DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated December 5, 2005
100% Book Built Issue

J.K. CEMENT LIMITED

(Incorporated under the Companies Act, 1956 on November 24, 1994 as J.K. Cement Limited)
Registered Office: Kamla Tower, Kanpur 208 001, Uttar Pradesh, India
Tel: +91 512 237 1478; Fax +91 512 236 9 854. Contact Person: Mr. Manish Bajpai; Tel: +91 512 2371 478; Fax +91 512 236 9854
E-mail: fpo@jkcements.com; Website: www.jkcement.com

PUBLIC ISSUE OF 20,000,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE AGGREGATING RS. [•] MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE") BY J.K. CEMENT LIMITED ("J.K. CEMENT", "THE COMPANY" OR "THE ISSUER"). 200,000 EQUITY SHARES SHALL BE RESERVED IN THE ISSUE FOR SUBSCRIPTION BY EMPLOYEES (AS DEFINED HEREIN) AT THE ISSUE PRICE (THE "EMPLOYEE RESERVATION PORTION") AND 1,800,000 EQUITY SHARES SHALL BE RESERVED IN THE ISSUE FOR SUBSCRIPTION BY EXISTING SHAREHOLDERS (AS DEFINED HEREIN) AT THE ISSUE PRICE (THE "EXISTING SHAREHOLDERS RESERVATION PORTION", AND THE ISSUE OF EQUITY SHARES OTHER THAN THE EMPLOYEE RESERVATION PORTION AND THE EXISTING SHAREHOLDERS RESERVATION PORTION, THE "NET ISSUE"). THE ISSUE SHALL CONSTITUTE 28.60% OF THE FULLY DILUTED POST-ISSUE CAPITAL OF OUR COMPANY.

THE PRICE BAND WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ANNOUNCED AND ADVERTISED AT LEAST ONE DAY PRIOR TO THE ISSUE OPENING DATE/BID OPENING DATE.

ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [•] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicate.

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Employees, subject to valid Bids being received at or above the Issue Price and up to 1,800,000 Equity Shares shall be available for allocation on a proportionate basis to the Existing Shareholders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE ISSUE

The Issue Price (as determined by the Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares by way of book-building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares allotted pursuant to the Issue are listed. The market price of the existing Equity Shares of the Company could affect the price discovery through book building and *vice versa*. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing of the Equity Shares allotted pursuant to the Issue.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page x of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE, where the Equity Shares of our Company are currently listed, and the NSE. The existing Equity Shares of the Company are listed on the BSE. We have received in-principle approval from BSE and NSE for the listing of our Equity Shares pursuant to the Issue, by letters dated [●] and [●], respectively. For purposes of the Issue, [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
DSP Merrill Lynch **DSP Merrill Lynch Limited** Mafatlal Centre, 10th Floor, Nariman Point Mumbai 400 021, India Tel: +91 22 2262 1071 Fax: +91 22 2262 1187 Email: jkcement_fpo@ml.com Website: www.dspml.com	**MCS Limited** Sri Padmavati Bhavan Plot No. 93, Road No. 16 MIDC Area, Andheri East Mumbai 400 093, India Tel.: +91 22 5502 5235 Fax: +91 22 5502 5256 E-mail: jkcement@mcsind.com Website: www.mcsind.com

ISSUE PROGRAM	
BID/ISSUE OPENS ON: [•], 2006	**BID/ISSUE CLOSES ON: [•], 2006**

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DEFINITIONS AND ABBREVIATIONS

Definitions

Term	Description
"J.K. Cement" or "the Company" or "our Company" or "Issuer" or "we" or "us" or "our"	J.K. Cement Limited, a public limited company incorporated under the Companies Act, and in the context of operational and financial information prior to November 4, 2004, the JKSL Cement Division.
JKSL Cement Division	The cement division of JKSL, including grey cement plants at Nimbahera and Mangrol, a captive power plant at Bamania, and a white cement plant at Gotan, all in the State of Rajasthan, which has been acquired by the Company pursuant to the Scheme of Rehabilitation of JKSL with effect from November 4, 2004.

Company/Issue Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are/have been allotted.
Article/Articles of Association	Articles of Association of the Company.
Auditors	P.L. Tandon & Company, Chartered Accountants.
Banker(s) to the Issue	[•].
Bid	An indication to make an offer during the Bidding/Issue Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder pursuant to the Bid in the Issue.
Bid/ Issue Closing Date	The date after which the Syndicate Members will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper and a Hindi national newspaper.
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which the Bidders can submit their Bids.
Bid/Issue Opening Date	The date on which the Syndicate Members shall start accepting Bids for the Issue, which shall be the date notified in a widely circulated English national newspaper and a Hindi national newspaper.
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof.
Book Building Process	The book-building route as provided in Chapter XI of the SEBI Guidelines, in terms of which the Issue is being made.
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being DSP Merrill Lynch Limited.
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Consortium of Banks	A consortium of banks comprising Allahabad Bank (lead bank), United Bank of India, Indian Overseas Bank, Andhra Bank, Indian Bank, Dena Bank, the Jammu & Kashmir Bank and Canara Bank, which has granted loans in an aggregate amount of Rs.4,750 million to the Company pursuant to a Term Loan Agreement dated November 1, 2004, a Supplemental Loan Agreement dated March 23, 2005 and a Second Supplemental Term Loan Agreement dated November 16, 2005.
Cut-off Price	Any price within the Price Band finalized by us in consultation with the BRLM.

Term	Description
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Accounts to the Issue Account after the Prospectus is filed with the RoC, following which the Board allots Equity Shares to successful Bidders.
Designated Stock Exchange	[●].
Director(s)	Director(s) of the Company, unless otherwise specified.
Draft Red Herring Prospectus	This Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. Upon filing with the RoC at least three days before the Bid/Issue Opening Date, it will be termed as the Red Herring Prospectus. It will be termed the Prospectus upon filing with the RoC after the Pricing Date.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an offer to sell and an invitation to subscribe to Equity Shares offered hereby.
Employee	A permanent employee or a Director (whole-time Director, part-time Director or otherwise) of the Company, who is an Indian National and is based in India, excluding any Promoter or member of the Promoter group. The permanent employees should be on the payroll of the Company as of [●] and the Directors should be Directors on the date of the Red Herring Prospectus. The Employee(s) may also be referred to as "Bidder(s) in the Employee Reservation Portion" in this Draft Red Herring Prospectus.
Employee Reservation Portion	The portion of the Issue, being 200,000 Equity Shares, available for allocation to Employees.
Equity Shares	Equity shares of the Company of face value of Rs.10 each, unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement entered into among the Company, the Registrar, the Escrow Collection Bank(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which the Escrow Account will be opened, in this Issue comprising [●].
Existing Shareholders	Holders of Equity Shares of the Company as of [●] and who hold Equity Shares worth up to Rs.100,000 determined on the basis of the closing price of the Equity Shares on the BSE on [●] and who are Indian Nationals and based in India. Clearing members holding Equity Shares in transit in the clearing account/pool account cannot apply under this category. The Existing Shareholders may also be referred to as "Bidder(s) in the Existing Shareholders Reservation Portion" in this Draft Red Herring Prospectus.
Existing Shareholders Reservation Portion	The portion of the Issue, being 1,800,000 Equity Shares, available for allocation to Existing Shareholders.
Financial Year/ Fiscal/fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
Indian National	As used in the context of the Employee Reservation Portion and the Existing Shareholders Reservation Portion, a citizen of India as defined under the Indian Citizenship Act, 1955, as amended, who is not an NRI.
Issue	Public issue of 20,000,000 Equity Shares at the Issue Price.
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares will be allotted in the Issue, as determined by the Company in consultation with the BRLM, on the Pricing Date.
JK Cotton/JKCSWM	Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited.
JK Jute/JKJM	Juggilal Kamlapat Jute Mills Company Limited.

