



For the Long Term



JK Cement LTD.
Annual Report 2009-10

Celebrating 125 years of a legend



Lala Kamlapat Singhania

Founder - J.K. Organisation
7th November, 1884 – 31st May, 1937

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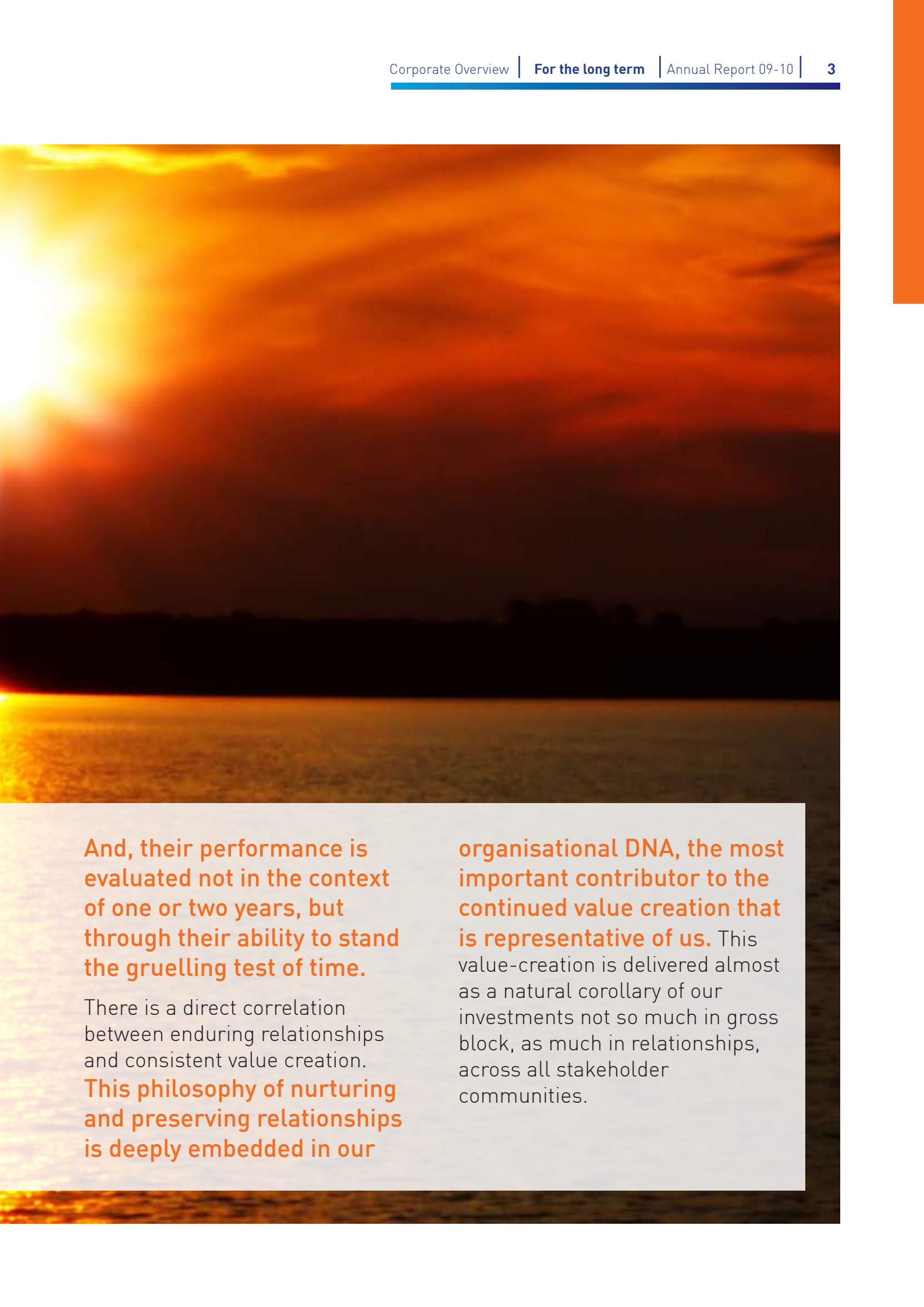
For the **Long Term**

The concept of value can be best judged in the context of time. Profits need to have permanence as a necessary attribute. Returns are relevant if they keep returning.

Thus, while quick growth may be attractive and tempting, it can often be misleading and ephemeral. It wilts in the face

of adversity, just as quickly as it blossoms in favourable atmospheres. True value takes shape over a period of time, weathers all storms and is immune to transient realities.

This simple truth defines corporations globally. **Enduring values and consistent strategies lead them to incremental value creation.**



And, their performance is evaluated not in the context of one or two years, but through their ability to stand the gruelling test of time.

There is a direct correlation between enduring relationships and consistent value creation.

This philosophy of nurturing and preserving relationships is deeply embedded in our

organisational DNA, the most important contributor to the continued value creation that is representative of us. This value-creation is delivered almost as a natural corollary of our investments not so much in gross block, as much in relationships, across all stakeholder communities.



Long term relationships catalyse **long term growth**

At J.K. Cement, we believe in the enduring power of relationships. Across all stakeholder groups, we have grown and strengthened our relationships over time. We have employees who have been with the company for over 25 years; bankers and shareholders who partner with us since our inception; suppliers and technical partners who collaborate with us

for decades; dealers and channel partners whose growth mirrors ours, and community and society members who have remained with us through good times and bad.

The concept of long term value is amply demonstrated in the consistency of performance and the speed of growth. Perceived across a five-year scale, our numbers have registered a significant rise across all



operating and efficiency parameters. **Our Grey Cement capacity has grown from 3.55 Million Tonnes Per Annum (MTPA) to 7.5 MTPA in just five years.** We have seven times more installed capacity of power at 105 Mw today, compared to 15 Mw five years ago. **Our Gross Sales has more than doubled, from Rs. 1 108.67 crores**

in 2005-06 to Rs. 2248.06 crores in 2009-10. Our net profit has multiplied by almost seven times, from Rs. 32.56 crores in 2005-06 to Rs. 224.55 crores in 2009-10. Concurrently, our per share earnings five-folded.

J.K. Cement Today

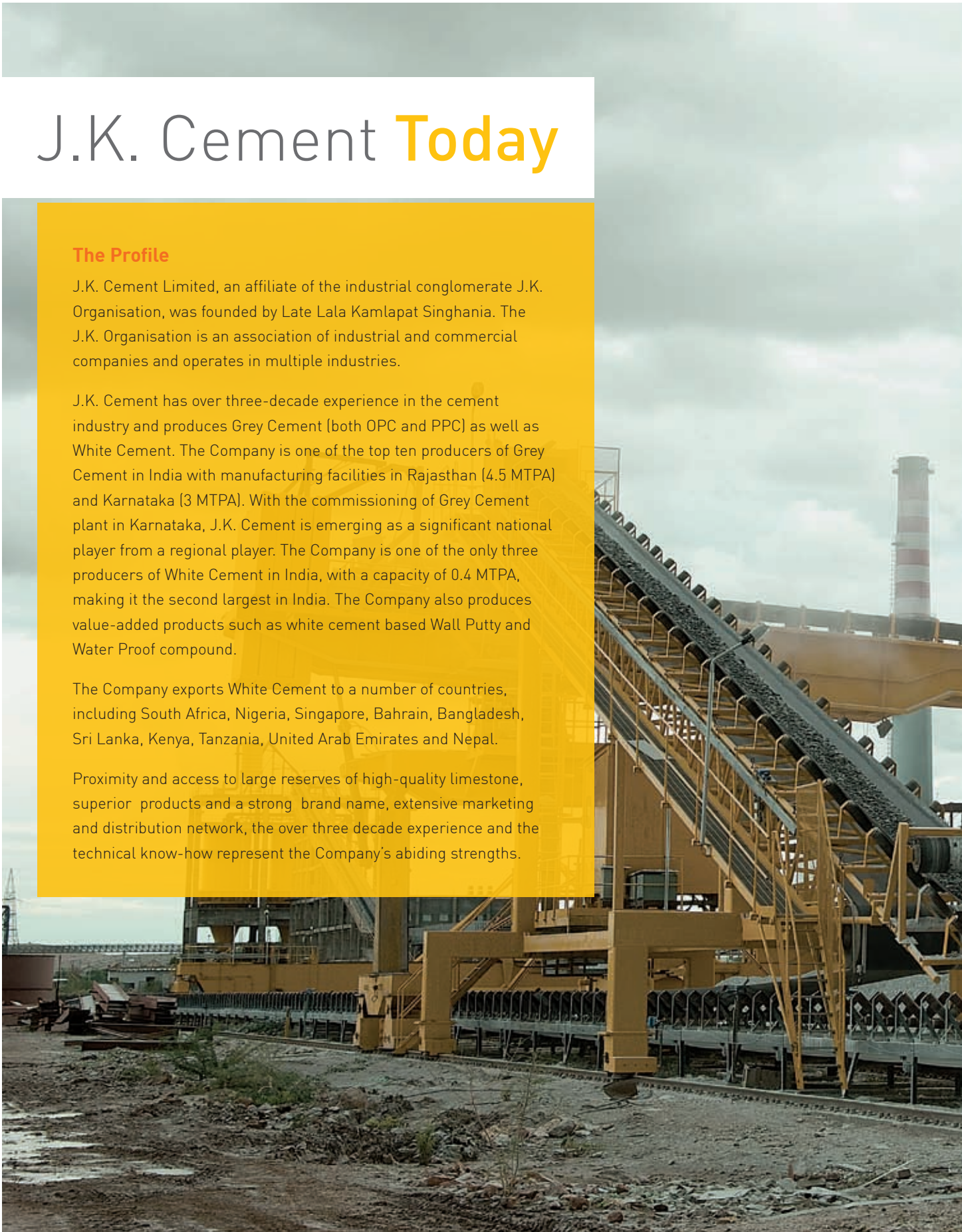
The Profile

J.K. Cement Limited, an affiliate of the industrial conglomerate J.K. Organisation, was founded by Late Lala Kamlapat Singhania. The J.K. Organisation is an association of industrial and commercial companies and operates in multiple industries.

J.K. Cement has over three-decade experience in the cement industry and produces Grey Cement (both OPC and PPC) as well as White Cement. The Company is one of the top ten producers of Grey Cement in India with manufacturing facilities in Rajasthan (4.5 MTPA) and Karnataka (3 MTPA). With the commissioning of Grey Cement plant in Karnataka, J.K. Cement is emerging as a significant national player from a regional player. The Company is one of the only three producers of White Cement in India, with a capacity of 0.4 MTPA, making it the second largest in India. The Company also produces value-added products such as white cement based Wall Putty and Water Proof compound.

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, superior products and a strong brand name, extensive marketing and distribution network, the over three decade experience and the technical know-how represent the Company's abiding strengths.



Facilities

GREY CEMENT

- Nimbahera (Rajasthan) - 3.25 MTPA
- Mangrol (Rajasthan) - 0.75 MTPA
- Gotan (Rajasthan) - 0.50 MTPA
- Mudhol (Karnataka) - 3.00 MTPA

WHITE CEMENT

- Gotan (Rajasthan) - 0.40 MTPA

POWER

Coal-Based

- Bamania (Rajasthan) - 15.00 Mw
- Nimbahera (Rajasthan) - 20.00 Mw
- Gotan (Rajasthan) - 07.50 Mw
- Mudhol (Karnataka) - 50.00 Mw

Waste Heat Recovery

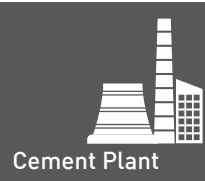
- Nimbahera (Rajasthan) - 13.20 Mw

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.



Presence



Map not to scale

Performance

GROSS SALES

2009-10 Rs. 2248.06 crores

2008-09 Rs. 1876.45 crores

19.80%

PROFIT AFTER TAX (PAT)

2009-10 Rs. 224.55 crores

2008-09 Rs. 141.36 crores

58.84%

EARNINGS PER SHARE (EPS)

2009-10 Rs. 32.11

2008-09 Rs. 20.23

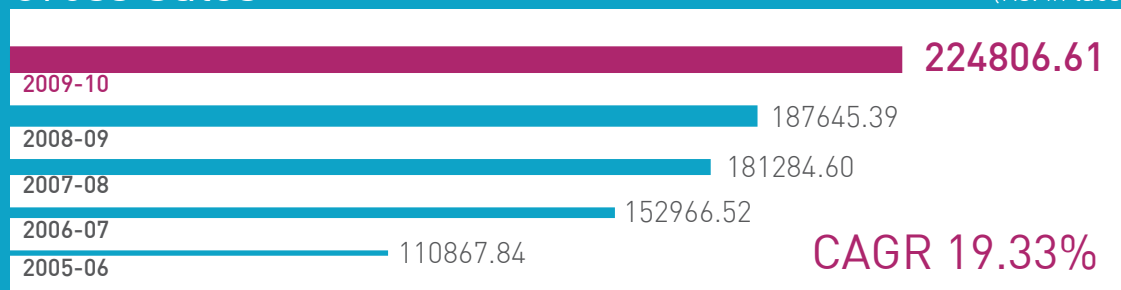
58.72%



Five Year Financial Highlights

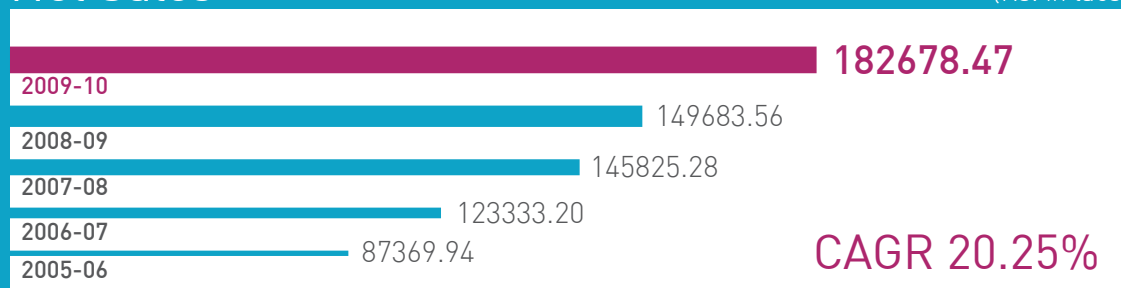
Gross Sales

(Rs. in lacs)



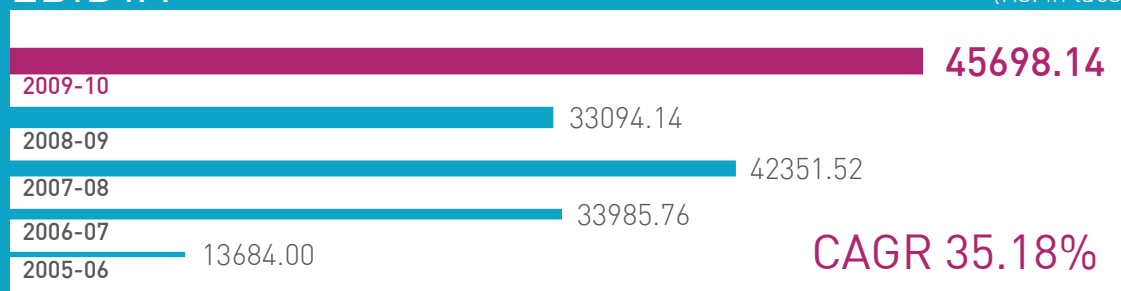
Net Sales

(Rs. in lacs)



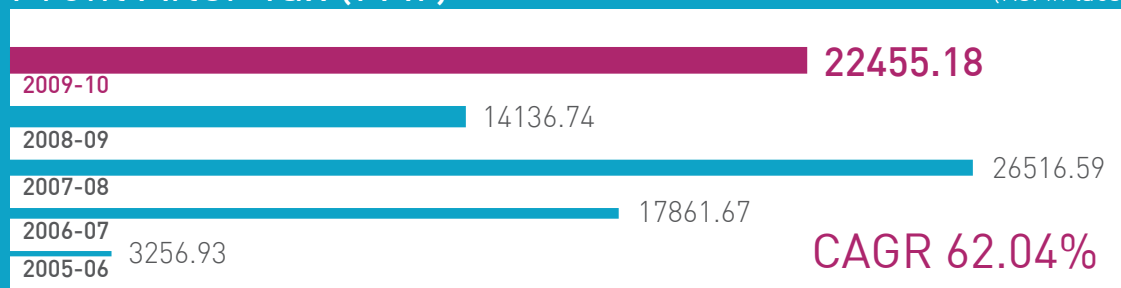
EBIDTA

(Rs. in lacs)



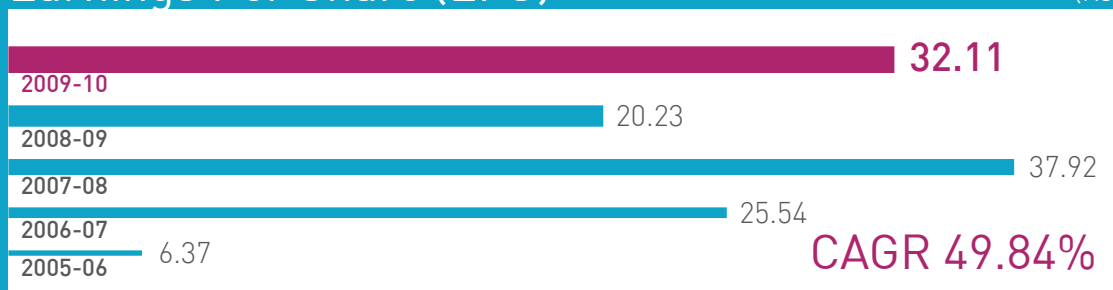
Profit After Tax (PAT)

(Rs. in lacs)



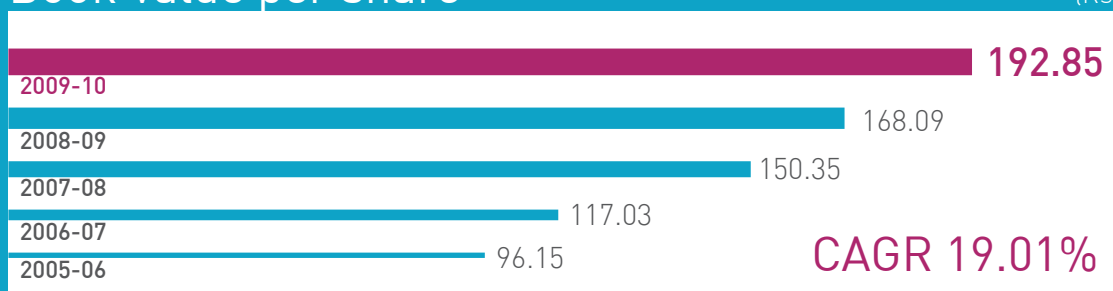
Earnings Per Share (EPS)

(Rs.)



