



Sarve Sukhina Bhavantu

MAY ALL BE HAPPY



JK Cement LTD.

Annual Report 2011-12



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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of J.K. CEMENT LIMITED will be held at Sir Padampat Singhania Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Saturday the 4th August, 2012 at 12.00 Noon to transact the following business: -

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors' thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri Jayant Narayan Godbole, who retires by rotation pursuant to the provisions of Article 140 of the Articles of Association of the Company and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Suparas Bhandari, who retires by rotation pursuant to the provisions of Article 140 of the Articles of Association of the Company and being eligible offers himself for reappointment.
5. To appoint a Director in place of Shri Kailash Nath Khandelwal, who retires by rotation pursuant to the provisions of Article 140 of the Articles of Association of the Company and being eligible offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s P.L. Tandon & Company, Chartered Accountants, Kanpur, are, however eligible for re-appointment.

BY ORDER OF THE BOARD

Shambhu Singh

Sr. General Manager (Legal) &
Company Secretary

Place : Kanpur

Date : 26th May 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 25th July, 2012 to Saturday 4th August, 2012 (both days inclusive)
3. The dividend as recommended by the Board of Directors and approved by the members shall be paid to those members, whose names shall appear on the Company's Register of Members on 25th July, 2012. In respect of shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
4. Members are requested to notify immediately change of

address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company's Registrar & Share Transfer Agents in respect of their shareholding in physical segment by mentioning folio nos., etc.

5. Members are requested to convert their share(s) lying in physical form to the Demat form for easy transferability of shares. For any help the shareholders may contact the Sr. General Manager (Legal) & Company Secretary at mail id. shambhu.singh@jkcement.com
6. Members are requested to bring their copies of the Annual Report, as Copies of the Report will not be re-distributed at the Meeting.
7. Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.
8. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Members, who hold shares in Physical/Dematerialised Form, are requested to bring their Folio No./ Depository Account Number and Client I.D. Number for identification.
9. Pursuant to clause 49 of the Listing Agreement relating to Corporate Governance, the particulars of Directors proposed to be appointed or re-appointed are given in the Report on Corporate Governance attached to the Directors' Report.
10. The Ministry of Corporate Affairs has taken 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies and had issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. In this regard we solicit your cooperation to update our databank. Members who have not registered so far, are requested to register their e-mail address, contact telephone Number, ECS Mandate in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to intimate their e-mail address, contact telephone number at any of our e-mail address viz. (a) shambhu.singh@jkcement.com, (b) rc.srivastava@jkcement.com, (c) investorservices@jkcement.com, (d) jkshr@jkcement.com and send ECS Mandate to the Registered Office of the Company.

BY ORDER OF THE BOARD

Shambhu Singh

Sr. General Manager (Legal) &
Company Secretary

Place : Kanpur

Date : 26th May 2012



OUR PHILOSOPHY OF
ENTREPRENEURSHIP
IS ENCAPSULATED
IN THE SANSKRIT
EXPRESSION:
'SARVE SUKHINA
BHAVANTU'
OR ENDURING
HAPPINESS FOR ALL
STAKEHOLDERS.

CHAIRMAN'S MESSAGE

Dear Shareholders,

J.K. CEMENT HAS ALWAYS BEEN ABLE TO RIDE INDUSTRY CYCLES AND ECONOMIC CRESTS AND TROUGHS BY VIRTUE OF ITS STRONG FUNDAMENTALS AND A VALUE SYSTEM NURTURED BY J.K. ORGANISATION. VALUES THAT HELPED US CREATE A SOCIALLY RESPECTED ORGANISATION AND A NATIONALLY RELEVANT ENTERPRISE.

Our philosophy of entrepreneurship is encapsulated in the Sanskrit expression: 'Sarve Sukhina Bhavantu' or enduring happiness for all stakeholders. The people-centric approach is embedded in our corporate culture, imbibed and practised by our founders in business as well as in social endeavours. At J.K. Cement, the wealth earned through our business performance has benefited and brought happiness to various stakeholders that include shareholders, employees, business associates and the community at large.

Taking a cue from global scheme of things, we need to be a little cautious and risk-focused in our approach. Economies are failing across the world: the crisis in the euro zone is deepening; the US recovery is in trouble; and the Asian growth juggernaut seems to be losing steam as China and India are witnessing economic slowdown. However, India's growth rate (currently 6.5%) is comfortably higher than most economies of the world, and the long-term prospects continue to be bright.

Despite challenges, J.K. Cement has increased revenues and profits owing to higher realisation and volumes in both grey cement and white cement business. At J.K. Cement, we believe we have created a business model, which can counter adversities and create an ecosystem of sustainable value creation for the stakeholder community.

Few years ago, we foresaw an enormous pent-up cement demand, as a result of which we started enhancing capacities. Our performance for 2011-12 validated the prudence of our expansion strategy. Today, J.K. Cement's customer offering is not only limited to varieties of grey cement but it has also extended to white cement and other value added products. Besides, the Company is well on its way to expanding its capacities in India and is also setting up a grey cum white cement plant at Fujairah in UAE to cater to GCC and African markets.

Infrastructure creation remains a priority for the government, and if properly implemented, can be the single most important driver for economic growth. Besides, the housing sector, if properly

incentivised, is also expected to enhance inclusive growth. The government has prioritised infrastructure investments, proposing an investment of US\$ 1 trillion for the 12th Plan, compared to an estimated US\$ 500 billion in the 11th Plan. Such an approach augurs well for J.K. Cement as enhanced infrastructure demand will accelerate cement demand.

We are constantly investing in the knowledge and skill set of our people to meet international benchmarks. This has enhanced their confidence to take up bigger challenges and elevate the organisation to the next level. Besides, we continued our endeavour of social entrepreneurship by being a part of numerous community initiatives to help enrich the quality of life, encompassing education, healthcare, religion, sports, culture and so on.

More than a hundred years ago, Lala Kamlapat Singhanian had asserted his faith in universal good: "I believe that industry, apart from serving society by creating wealth, should also promote and take an active part in the mental, physical and social uplift of man and society at large." At J.K. Cement, we are keeping faith in his vision, by espousing the philosophy of Sarve Sukhina Bhavantu.

Let us all work hard to extend this philosophy, making it a foundation for sustainable value creation in good times and bad.

Warm Regards,

Gaur Hari Singhanian
Chairman



DESPITE CHALLENGES,
J.K. CEMENT
HAS INCREASED
REVENUES AND
PROFITS OWING TO
HIGHER REALISATION
AND VOLUMES IN
BOTH GREY CEMENT
AND WHITE CEMENT
BUSINESS.



MD AND CEO'S MESSAGE

Dear Shareholders,

THE DEVELOPED ECONOMIES OF THE WORLD SEEM TO BE IN DIRE NEED OF A LIFE-SUPPORT SYSTEM, AND THE EMERGING BLOC IS ALSO EXPERIENCING MOMENTARY FATIGUE. THE LOOMING SHADOWS OF A SLOWDOWN HAVE LENGTHENED TO THE SHORES OF INDIA, ALTHOUGH THE GDP GREW BY OVER 6% IN 2011-12. THE IMPACT IS VISIBLE ACROSS KEY SECTORS OF THE DOMESTIC ECONOMY. HOWEVER, INDIA'S VAST, UNEXPLORED DOMESTIC MARKET, REFORMS-FOCUSED GOVERNANCE AND AN ASPIRATIONAL POPULATION WITH STEADILY RISING INCOME CREATE LONG-TERM REASONS FOR OPTIMISM.



AT J.K. CEMENT, 2011-12 WITNESSED STELLAR PERFORMANCE. WHILE, OUR REVENUES INCREASED 21% OVER THE PREVIOUS YEAR, OUR POST-TAX PROFIT SURGED 179%.

The cement industry showed signs of revival in the second half of 2011-12, owing to enhanced urbanisation across tier II and tier III cities, low-cost housing across sub-urban and rural areas and government-backed construction projects. We expect more demand to emanate from the infrastructure segment in the immediate future. Once big-ticket infrastructure projects are implemented, cement demand will escalate further. According to industry estimates, India would require an overall cement capacity of around 480 million tonnes. This means the industry will have to add another 150 million tonnes of capacity during the 12th Five-Year Plan (2012-17) period.

PERFORMANCE

At J.K. Cement, 2011-12 witnessed stellar performance. While, our revenues increased 21% over the previous year, our post-tax profit surged 179%. This was on account of additional volumes and contribution from all the products i.e. grey cement, white cement and wall putty.

KEY DEVELOPMENTS

Some of the important developments of the year comprise the following:

✦ J.K. Cement undertook initiatives to enhance brand visibility in the southern part of India. We are now on course to emerging as a pan-India player.

✦ We witnessed steady demand for our white cement and value-added wall putty throughout the last fiscal,

resulting in optimum utilisation of our white cement capacity.

✦ We completed our wall putty capacity expansion to three lac tonnes per annum on schedule, resulting in higher volumes.

✦ We are progressing well with our expansion at Fujairah. The Company has achieved financial closure and the work at site has begun. We are optimistic about this expansion, because of the demand potential the region offers. The Middle-East accounts for 16% of global white cement demand, with one of the highest per capita use (12.2 kg). Besides, the Gulf as a whole also enjoys high demand, with UAE, Qatar, Kuwait and Saudi Arabia having a per capita use of 45 kg, 54 kg, 27 kg and 22 kg, respectively. With the setting up of Fujairah plant, we will become the first Indian company to set up a white cement plant in India and overseas.

ENHANCING POTENTIAL

During the year, your Company conducted numerous training and development activities to enhance people potential. This helped strengthen technological awareness, quality consciousness, productivity improvement, energy conservation practices, communication skills and negotiation skills of our employees. These initiatives were conducted across various levels of the organisation.

WAY FORWARD

Over the years, we have successfully executed our expansion plans without diluting the shareholder's value. Rather, we have consistently paid dividend since 2004-05 and rewarded our shareholders.

This gives us the confidence to commence the next lap of the journey to achieve higher growth and greater visibility. The industry also offers significant potential for future growth. The residential sector will be the key demand driver, thanks to increasing per capita income, nuclear families, growing urbanisation and government stimulus to various rural and affordable housing schemes. Our multi-regional and multi-product play will enable us to achieve our objectives and bring smiles to all our stakeholders.

Yadupati Singhania

Managing Director and CEO



WITH THE SETTING UP OF FUJAIRAH PLANT, WE WILL BECOME THE FIRST INDIAN COMPANY TO SET UP A WHITE CEMENT PLANT IN INDIA AND OVERSEAS.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

Indian economy

The Indian economy has undergone a tough phase in the year 2011-12. The growth was impacted by both the deteriorating global economy and various domestic issues like high interest rates, inflation, infrastructure constraints, lack of political consensus and liquidity crunch among others. Besides, a fragile external account has caused depreciation of rupee in the backdrop of volatile global risk sentiment. Indian GDP growth is restricted to 6.5% (at factor costs) in financial year 2011-12.

GDP growth rates (%)

	2007-08	2008-09	2009-10	2010-11	2011-12
GDP	9.3	6.7	8.4	8.4	6.5
Agriculture	5.5	0.4	1.7	6.8	2.5
Industry	10.3	4.7	8.6	7.4	4.5
Services	39.9	10.0	10.5	9.3	9.4

(Source: Economic Survey 2011-12)

Outlook

The Union Budget 2012-13 has announced measures to augment the supply side response of the economy to maintain price stability and growth. The service sector comprising 57% of GDP is expected to come down from 9.4% in 2011-12 to 8.7% in 2012-13 on account of slackening demand from hotels, transportation, communication, community, social and personal services. The industrial segment on the other hand is expected to improve from 4.5% in 2011-12 to 5.6% in 2012-13 on account of expected money easing by RBI. The agricultural sector is expected to clock in a flat growth of 3% in 2012-13 in the event of normal monsoon. Considering these domestic factors and a mild improvement in global macro-economic

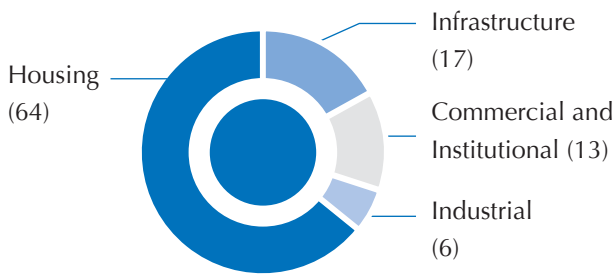
scenario, the GDP growth is expected to return back to the levels of 7% in 2012-13

CEMENT INDUSTRY STRUCTURE AND DEVELOPMENT

Overview

India is the second largest cement market after China, accounting for 7-8% of the total global production with an installed capacity of over 300 Mntpa by the end of 2011-12. Cement being a cyclical commodity, has a high correlation with GDP, accounting for around 1.2x of nominal GDP. Over the years housing sector has been the pillar of cement consumption in India constituting 64% of the total consumption, followed by infrastructure (17%), Commercial & Institutional (13%) and rest by Industrial segment (6%).

Cement consumption pattern (%)

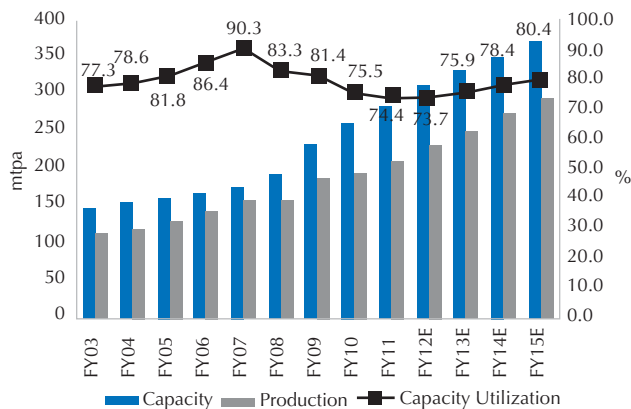


(Source: Task force report on Indian Cement industry)

Cement consumption pattern

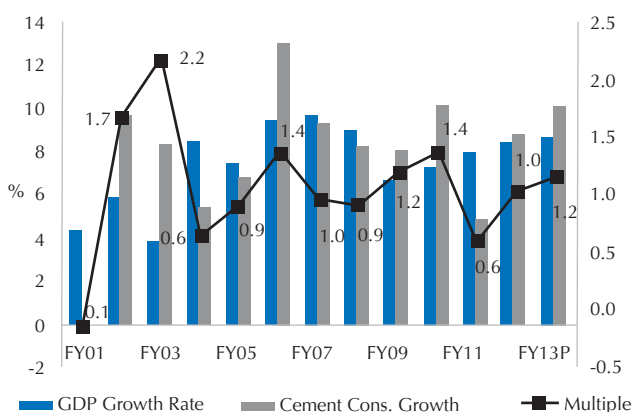
The year 2011-12 witnessed India's cement production reported growth of 6.2% mainly owing to slowdown in construction activities, prolonged monsoon, delay in infrastructural projects caused by environmental clearances hurdle and overall downturn in the economy. Resultant capacity utilisation levels also declined to 73.7% in 2011-12 as against 74.4% in 2010-11 owing to higher capacity additions as against incremental demand.

Installed capacity, production and utilisation levels



(Source: Task force report on Indian Cement industry)

Sector demand vs GDP growth trend



(Source: CMA, MSFL Research)

Outlook

Grey cement

The long term drivers for the cement demand remain intact in the form of higher infrastructure spending, strong growth in rural housing, peaking interest rates and normal growth in urban housing. All these factors would trigger cement demand and bring back the momentum on track. Given the slowing pace of capacity additions, the installed capacity is expected to have 6.7% CAGR across India till 2015. Investments planned by the government under various sub-sectors of infrastructure and US\$ 1 trillion allocated to infra development in the country during the XIIth five year Plan period would require an overall cement capacity of around 480 million tonnes.

