being analyzed.
- Packing machines electronics upgrading for fast and precise communication and better weight control.
- Clinker and Fly silo.

**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**

- Installations of FK pump for conveying of cement to putty section to eliminate manual handling and better work environment.

**(vi) Details of Imported Technology: Nil**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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





**FORM-A**
**ANNEXURE**
**FROM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

PARTICULARS	GREY CEMENT		WHITE CEMENT	
	2008-09	2007-08	2008-09	2007-08
<b>(A) POWER AND FUEL CONSUMPTION :</b>				
<b>1. Electricity</b>				
<b>(A) Purchased :</b>				
Units/KWH ('000)	86334	130783	13927	18588
Total Amount (Rs./lacs)	3832.87	5668.93	606.92	876.16
Rate/Unit (Rs.)	4.44	4.33	4.36	4.23
<b>(B) Own Generation :</b>				
(i) Through Diesel Generator:				
Units/KWH ('000)	2499	23897	3273	9214
Unit per Litre of Diesel/Oil	3.30	4.12	3.87	3.79
Rate/Unit (Rs.)	6.50	4.48	7.35	5.60
* (ii) Through Steam Turbine**				
Units/KWH ('000)	291399	200136	11618	NIL
Unit per Kg. of Coal	1.52	1.03	0.909	N/A
Rate/Unit (Rs.)	2.50	3.12	4.193	N/A
<b>2. Petcoke/Coal/Lignite</b>				
Quantity (tonnes)	577669	539804	28339	27500
Total Cost (Rs./lacs)	28788.01	22231.78	1871.01	1475.95
Average Rate (Rs./Tonne)	4983	4118	6602	5367
<b>3. Furnace Oil/Others</b>				
Quantity (K. Ltrs.)	94	-	2622	2280
Total Cost (Rs./Lacs)	32.35	-	715.72	481.64
Average Rate/K.Ltrs. (Rs.)	34415	-	27297	21125
<b>4. Other/Internal Generation</b>				
( For Generation of Power from D.G.Sets)				
Quantity (K. Ltrs.)	756	5807	845	2430
Total Cost (Rs./lacs)	162.51	1070.72	240.49	515.72
Average Rate/K.Ltr. (Rs.)	21491	18440	28460	21223
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION:</b>				
1.Electricity (Kwh/Unit)	92	93	121	120
2.Petcoke/Coal/Lignite (K.cals/Kg.)	781	779	1026	1034

\* \*\*Including generation of electricity through waste heat recovery plant.



# 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 and its shareholders which encapsulates the society at large by adopting better corporate practices in a 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 are proactive in participating at the Board and Committee Meetings, which adds value in their decision making process.

As on 31st March, 2009 the composition of the Board of Directors

is given herein below:

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

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

During the financial year ended March 31, 2009, four Board Meetings were held on the following dates:

- (i) May 20, 2008
- (ii) July 26, 2008
- (iii) October 25, 2008
- (iv) January 31, 2009

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

Sl. No	Name of Director	No. of Board Meetings attended	Attendance at last AGM
1	Dr. Gaur Hari Singhania	4	No
2	Shri Yadupati Singhania	4	Yes
3	Shri K.N. Khandelwal	4	Yes
4	Shri A. Karati	3	Yes
5	Shri Ashok Sharma	4	Yes
6	Shri J.N. Godbole	4	Yes
7	Shri J.P. Bajpai	4	Yes
8	Dr.K.B.Agarwal	3	Yes
9	Shri R.K. Lohia	3	No
10	Shri Suparas Bhandari	4	Yes





(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:

Sl. No.	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
1	Dr. Gaur Hari Singhania Chairman	Promoter, Non Executive, Non Independent	Yadupati Singhania	Son	5	-	-
2	Shri Yadupati Singhania Managing Director & CEO	Promoter, Executive, Non Independent	Dr. Gaur Hari Singhania	Father	9	-	-
3	Shri K.N. Khandelwal	Non-Executive, Non Independent	Nil	N.A.	3	-	1
4	Shri Achintya Karati	Non-Executive, Independent	Nil	N.A.	7	-	3
5	Shri Ashok Sharma	Non-Executive, Independent	Nil	N.A.	2	-	1
6	Shri J.N.Godbole	Non-Executive, Independent	Nil	N.A.	12	3	7
7	Shri J.P. Bajpai	Non-Executive, Independent	Nil	N.A.	4	-	-
8	Dr.K.B.Agarwal	Non-Executive, Independent	Nil	N.A.	2	2	-
9	Shri R.K. Lohia	Non-Executive, Independent	Nil	N.A.	6	-	-
10	Shri Suparas Bhandari	Non-Executive, Independent	Nil	N.A.	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

@ Directorships on all Public Limited companies, whether listed or not, has been included and all other companies including Private Limited companies, foreign companies and companies under section 25 of the Companies Act 1956 has been excluded.

\*\* Chairmanship/ Membership of the Audit Committee and the Shareholders' Grievance Committee alone have 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 31.03.2009, 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 Shambhu Singh, Company Secretary 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, 2009 four meetings were held on (i) May 20, 2008 (ii) July 26, 2008 (iii) October 25, 2008 (iv) January 31, 2009

The attendance at the Committee Meetings was as under:

Sr. No.	Name of Director	No. of Meetings attended
1	Shri Ashok Sharma	4
2	Shri A. Karati	3
3	Shri R.K. Lohia	3
4	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 31.03.2009 comprised of:

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

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

### (iii) Meetings and Attendance:

During the financial year ended 31st March, 2009 one meeting was held on 20th May, 2008.

The attendance at the above Meeting was as under: -



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

**(iv) Remuneration Policy:**

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

As for the Non-executive Directors, their appointment on the Board is for the benefit of the Company due to their vast professional expertise in their individual capacity. The Company suitably remunerates them by paying sitting fee for attending the meetings of the Board and various sub committees of the Board and commission on profits.

The number of Equity Shares of the Company held by Non-Executive Directors of the Company as on 31.03.2009 is as under:

Name of Directors	No. of Equity Shares Held	Name of Directors	No. of Equity Shares held
Dr Gaur Hari Singhania	1041973	Shri Ashok Sharma	640
Shri J.P. Bajpai	100	Shri Achintya Karati	640
Shri K.N. Khandelwal	421	Dr.K.B.Agarwal	13710

**(v) Details of Remuneration to the Directors for the year ended 31st March, 2009**

Sl. No	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	--	--	3500000	150000	3650000
2	Shri Yadupati Singhania @	8400000	15000000*	35000000	--	58400000
3	Shri J.P. Bajpai	--	--	500000	175000	675000
4	Shri K.N. Khandelwal	--	--	500000	210000	710000
5	Shri Raj Kumar Lohia	--	--	500000	75000	575000
6	Shri Ashok Sharma	--	--	500000	80000	580000
7	Shri A. Karati	--	--	500000	60000	560000
8	Shri J.N.Godbole	--	--	500000	40000	540000
9	Shri Suparas Bhandari	--	--	500000	45000	545000
10.	Dr.K.B.Agarwal	--	--	500000	30000	530000

\* 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.42 Lacs.

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





**Shareholders' Grievance Committee**
**(i) Composition**

The Committee as on 31.03.2009 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)** Shri Shambhu Singh, Company Secretary acts as Secretary of the Committee.

**(iii) Functions**

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares, non-receipt of dividend declared, to ensure expeditious share transfer process and to review the status of investors' grievances. They also discuss redressal mechanism and recommend measures to improve the level of investors' services. The Company received 77 complaints during the F.Y. 2008-09, and all the 77 complaints were redressed and there was no complaint pending as at 31.03.2009.

**(iv) Meeting and Attendance**

During the financial year ended 31st March, 2009, four meetings were held on (i) May 20, 2008 (ii) July 26, 2008 (iii) October 25, 2008 (iv) January 31, 2009.

Sr. No.	Name of the Director	No. of Meetings attended
1.	Shri J.P. Bajpai	4
2.	Shri K.N. Khandelwal	4
3.	Shri Raj Kumar Lohia	3

**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 31.03.2009.

**GENERAL BODY MEETINGS:**

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

Financial Year	Date	Time	Place
2005 - 06	29th July, 2006	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2006 - 07	25th August, 2007	12.00 Noon	-do-
2007 - 08	26th July, 2008	12.00 Noon	-do-



No Special resolution was passed in the last three Annual General Meetings of the Company.

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 26th July, 2008 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 J.P.Bajpai, Shri J. N. Godbole and Shri Suparas Bhandari will be retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-election. Given below are the brief resumes of the aforesaid Directors pursuant to Clause 49 of the Listing Agreement:

Mr. Jyoti Prasad Bajpai holds a Master of Commerce degree from Agra University and is a member of the Institute of Company Secretaries of India, New Delhi. He has corporate experience spanning 47 years and has been associated with the Company since its inception in 1994. He also served as Senior President (Head Office) and Company Secretary of J.K. Synthetics Ltd. till April 2007. Prior to joining the Company and J.K. Synthetics Ltd., he operated as a statistical Investigator in the Directorate of Industries, Uttar Pradesh from October 1959 until June 1960. He serves as a Director on the Board of a number of other Indian companies. He has also held

the position of Honorary Treasurer of the Board of Control for Cricket in India. He is also a Director of the Uttar Pradesh Cricket Association and Chairman of the Development Committee of the Table Tennis Federation of India. He is also the proud recipient of several awards, including Sewa Ratna Award, Best Social Worker Award, Kala Shri Award, Kanpur Ratna Award and Madhavrao Sindhia Cricket Academy Life Time Achievement Award. As on 31.3.2009, he was holding 100 Equity Shares of the Company.

Shri Jayant Narayan Godbole is a Chemical Engineer from IIT, Powai (Mumbai) and has participated and successfully completed Financial Management and Corporate Long Range Planning Courses from Bajaj Institute University of Mumbai and IIM Bangalore respectively. He has above 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 and with IIBI he was directly over looking functions including Zonal Head, Corporate Finance, restructuring and rehabilitation of sick units, Venture capital, merchant banking and investors relation. He stabilised the Corporate Debt Restructuring (CDR) mechanism in India as Chairman of Empowered Group. He



has authored various articles/papers on Industrial Sickness and Pollution Control. Adding to this illustrious profile is his selection as a Nominee Director of IDBI on the Boards of various reputed Companies. As on 31.3.2009, he was holding no Equity Shares of the Company.

Shri Suparas Bhandari is Bachelor of Science and Law. He has been the founder Chairman-cum-Managing Director of Agriculture Insurance Company of India Ltd. and has extensive experience of over 40 years in the insurance industry. He has also served as General Manager, Oriental Insurance Company of India Ltd., Asstt. General Manager, United India Insurance Company of India Ltd., etc. He visited World Bank to share his knowledge of successful implementation of crop insurance products in India. He presented a keynote address on "Indian Crop Insurance Programme" at International Seminar at Brazil in 2005. He pioneered the team of Experts to participate in "Conference on Strategic Issues in Insurance" at Shanghai, China in 2002. He also attended the International Conference on Global Insurance Practices at London in 1998. He has been Founder Secretary of Marwar Akal Sahayta Samiti, President Jodhpur Jaycees and President of Mahaveer Samiti. He has been nominee Director of reputed Companies from time to time. As on 31.3.2009, he was holding no 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 Executive as well as Non-executive Directors, and members of the Senior Management. A copy of the Code has been put on the Company's website [www.jkcement.com](http://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 2008-09.

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 presented 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](http://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 : - Friday the 31st July, 2009 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 May, 2009

##### (iii) Date of Book Closure

22nd July, 2009 to 31st July, 2009  
(both days inclusive)

##### (iv) Dividend payment date: -

The Board of Directors of the Company have recommended a dividend of Rs.3.50 per share. The dividend shall be payable on or after 31st July, 2009

##### (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 fee has been duly and timely paid to both the Stock Exchanges for 2008-09.

##### (vi) Stock Code

BSE	532644
NSE	JKCEMENT
ISIN NUMBER	INE823G01014





**(vii) Market Price Data**

Month	BSE			
	High	Low	Sensex High	Sensex Low
APRIL, 2008	165.00	148.00	17,480.74	15,297.96
MAY, 2008	159.00	140.20	17,735.70	16,196.02
JUNE, 2008	147.00	124.00	16,632.72	13,405.54
JULY, 2008	145.00	118.00	15,130.09	12,514.02
AUGUST, 2008	132.60	121.05	15,579.78	14,002.43
SEPTEMBER, 2008	132.00	095.00	15,107.01	12,153.55
OCTOBER, 2008	104.00	045.00	13,203.86	7,697.39
NOVEMBER, 2008	060.00	042.00	10,945.41	8,316.39
DECEMBER, 2008	047.50	040.75	10,188.54	8,467.43
JANUARY, 2009	047.90	037.20	10,469.72	8,631.60
FEBRUARY, 2009	041.90	035.50	9,724.87	8,619.22
MARCH, 2009	040.50	034.80	10,127.09	8,047.17

Month	NSE			
	High	Low	Nifty High	Nifty Low
APRIL, 2008	165.00	145.00	5,230.75	4,628.75
MAY, 2008	159.90	140.10	5,298.85	4,801.90
JUNE, 2008	147.00	125.00	4,908.80	4,021.70
JULY, 2008	141.35	118.10	4,539.45	3,790.20
AUGUST, 2008	132.90	121.00	4,649.85	4,201.85
SEPTEMBER, 2008	132.00	087.00	4,558.00	3,715.05
OCTOBER, 2008	105.00	046.15	4,000.50	2,252.75
NOVEMBER, 2008	059.90	041.20	3,240.55	2,502.90
DECEMBER, 2008	048.25	036.95	3,110.45	2,570.70
JANUARY, 2009	048.25	037.10	3,147.20	2,661.65
FEBRUARY, 2009	042.00	035.30	2,969.75	2,677.55
MARCH, 2009	041.95	031.25	3,123.35	2,539.45



**(viii) Registrar/Transfer Agent**

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

M/s J.K. Synthetics Ltd.

(Unit J.K. Cement Ltd.)

Kamla Tower,

Kanpur – 208 001

Telephone: (0512) 2371478 – 81; Ext: 322/323

Fax: (0512) 2399854;

email: jkshr@jkcement.com; rc.srivastava@jkcement.com

**(ix) Share Transfer System**

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

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

**(x) Distribution of Shareholding as on 31.3.2009**

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
UP TO 500	111133	97.84	4684954	6.70
501 TO 1000	1488	1.31	1115503	1.59
1001 TO 2000	473	0.42	715053	1.02
2001 TO 3000	139	0.12	347237	0.50
3001 TO 4000	85	0.07	306107	0.44
4001 TO 5000	65	0.06	308596	0.44
5001 TO 10000	102	0.09	751543	1.08
10001 AND ABOVE	106	0.09	61698257	88.23
TOTAL	113591	100.00	69927250	100.00

**(xi) Category of Shareholders as on 31st March 2009**

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters And Promoter Group	38	00.03	44614564	63.80
Mutual Funds / Uti	17	00.01	2133885	03.05
Financial Institutions / Banks	105	00.10	7220	00.01
Insurance Companies	5	00.01	3690190	05.28
Foreign Institutional Investors	35	00.03	8115302	11.61
Bodies Corporate	1091	00.96	2641511	03.78
Individuals	112119	98.73	8393183	12.00
Others	152	00.13	331395	00.47
Total	113562	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).

3,73,16,291 Equity share representing 53.36% of the paid up Equity Capital of the Company have been dematerialised till 31.03.2009.

**(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, Rajasthan
	Mangrol, Distt. Chittorgarh, Rajasthan
	Gotan, Distt. Nagaur, Rajasthan
	Muddapur, Distt. Bagalkot, Karnataka (under implementation in wholly owned subsidiary)
White Cement Plant	Gotan, Distt. Nagaur, Rajasthan
Thermal Power Plants	Bamania, Shambupura, Distt. Chittorgarh, Rajasthan
	Kailash Nagar, Nimbahera, Distt. Chittorgarh, Rajasthan
	Gotan, Distt. Nagaur, Rajasthan
Waste Heat Recovery Power Plant	Kailash Nagar, Nimbahera, Distt. Chittorgarh, Rajasthan

**(xv) Address for Correspondence:**

Mr. Shambhu Singh, Company Secretary,

J.K. Cement Ltd., Kamla Tower, Kanpur – 208001.

Telephone No.: 0512 2371478 – 81 Fax: 0512-2332665/2399854

Email: shambhu.singh@jkcement.com

Website: www.jkcement.com





## CERTIFICATE

To the Members of

**J.K. CEMENT LIMITED.**

We have examined the compliance of conditions of Corporate Governance by J.K. CEMENT LIMITED for the year ended 31st March, 2009, 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 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 of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PL. TANDON & CO.,**  
Chartered Accountants

**(A.K. AGARWAL)**

PARTNER

Membership No.71548

Place: Kanpur.

