

2004 - 2005



NIMBAHERA



MANGROL




GOTAN

## ANNUAL REPORT



BAMANIA

**JK Cement Ltd.**



*...the power of  
...the power of  
...the power of  
...the power of  
...the power of  
...the power of  
...the power of  
...the power of  
...the power of  
...the power of*

***To commemorate the birth centenary of  
Sir Padampat Singhania, a stamp released on 3rd Feb., 2005 by  
H.E. The Vice President of India, Shri Bhairon Singh Shekhawat.***

---

*"I have an unshakeable faith in the rich, ancient traditions of India. I shall always continue to dedicate my services to the welfare of people. All the achievements of JK Organisation have been due to the blessings of God, the cooperation of people and sincere, hard working employees and colleagues. I am merely a medium of their devoted performance. Their affection alone is a powerful support for me in my life."*

*Padampat*



JK ORGANISATION



## BOARD OF DIRECTORS

DR. GAUR HARI SINGHANIA  
Chairman

YADUPATI SINGHANIA  
Managing Director & CEO

ALOK DHIR

J. P. BAJPAI

K. N. KHANDELWAL

R. K. LOHIA

## KEY MANAGEMENT PERSONNEL

R. G. BAGLA  
Group Executive President

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

M. P. RAWAL  
President (T & MS)

B. K. ARORA  
President (Works) - J. K. White Cement

D. RAVISHANKER  
President (Works) - J. K. Cement

A. B. SINGH  
Sr. Vice President (Works) - J. K. Thermal Power

R. C. SHUKLA  
Sr. Vice President (Marketing) - J. K. Cement

PANKAJ CHANDRA  
Sr. Vice President (Marketing) - J. K. White Cement

## COMPANY SECRETARY

MANISH BAJPAI

## AUDITORS

M/S. P. L. TANDON & CO.  
Chartered Accountants, Kanpur.

## BANKERS

Allahabad Bank  
Andhra Bank  
Dena Bank  
Indian Bank  
Indian Overseas Bank  
Jammu & Kashmir Bank  
Union Bank of India  
United Bank of India

## REGISTERED OFFICE

Kamla Tower, Kanpur - 208 001

## WORKS

J. K. Cement Works, Nimbahera (Rajasthan)  
J. K. Cement Works, Mangrol (Rajasthan)  
J. K. White Cement Works, Gotan (Rajasthan)  
J. K. Thermal Power, Bamania (Rajasthan)

## CENTRAL MARKETING OFFICE

Ghalib Institute, Mata Sundari Lane,  
New Delhi - 110 002

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## NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of J. K. CEMENT LIMITED will be held in the Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Saturday, the 20<sup>th</sup> August, 2005 at 12:00 noon to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2005, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri J.P. Bajpai, who retires by rotation pursuant to the provisions of Article 140 of the Articles of Association of the Company but is eligible for reappointment.
3. To elect a Director in place of Shri K.N. Khandelwal, who retires by rotation pursuant to the provisions of Article 140 of the Articles of Association of the Company but is eligible for reappointment.
4. 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.

## SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following resolutions:

### AS ORDINARY RESOLUTIONS

5. "RESOLVED THAT pursuant to the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to contribute from time to time, in any financial year, to any charitable and other funds or general charities or other purposes not directly related to business of the Company or the welfare of its employees upto a sum of Rs. 2 crores (Rupees Two Crores) or 5% of the company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during three financial years immediately preceding, whichever is greater."
6. "RESOLVED THAT pursuant to the provisions of Section 310 of the Companies Act, 1956, read with clause 49 of the Listing Agreement with the Stock Exchange and Article 130(3) of the Articles of Association of the Company, the Board of Directors of the Company be and is hereby authorised to decide on the payment of sitting fee to the Directors other than the Managing Director and Whole Time Directors of the Company, subject to the overall limits as prescribed by the Central Government from time to time."

