

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

The JK Green Cement Plant

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



Member



Membership No. IGBC-MP-1024

# Contents

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

## Forward - looking statement

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

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

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

# A New Chapter in an Inspiring Story

## The J.K. Green Cement Plant

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

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

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



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





# J.K. Cement Today

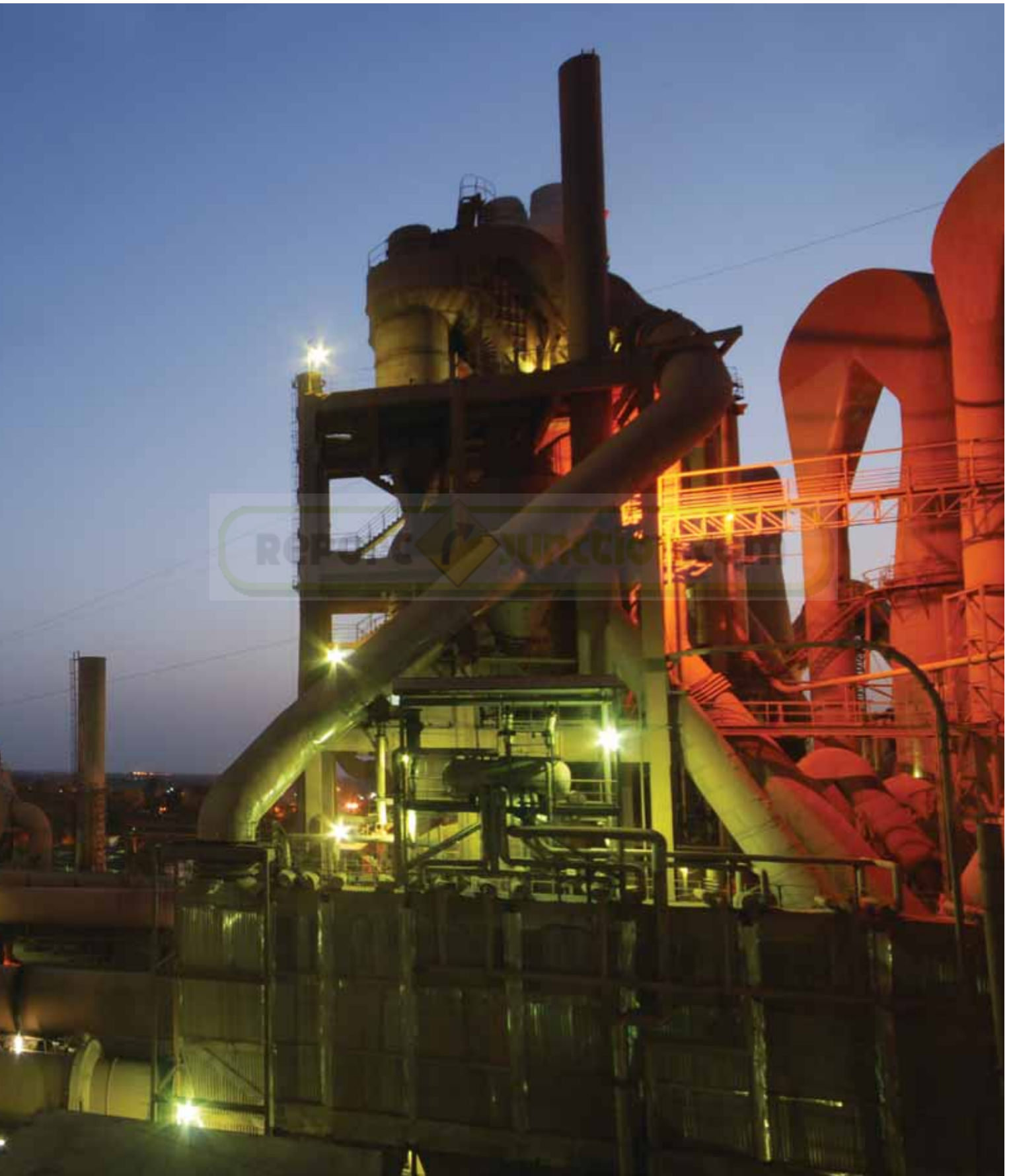
## The Profile

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

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

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





# Facilities

## 01 Grey Cement

Nimbahera

**3.25** MTPA

Mangrol

**0.75** MTPA

Gotan

**0.50** MTPA

Mudhol\*

**3.00** MTPA

## 02 White Cement

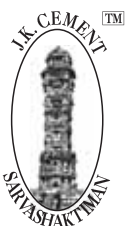
Gotan

**0.40** MTPA



# The Brands

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





03

## Power

Bamania

**15.00** MW

Nimbahera (Coal-Based)

**20.00** MW

Nimbahera (Waste Heat Recovery)

**13.20** MW

Gotan (Coal-Based)

**07.50** MW

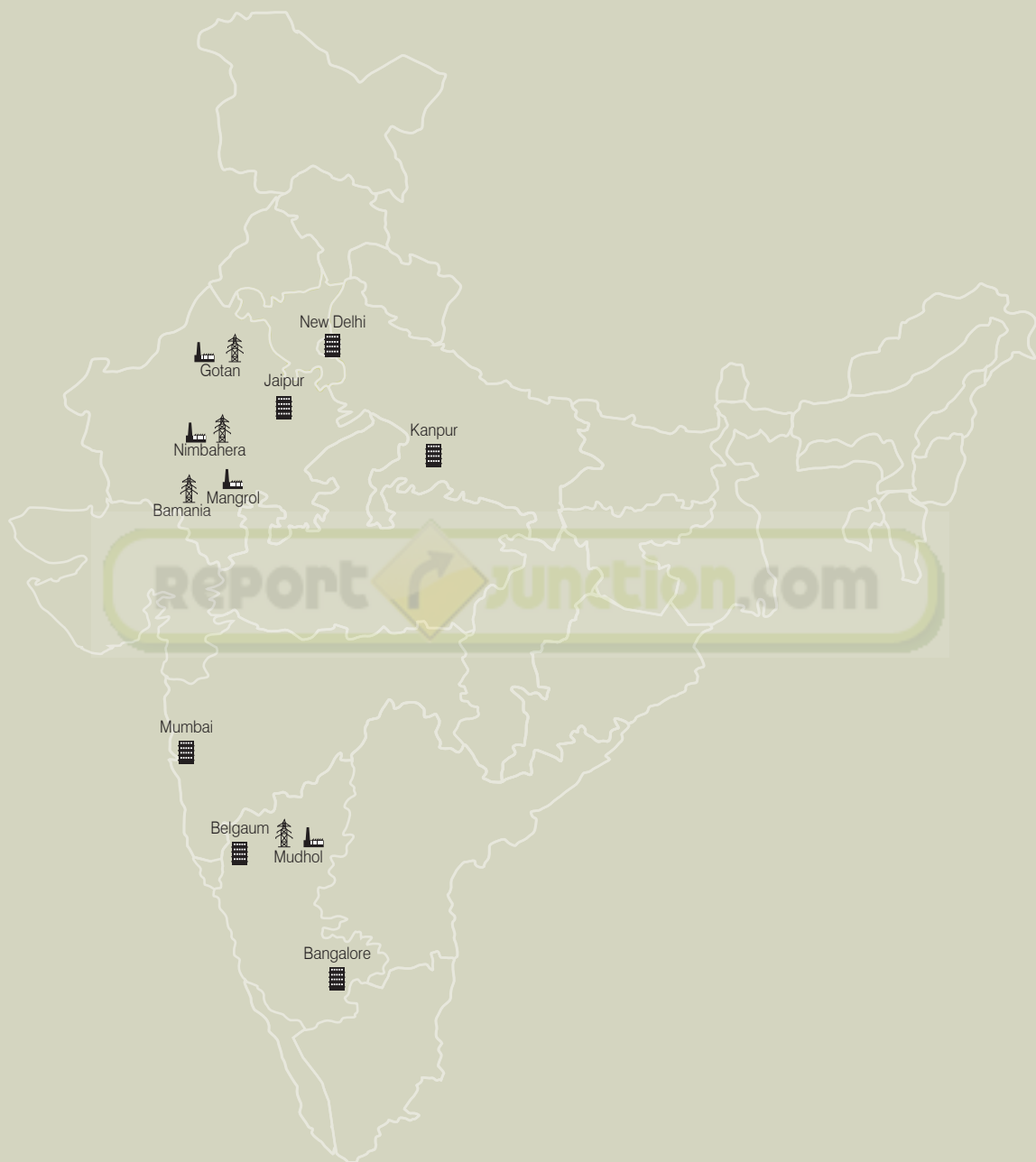
Mudhol\* (Coal-Based)