Date : 23rd May'2009



# Financial Statements

## Contents

### **J.K. Cement Ltd.**

Auditors' Report .....	58
Balance Sheet .....	62
Profit and Loss Account .....	63
Cash Flow Statement .....	64
Schedules .....	65
Balance Sheet Abstract .....	81
Statement relating to Subsidiaries .....	82

### **Jaykaycem Ltd.**

Directors' Report .....	83
Auditors' Report .....	85
Balance Sheet .....	88
Cash Flow Statement .....	89
Schedules .....	90
Balance Sheet Abstract .....	96

### **J.K. Cement (Fujairah) FZC**

Directors' Report .....	97
Auditors' Report .....	98
Balance Sheet .....	99
Cash Flow Statement and Accounting Notes and Policies .....	100

### **J.K. Cement Works (Fujairah) FZC**

Directors' Report .....	104
Auditors' Report .....	105
Balance Sheet .....	106
Cash Flow Statement and Accounting Notes and Policies .....	107

## Auditors' 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, 2009, 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009;
    - (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.

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

**(A.K. AGARWAL)**

PARTNER

Membership No.71548

Place: Kanpur.

Date : 23rd May'2009

## 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.51263.18 Lacs and the year end balance of such loan granted was Rs.51063.18 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, the provisions of clause 4(iii)(f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

##### (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

##### (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:

- (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of 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, therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.



- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- (ix) According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, services tax, customs duty, excise duty were in arrear as at 31st March, 2009 for a period more than six months from the date they became payable:
- (c) According to the records of the company, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, are as follows :-

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)	Period to which amount relates	Forum where dispute is pending
Finance Act 2008 (State)	Environment & Health Cess	235.14	2008-09	Rajasthan High Court, Jodhpur
State Sales Tax Act	Sales Tax	455.28	1991-92 onwards	Various Courts in U.P. and Rajasthan
Central Sales Tax Act	Sales Tax	5146.15	1999 onwards	Appeal with D.C.S.T
Rajasthan Entry Tax	Entry Tax	2412.93	July, 2006 onwards	Appeal with Jodhpur High Court
U.P. Entry Tax	Entry Tax	459.74	Nov.07 onwards	Appeal with Allahabad High Court
Central Excise Act, 1944	Excise duty Including Interest thereon	419.02	1989	Supreme Court
Finance Act, 1994	Service Tax	1024.96	June 07 to March, 08	Central Excise Dept.
Finance Act, 2007 (State)	Land Tax	1120.94	Financial year-06 onwards	Jodhpur High Court
Central Excise Act, 1944	Excise Duty on non MRP Sale	1593.74	April 07-March 08	Central Excise Dept.
Central Excise Act, 1944	Excise duty on Sale to SEZ	279.02	April 08 to Dec.08	Central Excise Dept.

- (x) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- (xii) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion, the Company is not a Chit Fund or a Nidhi Mutual Benefit Fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities and debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xv) 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 the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) As the Company has no debenture outstanding at any time during the year, 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 money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**(A.K. AGARWAL)**

PARTNER

Membership No.71548

Place: Kanpur.

Date : 23rd May'2009

**Balance Sheet**
**J.K. CEMENT LIMITED**

As At 31st March, 2009

			Rs./Lacs
	Schedule	31-03-2009	31-03-2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	111612.78	98341.23
		118605.50	105333.95
<b>Loan Funds</b>	3		
Secured Loans		43686.44	38278.60
Unsecured Loans		12753.64	12773.98
		56440.08	51052.58
Deferred Tax Liability		10060.00	5099.30
<b>TOTAL</b>		<b>185105.58</b>	<b>161485.83</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	4		
Gross Block		144114.81	124976.81
Less: Depreciation		22539.74	16063.43
Net Block		121575.07	108913.38
Capital Work-in-Progress		3505.73	13384.01
		125080.80	122297.39
<b>Investments</b>	5	1074.08	950.39
<b>Current Assets, Loans &amp; Advances</b>	6		
Inventories		13612.58	11453.15
Sundry Debtors		5303.82	5725.59
Cash & Bank Balances		12520.06	14544.35
Other Current Assets		131.63	133.31
Loans & Advances		58149.19	35249.56
		89717.28	67105.96
<b>Less: Current Liabilities &amp; Provisions</b>	7		
Liabilities		26636.95	23862.95
Provisions		4373.57	5200.96
		31010.52	29063.91
<b>Net Current Assets</b>		58706.76	38042.05
<b>Miscellaneous Expenditure</b> (to the extent not written-off or adjusted)			
Preliminary Expenses		-	4.24
Deferred Revenue Expenditure		243.94	191.76
<b>TOTAL</b>		<b>185105.58</b>	<b>161485.83</b>
Notes & Contingent Liabilities	13		
Significant Accounting Policies	14		

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

**GAUR HARI SINGHANIA**  
Chairman

**YADUPATI SINGHANIA**  
Managing Director & CEO

**A. K. AGARWAL**  
Partner

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

**ACHINTYA KARATI**  
Director

**ASHOK SHARMA**  
Director

**SHAMBHU SINGH**  
Company Secretary

**J.N.GODBOLE**  
Director

**J.P.BAJPAI**  
Director

**K.N.KHANDELWAL**  
Director

Kannpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director

Profit & Loss Account	
J.K. CEMENT LIMITED	For The Year Ended 31st March, 2009

	Schedule	2008-2009	2007-2008
<b>INCOME</b>			
Gross Sales		187645.39	181284.60
Less : Excise Duty	21094.73		21833.55
Sales Tax	16867.10	37961.83	35459.32
Net Sales		149683.56	145825.28
Other Income	8	791.18	785.71
<b>TOTAL</b>		<b>150474.74</b>	<b>146610.99</b>
<b>EXPENDITURE</b>			
Manufacturing Expenses	9	65932.43	60411.27
Payments to and Provisions for Employees	10	8378.03	6763.87
Selling, Administration and other Expenses	11	42972.93	37084.33
Interest (Net)	12	4553.07	3587.71
<b>TOTAL</b>		<b>121836.46</b>	<b>107847.18</b>
<b>Profit Before Depreciation</b>		<b>28638.28</b>	<b>38763.81</b>
Depreciation	6510.47		5380.51
Less: Transfer from Revaluation Reserve (Refer Note No.5 )	1268.25	5242.22	4106.92
<b>Profit Before Tax</b>		<b>23396.06</b>	<b>34656.89</b>
Provision for Tax			
Fringe Benefit Tax		196.50	210.00
Current Tax		5568.00	7150.00
Deferred Tax		3397.16	780.30
<b>Profit After Tax</b>		<b>14234.40</b>	<b>26516.59</b>
Balance from previous year		13118.47	5692.45
Amount Available For Appropriations		27352.87	32209.04
<b>Appropriations</b>			
General Reserve	10000.00		15000.00
Proposed Dividend	2447.45		3496.36
Dividend Tax on above	415.94	12863.39	594.21
<b>Balance carried to Balance Sheet</b>		<b>14489.48</b>	<b>13118.47</b>
Earning per share - Basic and Diluted (In Rs.)		20.36	37.92
Notes & Contingent Liabilities	13		
Significant Accounting Policies	14		

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

**GAUR HARI SINGHANIA**  
Chairman

**YADUPATI SINGHANIA**  
Managing Director & CEO

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Partner

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**SHAMBHU SINGH**  
Company Secretary

**J.N.GODBOLE**  
Director

**J.P.BAJPAI**  
Director

**K.N.KHANDELWAL**  
Director

Kanpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director



**Cash Flow Statement**
**J.K. CEMENT LIMITED**

For The Year Ended 31st March, 2009

		2008-2009	Rs./Lacs 2007-2008
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before Tax as per Profit & Loss Account		23396.06	34656.89
Adjusted for :			
Depreciation	5242.22		4106.92
Deferred Revenue/Preliminary Exp.	69.70		49.21
Interest	5467.33		5120.87
Interest received	(914.26)		(1533.16)
Profit on sales of investments	-		(26.68)
Dividend Income	-		(27.93)
Loss on sale of assets	30.65		46.56
Profit on Sale of Land	(226.68)	9668.96	-
Operating Profit before Working Capital Changes		33065.02	42392.68
Adjusted for :			
Trade & Other Receivables	(1367.20)		(352.69)
Inventories	(2159.43)		(452.60)
Trade Payable	2592.27	(934.36)	6563.51
Cash Generated from Operations		32130.66	48150.90
Adjusted for :			
Tax Paid	(3801.17)		(7184.04)
Dividend Tax	(594.21)		(416.07)
Dividend paid	(3496.36)		(2433.70)
Deferred Revenue/Preliminary Exp. Incurred	(117.64)	(8009.38)	(70.73)
Net cash from operating activities		24121.28	38046.36
<b>B) CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Acquisition/Purchase of fixed assets including capital advances	(9471.17)		(19225.76)
Sale of fixed assets	311.83		117.69
Purchase of Investments	(123.69)		(2523.00)
Sale of Investments	-		3218.20
Interest Income	1048.06		1245.13
Net cash used in investing activities		(8234.97)	(17167.74)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Advance to Jaykaycem Ltd. [ Wholly Owned Subsidiary ]	(21198.41)		(18687.20)
J.K. Cement (Fujairah) FZC [ Wholly Owned Subsidiary ]	(244.36)		(18.82)
Capitai subsidy received	3210.29		2256.19
Deferred Sales Tax	(460.48)		(295.88)
Long Term Borrowings	17950.00		3000.00
Cash Credit Accounts	(3474.11)		3215.69
Repayment of Long Term Borrowings	(9005.34)		(11004.29)
Interest Paid	(5285.61)		(5096.25)
Vehicle Loans & Others	377.43		342.69
Refund from Associate Company	200.00		700.00
Share Premium A/c.	19.99		-
Net cash used in financing activities		(17910.60)	(25587.87)
Net increase in Cash and Cash Equivalents (a+b+c)		(2024.29)	(4709.25)
Opening balance of Cash and Cash Equivalents		14544.35	19253.60
Closing balance of Cash & Cash Equivalents		12520.06	14544.35

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

**GAUR HARI SINGHANIA**  
Chairman

**YADUPATI SINGHANIA**  
Managing Director & CEO

**A. K. AGARWAL**  
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**J.P.BAJPAI**  
Director

**K.N.KHANDELWAL**  
Director

Kannpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director

Schedule	
J.K. CEMENT LIMITED	Forming Part of The Balance Sheet

	31-03-2009	Rs./Lacs 31-03-2008
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
8,00,00,000 Equity Shares of Rs.10/- each	8000.00	8000.00
	8000.00	8000.00
<b>Issued, Subscribed &amp; Paid up</b>		
6,99,27,250 Equity Shares of Rs.10/- each	6992.72	6992.72
	6992.72	6992.72

	31-03-2009	31-03-2008	Rs./Lacs
<b>SCHEDULE - 2</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>Revaluation Reserve</b>			
As per last Balance Sheet	29115.19	30474.06	
Less: Deduction During the year	61.49	85.28	
Less: Transfer to Profit and Loss Account	1268.25	1273.59	29115.19
<b>Capital Reserve</b>			
Govt. Subsidy (Refer note no.4)			
As per last Balance Sheet	3470.14	1213.95	
Add: Received during the year	3210.29	2256.19	3470.14
<b>Securities Premium Account</b>			
As per last Balance Sheet	25903.61	25903.61	
Add: Adjustment during the year	19.99	-	25903.61
<b>General Reserve</b>			
As per last Balance Sheet	26733.82	11733.82	
Add: Transfer from Profit & Loss Account	10000.00	15000.00	26733.82
<b>Profit &amp; Loss Account</b>			
	14489.48		13118.47
	111612.78		98341.23

	31-03-2009	Rs./Lacs 31-03-2008
<b>SCHEDULE - 3</b>		
<b>LOAN FUNDS</b>		
<b>Secured</b>		
Term Loan from Banks	39677.92	30733.26
Cash Credit Accounts	3808.19	7282.30
Vehicle Loans	200.33	263.04
	43686.44	38278.60
<b>Unsecured</b>		
Security Deposits & Others	3728.10	3287.96
Deferred Sales Tax	9025.54	9486.02
	12753.64	12773.98
	56440.08	51052.58

**Schedule**
**J.K. CEMENT LIMITED**

Forming Part of The Balance Sheet (Contd.)

**SCHEDULE - 4**

Rs./Lacs

DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01.04.2008	Additions	Deductions	Revaluation	As at 31.03.2009	As at 01.04.2008	For the Year	Deduction	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Goodwill	742.70				742.70	253.76	74.27		328.03	414.67	488.94
Freehold Land	2884.85	418.63	17.25	(38.03)	3248.20					3248.20	2884.85
Leasehold Land	468.38	413.96			882.34	36.71	14.29		51.00	831.34	431.67
Buildings	12605.83	2493.26			15099.09	1282.41	422.72		1705.13	13393.96	11323.42
Plant & Machinery	105584.66	15774.22	55.81	(24.11)	121278.96	14003.72	5783.50	4.71	19782.51	101496.45	91580.94
Railway Sidings	887.42				887.42	136.88	39.77		176.65	710.77	750.54
Rolling Stock	105.01				105.01	15.11	4.64		19.75	85.26	89.90
Furniture, Fixtures and Office Equipments.	700.14	92.40	0.26		792.28	130.16	58.38		188.54	603.74	569.98
Vehicles	995.13	130.90	75.99		1050.04	202.24	97.48	29.45	270.27	779.77	792.89
Other Assets	2.69	26.08			28.77	2.44	15.42		17.86	10.91	0.25
<b>GRAND TOTAL</b>	<b>124976.81</b>	<b>19349.45</b>	<b>149.31</b>	<b>(62.14)</b>	<b>144114.81</b>	<b>16063.43</b>	<b>6510.47</b>	<b>34.16</b>	<b>22539.74</b>	<b>121575.07</b>	<b>108913.38</b>
Previous year's figures	102941.82	22299.34	178.16	(86.19)	124976.81	10697.71	5380.53	14.81	16063.43		
Capital Work-in- progress including Capital Advances Rs.1050.95 Lacs (Rs. 2652.14 Lacs)										3505.73	13384.01
										125080.80	122297.39

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**

	As at 31.03.2009				As at 31.03.2008		
INVESTMENTS Name of the Bodies Corporate	Whether Long term or short term	Face Value Rs.	No. of Shares	Book Value (Rs./lacs)	No. of Shares	Book Value (Rs./lacs)	
<b>Investments in Shares</b>							
<b>Unquoted Investments</b>							
1. Investment in shares of Subsidiary Companies							
Fully paid up equity shares in :							
- Jaykaycem Ltd.	Long Term	10	350700	527.38	350700		527.38
Fully paidup equity shares in :							
- J.K. Cement (Fujairah) FZC.	Long Term	1000 AED	1000	123.69	1000	108.67	
Less: Unpaid Amount						108.67	-
2. Investment in shares of other companies							
i) Fully paid up equity shares in :							
VS Lignite Power Pvt. Ltd.	Long Term	10	1444445	144.45	1444445		144.45
ii) 0.01% cumulative redeemable Preference shares in :							
- VS Lignite Power Pvt. Ltd.	Long Term	10	2785552	278.56	2785552		278.56
Aggregate value of unquoted Investment			-	1074.08	-		950.39

Schedule	
J.K. CEMENT LIMITED	Forming Part of The Balance Sheet (Contd.)

	31-03-2009	Rs./Lacs 31-03-2008
<b>SCHEDULE - 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. Inventories</b>		
Stores, Spare parts etc.	8632.20	7778.62
Raw Materials	1233.18	1473.75
Goods-in-Process	1493.30	1090.74
Finished Goods	1133.93	1013.90
Material-in-Transit	1119.97	96.14
	13612.58	11453.15
<b>B. Sundry Debtors</b>		
Debts over six months		
--- Considered Good		
Secured	2.75	8.14
Unsecured	65.97	244.08
--- Considered Doubtful	21.64	316.80
Other Debts		
--- Considered Good		
Secured	544.24	336.05
Unsecured	4690.86	5137.32
	5325.46	6042.39
Less : Provision for Doubtful Debts	21.64	316.80
	5303.82	5725.59
<b>C. Cash &amp; Bank Balances</b>		
Cash & Cheques in hand and remittances in transit	300.47	1203.82
Balances with Scheduled Banks in:		
--- Current Accounts	4961.79	6208.01
--- Deposit Accounts	7257.80	7132.52
(Tied up Rs.5402.37 Lacs, Previous year Rs.1921.22 Lacs)		
	12520.06	14544.35
<b>D. Other Current Assets</b>		
Interest accrued on Deposits	131.63	133.31
<b>E. Loans &amp; Advances</b>		
UNSECURED - Considered Good Unless Otherwise Stated		
Loan - J.K.Synthetics Ltd.(Company under same management)	3300.00	3500.00
Loan to wholly owned subsidiary Companies	47763.18	26354.18
Advances Recoverable in cash or in kind or for value to be received		
--- Considered good	4722.86	2232.12
--- Considered Doubtful	11.64	599.11
Prepaid Expenses	163.49	151.85
Deposits	937.78	1614.93
Balances with Custom & Excise Departments	1261.88	1396.48
	58160.83	35848.67
Less: Provision for Doubtful Advances	11.64	599.11
	58149.19	35249.56
	89717.28	67105.96



**Schedule**
**J.K. CEMENT LIMITED**

Forming Part of The Balance Sheet (Contd.)