### AS SPECIAL RESOLUTIONS

7. "RESOLVED THAT pursuant to the provisions of Sections 198, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of Central

Government, if necessary, the consent of the Company be and is hereby accorded to Shri Yadupati Singhania, who was appointed Managing Director of the Company for a period of three years w.e.f. 01.4.2004, to receive payment of performance-linked variable pay in the form of commission upto 1% of net profits of the Company as computed in the manner laid down u/s 349 & 350 of the Companies Act, 1956 w.e.f. Financial year 2005-06 upto remaining tenure of his appointment provided that said commission together with remuneration including perquisites being paid to him shall not exceed 5% of the net profits of the Company in a financial year, as per the supplemental agreement to be executed between the Company and Shri Yadupati Singhania, a draft whereof was placed before the meeting and initialled by the Chairman for purposes of identification; provided further that the other terms and conditions of the agreements dated 1<sup>st</sup> October, 2004 and 20<sup>th</sup> January, 2005 already entered into between the Company and Shri Yadupati Singhania, except the payment of aforesaid commission, shall remain the same, with the authority to the Board of Directors (hereinafter referred to as "the Board", which term shall deem to include any Committee, which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions and/or remuneration and/or agreement, if any, as may be agreed to by the Board of Directors of the Company and Shri Yadupati Singhania."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and matters incidental thereto."

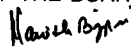
"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year or years, the remuneration including perquisites as already approved by the shareholders in their Extra-ordinary General Meeting held on 19.01.2005 shall be the minimum remuneration payable to the Managing Director."

8. "RESOLVED THAT pursuant to the provisions of Section 198 and 309 of the Companies Act, 1956 and in accordance with Article 130(2) of the Articles of Association of the Company and subject to the approval of Central Government, if required, the Non-executive Directors of the Company be and are hereby authorised to receive jointly for a period of five years commencing from the financial year 2005-06, commission not exceeding 1% of the net profits of the Company in each year computed in the manner laid down under Sections 349 and 350 of the Companies Act, 1956; AND THAT the said commission be divided amongst the Directors in such proportion as the Board may determine from year to year."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide that for any year or years such payment by way of commission be not made or be foregone in respect of all or any Director(s)."

BY ORDER OF THE BOARD

Regd Office :  
Kamla Tower, Kanpur  
DATE : 11th June, 2005

  
(MANISH BAJPAI)  
Company Secretary

**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.
2. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business under Items No. 5, 6, 7 & 8 of the accompanying notice dated 11<sup>th</sup> June, 2005, is annexed hereto.
3. Copy of the Agreement/other documents referred to in the Notice are available for inspection of the Members at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on any working day till the conclusion of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16.08.2005 to 20.08.2005, both days inclusive.
5. 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 at its Share Department, Kamla Tower, Kanpur -208001 in respect of their shareholding in physical segment by mentioning folio nos., if any.

6. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again 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 Dematerialised Form, are requested to bring their Depository Account Number and Client I.D. Number for identification.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5 :**

Section 293(1)(e) of the Companies Act, 1956 provides that a Company can make contributions to charitable and other funds not directly related to its business or to the welfare of its employees, provided that aggregate of such contributions in any financial year does not exceed Rs. 50,000/- or 5% of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater. Since in the preceding 3 financial years viz. 2001-02, 2002-03 and 2003-04, there were no/meagre profits as computed under Sections 349 and 350 of the Companies Act, 1956, thus to facilitate the Board of Directors to make donations/contributions from time to time, exceeding the above limits, it is considered necessary to seek your approval by way of an ordinary resolution.

The resolution at item no. 5 is therefore commended for your approval.

None of the Directors is interested in the resolution.

**ITEM NO. 6 :**

The Non-executive Directors of your Company are being paid sitting fee for attending the meetings of the Board of Directors and its sub-committees. As per Clause 49 of the Listing Agreement all fee/compensation paid to the Non-executive Directors as fixed by the Board of Directors requires prior approval of the shareholders in General Meeting.

