

THE MULTIPLIER EFFECT



JK Cement LTD.

Honouring the Legacy



The President of India, **Her Excellency Smt. Pratibha Devisingh Patil,** released a commemorative postage stamp on the founder of the J.K. Organisation, **Lala Kamlapat Singhania** at the Rashtrapati Bhawan on 1st December, 2010.



From left to right - Shri Govind Hari Singhaniaji, Shri Devisinghji Shekhawat, Smt. Pratibha Devisingh Patilji and Shri Yadupati Singhaniaji at the release of the Commemorative Stamp.



The Singhania Family with Her Excellency Hon'ble President Smt. Pratibha Devisingh Patilji.

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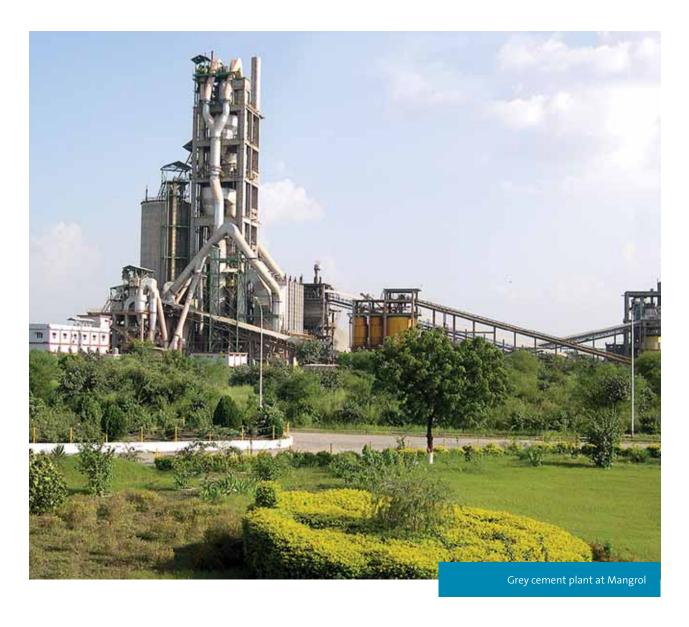
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The Multiplier Effect

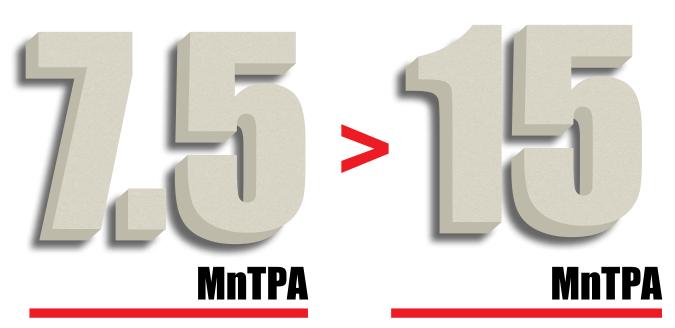
India's cement demand will grow significantly in the medium to long-term, in the wake of sustained economic development and government's infrastructure focus. The country's burgeoning middle class population will also drive growth substantially.



The inevitability of growth, however, raises a crucial question at J.K. Cement.

Are we ready for it?

This is our roadmap.



Manufacturing capacity of grey cement in 2010-11

Expected manufacturing capacity of grey cement by 2014-15

J.K. Cement's past expansions have been successful in terms of providing greater market access and generating enhanced shareholder value. Our next phase of expansion will progressively lead to two-fold value creation, as we explore more downstream opportunities through an enriched product portfolio and a strengthened brand presence.

Chairman's Message



DEAR SHAREHOLDERS,

At J.K. Cement, we have always been an enthusiastic participant in India's socio-economic growth by virtue of the industry we operate in and for the sake of our deeply-held nationalistic values. Hence, it is a matter of justifiable pride for all of us that India is riding the crests of economic development, exceeding global growth averages by a long shot.

The contribution of the cement industry in this context can hardly be overemphasised. Cement enjoys a positive correlation with economic growth, because it plays a critical role in construction and infrastructure creation, the backbone of an economy. In fact, our experience has shown that India's cement industry growth has mostly surpassed GDP escalation. The year 2010-11, however, witnessed an industry growth of around 4% vis-a-vis a GDP growth of around 8.5%.

This happened owing to a temporary slowdown in construction activities following the hardening of interest rates and an overall inflationary trend in input costs. On the other hand, excessive capacity augmentation ensured supply overshooting demand, dampening prices and margins. Besides, extended monsoons disrupted the movement of materials at the construction sites, impacting cement demand further.

Despite temporary challenges, if we take the middle to long-term perspective, the industry's outlook cannot be anything but positive, considering the government's focus on infrastructure development across the country. It has planned a US\$ 1 trillion on infrastructure in the 12th Five Year Plan, compared to US\$ 461 bn in the 11th Plan. In addition, slum rehabilitation programmes in major cities

Sustainability is a small word with far-reaching implications, encompassing the faith and support of our customers, suppliers, shareholders, bankers, financial institutions, directors and our team members.

and towns, rural housing demand, coupled with rising urbanisation will drive cement demand considerably. Besides, the ease of getting housing loans from banks and other financial institutions will expedite the process.

J.K. Cement is geared to address the needs of the industry in a sustainable manner. We are focusing on mobilisation of capital and other resources to aggressively double our capacities from 7.5 MnTPA to 15 MnTPA by 2015. This strategy will help cater to India's rising cement demand in four-five years and strengthen our pan-India presence. We are also widening the portfolio of value-added products to explore downstream opportunities and cater to diverse customer needs.

The optimists opine that India is an enormous untapped market; the sceptics say that the country is still too poor in terms of global standards. My response would be: other than proffering any definitive answers, we should safely say that the Indian market is still evolving and the rate

of evolution is faster than ever before. In India we have an aspiring and a discerning customer, who can evaluate the true worth of a product vis-a-vis its price. To succeed in such a market, we have to be more transparent and capable in delivering more value to the customer in terms of more product variants and superior quality, without enhancing our carbon footprint.

Our people have the calibre and the commitment to deliver products, which are aligned to international standards; and we will continue to make every effort to upgrade their skill and knowledge quotient through periodic trainings.

Sustainability is a small word with far-reaching implications, encompassing the faith and support of our customers, suppliers, shareholders, bankers, financial institutions, directors and our team members. I am thankful to each one of them for their continued faith in the capability and commitment of J.K. Cement and the undying legacy of J.K. Organisation.

Warm regards

Gaur Hari Singhania Chairman

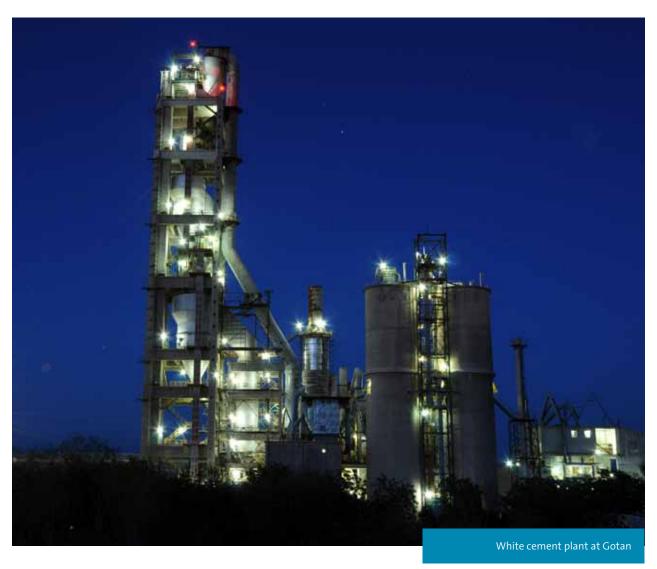


Chronicle of a Vibrant Enterprise

J.K. Cement is a multi-locational cement manufacturer with a presence both in the grey and white cement segments. Its five plants across Rajasthan and Karnataka have a combined grey cement capacity of 7.5 MnTPA and a white cement capacity of 0.40 MnTPA. The Company also has a captive power generation capacity of more than 100 MW, spread across its plants.

The Company's principal markets for grey cement are Haryana, Rajasthan, Delhi, Punjab, Western Uttar Pradesh, Maharashtra, Karnataka, Kerala, Goa and some parts of Madhya Pradesh, Gujarat and Andhra Pradesh.

White cement, of which J.K. Cement is the second largest manufacturer in India, has a national market. Together with this, white cement is also exported to South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, UAE and Nepal.



Manufacturing facilities				
Facility	Capacity	Type of Cement		
Nimbahera (Rajasthan)	3.25 MnTPA	Grey Cement		
Mangrol (Rajasthan)	0.75 MnTPA	Grey Cement		
Gotan (Rajasthan)	0.47 MnTPA	Grey Cement		
Muddapur (Karnataka)	3.00 MnTPA	Grey Cement		
Gotan (Rajasthan)	0.40 MnTPA	White Cement		

Coal-Based Power Plants

Bamania - 15.00 MW

Nimbahera -20.00 MW

Gotan - 7.50 MW

Muddapur - 50.00 MW

Waste Heat Recovery

Nimbahera- 13.20 MW



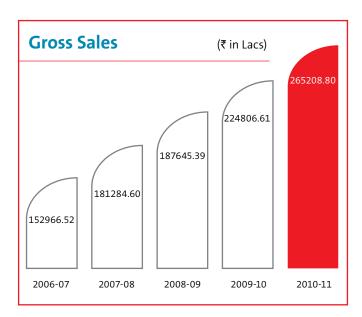


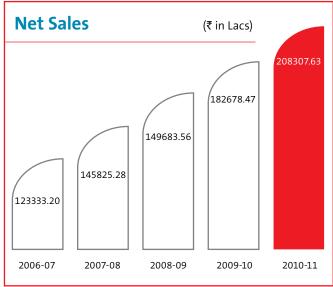


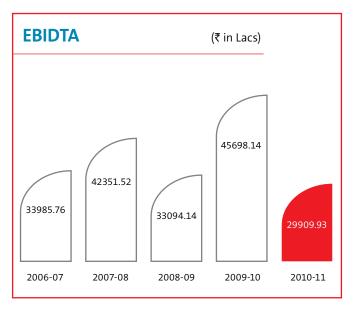
Empowering brands

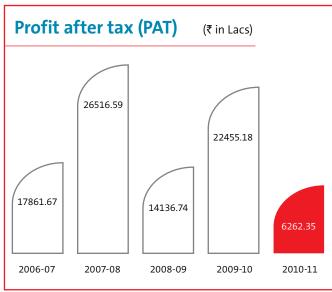
J.K. Cement brands are known for their superior quality and strength in the cement industry. It produces Ordinary Portland Cement (OPC) of 43-grade and 53-grade marketed under the brand name J.K. Cement and Sarvashakitman. The Portland Pozzolana Cement (PPC) is marketed under the brand name J.K. Super and Portland Slag Cement as J.K. Supreme Cement. White cement is sold by the name J.K. White. The Company has also introduced white cement-based putty for plastering walls and ceiling and sells it under the name J.K. Wall Putty. J.K. Water proof is another product from J.K. Cement which provides water proofing protection to concrete flooring, wall application and other specialised applications.

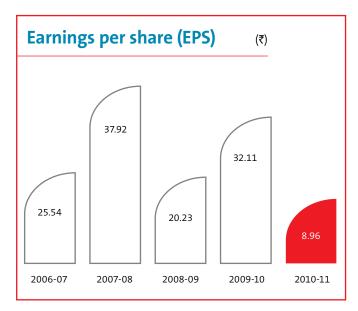
Financial Performance

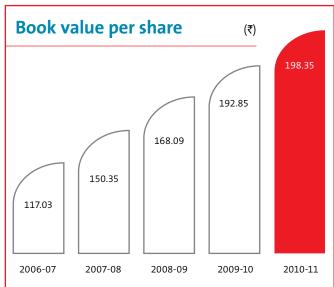


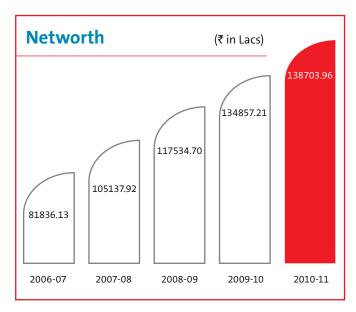


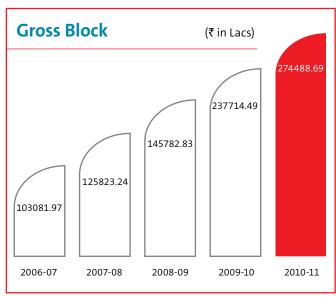












Graphs not to scale



Postage Stamp on Founder launched

The Department of Posts, Government of India, issued a commemorative postage stamp honouring the founder of the J.K. Organisation, Lala Kamlapat Singhania, as part of his 125th Anniversary celebrations. The stamp was released by Her Excellency, Smt. Pratibha Devisingh Patil, Honourable President of India, on 1st December, 2010 at a function held at the Rashtrapati Bhawan.

Newsletter launch

Spotlight, J.K. Cement's bimonthly internal newsletter, debuted during the year. It is a medium to connect all the offices, employees, dealers and business partners to keep them updated with all the activities within the organisation.

Product launch

Launched J.K. Supreme Cement, a high-quality Portland Slag Cement from the Karnataka unit.

Branding exercise

Undertaken large scale branding exercise to promote cement brands.

New offices

Inaugurated new offices at Mumbai and Ghaziabad on 6th December 2010 and 19th November 2010, respectively.

Awards and accolades

- Our Chairman, Dr. Gaur Hari Singhania, was honoured and felicitated with Long Term Service Jewel award by Grand Lodge of India for his 50 years of contribution at a glittering ceremony at Kamala Retreat, Kanpur.
- The J.K. White cement coffee table book titled '25
 Years of White' published on the occasion of the silver
 jubilee celebrations of the white cement plant, won
 the Gold award in the 'Prestige Publications' category





Increase in grey cement production

12%

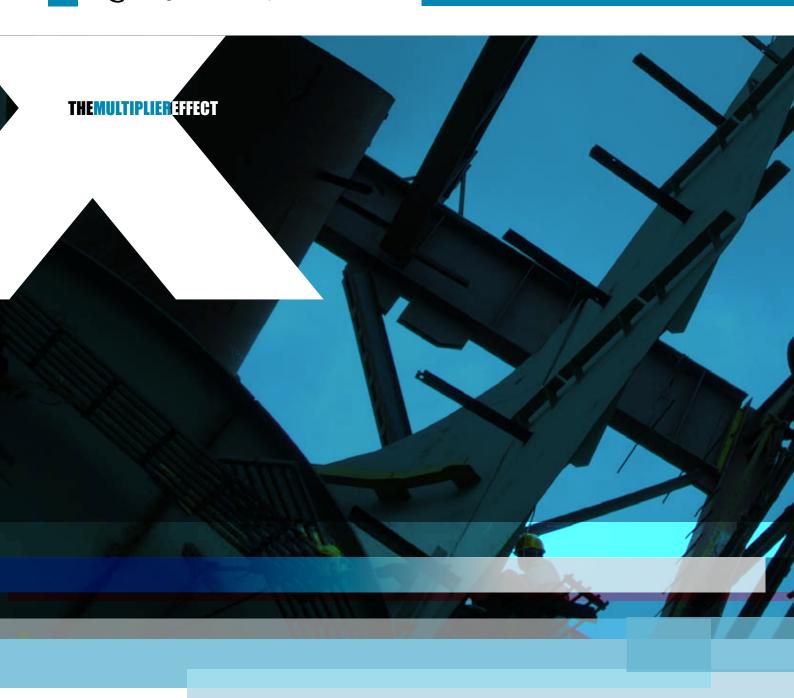
Increase in white cement production

at the 50th Association of Business Communicators of India (ABCI) in November 2010. Our other publication, 'Singhanias and Kanpur – 125 years of association', won a Silver award in the same category. This is a book celebrating the symbiotic relationship between the J.K. Organisation and the city of Kanpur.

- J.K. Cement ranked 288 in the Fortune 500 list of companies in India.
- Achieved the prestigious NABL accreditation for JKWC laboratory, becoming the first Indian cement major to achieve this prestigious official recognition.
- Received Certificate of Approval for quality management system, which was given to J.K. Cement Works, Muddapur by Lloyd's Register of Quality Assurance.



Increase in wall putty production



WE ARE SETTING UP A 3.5 MnTPA PLANT AT MANGROL (RAJASTHAN) WITH

A SPLIT-GRINDING UNIT AT JHAJJAR (HARYANA) AT AN OVERALL COST OF ALMOST ₹ 2,300 CRORES.

The plant will be a fully integrated one, comprising a 8000 TPD kiln and 2 MnTPA grinding capacity together with a 35 MW coal-based power plant as well as a 15 MW waste heat recovery plant.

A railway siding will also be constructed. Another 2 MnTPA grinding capacity with railway siding will be installed at Jhajjar. This will ensure a quicker response time to the main consuming markets and savings on logistics cost.

In addition, we are also actively evaluating greenfield sites in North and Central India to fulfil our capacity-doubling strategy.





COMPETITIVE POSITION
IN INDIA'S WHITE CEMENT
SPACE, WE AIM TO FURTHER
EXPAND OUR FOOTHOLD IN
THE INDIAN MARKET.

The realisations from the white cement business are two times higher than that of grey cement and prices are less volatile. We shall further expand the white cement capacity through modernisation and debottlenecking to ensure effective capacity utilisation and cater to the increasing demand for white cement in India. This will also be crucial in fulfilling the captive requirement for white cement, the principal raw material for value-added products where the consumer acceptance is accelerating.







WE ARE WIDENING
THE PORTFOLIO
OF VALUE-ADDED
PRODUCTS TO FURTHER
EXPLORE DOWNSTREAM
APPLICATIONS OF
OUR PRODUCTS, AND
EMERGE AS A BUILDING
PRODUCTS COMPANY,
CATERING TO DIVERSE
CUSTOMER NEEDS.

As part of this strategy, the first two products in focus are white cement based tiles and ready mix mortar. The company is putting in place a detailed project plan to build a tiles plant, that will enable an attractive and more durable alternative to vitrified tiles.

We have also initiated the expansion of Wall Putty production from one lac to three lac tones annually. The product enjoys decorative paint applications, enhancing the appearance of walls. This will enable us to avail the benefits of high-growth potential, emanating from the residential and commercial sectors in the metro cities and urban areas.





MD and CEO's Message

Dear Shareholders,

India's cement industry is gearing for a substantial demand upsurge. Interestingly, this enhanced demand will be progressively driven by India's semi-urban and rural areas. In addition to Central Government expenditure on infrastructure, state governments are also focusing on infrastructure creation in these areas to mainstream marginalised sections of society.