**50.00** MW

\* Under Execution



# Presence



Power Plant



Cement Plant



Office

# Company Policy and Management Philosophy

## Policy

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

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

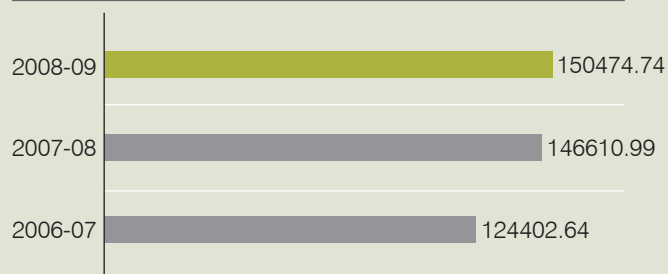
## Management Philosophy

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

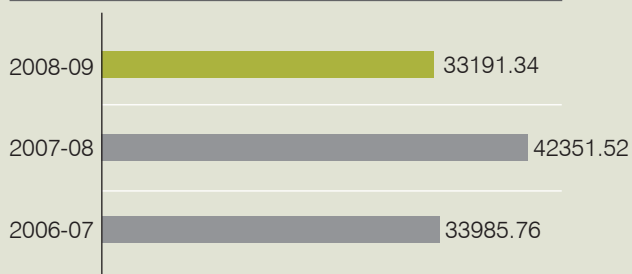


# Facts and Figures

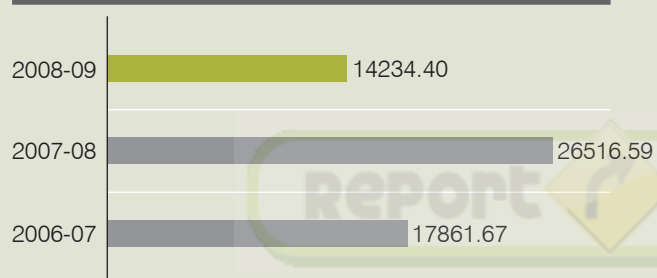
## Total Income (Rs. lacs)



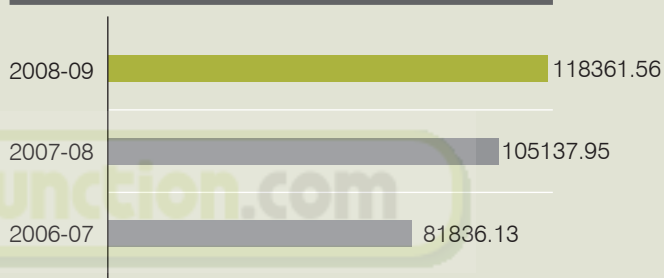
## EBIDTA (Rs. lacs)



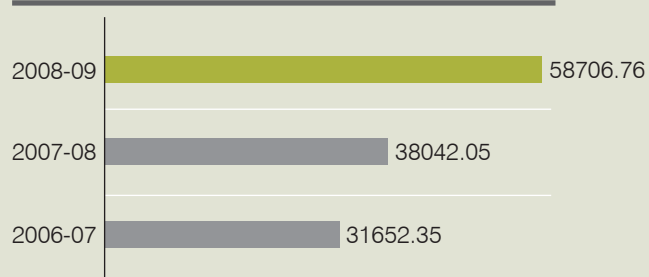
## PAT (Rs. lacs)



## Networth (Rs. lacs)



## Working Capital (Rs. lacs)



## Debt - Equity Ratio

