



THE MULTIPLIER EFFECT



JK *Cement* LTD.

| Annual Report 2010 - 11 |

Honouring the Legacy



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



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



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

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The Multiplier Effect

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

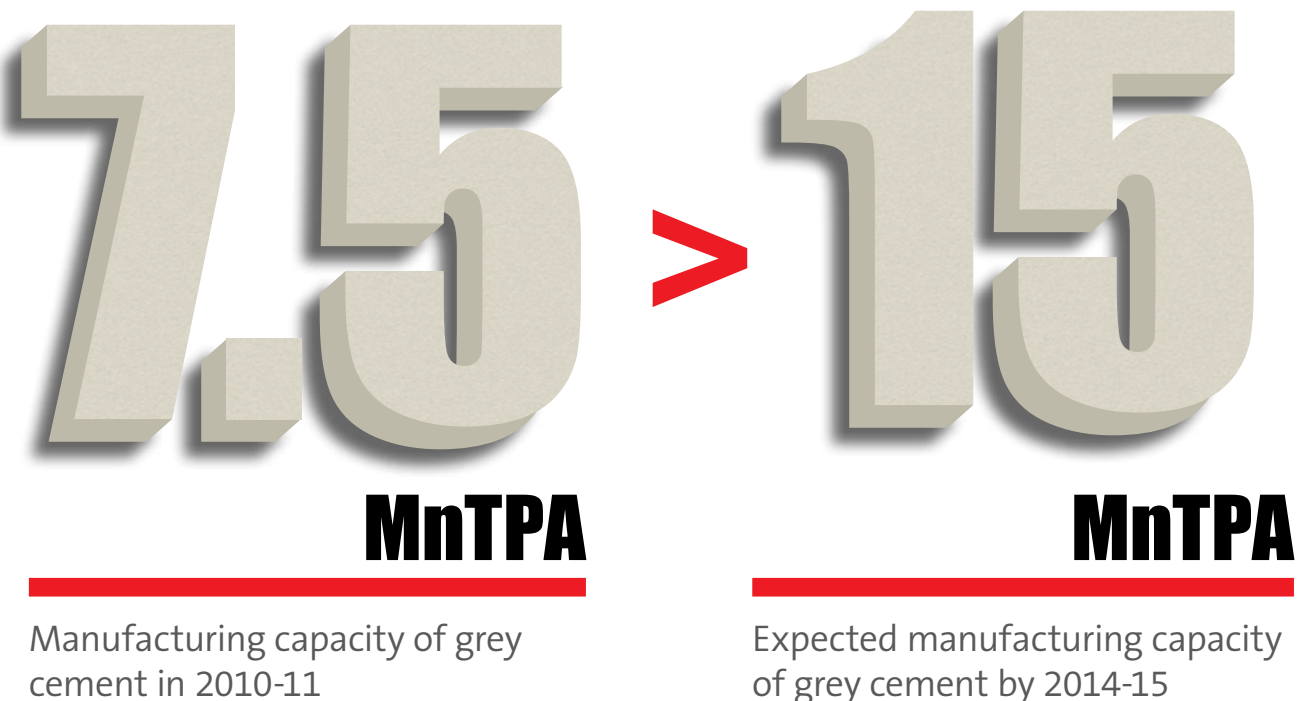


Grey cement plant at Mangrol

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

Are we ready for it?

This is our roadmap.



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

Chairman's Message



DEAR SHAREHOLDERS,

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

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

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

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

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

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

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

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

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

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

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

Warm regards



Gaur Hari Singhania
Chairman



Grey cement plant at Muddapur

Chronicle of a Vibrant Enterprise

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

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

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



White cement plant at Gotan

Manufacturing facilities

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

Coal-Based Power Plants

Bamania - 15.00 MW

Nimbahera -20.00 MW

Gotan - 7.50 MW

Muddapur - 50.00 MW

Waste Heat Recovery

Nimbahera- 13.20 MW



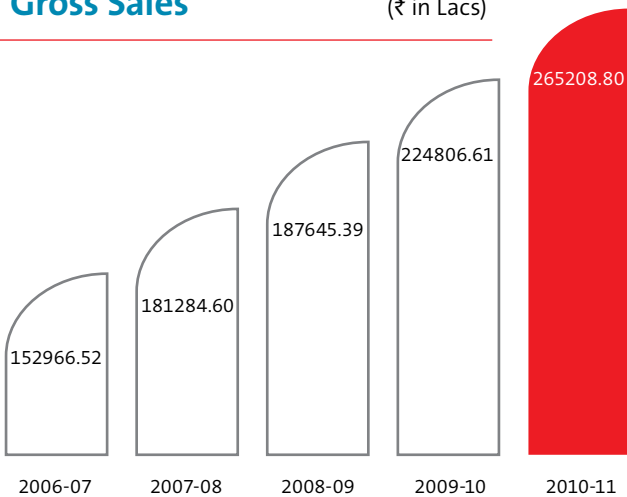
Empowering brands

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

Financial Performance

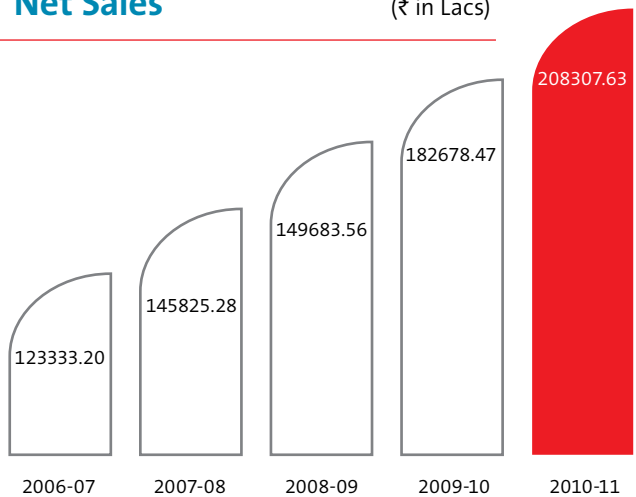
Gross Sales

(₹ in Lacs)



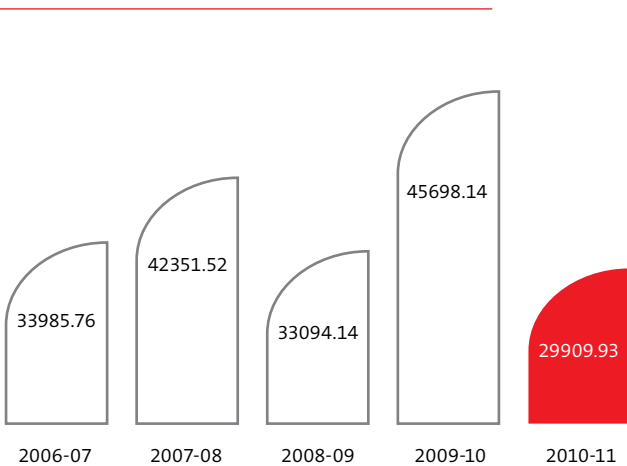
Net Sales

(₹ in Lacs)



EBIDTA

(₹ in Lacs)



Profit after tax (PAT)

(₹ in Lacs)