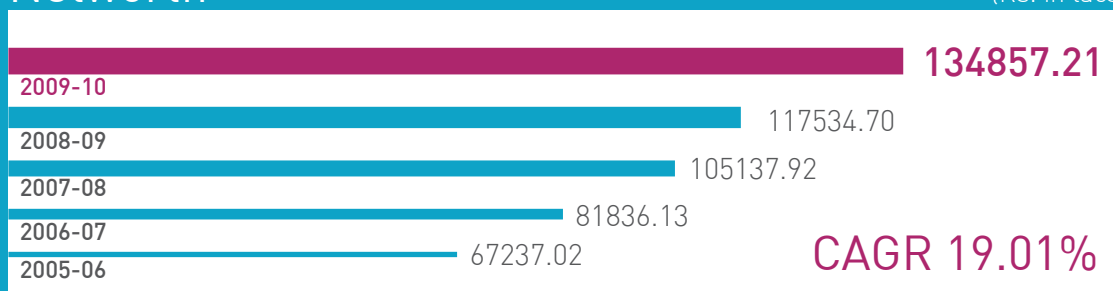
Book Value per share

(Rs.)



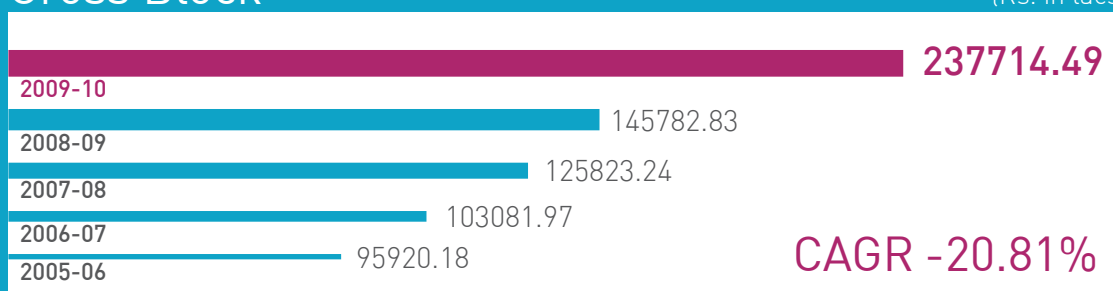
Networth

(Rs. in lacs)



Gross Block

(Rs. in lacs)



Company Policy and Management Philosophy

Company Policy

The following unyielding and powerful values propel J.K. Cement to cross milestones of excellence.

- 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 do it continually
- To remain abreast of 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 and 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

J.K. Cement Works, Nimbahera Plant



Chairman's Message



“There has been **consistent capacity growth, improvement in efficiency, augmentation of power-generation capacity, improving margins.** One element however has remained unchanged – our relationships. We surely have built new ones, but have grown and strengthened the existing ones.”

GAUR HARI SINGHANIA

Chairman

Dear Shareholders,

This year, we celebrated the **125th Birth Anniversary of Lala Kamlapat Singhania**, the iconic founder of the J.K. Organisation. The celebrations were an occasion for us to rededicate ourselves to his grand vision and ideals.

Indeed, for all these years, we have focused on building growth capacity for our nation, and relationships with our stakeholders. Our approach is therefore always to build long term value for all that engage with us. This is amply reflected in our performance too, if we see the consistent growth, expansion and value augmentation that we have reported in the five years since our IPO. There has been consistent capacity growth, improvement in efficiency, augmentation of power-generation capacity, improving margins. One element however, has remained unchanged – our relationships. We

surely have built new ones, but have grown and strengthened the existing ones.

The fiscal 2009-10 has been a year of renewal of confidence and optimism in the Indian economy, as it has rebounded strongly from the impact of the global financial crisis and demonstrated its inherent strength and growth potential. We believe that we can look forward to a period of sustained growth driven by India's strong domestic fundamentals.

During the year we took several proactive steps to increase productivity and efficiencies which has clearly reflected in through our improved financial results despite increase in input costs and moderate demand growth, which picked up only from the third quarter. We are also streamlining offerings to focus on higher volume and more profitable markets while reducing complexity and costs. We have improved our safety performance thus created a safer, more productive workplace for our people.



“Going ahead, we will continue to focus on growing our cement manufacturing capacity, and on our portfolio of value-added products. **We will also look to becoming more geographically diversified**, in order to have a more balanced and de-risked growth going ahead.”

We have taken several initiatives to enhance our brand equity and visibility. Further, we built a distribution network in the Southern and Western regions and also strengthened our existing distribution network in suburban and rural areas to cater to robust housing sector demand.

We commissioned our greenfield Grey Cement plant in the state of Karnataka with installed capacity of 3 Million Tonnes per annum in September 2009 and started commercial dispatches from October 2009. Along with that we commissioned a 50 Mw coal based Captive Power Plant at the Karnataka unit. We also celebrated the silver jubilee of our White Cement Plant at Gotan, the first limestone-based White Cement Plant in India. Therefore, while we added newer capacities, we also reached milestones in our existing ones.

J.K. Cement is positioned well for the long term due to our financial strength, superior quality product with an enhanced brand name, a proven business

strategy that has helped us to succeed in strong and weak economic environments, and a dedicated team of people working together to achieve our business goals. Going ahead, we will continue to focus on growing our cement manufacturing capacity, and on our portfolio of value-added products. We will also look to becoming more geographically diversified, in order to have a more balanced and de-risked growth going ahead.

I wish to thank all people at J.K. Cement for their personal commitment and efforts in making 2009-10 another successful year for your Company, and express appreciation for the support of our customers, suppliers, shareholders and directors.

Warm Regards

A handwritten signature in black ink, appearing to read 'Gaur Hari Singhania'.

GAUR HARI SINGHANIA
Chairman

Message from Managing Director & CEO



“The mother of all corporate strategies at J.K. Cement, is a simple one liner: **‘think long term.’** This spirit has reinforced our core capabilities and enhanced business sustainability in good times and bad. “

YADUPATI SINGHANIA

Managing Director & CEO

J.K. Cement has always stood for the long term.

Our products, growth strategies, human resource development practices and the spirit of corporate governance have always been inspired by this one abiding philosophy of long term value creation. So the mother of all corporate strategies at J.K. Cement, is a simple one liner: ‘think long term.’ This spirit has reinforced our core capabilities and enhanced business sustainability in good times and bad.

J.K. Cement’s products help catalyse India’s infrastructure development, which, in turn, is indispensable to sustain long term economic growth for the nation. Although India still has the second fastest growing economy in the world after China, the rate of growth is expected to accelerate further, touching 8-8.5% in the current year, on the strength of strong domestic consumption, low export dependence, political stability and a regulated financial sector.

Positive performance

At J.K. Cement, we have been an enthusiastic participant of this national growth story, which has even dazzled the

world. This is amply demonstrated by our performance in 2009-10: net sales increased 22.04% to Rs.1,82,678.47 lacs in 2009-10; operating profit surged 38.08% to Rs. 45,698.12 lacs in 2009-10, while net profit escalated 58.84%. The book value per share grew from Rs. 168.09 in 2008-09 to Rs. 192.85 in 2009-10. These numbers manifest the fundamental spirit of creating consistent value across all parameters. We had taken necessary steps to enhance capacity and internal efficiencies that translated into improved financial results, despite a not-so-buoyant market and low demand growth.

Going ahead, our performance in the Grey Cement segment is likely to improve on account of stabilised additional production for full year from the Greenfield Grey Cement plant in Karnataka. Besides, we have extended our marketing focus from the northern and central India to the western and southern parts to enhance visibility. In addition, we are making efforts to popularise the applications of white cement by word-of-mouth campaigns and advertisement/



J.K. Cement Works, Nimbahera Plant

“The result is that cement demand is **expected to grow at a steady pace of 9-10% during the next few years.** It’s no surprise that this would lead to massive capacity expansion. In the short term, this may lead to some pressure on selling prices in certain markets.”

sales promotion. The potential for growth of Wall Putty is vast, considering the fact that a substantial population of India still prefer to use Plaster of Paris.

The inherent optimism

India’s cement industry is expected to witness a surge in growth, driven by a resurgent real estate sector, government’s enhanced focus on affordable housing and overall infrastructure development. The result is that cement demand is expected to grow at a steady pace of 9-10% during the next few years. It’s no surprise that this would lead to massive capacity expansion. In the short term, this may lead to some pressure on selling prices in certain markets. India’s robust domestic demand, driven by a growing economy, is expected to absorb supplies from new capacities. So the big picture is one of optimism as India becomes more powerful and more integrated with the world and the challenge for the cement industry would be to catalyse national growth by providing globally benchmarked products and services. At J.K. Cement, we believe this is the right moment for the industry to consolidate itself and scale greater heights of excellence.

Parting thoughts

Our drive for value creation even encompasses the people who drive our brand. We focus on enhancing the skill of our people, because unless our people grow, the business

never grows. Besides, such a strategy enhances retention of intellectual capital. Today, the spirit of J.K. Cement touches 2,000 people and their families, apart from suppliers, dealers and distributors, bankers and investors. Even our community endeavours and green sensitivity for a better, cleaner world draw support and sustenance from the overarching spirit of creating enduring value for the world.

I hope that in our journey to create enhanced value through better products, larger capacities, enhanced distribution mechanism, revamped strategies for branding and a progressive culture for caring and sharing we would continue to receive the encouragement and support of all our stakeholders.

Yadupati Singhania

YADUPATI SINGHANIA

Managing Director & CEO

Formulating long term robust strategies

Sustainable growth is achieved by strategic planning and meticulous execution.

Long term growth, therefore, is not something that is evident immediately. Its effects however, are obvious when one changes the frame of reference.

At J.K. Cement, we have consistently invested in growing our cement capacities in line with India's growing demand and the foreseeable demand-supply gap. As we take the long term perspective, our drive for capacity creation remains invulnerable to temporary imbalances. Our capacity augmentation has been backed by requisite power generation facilities. **The last five years serve as ample testimony. We have more than doubled our capacity in Grey Cement from 3.55 MTPA to 7.5 MTPA,** and grown from being a





regional player to a national player today. From being a regional player, we have now emerged as one of the top ten producers of cement in India.

This definite strategy is extending itself into the future. We are securing raw material supplies for power generation through captive coal mining. **We are setting up a greenfield facility in the Middle East and other locations in India to maximise operational efficiencies and reduce logistics costs.** We have put in place a roadmap for brownfield expansion at our Mangrol unit, and have made provisions for putting up split grinding units at strategic locations, optimising logistics costs. At the same time, we are also looking at setting up greenfield facilities in joint venture with other companies to grow our presence.

On the other hand, we are consistently focused on creating a niche market through our value-added products in the White Cement space, emerging as a complete solution provider in a commoditised and non-commoditised market.

Thus, our approach is to build a sustainable model of value creation through consistent augmentation of capacity, improving efficiencies and securing raw materials as well as extending our presence in value-added product segments.



Investing in long term competencies

Businesses are only as good as their people. We believe growing people skills and ensuring retention accelerate embedded value creation.

At J.K. Cement, we believe in investing in our people. This is reflected in the fact that over 800 employees across multiple facilities are with the company for over 25 years and have grown with the organisation. This loyalty can be attributed to the philosophy of the J.K. Organisation, which seeks to provide people with a caring atmosphere, a world of opportunities and critical support and sustenance.

An analysis of the profile of our senior management shows that more than 75% of the top management have served the company for over 20 years. Not just that, more than 50%





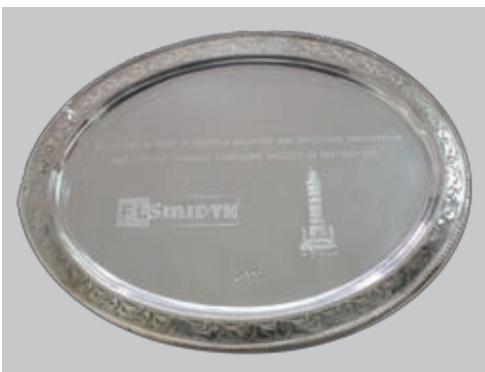
of our total employee base has been with the company for 20 years and 40% of our people have been with us for over 25 years.

With time, our role has evolved from employers to mentors, and we have invested in skill building and continuous training. We built the Regional Training Centre at Nimbahera, benefiting not just our people but the entire cement industry.

Today, our almost 2,000 people represent a good mix of experience and youth. **Our strategy is to draw people from the most reputed professional institutions and instil the J.K. Cement culture, while giving them ample opportunity to explore individual skills and capabilities.** Technological advancements (SAP for example) integrate multiple facilities, enhancing productivity and efficiency. We will continue to make investments in this direction.



Forging long term partnerships



A partnership-based approach, founded on mutual respect, as opposed to a strictly transactional one, differentiates long term players from others.

At J.K. Cement, we value each partnership with stakeholders (suppliers, dealers and distributors, bankers and investors), as life-long bonds and nurture each relationship with care. It's no surprise then that the technical consultants, **F L Smidth, who built our first plant, are also our partners for our latest ventures.** Our first dealers are still with us, and many of them cherish a 25-year relationship with J.K. Cement.

Our focus on building a motivated dealer network has helped us in many ways. For instance, we found a ready distribution channel for our White Cement products 25 years ago, thanks to our Grey Cement network. More recently, our national presence as a white cement maker, enabled us to gain a foothold for Grey Cement distribution in the western and southern regions of India.



J.K. White Cement Works, Gotan

We consistently engage with our stakeholders. Dealer meetings are held regularly together with training on products and other aspects. **Dealers are awarded for performance and felicitated for their association with the Company. JK Cement has instituted the prestigious Architect of the Year Awards, a coveted benchmark for the architectural profession, as well as an excellent platform for the Company to engage effectively with the architect fraternity.**

It is this philosophy of fostering partnerships that has enabled us to build a strong and reliable stakeholder community.



Developing long term integration

Shri Radha Krishna Temple, Nimbahera



Padam Vidya Vihar, Nimbahera



A business cannot survive in isolation. It is integrated to the community and to the planet in more senses than one. At J.K. Cement, we help reinforce this holistic alignment through long term community and greening initiatives, benefiting the present generation and our posterity.

Our community engagements broadly encompass rural development efforts (enhancing potable water supply), providing medical facilities (funding hospitals, eye testing facilities, family planning endeavours), creating educational facilities (primary and higher secondary education as well as vocational training and private university) and even encouraging religious endeavours.

In 2007-08, the Sir Padampat Singhania University at Udaipur, under the aegis of the J.K. Cement Nimbahera Foundation, was established. The University is one of the leading regional educational institutions,



Sir Padampat Singhania University



LK Singhania Education Centre



offering technical degrees and a variety of academic facilities in an ecological setting.

The LK Singhania Education Centre at Gotan, Rajasthan is a CBSE-affiliated co-educational institution, imparting education to children of both plant employees

and also those from neighbouring villages. J.K. Cement also runs two industrial training institutes to offer vocational training to students.

J.K. Cement also contributed generously to build a community temple at Nimbahera, a prominent landmark on the Rajasthan tourist map. We have also founded a hospital and Nimbahera Dispensary, ensuring advanced healthcare facilities.

We believe sports in India need to be encouraged to unleash the latent spirit of youth for nation building. Besides, sports enhance team building and instil a drive to achieve excellence in all spheres of activity. **J.K. Cement organises sports and extends financial aid to the Lion's Club, the Rotary International and other social and charitable organisations.**

At J.K. Cement, we conduct tree plantation in the vicinity of our facilities and encourage judicious resource use. Our new facilities comply with highest environmental standards; even the oldest plant at Nimbahera has a waste heat recovery system, a CDM registered project.

We are making sustained efforts to reduce effluent discharge and emissions to the environment to help make the planet cleaner and greener, **because in the final analysis what is good for the Earth is good for business.**

Profile of Directors'



1. 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 J.K. Synthetics Limited, Juggilal Kamlatpat 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 Pradeshia Industrial Investment Corporation of Uttar Pradesh, Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh State Sugar Corporation. A philanthropist and a socially active individual, he 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.

2. 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 is serving as a member of Rotary Club.

3. 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.

4. 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 J.K. Synthetics Limited. Before being a part of J.K. 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.



5. 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.

6. 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.

7. 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 over 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.



8. 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 J.K. Synthetics Limited. He started his career with J.K. 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.

9. 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 over 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. 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



Cement demand has posted a growth rate of **8%** during the year.

The capacity utilisation level in 2009-10 remained at **85%** and this has eased pressure on selling prices.

Government aims to increase the infrastructure spending to **9%** of the GDP by 2012.