Term	Description
JK Satoh	J.K. Satoh Agricultural Machines Limited.
JKSL	J.K. Synthetics Limited.
Man-made fibers division	JKSL's yarn, fabrics and fibers division and operations.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, which may be 10% or 100% of the Bid Amount.
Memorandum/ Memorandum of Association	The memorandum of association of the Company, as applicable.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Net Issue	The Issue of Equity Shares other than Equity Shares included in the Employee Reservation Portion and the Existing Shareholders Reservation Portion, aggregating 18,000,000 Equity Shares.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than Rs.100,000.
Non-Institutional Portion	The portion of the Net Issue, being at least 2,700,000 Equity Shares, available for allocation to Non-Institutional Bidders on a proportionate basis.
Non-Resident	Non-Resident is a person resident outside India, as defined under FEMA.
NRI/Non-Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin, as such terms are defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly, as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
Pay-in Date	The Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) With respect to QIBs, the period commencing on the Bid Opening Date and extending until the closure of the Pay-in Date.
Price Band	The price band with a minimum price (Floor Price) of Rs.[●] per Equity Share and the maximum price (Cap Price) of Rs.[●] per Equity Share.
Pricing Date	The date on which the Company in consultation with the BRLM finalizes the Issue Price.
Promoters	Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Yadu International Limited and Juggilal Kamlapat Holding Limited.
Prospectus	The prospectus filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
QIB Margin	An amount representing 10% of the Bid Amount.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, FVCIs registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs.250 million.
QIB Portion	The portion of the Net Issue, being at least 9,000,000 Equity Shares, available for Allottment to QIBs on a proportionate basis.
Registrar/Registrar to the Issue	MCS Limited.
Retail Individual Bidders	Individual Bidders who have Bid for Equity Shares for an amount less than or equal to Rs.100,000.
Retail Portion	The portion of the Net Issue, being at least 6,300,000 Equity Shares, available for allocation to Retail Individual Bidder(s) on a proportionate basis.

Term	Description
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The document issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
Scheme of Rehabilitation	The scheme for rehabilitation of JKSL relating to the one time settlement of dues of secured creditors of JKSL involving, among other matters, the slump sale of the JKSL Cement Division to the Company as sanctioned by the AAIFR pursuant to its orders dated January 23, 2003, June 12, 2003 and January 7, 2005.
Stock Exchanges	BSE and NSE.
Syndicate	The BRLM and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among the Company and the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Members	[•].
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members.
Underwriting Agreement	The Agreement among the Underwriters and the Company to be entered into on or after the Pricing Date but prior to the filing of the Prospectus with SEBI.

Conventional/General Terms

Term	Description
Air Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended from time to time.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Environment Act/EPA	The Environment (Protection) Act, 1986, as amended from time to time.
FCNR Account	Foreign Currency Non-Resident Account.
Forest Act	The Forest (Conservation) Act, 1980, as amended from time to time.
Factories Act	The Factories Act, 1948, as amended from time to time.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
Industrial Policy	The industrial policy and guidelines issued thereunder by the Ministry of Industry, Government of India, from time to time.
Northern India	The region in north India comprising the following states and union territories: Chandigarh, Delhi, Haryana, Jammu and Kashmir Punjab, Rajasthan, Himachal Pradesh, Delhi, and Uttranchal, as classified by CMA.
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
P/E Ratio	Price/Earnings Ratio.
Public Insurance Act	The Public Liability Insurance Act, 1991, as amended from time to time.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Guidelines	The SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued by SEBI on January 27, 2000, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI MAPIN Regulations	SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.
Securities Act	U.S. Securities Act, 1933, as amended from time to time.

Term	Description
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended from time to time.
Wealth Act	The Wealth Tax Act, 1957, as amended from time to time.

Industry Related Terms

Term	Description
Kcal	Kilo Calories.
KVA	Kilo Volt Ampere.
KWh	Kilowatt hours.
MnTPA	Million tons per annum.
MPa	Mega pascal.
MnT	Million tons.
MW	Mega Watt.
OPC	Ordinary Portland Cement.
Petcoke	Petroleum coke.
PPC	Pozzolona Portland Cement.
TPD	Tons per day.

Abbreviations

Abbreviation	Full Form
AAIFR	Appellate Authority for Industrial and Financial Reconstruction.
AGM	Annual General Meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BIFR	Board for Industrial and Financial Reconstruction.
BIS	Bureau of Indian Standards.
BSE	Bombay Stock Exchange Limited.
CAGR	Compounded annual growth rate.
CDSL	Central Depository Services (India) Limited.
CIT	Commissioner of Income Tax.
CIT (A)	Commissioner of Income Tax (Appeals).
CMA	Cement Manufacturers' Association.
DSPML	DSP Merrill Lynch Limited.
EPS	Earnings per share.
FDI	Foreign Direct Investment.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board.
FVCIs	Foreign Venture Capital Investors, as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
GIR	General Index Registry.
GoI	Government of India.
HUF	Hindu Undivided Family.
IDBI	Industrial Development Bank of India.

Abbreviation	Full Form
MoEF	Ministry of Environment and Forest, Government of India.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	per annum.
PAN	The permanent account number allotted under the I.T. Act.
PAT	Profit after Tax.
PBIDT	Profit before interest, depreciation and taxes.
RBI	The Reserve Bank of India.
RoC	The Registrar of Companies, Uttar Pradesh and Uttaranchal, located at Kanpur.
RoNW	Return on Net Worth.
RSPCB	Rajasthan State Pollution Control Board.
SBI	State Bank of India.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.

PRESENTATION OF FINANCIAL AND MARKET DATA

Financial Data

The Company has no subsidiaries. Unless otherwise stated, the financial data in this Draft Red Herring Prospectus is derived from (i) the financial statements of the Company for fiscal 2001, 2002, 2003, 2004 and 2005 and for the six months ended September 30, 2005, including the notes thereto and reports thereon, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with applicable SEBI Guidelines and (ii) the financial statements of the JKSL Cement Division for fiscal 2001, 2002, 2003, 2004 and as of and for the period between April 1, 2004 and November 3, 2004, including the notes thereto and reports thereon. The financial information relating to the JKSL Cement Division included in the following summary financial has been restated in accordance with applicable SEBI Guidelines and has been derived from the audited financial statements of JKSL for fiscal 2001, 2002, 2003, 2004 and 2005.

Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year or Fiscal are to the twelve-month period ended March 31 of that year, unless otherwise specified. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice, Indian GAAP, the Companies Act and the SEBI Guidelines. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the differences included herein, and we urge you to consult your own advisors regarding such impact on our financial data. For further information, please see section "Summary of Significant Differences between Indian GAAP and US GAAP" beginning on page 116 of this Draft Red Herring Prospectus.

Presentation of Financial Information

Pursuant to the Scheme of Rehabilitation, with effect from November 4, 2004, the JKSL Cement Division was acquired by the Company. Prior to such acquisition, the Company did not have any significant operations. Accordingly, any discussion on the Company's results of operations for fiscal 2005 compared to fiscal 2004, for fiscal 2004 compared to fiscal 2003 and for the six months ended September 30, 2005 compared to the six months ended September 30, 2004 may not provide a meaningful basis of comparison. In order to provide a more meaningful comparison of our results of operations, we have provided a comparison of the results of operations of the Company (until the line item "profit before depreciation, interest and tax" in our profit and loss account) subsequent to the acquisition of the JKSL Cement Division effective as of November 4, 2004 with the results of operations of the JKSL Cement Division (until the line item "profit before depreciation, interest and tax" in our profit and loss account) prior to November 4, 2004. We are unable to calculate net income or any other financial information because of the reasons stated elsewhere in this Draft Red Herring Prospectus. We have also not provided any balance sheet or cash flow information of the JKSL Cement Division for purposes of such comparison.

As the Scheme of Rehabilitation became effective in the middle of fiscal 2005, in order to facilitate a meaningful comparison, we have presented the aggregate of the results of the JKSL Cement Division for the period from April 1, 2004 to November 3, 2004 and the results of the Company for the period from November 4, 2004 to March 31, 2005 as our results of operations (until the line item "profit before depreciation, interest and tax" in our profit and loss account) in fiscal 2005. However, the actual results of the Company would vary from the information presented for fiscal 2005 had the Scheme of Rehabilitation become effective as of April 1, 2004.

Please note the following in context of the financial information included in this Draft Red Herring Prospectus:

- The financial information for fiscal 2001, 2002, 2003 and 2004 and as of and for the six months ended September 30, 2004 represents financial information relating to the JKSL Cement Division, which was one of the two business segments of JKSL prior to its acquisition by the Company. The other business segment of JKSL was the JKSL Man-made fibre division. As JKSL was not required to prepare financial information for its business segments to the net income level, the financial information in this Draft Red Herring Prospectus relating to the JKSL Cement Division is limited to income and expenditure line items and to profit before depreciation, interest and taxes.
- No information relating to interest expenses and taxes are available on a segment basis, i.e., no specific allocation of such non-operating expenses have been made to either the JKSL Cement Division or the JKSL Man-made Fibre Division. Further, as a result of the significant debt that the Company incurred in connection with the acquisition of the JKSL Cement Division pursuant to the Scheme of Rehabilitation, any attempt to allocate interest to the JKSL Cement Division prior to November 3, 2004 would not provide a meaningful basis of comparison with our current interest expense.
- We have not presented financial information relating to depreciation, as depreciation costs prior to the implementation of the Scheme of Rehabilitation have been accounted for based on the book value of the assets of the JKSL Cement Division determined according to JKSL's investment in the relevant assets,

whereas following the Scheme of Rehabilitation, the book value of such assets has been determined on the basis of the purchase consideration paid by the Company to JKSL for the acquisition of the JKSL Cement Division.