Rs./Lacs

<b>SCHEDULE - 7</b>	31-03-2009	31-03-2008
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
<b>Sundry Creditors</b>		
--- Small Scale Undertakings <sup>1</sup>	21.96	26.21
--- Micro, Small and Medium Enterprises <sup>2</sup>	18.35	34.05
--- Other Creditors	11894.28	11841.84
	11934.59	11902.10
<b>Investor Education &amp; Protection Fund shall be credited by following</b>		
(see note below) #		
--- Unclaimed Dividend	41.78	20.66
--- Unclaimed Application Money	2.17	2.22
--- Unclaimed Fraction Money	9.24	6.15
	53.19	29.03
<b>Other Liabilities</b>	14491.34	11570.61
<b>Temporary Book Overdraft</b>	157.83	361.21
	26636.95	23862.95
<b>Provisions</b>		
Taxation (Net of Advance Tax & TDS)	1510.18	1110.39
Proposed Dividend on Equity Shares	2447.45	3496.36
Dividend Tax	415.94	594.21
	4373.57	5200.96
	31010.52	29063.91

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.

Rs./Lacs

<b>SCHEDULE - 8</b>	2008-2009	2007-2008
<b>OTHER INCOME</b>		
Claims Realised	75.45	51.96
Current Investments :		
- Profit on Sale of Investments	-	26.68
- Dividend	-	27.93
Profit on sale of Land	226.68	-
Exchange Rate Difference	31.75	23.54
Miscellaneous Income	457.30	655.60
	791.18	785.71

Schedule	
<b>J.K. CEMENT LIMITED</b>	Forming Part of The Balance Sheet (Contd.)

			Rs./Lacs
<b>SCHEDULE - 9</b>	2008-2009	2007-2008	
<b>MANUFACTURING EXPENSES</b>			
Purchase of Trading Goods	48.01		31.28
Raw Materials Consumed	16296.42		14059.15
Packing Materials Consumed	6480.26		5743.87
Stores and Spares Consumed	3075.21		3672.81
Power and Fuel	37614.01		32969.06
Repairs To:			
Plant and Machinery	2108.73		1689.82
Buildings	443.00		318.40
Others	21.85		38.46
Insurance	259.14		266.93
Increase/(Decrease) in Stock :			
Closing Stock :			
Finished Goods	1133.93	1013.90	
Goods-in-process	1493.30	1090.73	
	2627.23	2104.63	
Less: Opening Stock:			
Finished Goods	1013.90	1510.53	
Goods-in-process	1090.73	2320.65	
	2104.63	522.60	(1726.55)
Excise Duty	108.40		(105.06)
	65932.43		60411.27

			Rs./Lacs
<b>SCHEDULE - 10</b>	2008-2009	2007-2008	
<b>PAYMENTS TO &amp; PROVISIONS FOR EMPLOYEES</b>			
Salaries, Wages and Bonus	6406.26		5018.08
Contribution to Provident and other Funds	1030.69		795.40
Welfare Expenses	941.08		950.39
	8378.03		6763.87

**Schedule**
**J.K. CEMENT LIMITED**

Forming Part of The Balance Sheet (Contd.)

		Rs./Lacs
<b>SCHEDULE - 11</b>	2008-2009	2007-2008
<b>SELLING, ADMINISTRATION &amp; OTHER EXPENSES</b>		
<b>Administration and Other Expenses :</b>		
Rent	353.34	262.22
Lease Rent	0.22	36.41
Rates and Taxes #	1108.24	218.84
Travelling and Conveyance Expenses	893.99	761.02
Provision for Doubtful Debts & Advances	16.40	399.86
Bad Debts & Advances written off		
Debts & Advances written off	1061.25	
Less: Provision of debts/Advances written back	901.32	-
Loss on sale of Fixed Assets (Net)	30.65	46.56
Expenses relating to previous year	10.79	8.55
Miscellaneous Expenses	4045.81	3311.38
	6619.37	5044.84
<b>Selling and Distribution Expenses :</b>		
Advertisement and Publicity	1472.41	1195.21
Commision, Brokerage and Incentives	2204.26	1346.79
Selling Expenses	1486.52	779.92
Freight and Handling Outward	31190.37	28717.57
	36353.56	32039.49
	42972.93	37084.33

# Includes land tax of Rs.1075.47 lacs out of which Rs.601.88 lacs relates to earlier years.

	Rs./Lacs
<b>SCHEDULE - 12</b>	2008-2009
<b>INTEREST</b>	
Interest :	
On Fixed Loans	3838.14
Others	1264.89
	5467.33
Less: Interest Received (Tax deducted at source Rs.156.19 Lacs	
Previous year Rs.283.58 Lacs)	914.26
	4553.07

Schedule	
J.K. CEMENT LIMITED	Notes on Accounts

### SCHEDULE - 13

Rs./Lacs

1. (A) CONTINGENT LIABILITIES	31.03.2009	31.03.2008
(i) In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	5319.04	5058.86
(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
b) Sales tax	1949.26	208.73
c) Service tax	1024.96	453.56
(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1068.02	1047.64
(iv) Guarantees given to banks on behalf of Subsidiary Companies.	49702.12	10618.00
<b>(B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for</b>	<b>190.68</b>	<b>1695.73</b>

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

### 3 (A) TERM LOANS

#### Secured

(i) From Consortium of Banks : **Rs.19637.54 lacs (Rs. 27741.86 lacs)**

(ii) From other Banks : **Rs. 13639.41 lacs (Rs. NIL)**

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 and a premises at Prabhadevi, Mumbai

(iii) From Canara Bank : **Rs.5212.95 lacs (Rs. 2991.40 lacs)**

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

(iv) From IDBI Bank Ltd : **Rs.1188.02 lacs (NIL)**

Secured by equitable mortgage of immovable property and hypothecation of movable property situated at Prabhadevi, Mumbai

(v) Vehicle Loans : **Rs. 200.33 lacs (Rs. 263.04 lacs)** Secured by hypothecation of vehicles

### (B) CASH CREDIT ACCOUNTS : **Rs.3808.19 lacs (Rs.7282.30 lacs)**

Secured by first charge on current assets namely inventories, books debts etc. and second charge on fixed assets of the Company except assets covered in (iii) and (iv) above.

Loans as stated in 3(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. 6985.09 lacs as interest subsidy for the period 1st Dec. 2004 to 31st Dec. 2008. The subsidy amounting to Rs. 6680.43 lacs only released by Government upto 31st March, 2009 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. 1268.25 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.



Schedule	
J.K. CEMENT LIMITED	Notes on Accounts (Contd.)

## 6. Unhedged foreign currency exposure

- (i) Export debtors: US\$ 617438.71 :Rs. 311.93 lacs(US\$ 743543.41 Rs.295.56 lacs)

## 7. 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. 2009	Outstanding Balance as on 31.03.2008	Maximum balance During the year 2008-2009
Jaykaycem Ltd			
- Loan	47500.00	26335.36	47500.00
- Advances	33.77	-	33.77
J.K.Cement (Fujairah)FZC	263.18	18.82	310.79
- Investment by loanee in the shares of the Company :	NIL		

## 8. Disclosures in accordance with Accounting Standards

### (A) Deferred tax assets and liabilities are as under: -

	31.03.2009	31.03.2008
(a) Deferred Tax Assets		
(i) Provision for Doubtful Debts	11.32	111.96
(ii) Expenses deductible on payment basis	1560.92	1346.06
	1572.24	1458.02
(b) Deferred Tax Liabilities		
Difference between Book Depreciation and Depreciation under Income-tax Act	11632.24	6557.32
(c) Net Deferred Tax Liabilities	10060.00	5099.30

### (B) Earning per share (EPS):

	31.03.2009	31.03.2008
(a) Net Profit available for Equity Share holders (Numerator used for calculation)	14234.40	26516.59
(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/-	20.36	37.92

### (C) Related Parties Disclosures:

- (1) (a) Parties where the control/significant influence exists:-
- Juggilal Kamapat Holding Ltd
  - Yadu International Ltd
- (b) Key Management Personnel & their Relatives:
- Shri Yadupati Singhania- Managing Director & C.E.O.
  - Dr. Gaur Hari Singhania (Relative)
- (c) Enterprises significantly influenced by Key Management Personnel or their Relatives.
- J.K. Synthetics Ltd
  - J.K. Cotton Spg. & Wvg. Mills Co. Ltd
  - J.K. Traders Ltd
- (d) Wholly Owned Subsidiary Companies.
- Jaykaycem Ltd
  - J.K. Cement (Fujairah) FZC
- (e) Fellow Subsidiary
- J.K. Cement Works (Fujairah) FZC
- (Related parties relationship is as identified by the Company and relied upon by the Auditors).

Schedule	
<b>J.K. CEMENT LIMITED</b>	Notes on Accounts (Contd.)

(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.

	2008-09	2007-08
<b>(i) J.K. Synthetics Ltd</b>		
- Sale of Product	0.03	0.11
- Services received	37.02	33.71
- Rent paid	42.44	38.14
- Expenses Reimbursed	152.86	125.55
- Loan given		
Balance as at beginning	3500	4200
Payment received	200	700
Balance as at close of the year	3300	3500
<b>(ii) J.K. Cotton Spg. &amp; Wvg. Mills Co. Ltd</b>		
- Rent paid	4.94	3.82
<b>(iii) Jaykaycem Ltd</b>		
- Sale of Assets/Scrap	16.53	38.28
- Services rendered	185.58	123.53
Balance as at beginning	26335.36	7648.16
Loan given	21164.64	18687.20
Advance given	33.77	-
Balance as at close of the year;		
Loan	47500.00	26335.36
Advance	33.77	-
- Gurantees given	49702.12	10500.00
<b>(iv) J.K. Cement (Fujairah)</b>		
Balance as at beginning	18.82	-
Services rendered	-	18.82
Advances given	244.36	-
Balance as at close of the year	263.18	18.82
- Guarantees given	-	118.00
<b>(v) Key Management Personnel and their relatives</b>		
a) Shri Y.P. Singhania (Managing Director)		
-Remuneration	601.29	562.99
a) Dr Gaur Hari Singhania (Relative)		
- Commission	35.00	35.00
- Sitting Fees	1.50	1.45

**(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 2008-09 are as under:

	Rs./Lacs
Employer's contribution to Provident Fund	242.87
Employer's contribution to Superannuation Fund	253.90
Employer's contribution to Family Pension Fund	140.99

Schedule	
J.K. CEMENT LIMITED	Notes on Accounts (Contd.)

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	
		2008-09	2007-08	2008-09	2007-08
I	Expenses recognised in the Statement of Profit & Loss for the year ended				
1	Current Service Cost	109.93	96.76	143.55	111.31
2	Interest Cost	165.54	157.17	42.97	33.42
3	Expected return on plan assets	(154.53)	(148.72)	-	-
4	Net Actuarial(Gains)/Losses	239.78	143.63	15.40	(18.11)
5	Total expenses	360.72	248.84	201.92	126.62
II	Net Asset/(Liability) recognised in the Balance Sheet as at 31.03.2009				
1	Present value of Defined Benefit Obligation	2701.59	2086	717.26	532.78
2	Fair value of plan assets	2347.2	1903.14	-	-
3	Funded status[Surplus/(Deficit)]	(354.39)	(182.86)	(717.26)	(532.78)
4	Net asset/(Liability)	(354.39)	(182.86)	(717.26)	(532.78)
III	Change in obligation during the year ended				
1	Present value of Defined Benefit Obligation at beginning of the year	2083.90	1912.30	532.78	418.99
2	Current Service Cost	109.83	96.76	143.55	111.31
3	Interest Cost	165.54	157.17	42.97	33.42
4	Actuarial(Gains)/Losses	472.43	46.22	15.40	(18.11)
5	Benefits Payments	(130.11)	(126.35)	(17.44)	(12.83)
6	Present value of Defined Benefit Obligation at the end of the year.	2701.59	2086.1	717.26	532.78
IV	Change in Assets during the year ended				
1	Plan assets at the beginning of the year	1903.14	1866.24	-	-
2	Expected return on plan assets	154.53	148.72	-	-
3	Contributions by Employer	186.99	111.94	17.44	12.83
4	Actual benefits paid	232.65	(126.94)	-	-
5	Actuarial Gains/(Losses)	(130.11)	(97.41)	(17.44)	(12.83)
6	Plan assets at the end of the year	2347.20	1903.14	-	-

Schedule	
J.K. CEMENT LIMITED	Notes on Accounts (Contd.)

	As at 31.03.09	31.03.08	31.03.09	Rs/lacs 31.03.08
V Actuarial Assumptions:				
1 Discount Rate	7.50%	8.20%	7.50%	8.20%
2 Expected rate of return on plan assets	8%	8%	-	-
3 Mortality	LIC(94-96) Ultimate	LIC(94-96) Ultimate	Ultimate	Ultimate
4 Turnover rate : Staff	5% of all ages	5% of all ages	5%	5%
Worker	1% of all ages	1% of all ages	1%	1%
5 Salary escalator	10%	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. 21.96 lacs (Prev. year Rs. 26.21 lacs) excluding interest based on information available. Further no interest during the year has been paid or is payable under the agreement. The names of the units to whom Company owes monies for more than 30 days as at 31st March, 2009 are :-
- (1) Alka Enterprises (2) Arihant Wire Cloth Co (3) Adage Automation Pvt. Ltd (4) Air Boost Overseas (5) Carbonate Corporation (6) Conbrive Instrumentation Pvt. Ltd (7) Con-Weigh System Pvt. Ltd (8) Diana Products Pvt. Ltd (9) Dynamic Engineers & Consultants (10) Enterprising Engineers (11) Everywhere Services (12) Guljag Air Products Pvt. Ltd (13) Industrial Power Solutions (14) Jagjivan Enchem Udyog Ltd (15) Khira Industries (16) Kleen Rite Enterprises (17) Mandsaur Cement Pipe Factory (18) New Laxmi Engg & Trolly Works (19) Perfect Hydraulics & Services (20) Pioneer Engineering Services (21) Recmann Hoists & Cranes Pvt. Ltd (22) Skylark (India) Elevator Co. (23) Stanfab Engineering Pvt. Ltd (24) Suryadeep Aloooy Steel Castings (25) Toshniwal Industries Pvt. Ltd (26) Usha Compressors Pvt. Ltd (27) Vishal Mechanical Works
- (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 their outstanding is Rs. 18.35 lacs (Previous year Rs. 34.05 lacs). Further no interest during the year has been paid or is payable under the agreement. The Name of the parties to whom amount outstanding for more than 45 days are as under:-
- (1) A Dayal Assoicates (2) Dyna Chem Engineers (3) H.B. Enterprises (4) Industrial Filters & Fabrics (5) Krishna Enterprises (6) Peekay Industries (7) Powerage Industries (8) Saurastra Engineers (9) Tempsens Instruments(l) Pvt. Ltd.



Schedule	
J.K. CEMENT LIMITED	Notes on Accounts (Contd.)

**9. Managerial Remuneration paid/payable to Directors :**

		(Rs./lacs)
	2008-2009	2007-2008
Managing Director:		
Remuneration	84.00	72.00
Contribution to P.F. & Superannuation	10.08	8.64
Performance linked incentive	42.00	36.00
Perquisites/Allowances	115.21	89.35
Commission	350.00	357.00
Total (a)	601.29	562.99
Non Whole Time Directors		
Sitting Fees	8.70	9.00
Commission	75.00	75.00
Total (b)	83.70	84.00
TOTAL (a+b)	684.99	646.99

**Computation under section 349 of the Companies Act,1956**

		(Rs./lacs)
	2008-2009	2007-2008
Profit before Taxes	23396.04	34656.89
Add:		
(a) Managerial Remuneration	684.99	646.99
(b) Provision for Bad and Doubtful Debts and Advances	16.40	399.86
(c) Loss on sale of assets	30.65	-
Less: Profit on sale of investments	-	26.68
Less: Dividend Income	-	27.93
Less: Profit on sale of land(Net)	(226.68)	-
Less: Provision for Bad and Doubtful Debts and Advances Written Back	(901.32)	-
Profit as per section 349 of the Companies Act,1956	23000.08	35649.13
(a) Commission to Managing Director:		
Maximum Remuneration to Managing Director @ 5% of above profit	1150.00	1782.46
Commission as determined by the Board	350.00	357.00
(b) Commission to Non Whole Time Directors		
Eligible Commission to Non Whole Time Directors @ 1% of above profit	230.00	356.49
Commission as determined by the Board	75.00	75.00

**10. Remuneration to Auditors**

		(Rs./lacs)
	2008-2009	2007-2008
(a) Audit Fee	10.00	7.50
(b) In Other Capacity	2.46	1.52
(c) Reimbursement of Out of Pocket expenses	0.63	0.56

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

12. Schedules 1 to 14 form integral part of the accounts and have been duly authenticated.

Schedule	
J.K. CEMENT LIMITED	Significant Accounting Policies

## **SCHEDULE - 14**

### **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(ASI-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.

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

Schedule	
J.K. CEMENT LIMITED	Significant Accounting Policies (Contd.)