INDIAN ECONOMY

The Indian economic growth rate has been quite rapid compared to other emerging economies primarily due to higher reliance on domestic demand. Recording a decent 7.2 % growth in 2009-10, indicated fast-paced recovery by the Indian economy and it continued to be the second fastest growing economy after China. The growth trajectory is expected to continue on the back of strong domestic demand and huge outlay on infrastructure planned by the Government. Government aims to increase the infrastructure spending to 9% of the GDP by 2012 compared to 5.5% at present. The spending on the infrastructure is likely to benefit the revenue and earnings growth of many related sectors.

The long-term domestic outlook remains buoyant with the progressive reforms, increasing FDI, robust investments, growing incomes and aspirations.

CEMENT INDUSTRY STRUCTURE AND DEVELOPMENT

Grey Cement

The forecasts for Cement Industry were (1) substantial capacity addition and (2) no sign of significant demand growth on account of impact of slowdown on the construction

and the Cement Industry. However, these forecasts did not come true. Although the real estate sector in metros did witness a slowdown due to liquidity crisis, this was compensated by increased infrastructure spending as part of the stimulus package and increased demand from rural and semi-urban housing, low cost housing initiatives etc. Consequently, Cement demand has posted a growth rate of 8% during the year. The capacity addition during the year was 37 million tonnes despite cancellation / postponement of some of the projects. However, the effective supply was much less due to delays in commissioning and stabilisation of various units. Consequently, the capacity utilisation level in 2009-10 remained at 85% and this has eased pressure on selling prices.

White Cement

The world-wide White Cement Industry size is about 1% of Grey Cement Industry and in India it is much less than compared to the Grey Cement Industry size of about 260 million tonne per annum.

Unlike Grey Cement, the White Cement Industry in India is highly concentrated. There are only three manufacturers of White Cement in India out of which Tranvancore Cement produces around 24,000 tonnes per annum and the entire production is sold in Kerala and borders of Tamil Nadu, whereas JK White and Birla White two largest players are having national presence and account for the substantial majority of India's production capacity. Consequently, prices of White Cement have been relatively less volatile.

Despite economic slowdown, Domestic White Cement industry posted growth of 12% during 2009-10.

Despite economic slowdown, Domestic White Cement industry posted growth of **12%** during 2009-10.

The Company's Putty sales have increased by **47%** during 2009-10.

Cement demand is expected to grow at a steady pace of **9-10%** during next few years.

Wall Putty also continued to find increasing acceptance from the end consumers and recorded significant growth in FY10 over FY09. The Company's Putty sales have increased by 47% during 2009-10.

OUTLOOK

Economy

Indian economy is well positioned to quickly get back to a sustainable high growth trajectory with inherent advantages of strong domestic consumption, low export dependence, political stability and regulated financial sector. Thus, it is less vulnerable to the roll back of stimulus measures and overall economic outlook is favourable with some concern of inflationary pressure particularly of food prices.

Industry

Rising housing construction in the rural and urban real estate sector, affordable housing and infrastructure development will be the key demand drivers. Therefore, cement demand is expected to grow at a steady pace of 9-10% during next few years.

There will be significant capacity addition of 40-50 million tonnes in 2010-11, more than 50% of which is coming up in Southern and Western regions. These capacity additions may create surplus in some parts of the country and therefore, pressure on selling prices are inevitable in certain



markets. However, with the high economic growth rate and robust demand, supplies from new capacities may get absorbed without major disruption.

DEMAND DRIVERS

Infrastructure

The infrastructure sector received strong impetus in the Union Budget 2010-11 on account of the following:

Rs. **1,73,552** crore provided for infrastructure development which accounts for over **46%** of the total plan allocation.

Allocation for road transport increased by over **13%** from Rs. **17,520** crore to Rs. **19,894** crore.

Rs. **16,752** crore provided for railways, which is about Rs. **950** crore more than last year.

Urban development and housing

The real estate sector in the country is one of great importance; an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity. In the Union Budget 2010-11 the following announcements with regard to the real estate sector:

- ❖ Allocation for urban development increased by more than 75 % from Rs. 3,060 crore to Rs. 5,400 crore in 2010-11
- ❖ Allocation for Housing and Urban Poverty Alleviation was raised from Rs. 850 crore to Rs. 1,000 crore in 2010-11
- ❖ Scheme of 1% interest subvention on housing loan upto Rs. 10 lakh, here the cost of the house does not exceed Rs. 20 lakh - announced in the last Budget - extended up to 31st March, 2011. Rs. 700 crore provided for this scheme for the year 2010-11
- ❖ Rs. 1,270 crore allocated for Rajiv Awas Yojana as compared to Rs. 150 crore last year

Slum Rehabilitation

With more than 20% of India's urban population living in slums, slum rehabilitation has assumed major significance

for the Government to ensure inclusive growth. The Jawaharlal Nehru National Urban Renewal Mission is playing a vital role in slum improvement and in-situ slum rehabilitation. It aims to provide shelter to the urban poor at their present location or near their place of work. Under slum rehabilitation, each eligible slum dweller will get a residential unit of 250-270 sq ft each. To attract private investment in slum rehabilitation, there will be consideration of transferable development rights (TDR) and additional floor area ratio (FAR) in provision of shelter to the poor. Rehabilitation of slum dwellers can provide a significant demand pull, as providing permanent housing to 62 million people (~12.4 million households) would consume 75 mt -80 mt of Cement. Besides, construction pertaining to TDR/FAR for rehabilitation could enhance Cement consumption.

ABOUT J.K. CEMENT

Grey Cement

The Company's performance in the current fiscal is likely to show an improvement over the last year on account of stabilised additional production for full year from the Greenfield Grey Cement plant in Karnataka. Besides Northern and Central region, Company has extended its marketing area to the Western and Southern parts of the country and is poised to position itself better from regional to national player.

White Cement

The outlook for White Cement and Wall Putty for 2010 -11 is positive. Efforts have been made to increase Brand loyalty, popularisation of the applications of White Cement by word of mouth campaigns and Advertisement / Sales promotion. There is still vast scope for growth of Wall Putty - on a conservative estimate, 90% of household in the country continue to use Plaster of Paris.

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 Government's continued thrust on infrastructure development and its stimulus packages to boost rural and other sectors. Infrastructural development is need of the nation, this along with rising housing construction as well as expansion of affordable housing

provision will accelerate construction activity. Improvement in global scenario could also provide impetus to economic growth and Cement demand.

Though Indian economy has strong fundamentals, it has also witnessed impact of slowdown on growth. If demand growth is hampered due to loss of impetus to implement infrastructure development programmes and/or escalating inflationary pressures, the oversupply could potentially become a significant issue.

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 economic recovery in 2009-10 and improvement in scenario of White Cement and Wall Putty, both the products are expected to record even better growth rate in 2010-11 on the back of Government policies to encourage growth, particularly in infrastructure sector.

White Cement is a complementary product in construction industry and faces a major threat from competing products. For instance, White Cement Paint Industry growth remain static 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.

There is growth of Regional Cement based Putty manufacturers who will promote their product as a brand. Moreover, there is mushrooming growth of low cost non White Cement based Putty manufacturers.

Risks and Concerns

Concerns of the Indian Cement Industry are high cost of Power and Coal/Pet coke, high freight cost, inadequate infrastructure, non availability of Wagons, poor quality of Coal and Taxes/Royalty levies.

Coal is the primary input for Cement production and Captive power generation. Availability of Coal against linkages and its quality is erratic affecting productivity. Prices of Petcoke available from domestic sources have parity with

Growth of GDP and Cement consumption has a correlation and Cement growth is normally **2%** over the GDP growth.

international Coal prices and therefore, volatility in the prices have been witnessed during last fiscal. Hence, getting continuous supplies of indigenous Coal of consistent quality remains a key area of concern. A Coal Block has been allotted to the Company jointly with two other partners but it will take few years to start production from the block.

Inward / Outward freight is also a substantial cost depending upon volatile crude prices.

Further, road and rail infrastructure development is vital for movement of Cement as well as for bringing fuel and other input materials to the production facilities cost effectively. With the ever increasing volumes of Cement it is even more critical. A shortage of railway wagons has also posed a major logistic constraint.

There have been delays in commissioning of expansion projects and some cancellations also due to liquidity crunch, high cost of capital but still it is expected that there will be surplus by 2011 in some parts of the country which could affect cement pricing.

Cement is a heavily taxed commodity. Rationalisation and simplification of tax regime would be beneficial to both consumers and producers. Any other increase in taxes will have an adverse impact on the profitability.



UNDERSTANDING THE INDIAN CEMENT INDUSTRY

(Michael Porter's model)

THREAT OF SUBSTITUTES: LOW

Only bitumen in roads and engineering plastics in building offer some element of substitution, otherwise no close substitute are popular.

COMPETITION: HIGH

Large number of players, intermittent overcapacity; marginal product differentiation; high storage cost; and high exit barrier in form of significant capital investment has let to stiff competition in the industry.

BARGAINING POWER OF SUPPLIERS: HIGH

Monopolistic control of external cost elements (coal, power, transportation and taxes) result in high bargaining power with the government

ENTRY BARRIERS: LOW

High capital investment, broad distribution network, economies of scale and oversupplied market deter new entrant. However, technology and manpower are easily available

BARGAINING POWER OF CONSUMERS: LOW

Rising share of retail purchase, declining share of bulk purchase by Government has taken away the bargaining power of customers.



Performance, 2009-10

Financial

1. Net sales increased 22.04% from Rs. 1,49,683.56 lacs in 2008-09 to Rs. 1,82,678.47 lacs in 2009-10
2. EBITDA grew 38.11% from Rs. 33,191.35 lacs in 2008-09 to Rs. 45,840.02 lacs in 2009-10
3. PBT increased 33.04% from Rs. 23,396.06 lacs in 2008-09 to Rs. 31,125.86 lacs in 2009-10
4. Net profit escalated 58.77% from Rs. 14,234.40 lacs in 2008-09 to Rs. 22,599.86 lacs in 2009-10
5. Earning per share surged 58.74% from Rs. 20.36 in 2008-09 to Rs. 32.32 in 2009-10
6. Book value per share grew from Rs. 169.21 in 2008-09 to Rs. 193.21 in 2009-10
7. Dividend payout grew from Rs. 3.50 per share in 2008-09 to Rs. 6.00 per share in 2009-10

Operational

1. Grey Cement production increased to 4.28 million tonnes during the year as against 3.79 million tonnes of previous year
2. White Cement production increased to 3.01 lacs tonnes as against 2.49 lacs tonnes of previous year
3. 44% increase in the production of Value Added Product (Putty) of White Cement

Steps taken by the Company to increase productivity and efficiencies resulted improved financial results despite increased input costs and low demand growth. The greenfield Grey Cement plant at Karnataka with installed capacity of 3 million tonnes per annum was commissioned in September 2009 and commercial dispatches started from October 2009. A 50 M.W. Coal based Captive Power plant has also been commissioned at Karnataka unit. Further, Company has taken steps for promoting brand and to build distribution network in the Southern and Western regions and has also strengthened existing distribution network in sub-urban and rural areas to cater to robust demand in the housing sector.

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-job training programs are organised through internal and external resources. Employees are also benefited from the Regional Training Center at the Grey Cement Plant at Nimbahera.

The Company firmly recognises that its human resources are the major source of strength to achieve the Company's vision. There is a great team spirit amongst the member of staff. They are key to achieving Company's vision and are the primary source of competitive advantage. The total number of permanent employee of the Company as at 31st March, 2010 was 1975.

Further, the Company has a stable and experienced middle and senior level management team, many of whom have been with the Company for more than 20 years.

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

Internal Control Systems

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

Introduction of the ERP system for revenues has been implemented in some of the units.

The Company has proper and adequate systems of internal controls to provide reasonable assurance that transactions are authorised, recorded, and reported correctly and to ensure compliance with policies, statute. The internal control system provides for well-documented policies, guidelines, authorisations, and approval procedures.

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



Directors' Report

Dear Members,

Your Directors have pleasure in submitting their Sixteenth Annual Report and audited accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

Rs./Lacs

	2009-10	2008-09
Gross Turnover	224806.61	187645.39
Profit before depreciation and tax	39676.80	28638.28
Less: Depreciation	8550.94	5242.22
Profit Before Tax	31125.86	23396.06
Provision for Tax:	-	-
- Fringe Benefit Tax	-	196.50
- Current Tax	5303.00	5568.00
Less: MAT Credit entitlement	(-)5297.00	-
- Deferred Tax	8520.00	3397.16
Profit After Tax	22599.86	14234.40
Add: Balance brought forward from the previous year	14489.48	13118.47
Less: On amalgamation	(-)8.36	-
Less: Transfer to General Reserve	15000.00	10000.00
Less: Dividend on Equity Shares (including tax thereon)		
Interim Dividend	2045.28	-
Final Dividend	2853.94	2863.39
Balance to be carried forward	17181.76	14489.48



2) OVERALL PERFORMANCE

The year 2009-10 saw improvement in your Company's performance on all important fronts, including production, sales, turnover and profitability. This has strengthened your Company's financials across all parameters.

The Company's turnover increased to Rs. 2248.07 crores during the year compared to Rs. 1876.45 crores in previous year. Profit before Depreciation & Tax increased to Rs. 396.77 crores compared to Rs. 286.38 crores due to increase in net sales realisation, increased volumes and lower input cost mainly of petcoke and flyash.

3) CONSOLIDATED FINANCIAL STATEMENTS

The statement as required under Section 212 of the Companies Act, 1956, in respect of the subsidiaries of the Company viz. J.K.Cement (Fujairah) FZC and J.K.Cement Works (Fujairah) FZC is annexed and forms an integral part of this Report. Consolidated Financial Statements form part of the Annual Report and Accounts. In terms of the approval of the Central Government accorded under Section 212 (8) of the Companies Act, 1956 the Audited Balance Sheets as at 31st March, 2010 in respect of the subsidiaries of the Company have not been attached to the Balance Sheet of the Company. However, the requisite information for each subsidiary has been disclosed. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company/subsidiary companies seeking such information.

4) DIVIDEND

Your Directors declared an interim dividend of Rs.2.50 per share and are pleased to recommend a final dividend of Rs.3.50 per share (total dividend of Rs.6.00 per share) for the financial year ended 31.3.2010 compared to Rs.3.50 per share paid for the financial year ended 31.3.2009.

5) OPERATIONS

Grey Cement

During the year under review, production of Grey



Cement in Rajasthan plants increased by 4.52% at 3.97 Million Tonnes as against 3.80 Million Tonnes during the previous year. Commercial despatches from the Karnataka plant also started from the 24th October 2009. This ensured that the total production of Grey Cement in 2009-10 increased to 4.29 Million Tonnes, a growth of 12.78% compared to the previous year. The contribution during the year too, was comparatively higher.

White Cement

Production of White Cement increased by 20.59% at 3.01 Lac tonnes during the year compared to 2.50 Lac tonnes previous year. The value added products registered increase of 44.6%. Sales also were in line with the increase in production. The contribution of both the products during the year was comparatively higher. J.K. White Cement Works, India's first limestone based White Cement plant celebrated its 25th anniversary.

6) PROJECTS OF J.K. CEMENT LTD.

a) Project Commissioned

During the year under review, the 3 Million Tonnes Per Annum capacity green field Grey Cement plant at Mudhol in the state of Karnataka has been commissioned. Out of the total cost outlay of Rs.864.16 crores (including the cost of 50 Mw captive power plant), Rupee Term Loan of Rs. 615 crores has been contributed by the consortium of Bankers led by IDBI Bank Ltd and the balance Rs. 249.16 crores has been contributed by the Company. The commercial despatches commenced from 24th October, 2009.

b) Expansion Initiatives

Your Company is striving to add capacity by undertaking Greenfield projects and expansions. It has been decided to undertake expansion of Grey Cement at existing site with capacity of 2.2 Million tonnes per annum and an additional 1.8 Million tonnes capacity grinding facility at split location in North India. The cost of expansion is estimated at Rs.1500 crores including captive power plant. The tentative schedule for completion is September, 2012.

7) PROJECTS OF SUBSIDIARY/JOINT VENTURE COMPANY IN HAND

a) Projects under Subsidiary Company

Cement Plant at Fujairah, UAE

Your Company has taken up establishment of a greenfield Grey Cement Plant in free trade zone at Fujairah, U.A.E. under its subsidiary, J.K.Cement Works (Fujairah) FZC, U.A.E. which is a joint venture company with Fujairah Investment, an undertaking of Government of Fujairah holding 10% equity. In view of change in business scenario in UAE, the revised layout of the subsidiary company has been drawn to set up 1.7 MTPA capacity in Phase-I with scope for further expansion. Study for re-assessment of market scenario and project cost etc. is being done. Meanwhile, leveling work of plant site is completed and Environmental clearance has also been obtained. The proposal for project funding is pending with UAE Banks due to the liquidity crisis.

b) Project under Joint Venture

Captive Coal Block in Maharashtra

During the year under report a Joint Venture Company viz. Bander Coal Company Private Limited ('the JV Company') has been incorporated. Your Company jointly with other two Companies contributed to the equity. The JV Company has filed application for grant of Mining Lease for extraction of Coal over an area of 1604.67 Hectare in Distt. Chandrapur, Maharashtra. Steps for preparation of Mining Plan and other approvals including forest clearance has also been initiated.

8) FINANCE

During the year under report your Company has availed additional Term Loan of Rs. 103.82 crores and repaid Rs. 123.88 crores. Further, Working Capital limits have been increased from Rs. 150 crores to Rs. 325 crores including Rs. 110 crores for Karnataka Plant.