- As JKSL was a loss-making enterprise in the three years preceding the Scheme of Rehabilitation, no taxes in respect of the JKSL Cement Division were determined or paid for such periods.
- As a result of these factors, we are unable to calculate net income or other financial information below the line item "profit before depreciation, interest and taxes", or PBIDT, for any period prior to the Scheme of Rehabilitation.
- In addition, certain administrative and other expenses incurred by JKSL were not allocated to either the JKSL Man-made Fibre Division or the JKSL Cement Division in its audited financial statements. We have, for purposes of presentation of the financial information in this Draft Red Herring Prospectus, allocated 50% of such expenses to the results of operations of the JKSL Cement Division. Accordingly, although the financial information for fiscal 2001, 2002, 2003, 2004 and for the period between April 1, 2004 and November 3, 2004, as well as for the six months ended September 30, 2004 include such allocated expenses under the line item "registered office and corporate office expenses", there is no corresponding financial information for the period between November 4, 2004 and April 1, 2005, or for the six months ended September 30, 2005.
- Further, as we are unable to calculate interest income with respect to the financial information relating to the JKSL Cement Division prior to November 4, 2004, in the presentation of our results of operations (until the line item "profit before depreciation, interest and tax" in our profit and loss account), we have not included interest income under the line item "Other Income". In the financial information relating to the Company, interest income has been included under the line item "Other Income". Accordingly, the results of operations of the Company included in this Draft Red Herring Prospectus may vary from the results of operations of the Company as presented in the comparative results of operations of the JKSL Cement Division and the Company (until the line item "profit before depreciation, interest and tax" in our profit and loss account).
- As a result of the foregoing, the discussion of our results of operations for fiscal 2005 compared to fiscal 2004, and for the six months ended September 30, 2005 compared to the six months ended September 30, 2004 in this Draft Red Herring Prospectus may not provide a meaningful basis of comparison. You are therefore cautioned not to place undue reliance on such comparison.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "U.S.$" or "$" or "U.S. dollars" or "dollars" are to United States dollars, the official currency of the United States.

Market Data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used from these sources may have been reclassified by us for the purpose of presentation. Although we believe industry data used in this Draft Red Herring Prospectus is reliable, it has not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward looking statements". These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Similarly, statements that describe the Company's objectives, strategies, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

i) Important factors that could cause actual results to differ materially from the Company's expectations include, among others:

ii) changes in weather patterns that affect consumer demand for cement;

iii) changes in competitors' pricing and other competitive strategies;

iv) general economic and political changes in laws and regulations that apply to the Indian cement industry, import duties, excise duties or environmental regulations;

v) our ability to successfully implement our strategy, our growth and expansion plans and technological changes;

vi) the market prices for cement;

vii) the loss or shut down of operations at any of our plants, including as a result of expansion of projects or interruptions in the supply of power; the loss of any significant customers;

viii) an adverse outcome in the legal proceedings in which we are involved;

ix) actions by our authorized dealers and distributors that adversely affect our business;

x) labour unrest or other difficulties;

xi) governmental and business conditions globally and in India;

xii) changes in interest rates, and in exchange rates;

xiii) the level of construction activity in India;

xiv) changes in cement demand and prices; and

xv) changes in raw material and energy prices, our ability to obtain financing needed to repay maturing obligations and to fund expansion in a timely manner and on satisfactory terms and conditions and various other factors.

For further discussion of factors that could cause our actual results to differ, see the sections "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages x, 41 and 119 respectively of this Draft Red Herring Prospectus.

Neither the Company, the Directors, the Company's officers, the Promoters, any Underwriter, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the BRLM will ensure that investors are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section in conjunction with the sections entitled "Business" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages 41 and 119 of this Draft Red Herring Prospectus as well as other financial information contained in this Draft Red Herring Prospectus. If any of the following risks or any of the other risks and uncertainties discussed in this Draft Red Herring Prospectus actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

Internal Risk Factors

Our significant indebtedness and the conditions and restrictions imposed by our financing agreements could adversely affect our ability to conduct our business and operations.

As of September 30, 2005, we had total debt of approximately Rs.6,200.40 million. In addition, we may incur additional indebtedness in the future. Our indebtedness could have several important consequences, including but not limited to the following:

- a substantial portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as most of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Most of our financing arrangements are secured by our present and future movable and immovable assets. In addition, certain members of our Promoter group have pledged their shares in the Company as collateral for our indebtedness, and our managing director has provided his personal guarantee to the relevant creditors. Many of our financing agreements also include numerous conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to obtain these consents could have significant consequences on our business and operations. Specifically, we require, and may be unable to obtain, lender consents to incur additional debt, issue equity, change our capital structure, increase or modify our capital expenditure plans, pay any dividends, undertake any expansion, provide additional guarantees, change our management structure, or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements. Pursuant to our financing agreements, the lenders also have the right to appoint a director on our Board.

In addition, our Promoters Mr. Yadupati Singhania and Yadu International Limited have pledged 31,875,225 Equity Shares, representing 45.58% of the post-Issue equity capital of the Company with the Consortium of Banks as collateral security for the Rs.4,750 million term loan availed by the Company. In the event of any default under such term loan, the pledge may be invoked by the Consortium of Banks.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

The Indian cement market in general, and the Northern Indian cement market in particular, are extremely competitive.

We sell our grey cement to customers primarily in Northern India. The grey cement industry in India, especially Northern India, continues to be highly fragmented as compared to other cement producing countries. Though the share of cement production of the top five cement companies has risen to approximately 50% in fiscal 2005 from 34% in fiscal 1995, there are still more than 15 cement companies in India which have less than two million tons of cement capacity, and which are likely targets for further consolidation in the sector. Recently, certain regional and international players have begun to enter the domestic grey cement market. Notably, Lafarge, Holcim and Italcementi, over a period of time, have acquired certain local interests as part of their entry strategy into India. In comparison, the white cement industry in India is a concentrated market with the two largest players, Grasim Industries Limited and us, accounting for most of the capacity within the country.

Some of our competitors are larger than we are, have greater financial resources than we do, and may be able to deliver products on more attractive terms or to invest larger amounts of capital into their businesses, including expenditure for better and more efficient production capabilities. These competitors may limit our opportunity to expand our market share and may compete with us on pricing of products. Our business could be adversely affected if we are unable to compete with our competitors and sell cement at competitive prices. For example, if any of our current or future competitors develop more efficient production facilities, enabling them to produce cement and clinker at a significantly lower cost and sell at lower prices than us, we may be required to lower the prices we charge for our products and our business and results of operations could be adversely impacted. Current and future competitors may also introduce new and more competitive products and supporting services, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, including distributors of our products, thereby increasing their ability to address the needs of our target customers. If we cannot compete in pricing, provide competitive products or services or expand into new markets, this could have a material adverse effect on our business, financial condition and prospects.

Certain regulatory and other procedures in connection with the Scheme of Rehabilitation are pending.

Pursuant to the Scheme of Rehabilitation, the entire business undertaking of the JKSL Cement Division was acquired by the Company on a going concern basis with effect from November 4, 2004. Although we believe most of the regulatory and other procedures related to such Scheme of Rehabilitation in respect of the JKSL Cement Division have been completed, the transfer of certain regulatory approvals and licenses and contractual arrangements are pending. For example, certain mining leases relating to our limestone quarries as well as certain leases relating to the land on which our manufacturing facilities are located have not yet been transferred in the Company's name. There can be no assurance that we will complete these pending transfers prior to the completion of this Issue or at all.

In addition, although 285,184 Equity Shares have been allotted by the Company to certain shareholders pursuant to the Scheme of Rehabilitation, we have not yet dispatched share certificates to these shareholders as the title of these Equity Shares are under dispute. For further information, please see the section "Capital Structure" beginning on page 13 of this Draft Red Herring Prospectus.

Our business is dependent upon our ability to mine sufficient limestone for our operations.

We meet most of our requirements for limestone, the key raw material for cement production, from four quarries for our grey cement operations and two quarries for our white cement operations, all located near our plants. We own the freehold to some of the land where our quarries are located. We are required to obtain the grant of a lease from the State Government of Rajasthan in order to mine the limestone deposits. Our mining leases were initially granted for terms of 20 years and in accordance with the Mines and Minerals (Regulation and Development) Act, 1957, as amended and the Mineral Concession Rules, 1960, as amended. These mining leases are renewable for additional terms of 20 years at a time subject to certain conditions. Mining rights are subject to compliance with certain conditions, and the Government of India and State Governments have the power to take action with respect to mining rights, including imposing fines or restrictions, revoking the mining rights or changing the amount of royalty payable for mining the quarries. Certain of our mining leases have expired and we have duly applied for the renewal of these leases with the government of the State of Rajasthan. We have however not received renewals of these leases until date, although we continue to mine limestone from these quarries and pay royalty on such limestone mined to the appropriate authorities. We currently pay a royalty of Rs.45 per ton of limestone mined from our quarries. There can be no assurance that mining royalties will not be increased in the future.