When we talk about infrastructure growth, we limit our discussion to Tier 1 and Tier 2 cities; we never consider the tremendous potential of semi urban and rural areas in this overall growth spectrum. We must remember that India's 8%-plus GDP growth would never have been possible, if these pockets had not contributed significantly to overall growth. So we can safely conclude that cement demand not only emanates from rising social affluence in metro

cities and urban areas, but also with the GDP expansion resulting out of the above mentioned factors.

J.K. Cement, a key market player, is on track to respond to the emerging demand. We aim to double our grey cement manufacturing capacities and commission them by 2015 by mobilising capital and relevant resources. As our past record of proactive decision-making has been quite fruitful, we continue doing so with a positive belief. Although the hardening of interest rates and inflationary pressures resulted in a temporary slowdown in the infrastructure sector, the long-term outlook appears to be robust. Our strategy to scale capacities is aligned to the growing market demand in the coming years.

Expansions

We are deepening and widening our brand presence to enhance our future preparedness. Deepening in terms of an enriched product portfolio and widening in terms of enhanced brand visibility. Our aim is to focus on brownfield expansion to maintain our leadership position in the existing markets as well as greenfield expansion to access new markets, which are emerging in the country.

As a part of business strategy, Company is focussing on White Cement based tiles and ready mix mortar. We are also putting in place a detailed project plan, to build a tiles plant enabling the manufacture of an attractive and more durable alternative to vitrified tiles and a dry mix mortar plant. Company has already initiated action for expansion of wall putty, a value added product of White Cement from present one lac tonnes to three lac tonnes per annum. The product enjoys decorative paint applications to enhance wall décor. These products will enable penetration in the high growth segments of residential and commercial sectors across Tier 1 and tier 2 cities. It is also proposed to increase the capacity of white cement to meet requirement for our value added products.

Performance

During 2010-11, our financial performance was mixed. While our revenues increased 14% to ₹ 2,08,307.63 Lacs, our operating profits and net profits declined significantly. We achieved operating margins and net profit margins of 14% and 3%, respectively. The decline in the bottomline

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was mainly on account of reduction in sales realisation and substantial increase in the prices of petcoke and fuel, resulting in higher input costs. Besides, enhanced interest cost on loans taken for expansion projects and increased depreciation also impacted net margins.

White Cement production continued to increase by around 20%, resulting increase in capacity utilisation to 88%. Wall Putty also registered 55% growth in production.

Our operational facility at Mudhol is stabilising and is running at a rated capacity of almost 6500 TPD per tonne. Post facility commissioning, we have successfully forayed into the markets of Maharashtra and Karnataka. This yielded a two-fold advantage: First, it reduced our single- region dependence; second, the close link with the western markets enabled us to address the problem of oversupply in southern markets. Moreover, the 50 MW captive power plant at Mudhol will enable us to meet our entire power requirement. Going ahead, J.K. Cement will focus on commercial sale of surplus power.

Visibility

We have roped in ace cricketer Virendra Sehwag to endorse our brand. We also undertook multiple branding initiatives during the year to widen our presence and strengthen our brand.

We celebrated 34th Mines Safety Week from 14th to 24th November 2010 and bagged the first prize for overall performance in semi-mechanised category. The other prizes won were in the categories of open cast working, transport road and dust suspension, publicity, and mine planning and records.

Training

During the year, we conducted various training workshops, such as industrial safety and hazards management, thermal energy conservation and management, supervisory development, operation and maintenance of electrical equipment and motivation. Several training workshops were conducted on professional selling skills for the grey and white cement teams. Senior executives were also sent to attend the technical training programmes organised by the international cement machinery manufacturers'.

Multiplier momentum

The oversupply scenario in the cement industry is temporary, and is likely to taper off by the end of 2012. As cement demand accelerates, we would be better capable to address the market demand and set into motion a multiplier momentum for sustainable growth. Our expertise and experience will enable accelerated monetisation of our investments.

YPdinghania Yadupati Singhania

Managing Director and CEO

A holistic approach to sustainability



SOCIAL INTEGRATION REPRESENTS AN INTRINSIC CULTURE AT J.K. CEMENT, INSPIRED BY THE TIME-HONOURED LEGACY OF J.K. ORGANISATION. SINCE INCEPTION, WE HAVE BEEN STEADFAST IN OUR COMMITMENT TO ENHANCE THE QUALITY OF LIFE OF THE COMMUNITIES IN WHICH WE OPERATE.

Our primary focus area is education. The Organisation and the Company have played a significant role in building and managing educational institutions at various locations around the country. These institutions range from primary schools, K-12 schools to universities and technical institutes. Our educational initiatives are driven by the conviction that it is the most important driver of national development.

From the establishment of Sir Padampat Singhania University at Udaipur to the LK Singhania Education Centre (CBSE-affiliated co-educational school) at Gotan — one of the most renowned schools in India, J.K. Cement has helped accelerate knowledge dissemination in India. It also supports numerous other institutions at various other locations including two industrial training institutes to inculcate vocational expertise. These institutions reflect J.K. Cement's commitment towards public service, research and educational outreach to help to build a knowledge-driven society.

J.K. Cement is also playing a role in generating employment opportunities through various vocational training initiatives. Together with this, the Company is actively engaged in supporting healthcare facilities (financially supporting hospitals, organising eye

testing facilities and advanced medical care) and other interventions that catalyse societal empowerment.

In addition, community greening and reducing the carbon footprint remain a deeply felt priority. We conduct tree plantation in the vicinity of our facilities and implement policies to instil a culture of zero-wastage and rational utilisation of resources. Our new facilities conform to advanced environmental standards; even the oldest plant at Nimbahera possesses a CDM-registered waste-heat recovery power plant, that demonstrate a commitment for responsible resource utilisation and environmental awareness.

Some of the specific initiatives undertaken in 2010-11 include the following:

Eye camp, Gotan

The Lions Club Gotan organised its 25th Eye Camp on the 2nd January, 2011, which involved the participation of Dr.Ratan Purohit and his team for Centre for Sight and Ram Rishi Laser Centre (Jodhpur). A total of 650 people were examined and 100 patients were selected for intraocular lens (IOL) operations. We also distributed tri-cycles to disabled people during the camp. Dr.Purohit also provided precautionary suggestions to patients after the operations.

Health awareness programme

The Medical Department of J.K. Cement Works, Muddapur, organised a medical check-up on Bone Marrow Density Dedication (BMDD) and Pulmonary Function Test (PFT) on 5th and 6th January in association with Cipla Pharma. A total of 302 people (including 146 employees of J.K. Cement works) underwent a medical test. A lecture on the awareness of BMDD, PFT and the use of PPE and obesity was delivered. The medical treatment was further extended to employee's family and contract labourers as well. A proper treatment was prescribed for certain cases and in-plant medicines were distributed at discounted



association with J.K. White Cement Works, Gotan

Family planning camp

A Family Planning Camp was organised by J.K. Cement at the Government Hospital at Badi Sadri, Chittorgarh to demonstrate the importance of family planning. A cash incentive was awarded to all participants opting for family planning.

Project Hunar

J.K. Cement has introduced a novel approach – Project Hunar – to train technicians for apprenticeship and jobs through a three-month programme. The first programme in electrician and fitter trades commenced at Kanpur on 24th January, 2011.



Blood donation camp, Muddapur

J.K. Officers' and Ladies club (Padam Club and Roshni Club) organised a blood donation camp at Muddapur plant on 26th February, 2011 in association with KLE Hospital and Medical Research Centre in Belagum. A total of 97 people (including company employees, contract workers and general public) voluntarily donated blood. Free treatment was provided to thalassemia patients and nominal rates were charged to treat haemophilia and aplastic anaemia cases. A certificate and a letter of appreciation were issued to each donor.



Financial assistance

J.K. Cement donated substantially to benefit minority students at an Urdu School in Mudhol, and to promote wrestling at Bagalkot District Wrestling Association.

Guest House at Tirumala

J.K. Cement constructed a guest house at Tirumala under the TTD cottage donation scheme. A total sum of ₹ 2.5 crores was spent to build the spacious guest house which was handed over to the temple trust (Tirumala Tirupati Devasthanams) on 16th March, 2011.





Profile of Directors



1. Gaur Hari Singhania

Chairman

Education: M.A. and PhD in Economics

- Associated with J.K. Cement as a Promoter Director since inception in 1994.
- A prominent presence in India's business landscape over the last five decades Holding Chairmanship in other companies, such as Jaykay Enterprises Ltd, Juggilal Kamlapat Cotton Spg. & Wvg. Mills Company Ltd and J.K. traders Ltd.
- Held important positions as the Chairman of the Merchants' Chamber of Uttar Pradesh, the Employers Association of Northern India and the Chairman of the U.P Stock Exchange Ltd.
- Served as a deeply trusted interface between the industry and the government.
- Functioned as Director in various government bodies, such as Pradeshiya Industrial Investment Corporation of Uttar Pradesh, Uttar Pradesh State Industrial Development Corporation and Uttar Pradesh State Sugar Corporation.

- A philanthropist and a socially active individual, he supports multiple charitable and educational institutions.
- Chancellor of the Dayanand Shiksha Sansthan and the President of Kanpur Education Society.
- President of the Uttar Pradesh Cricket Association.

2. Yadupati Singhania

Managing Director and Chief Executive Officer Education: B. Tech from IIT Kanpur

- Instrumental in paving the organisation's growth path.
- Contributed significantly in evolving India's cement industry for over three decades.
- Played a pivotal role in the introduction of international quality white cement in the country.
- Serves as a Managing Director and Chief Executive Officer of Jaykay Enterprises Ltd. since 1999, the Director of the Employers Association of Northern India and also the Chancellor of Sir Padampat Singhania University.









- President of Kanpur Productivity Council and member of the Board of Governors of the National Council for Cement and Building Material and Jodhpur Chamber of Commerce.
- Member of the Managing Committee of Cement Manufacturers Association.
- Following in the revered footsteps of his father, he is deeply involved in social activities and is serving as a member of Rotary Club.

3. K. B. Agarwal

Non-Executive Independent Director
Education: Graduate of Law, PhD, ICWA and CS

- Vast experience in Finance, Accounts and Capital Market.
- Associated with several industry and trade associations, Mr Agarwal has served the Merchants' Chamber of Commerce and U.P. Stock Exchange Ltd as their President.
- Associated with FICCI and ASSOCHAM and was also involved with various Committees of Government.

4. J. P. Bajpai

Non-Executive Independent Director Education: M.Com. C.S.

- Served as the Senior President (Head Office) and Company Secretary of J.K. Synthetics Ltd.
- Served as the Statistical Investigator in the Directorate of Industries. Uttar Pradesh.
- Serves as a Director on the Board of a number of other listed companies.
- A sports enthusiast and deeply passionate about cricket, Mr. Bajpai has functioned as the Honorary Treasurer of the Board of Control for Cricket in India and is a Director of the Uttar Pradesh Cricket Association.
- He is also the Chairman of the Development Committee of the Table Tennis Federation of India.
- Mr Bajpai's numerous social commitments have earned him widespread recognition. He has been bestowed innumerable awards, viz., 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 Education: Graduate of Science and Law

- Founder Chairman and Managing Director of Agriculture Insurance Company of India Ltd with more than four decades of extensive insurance industry experience.
- 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 Education: B.Tech (Hons), IIT Mumbai, Certificate in Financial Management

- Possesses over 38 years experience in various fields ranging from operation of small scale units in India to conceiving, implementing and operating mega projects abroad.
- Retired as Chairman of IDBI in 2005. During his stints with IDBI and IIBI, he was directly overlooking functions

including Zonal Head, Corporate Finance, restructuring and rehabilitation of sick units, Venture capital, merchant banking and investors' relation.

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

7. Achintya Karati

Non-Executive Independent Director
Education: Law Graduate from Calcutta University

- Senior Advisor to ICICI Securities Ltd and is also associated with ICICI-Prudential Life Insurance Company Ltd. He possesses vast experience in finance and legal affairs, spanning over three decades.
- Diverse expertise across commercial, legal and secretarial matters.
- Retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Ltd (erstwhile Industrial Credit and Investment Corporation of India Ltd) in March 2004.
- Served in various capacities including Deputy Zonal Manager (North) and Head of Major Client Group (North) in ICICI Ltd.

8. K. N. Khandelwal

Non- Executive Non-Independent Director
Education: Commerce Graduate and a Chartered
Accountant

- Director since February 2004.
- He is also the President (Finance and Accounts) of Jaykay Enterprises Ltd.
- Started his career with J.K. Synthetics Ltd in 1969, he progressed substantially to hold key positions in the Company.
- A Board member of several Indian companies, Mr Khandelwal is a Trustee and member on executive bodies of various educational and social institutions and organisations.

9. Raj Kumar Lohia

Non-Executive Independent Director Education: Bachelor of Arts in Economics

- Director of the Company since September 2004.
- Over 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.
- Recipient of several awards, including the Excellence Award 2005 for contribution in the field of entrepreneurship.

10. Ashok Sharma

Non-Executive Independent Director Education: Law Graduate and a qualified Chartered Accountant

- Vast experience in the fields of finance and audit, spanning over three decades.
- A practicing Chartered Accountant he handles the audit assignments of private sector organisations, banks, insurance companies and financial institutions.
- A Director on the Board of U.P Stock Exchange Ltd, Mr Sharma has served on many Committees, such as the Rehabilitation Committee for Uttar Pradesh Small Industries Corporation Ltd, Corporate Committee of CIRC of ICAI, Indian Council of Arbitrators and Kanpur Income Tax Bar Association.

Corporate Information

BOARD OF DIRECTORS

Dr. Gaur Hari Singhania, Chairman

Yadupati Singhania, Managing Director & CEO

Achintya Karati

Ashok Sharma

Jayant Narayan Godbole

Jyoti Prasad Bajpai

Kailash Nath Khandelwal

Dr. K. B. Agarwal

Raj Kumar Lohia

Suparas Bhandari

BANKERS

Allahabad Bank

Andhra Bank

Canara Bank

Dena Bank

Exim Bank

IDBI Bank Ltd.

Indian Bank

Indian Overseas Bank

ING Vyasa Bank

Jammu & Kashmir Bank

State Bank of India

United Bank of India

REGISTERED OFFICE

Kamla Tower,

Kanpur - 208 001.

KEY MANAGEMENT PERSONNEL

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

AUDITORS

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

Chartered Accountants

Westcott Building, The Mall, Kanpur - 208 001.

REGISTRAR & SHARE TRANSFER AGENT

Jaykay Enterprises Ltd

Kamla Tower,

Kanpur – 208 001

Email: jkshr@jkcement.com

CENTRAL MARKETING OFFICE

Ghalib Institute, Mata Sundari Lane,

New Delhi – 110 002.

PLANT	LOCATION	
Grey Cement Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan	
	Mangrol, Dist. Chittorgarh, Rajasthan	
	Gotan, Dist. Nagaur, Rajasthan	
	Muddapur, Dist. Bagalkot, Karnataka	
White Cement Plant	Gotan, Dist. Nagaur, Rajasthan	
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan	
(For captive consumption)	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan	
	Gotan, Dist. Nagaur, Rajasthan	
	Muddapur, Dist. Bagalkot, Karnataka	
Waste Heat Recovery Power Plant (For captive consumption)	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan	

Management Discussion and

Analysis Report

INDIAN ECONOMY

The GDP growth of 8.5% in 2010 -11 meet out the expectations of economic recovery based on the inherent strengths. Despite gradual withdrawal of stimulus measures, recovery was strong on account of rebound in agricultural income with increase in agricultural production and a good industrial and service sector growth giving boost to private consumption and investment. However, growing inflation particularly in food prices was a big concern for the Government and steps were taken to check inflation by gradual tightening of monetary policy. Series of interest rate increases were implemented to control the inflation.

The state of economies of many developed countries continue to be a cause of concern and this has resulted more capital flows to emerging markets, particularly India for better returns.

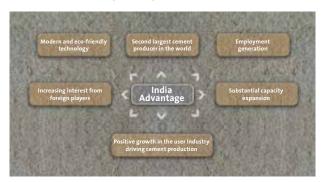
CEMENT INDUSTRY STRUCTURE AND DEVELOPMENT

Grey Cement

With the hike in interest rates and partial roll back of stimulus programmes Cement demand growth slowed down. Further, heavy rains and severe floods had adverse impact on cement demand growth due to major disruption to the movement of material and construction activities in some regions during second quarter of the fiscal. Demand could not pick up to the expected levels in the third quarter also post festive season due to unseasonal weather conditions. Improvement in demand growth was witnessed from January'2011 with robust dispatches in February and March'2011 and finally the

overall demand growth was 4.66%. Export dispatches remained under pressure with slump in construction activity in UAE resulting more availability of cement & clinker in western region. Slower pace of demand growth coupled with increased supplies from significant capacity additions at the end of previous financial year put pressure on cement pricing and there was substantial reduction in realizations, particularly in South during second quarter. Prices stabilized in the third quarter and started picking up from January'2011. Industry capacity utilization reduced to around 76% and it was even lower in southern region due to more capacity additions.

ADVANTAGE INDIA (GRAPH)

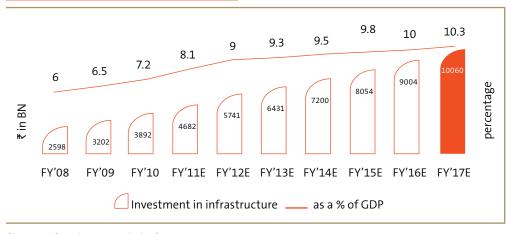


The modest growth of cement demand in 2010-11 was a result of an extended monsoon and severe cold in many parts of India. The real estate demand also weakened due to sharp increase in property prices in India and continuously rising interest rates. But the long term view of the industry looks quite positive due to the following facts:

THE INDIAN GOVERNMENTS' THRUST ON INFRASTRUCTURE DEVELOPMENT OF INDIA

The Government has planned a spending of US\$1trillon on infrastructure in the XIIth five year Plan as against US\$461bn in 11th five year plan. The sector shall contribute over 10% to India's GDP.

Investments in infrastructure as a % of GDP



(Source: Planning commission)

REVIVAL OF THE REAL ESTATE SECTOR

The housing sector comprises 80% of the real estate demand. The XIth five year plan depicts the shortage of 26.53 million houses. With the increasing purchasing power of the Indian consumers, increasing urbanization combined with an ease in getting housing loans, shall fuel the demand in the residential sector.