The resolution at item no. 6 is therefore commended for your approval.

All the Non-executive Directors may be deemed to be concerned or interested in the above resolution.

**ITEM NO. 7 :**

Shri Yadupati Singhania was appointed as the Managing Director of your Company w.e.f. 01.04.2004 for a period of 3 years. Subsequently the members in their Extra-ordinary General Meeting held on 19.01.2005 approved the remuneration package payable to Shri Yadupati Singhania, Managing Director of the Company w.e.f. 1.1.2005 in accordance with Schedule XIII of the Companies Act, 1956.

Considering the inflationary trend and substantial increase in the business activities of the Company resulting in increase in the work and responsibilities of the Managing Director and also the

amount of remuneration payable to managerial personnel occupying similar positions in other comparable companies, the Board of Directors have deemed fit to pay performance linked variable pay in the form of commission upto 1% of net profits of the Company computed in the manner laid down u/s 349 & 350 of the Companies Act, 1956 with effect from the current financial year, the other terms and conditions of his remuneration remaining the same as approved by the members in their Extra-ordinary General Meeting held on 19.01.2005 and subject to the consequential variation or increase therein due to the revision in the terms of remuneration as aforesaid. The above proposal may require the approval of the Central Government.

The resolution at item no. 7 is therefore commended for your approval.

Except for Dr. Gaur Hari Singhania and Shri Yadupati Singhania none of the Directors of the Company is, in any way concerned or interested in the resolution.

**ITEM NO. 8 :**

The Non-executive Directors of your Company are paid only sitting fee for attending the meetings of the Board of Directors and meetings of other sub-committees of the Board.

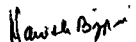
Considering that in the present scenario with various rules, guidelines, regulations and directions as issued from time to time by the Securities & Exchange Board of India, the Companies Act, 1956 and other authorities, the Non-executive Directors have onerous duties and responsibilities and have to devote considerable time and energy for the conduct of the business of the Company. In view of the above your Board of Directors have deemed fit to pay commission to the Non-executive Directors @ 1% of net profits of the Company for a period of five years commencing from the financial year 2005-06.

The resolution at item no. 8 is therefore commended for your approval.

All the Directors except Shri Yadupati Singhania may be deemed to be concerned or interested in the resolution.

BY ORDER OF THE BOARD

Regd Office :  
Kamla Tower, Kanpur  
DATE : 11th June, 2005

  
(MANISH BAJPAI)  
Company Secretary





## DIRECTORS' REPORT

Dear Members,

Your Directors submit the Annual Report and audited statements of account for the year ended 31<sup>st</sup> March, 2005.

Your Directors are pleased to inform that your Company has acquired Cement undertakings of J. K. Synthetics Ltd. (JKSL) i.e. Grey Cement plants at Nimbahera and Mangrol, Captive Power plant at Bamania and White Cement plant at Gotan "as a going concern" on 4.11.2004 on "as is where is basis", free from encumbrances. Accordingly, pursuant to Scheme of OTS (One Time Settlement) of Secured Lenders of JKSL approved by Hon'ble AAIFR in the matter of JKSL, all fixed assets, current assets, intangible assets, all rights, patents, trade marks, mining leases, etc. and all current liabilities including trade deposits, workers dues, contingent liabilities and all litigations as well as employees without any loss of service benefits and change in service conditions with respect to the Cement undertakings stood transferred and vested to your Company from 4.11.2004. The working results for the financial year ended 31.3.2005 therefore include the working results of these Cement undertakings for the period 4.11.2004 to 31.3.2005.