White cement

Growing product awareness and its long-term advantages has led to spurt in demand in YoY demand of white cement and wall putty especially from middle and high income group. While white cement is used as base work for interior and exterior applications for residential and commercial segments, wall putty finds its application as water resistant and provides a sub coating surface for decorative paints. With increasing wall putty applications for interiors, the demand is expected to grow 25% annually.

Growth drivers

Huge investments in infrastructure by Government

The government has intended to expend US\$ 1 trillion on infrastructure in the XIIth five year plan period (2012-17), against an investment of US\$ 514 billion in the XIth five year plan period. The sustained focus of the government on infrastructure development especially in power, road, and irrigation would boost up the demand for the cement sector. The government in its budget has increased allocation to various schemes like PMGSY, AIBP in the range of 13% to 20% for the benefit of the construction sector. All this would augur the growth of cement.

Strong demand from the housing sector

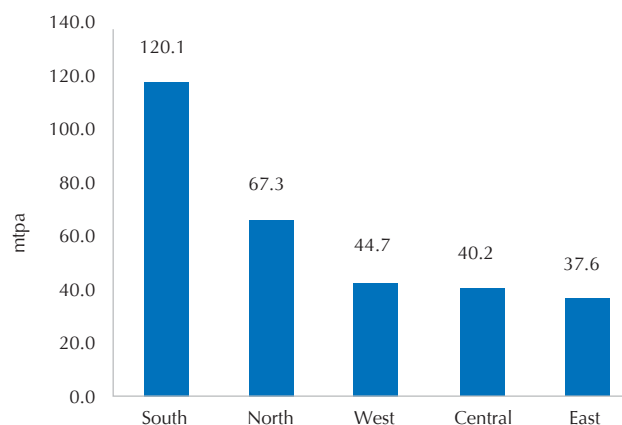
Around 64% of the total cement demand is contributed from the housing segment. It also accounts for 80% of the total real estate developments in the country. Increased urbanisation and rising income levels would drive the demand of this sector. Housing demand is expected to be robust backed by various measures adopted in the budget like continued interest subvention up to ₹ 15 lacs, exemption from service tax for low cost

housing construction, and increase in investment-linked deduction of capital expenditure on low-cost housing to 150% from 100%. The strong housing demand would in turn fuel the demand for cement.

Regional spread of the cement industry

The cement industry is split up into five geographic regions, south, north, west, central and east. The Southern region of India has a total installed capacity of 120.1 mtpa (38.7% of total India's cement capacity) and dominates the cement space, followed by North with 67.3 mtpa (21.7% of total India's cement capacity). Whereas, the Western region has a total capacity of 44.7 (14.4% of total India's cement capacity), Central India has a total capacity of 40.2 mtpa (13.0% of total India's cement capacity) and Eastern India has a total installed capacity of 37.6 mtpa (12.1% of total India's cement capacity).

Region-wise capacity break-up



(Source: GEPL)

Region-wise growth projections	East		North		West		South	
	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
Capacity growth (%)	4	8	5	7	2	7	7	3
Production (m tonnes)	35	39	61	68	37	41	73	80
Capacity utilisation (%)	91	93	89	92	83	85	61	65

(Source: IIFL, August 2011)

Risks and concerns

Sustained economic slowdown

The growth of cement industry is directly proportional to GDP growth rate. Of late, absence of decision making at Government level is affecting economic growth and its continuation for long term may have cascading affect. If proper measures are not adopted against inflation, high interest rates, depreciating rupee, corruption and scams, then it would impact the overall economic growth of the country resulting in dragging the sector down.

Execution delays

Any delays in execution of infra projects or slow investments by the government over the next two years may result in low demand for cement and hit the sector badly.

Adverse demand-supply mismatch

In case, the additional capacities get commissioned ahead of schedule, then a state of oversupply would arise, consequently prices may head southwards and the sector may suffer a severe blow.

Increase in production cost

The cement sector is facing challenging operating environment headed by cost push. There has been

severe pressure on the production costs over the past two years, primarily driven by a rise in costs of raw materials, fuel, power, and freight costs which approximately forms 70% of the overall costs. The key factors that contribute to the high costs are lower availability of linkage coal leading to high coal cost, shortage of railway wagons and increase in fuel cost leading to increase in freight cost both for inward & outward movement.

Unavailability of coal linkages

Coal costs constitute 14-23% of cost of production of cement. The hike in coal prices would hit the industry margins. Also, coal linkages from Coal India are declining over the years; as a result companies have to procure coal at higher costs from South Africa and Indonesia. With dwindling production of Coal India, coal linkages for cement companies is expected to decline further and for the new capacities coal linkages are likely to be minimal.

Opportunities and Threats

Grey cement

On an overall basis, industry is positive for cement sector in general. Cement sector saw the demand growth of 6.4% during the year. However the slower GDP growth

over the past two years combined with lower demand from real estate sector and lack of order inflows in the infrastructure sector has resulted in declining capacity utilisations across the industry. Cement prices on the other hand have witnessed sharp hikes and declines during year. It is only during last quarter of the fiscal when realisation showed some signs of improvement. Sector has also witnessed continued pressures on margins due to rising power and fuel and freight costs.

The Industry believes that demand will come from Government appetite for providing affordable housing to lower class people as also improving purchasing power for middle class people who have dream to have house of their own. The industry has the potential to sustain a healthy growth of 11% which is essential to achieve the planned GDP growth of 9% during the XIIth five year plan period (2012-17).

White cement

White cement is likely to perform well owing to increasing disposable income of middle class people in metros and urban area and demand from housing sector. The company has already created brand equity for white cement and white cement based wall putty. Though the demand for wall putty is increasing, it is facing tough competition from manufacturers who are trying to create brand equity for their product.

The company is setting up White cement plant having capacity of 0.6 mtpa at Fujairah (UAE) to tap the the market of Gulf & African countries. The Middle East accounts for 16% of global white cement demand. Besides this , Gulf as a whole enjoys high demand. This facility is convertible to Grey cement production also to avail the benefits of favourable Grey cement market conditions.

Performance during the year

Grey Cement- The Company recorded 3% increase in cement production volume over last year. Capacity utilisation of Karnataka unit is likely to improve further which may contribute additionally during current fiscal.

White Cement-White cement has achieved 7% increase in volume & Wall Putty has achieved 27% increase in volume over last year. The Company expects that white cement and wall putty consumption will increase around 10% & 25 % respectively in the current fiscal. Company is already geared up to meet this increased demand.

Human resources

Company's vision to become a premium global brand with focus on inclusive growth across its core business i.e. cement. To achieve this company has designed long term strategy which focuses on capability development

of existing human resources & grooming them to become future leader of the organisation.

Opportunity for leadership development is there for all employees, it is for employee to accept challenges & prove their worth for the organisation .Almost all the leadership position is filled internally.

Though attrition level is high in the Cement Industry, the attrition level in the organisation is within acceptable standards. Satisfaction level of all employees in the organisation has been phenomenal.

Company has a structured Performance Management System which helps in development of the workforce and also helps in creating differentiated workforce.

The emphasis is on identifying the competencies both behavioral and technical.

This needs to be developed through proper training both on the job & through external training program.

The total number of permanent employees of the company as at 31st March, 2012 was 2,214.

Internal control system

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

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

The Company has proper and adequate systems of internal controls to provide reasonable assurance that transactions are authorised, recorded and reported correctly and to ensure compliance with policies, statute. The internal control system provides for well-documented policies, guidelines, authorisations and approval procedures. The Company has an Audit Committee that regularly reviews the reports submitted by the Internal Auditors.

SAP implementation has been done across board in all our marketing depots of both white & grey cement as well as all our plants have already switched from traditional oracle based system to SAP. All the working of our plants and depots are now being simplified through use of SAP. Employees have been given both in house & outside training through SAP consultant in SAP.

In fact SAP implementation is the company's vision to continuous upgrade to meet global expectations.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their Eighteenth Annual Report and audited statements of accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

	(₹ in lakhs)	
	2011-12	2010-11
Gross Turnover	254679	209435
Profit before depreciation and tax	41137	19641
Less: Depreciation	12558	11273
Profit Before Tax	28579	8368
Provision for Tax:	-	-
- Fringe Benefit Tax	-	-
- Current Tax	7033	1640
Less: MAT Credit entitlement for current year plus tax adjustments for earlier years	-	(-)1640
- Earlier years tax	1991	(-) 547
- Deferred Tax	1821	2510
Profit After Tax	17733	6405
Add: Balance brought forward from previous year	37911.74	23586.26
Less: Appropriation		
Transfer to General Reserve	5000.00	650.00
Transfer to Debenture Redemption Reserve	1132.50	1132.50
Dividend on Equity Shares (including tax thereon)	4063.56	1625.43
Balance to be carried forward	27715.68	20178.33

2. OVERALL PERFORMANCE

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

The Company's turnover increased to ₹ 2547 Crores during the year compared to

₹ 2094 Crores in previous year. Profit before Depreciation & Tax achieved at ₹ 411 Crores compared to ₹ 196 Crores.

3. CONSOLIDATED FINANCIAL STATEMENTS

The statement as required under Section 212 of the Companies Act, 1956, in respect of

YOUR DIRECTORS ARE PLEASED TO RECOMMEND DIVIDEND OF ₹ 5 PER SHARE FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2012 COMPARED TO ₹ 2 PER SHARE PAID FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2011.

Waste Heat Recovery Power Plant at Nimbahera



the subsidiaries of the Company viz. J.K. Cement (Fujairah) FZC and J.K.Cement Works (Fujairah) FZC is annexed and form an integral part of this Report. Consolidated Financial Statements form part of the Annual Report and Accounts. In terms of General Circular Nos.2/2011 and 22/2011 and Board's decision, attaching of the Audited Balance Sheets as at 31st March, 2012 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 ₹ 5 per share for the financial year ended 31st March, 2012 compared to ₹ 2 per share paid for the financial year ended 31st March, 2011.

5. OPERATIONS

Grey Cement

During the year under report, in respect of grey cement plants in Rajasthan and Karnataka production increased by 3.2% at 5.32 Million Tons (compared to 5.15 Million Tons last year), despatches by 3.64% at 5.33 Million Tons (compared to 5.14 Million Tons last year) and sales by 4.17% at 5.33 Million Tons (compared to 5.11 Million Tons last year). The contribution during the year was comparatively higher.

White Cement

Production of White Cement increased by 7.31% at 3.77 Lacs tonne during the year compared to 3.51 Lacs tonne while value added products registered increase of 26.68%. Sale was also in tandem with production. Increase in volume of white cement and value added products (wall putty) and other cost cutting measures resulted in higher contribution during the year as compared to previous year.

6. PROJECTS OF THE COMPANY

EXPANSION INITIATIVES

Your Company is revisiting the size of proposed expansion plan at Mangrol, Rajasthan from earlier envisaged 3.5 Million Tons to around 2.5 Million Tons, on account of delay in allotment of new mining area to the Company. Viability study for 2.5 Million Tons capacity plant is under preparation and a final decision will be taken during the course of the year.

7. PROJECTS OF SUBSIDIARY/JOINT VENTURE COMPANY IN HAND

(a) Projects under Subsidiary Company:

Cement Plant at Fujairah, UAE

Your Company has now finalised the size of the plant and it is proposed to set up a Greenfield dual process cement plant having capability of producing either 0.6 Million Tons of White Cement or 1 Million Tons of Grey Cement or a combination of both depending upon the market condition in GCC region, under the subsidiary, J.K Cement Works (Fujairah) FZC, UAE, which is a Joint Venture Company with the Government of Fujairah.

The Company has awarded the EPC contract for the plant and the work at site has already begun. The plant is expected to be on stream by 31st March, 2014.

The funding for the project has already been finalised and the loan agreement is likely to be executed within June, 2012.

(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 revised mining plan and subsidence prediction report. Clearance from

Grey Cement Plant at Muddapur



Ministry of Environment & Forest has been received with certain stipulations which are being complied with by the JV Company.

8. FINANCE

During the year under report your Company has completed repayment of the final instalment of Term Loan of ₹ 462.50 Crores availed in 2004 consequent upon which the personal guarantees extended and shares pledged by the Promoters for availing such loan has been released by the lenders. The Company, during the year, has availed additional term loan of ₹ 49.96 Crores and repaid ₹ 182.17 Crores. On Company's endeavour the lenders of Karnataka Term Loan reduced the rate of interest by 0.5% and for Cash credit limits also the interest rate has been reduced by 0.5%. Considering the size of operation the Working Capital limit has been increased by ₹ 100 Crores by the lenders.

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 "CARE A1+" 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 sub-section (2A) of Section 217 throughout or part of the financial year under review is annexed. However, in terms of provisions of section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may send the request to the Company at its Registered Office.

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 ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

15. AUDITORS' REPORT

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

16. DIRECTORS

Three of your Directors namely Shri Jayant Narayan Godbole, Shri Suparas Bhandari and Shri Kailash Nath Khandelwal will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

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

18. AUDITORS

M/s. P.L. Tandon & Co., Chartered Accountants, Kanpur, Auditors of the Company, will retire from their office at the ensuing Annual General Meeting.

They are, however, eligible for re-appointment. They have furnished a Certificate to the effect that their appointment will be in accordance with limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. You are requested to consider their appointment.

19. COST AUDITORS

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the F.Y.2011-12. 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 F.Y.2011-12.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Schools assisted by your Company provide education of high standard not only to the children of the Company's employees but also to the children of surrounding villages. Sir Padampat Singhania University, Udaipur, assisted by your Company, imparting value based education to students. Various sports and cultural events were organised at the Schools and also at all the plants. Technical education and training are imparted through Industrial Training Centres at Nimbahera and Kanpur. Emphasis was laid on creation of awareness amongst the villagers about the need to protect the environment. CSR activities carried out by the Company have strengthened the relationship with local people.

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, Central Govt. and Government of Fujairah. 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

Dr. Gaur Hari Singhania
CHAIRMAN

Place : Kanpur
Dated : 26th May 2012

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

Grey Cement

- Modification in cooler vent fan speed control logic to save electrical energy.
- Agro-waste and Tyre chips firing system as fuel in processing system.
- Change in lighting lamps from sodium vapor lamps to low power CFL.
- Power saving by reduction in idle run time of auxiliary drives.
- Trial with performance enhancer done to reduce clinker/cement ratio to save energy.
- Compress Air system with optimiser.

White Cement

- 7.5 MW Thermal Power plant is operated at full capacity to the extent practicable to achieve economy in power cost.
- Thermal Power plant situated at J.K. White Cement Works feeds power to J.K. Cement Works (Grey Cement). This approach conserves energy by reducing transmission losses.

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

Grey Cement

- Change in Motor connection from delta to star to save power.
- Installation of VFD in CM-1 bag filter fan to save power.

B. TECHNOLOGY ABSORPTION

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

Grey Cement

- Tile fixer was developed, tested, commercial application test carried out successfully. Project taken up for commercial production to launch this new product in market in financial year 2012-13.
- Alternative arrangement by limestone sampler after limestone crushing installed to calibrate cross belt analyser to reduce variation in quality.
- To introduce value added product Grey Cement Plaster Dry Mix Mortar.
- Reduction in power consumption of Fan for Grate Cooler in Line 3 (Grey Cement)
- Production of high fineness of cement.