Although we believe that our mining rights are sufficient to meet current and projected production levels, if our mining rights are revoked or not renewed upon expiration, or significant restrictions on the usage of the rights are imposed or applicable environmental standards are substantially increased, our ability to operate our plants adjacent to the affected mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our financial condition and results of operations.

There are numerous uncertainties inherent in estimating quantities of reserves, including many factors beyond our control. In general, estimates of reserves by independent consultants or the Company, including estimates of reserves set forth elsewhere in this Draft Red Herring Prospectus, are based upon a number of variable factors and assumptions, such as geological and geophysical characteristics of the reserves, historical production performance from the properties, the quality and quantity of technical and economic data, extensive engineering judgments, the assumed effects of regulation by Government of India agencies and future operating costs. All such estimates involve uncertainties, and classifications of reserves are only attempts to define the degree of likelihood that the reserves will result in revenue for the Company. For those reasons, estimates of the economically recoverable reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery, prepared by different engineers or by the same engineers at different times, may vary substantially. In addition, such estimates can be and will be subsequently revised as additional pertinent data becomes available prompting revision. Actual reserves may vary significantly from such estimates. To the extent actual reserves is significantly less than our estimates, our financial conditions and results of operations are likely to be materially and adversely impacted. While these estimates are based on detailed studies conducted by independent experts, there can be no assurance that these estimates would not be materially different from estimates prepared by other experts in accordance with different internationally recognized codes.

Our business and future results of operations may be adversely affected if we are unable to reduce our cost of power.

Our cost of power, which includes the cost of power sourced from the Rajasthan State Electricity Board, cost of coal used in our thermal power plant and cost of fuel oil used for the generation of power from our diesel generator sets, constitutes a significant percentage of our total expenditures and accounted for 18.7% and 19.2% of our total expenditure in fiscal 2005 and the six months ended September 30, 2005. The average cost of power derived from all sources was Rs.3.80 per KWh and Rs.4.12 per KWh in fiscal 2005 and the six months ended September 30, 2005. We believe that our average cost of power is significantly higher than that of some of our significant competitors.

In order to reduce our cost of power and improve margins, we propose to set up a 13 MW waste heat recovery plant and a 20 MW petcoke based captive power plant which are expected to be operational in June 2007. We also propose to modernize and upgrade our existing thermal power plant at Bamania in Rajasthan. We believe that these proposed captive power plants will enable us to substantially reduce our average cost of power generation.

Our plans relating to the establishment of these captive power plants are subject to various potential problems and uncertainties, including changes in economic conditions, delays in completion, cost overruns, the possibility of unanticipated future regulatory restrictions and diversion of management resources. In addition, certain regulatory approvals required for the establishment of these proposed captive power plants have not yet been applied for by the Company. These approvals from the Rajasthan State Pollution Control Board relate to air and water pollution. There can be no assurance that we will receive such approvals or complete any or all of our proposed plans relating to these power plants. There can also be no assurance that the proposed power plants will achieve the power generation levels that we expect or that we will be able to achieve our targeted return on investment on these projects. In the event that we are unable to reduce our average cost of power generation, our business and results of operations may be adversely affected.

Our business and future results of operations may be adversely affected if we are unable to implement our expansion and modernization plans for our existing manufacturing facilities.

We propose to create additional capacity, including through modernizing and optimizing and debottlenecking our existing plants and facilities. We propose to increase the grinding capacity of our grey cement facilities and also increase production capacity at our Gotan facilities for white cement production. We also intend to increase revenues in the short-term by increasing output/capacity through optimization including debottlenecking of certain processes and addition of new equipment. We also propose to set up certain captive power plants and replace certain equipment in the existing thermal captive power plant at Bamania. We expect to incur significant capital expenditure for such plans. The maintenance and expansion of our plants may involve substantial capital expenditure and other risks associated with major projects, such as cost overruns, delays in implementation, technical and economic viability and changes in market conditions. Our business and future results of operations may be adversely affected if we are unable to implement our expansion and modernization plans for our existing manufacturing facilities.

There can be no assurance that we will be successful in arranging adequate working capital for our existing or expanded operations, which may adversely affect our financial condition and results of operations.

Our business requires a significant amount of working capital to finance the purchase of raw materials and for our limestone mining operations as well as for the purchase of packing materials for our grey and white cement. Currently we do not have any working capital facilities and we therefore fund our working capital needs through cash flow from operations and credit lines extended by our suppliers and transporters, resulting in increased operating costs associated with coal and packing materials and stores and spares and freight. While we are in the process of establishing working capital facilities with a number of banks, there can be no assurance that we will be successful in arranging adequate working capital for our existing or expanded operations, which may adversely affect our financial condition and results of operations. In addition, we may in the future need to incur additional indebtedness to satisfy our working capital needs.

We are dependent upon the continued supply of coal, petcoke and other raw materials and fuel, the supply and costs of which can be subject to significant variation due to factors outside our control.

We currently rely on a number of domestic suppliers to provide certain raw materials, including gypsum and additives such as laterite, red ochre, bauxite and iron ore for our grey cement operations as well as white clay, feldspar and fluorspar for our white cement operations. We are also dependent on various domestic suppliers for the supply of coal and petcoke, although we use a small amount of imported coal as well. If we are unable to obtain adequate supplies of raw materials or fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and results of operations may be materially and adversely affected.

We have gradually substituted the use of coal with petcoke, which is substantially cheaper than coal, for use in our kilns. We also propose to use petcoke for one of our proposed captive power plants. Currently we source our entire petcoke requirements from Reliance Industries Limited. An inability to procure petcoke from our current supplier or from other sources at competitive prices may adversely affect our results of operations.

As some of our annual coal requirement is sourced from coal mines owned by government undertakings, we are exposed to the risk of increases in coal prices by the government. In addition, the government-organized coal linkage committee determines the amount of coal we and other users of coal can source from a particular mine dependant on our demand. The quality of coal, especially its carbon content, may vary significantly depending upon the quality of the reserves from which the coal originates. Any deterioration in the quality of the coal supplied to us may also adversely impact our ability to manufacture cement to acceptable yield levels and quality standards and may have an adverse affect on our operations.

We depend on a distribution network for the sale and distribution of our products.

In addition to our internal sales network, we also distribute our products through an independent dealership network. As a result, we rely to a significant extent on the relationships we have with our dealers, as they play a significant part in enhancing customer awareness of our products and maintaining our brand name. As our authorized dealers have day-to-day contact with customers, we are exposed to the risk of our dealers failing to adhere to the standards set for them in respect of sales and after-sales service, which in turn could affect our customers' perception of our brand and products. In addition, we provide our dealers with incentives to sell our cement products by way of discounts. If our competitors provide better incentives to our dealers, such dealers may be persuaded to promote the products of our competitors instead of our products.

Our operations are subject to manufacturing risks and may be disrupted by a failure in our facilities.

Our manufacturing operations could be disrupted for reasons beyond our control. These disruptions may include extreme weather conditions, fire, natural catastrophes or raw material supply disruptions. Our facilities are also subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In addition, there is a risk that production difficulties such as capacity constraints, mechanical and systems failures, construction/upgrade delays or delays in the delivery of machinery may occur, causing suspension of production and reduced output. Any significant manufacturing disruption could adversely affect our ability to make and sell products, which could have a material adverse effect on our business, financial condition and results of operations. We are also required to carry out planned shutdowns of our plants for maintenance, statutory inspections and testing. We also shut down plants for capacity expansion and equipment upgrades.

In addition, due to the nature of our business and despite compliance with requisite safety requirements and standards, our operations are subject to operating risks associated with cement manufacturing. These hazards include storage tank leaks and ruptures, explosions, discharges or releases of hazardous substances, manual handling, exposure to dust and the operation of mobile equipment and manufacturing machinery. We also engage in mining operations for limestone and are subject to risks associated with mining, including fires, explosions and other accidents at the mine site. These operating risks may cause personal injury and property damage and could result in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on the productivity and profitability of a particular manufacturing facility and on our business, financial condition and results of operations.

An inability to utilize our manufacturing capacities to optimum levels or streamline our production planning and procurement processes will adversely impact our results of operations.

Disruptions in supply and transport could affect our business.