### 2. FINANCIAL RESULTS

|  | Rs./Lacs |
|--|----------|
| Gross Turnover                                       | 42344.23 |
| Profit before depreciation and tax                   | 2335.98  |
| Less : Depreciation                                  | 1256.26  |
| Profit Before Tax                                    | 1079.72  |
| Provision for Tax :                                  |          |
| — Current Tax  | 90.00    |
| — Deferred Tax                                       | 360.00   |
| Profit After Tax                                     | 629.72   |
| Add : Balance brought forward from the previous year | 3.67     |
| Balance to be carried forward                        | 633.39   |

### 3. OVERALL PERFORMANCE

During the period from 04.11.2004 to 31.03.2005 (post acquisition of Cement undertakings) the Company achieved turnover of Rs. 423.44 crores and a profit before tax (after interest and depreciation) of Rs. 10.79 crores and net surplus of Rs.6.30 crores.

### 4. DIVIDEND

With a view to conserve the liquid resources and to strengthen the Company's activities, Directors have decided to retain the internal accruals and therefore do not recommend any dividend for the financial year 2004-05.

### 5. OPERATIONS

#### GREY CEMENT

Your Company has two Grey Cement plants at Nimbahera and Mangrol with aggregate capacity of 35.50 lacs M.T. per annum. The production and sales during the period 04.11.2004 to 31.3.2005 at 14.25 lacs M.T. and 14.30 lacs M.T. resulted in capacity utilisation of 99%. Steep increase in the prices of coal, freight cost and power affected the profitability of Grey Cement

adversely, but the management's efforts in reduction of consumption compensated to an extent.

#### WHITE CEMENT

White Cement plant has the annual capacity of 3.00 lacs M.T. Production and sales of white cement during the period from 4.11.2004 to 31.3.2005 were 1.01 lacs M.T. and 0.99 lac M.T. respectively. The unit recorded capacity utilisation of 83%. The hike in the oil prices affected the profit margins as the entire cost increase could not be passed on to the customers.

### 6. FINANCE

(a) During the year under report the Company has allotted :-

- 59,54,900 Equity shares of Rs. 10/- each aggregating to Rs. 595.49 lacs on 16.10.2004 on private placement basis for cash at par.
- 7,42,69,501 Equity Shares of Rs. 10/- each aggregating to Rs. 742.70 lacs to shareholders of J.K. Synthetics Ltd. on 10.03.2005 pursuant to the order of Hon'ble AAIFR dated 23.01.2003 free of cost.

(b) As reported last year, the Company has envisaged raising of funds through External Commercial Borrowing (ECB) for financing the acquisition of Cement undertakings. However, due to inordinate delay in arrangement of funds through ECB, the Company opted and successfully raised the funds through Rupee Term Loans arranged by a consortium of Indian banks led by Allahabad Bank. The Company raised Rupee Term Loans of Rs. 497 crores to finance the acquisition of Cement undertakings. This alongwith the funds raised through equity capital have been utilised to finance the acquisition of Cement undertakings.

### 7. RE-VALUATION OF ASSETS

As reported earlier, the Company has acquired Cement undertakings on 4.11.2004 as going concern on "as is where is basis". Land, Building, Plant & Machinery, Rolling Stocks and Railway Siding pertaining to these Cement undertakings have been revalued on net replacement cost as per the Valuation Report obtained from the expert valuer and accretion on this account has been credited to Revaluation Reserve A/c.

### 8. LISTING OF SHARES

The Company has been granted exemption by SEBI from compliance of certain stipulations for listing of its equity shares. The Company's application for listing of its equity shares is under active consideration with The Stock Exchange, Mumbai (BSE). Your Company has entered into an agreement with National Securities Depository Limited and Central Depository Services Limited.

### 9. CORPORATE GOVERNANCE

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

### 10. PERSONNEL

#### 10.1 INDUSTRIAL RELATIONS

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

## 10.2 PARTICULARS OF EMPLOYEES

There is no employee 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.

## 11. PUBLIC DEPOSITS

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

## 12. 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.

## 13. AUDITORS' REPORT

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

## 14. COST AUDIT

Cost Audit records have been maintained in respect of Grey Cement and White Cement for the period 4.11.2004 to 31.3.2005 and cost audit would be completed in respect of these units.