White Cement

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

(ii) Future Action Plan

Grey Cement

- Implementation of CII Audit findings in phased manner to reduce power consumption.
- Installation of VFDs in fans to save power.
- Replacement of booster fans by high efficiency fans to save power.
- Installation of pfister pump for coal firing in calciner.
- Replacement of Raw mill -1 separator by high efficiency separator.
- Dynamic separator in Coal Mill.

White Cement

- Covered clinker storage facility for grey and white clinker.
- Grinding plant for dolomite for putty product.
- Installation of new SG Fan & Driver.

(iii) Expenditure on R & D

The Research & Development activities are carried out by our own team under the advice and consultancy of foreign consultant. Apart from regular expenditure on research activities debited to profit & loss account under different heads, the company has paid contribution of ₹ 40.13 lacs to Research Institutes for carrying out research and development work related to Company's products.

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

Grey Cement (Nimbahera/Mangrol)

- Daily monitoring of power consumption of critical equipment.

(v) Details of Imported Technology: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Mentioned in the main report.

- (ii) Total foreign exchange used and earned:

- (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

Particulars	Grey Cement		White Cement	
	2011-12	2010-11	2011-12	2010-11
(A) POWER AND FUEL CONSUMPTION:				
1. Electricity				
(A) Purchased:				
Units/KWH(000)	150580	120808	36059	30513
Total Amount (₹/lacs)	7196.78	5350.30	1870.87	1229.24
Rate/Unit (₹)	4.78	4.430	5.18	4.03
(B) Own Generation:				
(i) Through Diesel Generator :				
Units/KWH('000)	16	1231	2.95	83
Unit per litre of Diesel/Oil	1.82	3.65	1.62	4.20
Rate/Unit (₹)	21.70	7.46	24.89	7.47
(ii) Through Steam Turbine**	330705	371803	15321	11808
Units/KWH('000)	1.15	1.35	0.62	0.63
Unit per Kg of Coal	3.78	2.97	3.74	5.03
Rate/Unit (₹)				
2. Petcoke/Coal/Lignite				
Quantity(tonnes)	820960.29	744629	42922.29	42316
Total Cost (₹/lacs)	51536.93	43656.26	3367.99	3290.42
Average Rate (₹/Tonne)	6277.63	5863	7847	7776
3. Furnace Oil/Others				
Quantity(K Ltrs)	110	70	3307	2930
Total cost (₹/lacs)	55.33	31.85	1233.13	821.61
Average rate/K.ltrs (₹)	50007	45683	37282	28039
4. Other/Internal Generation				
(For Generation of Power from D.G. Sets)				
Quantity (K. Ltrs)	10.82	337	2	20
Total cost (₹/lacs)	4.11	91.87	0.73	6.20
Average Rate/K. ltr (₹)	37985	27222	40250	31352
(B) CONSUMPTION PER UNIT OF PRODUCTION:				
1. Electricity(Kwh/Unit)	89	87	117	114
2. Petcoke/Coal/Lignite(K.Cals/Kg)	779	791	889	911

** 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 Limited, 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

At J.K.Cement Ltd, the Board is headed by its Non-executive Chairman, Dr. Gaur Hari Singhania. The Independent Directors on the Board are experienced, competent and highly reputed persons from their respective fields. The Independent Directors take active

part at the Board and Committee Meetings, which adds vision, strategic direction and value in the decision making process of the Board of Directors.

As on 31st March, 2012 the composition of the Board of Directors is given herein below:

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

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

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, 2012, four Board Meetings were held on the following dates:

- (i) 28th May, 2011 (ii) 30th July, 2011
(iii) 11th November, 2011, (iv) 11th February, 2012

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

Sl. No	Name of Director	No. of Board Meetings attended	Attendance at last AGM
1	Dr. Gaur Hari Singhania	4	Yes
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	3	Yes
8	Shri K.N. Khandelwal	4	Yes
9	Shri R.K. Lohia	3	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:

Sl. No.	Name of Director	Category	Relationship Interse Directors	No. of other Directorships@	No. of Board Committees (Other than J.K. Cement Limited) in which**	
					Chairman	Member
1	Dr. Gaur Hari Singhania Chairman	Promoter, Non Executive, Non Independent	Related to Shri Yadupati Singhania	5	-	-
2	Shri Yadupati Singhania Managing Director & CEO	Promoter, Executive, Non Independent	Related to Dr. Gaur Hari Singhania	9	-	-
3	Shri Ashok Sharma	Non-Executive, Independent	-	-	-	-
4	Shri Achintya Karati	Non-Executive, Independent	-	6	-	6
5	Shri J.P. Bajpai	Non-Executive, Independent	-	3	-	-
6	Shri J.N.Godbole	Non-Executive, Independent	-	14	3	9
7	Dr.K.B.Agarwal	Non-Executive, Independent	-	3	2	1
8	Shri K.N. Khandelwal	Non-Executive, Non Independent	-	4	-	1
9	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 has been excluded.

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

White Cement Plant at Gotan



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, Commissions were paid during the year details of which are given separately in this report. No transaction has been made with Non-Executive and Independent Directors vis-à-vis your Company.

v) Other provisions as to Board and Committees

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

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

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

- Key elements of Annual Budget.
- Business plans and progress thereof.
- Company presentation on quarterly performance.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Delegation of powers to the Management.
- Show cause, demand, prosecution notices and penalty notices which are materially important.
- Any material default in financial obligations to and by the Company, or substantial non payment for goods sold by the Company.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant Human Resources related issues.

- Sale /purchase or material nature of investments, assets which is not in normal course of business.
- Any issue which involves possible public or product liability claims of substantial nature including any judgement or order which may have passed stricture on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Review of compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any.
- Minutes of Meetings of Audit Committee, Committee of Directors and other Committees of Board.

AUDIT COMMITTEE

(i) Broad Terms of Reference

The Audit Committee reviews the matters falling in its terms of reference and addresses larger issues and examines those facts that could be of vital concerns to the Company. The terms of reference of the Audit Committee constituted by the Board in terms of Section 292A of the Companies Act, 1956 and the Corporate Governance Code as prescribed under clause 49 of the Listing Agreement, which broadly includes matters pertaining to adequacy of internal control systems, review of financial reporting process, discussion of financial results, interaction with Auditors, appointment and remuneration of Auditors, adequacy of disclosures and other relevant matters. In particular, these include.

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

holders, shareholders (in case of non payment of declared dividends) and creditors.

12. To review the following information:

- a) Management Discussion and Analysis of financial condition and results of operations.
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by Management.
- c) Management letters /letters of internal control weaknesses issued by the statutory Auditors.

13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(ii) Composition of the Committee

As on 31st March, 2012 the following Directors were the members of the Audit Committee:

- (i) Shri Ashok Sharma (Chairman): Independent, Non Executive Director
- (ii) Shri A. Karati: Independent, Non Executive Director
- (iii) Dr. K. B. Agarwal : Independent, Non Executive Director
- (iv) Shri K.N. Khandelwal: Non Independent, Non Executive Director
- (v) Shri R.K. Lohia: Independent, Non Executive Director

All these Directors possess knowledge of Corporate Finance / Accounts / Company Law/ Industry. Shri A.K.Saraogi, Chief Financial 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, 2012 four meetings were held on (i) 28th May, 2011 (ii) 30th July, 2011 (iii) 11th November, 2011, (iv) 11th February, 2012

The attendance at the Committee Meetings was as under:

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

REMUNERATION COMMITTEE

(i) Broad Terms of Reference

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

(ii) Composition of the Committee

Remuneration Committee of the Company as on 31st March, 2012 comprised of:

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

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

(iii) Meetings and Attendance:

During the financial year ended 31st March, 2012 one meeting was held on 28th May, 2011.

The attendance at the above Meeting was as under:

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

(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, 2012 are as under:

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

(v) Details of Remuneration to the Directors for the year ended 31st March, 2012

Sl. No	Name of Director	Salary	Benefits	Commission	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	--	--	5000000	160000	5160000
2	Shri Yadupati Singhania @	12000000	21000000*	70000000	--	103000000
3	Shri Ashok Sharma	--	--	600000	160000	760000
4	Shri A. Karati	--	--	600000	170000	770000
5	Shri J.P. Bajpai	--	--	600000	210000	810000
6	Shri J.N.Godbole	--	--	600000	80000	680000
7	Dr.K.B.Agarwal	--	--	600000	210000	810000
8	Shri K.N. Khandelwal	--	--	600000	280000	880000
9	Shri Raj Kumar Lohia	--	--	600000	160000	760000
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 ₹ 60 Lacs.

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

SHAREHOLDERS' GRIEVANCE COMMITTEE**(i) Composition**

The Committee as on 31st March, 2012 comprises of:

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

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

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

(iii) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared, annual reports and

to ensure expeditious share transfer process and to review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services. The Company received 48 complaints during the F.Y. 2011-12, and all the 48 complaints were redressed and there was no complaint pending as at 31st March, 2012.

(iv) Meeting and Attendance

During the financial year ended 31st March, 2012, four meetings were held on (i) 28th May, 2011 (ii) 30th July, 2011 (iii) 11th November, 2011, (iv) 11th February, 2012.

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

CEO /CFO CERTIFICATION

The Managing Director & CEO and the CFO have certified to the Board, inter alia the accuracy of financial statements and adequacy of Internal Controls for the financial reporting purpose as required under Clause 49(v) of the Listing Agreement, for the year ended 31st March, 2012.

General Body Meetings:

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

Financial Year	Date	Time	Place
2008 - 09	31st July, 2009	12.00 Noon	Auditorium of the Merchants Chamber of U.P., Kanpur
2009-10	31st July, 2010	12.00 Noon	-do-
2010-11	30th July, 2011	12.00 Noon	-do-

One Special resolution was passed in the last Annual General Meeting of the Company held on 30.7.11.

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 30th July, 2011 to answer the queries of the shareholders.

Disclosures: -

- 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.
- 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.
- The Company has complied with the mandatory requirements of Clause 49 of the listing Agreement. The Company has complied with the non-mandatory requirements relating to the remuneration committee to the extent detailed above.

Disclosures regarding appointment or re-appointment of Directors:

According to the Articles of Association of the Company three Directors Shri Jayant Narayan Godbole, Shri Suparas Bhandari and Shri Kailash Nath Khandelwal 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 Jayant Narayan Godbole is a B. Tech (Hons.) from IIT Mumbai and also holding certificate in Financial Management. He possesses over 39 years experience in various fields ranging from operation of small scale units in India to conceiving, implementing and operating mega projects abroad. He 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. He stabilised the corporate debt restructuring (CDR) mechanism in India as the Chairman of the Empowered Group.

Shri Suparas Bhandari is graduated in Science and Law. He possesses more than four decades of extensive insurance industry experience and is the founder Chairman and Managing Director of Agriculture Insurance Company of India Limited. He also served as Assistant General Manager of United Insurance Company of India Ltd and General Manager of Oriental Insurance Company of India Ltd.

Shri Kailash Nath Khandelwal is a Commerce Graduate and a Chartered Accountant having experience of more than 43 years in the field of Finance, Accounts, Taxation etc. He has been acting as Director of the Company since 2004. He also served as President (Finance & Accounts) of Jaykay Enterprises Ltd (formerly J.K.Synthetics Ltd). He is on the Board of several Indian Companies and also acting as Trustee and Member of various educational and social institutions and organisations.

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 F.Y. 2011-12.

Yadupati Singhania
(Managing Director & CEO)"

Means of Communications

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange(s) in accordance with Listing Agreement and the same are normally published in Business Standard, Economic Times, Nav Bharat Times, Hindustan, Times of India, and Nafa Nuksan

newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

All vital information relating to the Company and its performance, including quarterly results etc. are simultaneously posted on Company's website www.jkcement.com and on NEAPS, a web based application designed by NSE for Corporates. The share holding pattern and Corporate Governance Report are filed electronically on NEAPS. Further SEBI introduced SCORES where upon the investor complaints are processed in Centralised web based complaints redress system. The Company is regularly uploading (online) the action taken reports.

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, 2012, 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 4th August, 2012 at 12:00 Noon.

Venue : - Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

(ii) Financial Calendar

- (a) First Quarter Results - Within 45 days from the close of Quarter Ending June, 2012
- (b) Second Quarter Results - Within 45 days from the close of Quarter Ending September, 2012
- (c) Third Quarter Results - Within 45 days from the close of Quarter Ending December, 2012

- (d) Results for the year ending 31.3.2013
Within 60 days from the close of Quarter/Year
Ending March, 2013

(iii) Date of Book Closure

Wednesday 25th July ,2012 to Saturday 4th August, 2012 (both days inclusive)

(iv) Dividend payment date

The Board of Directors of the Company have recommended a dividend of ₹ 5 per share for the year 2011-12 which shall be payable on or after 4th August, 2012

(v) Listing on Stock Exchanges

The Equity shares of the Company are listed with the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. and the listing fee has been duly and timely paid to both the Stock Exchanges for 2011-12.

(vi) Stock Code

BSE 532644
NSE JKCEMENT
ISIN NUMBER INE823G01014

(vii) Market Price Data

Month	BSE			
	High	Low	Sensex High	Sensex Low
APRIL, 2011	142.00	126.20	19811.14	18976.19
MAY, 2011	126.95	106.30	19253.87	17786.13
JUNE, 2011	117.25	101.00	18873.39	17314.38
JULY, 2011	117.15	101.00	19131.70	18131.86
AUGUST, 2011	117.00	98.60	18440.07	15765.53
SEPTEMBER, 2011	126.00	105.55	17211.80	15801.01
OCTOBER, 2011	116.80	105.30	17908.13	15745.43
NOVEMBER, 2011	118.65	95.80	17702.26	15478.69
DECEMBER, 2011	111.00	96.10	17003.71	15135.86
JANUARY, 2012	118.50	98.00	17258.97	15358.02
FEBRUARY, 2012	153.90	114.25	18523.78	17061.55
MARCH, 2012	165.85	134.05	18040.69	16920.61

Month	NSE			
	High	Low	Nifty High	Nifty Low
APRIL, 2011	148.00	126.10	5944.45	5693.25
MAY, 2011	127.00	105.90	5775.25	5328.70
JUNE, 2011	119.00	103.00	5657.90	5195.90
JULY, 2011	113.50	101.15	5740.40	5453.95
AUGUST, 2011	116.00	96.05	5551.90	4720.00
SEPTEMBER, 2011	125.90	104.50	5169.25	4758.85
OCTOBER, 2011	115.75	105.00	5399.70	4728.30
NOVEMBER, 2011	118.80	96.70	5326.45	4639.10
DECEMBER, 2011	111.30	99.00	5099.25	4531.15
JANUARY, 2012	118.40	96.20	5217.00	4588.05
FEBRUARY, 2012	154.00	113.45	5629.95	5159.00
MARCH, 2012	166.65	133.00	5499.40	5135.95

(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 Limited.)
Kamla Tower,
Kanpur – 208 001
Telephone: (0512) 2371478 – 81; Ext: 322 /323
Fax: (0512) 2332665/2399854;
email: investorservices@jkcement.com ;
rc.srivastava@jkcement.com

(ix) Share Transfer System

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

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

(x) Distribution of Shareholding as on 31st March, 2012

No. of Equity Share held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
UPTO 500	94320	98.25	3421416	4.89
501 TO 1000	962	1.00	704494	1.01
1001 TO 2000	286	0.30	424466	0.61
2001 TO 3000	117	0.12	297571	0.43
3001 TO 4000	59	0.06	211336	0.30
4001 TO 5000	47	0.05	219736	0.31
5001 TO 10000	78	0.08	562495	0.80
10001 AND ABOVE	135	0.14	64085736	91.65
TOTAL	96004	100.00	69927250	100.00