9) CREDIT RATING

For long term bank facilities CARE has upgraded your Company's rating from "CARE A" to "CARE A+" and for short term debt obligation CARE assigned "PR1+" rating. This improvement in rating will enable the Company to negotiate with Bankers for better rates of interest keeping in view BASEL II norms.

10) SUBSIDIARY COMPANIES

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

11) MERGER

During the period under report, the Hon'ble High Court of judicature at Allahabad vide Order dated 4th August, 2009 sanctioned the Scheme of Amalgamation whereupon the erstwhile Jaykaycem Ltd (wholly owned subsidiary) stands merged with the Company. The said order was filed with Registrar of Companies on 24.8.09.

12) CORPORATE GOVERNANCE

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



13) PERSONNEL

13.1) Industrial Relations

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

13.2) Particulars Of Employees

List of employees getting salary in excess of the limits as specified under the provisions of sub-section (2A) of Section 217 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 a request to the Company at its Registered Office.

14) PUBLIC DEPOSITS

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

15) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

16) AUDITORS' REPORT

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

17) ABRIDGED ANNUAL REPORT

The Company shall be sending Abridged Annual Report, containing Abridged Financial Statements to all its members as permitted by SEBI guidelines dated 26.04.2007. The complete balance sheet shall be available on the Company's website www.jkcement.com Members, who are desirous of obtaining the full Balance Sheet

may send their request to the Company Secretary at the Registered Office address of the Company.

18) DIRECTORS

Three of your Directors namely Shri K. N. Khandelwal, Shri Raj Kumar Lohia and Shri Achintya Karati will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

19) DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

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

20) 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.

21) COST AUDITORS

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the year 2009-10. 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 2009-10.

22) ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Government of Rajasthan, Government of Karnataka and the Central Government. 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: 29th May, 2010.

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Grey Cement

- ❖ Replacement of RM-4 fan
- ❖ Coal unloading & handling system

White Cement

- ❖ 7.5 Mw Thermal Power Plant was made operational to achieve full capacity to achieve economy in power cost
- For general lighting more areas were covered for CFL use.

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

Grey Cement

- ❖ DBC for CM 1 & 2
- ❖ Modification in WHR duct layout to increase heat recovery
- Agro-waste Firing system
- ❖ Optimisation of VRM at Raw Mill stage
- ❖ Optimisation of electronic packer

White Cement

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

(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

- ❖ Installation of Robotic laboratory using Robo alongwith XRF-XRD for online quality control for consistent quality of cement production.

White Cement

- ❖ Optimisation 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
- ❖ CE Mark-Achieving EN 197-1 certification under Construction Product Directive 89/106/EEC as amended by 93/68/EEC to produce two types of cements.

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

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

Grey Cement/White Cement

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

(iii) Future Action Plan

Grey Cement

- ❖ Mech. Transport system for Raw Mill 1&2, Cement mill 1&2 for electrical energy conservation.
- ❖ Roller press for RM 1,2,3 grinding instead of ball mill to reduce power.
- ❖ Roller press for cement grinding in Combi circuit to reduce power
- ❖ Fly ash handling system
- ❖ Waste Heat Recovery System, feasibility being analysed.

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 minimisation, 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.
- ❖ Limestone capacity enhancement from 100 TPH to 200 TPH.

(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. 29.68 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

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

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

ANNEXURE

FORM A

PARTICULARS	GREY CEMENT		WHITE CEMENT	
	2009-10	2008-09	2009-10	2008-09
(A) POWER AND FUEL CONSUMPTION:				
1. ELECTRICITY				
(A) PURCHASED:				
Units / KWH (000)	70146	86334	12314	13927
Total Amount (Rs. / lacs)	3254.05	3832.87	547.65	606.92
Rate / Unit (Rs.)	4.64	4.44	4.45	4.36
(B) OWN GENERATION:				
(i) Through Diesel Generator :				
Units / KWH ('000)	5796	2499	1119	3273
Unit per litre of Diesel/Oil	2.61	3.30	4.09	3.87
Rate / Unit (Rs.)	6.16	6.50	5.59	7.35
(ii) Through Steam Turbine				
Units / KWH('000)	402715**	291399	22644	11618
Unit per Kg of Coal	1.66	1.52	0.662	0.909
Rate / Unit (Rs.)	2.27	2.5	3.584	4.193
2. PETCOKE/COAL/LIGNITE				
Quantity (tonnes)	619468	577669	34456	28339
Total Cost (Rs./ lacs)	31890.00	28788.01	1947.75	1871.01
Average Rate (Rs./ Tonne)	5148	4983	5653	6602
3. FURNACE OIL/OTHERS				
Quantity (K ltrs)	154	94	2559	2622
Total cost (Rs. / lacs)	50.36	32.35	598.96	715.72
Average rate / K.ltrs (Rs.)	32699	34415	23404	27297
4. OTHER/INTERNAL GENERATION				
(For Generation of Power from D.G. Sets)				
Quantity (K. ltrs)	2197	756	273	845
Total cost (Rs./lacs)	349.96	162.51	62.59	240.49
Average Rate/K. ltr (Rs.)	15932	21491	22887	28460
(B) CONSUMPTION PER UNIT OF PRODUCTION:				
1. Electricity (Kwh/Unit)	90	92	115	121
2. Petcoke /Coal /Lignite (K.Cals / Kg)	787	781	978	1026

** Including generation of electricity through waste heat recovery plant

Report on Corporate Governance

Company's philosophy on Code of Corporate Governance

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, sustainable return to its stakeholders i.e. the society at large by adopting best corporate practices in fair and transparent manner by aligning interest of the Company with that of its shareholders/other key stakeholders.

Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality.

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 prescribed in Clause 49 of the listing agreement in terms of constitution of the Board, the Board is headed by its Non-executive Chairman, Dr. Gaur Hari Singhania. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

As on 31st March, 2010 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 Directors
- ❖ Seven Non Executive, Independent Directors

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

The Board meets at least once a quarter to review the quarterly financial results and operations of your Company etc. In addition, the Board also meets as and when necessary to address specific issues relating to the business of your Company. During the financial year ended 31st March, 2010, five Board Meetings were held on the following dates:

(i) 23rd May, 2009 (ii) 31st July, 2009 (iii) 31st August, 2009, (iv) 31st October, 2009 (v) 30th January, 2010

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

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Dr. Gaur Hari Singhania	3	No
Shri Yadupati Singhania	3	No
Shri Ashok Sharma	5	Yes
Shri A. Karati	4	Yes
Shri J.P. Bajpai	5	Yes
Shri J.N. Godbole	4	Yes
Dr.K.B.Agarwal	4	Yes
Shri K.N. Khandelwal	5	Yes
Shri R.K. Lohia	3	No
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	Relationship Interse Directors	No. of other Directorships [Ⓐ]	No. of Board Committees (Other than J.K. Cement Ltd.) in which**	
					Chairman	Member
1	Dr. Gaur Hari Singhania, Chairman	Promoter, Non Executive, Non Independent	Related to Shri Yadupati Singhania	5	-	-
2	Shri Yadupati Singhania, Managing Director & CEO	Promoter, Executive, Non Independent	Related to Dr. Gaur Hari Singhania	9	-	-
3	Shri Ashok Sharma	Non-Executive, Independent	-	2	-	1
4	Shri Achintya Karati	Non-Executive, Independent	-	7	-	3
5	Shri J.P. Bajpai	Non-Executive, Independent	-	3	-	-
6	Shri J.N.Godbole	Non-Executive, Independent	-	10	1	6
7	Dr.K.B.Agarwal	Non-Executive, Independent	-	2	2	-
8	Shri K.N. Khandelwal	Non-Executive, Non Independent	-	4	-	1
9	Shri R.K. Lohia	Non-Executive, Independent	-	6	-	-
10	Shri Suparas Bhandari	Non-Executive, Independent	-	1	1	-

Ⓐ Directorships on all public limited companies, whether listed or not, has been included and all other companies including private limited companies, foreign companies and companies under section 25 of the Companies Act has been excluded.

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

iv) Non-Executive Directors' compensation and disclosures

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

v) Other provisions as to Board and Committees

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



experience to the Board and their foresight helps in decision making process.

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

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

- ❖ Key elements of Annual Budgets.
- ❖ Business plans and progress thereof.
- ❖ Company presentation on quarterly performance.

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

AUDIT COMMITTEE

i) Broad Terms of Reference

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

292A of the Companies Act, 1956 and the Corporate Governance Code as prescribed under clause 49 of the Listing Agreement, which broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with auditors, appointment and remuneration of auditors, adequacy of disclosures and other relevant matters. In particular, these include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing with the statutory and internal auditors the adequacy of internal controls and steps to be taken for strengthening the areas of weaknesses in internal controls.
7. Reviewing reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders , shareholders (in case of non payment of declared dividends) and creditors.
12. To review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



ii) Composition of the Committee

As on 31.03.2010, the following Directors were the members of the Audit Committee:

(i) Shri Ashok Sharma (Chairman)

Independent, Non Executive Director

(ii) Shri A. Karati

Independent, Non Executive Director

(iii) Dr. K. B. Agarwal

Independent, Non Executive Director

(iv) Shri K.N. Khandelwal

Non Independent, Non Executive Director

(v) Shri R.K. Lohia

Independent, Non Executive Director

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

iii) Meetings and Attendance

During the financial year ended 31st March, 2010 five meetings were held on

(i) 23rd May, 2009 (ii) 31st July, 2009 (iii) 29th August, 2009, (iv) 31st October, 2009 (v) 30th January, 2010

The attendance at the Committee Meetings was as under:

SL. No	Name of Director	No. of Meetings attended
1	Shri Ashok Sharma	5
2	Shri A. Karati	4
3	Dr. K. B. Agarwal (appointed on 23.5.09)	3
4	Shri K.N. Khandelwal	5
5	Shri R.K. Lohia	3

REMUNERATION COMMITTEE

i) Broad Terms of Reference

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

ii) Composition of the Committee

Remuneration Committee of the Company as on 31.03.2010 comprised of:

i) Shri Raj Kumar Lohia (Chairman)

Independent, Non Executive Director

ii) Shri A.Karati

Independent, Non Executive Director

iii) Shri J.P. Bajpai

Independent, Non Executive Director

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, 2010 one meeting was held on 23rd May, 2009.

The attendance at the above Meeting was as under

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

(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 31.03.2010 are as under

Sl. No	Name of Directors	No. of Equity Shares Held
1	Dr Gaur Hari Singhania	1041973
2	Shri Ashok Sharma	640
3	Shri Achintya Karati	640
4	Shri J. P. Bajpai	100
5	Dr. K. B. Agarwal	13710
6	Shri K.N. Khandelwal	3421

(v) Details of Remuneration to the Directors for the year ended 31st March, 2010

Sl. No	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	--	--	5000000	180000	5180000
2	Shri Yadupati Singhania @	9600000	16800000	70000000	--	96400000
3	Shri Ashok Sharma	--	--	600000	180000	780000
4	Shri A. Karati	--	--	600000	145000	745000
5	Shri J.P. Bajpai	--	--	600000	280000	880000
6	Shri J.N.Godbole	--	--	600000	70000	670000
7.	Dr.K.B.Agarwal	--	--	600000	260000	860000
8	Shri K.N. Khandelwal	--	--	600000	355000	955000
9	Shri Raj Kumar Lohia	--	--	600000	140000	740000
10	Shri Suparas Bhandari	--	--	600000	75000	675000

* 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. 48 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 31.03.2010 comprises of

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

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

(iii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 65 complaints during the FY 2009-10, and all the 65 complaints were redressed and there was no complaint pending as at 31.03.2010.

(v) Meeting and Attendance

During the financial year ended 31st March, 2010, four meetings were held on (i) 23rd May, 2009 (ii) 31st July, 2009 (iii) 31st October, 2009 and (iv) 30th January, 2010

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

CEO/CFO CERTIFICATION

The Managing Director & CEO and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(v) of the Listing Agreement, for the year ended 31.03.2010.

GENERAL BODY MEETINGS

Financial Year	Date	Time	Place
2006-07	25th August, 2007	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2007-08	26th July, 2008	12.00 Noon	-do-
2008-09	31st July, 2009	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 31st July, 2009 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 K. N. Khandelwal, Shri R. K. Lohia and Shri

Achintya Karati 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:

Shri K. N. 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) & CFO of J.K. Synthetics Limited. He started his career with J.K.Synthetics Limited in 1969 and has progressed to hold key positions in the Company. He has been on the Boards of Khandelwal Extraction Ltd, Juggilal Kamalapat Holding Ltd., Hilman Capital Finance Ltd. and J.K. Industrial & Mineral Products Ltd.. He is a trustee and member of executive bodies of various educational and social institutions and organisations. As on 31.3.2010, he was holding 3421 Equity Shares of the Company.

Shri Raj Kumar 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 experience in the fields of commerce and industry. A leading industrialist, he serves as Director on the Board of a number of other companies viz. Lohia Starlinger Limited, Lohia Sales & Services Ltd., Lohia Packaging Machines Ltd., Lohia ICBT Ltd., Lohia Filament Machines Ltd. and Bajaj Steel Industries Ltd. He has also received several awards, including the Excellence Award 2005 for contribution in the field of entrepreneurship. As on 31.3.2010, he was not holding any Equity share of the Company.

Shri Achintya Karati holds a Bachelor of Law degree from University of Calcutta. He has vast experience in the financial and legal fields spanning over 33 years. He has worked in diverse areas of commercial, legal and secretarial matters. He retired as Country Head, Govt. and Institutional Solutions Group, ICICI Bank Ltd., in March, 2004. During his association with ICICI Ltd., 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 ICICI Prudential Life Insurance Company Limited. He serves as Director on the Board of a number of other companies viz. Uflex Limited, ICICI-West



Bangal Infrastructure Dev. Cop. Ltd., Shyam Telecom Ltd., Sangam (India) Ltd., Jay Bharat Maruti Ltd., Tech Process Solutions Ltd. and Delton Cables Ltd. As on 31.3.2010, he was holding 640 Equity shares of the Company.

CODE OF CONDUCT

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

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

"I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management personnel of the Company, affirmation that they have complied with the code of Ethics and business conduct framed for Directors and Senior Management Personnel in respect of the financial year 2009-10.

Yadupati Singhania
(Managing Director & CEO)"

MEANS OF COMMUNICATIONS

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with Listing Agreement and the same are normally published in

Business Standard, Economic Times, Nav Bharat Times, Hindustan, Times of India, and Nafa Nuksan newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website www.jkcement.com and on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre (NIC).

DETAILS OF SHARES LYING IN THE ESCROW ACCOUNT OF THE REGISTRAR & SHARE TRANSFER AGENT

As per SEBI Circular dated 24th April, 2009 bearing reference No. SEBI/CFD/DIL/LA/1/2009/24/04, every Company is required to report the details of the shares lying in the Escrow Account which are yet to be credited to the investors who were allotted shares in the IPO. Accordingly, it is reported that as on 31.03.2010, 160 number of equity shares of 3(three) shareholders are lying in the Escrow Account with Stock Holding Corporation of India Ltd, Kanpur (DP. Id. IN301330 Client ID 19881648.)

PREVENTION OF INSIDER TRADING.

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

GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Date Time : Saturday the 31st July, 2010 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, 2010
(b) Second Quarter Results	Within 45 days from the close of Quarter Ending September, 2010
(c) Third Quarter Results	Within 45 days from the close of Quarter Ending December, 2010
(d) Results for the year ending 31.3.2011	Within 60 days from the close of Quarter Ending March, 2011

iii) Date of Book Closure

Tuesday 20th July, 2010 to Saturday 31st July, 2010 (both days inclusive)

iv) Dividend payment date

The Board of Directors of the Company recommended/declared/paid an interim dividend of Rs. 2.50 per share and have recommended a final dividend of Rs. 3.50 per share. Hence the total dividend for the year 2009-10 works out to Rs. 6.00 per share. The final dividend shall be payable on or after 31st July, 2010.

v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fees has been duly and timely paid to both the Stock Exchanges for 2009-10.

vi) Stock Code

BSE	532644
NSE	JKCEMENT
ISIN NUMBER	INE823G01014



vii) Market Price Data

Month	BSE				NSE			
	High	Low	Sensex High	Sensex Low	High	Low	Nifty High	Nifty Low
April, 2009	61.50	39.20	11,492.10	9,546.29	60.80	39.50	3,517.25	2,965.70
May, 2009	94.75	59.55	14,930.54	11,621.30	93.50	59.80	4,509.40	3,478.70
June, 2009	119.15	90.00	15,600.30	14,016.95	119.80	92.00	4,693.20	4,143.25
July, 2009	125.50	95.25	15,732.81	13,219.99	127.90	85.40	4,669.75	3,918.75
August, 2009	127.00	95.70	16,002.46	14,684.45	124.25	102.50	4,743.75	4,353.45
September, 2009	152.80	115.10	17,142.52	15,356.72	152.85	115.50	5,087.60	4,576.60
October, 2009	146.70	116.30	17,493.17	15,805.20	146.85	115.05	5,181.95	4,687.50
November, 2009	136.75	118.10	17,290.48	15,330.56	136.00	118.00	5,138.00	4,538.50
December, 2009	156.45	135.00	17,530.94	16,577.78	156.50	135.15	5,221.85	4,943.95
January, 2010	178.50	135.85	17,790.33	15,982.08	178.90	135.65	5,310.85	4,766.00
February, 2010	201.50	130.05	16,669.25	15,651.99	201.70	132.95	4,992.00	4,675.40
March, 2010	195.00	175.00	17,793.01	16,438.45	194.70	172.95	5,329.55	4,935.35

viii) Registrar / Share Transfer Agent

M/s J.K. Synthetics Ltd. is acting as Registrar and Share Transfer Agent of the Company for Physical and Demat

segment. Their address for communication is as under:

M/s J.K. Synthetics Ltd.