## 15. DIRECTORS

### 15.1 During the year under the report

- (i) Shri Raj Kumar Lohia and Shri K.N. Khandelwal were appointed as Directors at the last Annual General Meeting.
- (ii) Shri Alok Dhir joined the Board of Directors vice Shri R.G. Bagla.
- (iii) Shri Kailash Nath, Shri R.G. Bagla and Shri B.K. Arora resigned from the Board of Directors.

**15.2** Your Directors, while welcoming the new incumbents, wish to place on record their warm appreciation for the valuable services and advice rendered by Shri Kailash Nath, Shri R.G. Bagla and Shri B. K. Arora.

**15.3** Two of your Directors namely Shri J. P. Bajpai and Shri K. N. Khandelwal will retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

## 16. 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.

## 17. 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.

## 18. COST AUDITORS

Pursuant to the directives of the Central Government and provisions of Section 233-B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit of Cement units for the period 4.11.2004 to 31.3.2005.

## 19. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable assistance and support received by your Company from Allahabad Bank, Indian Overseas Bank, United Bank of India, Andhra Bank, Dena Bank, Indian Bank, Union Bank of India, J & K Bank, Govt. of Rajasthan and Central Govt. The Board also thanks the employees at all levels for their dedication and commitment for successful operations of the Cement plants.

FOR AND ON BEHALF OF THE BOARD

Place : Kanpur  
DATE : 11th June, 2005

  
CHAIRMAN



## CORPORATE GOVERNANCE REPORT

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

### 1. Company's philosophy on Code of Governance

At J.K. Cement, we view corporate governance in its widest sense, almost like trusteeship. The company's philosophy on Corporate Governance is to enhance the long-term economic value of the company, its stakeholders i.e. the society at large by adopting better corporate practices in fair 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, Mumbai is concerned, the Company is in full compliance with the norms and disclosures that have to be made.

### 2. Board of Directors

#### (a) Composition of the Board

In compliance with the corporate governance norm in terms of constitution of the Board, the Board is headed by its Non-executive Chairman, Dr. Gaur Hari Singhania. As on 31<sup>st</sup> March, 2005 the composition of the Board of Directors is given herein below :

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

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                                    | Position                                       | No. of other Directorships | No. of Board Committees (Other than J. K. Cement Ltd.) in which |        |
|---------|---|--|----------------------------|---|--------|
|         |   |  |                            | Chairman  | Member |
| 1.      | Dr. Gaur Hari Singhania<br><i>Chairman</i>          | Promoter,<br>Non Executive,<br>Non Independent | 6                          | 1   | 1      |
| 2.      | Shri Yadupati Singhania<br><i>Managing Director</i> | Promoter,<br>Executive,<br>Non Independent     | 11                         | -   | 2      |
| 3.      | Shri J. P. Bajpai                                   | Non Executive,<br>Non Independent              | 7                          | -   | -      |
| 4.      | Shri K. N. Khandelwal                               | Non Executive,<br>Non Independent              | 6                          | -   | 1      |
| 5.      | Shri R. K. Lohia*                                   | Non Executive,<br>Independent                  | 6                          | -   | -      |
| 6.      | Shri Alok Dhir*                                     | Non Executive,<br>Independent                  | 5                          | -   | -      |
| 7.      | Shri R. G. Bagla*                                   | Non Executive,<br>Non Independent              | 10                         | -   | -      |
| 8.      | Shri B. K. Arora*                                   | Non Executive,<br>Non Independent              | 1                          | -   | -      |
| 9.      | Shri Kailash Nath*                                  | Non Executive,<br>Independent                  | 1                          | -   | 2      |

- \* Appointed w.e.f. 30.09.2004
- + Appointed w.e.f. 27.10.2004
- # Ceased w.e.f. 27.10.2004
- @ Ceased w.e.f. 30.09.2004

### (b) Attendance of each director at the Board Meetings and last Annual General Meeting

During the last financial year ended March 31, 2005, seven Board Meetings were held on the following dates: -

- (i) 30<sup>th</sup> June, 2004, (ii) 31<sup>st</sup> July, 2004, (iii) 1<sup>st</sup> September, 2004, (iv) 16<sup>th</sup> October, 2004, (v) 27<sup>th</sup> October, 2004, (vi) 25<sup>th</sup> December, 2004, (vii) 25<sup>th</sup> March, 2005.