(xi) Category of Shareholders as on 31st March, 2012

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
PROMOTERS AND PROMOTER GROUP	34	00.03	46548391	66.57
MUTUAL FUNDS / UTI	25	00.03	2656226	03.80
FINANCIAL INSTITUTIONS / BANKS	104	00.11	7324	00.01
INSURANCE COMPANIES	7	00.01	2469012	03.53
FOREIGN INSTITUTIONAL INVESTORS	40	00.04	8350803	11.94
BODIES CORPORATE	838	00.87	2811831	04.02
INDIVIDUALS	94792	98.74	6877809	09.83
OTHERS	164	00.17	205854	00.30
TOTAL	96004	100.00	69927250	100.00

(xii) Dematerialisation of Shares: -

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

6,92,68,572 Equity share representing 99.06% of the paid up Equity Capital of the Company have been dematerialised till 31st March, 2012

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

(xiv) Plant Location

Company has following plants:

Plant	Location
INDIAN	
Grey Cement Plants	Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan Mangrol, Dist. Chittorgarh, Rajasthan Gotan, Dist. Nagaur, Rajasthan Muddapur, Dist: Bagalkot, Karnataka
White Cement Plant	Gotan, Dist. Nagaur, Rajasthan
Thermal Power Plants	Bamania, Shambhupura, Dist. Chittorgarh, Rajasthan 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
OVERSEAS	
Dual process White /Grey Cement Plant (under implementation)	Plot No.7, Habhab, Tawian Fujairah, UAE

(xv) Address for Correspondence:

Mr. Shambhu Singh

Senior General Manager (Legal) & Company Secretary,

J.K. Cement Limited.,

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, 2012, 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

A. K. Agarwal
Partner
Membership No.71548

Place : Kanpur
Date : 26th May 2012

FINANCIALS

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CONSOLIDATED

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AUDITORS' REPORT to the members of J.K. Cement Limited

1. We have audited the attached Balance Sheet of J.K. Cement Limited, as at 31st March, 2012, the statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - c) The Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the statement of Profit & Loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 the significant Accounting Policies and 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, 2012;
 - (b) In the case of the statement of Profit and Loss of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Place : Kanpur.
 Date : 26th May, 2012

(P.P.Singh)
PARTNER
 Membership No.072754

ANNEXURE TO THE AUDITORS' REPORT

Re: J.K. CEMENT LIMITED (Referred to in Paragraph (3) of our report of even date)

- (i) In respect of its Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets other than furniture and fixtures and office equipments.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year.
- (ii) In respect of its Inventories:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us :
 - (a) The Company has/had granted interest free unsecured loans to Two Companies. The maximum amount involved during the year was ₹ 6556.13 Lacs and the yearend balance of such loan granted was ₹ 6356.13 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 ₹ five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956, therefore, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- (ix) According to the information and explanations given to us, in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, services tax, customs excise duty were in arrear as at 31st March, 2012 for a period more than six months from the date they became payable.

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

Name of the Statute	Nature of the dues	Amount (₹ in Lacs)	Period to which amount relates	Forum where dispute is pending
Finance Act 2008 (State)	Environment & Health Cess	935.46	2008-09	High Court Jodhpur & Bangalore High Court .
State Sales Tax Act	Sales Tax	1841.44	1991-92 onwards	Various Court in U.P. Rajasthan
Central Sales Tax Act	Sales Tax	1745.65	1999 onwards	Appeal with D.C.S.T
Rajasthan Entry Tax	Entry Tax	4402.21	July, 2006 onwards	Appeal with Jodhpur High Court
Rajasthan Entry Tax	Interest on Entry Tax	1296.83	2002-03 onwards	Appeal with Jodhpur High Court
U.P. Entry Tax	Interest on Entry Tax	306.43	2004-05 onwards	Appeal with Supreme Court
Central Excise Act, 1944	Excise duty Including Interest thereon	419.02	1989	Supreme Court
Finance Act, 1994	Service Tax	890.17	June, 2007 to March, 2008	Central Excise Dept.
Central Excise Act, 1944	Excise duty	1334.95	July, 99 to March 08	Central Excise Dept.
Services Tax	Services Tax on GTA	228.89		Central Excise Dept.
Custom Duty	Custom Duty on petcock	176.28	Sept. 2009	CEGAT

- (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, the Company has created the security in respect of debentures issued.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Place : Kanpur.
Date : 26th May, 2012

(P.P.Singh)
PARTNER

Membership No.072754

BALANCE SHEET

as at 31st March, 2012

₹/Lacs

	Note No.	As at 31-03-2012	As at 31-03-2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	6992.72	6992.72
Reserves and Surplus	2	145907.98	132911.34
		152900.70	139904.06
Non Current Liabilities			
Long Term Borrowings	3	99651.68	105836.06
Deferred Tax Liability (Net)	4	22911.00	21090.00
Other Long Term Liabilities	5	7715.34	6164.65
Long Term Provisions	6	1089.17	911.06
		131367.19	134001.77
Current Liabilities			
Short term Borrowings	7	8282.71	5990.46
Trade Payables	8	22792.66	17523.75
Other Current Liabilities	9	37510.34	39418.17
Short Term Provisions	10	5181.14	3427.12
		73766.85	66359.50
TOTAL		358034.74	340265.33
ASSETS			
Non Current Assets			
Fixed Assets	11		
Tangible Assets		231187.88	228878.61
Intangible Assets		394.01	769.00
Capital Work-in-Progress		8504.56	9844.40
Non-Current Investments	12	1084.19	584.19
Long term Loans and Advances	13	8394.07	5945.00
Other Non Current Assets	14	-	787.54
		249564.71	246808.74
Current Assets			
Inventories	15	36282.96	32101.96
Trade Receivables	16	8372.28	6076.13
Cash and Cash Equivalents	17	43248.99	32107.92
Short Term Loans and Advances	18	19412.25	22589.79
Other Current Assets	19	1153.55	580.79
		108470.03	93456.59
TOTAL		358034.74	340265.33
Significant Accounting Policies			
Notes on Financial Statements	1-39		

As per our Report attached

For P.L.Tandon and Co.,
Chartered AccountantsGaur Hari Singhania
ChairmanYadupati Singhania
Managing Director and CEOP.P.Singh
PartnerA.K. Saraogi
President (Corp.Affairs) & CFOShambhu Singh
Company SecretaryAshok Sharma
Jyoti Prasad Bajpai
Jayant Narayan Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Suparas Bhandari

Directors

Place : Kanpur

Dated : 26th May, 2012

STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2012

₹/Lacs

	Note No.	2011-2012	2010-2011
INCOME			
Revenue From Operations	20	254678.83	209434.85
Other Income	21	4682.85	2991.33
TOTAL REVENUE		259361.68	212426.18
EXPENSES			
Cost of Materials Consumed	22	31216.57	27715.30
Purchases of Stock-in-Trade		50.03	46.08
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(688.37)	(1684.06)
Employee Benefits Expense	24	14044.31	12748.20
Finance Costs	25	14428.05	11850.94
Depreciation and Amortization Expense	26	12557.91	11273.34
Other Expenses	27	158392.67	142833.39
TOTAL EXPENSES		230001.17	204783.19
Profit before exceptional items and tax		29360.51	7642.99
Exceptional Item		781.90	(724.72)
Profit before Tax		28578.61	8367.71
Tax Expense:			
Current Tax		7033.34	1640.00
Less: MAT Credit entitlement		-	(1640.00)
Earlier Years Tax		1990.86	(546.79)
Deferred Tax		1821.00	2510.00
Profit for the Year		17733.41	6404.50
Earning per Equity share of ₹ 10/- each		25.36	9.16
Basic and Diluted (In ₹)			
Significant Accounting Policies			
Notes on Financial Statements	1-39		

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

Gaur Hari Singhania
Chairman

Yadupati Singhania
Managing Director and CEO

P.P.Singh
Partner

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

Ashok Sharma
Jyoti Prasad Bajpai
Jayant Narayan Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Suparas Bhandari

Directors

Shambhu Singh
Company Secretary

Place : Kanpur
Dated : 26th May, 2012

CASH FLOW STATEMENT for the year ended 31st March, 2012

₹/Lacs

	2011-2012	2010-2011
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit & Loss Account	28578.61	8377.71
Adjusted for :		
Depreciation	12557.91	11273.34
Deferred Revenue expenses	787.54	717.89
Interest	14066.32	11447.94
Interest received	(2957.19)	(1049.39)
Profit on sale of investments	-	(6.27)
Dividend Income	(25.34)	(37.34)
Loss on sale of assets	56.98	135.77
Loss on Exchange Rate Fluctuation	182.49	-
Profit on Sale of Land	- 24668.71	(5.22) 22476.72
Operating Profit before Working Capital Changes	53247.32	30854.43
Adjusted for :		
Trade & Other Receivables	1323.64	3841.67
Inventories	(4181.00)	(8342.99)
Trade Payable & Other Liabilities	8748.50 5891.14	5238.72 737.40
Cash Generated from Operations	59138.46	31591.83
Adjusted for :		
Tax Paid	(5337.45)	(1858.61)
Corporate Dividend Tax	(226.88)	(406.49)
Dividend paid	(1398.55)	(2447.45)
Deferred Revenue expenses	- (6962.88)	(1236.02) (5948.57)
Net cash from operating activities	52175.58	25643.26
B) CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition/Purchase of fixed assets including capital advances	(16410.81)	(29372.80)
Sale of fixed assets	135.61	728.68
Purchase of Investments	(14245.00)	(14465.00)
Sale of Investments	13745.00	14523.22
Dividend	25.34	-
Interest Income	2297.19	582.34
Net cash used in investing activities	(14452.67)	(28003.56)
C) CASH FLOW FROM FINANCING ACTIVITIES		
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	(4670.34)	(134.22)
Capital subsidy received	593.88	997.53
Deferred Sales Tax / VAT	592.64	(834.25)
Long Term Borrowings	4977.53	50230.53
Cash Credit Accounts	2292.25	(1.47)
Repayment of Long Term Borrowings	(18108.46)	(19900.00)
Interest Paid	(13924.40)	(11001.62)
Vehicle Loans	96.86	1544.65
Security Deposits	1550.69	-
Loss on Exchange Rate Fluctuation	(182.49)	-
Refund from Related Party	200.00	400.00
Net cash used in financing activities	(26581.84)	21301.15
Net increase in Cash and Cash Equivalents (a+b+c)	11141.07	18940.85
Opening balance of Cash and Cash Equivalents	32107.92	13167.07
Closing balance of Cash & Cash Equivalents	43248.99	32107.92

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

Gaur Hari Singhania
Chairman

Yadupati Singhania
Managing Director and CEO

P.P.Singh
Partner

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

Ashok Sharma
Jyoti Prasad Bajpai
Jayant Narayan Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Suparas Bhandari

Directors

Shambhu Singh
Company Secretary

Place : Kanpur
Dated : 26th May, 2012

NOTES on Financial Statements for the year ended 31st March, 2012

₹/Lacs

	As at 31-03-2012	As at 31-03-2011
1. SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of ₹10/- each	8000.00	8000.00
(8,00,00,000)		
	8000.00	8000.00
Issued, Subscribed & Paid Up		
6,99,27,250 Equity Shares of ₹ 10/- each fully paidup	6992.72	6992.72
(6,99,27,250)		
	6992.72	6992.72

1.1 The reconciliation of number of shares outstanding is set out below:

Nos.

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

1.2 Details of Shareholders holding more than 5% shares .

S.No.	Name of the share holder	Shares held on 31-03-12	% 31-03-12	Shares held on 31-03-11	% 31-03-11
1	Yadu International Ltd	22655100	32.40	22405100	32.04
2	Yadupati Singhania	13246086	18.94	12901398	18.45
3	Juggilal Kamlatpat Holding Ltd.	6950000	9.94	6819004	9.75

₹/Lacs

	As at 31-03-2012	As at 31-03-2011
2. RESERVES AND SURPLUS		
a) Capital Reserve		
Govt. Subsidy		
As per last Balance Sheet	8795.12	7797.59
Add: Received during the year	593.88	9389.00
		997.53
		8795.12
b) Securities Premium Reserve		
As per last Balance Sheet	25988.60	25988.60
c) Debenture Redemption Reserve		
As per last Balance Sheet	1132.50	-
Add : Transfer from Profit and Loss Account	1132.50	2265.00
		1132.50
d) Revaluation Reserve		
As per last Balance Sheet	25276.74	26524.27
Less : Deduction During the year	37.75	7.78
Less : Transfer to Profit and Loss Account	1229.34	24009.65
		1239.75
		25276.74
e) General Reserve		
As per last Balance Sheet	51540.05	50890.05
Add : Transfer from Profit and Loss Account	5000.00	56540.05
		650.00
		51540.05

NOTES on Financial Statements for the year ended 31st March, 2012

₹/Lacs

	As at 31-03-2012	As at 31-03-2011
f) Surplus		
As per last Balance Sheet	20178.33	17181.76
Balance in Statement of Profit and Loss	17733.41	6404.50
	37911.74	23586.26
Less: Appropriations		
Transfer to General Reserve	5000.00	650.00
Transfer to Debenture Redemption Reserve	1132.50	1132.50
Proposed Dividend on Equity Shares	3496.36	1398.55
Tax On Dividend	567.20	226.88
	10196.06	27715.68
	145907.98	132911.34

- 2.1** Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme, 2003. Government has released ₹ 9389.00 Lacs as interest subsidy for the period 1st December, 2004 to 31st December, 2011 including ₹ 593.88 Lacs during the year which has been accounted for as Capital Receipt based on expert advice.

₹/Lacs

	As at 31-03-2012	As at 31-03-2011
3. LONG TERM BORROWINGS		
a) Secured		
Non Convertible Debentures	40000.00	40000.00
Term Loan from Banks	52394.37	59537.32
Vehicle Loans	308.52	177.46
VAT Loans	1491.21	
	94194.10	99714.78
b) Unsecured		
Deferred Sales Tax Liability	5457.58	6121.28
	5457.58	6121.28
	99651.68	105836.06

3.1 Non Convertible Debentures(NcDs): ₹ 40000.00 Lacs(₹ 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 below in 3.2(i)(a)

3.2.1 (I) Term Loans related to Cement Plants at Rajasthan

a) From Consortium of Banks	:	₹ Nil	(₹ 6692.62 Lacs)
b) From other Banks	:	₹ 13522.61 Lacs	(₹ 13214.51 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,

NOTES on Financial Statements for the year ended 31st March, 2012

J.K. Cement Works, Muddapur, Karnataka and properties having exclusive charge of other lenders.

c) From Canara Bank : ₹ 2424.53 Lacs (₹ 3067.83 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.

3.2.1 (II) Term Loans related to Cement Plant at Karnataka

From Consortium of Banks: ₹ 43042.21 Lacs (₹ 49658.90 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.

3.2.1 (III) Term Loans related to the Properties: ₹ 5585.07 Lacs (₹ 5071.49 Lacs)

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

Maturity profile:

Non Convertible Debentures

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	₹/Lacs Total
SERIES A							
-at 10.25%			1800	1800	2700	2700	9000
-at 10.50%			1800	1800	2700	2700	9000
-at 11.00%			1400	1400	2100	2100	7000
SERIES B							
-at 11%	5300		1940	1940	2910	2910	15000
TOTAL NCD	5300		6940	6940	10410	10410	40000

3.2.2 Term Loans from Banks

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Loans	15026.29	13295.90	10484.29	10118.72	2618.72	850.45	52394.37

3.3 Vehicle Loans ₹ 616.65 lacs (₹. 519.79 lacs)

Secured by hypothecation of vehicles

Maturity profile of Vehicle Loan:

	2013-14	2014-15	Total
Principal	222.31	86.21	308.52

3.4 VAT Loan (Interest free) from Govt. of Karnataka: ₹ 1491.21 Lacs (₹ Nil)

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

Maturity profile: Payable after 2017 onwards.