(Unit J.K. Cement Ltd.)

Kamla Tower,

Kanpur-208 001

Telephone: (0512) 2371478-81; Ext: 322

Fax: (0512) 2399854

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

investorservices@jkcement.com

ix) Share Transfer System

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

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

x) Distribution of Shareholding as on 31.3.2010

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
UP TO 500	102930	98.12	3989071	5.70
501 TO 1000	1142	1.09	842654	1.21
1001 TO 2000	339	0.32	512929	0.73
2001 TO 3000	124	0.12	314044	0.45
3001 TO 4000	65	0.06	233712	0.33
4001 TO 5000	63	0.06	298050	0.43
5001 TO 10000	89	0.08	680195	0.97
10001 AND ABOVE	154	0.15	63056595	90.18
TOTAL	104906	100.00	69927250	100.00

xii) Category of Shareholders as on 31st March 2010

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters and Promoter group	50	00.05	45676330	65.32
Mutual Funds / UTI	20	00.02	2854237	04.08
Financial Institutions / Banks	105	00.10	11399	00.02
Insurance Companies	4	00.00	2147627	03.07
Foreign Institutional Investors	43	00.04	8193229	11.72
Bodies Corporate	993	00.95	2931307	04.19
Individuals	103568	98.72	7851265	11.23
Others	123	00.12	261856	00.37
Total	104906	100.00	69927250	100.00

xiii) Dematerialisation of Shares

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

6,92,15,885 Equity shares representing 98.98% of the paid up Equity Capital of the Company have been dematerialised till 31.03.2010.

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

Company has following plants:

Plant	Location
Grey Cement Plants	Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Mudhol, Dist: Bagalkot, Karnataka
White Cement Plant	Gotan, Dist. Nagaur, Rajasthan
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan Nimbahera, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Mudhol, Dist: Bagalkot, Karnataka
Waste Heat Recovery Power Plant	Nimbahera, Dist. 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

AUDITORS' CERTIFICATE

To
The Members of J.K. CEMENT LIMITED.

We have examined the compliance of conditions of Corporate Governance by J.K. CEMENT LIMITED for the year ended 31st March, 2010, 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.

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 **P.L. TANDON & CO.,**
CHARTERED ACCOUNTANTS
Registration No. 000186C

Place: Kanpur.
Date : 29th May, 2010

(A.K. AGARWAL)
PARTNER
Membership No.71548

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, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - (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
Registration No. 000186C

(A.K. AGARWAL)
PARTNER

Place: Kanpur.
Dated : 29th May, 2010

Membership No.71548

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. 3951.57 Lacs and the year end balance of such loan granted was Rs. 2151.57 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. 5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956, therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- (ix) According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, services tax, customs excise duty were in arrear as at 31st March, 2010 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./Lacs	Period to which amount relates	Forum where dispute is pending
Finance Act 2008 (State)	Environment & Health Cess	570.74	2008-09 2009-10	Jodhpur High Court
State Sales Tax Act	Sales Tax	924.40	1991-92 onwards	Various Courts in U.P. Rajasthan
Central Sales Tax Act	Sales Tax	2347.22	1999 onwards	Appellate Authority
Rajasthan Entry Tax	Entry Tax	2670.00	July, 2006 onwards	Jodhpur High Court
U.P. Entry Tax	Entry Tax	737.35	Nov.2007 onwards	Allahabad High Court
Central Excise Act, 1944	Excise duty Including Interest thereon	419.02	1989	Supreme Court
Finance Act, 1994	Service Tax	1085.42	June, 2007 to March, 2008	Central Excise Dept.
Central Excise Act, 1944	Excise duty on non MRP Sale	28.22	April, 2007- March, 2008	Central Excise Dept.
Central Excise Act, 1944	Excise duty	153.70	2009-10	Appellate Tribunal
Service Tax	Service Tax on GTA	229.88	2009-10	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, 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 company has not given any guarantee for loans taken by others from Banks or Financial Institution. Accordingly, paragraph 4(xv) of the Order is not applicable.
- (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 are of the opinion that there are no funds raised on short term basis that have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) 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
Registration No. 000186C

(A.K. AGARWAL)
PARTNER

Place: Kanpur.
Dated : 29th May, 2010

Membership No.71548

Balance Sheet as at 31st March, 2010

		Rs./Lacs	
	Schedule	31-03-2010	31-03-2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	128382.26	111612.78
		135374.98	118605.50
Loan Funds			
Secured Loans	3	93761.21	43686.44
Unsecured Loans		13610.82	12753.64
		107372.03	56440.08
Deferred Tax Liability		18580.00	10060.00
TOTAL		261327.01	185105.58
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	237670.50	144114.81
Less: Depreciation		32449.68	22539.74
Net Block		205220.82	121575.07
Capital Work-in-Progress		22528.06	3505.73
		227748.88	125080.80
Investments	5	598.80	1074.08
Current Assets, Loans & Advances			
Inventories	6	23762.33	13612.58
Sundry Debtors		8187.31	5303.82
Cash & Bank Balances		13167.07	12520.06
Other Current Assets		179.40	131.63
Loans & Advances		23183.08	58149.19
		68479.19	89717.28
Less: Current Liabilities & Provisions			
Liabilities	7	32915.33	26636.95
Provisions		2853.94	4373.57
		35769.27	31010.52
Net Current Assets		32709.92	58706.76
Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Deferred Revenue Expenditure		269.41	243.94
TOTAL		261327.01	185105.58
i. Notes & Contingent Liabilities	13		
ii. Significant Accounting Policies	14		

As Per Our Report Attached
For **P.L.Tandon & Co.,**
Chartered Accountants

A. K. Agarwal
Partner

Gaur Hari Singhania
Chairman

Ajay Kumar Saraogi
President (Corp.Affairs) & CFO

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director & CEO

Ashok Sharma
Achintya Karati
Jyoti Prasad Bajpai
Jayant Narain Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

Director

Kanpur
Dated : 29th May, 2010

Profit and Loss Account for the year ended 31st March, 2010

Rs./Lacs

Schedule	2009-10	2008-09
INCOME		
Gross Sales	224806.61	187645.39
Less : Excise Duty	19484.48	21094.73
Sales Tax	22643.66	16867.10
Net Sales	182678.47	149683.56
Other Income	8 1929.12	791.18
TOTAL	184607.59	150474.74
EXPENDITURE		
Manufacturing Expenses	9 74117.76	65575.02
Payments to and Provisions for Employees	10 9942.73	8729.99
Selling, Administration and other Expenses	11 54707.08	42978.38
Interest (Net)	12 6163.22	4553.07
TOTAL	144930.79	121836.46
Profit Before Depreciation	39676.80	28638.28
Depreciation	9801.05	6510.47
Less: Transfer from Revaluation Reserve (Refer Note No.6)	1250.11 8550.94	1268.25 5242.22
Profit Before Tax	31125.86	23396.06
Provision for Tax		
Fringe Benefit Tax		196.50
Current Tax	5303.00	5568.00
Less: MAT Credit Entitlement	(5,297.00)	-
Deferred Tax	8520.00	3397.16
Profit After Tax	22599.86	14234.40
Balance from previous year	14489.48	13118.47
Less: On amalgamation	(8.36)	
Amount Available for Appropriations	37080.98	27352.87
APPROPRIATIONS		
General Reserve	15000.00	10000.00
Interim Dividend	1748.18	-
Proposed Dividend	2447.45	2447.45
Tax on Dividend	703.59	415.94
	19899.22	12863.39
Balance carried to Balance Sheet	17181.76	14489.48
Earning per share - Basic and Diluted (In Rs.)	32.32	20.36
i. Notes & Contingent Liabilities	13	
ii. 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

Ajay Kumar Saraogi
President (Corp.Affairs) & CFO

Shambhu Singh
Company Secretary

Ashok Sharma
Achintya Karati
Jyoti Prasad Bajpai
Jayant Narain Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

} Director

Kanpur
Dated : 29th May, 2010

Cash Flow Statement for the year ended 31st March, 2010

Rs./Lacs

	2009-10	2008-09
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit & Loss Account	31125.86	23396.06
Adjusted for :		
Depreciation	8550.94	5242.22
Deferred Revenue expenses	43.24	69.70
Interest	6941.87	5467.33
Interest received	(778.65)	(914.26)
Profit on sale of Investments	(0.57)	0.00
Dividend Income	(10.69)	0.00
Loss on sale of assets	305.21	30.65
Profit on Sale of Land	(20.50)	(226.68)
Operating Profit before Working Capital Changes	15030.85	9668.96
Adjusted for :	46156.71	33065.02
Trade & Other Receivables	(1634.65)	(1367.20)
Inventories	(10149.75)	(2159.43)
Trade Payable	3588.67	2592.27
Cash Generated from Operations	37960.98	32130.66
Adjusted for :		
Tax Paid	(7211.67)	(3801.17)
Corporate Dividend Tax	(713.04)	(594.21)
Dividend paid	(4167.97)	(3496.36)
Deferred Revenue expenses	(68.71)	(117.64)
	(12161.39)	(8009.38)
Net cash from operating activities	25799.59	24121.28
B) CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition/Purchase of fixed assets including capital advances	(20017.50)	(9471.17)
Sale of fixed assets	131.80	311.83
Purchase of Investments	(6208.71)	(123.69)
Sale of Investments	6167.87	0.00
Interest Income	688.95	1048.06
Net cash used in investing activities	(19237.59)	(8234.97)
C) CASH FLOW FROM FINANCING ACTIVITIES		
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	(388.39)	(244.36)
Capital subsidy received	1117.16	3210.29
Deferred Sales Tax	(492.49)	(460.48)
Long Term Borrowings	10382.96	17950.00
Cash Credit Accounts	2041.39	(3474.11)
Repayment of Long Term Borrowings	(12388.19)	(9005.34)
Interest Paid	(10552.58)	(5285.61)
Vehicle Loans & Others	523.55	377.43
Refund from Associate Company	1800.00	200.00
Net cash used in financing activities	(7956.59)	(17910.60)
Net increase in Cash and Cash Equivalents (a+b+c)	(1394.59)	(2024.29)
Opening balance of Cash and Cash Equivalents	14561.66 #	14544.35
Closing balance of Cash & Cash Equivalents	13167.07	12520.06

Including Balances of Jaykaycem Ltd.

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

Ajay Kumar Saraogi
President (Corp.Affairs) & CFO

Shambhu Singh
Company Secretary

Ashok Sharma
Achintya Karati
Jyoti Prasad Bajpai
Jayant Narain Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

} Director

Kanpur
Dated : 29th May, 2010

Schedules forming part of the Balance sheet

	Rs./Lacs	
	31-03-2010	31-03-2009
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of Rs. 10/- each	8000.00	8000.00
	8000.00	8000.00
ISSUED, SUBSCRIBED & PAID UP		
6,99,27,250 Equity Shares of Rs. 10/- each	6992.72	6992.72
	6992.72	6992.72

	Rs./Lacs	
	31-03-2010	31-03-2009
SCHEDULE - 2		
RESERVES & SURPLUS		
Revaluation Reserve		
As per last Balance Sheet	27785.45	29115.19
Less : Deduction During the year	11.07	61.49
Less : Transfer to Profit and Loss Account	1250.11	1268.25
	26524.27	27785.45
Capital Reserve		
Govt. Subsidy (Refer note no.5)		
As per last Balance Sheet	6680.43	3470.14
Add: Received during the year	1117.16	3210.29
	7797.59	6680.43
Securities Premium Account		
As per last Balance Sheet	25923.60	25903.61
Add: On amalgamation	65.00	19.99
	25988.60	25923.60
General Reserve		
As per last Balance Sheet	36733.82	26733.82
Add : Transfer from Profit & Loss Account	15000.00	10000.00
Less : On amalgamation	843.78	
	50890.04	36733.82
Profit & Loss Account	17181.76	14489.48
	128382.26	111612.78

Schedules forming part of the Balance sheet

	Rs./Lacs	
	31-03-2010	31-03-2009
SCHEDULE - 3		
LOAN FUNDS		
SECURED		
Term Loan from Banks	87374.82	39677.92
Cash Credit Accounts	5991.93	3808.19
Vehicle Loans	394.46	200.33
	93761.21	43686.44
UNSECURED		
Security Deposits & Others	5077.77	3728.10
Deferred Sales Tax	8533.05	9025.54
	13610.82	12753.64
	107372.03	56440.08

Schedules forming part of the Balance sheet

SCHEDULE - 4											
Fixed Assets											
Rs./Lacs											
DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions	Revaluation	As at 31.03.2010	As at 01.04.2009	For the Year	Deduction	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible Assets:											
Freehold Land	3360.35	664.08	13.82	(11.07)	3999.54					3999.54	3248.20
Leasehold Land	1849.71	1153.04			3002.75	50.99	198.45		249.44	2753.31	831.34
Buildings	15110.73	6211.15	20.14	[2.35]	21299.39	1716.77	502.02	3.80	2214.99	19084.40	13393.96
Plant & Machinery	121550.48	82920.25	337.19		204133.54	19809.72	8629.83	13.05	28426.50	175707.04	101496.45
Railway Sidings	887.42				887.42	176.63	39.77		216.40	671.02	710.77
Rolling Stock	105.01				105.01	19.75	4.64		24.39	80.62	85.26
Furniture, Fixtures and Office Equipments.	900.15	287.43	0.32		1187.26	195.01	91.48		286.49	900.77	603.74
Vehicles	1177.52	565.20	101.48		1641.24	286.76	125.31	41.95	370.12	1271.12	779.77
Other Assets	73.40	29.62			103.02	54.73	27.85		82.58	20.44	10.91
	145014.77	91830.77	472.95	(13.42)	236359.17	22310.35	9619.35	58.80	31870.91	204488.26	121160.40
Intangible Assets											
Goodwill	742.70				742.70	328.02	74.27		402.29	340.41	414.67
Computer Softwares		568.63			568.63		176.48		176.48	392.15	
	742.70	568.63			1311.33	328.02	250.75		578.77	732.56	414.67
GRAND TOTAL	145757.47	92399.40	472.95	(13.42)	237670.50	22638.38	9870.10	58.80	32449.68	205220.82	121575.07
Previous year's figures	124976.81	19349.45	149.31	(62.14)	144114.81	16063.43	6510.47	34.16	22539.74		
Capital Work-in-Progress including Capital Advances Rs. 6629.24 Lacs (Rs. 1050.95 Lacs)										22528.06	3505.73
										227748.88	125080.80

Note: (i) 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.

(ii) Figures of Gross Block ,Depreciation as on 1.4.2009 includes assets acquired on amalgamation of Jaykaycem Ltd. with the company on appointed date.

(iii) Amortisation of leasehold land amounting to Rs. 69.05 lacs till construction period has been capitalised.

Schedules forming part of the Balance sheet

			31-03-2010		31-03-2009	
SCHEDULE - 5						
INVESTMENTS						
Name of the Bodies Corporate	Whether Long term or current	Face Value (Rs.)	No.of Shares	Book Value (Rs./lacs)	No.of Shares	Book Value (Rs./lacs)
Investments in Shares						
A. Quoted						
Equity Shares fully paid up:						
- United Bank of India	Current	10	22136	14.61	-	-
B. Unquoted						
1. Subsidiary Companies:						
Fully paid up equity shares :						
- Jaykaycem Ltd.	Long Term	10	-	-	350700	527.38
- J. K. Cement (Fujairah) FZC.	Long Term	1000 AED	1000	123.69	1000	123.69
2. Other companies						
i) Fully paid up equity shares :						
- VS Lignite Power Pvt. Ltd.	Long Term	10	1444445	144.44	1444445	144.45
- Bander Coal Company Pvt. Ltd.	Long Term	10	375000	37.50		
ii) 0.01% cumulative redeemable Preference shares (Fully paid up) :						
- VS Lignite Power Pvt. Ltd.	Long Term	10	2785552	278.56	2785552	278.56
Aggregate value			-	598.80	-	1074.08
Aggregate Market value of quoted investments				15.19		Nil

Rs./Lacs

			31-03-2010	31-03-2009
SCHEDULE - 6				
CURRENT ASSETS, LOANS & ADVANCES				
A. Inventories				
Stores, Spare parts etc.			15186.30	8632.20
Raw Materials			2547.10	1233.18
Goods-in-Process			4047.39	1493.30
Finished Goods			1644.45	1133.93
Material-in-Transit			337.09	1119.97
			23762.33	13612.58
B. Sundry Debtors				
Debts over six months				
Considered Good				
Secured			6.41	2.75
Unsecured			134.71	65.97
Considered Doubtful			55.46	21.64

Schedules forming part of the Balance sheet

Rs./Lacs

	31-03-2010	31-03-2009
SCHEDULE - 6 contd.		
Other Debts		
Considered Good		
Secured	1037.00	544.24
Unsecured	7009.19	4690.86
	8242.77	5325.46
Less : Provision for Doubtful Debts	55.46	21.64
	8187.31	5303.82
C. Cash & Bank Balances		
Cash & Cheques in hand and remittances in transit	286.24	300.47
Balances with Scheduled Banks in:		
Current Accounts	7580.16	4961.79
Deposit Accounts	5300.67	7257.80
(Tied up Rs. 4231.77 Lacs, Previous year Rs. 5402.37 Lacs)		
	13167.07	12520.06
D. Other Current Assets		
Interest accrued on Deposits	179.40	131.63
E. Loans & Advances		
UNSECURED - Considered Good Unless Otherwise Stated		
Loan - J.K.Synthetics Ltd.(Company under same management)	1500.00	3300.00
Loan/Advances to wholly owned subsidiary Companies	651.57	47763.18
Advances Recoverable in cash or in kind or for value to be received		
Considered good	4099.71	4722.86
Considered Doubtful	17.90	11.64
Taxation (Net of Provisions)	495.54	-
Mat Credit Entitlement	5297.00	-
Prepaid Expenses	228.48	163.49
Deposits	1076.15	937.78
Balances with Custom & Excise Departments	9834.63	1261.88
	23200.98	58160.83
Less: Provision for Doubtful Advances	17.90	11.64
	23183.08	58149.19
	68479.19	89717.28