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 the Last AGM |
|---------|-------------------------|--------------------------------|----------------------------|
| 1.      | Dr. Gaur Hari Singhania | 6                              | YES                        |
| 2.      | Shri Yadupati Singhania | 6                              | NO                         |
| 3.      | Shri J.P. Bajpai        | 6                              | YES                        |
| 4.      | Shri K.N. Khandelwal    | 6                              | NO                         |
| 5.      | Shri R.K. Lohia +       | 2                              | N.A.                       |
| 6.      | Shri Alok Dhir +        | 2                              | N.A.                       |
| 7.      | Shri R.G. Bagla *       | 3                              | YES                        |
| 8.      | Shri Kailash Nath *     | 1                              | NO                         |
| 9.      | Shri B.K. Arora *       | 0                              | NO                         |

- + Appointed as Directors during the year
- \* Ceased to be Directors during the year

### 3. Audit Committee

#### (a) Composition of the Committee

As on 31.03.2005, the following Directors were the members of the Audit Committee :

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

All these Directors possess knowledge of Corporate Finance/ Accounts / Company Law/ Industry. The Company Secretary is the Secretary for such meetings. The Statutory Auditors of the Company attend the meetings as invitees.

#### (b) Broad Terms of Reference

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

#### (c) Meetings and Attendance

During the financial year ended 31<sup>st</sup> March, 2005 two meetings were held on 31<sup>st</sup> July, 2004 and 25<sup>th</sup> March, 2005.

The Committee approved and recommended the annual accounts for the year 2003-04 in their meeting held on 31<sup>st</sup> July, 2004.





The attendance at the Committee Meetings was as under :

| Sl. No. | Name of Director      | No. of Meetings attended |
|---------|-----------------------|--------------------------|
| 1.      | Shri J. P. Bajpai     | 2                        |
| 2.      | Shri K. N. Khandelwal | 2                        |
| 3.      | Shri Alok Dhir        | 1                        |

**Note :** Subsequent to the close of the year the Audit committee was reconstituted in compliance with clause 49 of the Listing Agreement entered into by the Company with The Stock Exchange, Mumbai.

#### 4. Remuneration Committee

##### a) Composition

Remuneration Committee of the Company as on 31.03.2005 comprised of :

- (i) Shri J.P. Bajpai (Chairman)
- (ii) Shri Raj Kumar Lohia
- (iii) Shri Alok Dhir

##### b) 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.

##### c) Meetings and Attendance

During the financial year ended 31<sup>st</sup> March, 2005 only one meeting was held on 25<sup>th</sup> December, 2004.

The attendance at the above Meeting was as under :-

| Sl. No. | Name of Director     | No. of Meetings attended |
|---------|----------------------|--------------------------|
| 1.      | Shri J. P. Bajpai    | 1                        |
| 2.      | Shri Raj Kumar Lohia | 1                        |
| 3.      | Shri Alok Dhir       | 1                        |

**Note :** Subsequent to the close of the year the Remuneration committee was reconstituted in compliance with clause 49 of the Listing Agreement entered into by the Company with The Stock Exchange, Mumbai.