3.5 Deferred Sales Tax Liability ₹ 6800.23 Lacs (₹ 7698.80 Lacs)

8% Unsecured Loan ₹ 1839.06 lacs (₹ 3291.98 lacs) granted by Government of Rajasthan payable in equitable monthly instalments upto July, 2013.

NOTES on Financial Statements for the year ended 31st March, 2012

₹ 520.63 lacs(₹ 645.24 lacs) Interest free deferred sales tax liability payable in quarterly equitable installment in next 5 years.

₹ 489.32 lacs(₹ 489.32 lacs) Interest free deferred sales tax liability payable in quarterly equitable instalment in 5 years from July,2013 onwards. The instalment amount is ₹ 24.47 lacs.

₹ 3951.22 lacs(₹ 3272.26 lacs): Interest free deferred sales-tax liability. The availment of said scheme is still continued. The payment after accumulation of said scheme will start w.e.f. July,2014 in quarterly equitable instalments in 5 years.

	As at 31-03-2012	As at 31-03-2011
4. DEFERRED TAX ASSETS AND LIABILITIES ARE AS UNDER: -		
(a) Deferred Tax Assets		
(i) Provision for Doubtful Debts	146.00	11.45
(ii) Expenses deductible on payment basis	2320.00	1751.99
(iii) Unabsorbed losses		1151.68
	2466.00	2915.12
(b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income-tax Act	25377.00	24005.12
(c) Net Deferred Tax Liabilities (b-a)	22911.00	21090.00

	As at 31-03-2012	As at 31-03-2011
5. OTHER LONG TERM LIABILITIES		
Security Deposits	7715.34	6164.65
	7715.34	6164.65

	As at 31-03-2012	As at 31-03-2011
6. LONG TERM PROVISIONS		
Provision for employees benefits	1013.83	911.06
Provision for Mines Restoration Charges	75.34	-
	1089.17	911.06

6.1 Provision for Mines Restoration charges:

	Provision during the year	Closing Balance
Opening Balance		
	75.34	75.34

NOTES on Financial Statements for the year ended 31st March, 2012

	As at 31-03-2012	As at 31-03-2011
7. SHORT TERM BORROWINGS		
Secured		
Loan from Banks	8282.71	5990.46
	8282.71	5990.46

7.1 Cash Credit Account: ₹ 8282.71 Lacs (₹ 5990.46 Lacs)

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders. (Second charge on immovable assets related to J.K. Cement Works, Muddapur, Karnataka is yet to be created).

	As at 31-03-2012	As at 31-03-2011
8. TRADE PAYABLES		
Micro, Small & Medium Enterprises	94.13	122.36
Other	18618.79	17401.39
Acceptance	4079.74	-
	22792.66	17523.75

8.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2012 as per the terms of Contract.

	As at 31-03-2012	As at 31-03-2011
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note No.3)	13830.83	20087.88
Interest Accrued but not due on borrowings	884.14	886.08
Investor Education & Protection Fund shall be credited by following		
- Unclaimed Dividend	85.20	80.84
- Unclaimed application money	2.15	2.15
- Unclaimed fraction Money	9.25	9.27
Temporary Book Overdraft	0.36	367.21
Other Liabilities	22698.41	17984.74
	37510.34	39418.17

9.1 Other payable includes the liability of employees, sales-tax/vat dues and rebates to customer etc.

	As at 31-03-2012	As at 31-03-2011
10. SHORT TERM PROVISIONS		
Provision for employees benefits	751.95	1801.63
Provision for Wealth Tax	18.00	0.06
Provision for Taxation (Net)	347.63	-
Proposed Dividend on Equity Shares	3496.36	1398.55
Tax on Dividend	567.20	226.88
	5181.14	3427.12

NOTES on Financial Statements for the year ended 31st March, 2012

11. FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
	As at	Additions	Deductions/	As at	For the	Deductions/	As at	As at
	01.04.2011		Adjustments	31.03.2012	Year	Adjustments	31.03.2012	31.03.2011
Tangible Assets								
Freehold Land	10451.15	2000.07	50.00	12401.22			12401.22	10451.15
Leasehold Land	2657.05	641.13		3298.18	159.27		2815.84	2333.98
Buildings	30076.75	2294.20		32370.95	781.09		28712.87	27199.76
Plant & Machinery	223902.13	9612.36	79.24	233378.63	11884.74	70.52	182096.51	184434.23
Railway Sidings	2014.66	343.13		2357.79	109.82		1986.84	1753.53
Rolling Stock	105.01			105.01	4.64		71.34	75.98
Furniture, Fixtures and Office Equipments.	1446.77	300.55	0.54	1746.78	99.45		1254.88	1054.32
Vehicles	1955.30	536.44	193.87	2297.87	191.31	79.39	1740.63	1509.98
Other Assets	181.24	215.26		396.50	173.19		107.75	65.68
	272790.06	15943.14	323.65	288352.93	13403.51	149.91	231187.88	228878.61
Intangible Assets								
Goodwill	742.70			742.70	74.27		191.87	266.14
Computer Softwares	920.39	8.75		929.14	309.47		202.14	502.86
	1663.09	8.75		1671.84	383.74		394.01	769.00
GRAND TOTAL	274453.15	15951.89	323.65	290024.77	13787.25	149.91	231581.89	229647.61
Previous year's figures	237670.50	37806.90	1016.47	274453.15	12513.09	157.23	44805.54	
Capital Work-in-progress							8504.56	9844.40
							240086.45	239492.01

11.1 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.

11.2 Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock had been revalued as on 4th November, 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 ₹ 1229.34 Lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

NOTES on Financial Statements for the year ended 31st March, 2012

12. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)

(₹/Lacs)

Name of the Bodies Corporate	As at 31-03-2012			As at 31-03-2011	
	Face Value	Units/ Shares	Book Value	Units/ Shares	Book Value
Others Investments					
A) Investments in Equity Instruments					
Unquoted fully paid up					
1. Subsidiary Companies					
- J. K. Cement (Fujairah) FZC.	AED1000	1000	123.69	1000	123.69
2. Joint Venture					
- Bander Coal Company Private Limited	₹ 10	375000	37.50	375000	37.50
3. Others					
- VS Lignite Power Private Limited	₹ 10	1444445	144.44	1444445	144.44
B) Investments in Preference Shares					
Unquoted					
0.01% cumulative redeemable Preference shares (Fully paid up) :					
- VS Lignite Power Private Limited	₹ 10	2785552	278.56	2785552	278.56
C) Investments in Mutual Funds					
Quoted					
- Fixed Matruirty Plan- IDBI	₹ 10	5000000	500.00	-	-
TOTAL		-	1084.19	-	584.19
Aggregate Market Value of Quoted Investments			503.25		Nil
Aggregate amount of Unquoted Investments			584.19		584.19

₹/Lacs

	As at 31-03-2012		As at 31-03-2011	
13. LONG TERM LOANS AND ADVANCES				
(Unsecured and Considered Good)				
Capital Advances		6558.33		4759.59
Deposits		1565.49		1128.25
Others		270.25		57.16
		8394.07		5945.00

₹/Lacs

	As at 31-03-2012		As at 31-03-2011	
14. OTHER NON CURRENT ASSETS				
Deferred Revenue Expenditure		-		787.54
		-		787.54

NOTES on Financial Statements for the year ended 31st March, 2012

14.1 Unamortised expenses on Mines Development/overburden removal shown as deferred revenue expenditure in earlier years has been charged in Profit and Loss Statement as exceptional item for ₹ 781.90 lacs and ₹ 5.64 lacs charged to raw material consumption during the year.

	₹/Lacs	
	As at 31-03-2012	As at 31-03-2011
15. INVENTORIES		
Raw Materials	5687.51	3430.19
Work-in-Process	4018.11	4237.10
Finished Goods	4046.16	3138.80
Stores, Spare parts etc.	19011.30	17047.77
Less: Provision	(16.76)	(3.36)
Goods-in-Transit	18994.54	17044.41
Raw Materials	462.09	-
Stores, Spare parts etc.	3074.55	4251.46
	36282.96	32101.96

15.1 Pursuant to the implementation of SAP ERP system in Oct, 2011 in Gotan, Rajasthan Plant's Inventory valuation method has been changed from annual weighted average to daily moving weighted average for items procured and monthly moving weighted average in case of material in process and finished goods.

	₹/Lacs	
	At at 31-03-2012	At at 31-03-2011
16. TRADE RECEIVABLES		
Trade Receivables over six months		
- Considered Good		
Secured	31.19	27.17
Unsecured	66.04	276.00
- Considered doubtful	404.31	66.46
Less: Provision for Doubtful Debts	404.31	66.46
Sub Total	97.23	303.17
Other Trade Receivables		
- Considered Good		
Secured	1952.22	1239.45
Unsecured	6322.83	4533.51
Sub Total	8275.05	5772.96
	8372.28	6076.13

	₹/Lacs	
	At at 31-03-2012	At at 31-03-2011
17. CASH & CASH EQUIVALENTS		
Balances with Banks in:		
- Current Accounts	6560.35	7240.10
- Unclaimed Dividend	87.34	82.99
- Fixed Deposits	36363.01	24598.63
Cheques and Drafts on hand	211.74	160.58
Cash on hand	26.55	25.62
	43248.99	32107.92

NOTES on Financial Statements for the year ended 31st March, 2012

17.1 Fixed Deposits with banks includes:

- (i) ₹ 1451.66 Lacs (₹ 3177.96 Lacs) with maturity more than 12 months.
- (ii) ₹ 5857.51 Lacs (₹ 7560.28 Lacs) tied up against overdraft/other commitments.

	₹/Lacs
	As at 31-03-2012
18. SHORT TERM LOANS & ADVANCES	As at 31-03-2011
(Unsecured Considered Good unless otherwise stated)	
Loans and advances to related parties (Refer Note No.33)	6356.13
Other Loan and Advances	
- Considered good	5598.58
- Doubtful	30.73
Taxation(Net of Provisions)	-
MAT Credit Entitlement	5012.11
Prepaid Expenses	469.21
Balances with Custom & Excise Departments	1976.22
Sub Total	19442.98
Less: Provision for doubtful advances	30.73
	19412.25
	22589.79

18.1 Disclosures pursuant to clause 32 of the Listing Agreement.

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

	Outstanding Balance	Maximum balance During the year 2011-12
	31-03-12	31-03-11
J.K.Cement (Fujairah)FZC	5456.13	785.79
		5456.13

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

	₹/Lacs
	As at 31-03-2012
19. OTHER CURRENT ASSETS	As at 31-03-2011
(Unsecured Considered Good)	
Interest Accrued on Deposit	951.68
Others	201.87
	1153.55
	580.79

	₹/Lacs
	2011-12
20. REVENUE FROM OPERATIONS	2010-11
a) Sale of Products	288351.37
Less : Excise Duty	34566.43
	253784.94
	208307.63

NOTES on Financial Statements for the year ended 31st March, 2012

₹/Lacs

	2011-12	2010-11
20. REVENUE FROM OPERATIONS (Contd.)		
(b) Other Operating Revenues		
Claims Realised	313.55	459.12
Sale of Carbon Credit	168.81	363.78
Other Operating Income	411.53	304.32
	893.89	1127.22
	254678.83	209434.85

₹/Lacs

	2011-12	2010-11
21. OTHER INCOME		
Interest received	2957.19	1049.39
Net Gain on Sale of Current Investments	-	6.27
Dividend on Current Investments	25.34	37.34
Other non operating income	1700.32	1898.33
	4682.85	2991.33

₹/Lacs

	2011-12	2010-11
22. COST OF MATERIAL CONSUMED		
Cost of Raw Materials Consumed	31216.57	27715.30
	31216.57	27715.30

22.1. Particulars of Material consumed:

Name of Materials		
Lime Stone	11106.42	8580.40
Red Ochre	1655.04	1368.12
Pozzolana	102.09	214.15
Gypsum/Selenite	3711.54	3985.88
Clay	559.09	612.95
Fly Ash	5751.68	4806.69
Others	8330.71	8147.10
TOTAL	31216.57	27715.30

₹/Lacs

	2011-12	2010-11
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Finished Goods/Stock-in-Trade	3138.80	1644.45
Goods in Process	4237.10	4047.39
Sub Total	7375.90	5691.84

NOTES on Financial Statements for the year ended 31st March, 2012

₹/Lacs

	2011-12	2010-11
23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Contd.)		
Closing Stock:		
Finished Goods/Stock-in-Trade	4046.16	3138.80
Goods in Process	4018.11	4237.10
Sub Total	8064.27	7375.90
TOTAL	(688.37)	(1684.06)

₹/Lacs

	2011-2012	2010-2011
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	11600.28	9516.37
Contribution to Provident and Other funds	1348.12	2232.81
Welfare Expenses	1095.91	999.02
	14044.31	12748.20

24.1 Disclosure in term of AS-15 are as under:-

a) Defined contribution plan

Contribution to defined contribution plan recognised as expenses for the year 2011-12 are as under

₹ in Lacs

Employer's contribution to Provident Fund	456.27
Employer's contribution to Superannuation Fund	407.33
Employer's contribution to Family Pension Fund	188.38

b) Defined benefit plan

The Employees Gratuity Fund Scheme managed by a Trust is a defined benefit Plan.

The present value of obligation is determined based on actuarial valuation using the projected unit credit method. The obligation for leave encashment is recognised in the same manner as gratuity.