#### 10. 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.

#### 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.

#### 15. IMPAIRMENT OF ASSETS

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

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

**Information Pursuant To The Provisions**
**J.K. CEMENT LIMITED**

of Paragraphs 3, 4C &amp; 4D of Part II of Schedule VI To The Companies Act, 1956

**A. CAPACITY, TURNOVER, PRODUCTION & STOCKS**

(Rs./lacs)

SL. 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/POZZOLANA CEMENT	M.T	4471900	14202	267.95	3799581	3799759	154318.08	14023	265.61
			(4000000)	(9568)	(188.17)	(3765855)	(3761221)	(155951.16)	(14202)	(267.95)
2.	WHITE CEMENT	M.T.	400000	8672	499.49	249958	249196	21854.55	9434	586.76
			(400000)	(17444)	(986.89)	(232073)	(240845)	(18514.57)	(8672)	(499.49)
3.	OTHERS				246.45			11472.76		281.56
					(335.47)			(6818.87)		(246.46)
					1013.89			187645.39		1133.93
					(1,510.53)			(181,284.60)		(1,013.90)

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 01.04.2007 to 31.03.2008 and are within bracket

@ As certified by the management.

**B. RAW MATERIAL CONSUMED**

(Rs./lacs)

Name of Material	Unit	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
Lime Stone	M.T	4663163	6108.46	4345064	5288.85
Red Ochre	M.T	329994	1302.81	309277	957.10
Pozzolana	M.T	34304	202.73	49491	259.20
Gypsum/Selenite	M.T	184289	1722.97	192417	1833.42
Clay	M.T	73501	349.22	53459	266.13
Fly Ash	M.T.	482742	2874.93	457773	2898.95
Others #			3735.30		2555.50
			16296.42		14059.15

# Includes consumption of own production

**C. C.I.F VALUE OF IMPORTS**

(Rs./lacs)

	2008-09	2007-2008
a) Components, Stores & Spare Parts and packing material	3436.25	982.71
b) Capital Goods	385.26	407.13
c) Others	-	-
	3821.51	1389.84



**Information Pursuant To The Provisions**
**J.K. CEMENT LIMITED**

of Paragraphs 3, 4C &amp; 4D of Part II of Schedule VI To The Companies Act, 1956

**D. EXPENDITURE IN FOREIGN CURRENCY**

		(Rs./lacs)
(On accrual basis)	2008-2009	2007-2008
a) Know-how/Technical Service Fee	48.31	66.07
b) Others	109.42	56.75
	157.73	122.82

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

		(Rs./lacs)
	2008-2009	2007-2008
a) Raw Materials		
i) Imported Value	1536.72	-
% of total consumption	9.43%	-
ii) Indigenous value	14759.70	14059.15
% of total consumption	90.59%	100.00%
	16296.42	14059.15
b) Stores & Spare Parts etc. (including Packing Material)		
i) Imported Value	760.12	592.94
% of total consumption	7.95%	6.30%
ii) Indigenous value	8795.35	8823.74
% of total consumption	92.05%	93.70%
	9555.47	9416.68

**F. REMITTANCE IN FOREIGN CURRENCY**

		(Rs./lacs)
	2008-2009	2007-2008
Dividend	1.68	1.27

**G. EARNING IN FOREIGN EXCHANGE**

		(Rs./lacs)
	2008-2009	2007-2008
Export of Goods Calculated on FOB Value	1486.54	1316.72

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

**GAUR HARI SINGHANIA**  
Chairman

**YADUPATI SINGHANIA**  
Managing Director & CEO

**A. K. AGARWAL**  
Partner

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

**ACHINTYA KARATI**  
Director

**ASHOK SHARMA**  
Director

**SHAMBHU SINGH**  
Company Secretary

**J.N.GODBOLE**  
Director

**J.P.BAJPAI**  
Director

**K.N.KHANDELWAL**  
Director

Kanpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director

## Balance Sheet Abstract

**J.K. CEMENT LIMITED**

And Company's General Business Profile

### 1 REGISTRATION DETAILS

Registration No.  State Code   
Balance Sheet Date   
Date Month Year

### 2 CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue  Right Issue   
Bonus Issue  Private Placement

### 3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities  Total Assets

#### Sources of Funds

Paid - up Capital  Reserves and Surplus   
Secured Loans  Unsecured Loans   
Deferred Taxation

#### Application of Funds

Net Fixed Assets  Investments   
+ -  
Net Current Assets  Misc. Expenditure   
Accumulated Losses

### 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)   
Product Description   
Item Code No. (ITC Code)   
Product Description

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

**GAUR HARI SINGHANIA**  
Chairman

**YADUPATI SINGHANIA**  
Managing Director & CEO

**A. K. AGARWAL**  
Partner

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

**ACHINTYA KARATI**  
Director

**ASHOK SHARMA**  
Director

**SHAMBHU SINGH**  
Company Secretary

**J.N.GODBOLE**  
Director

**J.P.BAJPAI**  
Director

**K.N.KHANDELWAL**  
Director

Kanpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director

**Statement Pursuant to Section 212 of the Companies act, 1956**
**J.K. CEMENT LIMITED**

Name of the Subsidiary Company	Finance 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		For the Previous Financial Years	
				Profits/(Losses) so far as it concerns the members of the Holding Company and not dealt with in the Holding Company's Accounts (Rs./lacs)	Subsidiary Profits/(Losses) so far as it concerns the members of the Holding Company and dealt with in the Holding Company's Accounts (Rs./lacs)	Profits/(Losses) so far as it concerns the members of the Holding Company and dealt with in the Holding Company's Accounts (Rs./lacs)	Profits/(Losses) so far as it concerns the members of the Holding Company and dealt with in the Holding Company's Accounts (Rs./lacs)
Jaykaycem Ltd <sup>1</sup>		31.03.2009	350700	100%	-	N.A.	N.A.
J.K. Cement (Fujairah) FZC		31.12.2008	1000000 (in AED)	100%	-	N.A.	N.A.
J.K. Cement Works (Fujairah) FZC <sup>2</sup>		31.12.2008	900000 (in AED)	90%	-	N.A.	N.A.

**Note:**

1. Loss for the period of Jaykaycem Ltd before it became subsidiary of the Company was Rs. 8,35,748/-
2. The Share of J.K. Cement Works (Fujairah) FZC is acquired by J.K. Cement (Fujairah) FZC, wholly owned subsidiary of J.K. Cement Ltd.

**Place: KANPUR**
**Dated: 23rd May, 2009**

To  
The Members

Your Directors present their TWENTY FIRST ANNUAL REPORT together with the Audited Accounts for the financial year ended 31st March, 2009.

**FINANCIAL RESULTS:**

As reported earlier, the Company's 3 Million Tonnes Per Annum (MTPA) capacity green field grey cement plant at Mudhol in the state of Karnataka is at the final stage of implementation. The expenditure incurred during the year is in relation 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:**

As reported earlier, the green field grey cement plant of 3 MTPA capacity set up by the Company at Mudhol in the state of Karnataka is at the final stage of implementation. Out of the total cost outlay of Rs.1000 crores (including captive power plant) Rs.998 Crores has been spent. The trial runs are expected to commence by June, 2009. There has been a cost overrun in the project on account of substantial increase in cost of land, increase in civil and mechanical erection costs etc. Proposal of cost overrun and financing thereof is under consideration by the Company's Bankers.

**SCHEME OF MERGER:**

The Company Petition confirming merger of the Company with holding Company M/s. J.K. Cement Ltd., is pending before the Hon'ble High Court of judicature at Allahabad.

**FINANCE:**

The Company has availed total disbursement of Rs. 497 Crores till 31.3.2009 (Rs. 392 Crores during the financial year 2008-09) against sanctioned Term Loans of Rs. 525 crores from consortium of Banks.

Financial Closure of working capital facility of Rs. 110 Crores by various Banks has been finalized subsequent to closure of financial Year. Pending Financial Closure, the Company has availed a short term accommodation of Rs. 10 Crores from Dena Bank.

**DIRECTORS:**

Pursuant to Articles of Association of the Company, Shri R. G. Bagla and Shri J.S. Reddy retire by rotation from the Board and being eligible offer themselves for re-appointment.

**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 no material departures have been made 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, 2009.
- 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 an on 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.

#### COMPLIANCE CERTIFICATE:

The Board of Directors of the Company appointed M/s G.K. Banthia & Co., Company Secretaries to conduct Secretarial Audit of the Company. The Secretarial Compliance Certificate as stipulated under the proviso to Section 383A (1) of Companies Act, 1956 for the year ended 31st march, 2009 is attached and form part of Directors' Report.

#### 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 that there is nothing to be disclosed in respect of (a) Conservation of Energy (b) Technology Absorption and (c) Foreign Exchange Earning . But Foreign Exchange Outgo equivalent to Rs. 95.98 crores is reported.

#### 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 ON BEHALF OF THE BOARD

Place: KANPUR

Dated: 23rd May'2009

**(A.K. SARAOGI)**

Director

**(R.G. BAGLA)**

Director



**Auditors' Report****JAYKAYCEM LIMITED**

To

The Members of Jaykaycem Limited

1. We have audited the attached Balance Sheet of Jaykaycem Limited, as at 31st March, 2009 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 8 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 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 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 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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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, 2009; 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

Membership No.72754

Place: Kanpur.

Date : 23rd May'2009

(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.
  - (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 of construction material
  - (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.47500.00 Lacs and the year end balance was Rs.47500.00 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.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. There fore 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.

**Annexure to the Auditors' Report (Contd.)****JAYKAYCEM LIMITED**

- (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, 2009 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.

Date : 23rd May'2009

Balance Sheet	
JAYKAYCEM LIMITED	As At 31st March, 2009

Rs.

	Schedule	31-03-2009	31-03-2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	3507000	3507000
Reserves & Surplus	2	6500000	6500000
		10007000	10007000
<b>Loan Funds</b>			
Secured Loans	3	4984447938	1060489708
Unsecured Loans		4852025000	2633560848
		9836472938	3694050556
<b>TOTAL</b>		<b>9846479938</b>	<b>3704057556</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	164264249	84643267
Less: Depreciation		9865164	1592568
Net Block		154399085	83050699
Capital Work-in-Progress		8749814110	3160698572
		8904213195	3243749271
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	5	204159807	300181442
Other Current Assets		2936199	8349517
Loans & Advances		967317475	262383636
		1174413481	570914595
<b>Less: Current Liabilities &amp; Provisions</b>			
Liabilities	6	307722820	111445352
		307722820	111445352
<b>Net Current Assets</b>		866690661	459469243
<b>Miscellaneous Expenditure</b> ( to the extent not written-off or adjusted)			
Preliminary Expenses		3294	3294
Deferred Revenue Expenditure	7	74737040	-
<b>Profit &amp; Loss Account</b>		835748	835748
<b>TOTAL</b>		<b>9846479938</b>	<b>3704057556</b>
Notes & Contingent Liabilities	8		
Significant Accounting Policies	9		

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

**P. P. SINGH**  
Partner

Kanpur  
Dated : 23rd May'2009

**ANOOP K. SHUKLA**  
Company Secretary

**ASHOK SHARMA**  
Director

**YADUPATI SINGHANIA**  
Director

**J.N.GODBOLE**  
Director

**A.K.SARAOGI**  
Director

**R.G.BAGLA**  
Director

Cash Flow Statement	
<b>JAYKAYCEM LIMITED</b>	For The Year Ended 31st March, 2009

	2008-09	Rs. 2007-08
<b>A) CASH FLOW FROM OPERATING ACTIVITIES.</b>	-	-
<b>B) CASH FLOW FROM INVESTING ACTIVITIES.</b>		
Purchase of Fixed Assets including capital advances	(5293447578)	(2578806117)
Sale of Assets	552000	-
Deferred Revenue Expenditure	(74737040)	-
Interest Income	38088726	11,328,908
Advances & Other Receivables	(703668711)	(259274125)
Increase in Liabilities	193702865	109607670
Net Cash used in Investing activities	(5839509738)	(2717143664)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES.</b>		
Advances from Holding Company	2116464152	1868720224
Loan from Banks	4020212517	1050000000
Overdraft from Bank	3745713	10489708
Unsecured Loans	2000000	-
Interest Paid	(398934279)	(18801180)
Net Cash generated from financing activities	5743488103	2910408752
Net Increase in cash and cash equivalents	(96021635)	193265089
Opening balance of Cash & cash equivalents	300181442	106916353
Closing balance of Cash & cash equivalents	204159807	300181442

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

**P. P. SINGH**  
Partner

Kanpur  
Dated : 23rd May'2009

**ANOOP K. SHUKLA**  
Company Secretary

**ASHOK SHARMA**  
Director

**YADUPATI SINGHANIA**  
Director

**J.N.GODBOLE**  
Director

**A.K.SARAOGI**  
Director

**R.G.BAGLA**  
Director



Schedule	
JAYKAYCEM LIMITED	Forming Part Of The Balance Sheet (Contd.)

		Rs.
SCHEDULE - 1	31-03-2009	31-03-2008
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
10,00,000 Equity Shares of Rs.10/- each	10000000	10000000
	10000000	10000000
<b>Issued, subscribed &amp; paid up</b>		
350700 Equity Shares of Rs.10/- each fully paidup alloted to J.K.Cement Ltd.	3507000	3507000
	<b>3507000</b>	<b>3507000</b>

		Rs.
SCHEDULE - 2	31-03-2009	31-03-2008
<b>RESERVES &amp; SURPLUS</b>		
Securities Premium Account	6500000	6500000
<b>TOTAL</b>	<b>6500000</b>	<b>6500000</b>

		Rs.
SCHEDULE - 3	31-03-2009	31-03-2008
<b>LOANS</b>		
<b>Secured</b>		
Term Loans from Banks	4970212517	1050000000
Overdraft (Secured against FDR)	14235421	10489708
Sub Total	4984447938	1060489708
<b>Unsecured</b>		
Loan from Holding Co.	4750000000	2633535848
Unsecured Loans from Banks	100000000	-
Security Deposits & others	2025000	25000
Sub Total	4852025000	2633560848
<b>TOTAL</b>	<b>9836472938</b>	<b>3694050556</b>

Schedule	
JAYKAYCEM LIMITED	Forming Part Of The Balance Sheet (Contd.)

SCHEDULE - 4										Rs.
FIXED ASSETS				GROSS BLOCK			DEPRECIATION			NET BLOCK
	As at 01.04.2008	Additions	Deductions	As at 31.03.2009	As at 01.04.2008	For the Year	Deduction	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold Land	8511956	2703168		11215124					11215124	8511956
Leasehold Land	48219017	48517766		96736783					96736783	48219017
Buildings	1162575			1162575	1594	1160981		1162575		1160981
Plant & Machinery	12669607	14576400	93600	27152407	823378	1898073		2721451	24430956	11846229
Furniture, Fixtures and Office Equipments.	4610291	6239351	62000	10787642	132168	516255	1636	646787	10140855	4478123
Vehicles	8747001	4650453	650344	12747110	559981	1103537	15446	1648072	11099038	8187020
Other Assets	722820	3739788		4462608	75447	3610832		3686279	776329	647373
GRAND TOTAL	84643267	80426926	805944	164264249	1592568	8289678	17082	9865164	154399085	83050699
Previous year's figures	14015017	70628250		84643267	51495	1541073		1592568		
Capital Work-in-progress									8749814110	3160698572
									8904213195	3243749271

Capital Work in progress includes

i) Capital Advances	Rs. 618415943 (Rs.1385913713)
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ii) Construction material etc.at site	Rs. 285690946 (Rs. 252355538)
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iii) Incidental expenditure during Construction	Rs. 684038463 (Rs. 132825609)
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Schedule	
JAYKAYCEM LIMITED	Forming Part Of The Balance Sheet (Contd.)