SLUM REHABILITATION

With more than 20% of India's urban population living in slums, the Government has been actively planning towards their rehabilitation. As such, approximately 75-80 Million Ton of cement will be consumed in order to provide houses to these million slum dwellers

HOUSING DEMAND FROM RURAL INDIA

During the past few years there has been a marked increase in the agriculture produce and at the same time support from major agriculture prices have also gone up, resulting in higher rural income. ₹ 1,270 crore allocated for Rajiv Awas Yojana as compared to ₹ 250 crore last year. These shall translate into an increased housing demand from the rural demand that would further fuel the cement demand.

REGIONAL FOCUS

The Indian cement industry is divided into five different regions- north, south, east, west and central India. While the Southern region leads in capacity expansion, the Northern region has been following up closely. The dispatches and the cement prices have been in sync with a steady growth in capacities across India.

White Cement

The world-wide White Cement Industry size is about one per cent of Grey Cement Industry and in India it is much less than compared to the Grey Cement Industry size of about 300 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 accounts for the substantial majority of India's production capacity.

Despite economic slowdown, Domestic White Cement industry posted growth of 8% during 2010-11.

Wall Putty also continued to find increasing acceptance from the end consumers and recorded significant growth in FY11 over FY10. Putty is a value added product and leading paint manufacturers have increased production of this product. There has been significant increase in the

production of non cement based low cost putty also by regional players.

OUTLOOK

Economy

Indian economy is well positioned to attain sustainable growth trajectory with strong demand, robust consumption, savings and investment. It is widely accepted that average GDP growth of 8 – 9% can be maintained in coming years. Increasing number of young middle class households will have increased capacity for spending and housing sector will be a major beneficiary. However, there are some challenges also in the near term such as inflation, deceleration in corporate spending and hardening of global energy prices which can be tackled by coordinated monetary & fiscal policy measures. Despite these challenges, India has inherent many strengths to emerge as global economic power.

Industry

Grey Cement

The long term outlook for the cement industry continues to be bright based on sustained high growth of the Indian economy which should bring a significant increase in the demand for housing & commercial structures and ambitious plans of the Government for infrastructure investment of USD 1 trillion between 2012 -2017. Government stimulus for enhancing rural income and affordable housing will further increase the demand from housing sector.

The demand for cement is likely to remain strong in 2011 –12 based on continued focus on infrastructure development and economic growth. Substantial capacity additions are also likely to go on stream, particularly in South. Thus, demand – supply imbalance would continue to be cause of concern in the South and it is expected to improve or remain same in the other regions.

White Cement

Outlook for White Cement & Wall Putty for 2011 -12 is positive based on increased purchasing power of the upper middle class and high income segment.

White Cement is promoted as aspirational product with long term durability ideally suited for the residential & commercial segment for interior & exterior applications.

For Wall Putty, the main segment is residential sector. It is accepted in Metro cities and urban areas that Cement based Wall Putty is water resistant and provides a sub surface for decorative paint applications which helps to increase the appearance of walls. On a conservative basis, Wall Putty growth is estimated at 30% in 2011 -12.

Company -

Grey Cement

The Company's performance in the current fiscal is likely to show an improvement over the last year with the stabilisation of the Karnataka unit. In northern region also, capacity utilization is likely to improve further.

White Cement

With the increase in production capacity of Wall Putty to 3 Lacs tones per annum, Company is geared up to avail the benefits of high growth potential. White Cement growth is also estimated at around 10%.

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 ambitious plans for infrastructure development and its stimulus for enhancing rural income and affordable housing. Strong demand from housing sector is also anticipated arising out of increasing urbanization and higher disposable income of middle class.

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.

Increasing number of young middle class households will have increased capacity for spending and housing sector will be a major beneficiary.

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 the burgeoning middle class in metros and urban areas with higher disposable incomes, housing sector will be a major beneficiary. Further, economic growth fundamentals are also expected to remain strong. Company has already created brand equity for its products, increased distribution to unrepresented areas and has initiated intensive personal selling and promotional activities to counter demand for complementary products. This gives opportunity for improvement in scenario of White Cement & Wall Putty and both the products are expected to record even better growth rate in 2011 -12. Exports are also expected to be buoyont during the year.

White Cement is a complementary product in construction industry and face major threat from competing products. White Cement Paint Industry growth remain static due to more usage of new generation polymer based exterior paints. The perception of mosaic tiles continues to be

low compared to substitutes such as marble, ceramic and vitrified tiles, granite, which enjoys high esteem value due to attractive designs, shades 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 mushroom growth of low cost non White Cement based Putty manufacturers.

RISKS AND CONCERNS

Concerns to the Indian cement industry are high cost of power & coal/pet coke, high freight cost, inadequate infrastructure, non availability of wagons, competitive environment, skilled workers & managerial talent and taxes/royalty levies.

Coal is the primary input for Cement production and captive power generation remains the most important cost element for the cement industry. Availability of Coal against linkages and its quality is erratic affecting productivity. Further, Coal India has announced 30% to 150% increase in the prices of various grades of Coal. Prices of Petcoke available from domestic sources also have parity with international coal prices resulting substantial increase in the prices during last fiscal. Therefore, power & fuel cost remains a key area of concern.

Capital cost for capacity expansion has increased to ₹ 6,000 per tonne which is a major concern as present margins are not sufficient to service the existing debt and to generate sufficient surplus for further capacity addition.

Inward / Outward freight cost is also increase continuously with the increase in the prices of petroleum products.

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

Unexpected sustained slow down in the economic momentum and consequent domestic demand growth, reduced spending in real estate due to high interest rates and anticipated increases during the year could lead to volatility and pricing pressures in the scenario of excess supply, especially in the more fragmented markets.

With the projected rate of growth and upcoming projects, Cement Industry requires a stream of new skilled workers as well as managerial talent. In the past few years, skill shortages have been witnessed and have become an issue. In order to improve the quality of education, skill development and to promote vocational training, structural & policy reforms are needed.

Cement in India continues to be the highly taxed



commodity than anywhere else in the world. In the Union Budget, Excise Duty structure has been changed for cement cleared in packaged form to (1) 10% Ad - Valorem + ₹ 160/- per tonne for retail sales price exceeding ₹ 190/- per 50 Kg. bag, (2) 10% Ad - Valorem + ₹ 80 per tonne for retail sales price not exceeding ₹ 190/- per 50 Kg. bag of and for cement cleared other than in packaged form to 10% Ad − Valorem resulting further, increase in Excise Duty. In addition, the system is very complex and places a heavy administrative and compliance burden on Companies. Rationalisation and simplification of tax regime would be beneficial for both consumers and producers. Any other increase in taxes will have an adverse impact on the profitability.

PERFORMANCE DURING THE YEAR

- Production of Grey Cement increased to 5.15 million tonnes during the year as against 4.28 million tonnes of previous year;
- 2. Production of White Cement increased to 3.51 lac tonnes as against 3.01 lac tonnes of previous year.
- Substantial increase in the production of Value Added Product (Putty) of White Cement by 55%.

Steps taken by the Company to increase productivity, promoting brand & strengthening of distribution network in southern & western regions has resulted increased volumes of grey cement despite low demand growth.

HUMAN RESOURCES

Compnay's aspiration is to become a premium national brand with focus on inclusive growth across its businesses. To achieve the aspiration, Company has derived a long term strategy and has focused on the capability development of existing Human Resources. Balance Score Card as a tool has been implemented in the organization which focuses on all round development of the Human

resource from the finance, process, customer and learning & development perspective.

Satisfaction level of the employees of the organization has been phenomenal and inspite of the high attrition level in cement industries the attrition level in the organization has always been within the acceptable standards.

Company has a structured Performance Management System which helps in development of the workforce and also helps in creating a differentiated workforce. The emphasis is on identifying the competencies both behavioural and technical which needs to be developed through proper training both on the job and through external training programme.

Opportunity for Leadership development is there for all the employees and it is because of such opportunities that almost all the leadership positions are filled internally.

Employees are also benefited by the Regional Training Center at the Grey Cement Plant at Nimbahera. The total number of permanent employee of the Company as at 31st March, 2011 was 2168.

Industrial relations in the organization has been harmonious for over two decades with no loss of single man hour due to any industrial unrest.

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 authorized, recorded and reported correctly and to ensure compliance with policies, statute. The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures.

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

Directors' Report

Dear Members,

Your Directors have pleasure in submitting their Seventeenth Annual Report and audited statements

of accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS

₹ Lacs

	2010-11	2009-10
Gross Turnover	265208.80	224806.61
Profit before depreciation and tax	19651.05	39676.80
Less: Depreciation	11273.34	8550.94
Profit Before Tax	8377.71	31125.86
Provision for Tax:	_	_
- Fringe Benefit Tax		_
- Current Tax	1650.00	5303.00
Less: MAT Credit entitlement for current year plus tax adjustments for earlier years	(-)2186.79	(-)5297.00
- Deferred Tax	2510.00	8520.00
Profit After Tax	6404.50	22599.86
Add: Balance brought forward from the previous year	17181.76	14489.48
Less: On amalgamation	-	(-)8.36
Less: Transfer to General Reserve	650.00	15000.00
Less: Transfer to Debenture Redemption Reserve	1132.50	-
Less: Dividend on Equity Shares (including tax thereon)	1625.43	4899.22
Balance to be carried forward	20178.33	17181.76



2. OVERALL PERFORMANCE

Your Company's performance during the year under report has improved both in terms of production, sales quantity as well as turnover. However, due to depressed market condition prevailed in overall cement industry the profitability have depleted.

The Company's turnover increased to ₹ 2652.09
Crore during the year compared to ₹ 2248.07 Crore
in previous year. Profit before Depreciation & Tax
achieved at ₹ 196.51 Crore compared to ₹ 396.77 Crore
inspite of increased volumes due to higher input cost
and decrease in margin.

3. CONSOLIDATED FINANCIAL STATEMENTS

The statement as required under Section 212 of the Companies Act, 1956, in respect of the subsidiaries of the Company viz. J.K.Cement (Fujairah) FZC and J.K.Cement Works (Fujairah) FZC is annexed and forms an integral part of this Report. Consolidated Financial Statements form part of the Annual Report and Accounts. In terms of General Circular Nos.2/2011 and 22/2011 and Board's decision, attaching of the Audited Balance Sheets as at March 31, 2011 as required under Section 212 (8) of the Companies Act, 1956 in respect of the subsidiaries of the Company have been dispensed with. However, the requisite information for each subsidiary has been disclosed. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company seeking such information.

4. DIVIDEND

Your Directors are pleased to recommend dividend of ₹ 2.00 per share for the financial year ended 31st March, 2011 compared to ₹ 6.00 per share paid for the financial year ended 31st March, 2010.

5 OPERATIONS

Grey Cement

During the year under report, production of grey cement in Rajasthan plants reduced by 7.3% at 3.68 Millon Tonnes as against 3.97 Million Tonnes during the pervious year, however taking together Rajasthan and Karnataka plant, production increased by 20% at 5.15 Million Tonnes compared to 4.29 Million Tonnes during pervious year. The contribution during the year was comparatively lower.

White Cement

Production of White Cement increased by 16.6% at 3.51 Lakh tonnes during the year compared to 3.01 Lakh tonnes while value added products registered increase of 55%. Sale was also in tandem with production. The contribution of both the products during the year was comparatively higher.

6. PROJECTS OF THE COMPANY

EXPANSION INITIATIVES

Your Company in its effort to add capacity has already proposed implementation of expansion of Grey Cement in North India. Now, it has been finalized to set up a brownfield cement project of capacity of 3.5 MnTPA through an integrated unit of 8000 tpd clinker production at existing J.K.Cement Works, Mangrol site and a split located grinding unit at Jhajhar, Haryana in North India. The combined grinding capacity at integrated unit and split unit would be 4 MnTPA. The cost of the project is now estimated at ₹ 2326.65 Crore including captive power plant of 35 MW and Waste Heat Recovery Plant of 15 MW. The Company has already purchased land at Jhajhar and applied for lease of new limestone mining area close to Mangrol site. Work at site is likely to start in October, 2011 and tentative schedule for completion is December, 2014



7. PROJECTS OF SUBSIDIARY/JOINT VENTURE COMPANY IN HAND

(a) Projects under Subsidiary Company:

Cement Plant at Fujairah, UAE

As reported last your Company had taken up establishment of a green field 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. However, in view of change in business scenario in U.A.E, the Company is now planning to set up a small size plant of white cement convertible into Grey Cement to produce grey and white cement both according to the market demand. The project report for the same is under preparation. After finalization of the report, proposal for funding would be taken up with the Banks who have shown interest to fund the project.

(b) Project under Joint Venture:

Captive Coal Block in Maharashtra

As reported earlier a Joint Venture Company viz. Bander Coal Company Private Limited ('the JV Company') was incorporated with equity contribution of other two companies. The JV Company had filed application for grant of Mining Lease for extraction of Coal over an area of 1604.67 Hectare area in Distt. Chandrapur, Maharashtra. Steps for preparation of amended 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 ₹ 101.59 Crores and repaid ₹ 199.30 Crores. To augment long term finance, your Company also issued Secured Redeemable (redeemable in 7th, 8th, 9th and 10th years) Non

Conventible Debentures of ₹ 400 Crore on private placement basis.

9. CREDIT RATING

For long term bank facilities CARE has maintained your Company's rating of "CARE A+" and for short term bank facilities assigned "PR1+" rating.

10. SUBSIDIARY COMPANIES

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

11. CORPORATE GOVERNANCE

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

12. PERSONNEL

12.1 INDUSTRIAL RELATIONS

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

12.2 PARTICULARS OF EMPLOYEES

List of employees getting salary in excess of the limits as specified under the provisions of subsection (2A) of Section 217 throughout or part of the financial year under review is annexed. However, in terms of provisions of section 219(1) (b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may send the request to the Company at its Registered Office.

13. PUBLIC DEPOSITS

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



14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORP-TION, 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.

15. AUDITORS' REPORT

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

16. ABRIDGED BALANCE SHEET

The Company shall be sending Abridged Balance Sheet to all its members as permitted by SEBI guidelines dated 26th April, 2007. Full Balance Sheet shall be placed on Company's Website. Members, who are desirous of getting full Balance Sheet may send their request to the Company Secretary at the Registered Office address of the Company.

17. DIRECTORS

The Board of Directors have reappointed Shri Yadupati Singhania as Managing Director & CEO at its meeting held on 28th May, 2011, for a period of 5 years w.e.f. 1st April, 2012 on the terms and conditions enumerated in the resolution being put for your approval.

Three of your Directors namely Shri Ashok Sharma, Dr. K.B.Agarwal and Shri J.P.Bajpai will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

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



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

19. AUDITORS

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

20. COST AUDITORS

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the year 2010-11. 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 2010-11.

21. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. of Rajasthan, Govt. of Karnataka and Central Govt. 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. Date: 28th May'2011

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Grey Cement

- Retrofit conventional plates in IInd grate of folex cooler.
- Agro-waste and Tyre chips firing system as fuel in processing system.
- Replacement of conventional lamps with Compact Fluorescent Lamps for plant and colony lighting was done across Muddapur Plant.

White Cement

- 132 KV switchyard upgraded and 6.6. KV switchgears installed for efficient power management.
- Higher Plant utilization factor and process optimization has resulted energy conservation of 2.5 units/ton of cement over the previous year.

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

Grey Cement

- Upgradation of Raw Mill 4 Gear box(NBH).
- Replacement of kiln-3 Tyre with shell(NBH).

White Cement

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

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(Mudhol).

White Cement

 Optimization of raw mill to cater higher raw mix requirement for enhanced kiln capacity after calciner installation.

(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(NBH).
- Mech. Transport for Kiln feed 1 & 2, to replace pneumatic transport for energy saving(NBH).
- 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.

White Cement

- Covered clinker storage facility for grey and white clinker.
- Grinding plant for dolomite for putty product.

(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 ₹ 29.69 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 of critical equipment

White Cement

 Installations of FK pump for conveying of cement to putty section to eliminate manual handling.

(vi) Details of Imported Technology:

FOREIGN EXCHANGE EARNINGS AND OUTGO

 Activities relating to exports initiatives taken to increase exports Development of new export market for products and services and future export plans.

Mentioned in the main report.

Nil

- (ii) Total foreign exchange used and earned:
 - (a) Total foreign exchange used
 - (b) Total foreign exchange earned

Mentioned in Notes on Accounts

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

ANNEXURE

FORM A

		GREY	CEMEN T	WHITE CE	MENT
PARTIC	CULARS				
		2010-11	2009-10	2010-11	2009-10
(A) PC	OWER AND FUEL CONSUMPTION:				
1.	ELECTRICITY				
	(A) Purchased:				
	Units/KWH(000)	120808	70146	30513	12314
	Total Amount (₹/Lacs)	5350.30	3254.05	1229.24	547.65
	Rate/Unit (₹)	4.43	4.64	4.03	4.45
	(B) OWN GENERATION:	5			
	(i) Through Diesel Generator :				
	Units/KWH('000)	1231	5796	83	1119
	Unit per litre of Diesel/Oil	3.65	2.61	4.20	4.09
	Rate/Unit (₹)	7.46	6.16	7.47	5.59
	(ii) Through Steam Turbine **				
	Units/KWH ('000)	358938	402715	11808	22644
	Unit per Kg of Coal	1.36	1.66	0.63	0.662
	Rate/Unit (₹)	3.14	2.27	5.03	3.584
2.					
	Quantity(tonnes)	744629	619468	42316	34456
	Total Cost (₹/Lacs)	43656.26	31890.00	3290.42	1947.75
	Average Rate (₹/Tonne)	5863	5148	7776	5653
3.	2				
	Quantity (K Ltrs)	70	154	2930	2559
	Total cost (₹/Lacs)	31.85	50.36	821.61	598.96
	Average rate/K.ltrs (₹)	45683	32699	28039	23404
4.					
	(FOR GENERATION OF POWER FROM D.G. SETS)				
	Quantity (K. Ltrs)	337	2197	20	273
	Total cost (₹/Lacs)	91.87	349.96	6.20	62.59
	Average Rate/K. ltr (₹)	27222	15932	31352	22887
(B) CC	DNSUMPTION PER UNIT OF PRODUCTION:				
1.		87	90	114	115
2.		791	787	911	978
۷.	. staskej codij Eiginte(medis) ngj	, 51	707	711	570

 $[\]ensuremath{^{**}}$ 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, 2011 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 2011, four Board Meetings were held on (i) 29th May 2010 (ii) 31st July 2010 (iii) 30th October, 2010 and (iv) 12th February, 2011

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

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



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

Sr. No	Name of Director	Category	Relationship Interse Directors	No. of other Directorships@	No. of Board Committees (Other than J.K. Cement Ltd.) in which**	
		1	ı	I	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	_	3	1	-
4	Shri Achintya Karati	Non-Executive, Independent	_	6	-	6
5	Shri J.P. Bajpai	Non-Executive, Independent	_	3	-	-
6	Shri J.N.Godbole	Non-Executive, Independent	_	11	1	8
7	Dr.K.B.Agarwal	Non-Executive, Independent	_	3	2	_
8	Shri K.N. Khandelwal	Non-Executive, Non Independent	_	4	_	-
S	Shri R.K. Lohia	Non-Executive, Independent	_	5	_	_
10	Shri Suparas Bhandari	Non-Executive, Independent	_	-	-	-

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

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 interalia includes:

- Key elements of Annual Budget.
- Business plans and progress thereof.
- Company presentation on quarterly performance.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.