The production of cement is dependent on a steady supply of various raw materials. These inputs are transported to our plants by land, and cement is transported to our customers by land and rail transport. Transport of our inputs and finished products is subject to various bottlenecks and other hazards beyond our control, including poor road and other transport infrastructure, accidents, adverse weather conditions, strikes and civil unrest. Either an increase in the price of transportation or interruptions in transportation of our inputs or finished products could have an adverse effect on our business, financial condition and results of operations. In addition, cement is a perishable product as its quality deteriorates upon contact with moisture over a period of time. Therefore, prolonged storage or exposure to moisture during transport may result in such cement stocks being written off. Similarly, our cement is sold in bags that may split open during transport, again resulting in such stock being written off. Although we have not encountered any significant disruption to the supply and transportation of inputs and finished products to date, no assurance can be given that any such disruption will not occur in the future as a result of these factors and that such disruptions will not be material.

We typically use third party transportation providers for the supply of our raw materials and for deliveries of our products to our customers. Transportation strikes by members of various Indian truckers' unions have had in the past, and could have in the future, an adverse effect on our receipt of supplies and our ability to deliver our products. In addition, transportation costs have been steadily increasing. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business and results of operations.

An increase in the freight costs or unavailability of carriers for transportation of our products to our export markets may also have an adverse effect on our business and results of operations. These fluctuations may increase our costs and adversely affect our operating margins.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or our inability to attract and retain skilled personnel.

As of September 30, 2005, we had 1,817 full-time employees, of which 334 employees were employed at our corporate and marketing offices, and 1,483 employees were employed at our manufacturing facilities at Nimbahera, Mangrol and Gotan. Most of our employees are represented by labour unions. While we consider our current labour relations to be good, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

As of September 30, 2005, approximately 597 contract labourers were working at our manufacturing facilities. The number of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors primarily for packing, as well as cleaning and other specified assignments. All contract labourers engaged at our facilities are assured minimum wages that are fixed by the respective state governments. Any upward revision of wages required by such state governments to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect our business and results of our operations.

Our ability to meet future business challenges depends on our ability to attract and recruit talented and skilled personnel. We face strong competition to recruit and retain skilled and professionally qualified staff. The loss of key personnel or any inability to manage the attrition levels in different employee categories may materially and adversely impact our business, our ability to grow and our control over various business functions.

Our operations are subject to a degree of risk and could expose us to material liabilities, loss in revenues and increased expenses.

Our operations are subject to various risks associated with the production of cement. These hazards can cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage, and may result in the suspension of operations and the imposition of civil and criminal liabilities.

Employees, members of the public or government authorities may bring claims against us arising out of our production processes. Any liability incurred as a result of such events has the potential to materially impact our business, financial condition and results of operations. Such events may also adversely affect public perception about our business and the perception of our suppliers, customers and employees, leading to an adverse effect on our business. Our business operations have the potential to cause personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. Although we implement safety measures to reduce the risk of these occurrences, we cannot eliminate these risks completely. We maintain insurance coverage in such amounts and against such risks which we believe are in accordance with industry practice. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, and we may, in the future, not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. We do not maintain insurance coverage in respect of product liability and have limited coverage in respect of business interruption and loss of profits. Accordingly, any material product liability claim or prolonged interruption to our business may have a material adverse effect on our business, financial condition and results of operations. We may also incur liability claims in excess of our insurance coverage or that are subject to substantial deductibles, or we may incur uninsured liability costs. In addition, insurance proceeds may not be adequate to completely cover the substantial liabilities, lost revenues or increased expenses that we may incur. Moreover, any claims made under our policies will likely cause our premiums to increase, and we may not be able to maintain adequate insurance coverage levels in the future.

If we are not able to renew or maintain our statutory and regulatory permits and approvals required to operate our business, it may have a material adverse effect on our business.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. In the future, we will be required to renew such permits, licenses and approvals, and obtain new permits, licenses and approvals for any proposed operations. While we believe that we will be able to renew or obtain such permits, licenses and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Members of our Promoter group will continue to retain majority control in the Company after the Issue, which will enable them to influence the outcome of matters submitted to shareholders for approval; there may be conflicts of interest with certain of Promoter group companies.

Upon completion of the Issue, members of the Promoter group will beneficially own approximately 61.38% of our post-Issue equity share capital. As a result, the Promoter group will have the ability to control our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election or termination of appointment of our officers and directors. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders. The Promoter group may have interests that are adverse to the interests of our other shareholders and may take positions with which we or our other shareholders do not agree.

Certain transactions take place between us and the Promoter group companies, on an arm's length basis, during the ordinary course of our business activities. The Promoters and members of the Promoter and certain of our directors are also directors of other Promoter group companies. Thus, these directors may not be exclusively devoted to our business. There can be no assurance that other Promoter group companies will not compete with our existing business or any future business of ours or that their interests may not conflict with our interests.

The J.K. Cement trade name or logo has not been registered in our name; our failure to protect our intellectual property rights may adversely affect our business.

We do not have ownership of the trade name and logo "J.K. Cement" nor have we made any application for the registration thereof as a trademark. We have also not registered the trade name "J.K. Super" under which we sell our grey cement. We also do not own the "Hand and Hammer" device and the "J.K. organization" logo in English and Hindi that we use in our business and operations, which are registered as copyright logos in the name of the J.K. organization. We and other companies registered with the J.K. organization use the "Hand and Hammer" device and the "J.K. organization" logo in English and Hindi. In the event that we cease to be part of the J.K. organization or are denied the right to continued usage of these logos, it may adversely affect our business.

In addition, other companies that are not part of the J.K. organization may use our corporate name, trade names or logos that may be deceptively similar to our corporate name, or the trade names, trademarks and logos that we use.

We have recently learnt that certain companies are operating in the cement industry with the same or similar corporate names. Although we intend to initiate legal proceedings against such companies, there can be no assurance that we will succeed in these proceedings. Any failure to protect our intellectual property rights may adversely affect our business.

We have an outstanding receivable from JKSL for which we cannot guarantee that we will be repaid.

As of September 30, 2005, Rs.620 million was due to us from JKSL as a result of advances that we provided in connection with the Scheme of Rehabilitation. As a result of JKSL's current adverse financial situation, we cannot be sure that we will be able to collect any amounts due to us from JKSL on time or at all. If JKSL fails to repay this indebtedness, it will adversely affect our financial position. Further, the Company may enter into additional transactions with its affiliates in the future. There will be no independent verification that the terms of such transactions or that any of the Company's transactions with its affiliates will benefit the Company.

We may undertake strategic acquisitions or investments, which may prove to be difficult to integrate and manage or may not be successful.

In the future, we may consider making strategic acquisitions of other cement companies whose resources, capabilities and strategies are complementary to and are likely to enhance our business operations in the different geographical regions that we operate in. It is also possible that we may not identify suitable acquisition or investment candidates, or that if we do identify suitable candidates, we may not complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable acquisition targets or investments or the inability to complete such transactions may adversely affect our competitiveness or our growth prospects.

If we acquire another company we could face difficulty in integrating the acquired operations which could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment.

The Company is involved in certain legal and regulatory proceedings that, if determined against the Company, could have a material adverse impact on the Company.

The Company is party to criminal complaint no.80/03 initiated by the factory inspector for non-compliance with statutory requirements under the Factories Act, 1948, as amended. For further details, see "Outstanding Litigation and Material Developments" beginning on page 135 of this Draft Red Herring Prospectus.

The Company is party to various other legal proceedings, including criminal proceedings, recovery suits and labour related proceedings. In addition, there are several proceedings pending against the Company relating to sales tax and excise duty aggregating Rs.41.29 million. The Company has also initiated proceedings relating to excise duty, customs duty and sales tax in an aggregate amount of Rs.496.96 million. In addition, the sales tax authorities have raised certain claims in an amount of Rs.936.57 million relating to certain sales tax deferments and/or exemptions availed by the Company. The Company has provided for such demand in its financial statements and has commenced payment of such amounts in instalments as approved by the sales tax authorities. The Company has however initiated proceedings challenging the manner of computation of the demand amount. There are also several proceedings relating to income tax assessments pending against the Company. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals and if determined against us, could have a material adverse impact on our business, financial condition and results of operations. For further details on these proceedings, see the section "Outstanding Litigation and Material Developments" on page 135 of this Draft Red Herring Prospectus.

There are certain legal proceedings against the Company's Directors, Promoters and Promoter group companies.

The Company's Directors, Promoters and group companies are parties to certain legal proceedings initiated by or against such parties. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate tribunals. For more information regarding legal proceedings against the Directors, Promoters and group companies, see the section "Outstanding Litigation and Material Developments" beginning on page 135 of this Draft Red Herring Prospectus.

Certain of our Promoters and Directors and certain Promoter group companies are currently on the RBI's list of defaulters.

JKSL and JK Cotton are on RBI's list of defaulters in connection with the non-payment of their respective indebtedness to their respective secured creditors. In addition, our Promoters Dr. Gaur Hari Singhania and Mr. Yadupati Singhania, in their capacities as directors of JKSL and JK Cotton, are currently on RBI's list of defaulters in this regard.