₹/Lacs

		Gratuity Funded		Leave encashment Unfunded	
		2011-12	2010-11	2011-12	2010-11
I	EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED				
1	Current Service Cost	206.34	111.18	197.34	207.85
2	Interest Cost	323.20	197.19	69.03	58.09
3	Expected return on plan assets	-302.38	-203.60	-	-
4	Past Service Cost		1177.80	-	
5	Net Actuarial(Gains)/Losses	-74.02	87.04	-85.17	-112.00
	Total expenses	153.14	1369.61	181.20	153.94
II	NET ASSET/(LIABILITY) RECOGNISED IN THE BALANCE SHEET AS AT 31.03.2012				
1	Present value of Defined Benefit Obligation	4329.21	4132.10	1004.60	902.41
2	Fair value of plan assets	4178.81	2768.83	-	-
3	Funded status[Surplus/(Deficit)]	-150.40	-1363.28	-1004.60	-902.41
4	Net asset/(Liability)	-150.40	-1363.28	-1004.60	-902.41

NOTES on Financial Statements for the year ended 31st March, 2012

₹/Lacs

		Gratuity Funded		Leave encashment Unfunded	
		2011-12	2010-11	2011-12	2010-11
III	CHANGE IN OBLIGATION DURING THE YEAR ENDED				
1	Present value of Defined Benefit Obligation at beginning of the year	4132.11	2699.41	902.41	800.67
2	Current Service Cost	206.34	111.18	197.34	207.85
3	Interest Cost	323.20	197.19	69.03	58.09
4	Plan amendment cost	-	1177.80	-	-
5	Actuarial(Gains)/Losses	-148.33	87.04	-85.17	-112.00
6	Benefits Payments	-184.11	-140.51	-79.01	-52.20
7	Present value of Defined Benefit Obligation at the end of the year.	4329.21	4132.11	1004.60	902.41
IV	CHANGE IN ASSETS DURING THE YEAR ENDED				
1	Plan assets at the beginning of the year	2768.83	2524.76	-	-
2	Expected return on plan assets	302.38	203.60	-	-
3	Contributions by Employer	1366.02	180.98	79.01	52.20
4	Actual benefits paid	-184.11	-140.51	-79.01	-52.20
5	Actuarial Gains/(Losses)	-74.31	-	-	-
6	Plan assets at the end of the year	4178.81	2768.83	-	-
V	ACTUARIAL ASSUMPTIONS				
1	Discount Rate	8.50%	8.00%	8.50%	8.00%
2	Expected rate of return on plan assets	8.50%	8.00%	-	-
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% of all ages	5% of all ages
	Worker	1% of all ages	1% of all ages	1% of all ages	1% of all ages
5	Salary escalator	10%	10%	10%	10%
6	Maximum limit	₹ 10,00,000/-	-	-	-

₹/Lacs

	2011-2012	2010-2011
25. FINANCE COST		
Interest Expenses	13922.46	11447.94
Interest on Income Tax	143.86	-
Other Borrowing Cost	264.49	315.78
Net loss on foreign currency transactions and translation	97.24	87.22
	14428.05	11850.94

NOTES on Financial Statements for the year ended 31st March, 2012

₹/Lacs

	2011-2012	2010-2011
26. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	13787.25	12513.09
Less: Transfer from Revaluation Reserve (Refer Note No 11.2)	1229.34	1239.75
	12557.91	11273.34

₹/Lacs

	2011-2012	2010-2011
27. OTHER EXPENSES		
a) Manufacturing Expenses		
Stores and Spares Consumed	7366.05	6817.25
Packing Materials Consumed	11036.44	9441.63
Power and Fuel	65473.63	55433.30
Repairs To:		
Plant & Machinery	3998.08	4075.86
Buildings	1014.47	826.46
Insurance	358.82	332.97
Excise Duty	183.22	206.87
	89430.71	77134.34
b) Administration and Other Expenses		
Rent	738.47	597.54
Lease Rent	9.08	2.05
Rates and Taxes	1338.56	517.68
Travelling and Conveyance Expenses	1318.03	1194.17
Provision for Doubtful Debts/Advances	341.52	35.29
Debts and Advances written off	34.08	0.66
Loss on disposal of Fixed Assets (Net)	56.98	130.56
Expenses relating to Earlier Years	5.96	(7.50)
Loss on Exchange Rate Fluctuations	182.49	(24.52)
Loss on Forward Transactions	-	71.72
Miscellaneous Expenses	5779.94	6463.55
	9805.11	8981.20
c) Selling and Distribution Expenses		
Advertisement and Publicity	3706.37	3038.27
Selling Expenses	6460.74	5344.56
Freight and Handling Outward	48810.20	48218.09
Sales Tax/VAT	179.54	116.93
	59156.85	56717.85
	158392.67	142833.39

NOTES on Financial Statements for the year ended 31st March, 2012

28.1 Value of Raw Materials, Stores & Spare Parts Etc. Consumed

		₹/Lacs
	2011-12	2010-11
a) Raw Materials		
i) Imported Value	6332.13	4629.07
% of total consumption	20.28%	16.70%
ii) Indigenous value	24884.44	23086.23
% of total consumption	79.72%	83.30%
	31216.57	27715.30
b) Stores & Spare Parts etc. (including packing material)		
i) Imported Value	78.58	1608.44
% of total consumption	0.43%	9.89%
ii) Indigenous value	18323.91	14650.44
% of total consumption	99.57%	90.11%
	18402.49	16258.88

28.2 Value of Imports on C.I.F. Basis

		₹/Lacs
	2011-12	2010-11
a) Raw Materials	6226.32	4900.84
b) Components, Stores & Spare Parts and Packing Material	6634.55	2463.37
c) Capital Goods	-	537.89
	12860.87	7902.10

28.3 Payment to Auditors

		₹/Lacs
	2011-12	2010-11
a) Audit Fee	24.00	20.00
b) Certification and attestation fees	2.32	2.30
c) Reimbursement of Out of Pocket expenses	1.41	1.02
	27.73	23.32

28.4 Expenditure In Foreign Currency (On Accrual Basis)

		₹/Lacs
	2011-12	2010-11
a) Knowhow/Technical Service Fee	125.65	63.38
b) Others	76.30	154.40
	201.95	217.78

NOTES on Financial Statements for the year ended 31st March, 2012

		₹/Lacs
	2011-12	2010-11
29 EARNING IN FOREIGN CURRENCY		
Export of Goods calculated on FOB value	2734.84	1899.31

		₹/Lacs
	2011-12	2010-11
30 REMITTANCE IN FOREIGN CURRENCY		
Dividend	0.65	1.14

31 UNHEDGED FOREIGN CURRENCY EXPOSURE

Export Debtors: (US \$728956.63): ₹ 367.23 lacs (Previous Year US\$649484.24 : ₹ 287.26 lacs)

		₹/Lacs
	2011-12	2010-11
32 EARNING PER SHARE (EPS)		
a) Net Profit available for Equity Share holders (Numerator used for calculation)	17331.41	6404.50
b) Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
c) Basic and Diluted earnings per share of ₹ 10/-	25.36	9.16

33 RELATED PARTIES DISCLOSURES

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

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

(b) Key Management Personnel & their Relatives

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

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

- i) Jaykay Enterprises Ltd
- ii) J.K. Cotton Spg. & Wvg. Mills Co.Ltd.
- iii) Jaykaycem (Eastern) Ltd
- iv) Jaykaycem(Central) Ltd

(d) Subsidiary Companies

- i) J.K. Cement (Fujairah) FZC (Holding company of (ii) below)
- ii) J.K. Cement Works(Fujairah) FZC

(e) Joint Venture

- i) Bander Coal Company (P) Ltd

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

NOTES on Financial Statements for the year ended 31st March, 2012

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
	2011-12	2010-11
(i) Jaykay Enterprises Ltd		
- Services received	46.32	36.40
- Rent paid	48.66	48.61
- Expenses Reimbursed	86.26	85.54
- Loan given:		
Balance as at beginning	1100.00	1500.00
Payment received	200.00	400.00
Balance as at close of the year	900.00	1100.00
(ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd		
- Rent paid	18.47	5.29
- Purchases	3.03	1.09
- Sale of Products	3.71	1.54
- Electricity charges	0.26	-
- Other charges	0.12	-
(iii) J.K. Cement(Fujairah) FZC		
Loan given:		
Balance as at beginning	785.79	651.57
Paid during the year	4670.34	134.22
Balance as at close of the year	5456.13	785.79
(iv) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania(Managing Director)	1058.10	415.58
- Remuneration		
b) Dr Gaur Hari Singhania(Relative)		
- Commission	50.00	25.00
-Sitting Fees	1.60	2.30
(v) Bander Coal Company (P) Ltd		
Advance given		
Balance as at beginning	-	12.71
Amount adjusted	-	12.71
Balance as at close of the year	-	-
(vi) Jaykaycem (Eastern) Ltd		
Loan given during the year	-	1.00
Amount recovered	-	1.00
Balance as at close of the year	-	-
(vii) Jaykaycem (Central) Ltd		
Loan given during the year	-	7.75
Amount recovered	-	7.75
Balance as at close of the year	-	-

34 DISCLOSURE OF COMPANY'S INTEREST IN JOINT VENTURE.

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

NOTES on Financial Statements for the year ended 31st March, 2012

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 31.03.2012.

		₹/Lacs
Sl. No.	Particulars	Bander Coal Company Pvt. Ltd
	% Share held	37.5%
a)	Assets	36.52
b)	Liabilities	0.04
c)	Income	2.25
d)	Expenses	1.97

35 Board of Directors have proposed dividend of ₹ 5 Per equity share of face value of ₹ 10/- each.

36 The Company is engaged only in Cement business and there are no separate reportable segment as per AS-17.

37 CONTINGENT LIABILITIES AND COMMITMENTS.

		₹/ Lacs	
1. (A) Contingent Liabilities		As at 31-03-2012	As at 31-03-2011
(i)	In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	2737.45	3414.16
(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	1334.95	1229.67
b)	Custom duty	176.28	176.28
c)	Sales tax	4153.10	2277.55
d)	Service tax	890.17	1085.42
e)	Income tax	-	1679.70
(iii)	In respect of interest on "Cement Retention Price" realised in earlier years	1129.16	1108.78
(iv)	In respect of Corporate Guarantee given in favour of Joint Venture Company & others	952.89	952.89
(B) Commitment			
i)	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital accounts and not provided for	1580.00	695.32
ii)	Other Commitments		
	In respect of purchase of Raw Materials	347.00	-

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

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

SIGNIFICANT ACCOUNTING POLICIES

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.

3. FIXED ASSETS

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

4. DEPRECIATION AND AMORTISATION

I) Tangible Assets

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

II) Intangible Assets

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

5. IMPAIRMENT OF ASSETS

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

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

6. GOVERNMENT SUBSIDIES

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

7. INVESTMENTS

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

8. INVENTORIES

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

9. SALES

Sale of goods is recognized at the point of sale to customer. Sale includes excise duty. In order to comply with the accounting interpretation (ASI-14) issued by the Institute of Chartered Accountants

NOTES on Financial Statements for the year ended 31st March, 2012

of India, sales(including excise duty) and net sales(excluding excise duty) is disclosed in Profit & Loss Account.

10. BORROWING COST

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

11. RETIREMENT BENEFITS

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

12. FOREIGN EXCHANGE TRANSACTIONS

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

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

13. PROVISION FOR CURRENT AND DEFERRED TAX

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

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

14. MINES RESTORATION EXPENDITURE

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

15. OPERATING LEASES

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

16. PROVISION/CONTINGENCY

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

FINANCIAL DETAILS of Subsidiary Companies

Standalone Financials

FINANCIAL DETAILS OF SUBSIDIARY COMPANIES

Name of the Subsidiary Company	Closing Exchange Rate adopted is on 31st December, 2011 ₹/AED	Capital	Reserves	Total Assets	Total Liabilities	Investment (Included in Total Assets)	Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend
J.K.Cement (Fujairah) FZC	14.4603	144.60	(89.65)	1,226.93	1,171.98	130.14	-	(17.72)	-	(17.72)	-
J.K.Cement Works (Fujairah) FZC	14.4603	144.60	(626.85)	682.69	1,164.94	-	-	(258.41)	-	(258.41)	-

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.
2. The Company has consolidated the financial statements of its subsidiary as per Accounting Standard (AS)-21 "Consolidated Financial Statements" issued by the "Institute of the Chartered Accountants of India".

Place : KANPUR

Dated : 26th May, 2012

AUDITORS' REPORT

To the Board of Directors of J.K. Cement Limited on the Consolidated Financial Statements of J.K. Cement Limited, Its Subsidiaries and A Joint Venture Company

1. We have examined the attached Consolidated Balance Sheet of J.K. Cement Limited, its subsidiaries and a joint venture company which together constitute 'the Group', as at 31st March, 2012, the Consolidated statement of Profit and Loss 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 ₹ 773.16 Lacs, total expenses of ₹ 278.53 Lacs and net cash flows amounting to ₹ 35.53 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, its Subsidiaries and a Joint Venture Company included in the Consolidated Financial Statements.
5. Based on our audit as aforesaid, and on consideration of reports of other auditor's on separate financial statements and on the other financial information of the components and to the best of our information 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 31.03.2012
 - (b) In the case of the Consolidated statement of Profit and Loss, of the Profit 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 : 26th May, 2012

(P.P.Singh)
PARTNER
 Membership No.072754

CONSOLIDATED BALANCE SHEET as at 31st March, 2012

₹/Lacs

	Note No.	As at 31-03-2012	As at 31-03-2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	6992.72	6992.72
Reserves and Surplus	2	145216.46	132497.95
		152209.18	139490.67
Non Current Liabilities			
Long Term Borrowing	3	99672.36	105836.06
Deferred Tax Liability (Net)	4	22910.50	21089.42
Other Long Term Liabilities	5	7715.34	6164.65
Long Term Provisions	6	1108.00	920.36
		131406.20	134010.49
Current Liabilities			
Short term Borrowings	7	8405.62	5990.46
Trade Paybles	8	22860.91	17527.09
Other Current Liabilities	9	37524.76	39419.11
Short Term Provisions	10	5190.52	3430.50
		73981.81	66367.16
TOTAL		357597.19	339868.32
ASSETS			
Non Current Assets			
Fixed Assets	11		
Tangible Assets		231266.74	228908.10
Intangible Assets		394.00	769.00
Capital Work-in-Progress		9041.14	10277.88
Intangible Assets under Development		6.67	5.40
Non-Current Investments	12	923.00	423.00
Long Term Loans and Advances	13	8442.08	5945.00
Other Non Current Assets	14	-	787.54
		250073.63	247115.92
Current Assets			
Inventories	15	36282.96	32101.96
Trade Receivables	16	8372.28	6076.13
Cash and Cash Equivalents	17	43321.79	32145.19
Short Term Loans and Advances	18	18392.76	21848.16
Other Current Assets	19	1153.77	580.96
		107523.56	92752.40
TOTAL		357597.19	339868.32
Significant Accounting Policies			
Notes on Financial Statements	1-34		

As per our Report attached

For P.L.Tandon and Co.,
Chartered AccountantsGaur Hari Singhania
ChairmanYadupati Singhania
Managing Director and CEOP.P.Singh
PartnerA.K. Saraogi
President (Corp.Affairs) & CFOShambhu Singh
Company SecretaryAshok Sharma
Jyoti Prasad Bajpai
Jayant Narayan Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Suparas Bhandari

Directors

Place : Kanpur

Dated : 26th May/2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2012

₹/Lacs

	Note No.	2011-2012	2010-2011
INCOME			
Revenue From Operations	20	254678.83	209434.85
Other Income	21	4685.54	2993.10
TOTAL REVENUE		259364.37	212427.95
EXPENSES			
Cost of Materials Consumed	22	31216.57	27715.30
Purchase of Stock-in-Trade		50.03	46.08
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(688.37)	(1684.06)
Employee Benefits Expense	24	14158.41	12816.78
Finance Costs	25	14429.92	11853.82
Depreciation and Amortization Expense	26	12561.97	11276.46
Other Expenses	27	158551.17	142903.63
TOTAL EXPENSES		230279.70	204928.01
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		29084.67	7499.94
Exceptional Item		781.90	(724.72)
PROFIT BEFORE TAX		28302.77	8224.66
Tax Expense:			
Current Tax		7033.39	1640.00
Less: MAT Credit entitlement		-	(1640.00)
Earlier Years Tax		1990.86	(546.79)
Deferred Tax		1821.09	2509.62
PROFIT FOR THE YEAR		17457.43	6261.83
Earning per Equity share of ₹ 10/- each.		24.97	8.96
Basic and Diluted (In ₹)			
Significant Accounting Policies			
Notes on Financial Statements	1-34		

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

Gaur Hari Singhania
Chairman

Yadupati Singhania
Managing Director and CEO

P.P.Singh
Partner

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

Ashok Sharma
Jyoti Prasad Bajpai
Jayant Narayan Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Suparas Bhandari