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

- 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:-

- 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.
- 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:
 - 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.
 - 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.
- 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.
- Reviewing reporting structure, coverage and frequency of internal audit.
- 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;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;

- 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 31st March, 2011, the following Directors were the members of the Audit Committee:

- (a) Shri Ashok Sharma (Chairman): Independent, Non Executive Director
- (b) Shri A. Karati : Independent, Non Executive Director
- (c) Dr. K. B. Agarwal : Independent, Non Executive Director
- (d) Shri K.N. Khandelwal : Non Independent, Non Executive Director
- (e) 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, 2011 four meetings were held on (i) 29th May, 2010 (ii) 31st July, 2010 (iii) 30th October, 2010 and (iv) 12th February, 2011

The attendance at the Committee Meetings was as under:

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

REMUNERATION COMMITTEE

(i) Broad Terms of Reference

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

(b) To decide terms of remuneration of Nonexecutive Directors of the Company.

(ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2011 comprised of:

- (a) Shri Raj Kumar Lohia (Chairman) : Independent, Non Executive Director
- (b) Shri A.Karati :Independent, Non Executive Director
- (c) Shri J.P. Bajpai : Independent, Non Executive Director
- (d) 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, 2011 one meeting was held on 29th May, 2010.

The attendance at the above Meeting was as under: -

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

(iv) Remuneration Policy:

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

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

The number of Equity Shares of the Company held by **Non-Executive Directors** of the Company as on 31st March 2011 are as under:

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

^{**}includes 8196 shares held in the capacity as Karta of Dr.Gaur Hari – Yadupati Singhania HUF, 3000 shares in the capacity as Karta of Dr.Gaur Hari Singhania (Greater HUF) and 20 shares in the capacity as Executor of the will of Late P.D.Singhania.

(v) Details of Remuneration to the Directors for the year ended 31st March, 2011

Sr. No	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	_	_	2500000	230000	2730000
2	Shri. Yadupati Singhania @	10800000	18900000*	10000000	_	39700000
3	Shri. Ashok Sharma	_	_	600000	160000	760000
4	Shri. A. Karati	_	_	600000	170000	770000
5	Shri. J.P. Bajpai	_	_	600000	300000	900000
6	Shri. J.N.Godbole	_	_	600000	80000	680000
7	DrK.B.Agarwal	_	_	600000	350000	950000
8	Shri. K.N. Khandelwal	_	_	600000	360000	960000
9	Shri. Raj Kumar Lohia	_	_	600000	110000	710000
10	Shri. Suparas Bhandari	_	_	600000	90000	690000

^{*}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 ₹ 54 Lacs.

SHAREHOLDERS' GRIEVANCE COMMITTEE

(i) Composition

The Committee as on 31st March, 2011 comprise of:

- (a) Shri J.P. Bajpai (Chairman) : Independent, Non Executive Director.
- (b) Dr. K.B.Agarwal : Independent, Non Executive Director.
- (c) Shri K.N. Khandelwal : Non Independent, Non Executive Director.
- (d) Shri Raj Kumar Lohia : Independent, Non Executive Director.

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

(ii) 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 71 complaints during the F.Y. 2010-11 and all the 71 complaints were redressed and there was no complaint pending as at 31.03.2011.

[@] Appointment of Managing Director & CEO is for a period of 5 years w.e.f. 1st April, 2007 upto 31st March, 2012

(iii) Meeting and Attendance

During the financial year ended 31st March, 2011, four meetings were held on (i) May 29th May, 2011 (ii) 31st July, 2010 (iii) 30th October 2010, (iv) 12th February, 2011

Sr. No	Name of Director	No. of Board Meetings attended
1	Shri J.P. Bajpai	4
2	Dr. K.B.Agarwal	4
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, interalia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(v) of the Listing Agreement, for the year ended 31st March 2011

General Body Meetings:

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

Financial Year	Date	Time	Place
2007- 08	26th July, 2008	12.00 Noon	Auditorium of the Mer- chants' Chamber of U.P., Kanpur
2008-09	31st July, 2009	12.00 Noon	-do-
2009-10	31st July, 2010	12.00 Noon	-do-

A Special resolution was passed in the last Annual General Meeting of the Company held on 31st July 2010.

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, 2010 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:

The Board of Directors have reappointed Shri Yadupati Singhania as Managing Director & CEO at its meeting held on 28th May, 2011, for a period of 5 years w.e.f. 1st April 2012 subject to the Members' approval. Brief resume of Shri Yadupati Singhania as required under Clause 49 of the Listing Agreement is furnished below:-

Shri Yadupati 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 your Company's growth path. Being an enterprising person, he played a pivotal role in the introduction of international quality white cement in the country. Shri 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. He takes keen interest in social activities and is serving as a member of Rotary Club. As on 31.3.2011, he (in his capacity as individual and Karta of HUF) held 12901398 Nos. of Equity share (comprising 18.45%) of the Company.

According to the Articles of Association of the Company three Directors Shri Ashok Sharma, Dr. K.B.Agarwal and Shri J.P.Bajpai 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 Ashok Sharma holds a Bachelor of Law degree from Kanpur University. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the fields of finance and audit spanning over 31 years. He is a practicing Chartered Accountant and handles the audit assignments of private sector organizations, banks, insurance companies and financial institutions. He is a Director on the Board of U. P. Stock Exchange Limited. He has served on many Committees such as the Rehabilitation Committee for

Uttar Pradesh Small Industries Corporation Limited, Corporate Committee of CIRC of ICAI, Indian Council of Arbitrators and Kanpur Income Tax Bar Association. As on 31.3.2011, he held 640 Nos. of Equity share of the Company.

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 Limited as their President. He has been actively associated with FICCI & ASSOCHAM and was actively involved with various Committees of Government. As on 31st March, 2011, he held 300 Nos. of Equity share of the Company.

Shri J.P. 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 Limited Companies. Shri 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 includes Sewa Ratna Award, Best Social Worker Award, Kala Shri Award, Kanpur Ratna Award and Madhavrao Schindia Cricket Academy Life Time Achievement Award. As on 31.3.2011, he held 100 Nos. of Equity share of the Company.

Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Executives as well as Non-executive Directors, and members of the Senior Management. A copy of the Code has been 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 2010-11.

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

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 31st March 2011, 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 30th July, 2011 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 30th July, 2011

(b) Second Quarter Results - Within 45 days from the

close of Quarter Ending September, 2011

Within 45 days from the close of Quarter Ending December, 2011

(d) Results for the year - ending 31.3.2012

(c) Third Quarter Results -

Within 60 days from close of the Quarter/ Year Ending March, 2012

(iii) Date of Book Closure

Wednesday 20th July, 2011 to Saturday 30th July, 2011 (both days inclusive)

(iv) Dividend payment date: - The Board of Directors of the Company have recommended a dividend of ₹ 2 (20%) per share for the year 2010-11 which shall be payable on or after 30th July, 2011

(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 2010-11.

(vi) Stock Code

BSE 532644

NSE JKCEMENT

ISIN NUMBER INE823G01014

(vii) Market Price Data

Month	BSE			
	High	Low	Sensex High	Sensex Low
April, 2010	198.90	178.25	18,047.86	17,276.80
May, 2010	188.50	174.00	17,536.86	15,960.15
June, 2010	188.65	177.30	17,919.62	16,318.39
July, 2010	190.55	166.50	18,237.56	17,395.58
August, 2010	171.95	145.20	18,475.27	17,819.99
September, 2010	177.70	157.00	20,267.98	18,027.12
October, 2010	199.90	167.00	20,854.55	19,768.96
November, 2010	183.50	150.15	21,108.64	18,954.82
December, 2010	165.90	131.10	20,552.03	19,074.57
January, 2011	153.70	125.30	20,664.80	18,038.48
February, 2011	143.00	110.15	18,690.97	17,295.62
March, 2011	148.50	125.00	19,575.16	17,792.17
·			,	,

Month	NSE			
	High	Low	Nifty High	Nifty Low
April, 2010	198.50	176.95	5,399.65	5,160.90
May, 2010	191.00	173.95	5,278.70	4,786.45
June, 2010	189.25	179.00	5,366.75	4,961.05
July, 2010	214.30	166.30	5,477.50	5,225.60
August, 2010	172.50	145.10	5,549.80	5,348.90
September, 2010	179.00	157.20	6,073.50	5,403.05
October, 2010	199.90	168.00	6,284.10	5,937.10
November.2010	181.00	151.20	6,338.50	5,690.35
December, 2010	165.00	130.25	6,147.30	5,721.15
January, 2011	153.90	124.00	6,181.05	5,416.65
February, 2011	144.85	114.00	5,599.25	5,177.70
March, 2011	149.20	128.50	5,872.00	5,348.20

(viii) Registrar/Transfer Agent

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

M/s Jaykay Enterprises Ltd (Unit J.K. Cement Ltd.) Kamla Tower, Kanpur – 208 001

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

Fax: (0512) 2399854

email: investorservices@jkcement.com;

rc.srivastava@jkcement.com

(ix) Share Transfer System

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

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

(x) Distribution of Shareholding as on 31st March, 2011

No Of Equity Shares Held	No. Of Share Holders	% Of Share Holders	No. Of Shares Held	% Of Share Holdings
	1			·
Up to 500	97150	98.29	3568605	5.10
501 to 1000	1001	1.01	728364	1.04
1001 to 2000	269	0.27	401070	0.57
2001 to 3000	102	0.10	260892	0.37
3001 to 4000	48	0.05	174498	0.25
4001 to 5000	49	0.05	231597	0.33
5001 to 10000	78	0.08	568767	0.82
10001 and Above	143	0.15	63993457	91.52
Total	98840	100.00	69927250	100.00

xi) Category of Shareholders as on 31st March, 2011

No Of Equity Shares Held	No. Of Share Holders	% Of Share Holders	No. Of Shares Held	% Of Share Holdings
Promoters and Promoter group	50	0.05	45842465	65.56
Mutual Funds / UTI	19	0.02	2132522	3.05
Financial Institutions / Banks	105	0.11	7834	0.01
Insurance Companies	4	0.00	2244463	3.21
Foreign Institutional Investors	57	0.06	10010116	14.32
Bodies Corporate	871	0.88	2402021	3.43
Individuals	97586	98.73	6985704	9.99
Other	148	0.15	302125	0.43
Total	98840	100.00	69927250	100.00

(xii) Dematerialisation of Shares

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

69241568 Equity shares representing 99.02 % of the paid up Equity Capital of the Company have been dematerialized till 31st March, 2011.

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

(xiv) Plant Location

Company has following plants:

Location
Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
Mangrol, Dist. Chittorgarh, Rajasthan
Gotan, Dist. Nagaur, Rajasthan
Muddapur, Dist. Bagalkot, Karnataka
Gotan, Dist. Nagaur, Rajasthan
Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan
Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan
Gotan, Dist. Nagaur, Rajasthan
Muddapur, Dist. Bagalkot, Karnataka
) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan

(xv) Address for Correspondence

Mr. Shambhu Singh General Manager (Legal) & Company Secretary, J.K. Cement Ltd.,

Kamla Tower, Kanpur – 208001.

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

Email: shambhu.singh@jkcement.com

Website: www.jkcement.com

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, 2011, 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: 28th May, 2011

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

Auditors' Report

- We have audited the attached Balance Sheet of J.K. Cement Limited, as at 31st March, 2011, 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 :-
 - 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;
 - 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;
 - 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;

- 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
 - (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

Place: Kanpur.

Date: 28th May, 2011

(A.K. AGARWAL) PARTNER

Membership No.71548

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 four Companies. The maximum amount involved during the year was ₹ 2307.25 Lacs and the year-end balance of such loan granted was ₹ 1885.79 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 ₹ 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, service tax, custom, excise duty were in arrear as at 31st March, 2011 for a period more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Period to which amount relates	Forum where dispute is pending
		(t iii Eucs)	amount relates	penang
Income Tax Act	Income Tax	1679.70	2008-09	CIT Appeal, Kanpur
Finance Act 2008 (State)	Environment & Health Cess	740.25	2008-09	Court of Rajasthan High Court Jodhpur
State Sales Tax Act	Sales Tax	2018.71	1991-92 onwards	Various Courts in U.P. Rajasthan
Central Sales Tax Act	Sales Tax	3892.28	1999 onwards	Appeal with D.C.S.T
Rajasthan Entry Tax	Entry Tax	3503.63	July, 2006 onwards	Appeal with Jodhpur High Court
U.P. Entry Tax	Entry Tax	737.35	Nov.2007 onwards	Appeal with Allahabad High Court
Central Excise Act,1944	Excise duty	419.02	1989	Supreme Court
	Including			·
	Interest			
	thereon			
Custom Duty	Custom Duty	176.28	2009-10	Appeal with CEGAT.
Finance Act, 1994	Service Tax	1085.42	June, 2007 to March, 2008	Central Excise Dept.
Central Excise Act, 1944	Excise duty	1229.67	2007-08 to 2009-10	Central Excise Dept.
Service Tax	Service Tax on GTA	228.89	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) According to information and explanations given to us, during the year covered by our audit, the company had issued 4000 debentures of ₹10 Lac each. The company has created security in respect of 2500 debentures issued till 31-03-2011 and security in respect of 1500 debentures has been created subsequently.
- (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

Place: Kanpur.
Date: 28th May, 2011

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

Balance Sheet

as at 31st March, 2011

			₹/Lacs
	Schedule	31-03-2011	31-03-2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	132911.33	128382.26
		139904.05	135374.98
LOAN FUNDS	3		
Secured Loans		124215.60	93761.21
Unsecured Loans		14195.89	13610.82
		138411.49	107372.03
DEFERRED TAX LIABILITY		21090.00	18580.00
TOTAL		299405.54	261327.01
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		274453.15	237670.50
Less: Depreciation		44805.54	32449.68
Net Block		229647.61	205220.82
Capital Work-in-Progress		14603.99	22528.06
		244251.60	227748.88
INVESTMENTS	5	584.19	598.80
CURRENT ASSETS, LOANS & ADVANCES	6		
Inventories		32105.32	23762.33
Sundry Debtors		6076.13	8187.31
Cash & Bank Balances		32107.92	13167.07
Other Current Assets		501.95	179.40
Loans & Advances		23686.17	23183.08
		94477.49	68479.19
LESS: CURRENT LIABILITIES & PROVISIONS	7		
Liabilities		39069.85	32915.33
Provisions		1625.43	2853.94
		40695.28	35769.27
NET CURRENT ASSETS		53782.21	32709.92
MISCELLANEOUS EXPENDITURE (to the extent not written-off or adjusted)			
Deferred Revenue Expenditure		787.54	269.41
TOTAL		299405.54	261327.01
Significant Accounting Policies	13		
Notes & Contingent Liabilities	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

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

Partner

Shambhu Singh Company Secretary

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

Place: Kanpur Date: 28th May, 2011

Suparas Bhandari

Directors

Profit and Loss Account

for the year ended 31st March, 2011

					₹/Lacs
	Schedule		2010-2011		2009-2010
INCOME					
Gross Sales			265208.80		224806.61
Less : Excise Duty		28867.02		19484.48	
Sales Tax		28034.15	56901.17	22643.66	42128.14
Net Sales			208307.63		182678.47
Other Income	8		3664.39		1929.12
TOTAL			211972.02		184607.59
EXPENDITURE					
Manufacturing Expenses	9		103244.70		74025.76
Payments to and Provisions for Employees	10		12748.20		9942.73
Selling,Administration and other Expenses	11		65929.52		54799.08
Interest (Net)	12		10398.55		6163.22
TOTAL			192320.97		144930.79
PROFIT BEFORE DEPRECIATION			19651.05		39676.80
Depreciation		12513.09		9801.05	
Less: Transfer from Revaluation Reserve		1239.75	11273.34	1250.11	8550.94
(Refer Note No.5)					
PROFIT BEFORE TAX			8377.71		31125.86
Provision for Tax					
Current Tax			1650.00		5303.00
Less: MAT Credit Entitlement			(1640.00)		(5297.00)
Tax Adjustments for earlier years			(546.79)		-
Deferred Tax			2510.00		8520.00
PROFIT AFTER TAX			6404.50		22599.86
Balance from previous year			17181.76		14489.48
Less: On amalgamation			-		(8.36)
AMOUNT AVAILABLE FOR APPROPRIATIONS			23586.26		37080.98
APPROPRIATIONS					
General Reserve		650.00		15000.00	
Transfer to Debenture Redemption Reserve		1132.50		-	
Interim Dividend		-		1748.18	
Proposed Dividend		1398.55		2447.45	
Tax on Dividend		226.88	3407.93	703.59	19899.22
BALANCE CARRIED TO BALANCE SHEET			20178.33		17181.76
Earning per share - Basic and Diluted (In ₹)			9.16		32.32
Significant Accounting Policies	13				
Notes & Contingent Liabilities	14				