Rs.

SCHEDULE - 5	31-03-2009	31-03-2008
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(a) Cash &amp; Bank Balances</b>		
Cash & Cheques in hand and remittances in transit	683268	356640
Balances with Scheduled Banks in:		
- Current Accounts	35661129	1510468
- Deposit Accounts	167815410	298314334
(Tiedup Rs.1078.15 Lacs, Previous year Rs.2249.40 Lacs)		
<b>Total</b>	<b>204159807</b>	<b>300181442</b>
<b>(b) Other Current Assets</b>		
Interest accrued on Deposits	2936199	8349517
<b>Total</b>	<b>2936199</b>	<b>8349517</b>
<b>(c) Loans &amp; Advances</b>		
UNSECURED- Considered Good unless otherwise stated		
Advances Recoverable in cash or in kind or for value to be received		
- Considered good	59932240	91347628
Tax deducted at source	2575563	1310435
Prepaid Expenses	483465	378917
Deposits	24468931	1331450
Balances with Custom & Excise Departments	879857276	168015207
<b>Total</b>	<b>967317475</b>	<b>262383636</b>
<b>GRAND TOTAL</b>	<b>1174413481</b>	<b>570914595</b>

Rs.

SCHEDULE - 6	31-03-2009	31-03-2008
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	293629008	46289480
Other Liabilities	14085968	5225850
Temporary Book Overdraft	7844	59930022
<b>TOTAL</b>	<b>307722820</b>	<b>111445352</b>

Rs.

SCHEDULE - 7	31-03-2009	31-03-2008
<b>DEFERRED REVENUE EXPENDITURE</b>		
Mining Development Expenses	41477040	-
Brand, Market Development & others	33263294	-
	<b>74737040</b>	<b>-</b>

Schedule	
JAYKAYCEM LIMITED	Forming Part Of The Balance Sheet (Contd.)

	Amt. in Rs.	
SCHEDULE - 8	2008-09	2007-08
<b>NOTES &amp; CONTINGENT LIABILITIES</b>		
<b>1. Contingent Liabilities:</b>		
i) In respect of Environmental Protection Fee	24033240	-
ii) Estimated amount of contracts remaining to be executed on Capital Accounts (net of advances) and not provided for	2076295000	3984684000

**2. Term Loans:**

**Secured**

From Consortium of Banks- Rs. 4970212517 (Previous year Rs. 10500000000)

- 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.
- 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.	
	2008-09	2007-08
J.K. Cement Ltd		
- Purchase of Assets	1653657	3827832
- Services Received	18558000	12353044
Balance as at beginning	2633535848	764815624
Loan taken	2116464152	1868720224
Balance as at close of the year	4750000000	2633535848
Current Account	3377000	-

- There was no outstanding dues of Small Scale Industrial Undertaking for more than 30 days as at 31st March, 2009.
  - 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.
- 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.	
Particulars	Current Year	Previous Year
	2008-09	2007-08
Rent	1715345	1231551
Lease Rent	12675511	313429
Rates & Taxes	177160	323100
Travelling & Conveyance	11271113	6581798
Legal & Professional Charges	65584973	36008529
Letter of Credit & Other Bank charges	15539085	28322435
Interest on Fixed Loan	397028941	17252612
Interest on Overdraft	3825155	1508572
Interest on Others	654786	39996

Schedule	
JAYKAYCEM LIMITED	Forming Part of the Balance Sheet (Contd.)

Rs.

Particulars	Current Year 2008-09	Previous Year 2007-08
Interest received	(33940536)	(18630236)
Advertisement & Publicity	1034031	229562
Depreciation	8289678	1541073
Audit fee	200000	150000
Statutory Auditor Other Capacity	20500	-
Freight & Handling(Asset specific)	4338871	8561322
Establishment Expenses	13501410	17529126
Welfare expenses	1243886	195610
Insurance	3448550	119209
Repairs & Maintenance:		
Plant & Machinery	665173	10159
Other Assets	334550	250808
Director Sitting Fees	121140	-
Loss on sale/disposal of assets	236862	-
Other Administrative expenses	43246673	15405755
Add: Last year balance	132825609	15881199
Total Expenditure	684038463	132825609

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

Amt. in Rs.

Companies Act, 1956	2008-09	2007-08
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	959840577	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:

Amt. in Rs.

	2008-09	2007-08
i) As Auditors	Rs. 200000	Rs. 150000
ii) In other capacity	Rs. 20500	Rs. 15000
iii) Reimbursement of out of pocket expenses	Rs. 60084	Rs. 29301

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

**P. P. SINGH**

Partner

**ANOOP K. SHUKLA**

Company Secretary

**YADUPATI SINGHANIA**

Director

**A.K.SARAOGI**

Director

Kanpur

Dated : 23rd May'2009

**ASHOK SHARMA**

Director

**J.N.GODBOLE**

Director

**R.G.BAGLA**

Director



Schedule	
JAYKAYCEM LIMITED	Forming Part Of The Balance Sheet (Contd.)

## SCHEDULE - 9

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Accounting 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/attributioned 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.

## Balance Sheet Abstract and Company's General Business Profile

**JAYKAYCEM LIMITED**

Forming Part of the Balance Sheet (Contd.)

### 1 REGISTRATION DETAILS

Registration No.  State Code

Balance Sheet Date   
Date Month Year

### 2 CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue  Right Issue

Bonus Issue  Private Placement

### 3 POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liability  Total Assets

#### Sources of Funds

Paid - up Capital  Reserves and Surplus

Secured Loans  Unsecured Loans

Deferred Taxation

#### Application of Funds

Net Fixed Assets  Investments

+ -

Net Current Assets  Misc. Expenditure

Accumulated Losses

### 4 PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover  Total Expenditure

+ -

+ -

Profit before tax  Profit/Loss After Tax

Earning per Share in Rs.  Dividend Per Share in

### 5 GENERIC NAMES OF PRINCIPAL PRODUCTS OF THE COMPANY (As per monetary Terms)

Item Code No.(ITC Code)

Product Description

Item Code No. (ITC Code)

Item Code No. (ITC Code)

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

**P. P. SINGH**

Partner

Kanpur

Dated : 23rd May'2009

**ANOOP K. SHUKLA**

Company Secretary

**ASHOK SHARMA**

Director

**YADUPATI SINGHANIA**

Director

**J.N.GODBOLE**

Director

**A.K.SARAOGI**

Director

**R.G.BAGLA**

Director

## Directors' Report

### J.K.CEMENT (FUJAIRAH) FZC

Dear Members,

Your Directors submit their First Annual Report and audited statements of account for the period 11.2.2008 to 31.12.2008.

#### INCORPORATION

Your Company was incorporated on 11.2.2008 with the object "Trading and Investment in Cement & Allied Products". Your Company is a wholly owned subsidiary of J.K.Cement Ltd., India.

#### FINANCIAL RESULTS

The period ended 31.12.2008 resulted in a net loss of AED 188171 on account of administrative and miscellaneous expenses including License and Registration Fees. Due to absence of operations, there was no income during the period.

#### GREY CEMENT PROJECT

Your Company has taken up a project to establish a green field Grey Cement Plant at Fujairah, U.A.E. under its subsidiary in Free Trade Zone - J.K.Cement Works (Fujairah) FZC, U.A.E. which is a Joint Venture Company with a Govt. of Fujairah establishment, Fujairah Investment holding 10% equity. The subsidiary Company has taken up certain initial steps such as site development including land leveling and cuttings which is in progress. Besides, exploration of mines, geological survey and environmental study has been completed. A sum of AED 1896730 has been transferred to Joint Venture Company during the period ended 31st December, 2008 towards equity participation/loans.

#### DIRECTORS

Pursuant to Articles of Incorporation of the Company, Shri Yadupati Singhania, Shri A.K.Saraogi, Shri D.Ravisankar and Shri Prashant Seth were appointed by the Board as first Directors. You are requested to confirm their appointment.

#### AUDITORS

M/s. Fuller International, first Auditors of the Company were appointed by the Board of Directors and their term shall expire at the conclusion of ensuing Annual General Assembly. However, they are eligible for reappointment. You are requested to consider their appointment till next Annual General Assembly.

#### ACKNOWLEDGEMENT

Your Directors place on record the appreciation for help and guidance provided to the Company by His Highness Sheikh Hamad Bin Mohammed Al Sharqi, the Ruler of Fujairah and His Highness Sheikh Mohammed Bin Hamad Al Sharqi, the Crown Prince of Fujairah. Directors also thank to Government of Fujairah, Fujairah Municipality and other Government Authorities of Fujairah for assistance provided to the Company.

I declare that the audited financial statements for the period ended on 31st December, 2008 comply in all material respects with the requirements of Company Law and Memorandum and Articles of Association of the Company and with the International Accounting Standards issued by the International Accounting Standards Committee. These financial statements state fairly and clearly in all material respects the true financial position of the Company at 31st December, 2008 and the results of its operations and its cash flows for the year ended on that date.

In my opinion and to the best of my knowledge and belief there have been no violations of the Provisions of the Company Law and that of the Memorandum and Articles of Association of the Company. There were no material irregularities that affected the financial position of the Company and its results for the year of the accounts and there were no events subsequent to the date of the Balance Sheet that may have had material effect on the financial statements attached.

FOR AND ON BEHALF OF THE BOARD

Place : Fujairah

Date : 19th March'2009

(YADUPATI SINGHANIA)

Managing Director

## ***J.K. Cement (Fujairah) FZC***

Auditors' Report	
J.K.CEMENT (FUJAIRAH) FZC	

To the Partners in  
Messrs. J.K. Cement (Fujairah) FZC  
P.O. Box 5325  
Fujairah, United Arab Emirates

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying balance sheet of Messrs. J.K. Cement (Fujairah) FZC - Fujairah (The Company) as at 31st December, 2008 and related statement of pre-operation expenses and statement of cash flows for the period from 11th February 2008 to 31st December, 2008, together with the notes thereon which have been prepared in accordance with the accounting policies set out in the notes to the financial statements.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **OPINION**

In our opinion, the accompanying financial statements, which are first audited financial statements issued by the Company since its incorporation, present fairly, in all material respects, the financial position of the Company as at 31st December 2008, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the relevant Articles of the Company and the UAE Federal Law No.8 of 1984 (as amended).

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Federal Law No. 8 of 1984 (as amended), we further confirm that we have obtained all information and explanations necessary for our audit, proper financial records have been kept by the Company and the financial statements are in agreement with the Company's financial records. We are not aware of any violation of the above mentioned Law and the Articles of Association having occurred during the period ended 31st December 2008, which may have had a material adverse effect on the business of the Company or its financial position.

Fuller International  
Certified Public Accountants

Issued in Dubai on 19th March'2009

Balance Sheet	
<b>J.K.CEMENT (FUJAIRAH) FZC</b>	As At 31st December, 2008

ASSETS	Note	AED
<b>NON-CURRENT ASSETS</b>		
Investment in subsidiary	4	900000
Related party - J.K. Cement works (Fujairah) FZC - Fujairah	5	996730
<b>TOTAL NON CURRENT ASSETS</b>		<b>1896730</b>
<b>CURRENT ASSETS</b>		
Bank balance		19247
<b>TOTAL ASSETS</b>		<b>AED 1915977</b>
<b>OWNERS' EQUITY AND LIABILITIES</b>		
<b>OWNERS' EQUITY</b>		
Capital	6	1000000
Net loss for the period	7	(188171)
<b>TOTAL OWNERS' EQUITY</b>		<b>811829</b>
<b>LONG-TERM LIABILITIES</b>		
Related party - JK Cement Ltd - India	5	1097148
<b>CURRENT LIABILITIES</b>		
Accrued expenses		7000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>AED 1915977</b>

The Notes Attached Herewith Form Part of These Financial Statements.

As Per Our Audit Report  
Fuller International  
Certified Public Accountants

Managing Director  
Approved on 19th March, 2009

Statement of Pre-Operation Expenses	
<b>J.K.CEMENT (FUJAIRAH) FZC</b>	For The Period From 11th February 2008 To 31st December, 2008,

	AED
Trade licence and registration fees	124689
Travelling	26894
Consultancy charges	13485
Bank charges	9207
Other general expenses	13896
<b>TOTAL (NET LOSS FOR THE PERIOD) (NOTE 7)</b>	<b>AED 188171</b>

The Notes Attached Herewith Form Part of These Financial Statements.



## J.K. Cement (Fujairah) FZC

Statement of Cash Flow	
J.K.CEMENT (FUJAIRAH) FZC	For The Period From 11th February 2008 To 31st December, 2008

AED

### OPERATING ACTIVITIES

Net loss for the period	(188171)
Operating assets and liabilities:	
Accrued expenses	7000
Net cash (used in) operating activities	(181171)

### INVESTING ACTIVITIES

Investment in subsidiary (Note 4)	(900000)
-----------------------------------	----------

### FINANCING ACTIVITIES

Capital introduced	1000000
Financing by Related party - JK Cements Ltd.India- (Note 5)	1097148
Financing the Related party - JK Cement works (Fujairah) FZC (Note 5)	(996730)
Net cash generated from financing activities	1100418
Cash and cash equivalents at the end of the period	AED 19247

The Notes Attached Herewith Form Part of These Financial Statements.

Accounting Policies And Notes	
J.K.CEMENT (FUJAIRAH) FZC	To the Financial Statements 31st Dec, 2008

## NOTE

### 1. INCORPORATION AND ACTIVITIES OF THE COMPANY

#### 1.1. INCORPORATION

J.K CEMENT (FUJAIRAH) FZC (FREE ZONE COMPANY) - (The Company) was incorporated as a Free Zone Company at Fujairah Free Trade Zone on 11th February, 2008 in accordance with the provisions of United Arab Emirates Federal Law No. (8) of 1984 concerning commercial companies as amended and the Free Zone Regulations of the Emirate of Fujairah. The Company was registered in the trade registry on 11th February, 2008 in accordance with the trade licence No. 2204.

These are the first financial statements issued by the Company since its incorporation.

#### 1.2. ACTIVITIES

The Company is licensed to carry on the business of trading and investment in cement and allied products.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. PREPARATION AND PRESENTATION

The preparation and presentation of these financial statements comply in all material respects with the requirements of the International Financial Reporting Standards issued by the International Accounting Standards Board.

Standards, amendment and interpretations effective in 2008;

IFRIC 11, Group and treasury transactions

IFRIC 12, Service concession arrangements

IFRIC 13, Customer loyalty programmes

IFRIC 14, The limit on defined benefit assets, minimum funding requirements and their interaction

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods, but the Company has not early adopted them:

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009)

IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009)

IFRS 2 (Amendment), 'Share based payments' (effective from 1 January 2009)

IAS 32 (Amendment), 'Financial instruments: Presentation' and IAS 1 (Amended), 'Presentation of financial statements' (effective

from 1 January 2009)

IFRS 1 (Amendment), 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009)

IFRS 8, 'Operating segments' (effective from 1 January 2009)

IAS 27 (Revised) 'Consolidated and separate financial statements' (effective from 1 July 2009)

IFRS 3 (Revised) 'Business combination' (effective from 1 July 2009)

IFRS 5 (Amended) 'Non-current assets held-for-sale and discontinued operations' (effective from 1 July 2009)

IAS 28 (Amendment), 'Investments in associates' (effective from 1 January 2009)

IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009)

IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009)

IAS 19 (Amendment), 'Employees benefits' (effective from 1 January 2009)

IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009)

## 2.2. PURPOSE OF THE FINANCIAL STATEMENTS

The main purpose of these audited financial statements is to provide information about the financial performance of the Company and its financial position as at 31st December, 2008 stated in accordance with the significant accounting policies set out below.

## 2.3. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared prudently and consistently on the assumption that the Company as an entity shall continue in business for the foreseeable future and taking into account expenses and income related to the financial year irrespective whether they have been paid and received and in accordance with historical cost convention under which assets are shown at or below its original cost to the Company and no reserve has been made to cover its replacement cost.

## 2.4. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## 2.5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of bank balances.

## 2.6. RECOGNITION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Company's balance sheet when and only when the Company has become a party to the contractual provisions of the instrument.

## 3. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from use of its financial instruments:

Credit risk

Liquidity risk

Market risk

### Financial Risk Management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**Accounting Policies And Notes****J.K.CEMENT (FUJAIRAH) FZC**

To the Financial Statements 31st Dec, 2008

**3.1. CREDIT RISK**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new customer is analysed for creditworthiness before the Company's terms and conditions are offered. The Company's review can include external ratings, when available and customer segmentation. Credit limits are established for each customer in accordance with this policy, which represents the maximum open amount without requiring approval from the higher management; these limits are reviewed periodically. In monitoring customer credit risk, customers are classified according to their credit characteristics, including whether they are an individual or legal entity, projected business volumes, new or established businesses and existence of previous financial relationships with the Company.