#### Details of Remuneration to the Directors for the year ended 31<sup>st</sup> March, 2005

| Sl. No. | Name of Director         | Salary   | Benefits** | Sitting Fee | Total    |
|---------|--------------------------|----------|------------|-------------|----------|
| 1.      | Dr. Gaur Hari Singhania  | -        | -          | 22,000      | 22,000   |
| 2.      | Shri Yadupati Singhania* | 4,20,000 | 13,627     | -           | 4,33,627 |
| 3.      | Shri J. P. Bajpai        | -        | -          | 28,000      | 28,000   |
| 4.      | Shri K. N. Khandelwal    | -        | -          | 28,000      | 28,000   |
| 5.      | Shri Raj Kumar Lohia#    | -        | -          | 10,000      | 10,000   |
| 6.      | Shri Alok Dhir#          | -        | -          | 13,000      | 13,000   |
| 7.      | Shri R. G. Bagla#        | -        | -          | -           | -        |
| 8.      | Shri B. K. Arora#        | -        | -          | -           | -        |
| 9.      | Shri Kailash Nath#       | -        | -          | -           | -        |

\* Remuneration is payable w.e.f. 01.01.2005

\*\* Benefits do not include payment of contribution to Provident Fund and Superannuation fund which are exempted perquisites under Para 2 Section II Part II of Schedule XIII of the Companies Act, 1956.

# Part of the year

— Agreement with the Managing Director is for a period of 3 years i.e. upto 31.03.2007.

— Mr. Alok Dhir is partner of Dhir & Dhir Associates who have professional relationship with the Company on need basis. During the year, the Company has paid Rs. 92,500 as professional fee.

#### 5. Shareholders Grievance Committee

##### (a) Composition

The Committee comprises of:

- (i) Shri J.P. Bajpai (Chairman)
- (ii) Shri K.N. Khandelwal
- (iii) Shri Raj Kumar Lohia

Mr. Manish Bajpai, Company Secretary is the Compliance Officer of the Committee.

##### (b) Functions

The Committee specifically looks into redressal of shareholders' and investors' complaints such as transfer of shares, non-receipts of shares, non-receipt of dividend declared and to ensure expeditious share transfer process. To review the status of investors' grievances, redressal mechanism and recommend measures to improve the level of investors' services.

##### (c) Meeting and Attendance

The Shareholders Grievance Committee was formed by the Board on 25.12.2004 and during the financial year ended 31<sup>st</sup> March, 2005, there were no meetings held.

#### 6. General Body Meetings

Dates and time of last three meetings held are given below :

| Financial Year | Date                       | Time      |
|----------------|----------------------------|-----------|
| 2001 - 02      | 30 <sup>th</sup> Sep. 2002 | 2.00 P.M. |
| 2002 - 03      | 20 <sup>th</sup> Sep. 2003 | 1.30 P.M. |
| 2003 - 04      | 30 <sup>th</sup> Sep. 2004 | 3.00 P.M. |



All the above meetings were held at the Registered Office of the Company at Kamla Tower, Kanpur.

No special resolution was passed in the last 3 Annual General Meetings of the Company.

The Chairman of the Audit Committee was present at AGM held on 30<sup>th</sup> September, 2004 to answer the queries of the shareholders.

## 7. Disclosures

### (a) Disclosures regarding appointment or re-appointment of Directors :

According to the Articles of Association of the Company two Directors Shri J.P. Bajpai and Shri K.N. 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 abbreviated resumes of the aforesaid Directors pursuant to clause 49 of the listing Agreement.

(i) **Shri J.P. Bajpai** (68), is a Postgraduate in Commerce and a Company Secretary by qualification. He is a Non-Executive, Non Independent Director of the Company since its inception in 1994 and is a well-known personality in the field of Business, Social and Sports activities. He holds the post of Director in Juggilal Kamlatpat Holding Ltd., Kanpur Investments Ltd., J.K. Investment Ltd., J.K. Circuit Works Ltd., Navodaya Sidhi Cement Ltd., Gotan Cement Works Ltd., Jaykaycem (Central) Ltd. He also holds the post of Hony. Treasurer of the Board of Control for Cricket in India. He is presently working as Sr. President (HO) & Company Secretary in J.K. Synthetics Ltd.