Schedules forming part of the Balance sheet

Rs./Lacs

	31-03-2010	31-03-2009
SCHEDULE - 7		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors		
Micro Small and Medium Enterprises ¹	242.68	40.31
Other Creditors	14102.47 14345.15	11894.28 11934.59
Investor Education & Protection Fund shall be credited by following (see note below) #		
Unclaimed Dividend	69.43	41.78
Unclaimed Application Money	2.15	2.17
Unclaimed Fraction Money	9.27 80.85	9.24 53.19
Other Liabilities	18125.44	14491.34
Temporary Book Overdraft	363.89	157.83
	32915.33	26636.95
Provisions		
Taxation (Net of Advance Tax & TDS)	-	1510.18
Proposed Dividend on Equity Shares	2447.45	2447.45
Tax on Dividend	406.49	415.94
	2853.94	4373.57
	35769.27	31010.52

1. (Refer Note No.11)

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

Rs./Lacs

	2009-10	2008-09
SCHEDULE - 8		
OTHER INCOME		
Claims Realised	177.76	75.45
Current Investments :		
- Profit on Sale of Investments	0.57	-
- Dividend	10.69	-
Profit on sale of Fixed Assets	20.50	226.68
Sale of Carbon Credit	301.57	-
Exchange Rate Difference	-	31.75
Liability no longer required	652.64	-
Miscellaneous Income	765.39	457.30
	1929.12	791.18

Schedules forming part of the Profit and Loss Account

Rs./Lacs

	2009-10	2008-09
SCHEDULE - 9		
MANUFACTURING EXPENSES		
Purchase of Trading Goods	48.70	48.01
Raw Materials Consumed	19913.66	15428.71
Packing Materials Consumed	7150.56	6480.26
Stores and Spares Consumed	4854.03	3542.00
Power and Fuel	41138.52	37622.74
Repairs To:		
Plant and Machinery	3173.57	2143.51
Buildings	531.79	443.00
Others	66.34	21.85
Insurance	298.53	259.14
(Increase)/ Decrease in Stock :		
Closing Stock :		
Finished Goods	1644.45	1133.93
Goods-in-process	4047.39	1493.30
	5691.84	2627.23
Less :Opening Stock :		
Finished Goods	1133.93	1013.90
Goods-in-process	1493.30	1090.73
	2627.23 (3,064.61)	2104.63 (522.60)
Excise Duty	6.67	108.40
	74117.76	65575.02

Rs./Lacs

	2009-10	2008-09
SCHEDULE - 10		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries,Wages and Bonus	7959.74	6758.22
Contribution to Provident and other Funds	1028.04	1030.69
Welfare Expenses	954.95	941.08
	9942.73	8729.99

Schedules forming part of the Profit and Loss Account

Rs./Lacs

	2009-10	2008-09
SCHEDULE - 11		
SELLING, ADMINISTRATION & OTHER EXPENSES		
Administration and Other Expenses :		
Rent	478.62	353.34
Lease Rent	0.70	0.22
Rates and Taxes	1149.48	1108.24
Travelling and Conveyance Expenses	1124.59	899.44
Provision for Doubtful Debts & Advances	41.27	16.40
Bad Debts & Advances written off	1.94	159.93
Loss on sale of Fixed Assets (Net)	305.21	30.65
Expenses relating to previous year	9.78	10.79
Loss on exchange rate fluctuation	20.03	-
Miscellaneous Expenses	5506.22	4045.81
	8637.84	6624.82
Selling And Distribution Expenses :		
Advertisement and Publicity	2630.71	1472.41
Commission, Brokerage and Incentives	2181.88	2204.26
Selling Expenses	3580.53	1486.52
Freight and Handling Outward	37676.12	31190.37
	46069.24	36353.56
	54707.08	42978.38
SCHEDULE - 12		
Interest		
Interest :		
On Fixed Loans	5932.43	3838.14
Others	1009.44	1629.19
	6941.87	5467.33
Less: Interest Received (Tax deducted at source Rs. 71.29 Lacs, Previous year Rs. 156.19 Lacs)	778.65	914.26
	6163.22	4553.07

Notes on Accounts

SCHEDULE - 13

		Rs./ lacs
	31.03.2010	31.03.2009
1. (A) CONTINGENT LIABILITIES		
(i) In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	4328.45	5319.04
(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	172.04	-
b) Custom duty	176.28	-
c) Sales tax	924.73	1949.26
d) Service tax	1085.42	1024.96
(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1088.40	1068.02
(B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	4147.18	190.68

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) Term Loan related to Cement Plants at Rajasthan

a) From Consortium of Banks : Rs. 13748.69 lacs (Rs. 19637.54 lacs)

b) From other Banks : Rs. 12018.52 lacs (Rs. 13639.41 lacs)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all the movable assets of the Company both present and future save and except inventories, book debts, cash and bank balances and assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Mudhol, Karnataka and a premises at Prabhadevi, Mumbai.

Loans in (i)(a) are also guaranteed by the Managing Director of the Company.

c) From Canara Bank : Rs. 4126.50 lacs (Rs. 5212.95 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.

(ii) Term Loan related to Cement Plant at Karnataka

From Consortium of Banks: Rs. 56431.11 lacs

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)present and future pertaining to J.K. Cement Works, Mudhol, Karnataka subject to prior charges in favour of working capital lenders on the Borrower's stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables as agreed to by the Lenders for securing their working capital advances.

(iii) From IDBI Bank Ltd : Rs. 1050.00 lacs (Rs. 1188.02 lacs)

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

(iv) Vehicle Loans : Rs. 394.46 lacs (Rs. 200.33 lacs)

Secured by hypothecation of vehicles

Notes on Accounts

(B) CASH CREDIT ACCOUNTS :

- (i) Cash Credit limits related to Cement Plants at Rajasthan

From Consortium of Banks: Rs. 5043.99 lacs (Rs. 3808.19 lacs).

Secured by first charge on current assets namely inventories, book debts etc. (except current assets pertaining to J.K. Cement Works, Mudhol, Karnataka) and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Mudhol, Karnataka and a premises at Prabhadevi, Mumbai and also guaranteed by the Managing Director of the Company.

- (ii) Cash Credit limits related to Cement Plant at Karnataka

From Consortium of Banks: Rs. 736.71 lacs

Secured by first charge on current assets namely inventories, book debts etc and second charge on fixed assets related to J.K. Cement Works, Mudhol, Karnataka .

- (iii) Overdraft : Rs. 211.23 lacs

Secured by pledge of Fixed deposit

4. Jaykaycem Ltd (the amalgamating Company) engaged in setting-up of Greenfield Grey Cement Plant and Captive Power Plant at Mudhol, District Bagalkot, in State of Karnataka, has been amalgamated with the Company. The Scheme of amalgamation(the Scheme) was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its order dated 20th August,2009 which became effective on 24th August,2009. In accordance with the said Scheme and as per the approval of the Hon'ble High Court:
 - a) The assets, liabilities, rights and obligations of erstwhile Jaykaycem Ltd have been transferred to and vested with the Company with effect from 1st April,2008(Appointed date) and have been recorded during the current year at their respective book values as appearing in the books of amalgamating Company under the pooling of interest method of accounting for amalgamations(AS-14) issued by The Institute of Chartered Accountants of India.
 - b) The amalgamating Company was wholly owned subsidiary of the Company, therefore, no consideration was payable nor any Shares were issued. Reserves have been preserved as they appeared in the financial statements of amalgamating Company.
 - c) The amalgamating Company had not prepared Profit & Loss Account till effective date as their project was under construction.
5. 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. 7797.59 lacs as interest subsidy for the period 1st Dec.2004 to 31st Dec.2009. The subsidy amounting to Rs. 7797.59 lacs has also been released by Government upto 31st March,2010 (Rs. 1117.16 lacs during the year) under the aforesaid scheme has been accounted for as Capital Receipt based on expert advice.
6. 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. 1250.11 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
7. Pursuant to the implementation of SAP ERP system, during the year in some Grey Cement Plants and Power Plants Inventory valuation method has been changed from annual weighted average method to daily moving weighted average for items procured and monthly moving weighted average in case of material in process and finished goods.

Notes on Accounts

8. Unhedged foreign currency exposure

Export debtors: US\$ 364879.67:Rs. 163.46 lacs (US \$617438.71 : Rs. 311.93 lacs)

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

(A) Loans and Advances in the nature of Loans given to Subsidiary Company is

	Rs./ lacs	
	Outstanding Balance	Maximum balance During the year 2009-10
	31.03. 2010	31.03.2009
J.K.Cement (Fujairah)FZC	651.57	263.18
		651.57

(B) Investment by loanee in the shares of the Company : NIL

10. Disclosures in accordance with Accounting Standards

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

	Rs./ lacs	
	31.03.2010	31.03.2009
(a) Deferred Tax Assets		
(i) Provision for Doubtful Debts	20.89	11.32
(ii) Expenses deductible on payment basis	1873.80	1560.92
(iii) Unabsorbed loss	1212.54	-
	3107.23	1572.24
(b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income-tax Act	21687.23	11632.24
(c) Net Deferred Tax Liabilities (a-b)	18580.00	10060.00

(B) Earning per share (EPS):

	Rs./ lacs	
	2009-10	2008-09
Net Profit available for Equity Share holders (Numerator used for calculation)	22599.86	14234.40
Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
Basic and Diluted earnings per share of Rs. 10/-	32.32	20.36

(C) Related Parties Disclosures:

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

- i) Juggilal Kamlatpat Holding Ltd
- ii) Yadu International Ltd

(b) Key Management Personnel & their Relatives:

- i) Shri Yadupati Singhania- Managing Director & C.E.O.
- ii) Dr. Gaur Hari Singhania (Relative)

(c) Enterprises significantly influenced by Key Management Personnel or their Relatives.

- i) J.K. Synthetics Ltd
- ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd.

Notes on Accounts

(d) Wholly Owned Subsidiary Companies.

J.K. Cement (Fujairah) FZC

(e) Fellow Subsidiary

J.K. Cement Works(Fujairah) FZC

(f) Joint Venture

Bander Coal Company (P) Ltd

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

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

	Rs./ lacs	
	2009-10	2008-09
(i) J.K. Synthetics Ltd		
Sale of Product	0.05	0.03
Services received	40.81	37.02
Rent paid	45.30	42.44
Expenses Reimbursed	134.54	152.86
Loan given:		
Balance as at beginning	3300	3500
Payment received	1800	200
Balance as at close of the year	1500	3300
(ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd		
Rent paid	5.29	4.94
Purchases	0.41	-
Sale of Products	1.13	-
(iii) J.K. Cement(Fujairah) FZC		
Loan given:		
Balance as at beginning	263.18	18.82
Paid during the year	388.39	244.36
Balance as at close of the year	651.57	263.18
(iv) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania(Managing Director)		
- Remuneration	977.00	601.29
b) Dr Gaur Hari Singhania(Relative)		
- Commission	50.00	35.00
- Sitting Fees	1.80	1.50
(v) Bander Coal Company (P) Ltd.		
Advances given	12.71	-
Balance as at close of the year	12.71	-

Notes on Accounts

(D) Disclosure of Company's Interest in Joint Venture.

Name of Joint Venture	% Interest	Country of Incorporation
Bander Coal Company Pvt. Ltd	33.3%	INDIA

The Company has made an investment of Rs. 37.50 lacs in equity shares of Joint Venture Company and has also advanced Rs. 12.71 lacs. The Joint Venture Company has not yet finalised the Financial Statements, therefore, Company's share in Assets, Liabilities and Income & Expenditure has not been disclosed.

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

(F) 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 2009-10 are as under:

	Rs./ lacs
Employer's contribution to Provident Fund	315.92
Employer's contribution to Superannuation Fund	311.80
Employer's contribution to Family Pension Fund	155.26

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.

Defined benefit plans/compensated absences-As per actuarial valuation:

	Rs/lacs			
	Gratuity Funded		Leave encashment Unfunded	
	2009-10	2008-09	2009-10	2008-09
I Expenses recognised in the Statement of Profit & Loss for the year ended				
1 Current Service Cost	104.48	109.93	171.73	143.55
2 Interest Cost	198.74	165.54	48.66	42.97
3 Expected return on plan assets	(198.07)	(154.53)	-	-
4 Net Actuarial(Gains)/Losses	75.83	239.78	(0.16)	15.40
5 Total expenses	180.98	360.72	220.23	201.92
II Net Asset/(Liability) recognised in the Balance Sheet as at 31.03.2009				
1 Present value of Defined Benefit Obligation	2699.41	2701.59	800.67	717.26
2 Fair value of plan assets	2524.76	2347.2	-	-
3 Funded status[Surplus/(Deficit)]	(174.65)	(354.39)	(800.67)	(717.26)
4 Net asset/(Liability)	(174.65)	(354.39)	(800.67)	(717.26)

Notes on Accounts

	Rs/lacs			
	Gratuity Funded		Leave encashment Unfunded	
	2009-10	2008-09	2009-10	2008-09
III Change in obligation during the year ended				
3 Interest Cost	198.74	165.54	48.66	42.97
4 Actuarial(Gains)/Losses	(202.01)	472.43	(0.16)	15.40
5 Benefits Payments	(103.39)	(130.11)	(136.82)	(17.44)
6 Present value of Defined Benefit Obligation at the end of the year.	2699.41	2701.59	800.67	717.26
IV Change in Assets during the year ended				
1 Plan assets at the beginning of the year	2347.2	1903.14	-	-
2 Expected return on plan assets	198.07	154.53		
3 Contributions by Employer	360.72	186.99	136.82	17.44
4 Actual benefits paid	(277.84)	232.65		
5 Actuarial Gains/(Losses)	(103.39)	(130.11)	(136.82)	(17.44)
6 Plan assets at the end of the year	2524.76	2347.20		
V Actuarial Assumptions:				
1 Discount Rate	7.50%	7.50%	7.50%	7.50%
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%
6 Maximum limit	Rs. 3,50,000/-			

11. Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2010 as per the terms of Contract.

12. Managerial Remuneration paid/payable to Directors :

Notes on Accounts

	Rs/lacs	
	2009-10	2008-09
Managing Director:		
Remuneration	96.00	84.00
Contribution to P.F. & Superannuation	11.52	10.08
Performance linked incentive	48.00	42.00
Perquisites/Allowances	121.48	115.21
Commission	700.00	350.00
Total (a)	977.00	601.29
Non Executive Directors		
Sitting Fees	16.85	8.70
Commission	98.00	75.00
Total (b)	114.85	83.70
TOTAL (a+b)	1091.85	684.99

Computation of net profit under section 349 of the Companies Act, 1956

	Rs/lacs	
	2009-10	2008-09
Profit before Taxes	31125.86	23396.06
Add:		
(a) Managerial Remuneration	1091.85	684.99
(b) Provision for Bad and Doubtful Debts and Advances	41.27	16.40
(c) Loss on sale of assets	305.21	30.65
Less:		
(a) Profit on sale of investments	0.57	NIL
(b) Profit on sale of land(Net)	20.50	226.68
(c) Provision for Bad and Doubtful Debts and Advances Written Back	7.44	901.32
Profit as per section 349 of the Companies Act, 1956	32535.68	23000.10
a) Commission to Managing Director:		
Maximum Remuneration to Managing Director @ 5% of above profit	1626.78	1150.00
Commission as determined by the Board	700.00	350.00
b) Commission to Non Executive Directors:		
Eligible commission to Non Executive Directors @ 1% of above profit	325.35	230.00
Commission as determined by the Board	98.00	75.00

13. Remuneration to Auditors

	Rs/lacs	
	2009-10	2008-09
(a) Audit Fee	17.00	10.00
(b) In Other Capacity	2.37	2.46
(c) Reimbursement of Out of Pocket expenses	0.85	0.63

Notes on Accounts

14. Details of Investment made in Mutual Funds & redeemed during the year 2009-10:

		Rs./lacs
Name of Mutual Fund	No. of Units	Purchase value
Kotak Flexi Debt	38815625.776	3900.00
Kotak Floter Long Term	5952499.058	600.00
ICICI Prudential Flexible Income Plan	1529937.133	1650.00
	46298061.967	6150.00

15. The details of Project Development Expenses relating to J.K. Cement Works ,Mudhol capitalised during the year:

		Rs./lacs
Particulars		2009-10
Repairs & Maintenance		10.05
Insurance		91.10
Electricity line laying & other expenses		1143.69
Establishment expenses		197.19
Employees Welfare expenses		9.51
Rent		6.04
Lease rent		500.84
Rates & Taxes		4.00
Travelling & Conveyance		38.30
Legal & Professional charges		19.93
Freight & handling		8.14
Other Administrative expenses		448.35
Interest(net)		3377.36
Depreciation		69.03
Trial run expenses		
Material Consumption	538.64	
Salary & wages	39.51	
Power charges	215.26	
Less: Value of trial run stock-Clinker	(610.56)	182.85
Opening balance as on 31.03.2009		6630.06
Total		12736.44
Expenses Capitalised during the year		12736.44
Balance		Nil

16. Previous year figures have been regrouped and recast wherever necessary to conform to the classification of the year. The figures for the current year includes figures of Jaykaycem Ltd which is amalgamated with the Company with effect from 1st April,2008 and are therefore, to that extent not comparable with those of previous year.

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

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 'Weighted Average cost' method is followed for determination of cost.