**3.2. LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's business and reputation.

**3.3. MARKET RISK**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's exposure to market risk arises from:

**Currency Risk**

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. In respect of the Company's transactions denominated in United States Dollar (USD), the Company is not exposed to the currency risk as the AED is currently pegged to the USD. The Company's exposure to other currencies is minimal

**Interest Rate Risk**

The Company does not have interest bearing borrowings/deposits and is not exposed to interest rate risk.

**4. INVESTMENT IN SUBSIDIARY**

This investment represent 90% equity share in Messrs J.K. Cement Works (Fujairah) FZC. The Subsidiary is fully controlled and managed by the Company.

**5. RELATED PARTIES**

The Company enters into transactions with other parties that fall within the definition of a related party contained in International Financial Reporting Standards (Note 2.4). Such transactions are carried out with such parties in the normal course of business and at terms that correspond to those on normal arm's length transactions with other parties. The Related Parties and their balances at 31st December, 2008 arising from transactions of financing nature are as follows:

AED

**Due From**

Related party - J.K. Cement Works (Fujairah) FZC (See Note 4)	AED	<u>996730</u>
---	-----	---------------

**Due To**

Related party - JK Cement Ltd - India	AED	<u>1097148</u>
---------------------------------------	-----	----------------

**6. CAPITAL**

The Capital of the Company is made up of 1000 fully paid up shares of AED 1,000 each.

**7. NET LOSS FOR THE PERIOD**

The Company did not trade during the period under review, therefore all expenses incurred during the period, represent preoperation cost. All these costs are charged to the period they incurred in accordance with IAS 38 issued by International Accounting Standards Board relating to definition of Intangible Assets.

**8. REPORTING CURRENCY**

The reporting currency of the Company in which these financial statements are expressed is Dirhams of the United Arab Emirates.

**9. FINANCIAL INSTRUMENTS****9.1. FAIR VALUE**

The fair value of a financial instrument is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Management estimates that the fair value of the Company's financial assets comprising of cash and cash equivalents and refundable deposit and financial liabilities comprising of accrued expenses as disclosed in the balance sheet, approximates their carrying amount.

**9.2. CREDIT RISK**

Credit risk is limited to the carrying amount of the financial assets comprising bank balance.

**9.3. INTEREST RATE RISK**

Changes in market interest rates will not have material effect on the amount of financial assets and financial liabilities held by the Company at 31st December, 2008.

**9.4. EXCHANGE RATE RISK**

Significant amount of transactions in financial assets and financial liabilities are designated in UAE Dirhams. Therefore the Company is not exposed to exchange rate risk.

## ***J.K. Cement Works (Fujairah) FZC***

### **Directors' Report**

#### **J.K.CEMENT WORKS (FUJAIRAH) FZC**

Dear Members,

Your Directors present their First Annual Report and audited statements of account for the period 17.03.2008 to 31.12.2008.

### **FINANCIAL RESULTS**

The period ended 31.12.2008 resulted in a net loss of AED 550179 on account of salary & wages, administrative and miscellaneous expenses. Since there being no operation, there was no income during the period.

### **JOINT VENTURE COMPANY**

Your Company is a Joint Venture between J.K. Cement (Fujairah) FZC and Fujairah Investment, a Govt. of Fujairah establishment in the ratio of 90:10 for putting up a Grey Cement Plant. His Highness Sheikh Mohammed Bin Hamad Al Sharqi, the Crown Prince of Fujairah has consented to be the Chairman of the Company.

### **GREY CEMENT PROJECT AT FUJAIRAH**

Your Company has taken initial steps for setting up a green field Grey Cement Plant at Fujairah, U.A.E. MOU has been signed with Fujairah Municipality and land for setting up plant and limestone mines have already been allotted. The work relating to land leveling and cuttings is in progress. Besides, exploration of mines, geological survey and environmental study has been completed. Govt. of Fujairah has also committed to provide power from first quarter of 2011. Your Company has also set up office and guest house at the site. Project In charge has been appointed and the appointment of other key persons for the project has been initiated.

### **DIRECTORS**

Pursuant to Articles of Incorporation of the Company, His Highness Sheikh Mohammed Bin Hamad Al Sharqi, Shri Yadupati Singhania, Shri Mohammad Saif Al-Afkham, Dr.Ibrahim S'aad Mohd. Ahmed, Shri A.K.Saraogi and Shri D.Ravisankar were appointed by the Board as first Directors. You are requested to confirm their appointment.

### **AUDITORS**

M/s.Fuller International, first Auditors of the Company were appointed by the Board of Directors and their term shall expire at the conclusion of ensuing Annual General Assembly. However, they are eligible for reappointment. You are requested to consider their appointment till next Annual General Assembly.

### **ACKNOWLEDGEMENT**

Your Directors place on record the appreciation for help and guidance provided to the Company by His Highness Sheikh Hamad Bin Mohammed Al Sharqi, the Ruler of Fujairah and His Highness Sheikh Mohammed Bin Hamad Al Sharqi, the Crown Prince of Fujairah. Directors also thank to Government of Fujairah, Fujairah Municipality and other Government Authorities of Fujairah for assistance provided to the Company.

I declare that the audited financial statements for the period ended on 31st December, 2008 comply in all material respects with the requirements of Company Law and Memorandum and Articles of Association of the Company and with the International Accounting Standards issued by the International Accounting Standards Committee. These financial statements state fairly and clearly in all material respects the true financial position of the Company at 31st December, 2008 and the results of its operations and its cash flows for the period ended on that date.

In my opinion and to the best of my knowledge and belief there have been no violations of the Provisions of the Company Law and that of the Memorandum and Articles of Association of the Company. There were no material irregularities that affected the financial position of the Company and its results for the period of the accounts and there were no events subsequent to the date of the Balance Sheet that may have had material effect on the financial statements attached.

FOR AND ON BEHALF OF THE BOARD

Place : Fujairah

Date : 19th March'2009

**(YADUPATI SINGHANIA)**

Managing Director



## Auditors' Report

### J.K.CEMENT WORKS (FUJAIRAH) FZC

To the Shareholders in  
Messrs. J.K. Cement Works (Fujairah) FZC  
P.O. Box 5325  
Fujairah, United Arab Emirates

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying balance sheet of Messrs. J.K. Cement Works (Fujairah) FZC - Fujairah (The Company) as at 31st December, 2008 and related statement of pre-operation expenses and statement of cash flows for the period from 17th March, 2008 to 31st December, 2008, together with the notes thereon which have been prepared in accordance with the accounting policies set out in the notes to the financial statements.

#### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### OPINION

In our opinion, the accompanying financial statements, which are first audited financial statements issued by the Company since its incorporation, present fairly, in all material respects, the financial position of the Company as at 31st December 2008, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the relevant Articles of the Company and the UAE Federal Law No.8 of 1984 (as amended).

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Federal Law No. 8 of 1984 (as amended), we further confirm that we have obtained all information and explanations necessary for our audit, proper financial records have been kept by the Company and the financial statements are in agreement with the Company's financial records. We are not aware of any violation of the above mentioned Law and the Articles of Association having occurred during the period ended 31st December 2008, which may have had a material adverse effect on the business of the Company or its financial position.

Fuller International  
Certified Public Accountants

Issued In Dubai on 19th March'2009

## J.K. Cement Works (Fujairah) FZC

Balance Sheet	
J.K.CEMENT WORKS (FUJAIRAH) FZC	As At 31st December, 2008

ASSETS	NOTE	AED
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment - Net carrying amount	4	188483
Development expenditure and project advances	5	1112066
Related Party - Government of Fujairah Establishment	6	100000
<b>TOTAL NON -CURRENT ASSETS</b>		<b>1400549</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		4558
Prepayments, advances and deposits refundable	7	107496
<b>TOTAL CURRENT ASSETS</b>		<b>112054</b>
<b>TOTAL ASSETS</b>		<b>AED 1512603</b>
<b>OWNERS' EQUITY AND LIABILITIES</b>		
<b>OWNERS' EQUITY</b>		
Capital	8	1000000
Net loss for the period	9	(550179)
<b>TOTAL OWNERS' EQUITY</b>		<b>449821</b>
<b>NON-CURRENT LIABILITIES</b>		
Related party - J.K Cement Fujairah FZC	6	996730
Provision for employees end of service benefits		14706
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1011436</b>
<b>CURRENT LIABILITIES</b>		
Accrued expenses		30458
Provision for employees leave		20888
<b>TOTAL CURRENT LIABILITIES</b>		<b>51346</b>
<b>TOTAL LIABILITIES</b>		<b>1062782</b>
<b>TOTAL OWNERS' EQUITY AND LIABILITIES</b>		<b>AED 1512603</b>

The Notes Attached Herewith Form Part of These Financial Statements.

As Per Our Audit Report  
Fuller International  
Certified Public Accountants

Managing Director  
Approved on 19th March'2009

Statement of Pre-Operation Expenses	
J.K.CEMENT WORKS (FUJAIRAH) FZC	For The Period From 17th March 2008 To 31st December, 2008

	AED
Payroll and related costs	299547
Business processing charges	91197
Rents and leases	74630
Travelling	14105
Motor vehicle running expenses	11665
Other general expenses	55655
Depreciation	3380
<b>TOTAL (NET LOSS FOR THE PERIOD) (NOTE 9)</b>	<b>AED (550179)</b>

The Notes Attached Herewith Form Part of These Financial Statements.

Statement of Cash Flow	
<b>J.K.CEMENT WORKS (FUJAIRAH) FZC</b>	For The Period From 17th March 2008 To 31st December, 2008

AED

**OPERATING ACTIVITIES**

Net loss for the period	(550179)
Adjustments for:	
Depreciation	3380
Provision for employees end of service benefits	14706
Operating assets and liabilities:	
Prepayment and deposit refundable	(107496)
Accrued expenses	30458
Provision for employees leave	20888
Net cash (used in) operating activities	(588243)

**INVESTING ACTIVITIES**

Payment for purchase of property, plant and equipment	(191863)
Project expenditure and advances	(1112066)
Net cash (used in) investing activities	(1303929)

**FINANCING ACTIVITIES**

Capital introduced	1000000
Related Party - Unpaid Capital	(100000)
Funding from related party	996730
Net cash generated from financing activities	1896730
Cash and cash equivalents at the end of the period	AED 4558

The Notes Attached Herewith Form Part of These Financial Statements.

Accounting Policies And Notes	
<b>J.K.CEMENT WORKS (FUJAIRAH) FZC</b>	To the Financial Statements 31st Dec, 2008

**NOTE****1. INCORPORATION AND ACTIVITIES OF THE COMPANY****1.1. INCORPORATION**

J.K CEMENT WORKS (FUJAIRAH) FZC (FREE ZONE COMPANY) - (The Company) was incorporated as a Free Zone Company at Fujairah Free Trade Zone on 17th March, 2008 in accordance with the provisions of United Arab Emirates Federal Law No. (8) of 1984 concerning commercial companies as amended and the Free Zone Regulations of the Emirate of Fujairah. The Company was registered in the trade registry on 17th March, 2008 in accordance with the trade licence No. 2249.

**1.2. ACTIVITIES**

The principal activities of the Company in accordance with the trade licence are Manufacturing and Trading of all types of cement and other allied products.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1. PREPARATION AND PRESENTATION**

The preparation and presentation of these financial statements comply in all material respects with the requirements of the International Financial Reporting Standards issued by the International Accounting Standards Board.

Standards, amendment and interpretations effective in 2008;

IFRIC 11, Group and treasury transactions

IFRIC 12, Service concession arrangements

IFRIC 13, Customer loyalty programmes

IFRIC 14, The limit on defined benefit assets, minimum funding requirements and their interaction

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company and are mandatory for the Company's accounting periods beginning on or after 1 January 2009 or later periods, but the Company has not early adopted them:

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009)

IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009)

IFRS 2 (Amendment), 'Share based payments' (effective from 1 January 2009)

IAS 32 (Amendment), 'Financial instruments: Presentation' and IAS 1 (Amended), 'Presentation of financial statements' (effective from 1 January 2009)

IFRS 1 (Amendment), 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009)

IFRS 8, 'Operating segments' (effective from 1 January 2009)

IAS 27 (Revised) 'Consolidated and separate financial statements' (effective from 1 July 2009)

IFRS 3 (Revised) 'Business combination' (effective from 1 July 2009)

IFRS 5 (Amended) 'Non-current assets held-for-sale and discontinued operations' (effective from 1 July 2009)

IAS 28 (Amendment), 'Investments in associates' (effective from 1 January 2009)

IAS 36 (Amendment), 'Impairment of assets' (effective from 1 January 2009)

IAS 38 (Amendment), 'Intangible assets' (effective from 1 January 2009)

IAS 19 (Amendment), 'Employees benefits' (effective from 1 January 2009)

IAS 39 (Amendment), 'Financial instruments: Recognition and measurement' (effective from 1 January 2009)

## **2.2. PURPOSE OF THE FINANCIAL STATEMENTS**

The main purpose of these audited financial statements is to provide information about the financial performance of the Company and its financial position as at 31st December, 2008 stated in accordance with the significant accounting policies set out below.

## **2.3. BASES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

These financial statements have been prepared prudently and consistently on the assumption that the Company as an entity shall continue in business for the foreseeable future and taking into account expenses and income related to the financial year irrespective whether they have been paid and received and in accordance with historical cost convention under which assets are shown at or below its original cost to the Company and no reserve has been made to cover its replacement cost.

## **2.4. RELATED PARTIES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

## **2.5. PROPERTY, PLANT AND EQUIPMENT**

The historical cost of the property, plant and equipment is written off to revenue (on straight line method) by equal annual instalments over its expected economic useful lives taking into account 5% residual value for each item of assets. There were no losses arising from impairment of property, plant and equipment during the financial period ended 31st December, 2008.

The annual rates of depreciation and expected economic useful life are as follows:

	Expected useful life (years)	Annual rate (%)
Motor vehicle	8	12.50%
Furniture and fixture	15	6.67%
Computers	6	16.67%
Office equipment	18	5.56%
Air conditionrs & refrigerator	18	5.56%

**2.6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents represent cash in hand at the balance sheet date.

**2.7. RECOGNITION OF FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized on the Company's balance sheet when and only when the Company has become a party to the contractual provisions of the instrument.

**3. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the following risks from use of its financial instruments:

Credit risk

Liquidity risk

Market risk

**Financial Risk Management**

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**3.1. CREDIT RISK**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

**Trade and other Receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management has established a credit policy under which each new customer is analysed for creditworthiness before the Company's terms and conditions are offered. The Company's review can include external ratings, when available and customer segmentation. Credit limits are established for each customer in accordance with this policy, which represents the maximum open amount without requiring approval from the higher management; these limits are reviewed periodically. In monitoring customer credit risk, customers are classified according to their credit characteristics, including whether they are an individual or legal entity, projected business volumes, new or established businesses and existence of previous financial relationships with the Company.

**3.2. LIQUIDITY RISK**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's business and reputation.

**3.3. MARKET RISK**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's exposure to market risk arises from:

**Currency Risk**

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. In respect of the Company's transactions denominated in United States Dollar (USD), the Company is not



## J.K. Cement Works (Fujairah) FZC

### Accounting Policies And Notes(Contd.)

J.K.CEMENT WORKS (FUJAIRAH) FZC To The Financial Statements 31st Dec, 2008

exposed to the currency risk as the AED is currently pegged to the USD. The Company's exposure to other currencies is minimal.

#### Interest Rate Risk

The Company does not have interest bearing borrowings/deposits and is not exposed to interest rate risk.

#### 4. PROPERTY, PLANT AND EQUIPMENT

	Depreciation	Cost	Depreciation	Net Book
	Rate	AED	AED	Amount
				AED
Motor vehicle	12.50%	84500	(873)	83627
Furniture and fixture	6.67%	76380	(1634)	74746
Computers	16.67%	5114	(337)	4777
Office equipment	5.56%	4999	(89)	4910
Air conditionrs & refrigerator	5.56%	20870	(447)	20423
TOTAL		191863	(3380)	188483

#### 5. DEVELOPMENT EXPENSES AND CONSTRUCTION ADVANCES

This represent amounts spent and advances made as at the date of the balance sheet in respect of construction of factory facilities of the Company, total of which is expected to cost in the range of US \$ 390000000. Contract signed as at the balance sheet date in this regard amounted to AED 2237100.

#### 6. RELATED PARTIES

The Company enters into transactions with other parties that fall within the definition of a related party contained in International Financial Reporting Standards (Note 2.4). Such transactions are carried out with such parties in the normal course of business and at terms that correspond to those on normal arm's length transactions with other parties.