Directors

Shambhu Singh
Company Secretary

Place : Kanpur
Dated : 26th May'2012

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March, 2012

₹/Lacs

	2011-2012	2010-2011
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit & Loss Account	28302.76	8234.64
Adjusted for :		
Depreciation	12561.97	11276.46
Deferred Revenue expenses	787.54	717.89
Interest	14068.19	11447.94
Interest received	(2959.88)	(1051.16)
Profit on sale of investments	-	(6.27)
Dividend Income	(25.34)	(37.34)
Loss on sale of assets	56.98	144.61
Loss on Exchange Rate Fluctuation	182.49	-
Profit on Sale of Land	-	22486.91
Operating Profit before Working Capital Changes	24671.95	30721.55
Adjusted for :	52974.71	
Trade & Other Receivables	1315.02	3845.00
Inventories	(4181.00)	(8342.99)
Trade Payable & Other Liabilities	8833.33	5233.96
Cash Generated from Operations	5967.35	735.97
Adjusted for :	58942.06	31457.52
Tax Paid	(5337.45)	(1858.79)
Corporate Dividend Tax	(226.88)	(406.49)
Dividend paid	(1398.55)	(2447.45)
Deferred Revenue expenses	-	(1236.02)
Net cash from operating activities	(6962.88)	(5948.75)
B) CASH FLOW USED IN INVESTING ACTIVITIES	51979.18	25508.77
Acquisition/Purchase of fixed assets including capital advances	(16615.34)	(29397.99)
Sale of fixed assets	135.61	728.68
Purchase of Investments	(14245.00)	(14465.00)
Sale of Investments	13745.00	14523.22
Exchange Rate Fluctuation Reserve on Conversion	(3.49)	41.69
Dividend	25.34	-
Interest Income	2299.83	584.37
Net cash used in investing activities	(14658.05)	(27985.03)
C) CASH FLOW FROM FINANCING ACTIVITIES		
J.K. Cement (Fujairah) FZC [Wholly Owned Subsidiary]	(4383.85)	(23.56)
Capital subsidy received	593.88	997.53
Deferred Sales Tax / VAT	592.64	(834.25)
Long Term Borrowings	5100.44	50230.53
Cash Credit Accounts	2292.25	(1.47)
Repayment of Long Term Borrowings	(18108.46)	(19900.00)
Interest Paid	(13926.27)	(11001.62)
Vehicle Loans	126.64	1544.65
Security Deposits	1550.69	-
Loss on Exchange Rate Fluctuation	(182.49)	-
Refund from Related Party	200.00	400.00
Net cash used in financing activities	(26144.53)	21411.81
Net increase in Cash and Cash Equivalents (a+b+c)	11176.60	18935.55
Opening balance of Cash and Cash Equivalents	32145.19	13209.64
Closing balance of Cash & Cash Equivalents	43321.79	32145.19

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

P.P.Singh
Partner

Gaur Hari Singhania
Chairman

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

Shambhu Singh
Company Secretary

Yadupati Singhania
Managing Director and CEO

Ashok Sharma
Jyoti Prasad Bajpai
Jayant Narayan Godbole
Krishna Behari Agarwal
Kailash Nath Khandelwal
Suparas Bhandari

Directors

Place : Kanpur
Dated : 26th May/2012

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

	₹/Lacs	
	As at 31-03-2012	As at 31-03-2011
1. SHARE CAPITAL		
Authorised		
8,00,00,000 Equity Shares of ₹ 10/- each (8,00,00,000)	8000.00	8000.00
	8000.00	8000.00
Issued, Subscribed And Paid Up		
6,99,27,250 Equity Shares of ₹ 10/- each fully paidup (6,99,27,250)	6992.72	6992.72
	6992.72	6992.72

1.1 The reconciliation of number of shares outstanding is set out below:

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

1.2 Details of Shareholders holding more than 5% shares .

S.No.	Name of the share holder	Shares held on 31-03-12	% 31-03-12	Shares held on 31-03-11	% 31-03-11
1	Yadu International Ltd	22655100	32.40	22405100	32.04
2	Yadupati Singhania	13246086	18.94	12901398	18.45
3	Juggilal Kamlatpat Holding Ltd.	6950000	9.94	6819004	9.75

	₹/Lacs	
	As at 31-03-2012	As at 31-03-2011
2. RESERVES AND SURPLUS		
a) Capital Reserve		
Govt. Subsidy		
As per last Balance Sheet	8795.12	7797.59
Add: Received during the year	593.88	9389.00
		997.53
b) Securities Premium Reserve		
As per last Balance Sheet	25988.60	25988.60
c) Debenture Redemption Reserve		
As per last Balance Sheet	1132.50	
Add : Transfer from Profit and Loss Account	1132.50	2265.00
		1132.50
d) Revaluation Reserve		
As per last Balance Sheet	25276.74	26524.27
Less : Deduction During the year	37.75	7.78
Less : Transfer to Profit and Loss Account	1229.34	24009.65
		1239.75
e) General Reserve		
As per last Balance Sheet	51540.05	50890.05
Add : Transfer from Profit and Loss Account	5000.00	56540.05
		650.00
		51540.05

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

₹/Lacs

	As at		As at	
	31-03-2012		31-03-2011	
f) Foreign Currency Translation Reserve				
As per last Balance Sheet	(40.73)		(18.69)	
Adjustment during the year	(2.15)	(42.88)	(22.04)	(40.73)
g) Surplus				
As per last Balance Sheet	19805.67		16951.77	
Balance in Statement of Profit and Loss	17457.43		6261.83	
	37263.10		23213.60	
Less: Appropriations				
Transfer to General Reserve	5000.00		650.00	
Transfer to Debenture Redemption Reserve	1132.50		1132.50	
Proposed Dividend on Equity Shares	3496.36		1398.55	
Tax on Dividend	567.20		226.88	
	10196.06	27067.04	3407.93	19805.67
	145216.46		132497.95	

2.1 Government of Rajasthan has issued an entitlement certificate by which the Company is entitled for interest subsidy under Rajasthan Investment Promotion Scheme, 2003. Government has released ₹ 9389.00 lacs as interest subsidy for the period 1st Dec. 2004 to 31st December, 2011 including ₹ 593.88 Lacs during the year which has been accounted for as Capital Receipt based on expert advice.

₹/Lacs

	As at		As at	
	31-03-2012		31-03-2011	
3. LONG TERM BORROWINGS				
a) Secured				
Non Convertible Debentures	40000.00		40000.00	
Term Loan from Banks	52394.37		59537.32	
Vehicle Loans	329.20		177.46	
VAT Loans	1491.21		-	
	94214.78		99714.78	
b) Unsecured				
Deferred Sales Tax Liability	5457.58		6121.28	
	5457.58		6121.28	
	99672.36		105836.06	

3.1 Non Convertible Debentures (NCDs): ₹ 40000.00 Lacs (₹ 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 below in 3.2(i)

3.2.1 (I) Term Loans related to Cement Plants at Rajasthan

a) From Consortium of Banks	: ₹ Nil	(₹ 6692.62 lacs)
b) From other Banks	: ₹ 13522.61 lacs	(₹ 13214.51 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.

c) From Canara Bank	: ₹ 2424.53 lacs	(₹ 3067.83 lacs)
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Secured by equitable mortgage of immovable properties and hypothecation of movable assets pertaining to undertaking of J.K. Cement Works, Gotan except current assets and vehicles.

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

3.2.1 (II) Term Loans related to Cement Plant at Karnataka

From Consortium of Banks: ₹ 43042.21 lacs (₹ 49658.90 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.

3.2.1 (III) Term Loans related to the Properties:

From Consortium of Banks: ₹ 5585.07 lacs (₹ 5071.49 lacs)

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

Maturity profile:

Non Convertible Debentures

	₹/Lacs						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
SERIES A	-	-	-	-	-	-	-
-at 10.25%	-	-	1800	1800	2700	2700	9000
-at 10.50%	-	-	1800	1800	2700	2700	9000
-at 11.00%	-	-	1400	1400	2100	2100	7000
SERIES B	-	-	-	-	-	-	-
-at 11%	5300	-	1940	1940	2910	2910	15000
TOTAL NCD	5300	-	6940	6940	10410	10410	40000

3.2.2 Term Loans from Banks

	₹/Lacs						
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Loans	15026.29	13295.90	10484.29	10118.72	2618.72	850.45	52394.37

3.3 Vehicle Loans

Secured by hypothecation of vehicles : ₹ 646.43 Lacs ₹ 519.79 Lacs

Maturity profile of Vehicle Loan

	₹/Lacs		
	2013-14	2014-15	Total
Principal	233.60	95.60	329.20

3.4 VAT Loan(Interest free) from Govt. of Karnataka: ₹ 1491.21Lacs (₹ Nil)

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

Maturity profile: Payable after 2017 onwards.

3.5 Deferred Sales Tax Liability ₹ 6800.23 Lacs (₹ 7698.80 Lacs)

8% Unsecured Loan ₹ 1839.06 Lacs(₹ 3291.98 Lacs) granted by Government of Rajasthan payable in equitable monthly instalments upto July, 2013.

₹ 520.63 Lacs (₹ 645.24 Lacs) Interest free deferred sales tax liability payable in quarterly equitable instalment in next 5 years.

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

₹ 489.32 Lacs(₹ 489.32) Lacs Interest free deferred sales tax liability payable in quarterly equitable instalment in 5 years from July,2013 onwards. The instalment amount is ₹ 24.47 Lacs.

₹ 3951.22 Lacs(₹ 3272.26 Lacs): Interest free deferred sales-tax liability. The avilment of said scheme is still continued. The payment after accumulation of said scheme will start w.e.f. July,2014 in quarterly equitable instalments in 5 years.

	As at 31-03-2012	As at 31-03-2011
4 DEFERRED TAX ASSETS AND LIABILITIES ARE AS UNDER: -		
(a) Deferred Tax Assets		
(i) Provision for Doubtful Debts	146.00	11.45
(ii) Expenses deductible on payment basis	2320.10	1751.99
(iii) Unabsorbed losses	0.40	1151.86
	2466.50	2915.30
(b) Deferred Tax Liabilities		
Difference between book depreciation and Depreciation under Income-tax Act	25377.00	24004.72
(c) Net Deferred Tax Liabilities (b-a)	22910.50	21089.42

	As at 31-03-2012	As at 31-03-2011
5. OTHER LONG TERM LIABILITIES		
Security Deposits	7715.34	6164.65
	7715.34	6164.65

	As at 31-03-2012	As at 31-03-2011
6. LONG TERM PROVISIONS		
Provision for Employees Benefits	1032.66	920.36
Provision for Mines Restoration Charges	75.34	-
	1108.00	920.36

6.1 Provision for Mines Restoration charges:

	₹ in Lacs
Opening Balance	Closing Balance
	75.34
Provision during the year	75.34

	As at 31-03-2012	As at 31-03-2011
7. SHORT TERM BORROWINGS		
Secured		
Loan from Banks	8282.71	5990.46
	8282.71	5990.46
Unsecured		
Other Loan and Advances	122.91	-
	122.91	-
	8405.62	5990.46

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

7.1 Cash Credit Account: ₹ 8282.71 Lacs (₹ 5990.46 Lacs)

Cash credit accounts are secured by first charge on current assets of the Company namely inventories, book debts, etc. and second charge on fixed assets of the Company except the fixed assets pertaining to J.K. Cement Works, Gotan and the assets having exclusive charge of other lenders. (Second charge on immovable assets related to J.K. Cement Works, Muddapur, Karnataka is yet to be created)

₹/Lacs

	As at 31-03-2012		As at 31-03-2011	
8. TRADE PAYABLES				
Micro, Small and Medium Enterprises	94.13		122.36	
Other Trade Payables	18687.04	18781.17	17404.73	17527.09
Acceptance		4079.74		
	22860.91		17527.09	

8.1 Based on the information available with the Company regarding the status of suppliers as defined under MSMED Act, 2006, there was no principal amount overdue and no interest was payable to the Micro, Small and Medium Enterprises on 31st March, 2012 as per the terms of Contract.

₹/Lacs

	As at 31-03-2012		As at 31-03-2011	
9. OTHER CURRENT LIABILITIES				
Current maturities of long-term debt (Refer note no. 3)	13839.93		20087.88	
Interest Accrued but not due on Borrowings	884.14		886.08	
Investor Education and Protection Fund shall be credited by following				
- Unclaimed Dividend	85.20		80.84	
- Unclaimed application money	2.15		2.15	
- Unclaimed fraction Money	9.25	96.60	9.27	92.26
Temporary Book Overdraft	0.36		367.21	
Other Liabilities	22703.73		17985.68	
	37524.76		39419.11	

9.1 Other liabilities includes the liability of employees, sales-tax/vat dues and rebates to customer etc.

₹/Lacs

	As at 31-03-2012		As at 31-03-2011	
10. SHORT TERM PROVISIONS				
Provision for employee benefits	761.33		1805.01	
Provision for Wealth Tax	18.00		0.06	
Provision for Taxation (Net)	347.63		-	
Proposed Dividend on Equity Shares	3496.36		1398.55	
Tax on Dividend	567.20		226.88	
	5190.52		3430.50	

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

11. FIXED ASSETS

(₹/Lacs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK				
	As at 01.04.2011	Additions	Deductions/ Adjustments	Revaluation	As at 31.03.2012	As at 01.04.2011	For the Year	Deductions/ Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
TANGIBLE ASSETS											
Freehold Land	10451.15	2000.07	50.00		12401.22					12401.22	10451.15
Leasehold Land	2657.05	641.13			3298.18	323.08	159.27		482.35	2815.83	2333.97
Factory Buildings	30076.75	2294.20			32370.95	2876.98	781.09		3658.07	28712.88	27199.77
Plant & Machinery	223903.27	9616.36	79.24	(56.62)	233383.77	39468.20	11885.01	70.52	51282.69	182101.08	184435.05
Railway Sidings	2014.66	343.13			2357.79	261.15	109.82		370.97	1986.82	1753.51
Rolling Stock	105.01				105.01	29.03	4.64		33.67	71.34	75.98
Furniture, Fixtures and Office	1463.44	312.74	0.54		1775.64	394.60	100.67		495.27	1280.37	1068.84
Equipments.											
Vehicles	1973.04	573.66	193.87		2352.83	448.89	193.89	79.39	563.39	1789.44	1524.15
Other Assets	181.24	215.26			396.50	115.55	173.19		288.74	107.76	65.69
	272825.61	15996.55	323.65	(56.62)	288441.89	43917.48	13407.58	149.91	57175.15	231266.74	228908.10
INTANGIBLE ASSETS											
Goodwill	742.70				742.70	476.57	74.27		550.84	191.86	266.13
Computer Softwares	920.38	8.75			929.13	417.53	309.46		726.99	202.14	502.87
	1663.08	8.75			1671.83	894.10	383.73		1277.83	394.00	769.00
GRAND TOTAL	274488.69	16005.30	323.65	(56.62)	290113.72	44811.58	13791.31	149.91	58452.98	231660.74	229677.10
Previous year's figures	237714.49	37807.58	1025.60	(7.78)	274488.69	32452.90	12516.21	157.52	44811.59	229677.10	
Capital Work-in-progress										9041.14	10277.88
Intangible Assets under Development										6.67	5.40
										240708.55	239960.38

11.1 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.

11.2 Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock had been revalued as on 4th November, 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 ₹ 1229.34 lacs equivalent to the depreciation for the year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

12. NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)

(₹/Lacs)

Name of the Bodies Corporate	As at 31-03-2012			As at 31-03-2011	
	Face Value	Units/ Shares	Book Value	Units/ Shares	Book Value
Other Investments					
A) Investments in Equity Instruments					
Unquoted					
Fully paid up equity shares :					
- VS Lignite Power Private Limited	₹ 10	1444445	144.44	1444445	144.44
B) Investments in Preference Shares					
Unquoted					
0.01% cumulative redeemable Preference shares (Fully paid up) :					
- VS Lignite Power Private Limited	₹ 10	2785552	278.56	2785552	278.56
C) Investments in Mutual Funds					
Quoted					
Fixed Maturity Plan-IDBI	₹ 10	5000000	500.00	-	-
TOTAL		-	923.00	-	423.00
Aggregate Market Value of Quoted Investments			503.25		Nil
Aggregate amount of Unquoted Investments			423.00		423.00

₹/Lacs

	As at 31-03-2012	As at 31-03-2011
13. LONG TERM LOANS & ADVANCES		
(Unsecured & Considered Good)		
Capital Advances	6606.34	4759.59
Deposits	1565.49	1128.25
Others	270.25	57.16
	8442.08	5945.00

₹/Lacs

	As at 31-03-2012	As at 31-03-2011
14. OTHER NON CURRENT ASSETS		
Deferred Revenue Expenditures	-	787.54
	-	787.54

14.1 Unamortised expenses on Mines Development/overburden removal shown as deferred revenue expenditure in earlier years has been charged in Profit & Loss Statement as exceptional item for ₹ 781.90 lacs and ₹ 5.64 lacs charged to raw material consumption during the year.