As per our report attached

For P.L.Tandon & Co., Chartered Accountants Gaur Hari Singhania Chairman

Yadupati Singhania Managing Director & CEO

A. K. Agarwal

Partner

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

Shambhu Singh Company Secretary

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

Suparas Bhandari

Directors

Place: Kanpur Date: 28th May, 2011

Cash Flow Statement

for the year ended 31st March, 2011

		_		₹/Lacs
		2010-2011		2009-2010
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax as per Profit & Loss Account		8377.71		31125.86
Adjusted for :				
Depreciation	11273.34		8550.94	
Deferred Revenue expenses	717.89		43.24	
Interest	11447.94		6941.87	
Interest received	(1049.39)		(778.65)	
Profit on sale of investments	(6.27)		(0.57)	
Dividend Income	(37.34)		(10.69)	
Loss on sale of assets	135.77		305.21	
Profit on Sale of Land	(5.22)	22476.72	(20.50)	15030.85
Operating Profit before Working Capital Changes	,	30854.43	,	46156.71
Adjusted for :				
Trade & Other Receivables	3841.67		(1634.65)	
Inventories	(8342.99)		(10149.75)	
Trade Payable	5238.72	737.40	3588.67	(8195.73
Cash Generated from Operations		31591.83		37960.98
Adjusted for :				
Tax Paid	(1858.61)		(7211.67)	
Corporate Dividend Tax	(406.49)		(713.04)	
Dividend paid	(2447.45)		(4167.97)	
Deferred Revenue expenses	(1236.02)	(5948.57)	(68.71)	(12161.39
Net cash from operating activities		25643.26	(= = =)	25799.59
B CASH FLOW USED IN INVESTING ACTIVITIES				
Acquisition/Purchase of fixed assets including capital	(29372.80)		(20017.50)	
advances				
Sale of fixed assets	728.68		131.80	
Purchase of Investments	(14465.00)		(6208.71)	
Sale of Investments	14523.22		6167.87	
Interest Income	582.34		688.95	
Net cash used in investing activities		(28003.56)		(19237.59
C CASH FLOW FROM FINANCING ACTIVITIES				
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	(134.22)		(388.39)	
Captial subsidy received	997.53		1117.16	
Deferred Sales Tax	(834.25)		(492.49)	
Long Term Borrowings	50230.53		10382.96	
Cash Credit Accounts	(1.47)		2041.39	
Repayment of Long Term Borrowings	(19900.00)		(12388.19)	
Interest Paid	(11001.62)		(10552.58)	
Vehicle Loans & Others	1544.65		523.55	
Refund from Associate Company	400.00		1800.00	
Net cash used in financing activities		21301.15		(7956.59
Net increase in Cash and Cash Equivalents (a+b+c)		18940.85		(1394.59
Opening balance of Cash and Cash Equivalents		13167.07		14561.66
Closing balance of Cash & Cash Equivalents		32107.92		13167.07
# 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

A. K. Saraogi President (Corp.Affairs) & CFO Partner

Shambhu Singh Company Secretary

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

Directors

Place: Kanpur Date: 28th May, 2011

				₹/Lacs
			31-03-2011	31-03-2010
SCHEDULE - 1				
SHARE CAPITAL				
Authorised				
8,00,00,000 Equity Shares of ₹ 10/- each			8000.00	8000.00
			8000.00	8000.00
Issued, Subscribed & Paid Up				
6,99,27,250 Equity Shares of ₹ 10/- each			6992.72	6992.72
			6992.72	6992.72
		<u> </u>	'	₹/Lacs
		31-03-2011		31-03-2010
SCHEDULE - 2				
RESERVES & SURPLUS				
Revaluation Reserve				
As per last Balance Sheet	26524.27		27785.45	
Less : Deduction During the year	7.78		11.07	
Less : Transfer to Profit and Loss Account	1239.75	25276.74	1250.11	26524.2
Capital Reserve				
Govt. Subsidy (Refer note no.4)				
As per last Balance Sheet	7797.59		6680.43	
Add: Received during the year	997.53	8795.12	1117.16	7797.5
Debenture Redemption Reserve				
Addition during the year		1132.50		
Securities Premium Account				
As per last Balance Sheet	25988.60		25923.60	
Add: On Amalgamation	-	25988.60	65.00	25988.60
General Reserve				
As per last Balance Sheet	50890.04		36733.82	
Add : Transfer from Profit & Loss Account	650.00		15000.00	
Less : On Amalgamation	-	51540.04	843.78	50890.04
Profit & Loss Account		20178.33		17181.7
		132911.33		128382.20

		₹ /Lacs
	31-03-2011	31-03-2010
SCHEDULE - 3		
LOAN FUNDS		
Secured		
Non Convertible Debentures	40000.00	-
Term Loan from Banks	77705.35	87374.82
Cash Credit Accounts	5990.46	5991.93
Vehicle Loans	519.79	394.46
	124215.60	93761.21
Unsecured		
Security Deposits & Others	6497.09	5077.77
Deferred Sales Tax	7698.80	8533.05
	14195.89	13610.82
	138411.49	107372.03

forming part of the Balance sheet

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SCHEDULE - 4
FIXED ASSETS

DESCRIPTION As at Legible Assets Act Adjustments Revaluation As at Legible Assets Act Adjustments Act Adju				GROSS BLOCK			٥	EPRECIATION /	DEPRECIATION / AMORTIZATION	Z	NET B	NET BLOCK
399954 6462.73 3.34 (7.78) 10451.15 24944 145.70 72.07 32.307 25.05 2257.05 24944 145.70 72.07 32.307 22.00	DESCRIPTION	As at 01.04.2010	Additions	Deductions/ Adjustments	Revaluation	As at 31.03.2011	As at 01.04.2010		Deductions/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
3999.54 6462.73 3.34 (7.78) 10451.15 949.44 145.70 72.07 323.07 233.07 233.07 223.00	Tangible Assets											
300.2.75 423.12 768.82 265.05 249.44 145.70 72.07 323.07 25.20 21299.39 8777.36 55.93 30076.75 2214.99 662.00 2876.99 277 20404.55 19914.52 55.93 30076.75 2214.99 662.00 2876.93 278 8874.2 1127.24 66.00 26.14 44.73 66.00 286.93 184.93 105.01 262.19 262.19 26.14 105.01 24.39 46.4 10.24 184.93 1187.26 262.19 262.19 26.14 24.43 26.14 <	Freehold Land	3999.54	6462.73		(7.78)	10451.15					10451.15	3999.54
21299.39 8777.36 30076.75 2214.99 662.00 2876.99 273 204043.54 19914.52 55.93 2233902.13 28411.77 11271.32 6.64 39676.45 1842 88742 1127.24 55.93 2014.66 216.40 44.73 6.64 39676.45 1843 105.01 201.6 2014.66 216.40 44.73 6.64 39676.45 118 105.01 201.2 2014.66 216.40 44.43 1.0 261.13 1.1 1187.26 262.19 26.84 106.14 446.77 286.49 106.14 446.32 1.1 1187.26 262.19 185.70 185.70 185.70 286.49 106.14 445.32 115.56	Leasehold Land	3002.75	423.12			2657.05	249.44	145.70	72.07	323.07	2333.98	2753.31
204043.54 19914.52 55.93 223902.13 28411.77 11271.32 6.64 39676.45 1842 88742 1127.24 2.014.66 216.40 44.73 6.64 39676.45 184.73 105.01 2.014.66 216.40 44.73 26.1.3 1 1187.26 262.19 2.68 1446.77 286.49 106.14 0.18 392.45 1 1187.26 262.19 185.70 185.70 1955.30 370.12 153.54 445.32 115 103.02 78.22 185.70 1985.30 370.12 153.54 445.32 115.56 236269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 157.23 44120.00 2286 237670.50 2366.3 261.76 (7.78) 2746.3 157.23 446.55 20.93 1401.33 261.76 0.06.47 (7.78) 2746.3 32449.68 3870.10 58.80 32449.68 14557.47<	Buildings	21299.39	8777.36			30076.75	2214.99	662.00		2876.99	27199.76	19084.40
88742 1127.24 2014.66 216.40 44.73 261.13 11 105.01 205.01 24.39 4.64 29.03 261.13 11 1187.26 262.19 2.68 105.01 286.49 106.14 0.18 29.03 1187.26 262.19 2.68 185.70 1446.77 286.49 106.14 0.18 392.45 10 1187.24 499.76 185.70 181.24 82.58 32.98 445.32 115.56 236269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 157.23 44120.00 2286 237670.50 3786.69 1016.47 (7.78) 27459.10 402.29 74.27 4450.00 228.68 237670.50 3786.70 3786.80 92.04 157.23 44805.84 29.68 78 237670.50 237670.50 22638.38 9870.10 58.80 32449.68 14805.54 14805.54	Plant & Machinery	204043.54	19914.52	55.93		223902.13	28411.77	11271.32	6.64		184225.68	175631.77
105.01 105.01 24.39 4.64 29.03 1187.26 262.19 2.68 105.01 286.49 106.14 0.18 29.03 1187.26 262.19 2.68 1446.77 286.49 106.14 0.18 392.45 10 1187.24 499.76 185.70 1955.30 370.12 153.54 445.32 15 236.269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 157.23 44120.00 2286 236.269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 476.56 2286 237670.50 3786.69 1016.47 (7.78) 27445.14 32449.68 157.23 44805.54 2286 237670.50 3786.74 328.38 9870.10 58.80 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68 32449.68	Railway Sidings	887.42	1127.24			2014.66	216.40	44.73		261.13	1753.53	671.02
1187.26 262.19 2.68 1446.77 286.49 106.14 0.18 392.45 10 1641.24 499.76 185.70 1955.30 370.12 153.54 78.34 445.32 15 103.02 78.22 181.24 82.58 32.98 115.56 286 236269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 157.23 44120.00 2286 742.70 402.29 742.10 402.29 742.7 476.56 2 2 658.63 261.76 26.04 472.7 476.56 2 2 237670.50 37860.90 1016.47 (7.78) 27449.68 157.23 44805.54 2296 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68 1466.88	Rolling Stock	105.01				105.01	24.39	4.64		29.03	75.98	80.62
1641.24 499.76 185.70 1955.30 370.12 153.54 78.34 445.32 115.56 103.02 78.22 18.24 82.58 32.98 115.56 115.56 115.56 2286 236269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 157.23 44120.00 2286 742.70 42.70 402.29 74.27 402.29 74.27 476.56 2 658.63 261.76 9 1016.47 745.31.5 2920.39 191.21 17.77 208.98 7 237670.50 37806.90 1016.47 (7.78) 274453.15 32449.68 157.23 44805.54 296 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68	Furniture, Fixtures and Office Equipments.	1187.26	262.19			1446.77	286.49	106.14	0.18		1054.32	900.77
103.02 78.22 181.24 82.58 32.98 115.56 115.56 2286 115.23 44120.00 2286 2286 2296 12421.05 157.23 44120.00 2286 2286 2286 2286 2286 2286 2286 2286 2286 2286 2286 2286 2286 2288 2286	Vehicles	1641.24	499.76	185.70		1955.30	370.12	153.54	78.34		1509.98	1271.12
236269.17 37545.14 1016.47 (7.78) 272790.06 31856.18 12421.05 157.23 44120.00 742.70 742.70 402.29 74.27 476.56 476.56 658.63 261.76 920.39 191.21 17.77 208.98 1401.33 261.76 1016.47 (7.78) 274453.15 32449.68 12513.09 157.23 44805.54 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68	Other Assets	103.02	78.22			181.24	82.58	32.98		115.56	65.68	20.44
742.70 742.70 402.29 74.27 402.29 74.27 476.56 658.63 261.76 920.39 191.21 17.77 208.98 1401.33 261.76 920.39 1963.09 593.50 92.04 685.54 237670.50 37806.90 1016.47 (7.78) 274453.15 32449.68 12513.09 157.23 44805.54 2 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 324496.68		236269.17	37545.14	1016.47	(7.78)	272790.06	31856.18	12421.05	157.23	44120.00	228670.06	204412.99
742.70 402.29 742.70 402.29 742.70 476.56 658.63 261.76 920.39 191.21 17.77 208.98 1401.33 261.76 1663.09 593.50 92.04 685.54 2837670.50 237670.50 37806.90 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68	Intangible Assets											
658.63 261.76 920.39 191.21 17.77 208.98 1401.33 261.76 1663.09 593.50 92.04 685.54 23360.59 237670.50 37806.90 1016.47 (7.78) 274453.15 32449.68 12513.09 157.23 44805.54 2 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68	Goodwill	742.70				742.70	402.29	74.27		476.56	266.14	340.41
1401.33 261.76	Computer Softwares	658.63	261.76			920.39	191.21	17.77		208.98	711.41	467.42
237670.50 37806.90 1016.47 (7.78) 274453.15 32449.68 12513.09 157.23 44805.54 2 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68 n- ding ses		1401.33	261.76			1663.09	593.50	92.04		685.54	977.55	807.83
i. 145757.47 92399.40 472.95 (13.42) 237670.50 22638.38 9870.10 58.80 32449.68 ning lines i.es	Grand Total	237670.50	37806.90	1016.47	(7.78)	274453.15	32449.68	12513.09	157.23	44805.54	229647.61	205220.82
n- ding -es -es s)	Previous year's figures	145757.47	92399.40	472.95	(13.42)	237670.50	22638.38	9870.10	58.80			
2747541	Capital Work- in- progress including Capital Advances ₹ 4759.45 Lacs (₹ 6629.24 Lacs)										14603.99	22528.06
											244251.60	227748.88

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.

						₹ /Lacs
				31-03-2011		31-03-2010
SCHEDULE - 5						
INVESTMENTS						
Name of the Bodies Corporate	Whether Long term or short term	Face Value (₹)	No.of Shares	Book Value (₹/Lacs)	No.of Shares	Book Value (₹/Lacs)
Investments in Shares						
A. Quoted Investments						
1. Equity shares fully paid up:						
- United Bank of India	Long Term	10	-	Nil	22136	14.61
B. Unquoted Investments						
1. Subsidiary Companies :						
Fully paid up equity shares :						
- 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	144.44
- Bander Coal Company Pvt. Ltd.	- 0	10	375000	37.50	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			-	584.19	-	598.80
Agreegate Market value of quoted investments				Nil		15.19
						₹ /Lacs
				31-03-20)11	31-03-2010
SCHEDULE - 6						
CURRENT ASSETS, LOANS & ADVANCES						
A. Inventories						
Stores, Spare parts etc.				17031	.20	15186.30
Raw Materials				3430	.19	2547.10
Goods-in-Process				4253	.67	4047.39
Finished Goods				3138	.80	1644.45
Material-in-Transit				4251	.46	337.09
				32105	.32	23762.33
B. Sundry Debtors						
Debts over six months						
- Considered Good						
Secured				27	.17	6.41

SCHEDULES 57

Schedules

			₹ /Lacs
		31-03-2011	31-03-2010
SCHE	DULE - 6 Contd.		
	Unsecured	276.00	134.71
	- Considered Doubtful	66.46	55.46
	Other Debts		
	- Considered Good		
	Secured	1239.45	1037.00
	Unsecured	4533.51	7009.19
		6142.59	8242.77
	Less : Provision for Doubtful Debts	66.46	55.46
		6076.13	8187.31
C.	Cash & Bank Balances		
	Cash, Cheques & Stamps in hand and	186.20	286.24
	remittances in transit		
	Balances with Scheduled Banks in:		
	Current Accounts	7323.09	7580.16
	Deposit Accounts	24598.63	5300.67
	Tied up ₹ 7560.28, Previous year ₹ 4231.77 Lacs)		
		32107.92	13167.07
D.	Other Current Assets		
	Interest Receivable	501.95	179.40
E.	Loans & Advances		
	UNSECURED - Considered Good Unless Otherwise Stated		
	Loan - Jaykay Enterprises Ltd.(Company under same management)	1100.00	1500.00
	Loan - Jaykay Enterprises Ltd.(Company under same management) Loan/Advances to wholly owned subsidiary Company	1100.00 785.79	1500.00 651.57
	Loan/Advances to wholly owned subsidiary Company		
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in		
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received	785.79	651.57 4099.71
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good	785.79 6412.76	651.57 4099.71 17.90
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful	785.79 6412.76 18.27	4099.71 17.90 495.54
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful Taxation (Net of Provisions)	785.79 6412.76 18.27 1250.94	4099.71 17.90 495.54
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful Taxation (Net of Provisions) MAT Credit Entitlement	785.79 6412.76 18.27 1250.94 6937.00	4099.71 17.90 495.54 5297.00 228.48
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful Taxation (Net of Provisions) MAT Credit Entitlement Prepaid Expenses	785.79 6412.76 18.27 1250.94 6937.00 329.45	4099.71 17.90 495.54 5297.00 228.48 1076.15
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful Taxation (Net of Provisions) MAT Credit Entitlement Prepaid Expenses Deposits	785.79 6412.76 18.27 1250.94 6937.00 329.45 1128.25	4099.71 17.90 495.54 5297.00
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful Taxation (Net of Provisions) MAT Credit Entitlement Prepaid Expenses Deposits	785.79 6412.76 18.27 1250.94 6937.00 329.45 1128.25 5741.98	4099.71 17.90 495.54 5297.00 228.48 1076.15 9834.63
	Loan/Advances to wholly owned subsidiary Company Advances Recoverable in cash or in kind or for value to be received - Considered good - Considered Doubtful Taxation (Net of Provisions) MAT Credit Entitlement Prepaid Expenses Deposits Balances with Custom & Excise Departments	785.79 6412.76 18.27 1250.94 6937.00 329.45 1128.25 5741.98 23704.44	4099.71 17.90 495.54 5297.00 228.48 1076.15 9834.63 23200.98

				₹/Lacs
		31-03-2011		31-03-2010
SCHEDULE - 7				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Sundry Creditors				
- Micro Small and Medium Enterprises 1	122.36		242.68	
- Other Creditors	17401.39	17523.75	14102.47	14345.15
Investor Education & Protection Fund shall be credited by following				
(see note below) #				
- Unclaimed Dividend	80.84		69.43	
- Unclaimed Application Money	2.15		2.15	
- Unclaimed Fraction Money	9.27	92.26	9.27	80.85
Other Liabilities		20200.55		18111.83
Interest accrued but not due on Loans		886.08		13.61
Temporary Book Overdraft		367.21		363.89
		39069.85		32915.33
Provisions				
Proposed Dividend on Equity Shares		1398.55		2447.45
Tax on Dividend		226.88		406.49
		1625.43		2853.94
		40695.28		35769.27

^{1. (}Refer Note No.10)

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

SCHEDULES 59

Schedules

forming part of the Profit and Loss Account

			2010-2011	2009-2010
SCHEDULE - 8				
OTHER INCOME				
Claims Realised			280.29	177.76
Current Investments :			280.23	177.70
- Profit on Sale of Investments			6.27	0.57
- Dividend			37.34	10.69
Profit on sale of Fixed Assets			5.22	20.50
Sale of Carbon Credit			363.78	301.57
Exchange Rate Difference			36.62	
Liability no longer required			2202.55	816.33
Income relating to previous year			7.50	
Miscellaneous Income			724.82	601.70
			3664.39	1929.12
		2010-2011		2009-201
SCHEDULE - 9				
MANUFACTURING EXPENSES				
Purchase of Trading Goods		46.08		48.7
Raw Materials Consumed		27715.30		19913.6
Packing Materials Consumed		9441.63		7150.5
Stores and Spares Consumed		6817.25		4854.0
Power and Fuel		55433.30		41138.5
Repairs To:		4075.06		2001 5
Plant and Machinery		4075.86		3081.5
Buildings Others		826.46 33.04		531.7 66.3
Insurance		332.97		298.5
(Increase) / Decrease in Stock :		332.31		230.3
Closing Stock :				
Finished Goods	3138.80		1644.45	
Goods-in-process	4237.10		4047.39	
,	7375.90		5691.84	
Less :Opening Stock :				
Finished Goods	1644.45		1133.93	
Goods-in-process	4047.39		1493.30	
	5691.84	(1684.06)	2627.23	(3064.61
Excise Duty		206.87		6.6

forming part of the Profit and Loss Account

_		₹/Lacs
	2010-11	2009-10
SCHEDULE - 10		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	9516.38	8063.77
Contribution to Provident and other Funds	2232.81	1028.04
Welfare Expenses	999.01	850.92
TOTAL EXPENSES	12748.20	9942.73
ı	l	
		₹/Lacs
	2010-11	2009-10
SCHEDULE - 11		
SELLING, ADMINISTRATION & OTHER EXPENSES		
Administration And Other Expenses :		
Rent	597.54	478.62
Lease Rent	2.05	0.70
Rates and Taxes	507.68	1149.48
Travelling and Conveyance Expenses	1194.17	1124.59
Provision for Doubtful Debts & Advances	35.29	41.27
Bad Debts & Advances written off	0.66	1.94
Loss on sale of Fixed Assets (Net)	135.77	305.21
Expenses relating to previous year	-	9.78
Loss on exchange rate fluctuation	99.32	20.03
Loss on Forward Transactions	71.72	-
Miscellaneous Expenses	6746.29	5593.78
	9390.49	8725.40
Selling And Distribution Expenses :		
Advertisement and Publicity	3038.27	2630.71
Commission, Brokerage and Incentives	2641.13	2181.88
Selling Expenses	2641.54	3537.52
Freight and Handling Outward	48218.09	37723.57
Treight and Handing Outward	56539.03	46073.68
	65929.52	54799.08
		~ <i>t</i> i
		₹/Lacs
	2010-11	2009-10
SCHEDULE - 12		
INTEREST		
Interest :		
On Fixed Loans	10349.99	5932.43
Others	1097.95	1009.44
	11447.94	6941.87
Less: Interest Received (Tax deducted at source ₹ 103.95 Lacs, Previous year ₹ 71.29 Lacs)	1049.39	778.65

Significant Accounting Policies

SCHEDULE - 13

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. 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.