(ii) **Shri K. N. Khandelwal** (60), is a Commerce Graduate and a Chartered Accountant by qualification and has vast experience in the fields of Commerce and Industry. He holds the post of Director in Khandelwal Extractions Ltd., Kanpur Investments Ltd., J.K. Investment Ltd., Juggilal Kamlatpat Holding Ltd., Jaykay Capital Finance Ltd., J.K. Industrial & Mineral Products Ltd. He also holds the post of President (F&A) in J.K. Synthetics Ltd. He is trustee/member of Executive Bodies of various Educational and Social Institutions/ Organisations.

(b) There was no transaction of material nature with the Directors or the Management or their relatives during the year that have potential conflict with the interest of the Company. Details of transactions of material nature with any of the related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in the notes to the Accounts.

## 8. Means of Communications

The Annual, Half yearly and Quarterly results shall be submitted to the Stock Exchange(s) in accordance with Listing Agreement and the same will be published regularly in the newspapers. Management Discussion and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

The Company has its own website and all vital information relating to the Company and its performance, including quarterly results etc. will be posted on the web site. The Company's web site address is [www.jkcement.com](http://www.jkcement.com)

## 9. General Shareholders Information

### a) Address for Correspondence :

J.K. Cement Ltd.  
Share Department,  
Kamla Tower, Kanpur – 208001.  
Telephone No.: 0512 2311478 – 81; Fax 2368954  
Email : [jkskr@jkcements.com](mailto:jkskr@jkcements.com)  
Website : [www.jkcement.com](http://www.jkcement.com)

### b) Annual General Meeting

Date & Time : Saturday, the 20<sup>th</sup> August, 2005 at 12:00 Noon.  
Venue : Auditorium of Merchants' Chamber  
Uttar Pradesh, 14/76, Civil Lines, Kanpur.

### c) Financial Calendar

(a) First Quarter Results - End of July, 2005  
(b) Second Quarter Results - End of October, 2005  
(c) Third Quarter Results - End of January 2006  
(d) Results for the year ending 31<sup>st</sup> March 2006 - By end of June 2006

### d) Date of Book Closure

16<sup>th</sup> August, 2005 to 20<sup>th</sup> August, 2005 (both days inclusive)

### e) Dividend payment date :- Not applicable (No dividend is proposed)

### f) Listing on Stock Exchanges

The Company has already applied to the Stock Exchange, Mumbai (BSE) for listing of its shares.

### g) Stock Market Data

Not Applicable since the Company is an unlisted Company.

### h) Registrar/Transfer Agent

The Company has appointed M/s J.K. Synthetics Ltd. as Registrars and Share Transfer Agents having its office at Kamla Tower, Kanpur for Physical and Demat segment except for NSDL for which M/s Alankit Assignments Ltd. having its office at 205-206, Anarkali Market Complex, Jhandewala Extension, New Delhi - 110 055 have been providing electronic connectivity for dematerialisation/rematerialisation of Company's securities.

### i) Share Transfer System

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

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

### j) Distribution of Shareholding as on 31.3.2005

| No. of Equity Share held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|--------------------------|---------------------|-------------------|--------------------|-------------------|
| Upto 5000                | 113889              | 99.02             | 2487704            | 4.983             |
| 5001 to 10000            | 570                 | 0.50              | 438775             | 0.879             |
| 10001 to 20000           | 258                 | 0.22              | 385173             | 0.771             |
| 20001 to 30000           | 108                 | 0.09              | 267944             | 0.537             |
| 30001 to 40000           | 37                  | 0.03              | 128812             | 0.258             |
| 40001 to 50000           | 36                  | 0.03              | 166962             | 0.334             |
| 50001 to 100000          | 53                  | 0.05              | 431549             | 0.864             |
| 100001 and above         | 68                  | 0.06              | 45620331           | 91.374            |
| Total                    | 115019              | 100.00            | 49927250           | 100.000           |