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

(₹/Lacs)

	As at 31-03-2012	As at 31-03-2011
15. INVENTORIES		
Raw Materials	5687.51	3430.19
Work-in-Process	4018.11	4237.10
Finished Goods	4046.16	3138.80
Stores, Spare parts etc.	19011.30	17047.77
Less: Provision	(16.76)	(3.36)
Goods-in-Transit	18994.54	17044.41
Raw Materials	462.09	
Stores, Spare parts etc.	3074.55	4251.46
	36282.96	32101.96

15.1 Pursuant to the implementation of SAP ERP system in Oct,2011 in Gotan, Rajasthan Plant's Inventory valuation method has been changed from annual weighted average to daily moving weighted average for items procured and monthly moving weighted average in case of material in process and finished goods.

(₹/lacs)

	As at 31-03-2012	As at 31-03-2011
16. TRADE RECEIVABLES		
Trade Receivables over six months		
- Considered Good		
Secured	31.19	27.17
Unsecured	66.04	276.00
- Considered doubtful	404.31	66.46
Less: Provision for Doubtful Debts	404.31	66.46
Sub Total	97.23	303.17
Other Trade Receivables		
- Considered Good		
Secured	1952.22	1239.45
Unsecured	6322.83	4533.51
Sub Total	8275.05	5772.96
	8372.28	6076.13

(₹/Lacs)

	As at 31-03-2012	As at 31-03-2011
17. CASH & CASH EQUIVALENTS		
Balances with Banks in :		
- Current Accounts	6606.90	7251.12
- Unclaimed Dividend	87.34	82.99
- Fixed Deposits	36389.26	24624.88
Cheques and Drafts on hand	211.74	160.58
Cash on hand	26.55	25.62
	43321.79	32145.19

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

17.1 Fixed Deposits with banks includes:

- (i) ₹ 1451.66 lacs(₹ 3177.96 lacs) with maturity more than 12 months.
- (ii) ₹ 5857.51 lacs (₹ 7560.28 lacs) tied up against overdraft/other commitments.

	₹/Lacs	
	As at 31-03-2012	As at 31-03-2011
18. SHORT TERM LOANS & ADVANCES		
(Unsecured Considered Good unless otherwise stated)		
Loans and advances to related parties (Refer Note No. 30)	5306.61	1122.76
Other Loan and Advances		
- Considered good	5626.62	6465.79
- Doubtful	30.73	18.27
Taxation(Net of Provisions)	0.17	1251.18
MAT Credit Entitlement	5012.11	6937.00
Prepaid Expenses	471.03	329.45
Balances with Custom & Excise Departments	1976.22	5741.98
Sub Total	18423.49	21866.43
Less: Provision for doubtful advances	30.73	18.27
	18392.76	21848.16

18.1 Disclosures pursuant to clause 32 of the Listing Agreement.

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

	Outstanding Balance		Maximum balance During the year 2011-2012
	31-03-12	31-03-11	
J.K.Cement (Fujairah)FZC	4406.61	785.79	4406.61

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

	₹/Lacs	
	As at 31-03-2012	As at 31-03-2011
19. OTHER CURRENT ASSETS		
(Unsecured Considered Good)		
Interest accrued on Deposits	951.90	580.96
Others	201.87	-
	1153.77	580.96

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

₹/Lacs

	2011-2012	2010-2011
20. REVENUE FROM OPERATIONS		
a) Sale of Products	288351.37	237174.65
Less : Excise Duty	34566.43	28867.02
	253784.94	208307.63
(b) Other Operating Revenues		
Claims Realised	313.55	459.12
Sale of Carbon Credit	168.81	363.78
Other Operating Income	411.53	304.32
	893.89	1127.22
	254678.83	209434.85

₹/Lacs

	2011-2012	2010-2011
21. OTHER INCOME		
Interest received	2959.88	1051.16
Net Gain on Sale of Current Investments	-	6.27
Dividend	25.34	37.34
Other Non Operating Income	1700.32	1898.33
	4685.54	2993.10

₹/Lacs

	2011-2012	2010-2011
22. COST OF MATERIAL CONSUMED		
Cost of Raw Materials Consumed	31216.57	27715.30
	31216.57	27715.30

₹/Lacs

	2011-2012	2010-2011
23. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Finished Goods/Stock-in-Trade	3138.80	1644.45
Goods in Process	4237.10	4047.39
Sub Total	7375.90	5691.84
Closing Stock:		
Finished Goods/Stock-in-Trade	4046.16	3138.80
Goods in Process	4018.11	4237.10
Sub Total	8064.27	7375.90
Total	(688.37)	(1684.06)

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

₹/Lacs

	2011-12	2010-11
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	11714.38	9584.96
Contribution to Provident and Other funds	1348.12	2232.81
Welfare Expenses	1095.91	999.01
	14158.41	12816.78

₹/Lacs

	2011-12	2010-11
25. FINANCE COST		
Interest Expenses	13922.46	11447.94
Interest on Income Tax	143.86	-
Other Borrowing Cost	266.36	318.66
Net loss on foreign currency transactions and translation	97.24	87.22
	14429.92	11853.82

₹/Lacs

	2011-12	2010-11
26. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation	13791.31	12516.21
Less: Transfer from Revaluation Reserve(Refer note no. 11.2)	1229.34	1239.75
	12561.97	11276.46

₹/Lacs

	2011-12	2010-11
27. OTHER EXPENSES		
a) Manufacturing Expenses		
Stores and Spares Consumed	7366.05	6817.25
Packing Materials Consumed	11036.44	9441.63
Power and Fuel	65473.63	55433.30
Repairs To:		
Plant and Machinery	3998.08	4075.86
Buildings	1014.47	826.46
Insurance	358.82	332.97
Excise Duty	183.22	206.87
	89430.71	77134.34

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

₹/Lacs

	2011-12	2010-11
b) Administration and Other Expenses		
Rent	768.91	625.24
Lease Rent	9.08	2.05
Rates and Taxes	1352.30	525.59
Travelling and Conveyance Expenses	1329.87	1200.66
Provision for Doubtful Debts/Advances	341.52	35.29
Debts and Advances written off	34.08	0.66
Loss on disposal of Fixed Assets (Net)	56.98	139.40
Expenses relating to Earlier years	5.96	(7.50)
Loss on Exchange Rate Fluctuations	182.49	(24.52)
Loss on Forward Transactions	-	71.72
Miscellaneous Expenses	5882.42	6482.85
	9963.61	9051.44
c) Selling and Distribution Expenses		
Advertisement and Publicity	3706.37	3038.27
Selling Expenses	6460.74	5344.56
Freight and Handling Outward	48810.20	48218.09
Sales Tax/VAT	179.54	116.93
	59156.85	56717.85
	158551.17	142903.63

28. UNHEDGED FOREIGN CURRENCY EXPOSURE

Export Debtors: (US \$728956.63): ₹ 367.23 lacs (US\$649484.24 : ₹ 287.26 lacs)

29. EARNING PER SHARE (EPS)

₹/lacs

	2011-12	2010-11
a) Net Profit available for Equity Share holders (Numerator used for calculation)	17457.43	6261.83
b) Weighted average number of Equity Shares Used as denominator for calculating EPS	69927250	69927250
c) Basic and Diluted earnings per share of ₹10/-	24.97	8.96

30 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 Singhanian- Managing Director & C.E.O.
- ii) Dr. Gaur Hari Singhanian (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

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

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

- (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	
	2011-12	2010-11
(i) Jaykay Enterprises Ltd		
- Services received	46.32	36.40
- Rent paid	48.66	48.61
- Expenses Reimbursed	86.26	85.54
- Loan given:		
Balance as at beginning	1100.00	1500.00
Payment received	200.00	400.00
Balance as at close of the year	900.00	1100.00
(ii) J.K. Cotton Spg. & Wvg. Mills Co. Ltd		
- Rent paid	18.47	5.29
- Purchases	3.03	1.09
- Sale of Products	3.71	1.54
- Electricity charges	0.26	-
- Other charges	0.12	-
(iii) J.K. Cement(Fujairah) FZC		
Loan given:		
Paid during the period(01.01.2012 to 31.03.2012)	4406.61	22.76
(iv) Key Management Personnel and their relatives		
a) Shri Y.P. Singhania(Managing Director)		
- Remuneration	1058.10	415.58
b) Dr Gaur Hari Singhania(Relative)		
- Commission	50.00	25.00
- Sitting Fees	1.60	2.30
(vi) Jaykaycem (Eastern) Ltd		
Loan given during the year	-	1.00
Amount recovered	-	1.00
Balance as at close of the year	-	-
(vii) Jaykaycem (Central) Ltd		
Loan given during the year	-	7.75
Amount recovered	-	7.75
Balance as at close of the year	-	-

31. 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 31.03.2012.

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

₹/ Lacs		
Sl. No.	Particulars	Bander Coal Company Pvt. Ltd
	% Share held	37.5%
a)	Assets	36.52
b)	Liabilities	0.04
c)	Income	2.26
d)	Expenses	1.97

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

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

34. CONTINGENT LIABILITIES AND COMMITMENTS.

₹/ Lacs		
	As at 31.03.2012	As at 31.03.2011
1. (A) Contingent Liabilities		
(i) In respect of claims excluding indeterminate claims of employees against the Company not acknowledged as debts	2737.45	3414.16
(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	1334.95	1229.67
b) Custom duty	176.28	176.28
c) Sales tax	4153.10	2277.55
d) Service tax	890.17	1085.42
e) Income tax	-	1679.70
(iii) In respect of interest on "Cement Retention Price" realised in earlier years	1129.16	1108.78
(iv) In respect of Corporate Guarantee given in favour of Joint Venture Company & Others	613.89	613.89
B. Commitments		
i) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital accounts		
and not provided for	1580.00	695.32
ii) Other Commitments		
In respect of purchase of Raw Materials	347.00	-

NOTES on Consolidated Financial Statements for the year ended 31st March, 2012

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

Principles of Consolidation .

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

- (a) The consolidated financial statements of the Group are prepared in accordance with Accounting Standard-21 " Consolidated Financial Statements" issued by ICAI.
- (b) The financial statements of the Company, its Subsidiary Company and Joint Venture Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.
- (c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- (d) Calendar year as accounting year is adopted by J.K. Cement (Fujairah) FZC and J.K. Cement Works (Fujairah) FZC and the financial statements are being prepared on year ending 31.12.2011

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

Name of the Company	Nature Of Company	Country of Incorporation	Holding as on 31.03.12
J.K. Cement (Fujairah) FZC	Subsidiary	U.A.E.	100%
J.K. Cement Works (Fujairah) FZC	Subsidiary of J.K.Cement(Fujairah) FZC	U.A.E.	90%
Bander Coal Company Pvt. Ltd	Joint Venture	India	37.5%

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

4. Other Significant Accounting Policies:

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

[illegible]

MANDATE FORM

(Mandate Form for receiving dividend by National Electronic Clearing Service (NECS)/Printing of Bank details on Dividend Warrant)

To
J.K. Cement Ltd.
Kamla Tower,
Kanpur - 208 001.

Dear Sirs,

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY.

For shares held in physical form

Folio No.

FOR OFFICE USE ONLY

For shares held in electronic form

NECS

Ref.No.

D.P.Id

Client Id

Name of Sole/First holder		
Bank name		
Branch name		
Branch code	<input type="text"/>	<input type="text"/>
(9 Digit Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a photo copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the banks name, branch name and code number.		

Account Type

[Please Tick (✓) wherever applicable]

Savings ☐

Current ☐

Cash Credit ☐

A/c.No.

(as appearing in the cheque book)

Effective date of this mandate

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company will not be held responsible. I agree to avail the NECS facility provided by RBI, as and when implemented by RBI/J.K.Cement Limited. Further in case of NECS facility is not available in my city please print Bank details furnished by me on the dividend warrant.

I, further undertake to inform the Company any change in my Bank/branch and account number.

Dated:

(Signature of Sole/First holder)

Notes:

- Whenever the Shares in the given folio are entirely dematerialised, then the NECS mandate form will stand rescinded.
- For Shares held in dematerialised mode nomination is required to be filed with the Depository Participant in their prescribed form.
- In case NECS facility is not available in your city then bank details furnished by you will be printed on dividend warrants.
- The Share holders who hold shares in physical mode should ensure that this mandate form duly completed in all respect & signed by the Sole/First named holder should reach the company on or before 25th July, 2012 after which date no request for registration of Mandate for the purpose of payment of dividend for the F.Y. 2011-12 will be entertained.
- The share holder of physical segment who do not wish to opt for NECS facility need not furnish 9 Digits Code Number appearing on the MICR band of the cheque supplied by the Bank and the photo copy of the blank cheque.



Regd.Office: Kamla Tower, Kanpur – 208 001.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP. ID*	
Client ID*	

Folio No.	
-----------	--

NAME AND ADDRESS OF THE SHAREHOLDER

Number of Shares held :

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held on Saturday, 4th August, 2012 at 12.00 Noon in the Sir Padampat Singhanian Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

* Applicable for Investors holding Shares in electronic form.

** Strike out whichever is not applicable.

SIGNATURE OF THE SHAREHOLDER OR PROXY**



Regd.Office: Kamla Tower, Kanpur – 208 001.

PROXY FORM

DP. ID*	
Client ID*	

Folio No.	
-----------	--

I/We

being a Member/Members of J.K.Cement Limited hereby appoint

.....of.....

or (failing him)of.....

or (failing him)of.....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Saturday, 4th August, 2012 at 12.00 Noon and at any adjournment thereof.

Signed thisday of2012

Signature.....

Affix
revenue
stamp

*Applicable for Investors holding shares in electronic form.

Note : The Proxy Form must be deposited at the Registered Office of the Company at Kamla Tower, Kanpur-208 001 not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.



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-208001

KEY MANAGEMENT PERSONNEL

A.K. Saraogi, President (Corporate Affairs) & CFO
Ashok Ghosh, President (H.R.) & New Initiatives
B.K. Arora, President(Works)-White Cement
D. Ravishanker, President (Projects)
M.P. Rawal, President (T&MS)
R.C. Shukla, President (Marketing)-Grey Cement
K.K. Jalori, Unit Head-Grey Cement-North
Shabbir Khan, Unit Head-Grey Cement-South
Mohan Sharma, Head (Marketing) White Cement
Dr. Kaustubh Dadhich, Head (Marketing) –Grey Cement-South

COMPANY SECRETARY

Shambhu Singh

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

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

CENTRAL MARKETING OFFICE

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

PLANT

INDIAN

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

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

OVERSEAS

Dual process White /Grey Cement Plant (under implementation)

Plot No.7, Habhab, Tawian Fujairah, UAE



J.K. SUPER CEMENT



J.K. Cement Ltd.

Registered Office

Kamla Tower, Kanpur - 208001, Uttar Pradesh, INDIA

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

email: jkshr@jkcement.com

Website: www.jkcement.com