The Related Parties and transactions with those Related Parties during the period and the balance outstanding at 31st December, 2008 are as follows:

##### Due From

Government of Fujairah Establishment (Unpaid capital)	AED	100000
---	-----	--------

##### Due To

JK Cement( Fujairah) FZC (Funding)	AED	996730
------------------------------------	-----	--------

#### 7. PREPAYMENTS, ADVANCES AND DEPOSITS

	AED
Prepaid expenses	69419
Advance for expenses	19467
Staff advances	3610
Deposits refundable	15000
TOTAL	AED 107496

**8. CAPITAL**

The capital of the Company is made up of 1000 fully paid up shares of AED 1000 each.

**9. NET LOSS FOR THE PERIOD**

The Company is in the preliminary stage of setting up factory and operating facilities for the purpose of executing the object for which the Company is incorporated. Duration of the period that the Company shall complete setting up of the facilities shall be June, 2011 during which there shall not be any trading activity. All expenses incurred during this period, therefore represents preoperation cost. All these costs are charged to the period they incurred in accordance with IAS 38 issued by International Accounting Standards Board relating to definition of Intangible Assets.

**10. FUTURE COMMITMENT**

At the balance sheet date there exist future commitments with regard to various contracts signed in respect of construction of factory and other operational facilities of the company amounting to AED 1125034. (See Note 5)

**11. REPORTING CURRENCY**

The reporting currency of the Company in which these financial statements are expressed is Dirhams of the United Arab Emirates.

**12. FINANCIAL INSTRUMENTS****12.1. FAIR VALUE**

The fair value of a financial instrument is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Management estimates that the fair value of the Company's financial assets and financial liabilities as disclosed in the balance sheet, approximates their carrying amount.

**12.2. CREDIT RISK**

Credit risk is limited to the carrying amount of the financial assets comprising of cash and cash equivalents and refundable deposit.

**12.3. INTEREST RATE RISK**

Changes in market interest rates will not have material effect on the amount of financial assets and financial liabilities held by the Company at 31st December, 2008.

**12.4. EXCHANGE RATE RISK**

Significant amount of transactions in financial assets and financial liabilities are designated in UAE Dirhams. Therefore the Company is not exposed to exchange rate risk.

**13. EMPLOYEES**

No.

Number of employees in the service of the company at 31st December, 2008

3

# Consolidated Financial Statements

## Contents

Auditors' Report .....	113
Balance Sheet .....	114
Profit and Loss Account .....	115
Cash Flow Statement .....	116
Schedules .....	117

## Auditors' Report

**J.K. CEMENT LIMITED (Consolidated)**

On The Consolidated Finance Statements

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 examined the attached Consolidated Balance Sheet of J.K. Cement Limited and its subsidiaries, as at 31st March, 2009, 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 did not audit the financial statement of one subsidiary and one fellow subsidiary whose consolidated financial statement reflect total assets of Rs 202.64 lacs as at 31st December, 2008 total expenses of Rs. 97.66 Lacs and cash flows amounting to Rs. 145.13 for the Year then ended. These financial statements and other financial information's have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of their auditors.
4. 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.
5. 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 subsidiaries as at 31.03.2009
  - (b) in the case of the Consolidated Profit & Loss Account, of the Consolidated Profits of the Company and its subsidiaries 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 subsidiaries for the year ended on that date.

For **P.L. TANDON & CO.,**  
CHARTERED ACCOUNTANTS

**(A.K. AGARWAL)**

PARTNER

Membership No.71548

Place: Kanpur.

Date : 23rd May'2009

**Consolidated Balance Sheet**
**J.K. CEMENT LIMITED (Consolidated)**

As At 31st March, 2009

	Schedule	31-03-2009	Rs./Lacs 31-03-2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	111533.32	98341.23
		118526.04	105333.95
<b>Minority Interest</b>		5.95	-
<b>Loan Funds</b>	3		
Secured Loans		93530.91	48883.50
Unsecured Loans		13773.90	12774.23
		107304.81	61657.73
Deferred Tax Liability		10060.00	5099.30
<b>TOTAL</b>		<b>235896.80</b>	<b>172090.98</b>
<b>APPLICATION OF FUNDS</b>			
<b>Goodwill</b>		435.70	435.70
<b>Fixed Assets</b>	4		
Gross Block		145782.83	125823.24
Less: Depreciation		22638.84	16079.36
Net Block		123143.99	109743.88
Capital Work-in-Progress		91164.20	44991.00
		214308.19	154734.88
<b>Investments</b>	5	423.00	423.00
<b>Current Assets, Loans &amp; Advances</b>	6		
Inventories		13612.58	11453.15
Sundry Debtors		5303.82	5725.59
Cash & Bank Balances		14564.81	17546.16
Other Current Assets		160.99	216.81
Loans & Advances		20134.26	11524.92
		53776.46	46466.63
<b>Less: Current Liabilities &amp; Provisions</b>	7		
Liabilities		29690.08	24977.40
Provisions		4347.81	5187.86
		34037.89	30165.26
<b>Net Current Assets</b>		19738.57	16301.37
<b>Miscellaneous Expenditure</b> (to the extent not written-off or adjusted)			
Preliminary Expenses		0.03	4.27
Deferred Revenue Expenditure		991.31	191.76
<b>TOTAL</b>		<b>235896.80</b>	<b>172090.98</b>
Notes & Contingent Liabilities	13		

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

**GAUR HARI SINGHANIA**  
Chairman

**YADUPATI SINGHANIA**  
Managing Director & CEO

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Partner

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President (Corp.Affairs) & CFO

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**ASHOK SHARMA**  
Director

**SHAMBHU SINGH**  
Company Secretary

**J.N.GODBOLE**  
Director

**J.P.BAJPAI**  
Director

**K.N.KHANDELWAL**  
Director

Kanpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director



Consolidated Profit & Loss Account	
<b>J.K. CEMENT LIMITED (Consolidated)</b>	For The Year Ended 31st March, 2009

	Schedule	2008-2009	2007-2008
<b>INCOME</b>			
Gross Sales		187645.39	181284.60
Less : Excise Duty	21094.73		21833.55
Sales Tax	16867.10	37961.83	35459.32
Net Sales		149683.56	145825.28
Other Income	8	791.18	785.71
<b>TOTAL</b>		<b>150474.74</b>	<b>146610.99</b>
<b>EXPENDITURE</b>			
Manufacturing Expenses	9	65932.43	60411.27
Payments to and Provisions for Employees	10	8417.65	6763.87
Selling, Administration and other Expenses	11	43030.52	37084.33
Interest (Net)	12	4553.07	3587.71
<b>TOTAL</b>		<b>121933.67</b>	<b>107847.18</b>
<b>Profit Before Depreciation</b>		<b>28541.07</b>	<b>38763.81</b>
Depreciation	6510.92		5380.51
Less: Transfer from Revaluation Reserve ( Refer Note No.5 )	1268.25	5242.67	4106.92
<b>Profit Before Tax</b>		<b>23298.40</b>	<b>34656.89</b>
Provision for Tax			
Fringe Benefit Tax		196.50	210.00
Current Tax		5568.00	7150.00
Deferred Tax		3397.16	780.30
<b>Profit After Tax</b>		<b>14136.74</b>	<b>26516.59</b>
Add: Share of Loss transferred to Minority Interest		7.28	-
<b>Profit After Tax &amp; Minority Interest</b>		<b>14144.02</b>	<b>26516.59</b>
Balance from previous year		13118.47	5692.45
Amount Available For Appropriations		27262.49	32209.04
<b>Appropriations</b>			
General Reserve	10000.00		15000.00
Proposed Dividend	2447.45		3496.36
Dividend Tax on above	415.94	12863.39	594.21
<b>Balance Carried to Balance Sheet</b>		<b>14399.10</b>	<b>13118.47</b>
Earning per share - Basic and Diluted (In Rs.)		20.23	37.92
Notes & Contingent Liabilities	13		

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

Kanpur  
Dated : 23rd May'2009

**KRISHNA BIHARI AGARWAL**  
Director

**SUPARAS BHANDARI**  
Director

**Consolidated Cash Flow Statement**
**J.K. CEMENT LIMITED (Consolidated)**

For The Year Ended 31st March, 2009

Rs./Lacs  
2007-2008

	2008-2009		
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before Tax as per Profit & Loss Account		23298.40	34656.89
Adjusted for :			
Depreciation	5242.67		4106.92
Minority Interest	7.28		-
Deferred Revenue/Preliminary Exp.	69.70		49.21
Interest	5467.33		5120.87
Interest received	(914.26)		(1533.16)
Profit on sales of investments	-		(26.68)
Dividend Income	-		(27.93)
Loss on sale of assets	30.65		46.56
Profit on Sale of Land	(226.68)	9676.69	-
Operating Profit before Working Capital Changes		32975.09	42392.68
Adjusted for :			
Trade & Other Receivables	(1381.43)		(352.69)
Inventories	(2159.43)		(452.60)
Trade Payable	2601.93	(938.93)	6563.51
Cash Generated from Operations		32036.16	48150.90
Adjusted for :			
Tax Paid	(3801.17)		(7184.04)
Dividend Tax	(594.21)		(416.07)
Dividend paid	(3496.36)		(2433.70)
Deferred Revenue/Preliminary Exp. Incurred	(117.64)		(70.73)
		(8009.38)	(10104.54)
Net cash from operating activities		24026.78	38046.36
<b>B) CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Acquisition/Purchase of fixed assets including capital advances	(62591.36)		(45013.81)
Sale of fixed assets	317.35		117.69
Preliminary/deferred Revenue Expenditure	(747.37)		-
Minority Interest	5.95		(2523.00)
Sale of Investments	-		3218.20
Exchange Rate fluctuation Reserve on conversion	8.59		-
Interest Income	1428.95		1358.42
Advances & Other recoverable	(7036.69)		(2592.74)
Liabilities	1903.26		1096.07
Net cash used in investing activities		(66711.32)	(44339.17)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
J.K. Cement (Fujairah) FZC [ Wholly Owned Subsidiary ]	(99.23)		(18.82)
Capital subsidy received	3210.29		2256.19
Deferred Sales Tax	(460.48)		(295.88)
Long Term Borrowings	58172.13		13500.00
Cash Credit Accounts & overdraft	(3436.65)		3320.59
Repayment of Long Term Borrowings	(9005.34)		(11004.29)
Interest Paid	(9274.95)		(5284.27)
Vehicle Loans & Others	377.43		342.69
Refund from Associate Company	200.00		700.00
Share Premium A/c.	19.99		-
Net cash used in financing activities		39703.19	3516.21
Net increase in Cash and Cash Equivalents (a+b+c)		(2981.35)	(2776.60)
Opening balance of Cash and Cash Equivalents		17546.16	20322.76
Closing balance of Cash & Cash Equivalents		14564.81	17546.16

As per our Report attached  
For **P.L.TANDON & Co.,**  
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Kanpur  
Dated : 23rd May'2009

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Director

**SUPARAS BHANDARI**  
Director

Schedule	
<b>J.K. CEMENT LIMITED (Consolidated)</b>	Forming Part of The Balance Sheet

	31-03-2009	Rs./Lacs 31-03-2008
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
8,00,00,000 Equity Shares of Rs.10/- each	8000.00	8000.00
	8000.00	8000.00
<b>Issued, Subscribed &amp; Paid up</b>		
6,99,27,250 Equity Shares of Rs.10/- each in JKCL	6992.72	6992.72
	6992.72	6992.72

	31-03-2009		Rs./Lacs 31-03-2008
<b>SCHEDULE - 2</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>Revaluation Reserve</b>			
As per last Balance Sheet	29115.19		30474.06
Less : Deduction During the year	61.49		85.28
Less : Transfer to Profit and Loss Account	1268.25	27785.45	1273.59
			29115.19
<b>Capital Reserve</b>			
Govt. Subsidy (Refer note no.4)			
As per last Balance Sheet	3470.14		1213.95
Add: Received during the year	3210.29	6680.43	2256.19
			3470.14
<b>Securities Premium Account</b>			
As per last Balance Sheet	25903.61		25903.61
Add : Adjustment during the year	19.99	25923.60	-
			25903.61
<b>General Reserve</b>			
As per last Balance Sheet	26733.82		11733.82
Add : Transfer from Profit & Loss Account	10000.00	36733.82	15000.00
			26733.82
<b>Foreign Currency Translation Reserve</b>		10.92	-
<b>Profit &amp; Loss Account</b>		14399.10	13118.47
		111533.32	98341.23

	31-03-2009	Rs./Lacs 31-03-2008
<b>SCHEDULE - 3</b>		
<b>LOAN FUNDS</b>		
<b>Secured</b>		
Term Loans from Banks	89380.05	41233.26
Cash Credit/Overdraft Accounts	3950.53	7387.20
Vehicle Loans	200.33	263.04
	93530.91	48883.50
<b>Unsecured</b>		
Unsecured Loans from Banks	1000.00	-
Security Deposits & Others	3748.36	3288.21
Deferred Sales Tax	9025.54	9486.02
	13773.90	12774.23
	107304.81	61657.73

**Schedule**
**J.K. CEMENT LIMITED (Consolidated)**

Forming Part of The Balance Sheet

**SCHEDULE - 4**

Rs./Lacs

DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01.04.2008	Additions	Deductions	Revaluation	As at 31.03.2009	As at 01.04.2008	For the Year	Deduction	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Goodwill	742.70				742.70	253.76	74.27		328.03	414.67	488.94
Freehold Land	2969.97	445.66	17.25	(38.03)	3360.35					3360.35	2969.97
Leasehold Land	950.57	899.14			1849.71	36.71	14.29		51.00	1798.71	913.86
Buildings	12617.46	2493.26			15110.72	1282.43	434.33		1716.76	13393.96	11335.03
Plant & Machinery	105711.35	15920.66	56.75	(24.11)	121551.15	14011.96	5802.51	4.71	19809.76	101741.39	91699.39
Railway Sidings	887.42				887.42	136.88	39.77		176.65	710.77	750.54
Rolling Stock	105.01				105.01	15.11	4.64		19.75	85.26	89.90
Furniture, Fixtures and Office Equipments.	746.24	168.32	0.88		913.68	131.48	63.83	0.02	195.29	718.39	614.76
Vehicles	1082.60	188.58	82.49		1188.69	207.84	108.64	29.60	286.88	901.81	874.76
Other Assets	9.92	63.48			73.40	3.19	51.53		54.72	18.68	6.73
<b>GRAND TOTAL</b>	<b>125823.24</b>	<b>20179.10</b>	<b>157.37</b>	<b>(62.14)</b>	<b>145782.83</b>	<b>16079.36</b>	<b>6593.81</b>	<b>34.33</b>	<b>22638.84</b>	<b>123143.99</b>	<b>109743.88</b>
Previous year's figures	103081.97	23005.62	178.16	(86.19)	125823.24	10698.22	5395.95	14.81	16079.36		
Capital Work-in- progress										91164.20	44991.00
										214308.19	154734.88

Capital Work-in-progress includes

i) Capital Advances Rs. 7,235.11 Lacs ( Rs. 16,511.28 Lacs)

ii) Construction Material etc. Rs. 2,856.91 Lacs ( Rs. 2,523.56 Lacs)

iii) Incidental expenditure during Construction Rs. 6,840.38 Lacs ( Rs. 1,328.26 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 Name of the Bodies Corporate	Whether Long term or short term	As at 31.03.2009			As at 31.03.2008	
		Face Value Rs.	No. of Shares	Book Value (Rs./lacs)	No. of Shares	Book Value (Rs./lacs)
<b>Investments in Shares</b>						
<b>Unquoted Investments</b>						
1. Investment in shares						
i) Fully paid up equity shares in :						
- VS Lignite Power Pvt. Ltd.	Long Term	10	1444445	144.44	1444445	144.44
ii) 0.01% cumulative redeemable Preference shares in :						
- VS Lignite Power Pvt. Ltd.	Long Term	10	2785552	278.56	2785552	278.56
Aggregate value of unquoted investment			-	423.00	-	423.00

Schedule	
<b>J.K. CEMENT LIMITED (Consolidated)</b>	Forming Part of The Balance Sheet