JKSL has, pursuant to the Scheme of Rehabilitation, repaid all of its outstanding debt to its secured creditors including banks, financial institutions and debenture holders and as of the date of this Draft Red Herring Prospectus and there are no outstanding dues of JKSL to its secured creditors. In connection with the outstanding dues of JK Cotton, the AAIFR has sanctioned a one time settlement scheme dated December 20, 2002, for the repayment of such indebtedness of JK Cotton which is currently under implementation.

One of our Directors is a partner in a law firm that is currently advising the Company on certain legal proceedings under arrangements other than for the reimbursement of expenses incurred or normal remuneration or benefits.

One of our directors, Mr. A. Dhir, is a partner in a law firm which is currently advising the Company on certain legal proceedings. In addition, Mr. A. Dhir will be an interested party in any future arrangements that the Company may enter into with such law firm.

There are certain criminal proceedings pending against our Promoters and Directors.

Several criminal complaints have been filed against the Company's Promoters and Directors relating to, among others, alleged non-compliance with statutory requirements under various employee welfare legislations, dishonour of cheques, non-payment of excise duty and alleged non-compliance of certain procedures under the Foreign Exchange Regulation Act, 1948, as amended. In addition, criminal proceedings are pending against Mr. K. N. Khandelwal, one of our Directors, in his capacity as a director of Khandelwal Extractions Limited, for alleged misrepresentations made in the prospectus relating to its public offering. For further information relating to these proceedings, refer to "Outstanding Litigation and Material Developments" beginning on page 135 of this Draft Red Herring Prospectus.

For further information relating to criminal and other proceedings initiated against our Promoters and Directors, refer to "Outstanding Litigation and Material Developments" beginning on page 135 of this Draft Red Herring Prospectus.

We do not currently own nor have we leased the premises at which our registered office and corporate office are located.

We do not currently own or have a lease for the premises at which our registered office and corporate office are located. We have been permitted by JKSL, the lessee of the premises, to use and occupy these premises. JKSL and/or the lessor may require us to vacate the premises with or without sufficient notice, which may adversely affect our business.

We have certain contingent liabilities which may adversely affect our financial condition.

As of September 30, 2005, contingent liabilities not provided for appearing in our consolidated financial statements aggregated Rs.297.36 million. These included liabilities on account of claims against the Company not acknowledged as debt, interest on cement retention price realized on in earlier years, disputed demands, appeals pending with appellate authorities/courts and certain miscellaneous matters. In addition, there are various claims initiated by our employees that are pending in various courts and tribunals and the amounts relating to these claims are indeterminate.

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information, please see the section "Financial Statements" beginning on page 87 of this Draft Red Herring Prospectus.

Certain of the Promoter group companies have incurred losses in recent periods.

Certain of the Promoter group companies have incurred losses in recent periods. For more information, please see section "Our Promoters and Group Companies" beginning on page 68 of this Draft Red Herring Prospectus and the section "History and Certain Corporate Matters" beginning on page 57 of this Draft Red Herring Prospectus.

In addition, JKSL, JK Cotton and JK Jute are "sick" companies registered under the Sick Industrial Companies (Special Provisions) Act, 1985, as amended and currently rehabilitation schemes sanctioned by the BIFR/AAIFR which are under implementation. Also, winding up proceedings are pending before the High Court of Judicature at Allahabad with respect to JK Satoh.

There were deviations in the performance vis-à-vis projections made by JKSL and certain of our other Promoter group companies in previous issues.

The Company was listed on the BSE with effect from June 30, 2005 under the terms of the Scheme of Rehabilitation. However, the Company has not made any public offering of Equity Shares prior to this Issue.

JKSL had made a rights issue on February 24, 1993, which contained projections. The following tables provide a comparative analysis of the projections made in the offering documents with the actual performance of JKSL on these operational and financial parameters are provided below:

Capacity Utilization	**Year ended March 31, 1994**		**Year ended March 31, 1995**	
Products	**Projected Performance**	**Actual Performance**	**Projected Performance**	**Actual Performance**
	Percentages (%)			
Nylon filament yarn	88.00	80.04	88.00	86.33
Polyester filament yarn	94.00	138.48	99.00	130.69
Polyester staple fibre	97.00	111.52	97.00	115.54
Industrial tyre cord yarn/fabric	105.00	73.84	102.00	90.85
Acrylic staple fibre	102.00	76.44	101.00	80.47
Portland pozzolana cement	110.00	105.76	110.00	114.21
White cement	92.00	99.40	100.00	117.26

	Year ended March 31, 1994		**Year ended March 31, 1995**	
Financial performance parameters	**Projected Performance**	**Actual Performance**	**Projected Performance**	**Actual Performance**
	(Rs. Millions)			
Sales/turnover	12,885.40	10,362.90	13,657.00	11,423.60
Other income	153.40	210.40	23.4	109.50
Raw material	3,992.40	2,692.90	4,324.30	3,262.40
Profit before depreciation, interest and taxes	1,699.20	732.00	1,658.60	822.80
Depreciation	680.00	428.70	700.00	430.9
Interest	950.00	655.90	900.00	604.7
Profit before taxes	692.00	(352.60)	58.60	(212.8)
Taxes	0	0.40	0	0.40
Profit after taxes	692.00	(353.00)	58.60	(213.20)
EPS (Rs.)	1.01	(5.23)	0.85	(2.86)
NAV per share (excluding revaluation reserve)	20.17	22.65	21.02	18.80

The following Promoter group companies have made public offerings in the past. However, the offering documents for these offerings did not include any projections and therefore we are unable to provide comparative analyses of projections in comparison with actual performance:

(1) J.K. Traders made a public offering on April 4, 1947. No specific objects of the issue were set out in the offering document and J.K. Traders used the proceeds of the offer for general corporate purposes. There were no projections made by J.K. Traders in the prospectus.

(2) JK Jute made a public offering on January 30, 1984. No specific objects of the issue were set out in the offering document and JK Jute used the proceeds of the offer for general corporate purposes. There were no projections made by JK Jute in the prospectus.

(3) JK Cotton made a public offering on October 24, 1986. No specific objects of the issue were set out in the offering document and JK Cotton used the proceeds of the offer for general corporate purposes. There were no projections made by JK Cotton in the prospectus.

(4) JK Satoh made a public offering in September 1971. We have been unable to trace the prospectus relating to such issue.

For further information, please see sections "Promise vs. Performance – Last Three Issues" and "Promise vs. Performance – Last Issue of Group/Associate Companies" on page 201 of this Draft Red Herring Prospectus.

We have in the last 12 months issued Equity Shares at a price which could be lower than the Issue Price.

We have in the last 12 months made the following issuances of Equity Shares at a price which could be lower than the Issue Price:

Date of allotment and date on which fully paid up	Number of Equity Shares	Issue price	Consideration	Reasons for allotment
March 10, 2005	7,426,950	Rs.10	Consideration other than cash	Allotment to the shareholders of JKSL pursuant to the order of the AAIFR dated January 23, 2003(1)

(1) Pursuant to the order of the AAIFR sanctioning the Scheme of Rehabilitation, our Company allotted 7,426,950 Equity Shares to 115,003 equity shareholders of JKSL in the ratio 1:10 (i.e., one Equity Share for every 10 equity shares of JKSL).

We have not entered into any definitive agreements to utilize a substantial portion of the net proceeds of the Issue.

We intend to use the net proceeds of the Issue to increase and upgrade the captive power generation capacities for our grey cement plants, which we believe will reduce our average power generation cost, increase the production capacities at our grey and white cement plants and for general corporate purposes. See "Objects of the Issue" beginning on page 20 of this Draft Red Herring Prospectus. We have not entered into any definitive agreements to utilize the net proceeds for a significant part of the investments in capital equipment, and our capital expenditure plans are based on management estimates and have not been appraised by any bank or financial institution or any other independent organization. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns and changes in the management's views of the desirability of current plans, among others. There can be no assurance that we will be able to conclude definitive agreements for such investment in capital equipment relating to the proposed projects.

Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks. Such investments would be in accordance with the investment policies or investment approvals approved by the Board from time to time.

Information relating to the financial condition and results of operations of the JKSL Cement Division prior to its acquisition by the Company may not be comparable with the information relating to the financial condition and results of operations of the Company.