FIXED ASSETS

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

4. DEPRECIATION AND AMORTIZATION

I) TANGIBLE ASSETS:

- Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956.
- 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.
- Leasehold land is amortised over the period of lease.

II) INTANGIBLE ASSETS:

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

IMPAIRMENT OF ASSETS

The carrying amount of assets are reviewed at each balance-sheet date. If there is any indication of

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

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

6. GOVERNMENT SUBSIDIES

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

7. INVESTMENTS

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

INVENTORIES

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

9. 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.

10. BORROWING COST

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

11. RETIREMENT BENEFITS

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

Significant Accounting Policies (Contd.)

made on actuarial valuation and Provision for Leave encashment are made on the basis of actuarial valuation and charged to Profit & Loss Account.

12. FOREIGN EXCHANGE TRANSACTIONS

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

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

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

Deferred Revenue Expenses

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

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

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

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

SCHEDULE - 14

NOTES ON ACCOUNTS

₹/ Lacs

			31.03.2011	31.03.2010
1. (A)	CON	ITINGENT LIABILITIES		
	(i)	In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	3414.16	4328.45
	(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	1229.67	172.04
		b) Custom duty	176.28	176.28
		c) Sales Tax	2277.55	924.73
		d) Service Tax	1085.42	1085.42
		e) Income Tax	1679.70	-
	(iii)	In respect of interest on "Cement Retention Price" realised in earlier years	1108.78	1088.40
	(iV)	In respect of Corporate Gurantee given in favour of Associate Companies & Others	952.89	-
(B)		nated amount of contracts remaining to be executed on capital unts and not provided for	695.32	4147.18

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

3. (A) Term Loans

Secured

- (i) Term Loans related to Cement Plants at Rajasthan
 - a) From Consortium of Banks: ₹ 6692.62 Lacs (₹ 13748.69 Lacs)
 - b) From other Banks : ₹ 13214.51 Lacs (₹ 12018.52 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 all assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Muddapur, Karnataka and properties having exclusive charge of other lenders.

Loans in point no. (i) (a) above are also guaranteed by the Managing Director of the Company.

c) From Canara Bank : ₹ 3067.83 Lacs (₹ 4126.50 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 Loans related to Cement Plant at Karnataka

From Consortium of Banks: ₹ 49658.90 Lacs (₹ 56431.11 Lacs)

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

iii) Term Loans related to the Properties: ₹ 5071.49 Lacs (₹1050.00 Lacs)

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

(iv) Vehicle Loans: ₹ 519.79 Lacs (₹ 394.46 Lacs)
Secured by hypothecation of vehicles

(B) Non Convertible Debentures(NCDs): ₹ 40000.00 Lacs

Secured by first mortgage on the Company's flat at Ahmedabad and also against first pari-passu charge on the assets specified in (A)(i)- (a) & (b) above except in respect of 1500 debentures valuing ₹ 15000 Lacs for which security created subsequent to the close of the accounting year.

The NCDs are redeemable at par in instalments on various dates as follows: ₹ 5300 Lacs in financia Year 2015-2016, ₹ 6940 Lacs in financial year 2017-18, ₹ 6940 Lacs in financial year 2018-19, ₹ 10410 Lacs in financial year 2019-20 and ₹ 10410 Lacs in 2020-21. (Put and Call option exercisable on 15th Feb.2016 for ₹ 3500 Lacs and on 28th March,2016 for ₹ 1800 Lacs)

(C) Cash Credit Accounts:

(₹ 5043.99 Lacs).

 (i) Cash Credit limits related to Cement Plants at Rajasthan
 From Consortium of Banks: ₹ 5222.06 Lacs

Secured by first charge on current assets of the Company namely inventories, book debts etc.(except those pertaining to J.K. Cement Works, Muddapur, 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, Muddapur, Karnataka and the properties having exclusive charge of other lenders.

(ii) Cash Credit limits related to Cement Plant at KarnatakaFrom Consortium of Banks: ₹ 746.59 Lacs (₹ 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, Muddapur, Karnataka.
- (iii) Overdraft: ₹ 21.81 Lacs (₹ 211.23 Lacs) Secured by pledge of Fixed deposit
- 4. Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme,2003. Government has released ₹ 8795.12 Lacs as interest subsidy for the period 1st Dec. 2004 to 30th Sept.2010 including ₹ 997.53 Lacs during the year which has been accounted for as Capital Receipt based on expert service.
- 5. Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock had been revalued as on 04.11.2004 by the approved valuers on the basis of assessment about current value of the similar assets. Current values had been determined by cost approach method. Accretion on account of revaluation amounting to ₹ 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 ₹ 1239.75 Lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
- 6. Pursuant to the implementation of SAP ERP system in March,2011 in Mudhol, Karnataka Plant's 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.
- 7. Unhedged foreign currency exposure

Export Debtors: US\$649484.24:₹ 287.26 Lacs (US\$ 364879.67: ₹ 163.46 Lacs)

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

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

₹/Lacs

	Outstanding Balance		Maximum balance during the year 2010-11
	31.03. 2011	31.03.2010	
J.K.Cement (Fujairah)FZC	785.79	651.57	785.79

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

9. Disclosures in accordance with Accounting Standards

(A) Deferred tax assets and liabilities are as under

			₹ /Lacs
		31.03.2011	31.03.2010
(a)	Deferred Tax Assets		
	(i) Provision for Doubtful Debts	11.45	20.89
	(ii) Expenses deductible on payment basis	1751.99	1873.80
	(iii) Unabsorbed loss	1151.68	1212.54
		2915.12	3107.23
(b)	Deferred Tax Liabilities		
	Difference between book depreciation and Depreciation under Income-tax Act	24005.12	21687.23
(c)	Net Deferred Tax Liabilities (a-b)	21090.00	18580.00

(B) Earning per share (EPS)

			₹ /Lacs
		2010-11	2009-10
a)	Net Profit available for Equity Share holders (Numerator used for calculation)	6404.50	22599.86
b)	Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
c)	Basic and Diluted earnings per share of ₹ 10/-	9.16	32.32

- (C) Related Parties Disclosures
 - (1) (a) Parties where the control/significant influence exists
 - i) Juggilal Kamlapat Holding Ltd
 - ii) Yadu International Ltd
 - (b) Key Management Personnel & their Relatives
 - i) Shri Yadupati Singhania- Managing Director & C.E.O.
 - ii) Dr. Gaur Hari Singhania (Relative)
 - (c) Enterprises significantly influenced by Key Management Personnel or their Relatives
 - i) Jaykay Enterprises Ltd
 - ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd
 - iii) Jaykaycem (Eastern) Ltd
 - iv) Jaykaycem(Central) Ltd
 - (d) Wholly Owned Subsidiary Company.
 - i) J.K. Cement (Fujairah) FZC
 - (e) Fellow Subsidiary
 - i) J.K. Cement Works(Fujairah) FZC
 - (f) Joint Venture
 - i) Bander Coal Company (P) Ltd
 (Related parties relationship is as identified by the Company and relied upon by the Auditors)

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

			₹/Lacs
		2010-11	2009-10
(I) JAYKAY EN	ITERPRISES LTD		
- Sale of Pi	oduct	-	0.05
- Services	received	36.40	40.81
- Rent paid	I	48.61	45.30
- Expenses	Reimbursed	85.54	134.54
- Loan give		-	
	at beginning	1500	3300
Payment r		400	1800
	at close of the year	1100	1500
(II) J.K. COTTO	ON SPG. & WVG. MILLS CO. LTD		
- Rent paid	I	5.29	5.29
- Purchase	S	1.09	0.41
- Sale of Pi	oducts	1.54	1.13
(III) J.K. CEMEI	NT(FUJAIRAH) FZC		
Loan giver	1:	651.57	263.18
Balance as	at beginning	134.22	388.39
Paid durin	g the year	785.79	651.57
Balance as	at close of the year		
(IV) KEY MAN	AGEMENT PERSONNEL AND THEIR RELATIVES		
	Y.P. Singhania(Managing Director) uneration	415.58	977.00
	ur Hari Singhania(Relative) nmission	25.00	50.00
- Sitt	ng fees	2.30	1.80
	OAL COMPANY (P) LTD		
Advance g		-	12.71
	at beginning	12.71	
Amount a		12.71	
	at close of the year	-	12.71
(VI) JAYKAYCE		1	
(VI) JAIRAICE	M (EASTERN) LTD		
	M (EASTERN) LTD during the year	1.00	
	during the year	1.00	
Loan giver Amount re	during the year		
Loan giver Amount re Balance as	during the year ecovered		
Loan giver Amount re Balance as	during the year covered at close of the year		
Loan giver Amount re Balance as	at close of the year M (CENTRAL) LTD during the year	1.00	

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

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

Details of the Company's interest in its Joint Venture, having Joint Control, as per the requirement of Accounting Standard(AS)-27 on "Financial Reporting of Interests in Joint Ventures", are as under based on Annual Accounts for the year ended 31.03.2010. Accounts for financial year 2010-11 have not yet been received, however, there would not be material changes as the Company is in process of getting necessary approvals.

		₹ Lacs
Sl.No	Particulars	Bander Coal Company Pvt. Ltd
% Shar	e held	37.5%
(a)	Assets	37.30
(b)	Liabilities	0.11
(c)	Income	0.50
(d)	Expenses	0.95
(b) (c)	Liabilities Income	

- (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 2010-11 are as under:

	₹ Lacs
Employer's contribution to Provident Fund	370.26
Employer's contribution to Superannuation Fund	225.81
Employer's contribution to Family Pension Fund	175.10

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:

				₹Lacs
	Gratuity 	Funded	Leave encas unfund	
	2010-11	2009-10	2010-11	2009-10
I EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED				
1 Current Service Cost	111.18	104.48	207.85	171.73
2 Interest Cost	197.19	198.74	58.09	48.66
3 Expected return on plan assets	(203.60)	(198.07)	-	_
4 Past Service Cost	1,177.80	-	-	_
5 Net Actuarial(Gains)/Losses	87.04	75.83	(112.00)	(0.16)
Total expenses	1369.61	180.98	153.94	220.23
II NET ASSET/(LIABILITY) RECOGNISED IN THE BALANCE SHEET AS AT 31.03.2010				
Present value of Defined Benefit Obligation	4132.10	2699.41	902.41	800.67
2 Fair value of plan assets	2768.83	2524.76	-	-
3 Funded status[Surplus/(Deficit)]	(1,363.28)	(174.65)	(902.41)	(800.67)
4 Net asset/(Liability)	(1,363.28)	(174.65)	(902.41)	(800.67)
III CHANGE IN OBLIGATION DURING THE YEAR ENDED 1 Present value of Defined Benefit Obligation at beginning of the year	2699.41	2701.59	800.67	717.26
2 Current Service Cost	111.18	104.48	207.85	171.73
3 Interest Cost	197.19	198.74	58.09	48.66
4 Plan amendment cost	1177.80	-	-	_
5 Actuarial(Gains)/Losses	87.04	(202.01)	(112.00)	(0.16)
6 Benefits Payments	(140.51)	(103.39)	(52.20)	(136.82)
7 Present value of Defined Benefit Obligation at the end of the year.	4132.11	2699.41	902.41	800.67
IV CHANGE IN ASSETS DURING THE YEAR ENDED				
1 Plan assets at the beginning of the year	2524.76	2347.2	-	-
2 Expected return on plan assets	203.6	198.07	-	-
3 Contributions by Employer	180.98	360.72	52.20	136.82
4 Actual benefits paid	(140.51)	(277.84)	(52.20)	(136.82)
5 Actuarial Gains/(Losses)	-	(103.39)	-	-
6 Plan assets at the end of the year	2768.83	2524.76	-	
V ACTUARIAL ASSUMPTIONS				
1 Discount Rate	8%	7.50%	8.00%	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	1% of all ages	10%	10%	10%
6 Maximum limit	₹ 10,00,000/-	1070	1070	10/0
· Maximum mine	(10,00,000/			

10. 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,2011 as per the terms of Contract.

11. Managerial Remuneration paid/payable to Directors :

		₹/Lacs
	2010-11	2009-10
Managing Director:		
Remuneration	108.00	96.00
Contribution to P.F. & Superannuation	12.96	11.52
Performance linked incentive	54.00	48.00
Perquisites/Allowances	140.62	121.48
Commission	100.00	700.00
Total (a)	415.58	977.00
Non Executive Directors		
Sitting Fees	18.50	16.85
Commission	73.00	98.00
Total (b)	91.50	114.85
TOTAL (a+b)	507.08	1091.85

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

		₹ /Lacs
	2010-11	2009-10
Profit before Taxes	8377.71	31125.86
Add:		
(a) Managerial Remuneration	507.08	1091.85
(b) Provision for Bad and Doubtful Debts and		
Advances	35.29	41.27
c) Loss on sale of assets	135.77	305.21
Less:		
a) Profit on sale of investments	6.27	0.57
(b) Profit on sale of Fixed Assets/Land(Net)	5.22	20.50
(c) Provision for Bad and Doubtful Debts and	-	7.44
Advances Written Back		
(d) Tax Adjustment	3.11	-
Profit as per section 349 of the Companies Act,1956	9041.25	32535.68
a) Commission to Managing Director:		
Maximum Remuneration to Managing Director @ 5% of above profit	452.06	1626.78
Commission as determined by the Board	100.00	700.00
b) Commission to Non Executive Directors:		
Eligible commission to Non Executive Directors @ 1% of above profit	90.41	325.35
Commission as determined by the Board	73.00	98.00
,		

12. Remuneration to Auditors

		₹/Lacs
	2010-11	2009-10
(a) Audit Fee	20.00	17.00
(a) Audit Fee (b) In Other Capacity	2.30	2.37
(c) Reimbursement of Out of Pocket expenses	1.02	0.85

13. Details of Investment made in Mutual Funds & redeemed during the year 2010-2011;

(₹/Lacs)

Name of Mutual Fund	No.of Units	Purchase value
Kotak Flexi Debt Scheme-Daily Dividend	16919632	1700
Kotak Floater Long Term-Cash Dividend	9920832	1000
HDFC Cash Management Fund	28908937	2900
ICICI Prudential Flexible Income Plan Premium	3121010	3300
ICICI Prudential Flexible Income Plan	1621979	1715
LIC MF Saving Plus Fund	2000000	200
IDFC Money Manager Fund-TP	14895681	1500
IDBI Liquid Fund-Daily Dividend	12590000	2150
TOTAL	89978071	14465

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

-				₹ Lacs
			2010-11	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			75.09	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)			510.04	3377.36
Depreciation			-	69.03
Trial Run expenses	2010-11	2009-10		
Material Consumption	75.10	538.64		
Salary & Wages	70.43	39.51		
Power Charges	132.19	215.26		
Less: Value of trial run stock-clinker	(0.01)	(610.56)		
	277.71	182.85	277.71	182.85
Balance as on 31.03.2009			-	6630.06
Total			862.84	12736.44
Expenses Capitalised during the year			862.84	12736.44

- 15. Previous year figures have been regrouped and recasted wherever necessary to conform to the classification of the year.
- 16. Schedules 1 to 14 form integral part of the accounts and have been duly authenticated.

Information Pursuant

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

2010-2011 (₹/Lacs)

CAPACITY, TURNOVER, PRODUCTION & STOCKS

(1) [4]	ock	Value	1778.89	(702.79)	772.49	(706.67)	587.42	(234.99)	3138.80	(1,644.45)	
	Closing Stock	Quantity	82411	(44231)	11528	(10738)					_
•	Turnover	Value	210560.94	(183441.81)	30883.61	(25563.02)	23764.25	(15,801.78)	265208.80	(2,24,806.61)	-
	Turn	Quantity	5114360	(4254878)	350312	(300120)					-
	Actual	Production	5152540	(4285086)	351102	(301424)					-
	Stock	Value	702.79	(265.61)	79.907	(586.76)	234.99	(281.56)	1644.45	(1,133.93)	-
	Opening Stock	Quantity	44231	(14023)	10738	(9434)					-
		@ capacity per annum	7471900	(7471900)	400000	(400000)					_
	Unit		M.T		M.T.						
	SL. Class of Goods	Manufactured	PORTLAND/POZZALANA CEMENT		WHITE CEMENT		OTHERS				
	SL.	O	ri -		2.		3.				-

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.