7. Depreciation and amortization

I) Tangible Assets:

- i) Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on additions/deductions to fixed assets is being provided on pro-rata basis from/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) Leasehold land is amortised over the period of lease.

II) Intangible Assets:

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

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.

Significant Accounting Policies

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.

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 difference adjustments are not accounted for in provisions.

13. Miscellaneous Expenditure

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 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 of Paragraphs 3,4c & 4d of Part II of Schedule VI To The Companies Act,1956

A. CAPACITY, TURNOVER, PRODUCTION & STOCKS

2009-10

(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/POZZALANA CEMENT	M.T	7471900 (4471900)	14023 (14202)	265.61 (267.95)	4285086 (3799581)	4254878 (3799759)	183441.81 (154318.08)	44231 (14023)	702.79 (265.61)
2.	WHITE CEMENT	M.T.	400000 (400000)	9434 (8672)	586.76 (499.49)	301424 (249958)	300120 (249196)	25563.02 (21854.55)	10738 (9434)	706.67 (586.76)
3.	OTHERS				281.56 (246.45) 1133.93 (1,013.89)			15801.78 (11,472.76) 224806.61 (187,645.39)		234.99 (281.56) 1644.45 (1,133.93)

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 within bracket

Ⓐ As certified by the management.

B. RAW MATERIALS CONSUMED

Rs./Lacs

Name of Material	Unit	2009-10		2008-09	
		Quantity	Value	Quantity	Value
Lime Stone	M.T	5624931	6711.47	4663163	5240.75
Red Ochre	M.T	355228	1538.91	329994	1302.81
Pozzolana	M.T	52877	241.07	34304	202.73
Gypsum/Selenite	M.T	231973	2647.88	184289	1722.97
Clay	M.T	120759	616.26	73501	349.22
Fly Ash	M.T.	643591	2588.56	482742	2874.93
Others [#]			5569.51		3735.30
			19913.66		15428.71

[#] Includes consumption of own production

Information Pursuant To The Provisions of Paragraphs 3,4c & 4d of Part II of Schedule VI To The Companies Act,1956

	2009-10	2008-09
C. C.I.F VALUE OF IMPORTS	Rs./Lacs	Rs./Lacs
a) Raw Material	2964.61	1723.93
b) Components, Stores & Spare Parts and packing material	4664.98	1712.32
c) Capital Goods	642.38	385.26
	8271.97	3821.51
D. EXPENDITURE IN FOREIGN CURRENCY		
(On accrual basis)		
a) Know-how/Technical Service Fee	93.67	48.31
b) Others	73.16	109.42
	166.83	157.73
E. VALUE OF RAW MATERIALS, STORES & SPARE PARTS ETC. CONSUMED		
a) Raw Materials		
i) Imported Value	3349.55	1536.72
% of total consumption	16.82	9.96
ii) Indigenous value	16564.11	13891.99
% of total consumption	83.18	90.04
	19913.66	15428.71
b) Stores & Spare Parts etc. (including Packing Material)		
i) Imported Value	1417.24	760.12
% of total consumption	11.81	7.58
ii) Indigenous value	10587.37	9262.14
% of total consumption	88.19	92.42
	12004.61	10022.26
F. REMITTANCE IN FOREIGN CURRENCY		
Dividend %	1.99	1.68
G. EARNING IN FOREIGN EXCHANGE		
Export of Goods Calculated on FOB Value	2035.28	1486.54
	2035.28	1486.54

As Per Our Report Attached
For **P.L.Tandon & Co.,**
Chartered Accountants

A. K. Agarwal
Partner

Gaur Hari Singhania
Chairman

Ajay Kumar Saraogi
President (Corp.Affairs) & CFO

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director & CEO

Ashok Sharma
Achintya Karati
Jyoti Prasad Bajpai
Jayant Narain Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

Director

Kanpur
Dated : 29th May, 2010

Balance Sheet Abstract 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 (Rs. in Thousands)

Public Issue Right Issue

Bonus Issue Private Placement

3 Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid - up Capital Reserves & 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 (Rs. in Thousands)

Turnover Total Expenditure

Profit/Loss Before Tax ☒ Profit 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

A. K. Agarwal
Partner

Gaur Hari Singhania
Chairman

Ajay Kumar Saraogi
President (Corp.Affairs) & CFO

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director & CEO

Ashok Sharma
Achintya Karati
Jyoti Prasad Bajpai
Jayant Narain Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari } Director

Kanpur
Dated : 29th May, 2010

FINANCIAL DETAILS OF SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Closing Exchange Rate adopted is on 31.12.2009 Rs. /AED	Capital	Reserves	Total Assets	Total Liabilities	Investment (Included in Total Assets)	Turnover	Rs./Lacs		
								Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax
J.K.Cement (Fujairah) FZC	12.6678	126.68	(45.07)	661.93	580.32	114.01	-	(21.22)	-	(21.22)
J.K.Cement Works (Fujairah) FZC	12.6678	126.68	(193.14)	481.32	547.79	-	-	(123.45)	-	(123.45)

Notes ;

1. In terms of approval granted by Central government under section 212[8] of the Companies Act 1956, the annual accounts of the Subsidiary Companies and related detailed informations will be made available upon request by the investors of the Company and its Subsidiary Companies.These documents will also be made available for inspection by any investor at Registered/Head office of the Company at Kamla Tower, Kanpur-208001 and that of the subsidiary Companies concerned.
2. The Company has consolidated the financial statements of its subsidiary as per Accounting Standard (AS)-21"Consolidated Financial Statements" issued by the "Institute of the Chartered Accountants of India" .

Place: KANPUR

Dated: 29th May'2010

Auditors' Report on Consolidated Accounts

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, 2010, 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 subsidiary and fellow subsidiary whose consolidated financial statement reflect total assets of Rs. 503.13Lacs as at 31st December, 2009 total expenses of Rs. 144.67 Lacs and cash flows amounting to Rs. 8.44 Lacs 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 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 31.03.2010
 - (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
 Registration No. 000186C

Place: Kanpur

Date : 29th May, 2010

(A.K. AGARWAL)
 PARTNER
 Membership No.71548

Consolidated Balance Sheet as at 31st March, 2010

		Rs./Lacs	
	Schedule	31-03-2010	31-03-2009
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	128133.90	111533.32
		135126.62	118526.04
Minority Interest		-	5.95
Loan Funds	3		
Secured Loans		93761.21	93530.91
Unsecured Loans		13610.82	13773.90
		107372.03	107304.81
Deferred Tax Liability		18580.00	10060.00
TOTAL		261078.65	235896.80
APPLICATION OF FUNDS			
Goodwill		-	435.70
Fixed Assets	4		
Gross Block		237714.49	145782.83
Less: Depreciation		32452.90	22638.84
Net Block		205261.59	123143.99
Capital Work-in-Progress		22956.37	91164.20
		228217.96	214308.19
Investments	5	475.11	423.00
Current Assets, Loans & Advances	6		
Inventories		23762.33	13612.58
Sundry Debtors		8187.31	5303.82
Cash & Bank Balances		13178.53	14564.81
Other Current Assets		179.40	160.99
Loans & Advances		22600.42	20134.26
		67907.99	53776.46
Less: Current Liabilities & Provisions	7		
Liabilities		32937.88	29690.08
Provisions		2853.94	4347.81
		35791.82	34037.89
Net Current Assets		32116.17	19738.57
Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Preliminary Expenses		-	0.03
Deferred Revenue Expenditure		269.41	991.31
TOTAL		261078.65	235896.80
Notes & Contingent Liabilities	13		

As Per Our Report Attached
For **P.L.Tandon & Co.,**
Chartered Accountants

A. K. Agarwal
Partner

Gaur Hari Singhania
Chairman

Ajay Kumar Saraogi
President (Corp.Affairs) & CFO

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director & CEO

Ashok Sharma
Achintya Karati
Jyoti Prasad Bajpai
Jayant Narain Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

Director

Kanpur
Dated : 29th May, 2010

Consolidated Profit and Loss Account for the year ended 31st March, 2010

Rs./Lacs

	Schedule	2009-10	2008-09
INCOME			
Gross Sales		224806.61	187645.39
Less : Excise Duty		19484.48	21094.73
Sales Tax		22643.66	16867.10
Net Sales		182678.47	149683.56
Other Income	8	1929.12	791.18
TOTAL		184607.59	150474.74
EXPENDITURE			
Manufacturing Expenses	9	74117.76	65575.02
Payments to and Provisions for Employees	10	10018.15	8769.61
Selling, Administration and other Expenses	11	54773.54	43035.97
Interest (Net)	12	6163.22	4553.07
TOTAL		145072.67	121933.67
Profit Before Depreciation		39534.92	28541.07
Depreciation		9803.85	6510.92
Less: Transfer from Revaluation Reserve (Refer Note No.10)		1250.11	1268.25
Profit Before Tax		30981.18	23298.40
Provision for Tax			
Fringe Benefit Tax			196.50
Current Tax		5303.00	5568.00
Less: MAT Credit Entitlement		(5,297.00)	
Deferred Tax		8520.00	3397.16
Profit After Tax		22455.18	14136.74
Add: Share of Loss transferred to Minority Interest		5.39	7.28
Profit After Tax & Minority Interest		22460.57	14144.02
Balance from previous year		14399.10	13118.47
Less: on amalgamation		8.36	
Amount Available for Appropriations		36851.31	27262.49
APPROPRIATIONS			
General Reserve		15000.00	10000.00
Interim Dividend		1748.18	
Proposed Dividend		2447.45	2447.45
Tax on Dividend		703.59	415.94
Balance carried to Balance Sheet		16952.09	14399.10
Earning per share - Basic and Diluted (In Rs.)		32.11	20.23
Notes & Contingent Liabilities	13		

As Per Our Report Attached
For **P.L.Tandon & Co.,**
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Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

Director

Kanpur
Dated : 29th May, 2010

Consolidated Cash Flow Statement for the year ended 31st March, 2010

Rs./Lacs

	2009-10	2008-09
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit & Loss Account	30981.18	23298.40
Adjusted for :		
Depreciation	8553.74	5242.67
Minority Interest	-	7.28
Deferred Revenue	43.24	69.70
Interest	6941.87	5467.33
Interest received	(778.65)	(914.26)
Profit on sale of Investments	(0.57)	-
Dividend Income	(10.69)	-
Loss on sale of assets	305.21	30.65
Profit on Sale of Land	(20.50)	(226.68)
Operating Profit before Working Capital Changes	46014.83	32975.09
Adjusted for :		
Trade & Other Receivables	(1643.62)	(8418.12)
Inventories	(10149.75)	(2159.43)
Trade Payable	3601.97	4505.19
Cash Generated from Operations	37823.43	26902.73
Adjusted for :		
Tax Paid	(7211.67)	(3801.17)
Corporate Dividend Tax	(713.04)	(594.21)
Dividend paid	(4167.97)	(3496.36)
Deferred Revenue	(68.71)	(865.01)
	(12161.39)	(8756.75)
Net cash from operating activities	25662.04	18145.98
B) CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition/Purchase of fixed assets including capital advances	(20311.96)	(62591.36)
Sale of fixed assets	131.80	317.35
Minority Interest	-	5.95
Purchase of Investments	(6208.71)	-
Sale of Investments	6167.87	-
Exchange Rate Fluctuation Reserve on Conversion	(22.13)	8.59
Interest Income	688.95	1428.95
Net cash used in investing activities	(19554.18)	(60830.52)
C) CASH FLOW FROM FINANCING ACTIVITIES		
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	74.06	(99.23)
Capital subsidy received	1117.16	3210.29
Deferred Sales Tax	(492.49)	(460.48)
Long Term Borrowings	10382.96	58172.13
Cash Credit Accounts	2041.39	(3436.65)
Repayment of Long Term Borrowings	(12388.19)	(9005.34)
Interest Paid	(10552.58)	(9274.95)
Vehicle Loans & Others	523.55	377.43
Refund from Associate Company	1800.00	200.00
Share Premium A/c.	-	19.99
Net cash used in financing activities	(7494.14)	39703.19
Net increase in Cash and Cash Equivalents (a+b+c)	(1386.28)	(2981.35)
Opening balance of Cash and Cash Equivalents	14564.81	17546.16
Closing balance of Cash & Cash Equivalents	13178.53	14564.81

As Per Our Report Attached
For **P.L.Tandon & Co.,**
Chartered Accountants

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Kailash Nath Khandelwal
Raj Kumar Lohia
Suparas Bhandari

Director

Kanpur
Dated : 29th May, 2010

Schedules forming part of the Consolidated Balance sheet

	Rs./Lacs	
	31-03-2010	31-03-2009
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of Rs. 10/- each	8000.00	8000.00
	8000.00	8000.00
ISSUED, SUBSCRIBED & PAID UP		
6,99,27,250 Equity Shares of Rs. 10/- each	6992.72	6992.72
	6992.72	6992.72

	Rs./Lacs	
	31-03-2010	31-03-2009
SCHEDULE - 2		
RESERVES & SURPLUS		
Revaluation Reserve		
As per last Balance Sheet	27785.45	29115.19
Less : Deduction During the year	11.07	61.49
Less : Transfer to Profit and Loss Account	1250.11	26524.27
		1268.25
		27785.45
Capital Reserve		
Govt. Subsidy (Refer note no.9)		
As per last Balance Sheet	6680.43	3470.14
Add: Received during the year	1117.16	7797.59
		3210.29
		6680.43
Securities Premium Account		
As per last Balance Sheet	25923.60	25903.61
Add: On amalgamation	65.00	25988.60
		19.99
		25923.60
General Reserve		
As per last Balance Sheet	36733.82	26733.82
Add : Transfer from Profit & Loss Account	15000.00	10000.00
Less : On amalgamation	843.78	50890.04
Foreign Currency Translation Reserve		(18.69)
		10.92
Profit & Loss Account		16952.09
		14399.10
	128133.90	111533.32

Schedules forming part of the Consolidated Balance sheet

Rs./Lacs

	31-03-2010	31-03-2009
SCHEDULE - 3		
LOAN FUNDS		
Secured		
Term Loan from Banks	87374.82	89380.05
Cash Credit Accounts	5991.93	3950.53
Vehicle Loans	394.46	200.33
	93761.21	93530.91
Unsecured		
Unsecured Loans from Banks		1000.00
Security Deposits & Others	5077.77	3748.36
Deferred Sales Tax	8533.05	9025.54
	13610.82	13773.90
	107372.03	107304.81

Schedules forming part of the Consolidated Balance sheet

SCHEDULE - 4											
Fixed Assets											
Rs./Lacs											
DESCRIPTION	GROSS BLOCK					DEPRECIATION / AMORTIZATION				NET BLOCK	
	As at 01.04.2009	Additions	Deductions	Revaluation	As at 31.03.2010	As at 01.04.2009	For the Year	Deduction	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Tangible Assets:											
Freehold Land	3360.35	664.08	13.82	[11.07]	3999.54					3999.54	3360.35
Leasehold Land	1849.71	1153.04			3002.75	51.00	198.45		249.45	2753.30	1798.71
Buildings	15110.72	6211.15	20.13	[2.35]	21299.39	1716.76	502.02	3.80	2214.98	19084.41	13393.96
Plant & Machinery	121551.15	82920.73	337.21		204134.67	19809.76	8629.94	13.07	28426.63	175708.04	101741.39
Railway Sidings	887.42				887.42	176.65	39.77		216.42	671.00	710.77
Rolling Stock	105.01				105.01	19.75	4.64		24.39	80.62	85.26
Furniture, Fixtures and Office Equipments.	913.68	299.60	0.90		1212.38	195.29	92.56		287.85	924.53	718.39
Vehicles	1188.69	572.24	101.95		1658.98	286.88	126.92	41.97	371.83	1287.15	901.81
Other Assets	73.40	29.62			103.02	54.72	27.85		82.57	20.45	18.68
	145040.13	91850.46	474.01	[13.42]	236403.16	22310.81	9622.15	58.84	31874.12	204529.04	122729.32
Intangible Assets											
Goodwill	742.70				742.70	328.03	74.27		402.30	340.40	414.67
Computer Softwares		568.63			568.63		176.48		176.48	392.15	
	742.70	568.63			1311.33	328.03	250.75		578.78	732.55	414.67
GRAND TOTAL	145782.83	92419.09	474.01	[13.42]	237714.49	22638.84	9872.90	58.84	32452.90	205261.59	123143.99
Previous year's figures	125823.24	20179.10	157.37	[62.14]	145782.83	16079.36	6593.81	34.33	22638.84		
Capital Work-in-Progress including Capital Advances										22956.37	91164.20
Rs. 6629.24 Lacs (Rs. 7235.11 Lacs)											
										228217.96	214308.19

Note: (i) 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.

(ii) Amortisation of leasehold land amounting to Rs. 69.05 lacs till construction period has been capitalised.