The JKSL Cement Division was acquired by the Company with effect from November 4, 2004 pursuant to the Scheme of Rehabilitation. Prior to such acquisition, the Company did not have any significant operations. Accordingly, the Company's financial condition and results of operations prior to the acquisition of the JKSL Cement Division may not be comparable to the financial condition and results of operations subsequent to such acquisition. In order to provide a meaningful comparison of our results of operations, we have in this Draft Red Herring Prospectus provided a comparison of the results of operations of the Company subsequent to the acquisition of the JKSL Cement Division effective as of November 4, 2004 with the results of operations of the JKSL Cement Division prior to November 4, 2004. As the Scheme of Rehabilitation became effective in the middle of fiscal 2005, in order to facilitate a meaningful comparison, we have presented the aggregate of the results of the JKSL Cement Division for the period from April 1, 2004 to November 3, 2004 and the results of the Company for the period from November 4, 2004 to March 31, 2005 as our results of operations for fiscal 2005. However, the actual results of the Company would vary from the information presented for fiscal 2005 had the Scheme of Rehabilitation become effective as of April 1, 2004.

The financial information relating to the JKSL Cement Division prior to November 4, 2004 and the financial information relating to the Company subsequent to the acquisition of the JKSL Cement Division may not provide an accurate basis of comparison. Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" beginning on page 119 of this Draft Red Herring Prospectus for a detailed discussion on these issues. You are cautioned not to place undue reliance on this financial information comparison.

External Risk Factors

Our business and results of operations are dependent on economic conditions in India and particularly Northern India.

Due to the significant impact of transportation costs on our overall costs, cement manufacturing and sale in India is largely regional in nature. Our production facilities are all located in the State of Rajasthan in Northern India, and we sell most of our grey cement to customers in Northern India. Economic conditions and the level of growth in Northern India therefore have a direct impact on our business and results of operations, including the level of demand and the prices for our products and the availability and prices of transport and raw materials.

The level of general economic activity in Northern India and, more specifically, the strength of the Northern Indian housing and construction sectors, have a direct impact on demand for our cement. The level of economic activity is influenced by a number of factors, including national and international economic activity, political and regulatory policy, and climate conditions such as monsoons and drought. There can be no assurance that such growth will continue at the same pace or at all, or that levels of cement consumption in north India and the states that we primarily supply to will not decrease. If the pace of growth of the Indian economy slows or turns negative, our business, financial condition and results of operations would be materially and adversely affected.

The Indian cement industry is cyclical and is affected by a number of factors beyond our control.

The Indian cement industry is cyclical in nature. In recent years, cement prices and profitability of cement manufacturers have fluctuated significantly in India, depending upon overall supply and demand. A number of factors influence supply and demand for cement, including production overcapacity, general economic conditions, in particular activity levels in certain key sectors such as housing and construction, our competitors' actions and local, state and central government policies, which in turn affect the prices and margins we and other Indian cement manufacturers can realize.

Excess cement production capacity in the market has been one of the major factors influencing cyclicality in the Indian cement market. Such excess capacity in cement production has in the past had a direct impact on the price at which we can sell our cement and the margins we realize. The long lead time required to add or expand capacity in the cement industry has also led to supply/demand imbalances. The long lead time makes it more difficult for Indian cement companies to time the commencement of new production facilities at a time when demand out-balances supply. According to CMA estimates, as at March 31, 2005, total installed capacity in India was 152 MnTPA while demand for the year ended March 31, 2005 was 121 million tons (excluding exports of 4 million tons of cement and 6 million tons of clinker). There can be no assurance that excess production capacity will not continue or deteriorate in the north Indian cement market. To the extent it does, our business and results of operations may be materially and adversely impacted.

Fragmentation of the market as well as consolidation among cement manufacturers may result in downward pricing pressure.

Currently, the cement industry in India is highly fragmented as compared to those in other cement producing countries. Though the share of cement production of the top five cement companies has risen to approximately 50% in fiscal 2005, there are still over 15 different cement companies in India which have less than 2 MnTPA of cement capacity. In addition to larger cement manufacturers, we are subject to competition from numerous smaller, local competitors. Such local producers have in the past tried to gain market share by discounting their prices, putting pressure on us and other leading cement companies to lower prices as well, so as to maintain our respective market shares.

In recent years, the Indian cement industry has seen increased consolidation among the top players. Consolidation in the Indian cement industry and an increase in the number of larger competitors may also adversely affect our results of operations. The large number of smaller producers in the market is likely targets for acquisition as the sector further consolidates. As producers consolidate and become larger, and as they gain greater access to debt and equity financing, we expect that we will face greater competition, which may lead to lower prices and margins and adversely affect our results of operations.

Governmental actions and changes in policy could adversely affect our business.

The Government of India and the government of each state of India (each a "State Government") have broad powers to affect the Indian economy and our business in numerous ways. In the past, the Government of India and the State Governments have used these powers to influence, directly and indirectly, the Indian cement industry or other industries on which the cement industry is dependent. Examples of such measures include:

- imposing import restrictions and customs duties on imported cement;
- granting tax concessions for setting up new manufacturing plants;
- allocating Government of India and State Government funding for public infrastructure programs in north India; and
- providing preferential coal prices to cement manufacturers.

Some of these measures, the effect of which helps local cement producers, are currently being employed by the Government of India and/or State Governments. However, there can be no assurance that such policies will continue in the future. For example, the Government of India has announced its commitment to reducing import restrictions further and to a phased reduction of customs tariffs.

Any change in existing Government of India and/or State Government policies or new policies providing or withdrawing support to the Indian cement industry or otherwise affecting the economy of north India, including the construction industry, could adversely affect the supply/demand balance and competition in markets in which we operate and negatively affect our cost structure. There can be no assurance that we would be able to pass on such increase in costs to our customers through an increase in our prices.

Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Government of India or State Governments that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

Under existing regulations, we are currently required to pay to the relevant State Governments or the Government of India a royalty on the extraction of limestone, excise duty on cement, sales tax (or value added tax, where it has been implemented), duties on power tariffs, sales tax on stores and spares, packaging and other raw materials and import duty on coal. There can be no assurance that the current levels of these taxes, duties and royalties will not increase in the future, or that State Governments will not introduce additional levies, each of which may result in increased operating costs and lower sales realizations. To the extent additional levies are imposed, there can be no assurance that we would be able to pass such cost increases on to our customers.

Currently, we benefit from certain sales tax benefits which results in a decrease in the effective tax rate compared to the tax rates that we estimate would have applied if these incentives had not been available. These benefits include 25% exemption on sales tax for sale of grey cement in the State of Rajasthan. These benefits are available to the Company until 2010 for the Nimbahera facility and 2014 for the Mangrol facility. In addition, the Company enjoys sales tax deferment scheme of 25% for sales of white cement made in the State of Rajasthan which incentive is available until 2011. There can be no assurance that these or similar tax incentives will be available or continue in the future. Many states in India have implemented value added tax in place of sale tax, although this has not been implemented as yet in the States of Rajasthan and Uttar Pradesh. The non-availability of tax incentives could adversely affect our financial condition and results of operations.

Our operations are subject to environmental, labour and other regulations.

Our cement operations are subject to various Indian national and State environmental laws and regulations relating to the control of pollution in the various locations in India where we operate. In particular, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities to the Government of India and State Governments and third parties, and may result in our incurring costs to remedy such discharge or emissions, such as from the use of coal. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our financial condition and results of operations. Environmental laws and regulations in India have been increasing in stringency and it is possible that they will become significantly more stringent in the future. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on us or result in the need for additional investment in pollution control equipment, either of which could affect our business, financial condition or prospects.

We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees, contract labour and work permits. Furthermore, the success of our strategy to modernize and optimize our existing operations, open newly-constructed plants or acquire new plants is contingent upon, among other things, receipt of all required licenses, permits and authorizations, including local land use permits, building and zoning permits and environmental permits. Changes or concessions required by regulatory authorities could also involve significant costs and delay or prevent completion of the construction or opening of a plant or could result in the loss of an existing license.

Environmental regulation imposes additional costs and may affect the results of our operations.

While we believe that our facilities are in compliance in all material respects with applicable environmental laws and regulations, additional costs and liabilities related to compliance with these laws and regulations are an inherent part of our business. We, like other cement producers and mine operators, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by mining, air emissions, wastewater discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. For example, our operations produce certain waste products, which must be properly disposed of under applicable environmental laws. Further, there are certain additional regulations applicable to mines, such as our limestone quarries. These laws can impose liability for non-compliance with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. Other laws may require us to investigate and remediate contamination at our properties, including contamination that was caused in whole or in part by previous owners of our properties. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

In addition to potential clean up liability, we may become subject to monetary fines and penalties for violation of applicable laws, regulations or administrative orders. This may result in the closure or temporary suspension or impose adverse restrictions on our operations. We may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance.

We are subject to risks arising from currency exchange rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in currency exchange rates influence our results of operations. We import small quantities of coal, packing material and stores and spares for our operations and our future capital expenditures, including any imported equipment and machinery, may be denominated in currencies other than Indian rupees.