Information Pursuant

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

RAW MATERIALS CONSUMED:

					(₹/Lacs)			
		2010-2011		2009-2010				
Name of Material	Unit	Quantity	Value	Quantity	Value			
Lime Stone	M.T	6073631	8580.40	5624931	6711.47			
Red Ochre	M.T	287284	1368.12	355228	1538.91			
Pozzolana	M.T	50825	214.15	52877	241.07			
Gypsum/Selenite	M.T	310473	3985.88	231973	2647.88			
Clay	M.T	119123	612.95	120759	616.26			
Fly Ash	M.T.	771692	4806.69	643591	2588.56			
Others#			8147.10		5569.51			
		-	27715.29	-	19913.66			

Includes consumption of own production

			₹/Lacs
		2010-11	2009-10
C.	C.I.F VALUE OF IMPORTS		
	a) Raw Material	4900.84	2964.61
	b) Components, Stores & Spare Parts and packing material	2463.37	4664.98
	c) Capital Goods	537.89	642.38
		7902.10	8271.97
D.	EXPENDITURE IN FOREIGN CURRENCY		
	(On accrual basis)		
	a) Know-how/Technical Service Fee	63.38	93.67
	b) Others	154.40	73.16
		217.78	166.83
E.	VALUE OF RAW MATERIALS, STORES & SPARE PARTS ETC. CONSUMED		
	a) Raw Materials		
	I) Imported Value	4629.07	3349.55
	% of total consumption	16.70	16.82
	ii) Indigenous value	23086.23	16564.11
	% of total consumption	83.30	83.18
		27715.30	19913.66
	b) Stores & Spare Parts etc.		
	(including Packing Material)		
	I) Imported Value	1608.44	1417.24
	% of total consumption	9.89	11.81
	ii) Indigenous value	14650.44	10587.37
	% of total consumption	90.11	88.19
		16258.88	12004.61
F.	REMITTANCE IN FOREIGN CURRENCY		
	Dividend	1.14	1.99
G.	EARNING IN FOREIGN EXCHANGE		
	Export of Goods Calculated on FOB Value	1899.31	2035.28
		1899.31	2035.28

As per our report attached
Fam DI Tamdam 8. Ca

For P.L.Tandon & Co., Chartered Accountants

Gaur Hari Singhania Chairman

Yadupati Singhania Managing Director & CEO

A. K. Agarwal

Partner

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

Shambhu Singh Company Secretary Ashok Sharma Achintya Karati Jyoti Prasad Bajpai Jayant Narain Godbole Krishna Bihari Agarwal Kailash Nath Khandelwal

Raj Kumar Lohia Suparas Bhandari

Place: Kanpur Date: 28th May, 2011

Directors

Balance Sheet Abstract

and Company's General Business Profile

1 Registration Details

Registration No.		1	7	1	9	9	State Code	2	0]

0 3 **Balance Sheet Date** 3 1 1 1 Date Month Year

2 Capital raised during the year (₹ in Thousands)

Public Issue	N I L	Right Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

3 Position of Employment and Deployment of Funds (₹ in Thousands)

|--|

Sources of Funds

Paid - up Capital	6 9 9 2 7 2	Reserves & Surplus	1	3	2	9	1	1	3	3
Secured Loans	1 2 4 2 1 5 6 0	Unsecured loans		1	4	1	9	5	8	9

Application of Funds

Deferred Taxation

Net Fixed Assets	2 4 4 2 5 1 6 0	Investments	5 8 4 1 9
Net current assets	+ -	Misc. Expenditure	7 8 7 5 4
Accumulated Losses	NIL		

4 Performance of Company (₹ in Thousands)

Turnover	2 1 1 9 7 2 0 2	Total Expenditure	2 0 3 5 9 4 3 1
Profit Before Tax	+ - √ 8 3 7 7 7 1	Profit After Tax	+ -
Earning per Share in (₹)	0 9 . 1 6	Dividend per share in ₹	2 . 0 0

5 Generic Names of Three Principle Products and Item Code Nos. (ITC Code)

Item Code No. (ITC Code)	2 5	2	3	2	9		0	1						
Product Description	РО	R	Т	L	Α	N	D		С	Е	Μ	Ε	Ν	T
Item Code No. (ITC Code)	2 5	2	3	2	1		0	0						
Product Description	WH	ı	Т	Ε		С	Е	Μ	Е	N	Т			

2 1 0 9 0 0 0

As per our report attached

Yadupati Singhania Managing Director & CEO For P.L.Tandon & Co., Gaur Hari Singhania Chairman **Chartered Accountants** Ashok Sharma A. K. Agarwal

A. K. Saraogi President (Corp. Affairs) & CFO Partner

Shambhu Singh Company Secretary

Place : Kanpur Date : 28th May, 2011

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

Directors

(124.60)

(124.60)

663.15

474.66

(310.26)

121.77

12.1766

J.K.Cement Works (Fujairah) FZC

Financials Details of Subsidiary Companies

₹ Lacs	pposed	
	/(Loss) Proter Tax Di	(17.24)
	Profit afl	
	Provision for Tax	
	Profit/(Loss) before Tax	(17.24)
	Turnover	1
	Total Investment Turnover Profit/(Loss) Provision Profit/(Loss) Proposed iabilites (Included in before Tax for Tax after Tax Dividend Total Assets)	109.59
	Total Liabilites	710.63
	Reserves Total Assets	771.83
	Reserves	(60.57)
		12.1766 121.77
	Closing Exchange Capital Rate adopted is on 31.12.2010 ₹/AED	12.1766
	Name of the Subsidiary Company	J.K.Cement (Fujairah) FZC

Notes;

- 1. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act,1956, subject to fulfilment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption.
- The Company has consolidated the financial statements of its subsidiary as per Accounting Standard (AS)-21 "Consildated Financial Statements" issued by the "Institute of the Chartered Accountants of India". 7

Place: Kanpur. Date: 28th May, 2011

Auditors' Report

On Consolidated Accounts

Tο

The Board Of Directors of J.K. Cement Limited

on the Concolidated 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 which together constitute the 'Group', as at 31st March, 2011, 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 subsidiaries and joint venture, whose consolidated financial statement reflect total assets of ₹ 527.08 Lacs, total expenses of ₹ 142.79 Lacs and cash flows amounting to ₹ (4.29) 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 other 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 and Accounting Standard (AS) 27 Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of J.K. Cement Limited and its subsidiaries and Joint Venture included in the Consolidated Financial Statements.
- 5. Based on our audit as aforesaid, and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and according to the explanation given to us, we are of opinion that the attached Consolidated Financial Statements 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 state of affairs of the Group as at 31.03.2011
 - (b) in the case of the Consolidated Profit & Loss Account, of the Profits of the Group 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 Group for the year ended on that date.

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

Place: Kanpur.

Date: 28th May, 2011

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

Consolidated Balance Sheet

as at 31st March, 2011

			₹ /Lacs
	Schedule	31-03-2011	31-03-2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	6992.72	6992.72
Reserves & Surplus	2	132498.78	128133.90
·		139491.50	135126.62
LOAN FUNDS	3		
Secured Loans		124215.60	93761.21
Unsecured Loans		14195.89	13610.82
		138411.49	107372.03
DEFERRED TAX LIABILITY		21089.80	18580.00
TOTAL		298992.79	261078.65
APPLICATION OF FUNDS			
FIXED ASSETS	4		
Gross Block		274488.69	237714.49
Less: Depreciation		44811.59	32452.90
Net Block		229677.10	205261.59
Capital Work-in-Progress		15040.14	22956.37
·		244717.24	228217.96
INVESTMENTS	5	423.00	475.11
CURRENT ACCETC LOANIC & ARVANICES			
CURRENT ASSETS, LOANS & ADVANCES	6	22405.22	22762.22
Inventories		32105.32	23762.33
Sundry Debtors		6076.13	8187.31
Cash & Bank Balances		32146.21	13178.53
Other Current Assets		502.39	179.40
Loans & Advances		22947.15 93777.20	22600.42 67907.99
LESS: CURRENT LIABILITIES & PROVISIONS	7	95777.20	67907.99
Liabilities Liabilities	/	39086.76	32937.88
Provisions		1625.43	2853.94
FIOVISIONS		40712.19	35791.82
NET CURRENT ASSETS		53065.01	32116.17
MISCELLANEOUS EXPENDITURE (to the extent not written-off or adjusted)		33003.01	32110.17
Deferred Revenue Expenditure		787.54	269.41
TOTAL		298992.79	261078.65
Notes & Contingent Liabilities	13		

As per our report attached

For P.L.Tandon & Co., Chartered Accountants Gaur Hari Singhania Chairman

Yadupati Singhania Managing Director & CEO

A. K. Agarwal

Partner

Shambhu Singh Company Secretary

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

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

Directors

Place : Kanpur Date : 28th May' 2011

Suparas Bhandari

Consolidated Profit and Loss Account

for the year ended 31st March, 2011

	_				₹/Lacs
	Schedule		2010-2011		2009-2010
INCOME					
Gross Sales			265208.80		224806.61
Less : Excise Duty		28867.02		19484.48	
Sales Tax		28034.15	56901.17	22643.66	42128.14
Net Sales			208307.63		182678.47
Other Income	8		3664.39		1929.12
TOTAL			211972.02		184607.59
EXPENDITURE					
Manufacturing Expenses	9		103244.70		74025.76
Payments to and Provisions for	10		12816.79		10018.16
Employees					
Selling, Administration and other	11		66000.60		54865.53
Expenses					
Interest (Net)	12		10398.04		6163.22
TOTAL			192460.13		145072.67
PROFIT BEFORE DEPRECIATION			19511.89		39534.92
Depreciation		12516.21		9803.85	
Less: Transfer from Revaluation Reserve		1239.75	11276.46	1250.11	8553.74
(Refer Note No.9)					
PROFIT BEFORE TAX			8235.43		30981.18
Provision for Tax					
Current Tax			1650.07		5303.00
Less: MAT Credit Entitlement			(1640.00)		(5297.00
Tax adjustments for earlier years			(546.79)		
Deferred Tax			2509.80		8520.00
PROFIT AFTER TAX			6262.35		22455.18
Add: Share of Loss transferred to			-		5.39
Minority Interest					
PROFIT AFTER TAX & MINORITY INTEREST			6262.35		22460.57
Balance from previous year			16952.09		14399.10
Less: On amalgamation			-		(8.36
AMOUNT AVAILABLE FOR APPROPRIATIONS			23214.44		36851.31
APPROPRIATIONS					
General Reserve		650.00		15,000.00	
Transfer to Debenture Redemption		1132.50		-	
Reserve					
Interim Dividend		-		1,748.18	
Proposed Dividend		1398.55		2,447.45	
Dividend Tax on above		226.88	3407.93	703.59	19,899.22
BALANCE CARRIED TO BALANCE SHEET			19806.51		16952.09
Earning per share - Basic and Diluted (In ₹)			8.96		32.11
Notes & Contingent Liabilities	13				

As per our report attached

For P.L.Tandon & Co., Chartered Accountants

Gaur Hari Singhania Chairman

Yadupati Singhania Managing Director & CEO

A. K. Agarwal Partner

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

Shambhu Singh Company Secretary

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

Directors

Place: Kanpur Date: 28th May' 2011

Consolidated Cash Flow Statement

for the year ended 31st March, 2011

				₹ /Lacs
		2010-2011		2009-2010
A CASH FLOW FROM OPERATING ACTIVITIES				
Profit before Tax as per Profit & Loss Account		8235.43		30981.18
Adjusted for :		02331.13		30302.20
Depreciation	11276.46		8553.74	
Deferred Revenue expenses	717.89		43.24	
Interest	11447.94		6941.87	
Interest received	(1049.90)		(778.65)	
Profit on sale of investments	(6.27)		(0.57)	
Dividend Income	(37.34)		(10.69)	
Loss on sale of assets	144.61		305.21	
Profit on Sale of Land	(5.22)	22488.17	(20.50)	15033.65
Operating Profit before Working Capital Changes	(3.22)		(20.50)	46014.83
		30723.60		40014.65
Adjusted for :				
Trade & Other Receivables	3839.35		(1643.62)	
Inventories	(8342.99)		(10149.75)	
Trade Payable	5233.95	730.31	3601.97	(8191.40)
Cash Generated from Operations		31453.91		37823.43
Adjusted for :				
Tax Paid	(1858.66)		(7211.67)	
Corporate Dividend Tax	(406.49)		(713.04)	
Dividend paid	(2447.45)		(4167.97)	
Deferred Revenue expenses	(1236.02)	(5948.62)	(68.71)	(12161.39)
Net cash from operating activities	(1230.02)	25505.29	(00.71)	25662.04
B CASH FLOW USED IN INVESTING ACTIVITIES	 			
Acquisition/Purchase of fixed assets including capital advances	(29397.92)		(20311.96)	
Sale of fixed assets	728.68		131.80	
Purchase/Adjustment in Investments	(14427.50)		(6208.71)	
Sale of Investments	14523.22		6167.87	
Exchange Rate Fluctuation Reserve on Conversion	41.69		(22.13)	
Interest Income	582.41	/27040 42)	688.95	/10554.10\
Net cash used in investing activities		(27949.42)		(19554.18)
C CASH FLOW FROM FINANCING ACTIVITIES				
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	(23.56)		74.06	
Captial subsidy received	997.53		1117.16	
Deferred Sales Tax	(834.25)		(492.49)	
Long Term Borrowings	50230.53		10382.96	
Cash Credit Accounts	(1.47)		2041.39	
Repayment of Long Term Borrowings	(19900.00)		(12388.19)	
Interest Paid	(11001.62)		(10552.58)	
Vehicle Loans & Others	1544.65		523.55	
Refund from Associate Company	400.00		1800.00	
	.00.00	21411.81	1000.00	(7494.14)
Net cash lised in tinancing activities	The second secon			
Net cash used in financing activities Net increase in Cash and Cash Equivalents (a+h+c)		18967681		IIIXXA JXI
Net increase in Cash and Čash Equivalents (a+b+c)		18967.68 13178 53		
Net cash used in financing activities Net increase in Cash and Cash Equivalents (a+b+c) Opening balance of Cash and Cash Equivalents Closing balance of Cash & Cash Equivalents		18967.68 13178.53 32146.21		(1386.28) 14564.81# 13178.53

As per our report attached			
For P.L.Tandon & Co., Chartered Accountants	Gaur Hari Singhania Chairman	Yadupati Singhania Managing Director & CEO	
A. K. Agarwal Partner	A. K. Saraogi President (Corp.Affairs) & CFO	Ashok Sharma Achintya Karati Jyoti Prasad Bajpai	
	Shambhu Singh Company Secretary	Jayant Narain Godbole Krishna Bihari Agarwal Kailash Nath Khandelwal	Directors
Place: Kanpur Date: 28 th May' 2011		Raj Kumar Lohia Suparas Bhandari	

		₹/Lacs
	31-03-2011	31-03-2010
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of ₹ 10/- each	8000.00	8000.00
	8000.00	8000.00
Issued, Subscribed & Paid Up		
6,99,27,250 Equity Shares of ₹ 10/- each	6992.72	6992.72
	6992.72	6992.72

				₹/Lacs
		31-03-2011		31-03-2010
SCHEDULE - 2				
RESERVES & SURPLUS				
Revaluation Reserve				
As per last Balance Sheet	26524.27		27785.45	
Less : Deduction During the year	7.78		11.07	
Less : Transfer to Profit and Loss Account	1239.75	25276.74	1250.11	26524.27
Capital Reserve				
Govt. Subsidy (Refer note no.8)				
As per last Balance Sheet	7797.59		6680.43	
Add: Received during the year	997.53	8795.12	1117.16	7797.59
Debenture Redemption Reserve				
Addition during the year		1132.50		-
Securities Premium Account				
As per last Balance Sheet	25988.60		25923.60	
Add: On Amalgamation	-	25988.60	65.00	25988.60
General Reserve				
As per last Balance Sheet	50890.04		36733.82	
Add : Transfer from Profit & Loss Account	650.00		15000.00	
Less : On amalgamation	-	51540.04	843.78	50890.04
Foreign Currency Translation Reserve				
As per last Balance Sheet	(18.69)			
Adjustments during the year	(22.04)	(40.73)		(18.69)
Profit & Loss Account		19806.51		16952.09
		132498.78		128133.90

		₹/Lacs
	31-03-2011	31-03-2010
SCHEDULE - 3		
LOAN FUNDS		
Secured		
Non Convertible Debentures	40000.00	-
Term Loan from Banks	77705.35	87374.82
Cash Credit Accounts	5990.46	5991.93
Vehicle Loans	519.79	394.46
	124215.60	93761.21
Unsecured		
Security Deposits & Others	6497.09	5077.77
Deferred Sales Tax	7698.80	8533.05
	14195.89	13610.82
	138411.49	107372.03

forming part of the Consolidated Balance sheet

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SCHEDULE - 4
FIXED ASSETS

											2001
			GROSS BLOCK			ם	EPRECIATION,	DEPRECIATION / AMORTIZATION	Z	NET BLOCK	LOCK
DESCRIPTION	As at 01.04.2010	Additions	Deductions/ Adjustments	Revaluation	As at 31.03.2011	As at 01.04.2010	For the Year	Deductions/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets											
Freehold Land	3999.54	6462.73	3.34	(7.78)	10451.15					10451.15	3999.54
Leasehold Land	3002.75	423.12	768.82		2657.05	249.45	145.70	72.07	323.08	2333.97	2753.30
Buildings	21299.39	8777.36			30076.75	2214.98	662.00		2876.98	27199.77	19084.41
Plant & Machinery	204044.68	19914.52	55.93		223903.27	28411.90	11271.49	6.64	39676.75	184226.52	175632.78
Railway Sidings	887.42	1127.24			2014.66	216.42	44.73		261.15	1753.51	671.00
Rolling Stock	105.01				105.01	24.39	4.64		29.03	75.98	80.62
Furniture, Fixtures and Office Equipments.	1212.38	262.87	11.81		1463.44	287.85	107.22	0.47	394.60	1068.84	924.53
Vehicles	1658.98	499.76	185.70		1973.04	371.83	155.40	78.34	448.89	1524.15	1287.15
Other Assets	103.02	78.22			181.24	82.57	32.98		115.55	69:59	20.45
	236313.17	37545.82	1025.60	(7.78)	272825.61	31859.39	12424.17	157.52	44126.04	228699.57	204453.78
Intangible Assets											
Goodwill	742.70				742.70	402.30	74.27		476.57	266.13	340.40
Computer Softwares	658.62	261.76			920.38	191.21	17.77		208.98	711.40	467.41
	1401.32	261.76			1663.08	593.51	92.04		685.55	977.53	807.81
GRAND TOTAL	237714.49	37807.58	1025.60	(7.78)	274488.69	32452.90	12516.21	157.52	44811.59	229677.10	205261.59
Previous year's figures	145782.83	92419.09	474.01	(13.42)	237714.49	22638.84	9872.90	58.84	32452.90		
Capital Work-in- progress including Capital Advances ₹ 5192.93 Lacs (₹6629.24 Lacs)										15040.14	22956.37
										244717.24	228217.96