	Rs./Lacs	
	31-03-2009	31-03-2008
<b>SCHEDULE - 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. Inventories</b>		
Stores, Spare parts etc.	8632.20	7778.62
Raw Materials	1233.18	1473.75
Goods-in-Process	1493.30	1090.74
Finished Goods	1133.93	1013.90
Material-in-Transit	1119.97	96.14
	13612.58	11453.15
<b>B. Sundry Debtors</b>		
Debts over six months		
--- Considered Good		
Secured	2.75	8.14
Unsecured	65.97	244.08
--- Considered Doubtful	21.64	316.80
Other Debts		
--- Considered Good		
Secured	544.24	336.05
Unsecured	4690.86	5137.32
	5325.46	6042.39
Less : Provision for Doubtful Debts	21.64	316.80
	5303.82	5725.59
<b>C. Cash &amp; Bank Balances</b>		
Cash & Cheques in hand and remittances in transit	307.90	1207.39
Balances with Scheduled Banks in:		
--- Current Accounts	5320.95	6223.11
--- Deposit Accounts	8935.96	10115.66
(Tied up Rs.6480.52 Lacs, Previous year 4170.62 Lacs)		
	14564.81	17546.16
<b>D. Other Current Assets</b>		
Interest accrued on Deposits	160.99	216.81
<b>E. Loans &amp; Advances</b>		
UNSECURED - Considered Good Unless Otherwise Stated		
Loan - J.K.Synthetics Ltd.(Company under same Management)	3300.00	3500.00
Advance to wholly owned subsidiary Company	120.38	18.82
Advances Recoverable in cash or in kind or for value to be received		
--- Considered good	5302.64	3145.60
--- Considered Doubtful	11.64	599.11
Prepaid Expenses	168.32	155.63
Deposits	1182.47	1628.24
Balances with Custom & Excise Departments	10060.45	3076.63
	20145.90	12124.03
Less: Provision for Doubtful Advances	11.64	599.11
	20134.26	11524.92
	53776.46	46466.63

**Schedule**
**J.K. CEMENT LIMITED (Consolidated)**

Forming Part of The Balance Sheet

Rs./Lacs

<b>SCHEDULE - 7</b>	31-03-2009	31-03-2008
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
<b>Sundry Creditors</b>		
--- Small Scale Undertakings	21.96	26.21
--- Micro, Small and Medium Enterprises	18.35	34.05
--- Other Creditors	14796.81	12304.73
	14837.12	12364.99
<b>Investor Education &amp; Protection Fund shall be credited by following</b>		
(See Note Below) #		
--- Unclaimed Dividend	41.78	20.66
--- Unclaimed Application Money	2.17	2.22
--- Unclaimed Fraction Money	9.24	6.15
	53.19	29.03
<b>Other Liabilities</b>	14641.86	11622.87
<b>Temporary Book Overdraft</b>	157.91	960.51
	29690.08	24977.40
<b>Provisions</b>		
Taxation (Net of Advance Tax & TDS)	1484.42	1097.29
Proposed Dividend on Equity Shares	2447.45	3496.36
Dividend Tax	415.94	594.21
	4347.81	5187.86
	34037.89	30165.26

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

Rs./Lacs

<b>SCHEDULE - 8</b>	2008-2009	2007-2008
<b>OTHER INCOME</b>		
Claims Realised	75.45	51.96
Current Investments :		
- Profit on Sale of Investments	-	26.68
- Dividend	-	27.93
Profit on sale of Land	226.68	-
Exchange Rate Difference	31.75	23.54
Miscellaneous Income	457.30	655.60
	791.18	785.71



## Schedule

**J.K. CEMENT LIMITED (Consolidated)**

Forming Part of The Balance Sheet

Rs./Lacs

### SCHEDULE - 9

2008-2009

2007-2008

#### MANUFACTURING EXPENSES

Purchase of Trading Goods		48.01		31.28
Raw Materials Consumed		16296.42		14059.15
Packing Materials Consumed		6480.26		5743.87
Stores and Spares Consumed		3075.21		3672.81
Power and Fuel		37614.01		32969.06
Repairs To:				
Plant and Machinery		2108.73		1689.82
Buildings		443.00		318.40
Others		21.85		38.46
Insurance		259.14		266.93
Increase/ (Decrease) in Stock :				
Closing Stock :				
Finished Goods	1133.93		1013.90	
Goods-in-process	1493.30		1090.73	
	2627.23		2104.63	
Less :Opening Stock :				
Finished Goods	1013.90		1510.53	
Goods-in-process	1090.73		2320.65	
	2104.63	522.60	3831.18	(1726.55)
Excise Duty		108.40		(105.06)
		65932.43		60411.27

Rs./Lacs

### SCHEDULE - 10

2008-2009

2007-2008

#### PAYMENTS TO & PROVISIONS FOR EMPLOYEES

Salaries,Wages and Bonus		6445.88		5018.08
Contribution to Provident and other Funds		1030.69		795.40
Welfare Expenses		941.08		950.39
		8417.65		6763.87

**Schedule**
**J.K. CEMENT LIMITED (Consolidated)**

Forming Part of The Balance Sheet

Rs./Lacs

**SCHEDULE - 11**

2008-2009

2007-2008

**SELLING,ADMINISTRATION & OTHER EXPENSES**
**Administration and Other Expenses :**

Rent		363.21	262.22
Lease Rent		0.22	36.41
Rates and Taxes #		1124.73	218.84
Travelling and Conveyance Expenses		899.41	761.02
Provision for Doubtful Debts & Advances		16.40	399.86
Bad Debts written off			
Debts written off	1061.25		
Less: Provision of debts written back	901.32	159.93	-
Loss on sale of Fixed Assets (Net)		30.65	46.56
Expenses relating to previous year		10.79	8.55
Miscellaneous Expenses		4071.62	3311.38

6676.96

5044.84

**Selling and Distribution Expenses :**

Advertisement and Publicity		1472.41	1195.21
Commision, Brokerage and Incentives		2204.26	1346.79
Selling Expenses		1486.52	779.92
Freight and Handling Outward		31190.37	28717.57

36353.56

32039.49

43030.52

37084.33

# Includes land tax of Rs.1075.47 lacs out of which Rs.601.88 lacs relates to earlier years

Rs./Lacs

**SCHEDULE - 12**

2008-2009

2007-2008

**INTEREST**

Interest :

On Fixed Loans		3838.14	3855.98
Others		1629.19	1264.89

5467.33

5120.87

Less: Interest Received (Tax deducted at source Rs.156.19 Lacs

Previous year Rs.283.58 Lacs)

914.26

1533.16

4553.07

3587.71

## Schedule

**J.K. CEMENT LIMITED (Consolidated)**

Notes Forming Part of The Consolidated Accounts

### SCHEDULE - 13

- 1) Principles of Consolidation:
  - (I) The consolidated financial statements of the Group have been prepared on the following basis:
    - (a) The consolidated financial statements of the Group are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by ICAI.
    - (b) The financial statements of the Company 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.
    - (c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
    - (d) 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.
    - (e) Minority interest in J.K. Cement Works (Fujairah) FZC is shown separately in Profit & Loss Account and it is adjusted from minorities capital of Consolidated balance-sheet and shown separately.
    - (f) Calendar year as accounting year is adopted by J.K. Cement (Fujairah) FZC and J.K. Cement Works (Fujairah) FZC and the books are being prepared on year ending 31.12.2008.
- 2) The Subsidiary Companies considered in the consolidated financial statement are:
 

Name of the Company	Country of Incorporation	Holding as on 31.03.09
Jaykaycem Ltd	India	100%
J.K. Cement (Fujairah) FZC	U.A.E.	100%
J.K. Cement Works (Fujairah) FZC	U.A.E.	90%
- 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 except for J.K. Cement Works (Fujairah) FZC where the pre-operative expenses are shown as loss as per IAS-38.
- 4) Investment in subsidiary company is expressed in Indian Rupees at the rate of exchange prevailing at the date of investment.

### NOTES ON ACCOUNTS

	Rs./ lacs	
	31.03.2009	31.03.2008
<b>1. (A) CONTINGENT LIABILITIES</b>		
(i) In respect of claims excluding claims of employees against the Company not acknowledged as debts	5559.37	5058.86
(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
b) Sales tax	1949.26	208.73
c) Service tax	1024.96	453.56
(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1068.02	1047.64
(iv) Guarantees given to banks on behalf of Subsidiary Companies	49702.12	10618.00
<b>(B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for</b>	<b>20953.63</b>	<b>41542.57</b>

**Schedule**
**J.K. CEMENT LIMITED (Consolidated)**

Notes Forming Part of The Consolidated Accounts

2. Share Capital includes 74,26,950 equity shares of Rs. 10/- each allotted without payment received in cash.
3. **(A) TERM LOANS**

**SECURED**

  - i) From Consortium of Banks : **Rs.19637.54 lacs (Rs. 27741.86 lacs)**  
(J.K. Cement Ltd)
  - ii) From other Banks : **Rs. 13639.41 lacs (Rs. NIL)**  
(J.K. Cement Ltd)

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 and a premises at Prabhadevi, Mumbai.

  - iii) From Consotium of Banks : **Rs.49702.13 lacs (Rs. 10500.00 lacs)**  
(Jaykaycem Ltd)

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 and irrevocable Corporate Guarantee by J.K. Cement Ltd.

  - iii) From Canara Bank : **Rs.5212.95 lacs (Rs. 2991.40 lacs)**  
(J.K. Cement Ltd)

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

  - iv) From IDBI Bank Ltd : **Rs.1188.02 lacs (NIL)**  
(J.K. Cement Ltd)

Secured by equitable mortgage of immovable property and hypothecation of movable property situated at Prabhadevi, Mumbai.

  - v) Vehicle Loans : **Rs. 200.33 lacs (Rs. 263.04 lacs)**  
(J.K. Cement Ltd)

Secured by hypothecation of vehicles

  - vi) Cash Credit Accounts: **Rs.3808.19 lacs (Rs.7282.30 lacs)**  
(J.K. Cement Ltd)

Secured by first charge on current assets namely inventories, books debts etc. and second charge on fixed assets of the Company except assets covered in (iii) and (iv) above.

  - vii) Overdrafts: **Rs.142.35 lacs (Rs. 104.90 lacs)**  
Secured by Fixed Deposits of Jaykaycem Ltd.  
Loans as stated in 3(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. 6985.09 lacs as interest subsidy for the period 1st Dec. 2004 to 31st Dec. 2008. The subsidy amounting to Rs. 6680.43 lacs only released by Government upto 31st March, 2009 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. 1268.25 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

## Schedule

### J.K. CEMENT LIMITED (Consolidated)

Notes Forming Part of The Consolidated Accounts

#### 6. Unhedged foreign currency exposure

- i) Export debtors: US\$ 617438.71 :Rs. 311.93 lacs (US\$ 743543.41 Rs.295.56 lacs)

#### 7. Disclosures in accordance with Accounting Standards

- (A) Deferred tax assets and liabilities are as under: -

	31.03.2009	Rs/lacs 31.03.2008
(a) Deferred Tax Assets		
(i) Provision for Doubtful Debts	11.32	111.96
(ii) Expenses deductible on payment basis	1560.92	1346.06
	1572.24	1458.02
(b) Deferred Tax Liabilities		
Difference between Book Depreciation and Depreciation under Income-tax Act	11632.24	6557.32
(c) Net Deferred Tax Liabilities	10060.00	5099.30

- (B) Earning per share (EPS):

	31.03.2009	Rs/lacs 31.03.2008
a) Net Profit available for Equity Share holders (including Minority interest) (Numerator used for calculation)	14144.02	26516.59
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/-	20.23	37.92

- (C) Related Parties Disclosures:

- (1) (a) Parties where the control/significant influence exists:-

- i) Juggilal Kamalapat 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.

	2008-09	Rs./lacs 2007-08
(i) J.K. Synthetics Ltd		
- Sale of Product	0.03	0.11
- Services received	37.02	33.71
- Rent paid	42.44	38.14
- Expenses Reimbursed	152.86	125.55
- Loan given		
Balance as at beginning	3500	4200
Payment received	200	700
Balance as at close of the year	3300	3500
(ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd		
- Rent paid	4.94	3.82
(iii) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania (Managing Director)		
- Remuneration	601.29	562.99
b) Dr Gaur Hari Singhania (Relative)		
- Commission	35.00	35.00
- Sitting Fees	1.50	1.45

**Schedule**
**J.K. CEMENT LIMITED (Consolidated)**

Notes Forming Part of The Consolidated Accounts

**8. Managerial Remuneration paid/payable to Directors :**

	Rs./lacs	
	2008-2009	2007-2008
Managing Director:		
Remuneration	84.00	72.00
Contribution to P.F. & Superannuation	10.08	8.64
Performance linked incentive	42.00	36.00
Perquisites/Allowances	115.21	89.35
Commission	350.00	357.00
Total (a)	601.29	562.99
Non Whole Time Directors		
Sitting Fees	8.70	9.00
Commission	9.00	75.00
Total (b)	83.70	84.00
<b>TOTAL (a+b)</b>	<b>684.99</b>	<b>646.99</b>

**Computation under section 349 of the Companies Act, 1956**

	2008-2009	2007-2008
Profit before Taxes	23396.04	34656.89
Add:		
(a) Managerial Remuneration	684.99	646.99
(b) Provision for Bad and Doubtful Debts and Advances	16.40	399.86
(c) Loss on sale of assets	30.65	-
Less: Profit on sale of investments	-	26.68
Less: Dividend Income	-	27.93
Less: Profit on sale of land(Net)	(226.68)	-
Less: Provision for Bad and Doubtful Debts and Advances Written Back	(901.32)	-
Profit as per section 349 of the Companies Act, 1956	23000.08	35649.13
a) Commission to Managing Director:		
Maximum Remuneration to Managing Director @ 5% of above profit	1150.00	1782.46
Commission as determined by the Board	350.00	357.00
b) Commission to Non Whole Time Directors:		
Eligible commission to Non Whole Time Directors @ 1% of above profit	230.00	356.49
Commission as determined by the Board	75.00	75.00

**9. Remuneration to Auditors**

	Rs./lacs	
	2008-2009	2007-2008
(a) Audit Fee	12.00	9.00
(b) In Other Capacity	2.66	1.67
(c) Reimbursement of Out of Pocket expenses	1.23	0.83

**10.** There are no material transactions from 01.01.2008 to 31.03.2009 in respect of subsidiaries having financial year ended 31.12.2008. There is no change in Company's interest in these subsidiaries from 01.01.2009 to 31.03.2009.

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



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**BOARD OF DIRECTORS**

**Dr. Gaur Hari Singhania**, Chairman  
**Yadupati Singhania**, Managing Director & CEO  
**Dr. K. B. Agarwal**  
**Jyoti Prasad Bajpai**  
**Suparas Bhandari**  
**Jayant Narayan Godbole**  
**Achintya Karati**  
**Kailash Nath Khandelwal**  
**Raj Kumar Lohia**  
**Ashok Sharma**

**BANKERS**

Allahabad Bank  
 Andhra Bank  
 Canara Bank  
 Dena Bank  
 IDBI Bank Ltd.  
 Indian Bank  
 Indian Overseas Bank  
 Jammu & Kashmir Bank  
 United Bank of India

**REGISTERED OFFICE**

Kamla Tower,  
 Kanpur - 208 001.

**PLANT**

Grey Cement Plants

White Cement Plant

Thermal Power Plants

Waste Heat Recovery Power Plant

**KEY MANAGEMENT PERSONNEL**

**R. G. Bagla**, Group Executive President  
**A. K. Saraogi**, President (Corporate Affairs) & CFO  
**M. P. Rawal**, President (T & MS)  
**D. Ravisankar**, 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**, President (Marketing) – Grey Cement  
**Shambhu Singh**, Company Secretary

**AUDITORS**

**M/s. P. L. Tandon & Co.**  
 Chartered Accountants  
 Westcott Building,  
 The Mall, Kanpur - 208 001.

**REGISTRAR & SHARE TRANSFER AGENT**

**J. K. Synthetics Ltd.**  
 Kamla Tower,  
 Kanpur – 208 001  
 Email: jkshr@jkcement.com

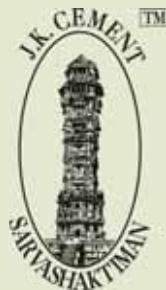
**CENTRAL MARKETING OFFICE**

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

**LOCATION**

Kailash Nagar, Nimbahera, Distt. Chittorgarh, Rajasthan  
 Mangrol, Distt. Chittorgarh, Rajasthan  
 Gotan, Distt. Nagaur, Rajasthan  
 Muddapur, Distt. Bagalkot, Karnataka (under implementation in wholly owned subsidiary)  
 Gotan, Distt. Nagaur, Rajasthan  
 Bamania, Shambupura, Distt. Chittorgarh, Rajasthan  
 Kailash Nagar, Nimbahera, Distt. Chittorgarh, Rajasthan  
 Gotan, Distt. Nagaur, Rajasthan  
 Kailash Nagar, Nimbahera, Distt. Chittorgarh, Rajasthan





White Cement based Putty



ISO 9001:2000 & 14001 CERTIFIED



## J.K. Cement Ltd.

### REGISTERED OFFICE

Kamla Tower, Kanpur - 208001, Uttar Pradesh, INDIA  
 Telephone: 0091-512-2371478 / 81, Fax: 0091-512-2399854  
 email: [jkshr@jkcement.com](mailto:jkshr@jkcement.com)  
 website: [www.jkcement.com](http://www.jkcement.com)