Schedules forming part of the Consolidated Balance sheet

			31-03-2010	31-03-2009		
SCHEDULE - 5						
INVESTMENTS						
Name of the Bodies Corporate	Whether Long term or current	Face Value (Rs.)	No.of Shares	Book Value (Rs./lacs)	No.of Shares	Book Value (Rs./lacs)
Investments in Shares						
A. Quoted						
Equity shares, Fully paid up						
United Bank of India	Current	10	22136	14.61	-	-
B. Unquoted						
Investment in shares of other companies						
i) Equity shares ,Fully paid up :						
VS Lignite Power Pvt. Ltd.	Long Term	10	1444445	144.44	1444445	144.44
Bander Coal Company Pvt. Ltd.	Long Term	10	375000	37.50		
ii) 0.01% cumulative redeemable Preference shares (Fully paid up) :						
VS Lignite Power Pvt. Ltd.	Long Term	10	2785552	278.56	2785552	278.56
Aggregate Value			-	475.11	-	423.00
Aggregate Market value of quoted investments				15.19		Nil

Rs./Lacs

			31-03-2010	31-03-2009
SCHEDULE - 6				
CURRENT ASSETS, LOANS & ADVANCES				
A. Inventories				
Stores, Spare parts etc.			15186.30	8632.20
Raw Materials			2547.10	1233.18
Goods-in-Process			4047.39	1493.30
Finished Goods			1644.45	1133.93
Material-in-Transit			337.09	1119.97
			23762.33	13612.58
B. Sundry Debtors				
Debts over six months				
Considered Good				
Secured			6.41	2.75
Unsecured			134.71	65.97
Considered Doubtful			55.46	21.64

Schedules forming part of the Consolidated Balance sheet

	Rs./Lacs	
	31-03-2010	31-03-2009
SCHEDULE - 6 Contd.		
Other Debts		
Considered Good		
Secured	1037.00	544.24
Unsecured	7009.19	4690.86
	8242.77	5325.46
Less : Provision for Doubtful Debts	55.46	21.64
	8187.31	5303.82
C. Cash & Bank Balances		
Cash & Cheques in hand and remittances in transit	286.85	307.90
Balances with Scheduled Banks in:		
Current Accounts	7591.01	5320.95
Deposit Accounts	5300.67	8935.96
(Tied up Rs. 4231.77 Lacs, Previous year Rs. 5402.37 Lacs)		
	13178.53	14564.81
D. Other Current Assets		
Interest accrued on Deposits	179.40	160.99
E. Loans & Advances		
UNSECURED - Considered Good Unless Otherwise Stated		
Loan - J.K.Synthetics Ltd.(Company under same management)	1500.00	3300.00
Loan/Advances to wholly owned subsidiary Companies	46.32	120.38
Advances Recoverable in cash or in kind or for value to be received		
Considered good	4122.30	5302.64
Considered Doubtful	17.90	11.64
Taxation (Net of Provisions)	495.54	
Mat Credit Entitlement	5297.00	
Prepaid Expenses	228.48	168.32
Deposits	1076.15	1182.47
Balances with Custom & Excise Departments	9834.63	10060.45
	22618.32	20145.90
Less: Provision for Doubtful Advances	17.90	11.64
	22600.42	20134.26
	67907.99	53776.46

Schedules forming part of the Consolidated Balance sheet

Rs./Lacs

	31-03-2010		31-03-2009	
SCHEDULE - 7				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Sundry Creditors				
Micro Small and Medium Enterprises ¹	242.68		40.31	
Other Creditors	14102.47	14345.15	14796.81	14837.12
Investor Education & Protection Fund shall be credited by following (see note below) #				
Unclaimed Dividend	69.43		41.78	
Unclaimed Application Money	2.15		2.17	
Unclaimed Fraction Money	9.27	80.85	9.24	53.19
Other Liabilities		18147.99		14641.86
Temporary Book Overdraft		363.89		157.91
	32937.88		29690.08	
Provisions				
Taxation (Net of Advance Tax & TDS)		-		1484.42
Proposed Dividend on Equity Shares		2447.45		2447.45
Tax on Dividend		406.49		415.94
	2853.94		4347.81	
	35791.82		34037.89	

1. (Refer Note No.14)

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

Rs./Lacs

	2009-10	2008-09
SCHEDULE - 8		
OTHER INCOME		
Claims Realised	177.76	75.45
Current Investments :		
- Profit on Sale of Investments	0.57	-
- Dividend	10.69	-
Profit on sale of Fixed Assets	20.50	226.68
Sale of Carbon Credit	301.57	-
Exchange Rate Difference	-	31.75
Liability no longer required	652.64	-
Miscellaneous Income	765.39	457.30
	1929.12	791.18

Schedules forming part of Consolidated Profit and loss Account

	Rs./Lacs	
	2009-10	2008-09
SCHEDULE - 9		
MANUFACTURING EXPENSES		
Purchase of Trading Goods	48.70	48.01
Raw Materials Consumed	19913.66	15428.71
Packing Materials Consumed	7150.56	6480.26
Stores and Spares Consumed	4854.03	3542.00
Power and Fuel	41138.52	37622.74
Repairs To:		
Plant and Machinery	3173.57	2143.51
Buildings	531.79	443.00
Others	66.34	21.85
Insurance	298.53	259.14
(Increase)/ Decrease in Stock :		
Closing Stock :		
Finished Goods	1644.45	1133.93
Goods-in-process	4047.39	1493.30
	5691.84	2627.23
Less :Opening Stock :		
Finished Goods	1133.93	1013.90
Goods-in-process	1493.30	1090.73
	2627.23 (3,064.61)	2104.63 (522.60)
Excise Duty	6.67	108.40
	74117.76	65575.02

	Rs./Lacs	
	2009-10	2008-09
SCHEDULE - 10		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries,Wages and Bonus	8035.16	6797.84
Contribution to Provident and other Funds	1028.04	1030.69
Welfare Expenses	954.95	941.08
	10018.15	8769.61

Schedules forming part of Consolidated Profit and loss Account

Rs./Lacs

	2009-10	2008-09
SCHEDULE - 11		
SELLING, ADMINISTRATION & OTHER EXPENSES		
Administration And Other Expenses :		
Rent	506.11	363.21
Lease Rent	0.70	0.22
Rates and Taxes	1164.09	1124.73
Travelling and Conveyance Expenses	1130.14	904.86
Provision for Doubtful Debts & Advances	41.27	16.40
Bad Debts & Advances written off	1.94	159.93
Loss on sale of Fixed Assets (Net)	305.21	30.65
Expenses relating to previous year	9.78	10.79
Miscellaneous Expenses	5525.03	4071.62
Loss on exchange rate fluctuation	20.03	-
	8704.30	6682.41
Selling And Distribution Expenses :		
Advertisement and Publicity	2630.71	1472.41
Commission, Brokerage and Incentives	2181.88	2204.26
Selling Expenses	3580.53	1486.52
Freight and Handling Outward	37676.12	31190.37
	46069.24	36353.56
	54773.54	43035.97
		Rs./Lacs
	2009-10	2008-09
SCHEDULE - 12		
INTEREST		
Interest :		
On Fixed Loans	5932.43	3838.14
Others	1009.44	1629.19
	6941.87	5467.33
Less: Interest Received (Tax deducted at source Rs. 71.29 Lacs, Previous year Rs. 156.19 Lacs)	778.65	914.26
	6163.22	4553.07

Notes on Consolidated Accounts

SCHEDULE 13 - CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS

1) Principles of Consolidation

(I) The consolidated financial statements of the Group have been prepared on the following basis

- The consolidated financial statements of the Group are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by ICAI.
- The financial statements of the Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- Minority interest in J.K. Cement Works (Fujairah) FZC is shown separately in Profit & Loss Account and it is merged in Loans & Advances of Consolidated balance-sheet.
- 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 31.12.2009.

2) The Companies considered in the consolidated financial statements are:

Name of the Company	Nature of Company	Country of Incorporation	Holding as on 31.03.10
J.K. Cement (Fujairah) FZC	Subsidiary	U.A.E.	100%
J.K. Cement Works (Fujairah) FZC	Fellow Subsidiary	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 except for as J.K.Cement Works (Fujairah) FZC where the pre-operative expenses are shown as loss as per IAS-38

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

5) (A) Contingent Liabilities

	Rs./Lacs	
	31.03.2010	31.03.2009
(i) In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	4328.45	5559.37
(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	172.04	-
b) Custom duty	176.28	-
c) Sales tax	924.73	1949.26
d) Service tax	1085.42	1024.96
(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1088.40	1068.02
(B) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	4147.18	20953.63

Notes on Consolidated Accounts

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

7) (A) Term Loans

Secured

(i) Term Loan related to Cement Plants at Rajasthan

a) From Consortium of Banks : Rs. 13748.69 lacs (Rs. 19637.54 lacs)

b) From other Banks : Rs. 12018.52 lacs (Rs. 13639.41 lacs)

Secured by first pari-passu charge by way of equitable mortgage of all the immovable assets and hypothecation of all the movable assets of the Company both present and future save and except inventories, book debts, cash and bank balances and assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Mudhol, Karnataka and a premises at Prabhadevi, Mumbai.

Loans in (i)(a) are also guaranteed by the Managing Director of the Company.

c) From Canara Bank : Rs. 4126.50 lacs (Rs. 5212.95 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.

ii) Term Loan related to Cement Plant at Karnataka

From Consortium of Banks : Rs. 56431.11 lacs

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)present and future pertaining to J.K. Cement Works, Mudhol, Karnataka subject to prior charges in favour of working capital lenders on the Borrower's stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables as agreed to by the Lenders for securing their working capital advances.

iii) From IDBI Bank Ltd : Rs. 1050.00 lacs (Rs. 1188.02 lacs)

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

(iv) Vehicle Loans : Rs. 394.46 lacs (Rs. 200.33 lacs)

Secured by hypothecation of vehicles

(B) Cash Credit Accounts :

(i) Cash Credit limits related to Cement Plants at Rajasthan

From Consortium of Banks: Rs. 5043.99 lacs (Rs. 3808.19 lacs).

Secured by first charge on current assets namely inventories, book debts etc. (except current assets pertaining to J.K. Cement Works, Mudhol, Karnataka) and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Mudhol, Karnataka and a premises at Prabhadevi, Mumbai and also guaranteed by the Managing Director of the Company.

(ii) Cash Credit limits related to Cement Plant at Karnataka

From Consortium of Banks: Rs. 736.71 lacs

Secured by first charge on current assets namely inventories, book debts etc and second charge on fixed assets related to J.K. Cement Works, Mudhol, Karnataka .

(iii) Overdraft : Rs. 211.23 lacs

Secured by pledge of Fixed deposit

Notes on Consolidated Accounts

- 8) Jaykaycem Ltd (the amalgamating Company) engaged in setting-up of Greenfield Grey Cement Plant and Captive Power Plant at Mudhol, District Bagalkot, in State of Karnataka, has been amalgamated with the Company. The Scheme of amalgamation (the Scheme) was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its order dated 4th August, 2009 which became effective on 24th August, 2009. In accordance with the said Scheme and as per the approval of the Hon'ble High Court.
- The assets, liabilities, rights and obligations of erstwhile Jaykaycem Ltd have been transferred to and vested with the Company with effect from 1st April, 2008 (Appointed date) and have been recorded during the current year at their respective book values as appearing in the books of amalgamating Company under the pooling of interest method of accounting for amalgamations (AS-14) issued by The Institute of Chartered Accountants of India.
 - The amalgamating Company was wholly owned subsidiary of the Company, therefore, no consideration was payable nor any Shares were issued. Reserves have been preserved as they appeared in the financial statements of amalgamating Company.
 - The amalgamating Company had not prepared Profit & Loss Account till effective date as their project was under construction.
- 9) 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. 7797.59 lacs as interest subsidy for the period 1st Dec.2004 to 31st Dec.2009. The subsidy amounting to Rs. 7797.59 lacs has also been released by Government upto 31st March, 2010 (Rs. 1117.16 lacs during the year)under the aforesaid scheme has been accounted for as Capital Receipt based on expert advice.
- 10) 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. 1250.11 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
- 11) Pursuant to the implementation of SAP ERP system, during the year in some Grey Cement Plants and Power Plants, inventory valuation method has been changed from annual weighted average method to daily moving weighted average for items procured and monthly moving weighted average in case of material in process and finished goods.

12) Unhedged foreign currency exposure

Export debtors: US\$ 364879.67:Rs. 163.46 lacs (US \$617438.71 :Rs. 311.93 lacs)

13) Disclosures in accordance with Accounting Standards

(A) Deferred tax assets and liabilities are as under

		Rs./ lacs	
		2009-10	2008-09
(a)	Deferred Tax Assets		
(i)	Provision for Doubtful Debts	20.89	11.32
(ii)	Expenses deductible on payment basis	1873.80	1560.92
(iii)	Unabsorbed loss	1212.54	-
		3107.23	1572.24
(b)	Deferred Tax Liabilities		
	Difference between book depreciation and Depreciation under Income-tax Act	21687.23	11632.24
(c)	Net Deferred Tax Liabilities	18580.00	10060.00

Notes on Consolidated Accounts

(B) Earning per share (EPS)

	Rs./ lacs	
	2009-10	2008-09
(a) Net Profit available for Equity Share holders after adjusting minority interest (Numerator used for calculation)	22460.57	14144.02
(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/-	32.11	20.23

(C) Related Parties Disclosures

- (1) (a) Parties where the control/significant influence exists:-
- Juggilal Kamlapat 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
- (d) Joint Venture
- Bander Coal Company (P) Ltd

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

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

	Rs./lacs	
	2009-10	2008-09
(i) J.K. Synthetics Ltd		
- Sale of Product	0.05	0.03
- Services received	40.81	37.02
- Rent paid	45.30	42.44
- Expenses Reimbursed	134.54	152.86
- Loan given:		
Balance as at beginning	3300	3500
Payment received	1800	200
Balance as at close of the year	1500	3300
(ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd		
- Rent paid	5.29	4.94
- Purchases	0.41	-
- Sale of Products	1.13	-

Notes on Consolidated Accounts

	Rs./lacs	
	2009-10	2008-09
(iii) Key Management Personnel and their relatives		
(a) Shri Y.P. Singhania(Managing Director)		
-Remuneration	977.00	601.29
(b) Dr Gaur Hari Singhania(Relative)		
- Commission	50.00	35.00
- Sitting Fees	1.80	1.50
(iv) Bander Coal Company (P) Ltd.		
Advances given	12.71	-
Balance as at close of the year	12.71	-

(D) Disclosure of Company's Interest in Joint Venture.

Name of Joint Venture	% Interest	Country of Incorporation
Bander Coal Company Pvt. Ltd	33.3%	INDIA

The Company has made an investment of Rs. 37.50 lacs in equity shares of Joint Venture Company and has also advanced Rs. 12.71 lacs. The Joint Venture Company has not yet finalised the Financial Statements, therefore, Company's share in Assets, Liabilities and Income & Expenditure has not been disclosed and consolidated.

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

- 14)** Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principle amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2010 as per the terms of Contract.

15) Managerial Remuneration paid/payable to Directors

	Rs./lacs	
	2009-10	2008-09
Managing Director:		
Remuneration	96.00	84.00
Contribution to P.F. & Superannuation	11.52	10.08
Performance linked incentive	48.00	42.00
Perquisites/Allowances	121.48	115.21
Commission	700.00	350.00
Total (a)	977.00	601.29
Non Executive Directors		
Sitting Fees	16.85	8.70
Commission	98.00	75.00
Total (b)	114.85	83.70
TOTAL (a+b)	1091.85	684.99

Notes on Consolidated Accounts

16) The details of Project Development Expenses relating to J.K. Cement Works, Mudhol capitalized during the year:

		Rs./lacs
Particulars		2009-10
Repairs & Maintenance		10.05
Insurance		91.10
Electricity line laying & other expenses		1143.69
Establishment expenses		197.19
Employees Welfare expenses		9.51
Rent		6.04
Lease rent		500.84
Rates & Taxes		4.00
Travelling & Conveyance		38.30
Legal & Professional charges		19.93
Freight & handling		8.14
Other Administrative expenses		448.35
Interest(net)		3377.36
Depreciation		69.03
Trial run expenses		
Material Consumption	538.64	
Salary & wages	39.51	
Power charges	215.26	
Less: Value of trial run stock-Clinker	(610.56)	182.85
Opening balance as on 31.03.2009		6630.06
Total		12736.44
Expenses Capitalised during the year		12736.44
Balance		Nil

17) There are no material transactions from 01.01.2010 to 31.03.2010 in respect of subsidiaries having financial year ended 31.12.2009. There is no change in Company's interest in these subsidiaries from 01.01.2010 to 31.03.2010.

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

Notes

[illegible]

CORPORATE INFORMATION

CHAIRMAN

Dr. Gaur Hari Singhania

MANAGING DIRECTOR & CEO

Yadupati Singhania

DIRECTORS

Ashok Sharma

Achintya Karati

Jyoti Prasad Bajpai

Jayant Narayan Godbole

Dr. Krishna Bihari Agarwal

Kailash Nath Khandelwal

Raj Kumar Lohia

Suparas Bhandari

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.

PLANTS

Grey Cement Plants

Nimbahera, Dist. Chittorgarh, Rajasthan

Mangrol, Dist. Chittorgarh, Rajasthan

Gotan, Dist. Nagaur, Rajasthan

Mudhol, Dist. Bagalkot, Karnataka

White Cement Plant

Gotan, Dist. Nagaur, Rajasthan

Thermal Power Plants

Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan

Nimbahera, Dist. Chittorgarh, Rajasthan

Gotan, Dist. Nagaur, Rajasthan

Mudhol, Dist. Bagalkot, Karnataka

Waste Heat Recovery Power Plant

Nimbahera, Dist. Chittorgarh, Rajasthan

MANAGEMENT TEAM

R. G. Bagla, **Group Executive President**

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

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

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

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

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

R. C. Shukla, **President (Marketing) - Grey Cement**

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

COMPANY SECRETARY

Shambhu Singh

BANKERS

Allahabad Bank

Andhra Bank

Canara Bank

Dena Bank

Exim Bank

IDBI Bank Ltd.

Indian Bank

Indian Overseas Bank

Jammu & Kashmir Bank

United Bank of India

REGISTERED OFFICE

Kamla Tower,

Kanpur - 208 001.



Silver Jubilee Celebrations at J.K. White Cement Works, Gotan



J.K. Cement Ltd.

REGISTERED OFFICE

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Telephone: 0091-512-2371478 / 81, Fax: 0091-512-2399854
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