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

			31.03	.2011	31.03.	2010
SCHEDULE - 5			-		-	
INVESTMENTS						
Name of the Bodies Corporate	Whether Long term or short term	Face Value (₹)	No.of Shares	Book Value (₹/Lacs)	No.of Shares	Book Value (₹/Lacs)
Investments in Shares						
A. Quoted Investments						
1. Investment in shares						
- United Bank of India	Long Term	10	-	-	22136	14.61
B. Unquoted Investments						
Investment in shares of other companies						
i) Fully paid up equity shares in :						
- VS Lignite Power Pvt. Ltd.	Long Term	10	1444445	144.44	1444445	144.44
- Bander Coal Company Pvt. Ltd.					375000	37.50
ii) 0.01% cumulative redeemable Preference shares in :						
- VS Lignite Power Pvt. Ltd.	Long Term	10	2785552	278.56	2785552	278.56
Aggregate value of Investment			-	423.00	-	475.11
Agreegate Market value of quoted investments				Nil		15.19
						₹/Lacs
				31-03-201	L 31	L-03-2010
SCHEDULE - 6						
CURRENT ASSETS, LOANS & ADVANCES						
A. Inventories						
Stores, Spare parts etc.				17031.20)	15186.30
Raw Materials				3430.19	9	2547.10
Goods-in-Process				4253.67	7	4047.39
Finished Goods				3138.80)	1644.45
Material-in-Transit				4251.46	5	337.09
		·		32105.32	2	23762.33

			₹/Lacs
		31-03-2011	31-03-2010
SCI	HEDULE - 6 Contd.		
В.	Sundry Debtors		
	Debts over six months		
	Considered Good		
	Secured	27.17	6.41
	Unsecured	276.00	134.71
	Considered Doubtful	66.46	55.46
	Other Debts		
	Considered Good		
	Secured	1239.45	1037.00
	Unsecured	4533.51	7009.19
		6142.59	8242.77
	Less : Provision for Doubtful Debts	66.46	55.46
		6076.13	8187.31
C.	Cash & Bank Balances		
	Cash, Cheques & Stamps in hand and	188.85	286.85
	remittances in transit		
	Balances with Scheduled Banks in:		
	Current Accounts	7330.60	7591.01
	Deposit Accounts	24626.76	5300.67
	(Tied up ₹ 7560.28,Previous year ₹ 4231.77 Lacs)		
		32146.21	13178.53
D.	Other Current Assets		
	Interest Receivable	502.39	179.40
E.	Loans & Advances		
	UNSECURED - Considered Good Unless Otherwise Stated		
	Loan - Jaykay Enterprises Ltd. (Company under same management)	1100.00	1500.00
	Loan/Advances to wholly owned subsidiary Company	22.76	46.32
	Advances Recoverable in cash or in		
	kind or for value to be received		
	Considered good	6433.97	4122.30
	Considered Doubtful	18.27	17.90
	Taxation (Net of Provisions)	1250.92	495.54
	MAT Credit Entitlement	6937.00	5297.00
	Prepaid Expenses	332.27	228.48
	Deposits	1128.25	1076.15
	Balances with Custom & Excise Departments	5741.98	9834.63
	<u> </u>	22965.42	22618.32
	Less: Provision for Doubtful Advances	18.27	17.90
		22947.15	22600.42
		93777.20	67907.99
			0, 501.55

				₹ /Lacs
		31-03-2011		31-03-2010
SCHEDULE - 7				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Sundry Creditors				
- Micro Small and Medium Enterprises 1	122.36		242.68	
- Other Creditors	17401.39	17523.75	14102.47	14345.15
Investor Education & Protection Fund shall be credited by following (see note below) #				
- Unclaimed Dividend	80.84		69.43	
- Unclaimed Application Money	2.15		2.15	
- Unclaimed Fraction Money	9.27	92.26	9.27	80.85
Other Liabilities		20217.46		18134.38
Interest accrued but not due on Loans		886.08		13.61
Temporary Book Overdraft		367.21		363.89
		39086.76		32937.88
Provisions				
Proposed Dividend on Equity Shares		1398.55		2447.45
Tax on Dividend		226.88		406.49
		1625.43		2853.94
		40712.19		35791.82

^{1. (}Refer Note No.14)

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

SCHEDULES 85

Schedules

forming part of the Consolidated Profit and lass Account

				₹/Lacs
		:	2010-2011	2009-2010
SCHEDULE - 8				
OTHER INCOME				
Claims Realised			280.29	177.76
Current Investments :				
- Profit on Sale of Investments			6.27	0.57
- Dividend			37.34	10.69
Profit on sale of Fixed Assets			5.22	20.50
Sale of Carbon Credit			363.78	301.57
Exchange Rate Difference			36.62	-
Liability no longer required			2202.55	816.33
Income relating to previous year			7.50	-
Miscellaneous Income			724.82	601.70
			3664.39	1929.12
		,		₹/Lacs
		2010-2011		2009-2010
SCHEDULE - 9				
MANUFACTURING EXPENSES				
Purchase of Trading Goods		46.08		48.70
Raw Materials Consumed		27715.30		19913.66
Packing Materials Consumed		9441.63		7150.56
Stores and Spares Consumed		6817.25		4854.03
Power and Fuel		55433.30		41138.52
Repairs To:				
Plant and Machinery		4075.86		3081.57
Buildings		826.46		531.79
Others		33.04		66.34
Insurance		332.97		298.53
(Increase)/ Decrease in Stock :				
Closing Stock :				
Finished Goods	3138.80		1644.45	
Goods-in-process	4237.10		4047.39	
	7375.90		5691.84	
Less :Opening Stock :			1133.93	
Less :Opening Stock : Finished Goods	1644.45			
-	1644.45 4047.39		1493.30	
Finished Goods		(1684.06)	1493.30 2627.23	(3064.61)
Finished Goods	4047.39	(1684.06) 206.87 103244.70		(3064.61) 6.67 74025.7 6

forming part of the Consolidated Profit and lass Account

		₹/Lacs
	2010-2011	2009-2010
SCHEDULE - 10		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	9584.97	8139.20
Contribution to Provident and other Funds	2232.81	1028.04
Welfare Expenses	999.01	850.92
·	12816.79	10018.16
		₹/Lacs
	2010-2011	2009-2010
SCHEDULE - 11		
SELLING, ADMINISTRATION & OTHER EXPENSES		
Administration and Other Expenses :		
Rent	625.24	506.11
Lease Rent	2.05	0.70
Rates and Taxes	515.59	1164.09
Travelling and Conveyance Expenses	1200.66	1130.14
Provision for Doubtful Debts & Advances	35.29	41.27
Bad Debts & Advances written off	0.66	1.94
Loss on sale of Fixed Assets (Net)	144.61	305.21
Expenses relating to previous year	-	9.78
Loss on exchange rate fluctuation	99.32	20.03
Loss on Forward Transactions	71.72	
Miscellaneous Expenses	6766.43	5612.58
	9461.57	8791.85
Selling and Distribution Expenses :		
Advertisement and Publicity	3038.27	2630.71
Commision, Brokerage and Incentives	2641.13	2181.88
Selling Expenses	2641.54	3537.52
Freight and Handling Outward	48218.09	37723.57
	56539.03	46073.68
	66000.60	54865.53
		₹/Lacs
	2010-2011	2009-2010
SCHEDULE -12		
INTEREST		
Interest:		
On Fixed Loans	10349.99	5932.43
Others	1097.95	1009.44
	11447.94	6941.87
Less: Interest Received (Tax deducted at source ₹ 103.95 Lacs, Previous year ₹ 71.29 Lacs)	1049.90	778.65
	10398.04	6163.22

Notes on Consolidated Accounts

SCHEDULE-13

CONSOLIDATED NOTES FORMING PART OF THE ACCOUNTS

1) Principles of Consolidation:

The consolidated financial statements of the Group have been prepared on the following basis:

- (a) The consolidated financial statements of the Group are prepared in accordance with Accounting Standard-21 "Consolidated Financial Statements" issued by ICAI.
- (b) The financial statements of the Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book

- value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.
- (c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (d) 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 31.12.2010.

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

Name of the Company	Nature of Company	Country of Incorporation	Holding as on 31.03.11
J.K. Cement (Fujairah) FZC	Subsidiary	U.A.E.	100%
J.K. Cement Works (Fujairah)FZC	Fellow Subsidiary	U.A.E	90%
Bander Coal Company Pvt. Ltd	Joint Venture	India	37.5%

3) Other Significant Accounting Policies:

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

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

			₹/Lacs
		31.03.2011	31.03.2010
5) (A)	Contingent Liabilities		
	(i) In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	3414.16	4328.45
	(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	1229.67	172.04
	b) Custom duty	176.28	176.28
	c) Sales tax	2277.55	924.73
	d) Service tax	1085.42	1085.42
	e) Income tax	1679.70	-
	(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1108.78	1088.40
	(iv) In respect of Corporate Gurantee given in favour of Associate Companies & Others	613.89	-
(B)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	695.32	4147.18

Notes on Consolidated Accounts

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

7 (A) Term Loans

Secured

- (i) Term Loans related to Cement Plants at Rajasthan
 - a) From Consortium of Banks : ₹ 6692.62 Lacs (₹ 13748.69 Lacs)
 - b) From other Banks : ₹ 13214.51 Lacs (₹ 12018.52 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 all assets pertaining to J.K. Cement Works, Gotan, J.K. Cement Works, Muddapur, Karnataka and properties having exclusive charge of other lenders.

Loans in point no. (i)(a) above are also guaranteed by the Managing Director of the Company.

- c) From Canara Bank: ₹ 3067.83 Lacs
 (₹ 4126.50 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 Loans related to Cement Plant at Karnataka

From Consortium of Banks: ₹ 49658.90 Lacs (₹ 56431.11 Lacs)

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

iii) Term Loans related to the Properties: ₹ 5071.49 Lacs (₹ 1050.00 Lacs)

Secured by exclusive charge by way of equitable mortgage over the immovable assets and hypothecation of movable

- assets pertaining to the specified properties.
- (iv) Vehicle Loans : ₹ 519.79 Lacs (₹ 394.46 Lacs) Secured by hypothecation of vehicles

(B) Non Convertible Debentures(NCDs): ₹ 40000.00 Lacs

Secured by first mortgage on the Company's flat at Ahmadabad and also against first pari-passu charge on the assets specified in (A)(i)- (a) & (b) above except in respect of 1500 debentures valuing ₹ 15000 Lacs for which security created subsequent to the close of the accounting year. The NCDs are redeemable at par in instalments on various dates as follows: ₹ 5300 Lacs in financial Year 2015-2016, ₹ 6940 Lacs in financial year 2018-19, ₹ 10410 Lacs in financial year 2019-20 and ₹ 10410 Lacs in 2020-21. (Put and Call option exercisable on 15th Feb.2016 for ₹ 3500 Lacs and on 28th March, 2016 for ₹ 1800 Lacs)

(C) Cash Credit Accounts:

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

From Consortium of Banks: ₹ 5222.06 Lacs (₹ 5043.99 Lacs).

Secured by first charge on current assets of the Company namely inventories, book debts etc.(except those pertaining to J.K. Cement Works, Muddapur, 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, Muddapur, Karnataka and the properties having exclusive charge of other lenders.

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

From Consortium of Banks: ₹ 746.59 Lacs (₹ 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, Muddapur, Karnataka.

- (iii) Overdraft: ₹ 21.81 Lacs (₹ 211.23 Lacs) Secured by pledge of fixed deposit
- 8. Government of Rajasthan has issued an entitlement certiicate by which the Company is entitled for interest subsidy under Rajasthan Investment promotion Scheme, 2003. Government has released Rs 8795.12 Lacs as interest subsidy for the period 1st Dec.2004 to 30th Sept.2010 including Rs 997.53 Lacs during thr year which has been accounted for as Capital Receipt based on expert advice.

₹/Lacs

Notes on Consolidated Accounts

- 9. 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 ₹ 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 ₹ 1239.75 Lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.
- 10. Pursuant to the implementation of SAP ERP system in March, 2011 in Mudhol, Karnataka Plant's 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.
- 11. Unhedged foreign currency exposure

Export Debtors: US\$649484.24 :₹287.26 Lacs (US\$ 364879.67: ₹ 163.46 Lacs)

12. Disclosures in accordance with Accounting Standards

(B)

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

			\/ Lacs
		31-03-2011	31-03-2010
(a)	Deferred Tax Assets		
	(i) Provision for Doubtful Debts	11.45	20.89
	(ii) Expenses deductible on payment basis	1751.99	1873.80
	(iii) Unabsorbed loss	1151.48	1212.54
		2914.92	3107.23
(b)	Deferred Tax Liabilities		
	Difference between book depreciation and Depreciation under Income tax Act	24004.72	21687.23
(c)	Net Deferred Tax Liabilities (a-b)	21089.80	18580.00
Earr	ing per share (EPS):		₹/Lacs
		2010-11	2009-10
a)	Net Profit available for Equity Share holders (Numerator used for calculation)	6262.35	22460.57
b)	Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
c)	Basic and Diluted earnings per share of ₹10/-	8.96	32.11

Notes on Consolidated Accounts

- (C) Related Parties Disclosures:
 - (1) (a) Parties where the control/significant influence exists:
 - i) Juggilal Kamlapat Holding Ltd.
 - ii) Yadu International Ltd.
 - (b) Key Management Personnel & their Relatives:
 - i) Shri Yadupati Singhania- Managing Director & C.E.O.
 - ii) Dr. Gaur Hari Singhania (Relative)
 - (c) Enterprises significantly influenced by Key Management Personnel or their Relatives.
 - i) Jaykay Enterprises Ltd.
 - ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd.
 - iii) Jaykaycem (Eastern) Ltd.
 - iv) Jaykaycem (Central) Ltd.
 - (d) Joint Venture
 - i) Bander Coal Company (P) Ltd.
 (Related parties relationship is as identified by the Company and relied upon by the Auditors).
 - (2) Following are the transactions with related parties as defined under Accounting Standard-18 on related party disclosures issued by the Institute of Chartered Accountants of India.

			₹/Lacs
		2010-11	2009-10
(I) JA	AYKAY ENTERPRISES LTD		
- !	Sale of Product	-	0.05
- !	Services received	36.40	40.81
-	Rent paid	48.61	45.30
-	Expenses Reimbursed	85.54	134.54
-	Loan given:		
	Balance as at beginning	1500	3300
	Payment received	400	1800
В	alance as at close of the year	1100	1500
(II) J.	K. COTTON SPG. & WVG. MILLS CO. LTD		
-	Rent paid	5.29	5.29
-	Purchases	1.09	0.41
- !	Sale of Products	1.54	1.13
(III) K	EY MANAGEMENT PERSONNEL AND THEIR RELATIVES		
a)) Shri Y.P. Singhania(Managing Director) - Remuneration	415.58	977.00
b) Dr Gaur Hari Singhania (Relative) - Commission	25.00	50.00
	- Sitting Fees	2.30	1.80

Notes on Consolidated Accounts

		₹ /Lacs
	2010-11	2009-10
(IV) JAYKAYCEM (EASTERN) LTD		
Loan given during the year	1.00	-
Amount recovered	1.00	-
Balance as at close of the year	-	-
(V) JAYKAYCEM (CENTRAL) LTD		
Loan given during the year	7.75	-
Amount recovered	7.75	-
Balance as at close of the year	-	-

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

Details of the Company's interest in its Joint Venture, having Joint Control, as per the requirement of Accounting Standard(AS)-27 on "Financial Reporting of Interests in Joint Ventures", are as under based on Annual Accounts for the year ended 31.03.2010. Accounts for financial year 2010-11 have not yet been received, however, there would not be material changes as the Company is in process of getting necessary approval.

		₹ in Lacs
Sl.No Particulars		Bander Coal Company Pvt. Ltd
% Shai	re held	37.5%
(a)	Assets	37.30
(b)	Liabilities	0.11
(c)	Income	0.50
(d)	Expenses	0.95

- (E) The Company is engaged only in cement business and there are no separate reportable segments as per AS-17.
- 13. 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,2011 as per the terms of Contract

Notes on Accounts

14. Managerial Remuneration paid/payable to Directors :

2010-11	2009-10
108.00	96.00
12.96	11.52
54.00	48.00
140.62	121.48
100.00	700.00
415.58	977.00
18.50	16.85
73.00	98.00
91.50	114.85
507.08	1091.85
	54.00 140.62 100.00 415.58 18.50 73.00 91.50

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

				₹ Lacs
			2010-11	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			75.09	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)			510.04	3377.36
Depreciation			-	69.03
Trial Run expenses	2010-11	2009-10		
Material Consumption	75.10	538.64		
Salary & Wages	70.43	39.51		
Power Charges	132.19	215.26		
Less: Value of trial run stock-clinker	(0.01)	(610.56)		
	277.71	182.85	277.71	182.85
Balance as on 31.03.2009			-	6630.06
Total			862.84	12736.44
Expenses Capitalised during the year			862.84	12736.44

- 16. There are no material transactions from 01.01.2011 to 31.03.2011 in respect of subsidiaries having financial year ended 31.12.2010. There is no change in Company's interest in these subsidiaries from 01.01.2011 to 31.03.2011.
- 17. Previous year figures have been regrouped and recasted wherever necessary to conform to the classification of the year.

JKCement LTD.

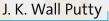
J. K. White Cement - The brand wagon

J. K. Cement Ltd. has a variety of brands that have been the preferred choice of the customers over the last three and a half decades. J. K. Cement has carved a distinctive niche for its brands through various multi-faceted marketing initiatives including 360 degree media campaigns, consumer contact programmes, online promotion, public relations etc.



J. K. Super Cement

J. K. Super Cement is one of the premium grey cement brands in the country available as application friendly Portland Pozzolana Cement (PPC). Over the years, J. K. Super Cement has garnered brand equity and is much in demand by both, the retail and the institutional segment.



White cement based J. K. Wall Putty is the ideal base for beautiful walls, giving the smoothest surface for luxurious and silky interiors. Being a water repellent, it prevents seepage and flaking. And being cement based, it eliminates the use of primer, while offering maximum paint spread and minimum paint consumption.





J. K. White Cement offers a pristine white canvas for crafting architectural elegance. Its exceedingly high refractive index and high opacity imparts brilliant lustre and a smooth finish to surfaces, even when blended with pigments. It is the preferred white cement brand for decorative paints, plasters, Mosaic tiles, Terrazzo flooring and white cement based value-added products.















J.K. Cement Ltd.

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