As of September 30, 2005, we did not have any foreign currency borrowings. Any decline in the value of the rupee against such other currencies could increase the rupee cost of purchasing such equipment. The exchange rate between the rupee and the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. While we do not enter into currency hedging arrangements as part of our treasury operations, our white cement exports provide for a degree of protection from currency rate fluctuations.

We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Changes in interest rates could significantly affect our financial condition and results of operations. As of September 30, 2005, Rs.4,915.21 million of our borrowings were at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows. We currently do not enter into hedging arrangements against interest rate risks.

Any further issuance of Equity Shares by us or sales of our Equity Shares by our significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any significant shareholder, including our promoters, may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Terrorist attacks or war or conflicts involving India or other countries could adversely affect business sentiment and the financial markets and adversely affect our business.

Terrorist attacks, such as the ones that occurred in New York and Washington, D.C. on September 11, 2001, Gandhinagar in Gujarat on September 24, 2002, Bali on October 12, 2002, Mumbai on August 25, 2003 and New Delhi on October 29, 2005 and other acts of violence or war may negatively affect the Indian markets where our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence and adversely affect our business.

Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighbouring countries. Armed conflicts, particularly between India and Pakistan, could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and on the market price of our equity shares.

The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.

The trading price of our Equity Shares may fluctuate due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, growth of business and leisure travel, the performance of the Indian and global economy and significant developments in India's fiscal regime. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

Notes to Risk Factors

- The book value per Equity Share of Rs.10 each was Rs.10.93 and Rs.12.60 as of March 31, 2005 and September 30, 2005, respectively, as per our financial statements under Indian GAAP. For further information, please refer to "Capital Structure" beginning on page 13 of this Draft Red Herring Prospectus.
- The net worth excluding revaluation reserve and deferred revenue expenditure of the Company was Rs.545.89 million and Rs.628.93 million as of March 31, 2005 and September 30, 2005, respectively, as per our financial statements under Indian GAAP.
- For related party transactions, see "Our Promoter and Group Companies - Related Party Transactions" on page 84 of this Draft Red Herring Prospectus.
- For further information on the interests of Promoters and Directors, see "Interest of Promoters and Directors" in the section entitled "Other Regulatory and Statutory Disclosures" beginning on page 197 of this Draft Red Herring Prospectus.
- The average cost of acquisition of the Equity Shares by the Company's Promoters is Rs.9.97.
- As of September 30, 2005, Rs.620 million was due to us from JKSL as a result of advances that we provided in connection with the Scheme of Rehabilitation. Two of our Directors, Dr. Gaur Hari Singhania and Mr. Yadupati Singhania, are interested in these companies as Chairman, and Managing Director & Chief Executive Officer, respectively.
- In case of over-subscription in all categories, at least 50% of the Net Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Further, (i) up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to the Employees, subject to valid Bids being received at or above the Issue Price and (ii) up to 1,800,000 Equity Shares shall be available for allocation on a proportionate basis to the Existing Shareholders, subject to valid Bids being received at or above the Issue Price.
- For more information, see "Issue Structure" on page 203 of this Draft Red Herring Prospectus.
- For any clarification or information relating to the Issue, investors are free to contact the BRLM, who will be obliged to provide such clarification or information to the investors.
- Investors may contact the BRLM and the Syndicate Members for any complaints pertaining to the Issue.
- Investors are advised to see "Basis for Issue Price" on page 27 of this Draft Red Herring Prospectus.

SUMMARY

You should read the following summary together with the Risk Factors and the more detailed information about us and our financial statements included in this Draft Red Herring Prospectus.

We are one of the largest cement manufacturers in Northern India[(1)] according to CMA. We are also the second largest white cement manufacturer in India based on published production capacities of other white cement manufacturers in India. We sell our grey cement primarily to purchasers located in Northern India, while our white cement is sold to purchasers throughout India. We also export white cement to a number of countries, including South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

[(1)] CMA defines Northern India to include the following states and union territories in north India: Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan and Uttaranchal.

We own and operate two grey cement manufacturing facilities located at Nimbahera and Mangrol in the State of Rajasthan with production capacities of 2.8 MnTPA and 0.75 MnTPA, respectively. We also own and operate a white cement manufacturing facility at Gotan in Rajasthan with a production capacity of 0.30 MnTPA.

We believe that the business environment in Northern India for grey cement is favourable for cement manufacturers. As per CMA data, during fiscal 2005, grey cement plants in Northern India operated at 98.0% capacity utilization as compared to an average of 84.0% on an all-India basis. Northern India has also been a high growth region, with cement demand growing at 7.5% during the five-year period from 2000 to 2005 as compared to an all-India average of 6.0%. With limited capacity expansion in Northern India expected in the next few years, cement manufacturing facilities in Northern India are expected to operate at high levels of capacity utilization. According to CMA, as of September 30, 2005, we were the third largest grey cement manufacturer in Northern India by installed capacity and as of March 31, 2005, we enjoyed the fifth largest market share in Northern India. According to CMA, as of September 30, 2005, we were the largest grey cement manufacturer in Rajasthan. As illustrated by the following table, we have significant market share in key regions of Northern India:

State	Fiscal 2005		Six months ended September 30, 2005	
	Market Share (%)	Rank	Market Share (%)	Rank
Haryana	17.51	1	17.95	1
Delhi	12.95	4	14.20	3
Rajasthan	12.40	5	11.47	5
Punjab	5.82	5	4.4	6

Source: CMA

We believe we were one of the first Indian cement manufacturers to produce quality white cement in India. We established our dry process white cement plant in 1984. We sell our white cement throughout India and believe our brand name is well recognized and accepted by most major industrial consumers. We believe that our access to high quality limestone reserves that are suitable for production of white cement provides us with a competitive advantage, as access to such reserves is a significant barrier for new entrants.

Our limestone reserves for both grey and white cement are of high quality and are expected to meet our existing and planned limestone requirements for approximately 4.0 MnTPA of grey cement and 0.4 MnTPA of white cement for approximately 40 years based on geological surveys conducted by independent agencies on our mines from time to time between 1996 and 2001. Our manufacturing facilities are located in close proximity to our limestone deposits in the State of Rajasthan and are well connected to our key markets by rail and road.

Our key strategies are focused on cost savings and project expansion. We plan to commence construction of two new captive power plants at our existing production facilities, which we expect will be fully operational by fiscal 2008. We also plan to modernize and upgrade our existing thermal power plant at Bamania. These power projects are expected to provide us access to an additional 43 MW of captive power sources, which we believe will provide us with power equivalent to approximately 86% of our requirements in the year ended March 31, 2005. We believe that these proposed power sources will enable us to generate power at cost that is expected to be substantially lower than our current cost, and enable us to compete more effectively.

In addition, we plan to both expand the capacity and increase the efficiency of our existing plants. For further information on the projects we plan to undertake, please refer to the section "Objects of the Issue" beginning on page 20 of this Draft Red Herring Prospectus. We are also selectively looking for new areas in India in which to set up additional manufacturing facilities. For example, we have located a potential site in Karnataka for which one of our Promoter group companies has been granted a mining lease and is conducting a feasibility study for the establishment of a greenfield grey cement plant. We may also evaluate the possibility of expanding our capacity in Northern India by acquiring or investing in existing cement plants, or developing new plants of our own, if we identify opportunities that we believe are attractive and consistent with our long-term goals.

Our manufacturing plants are well connected by road and rail, with each of our grey and white cement plants connected to both the national highway and the national railway networks. The Nimbahera plant has railway sidings at the plant site that enable it to access the railway directly and reduces our transportation costs. Our Gotan plant is located only one kilometre away from the nearest railway station. We believe we have a well developed distribution network for grey cement in Northern India and a strong national distribution network for white cement with a total of 64 feeder depot warehouses and more than 4,000 retail stores.

In fiscal 2005 and the six months ended September 30, 2005, we sold 3,339,358 metric tons and 1,751,837 metric tons of grey cement, and 222,039 metric tons and 96,417 metric tons of white cement, respectively. In fiscal 2003, 2004 and 2005, our total net sales were Rs.5,985.01 million, Rs.6,271.59 million and Rs.7,744.45 million, respectively, representing a CAGR of 13.8% between fiscal 2003 and fiscal 2005. In the six months ended September 30, 2005, our total net sales were Rs.4,061.32 million.

Our Strengths and Competitive Advantages

We enjoy a number of key competitive advantages, which have helped us maintain our position as one of the leading cement manufacturers in the Northern Indian cement market. Our principal strengths and competitive advantages are as follows:

***Leading position in Northern India grey cement market*:** Based on CMA data, Northern Indian cement manufacturers have consistently operated at the highest levels of capacity utilization among India's five regions in recent years. We believe this reflects the strong demand in Northern India for cement products relative to supply. Further, based on capacity expansions announced by cement manufacturers, we expect cement plants in Northern India to continue to operate at high utilization levels and anticipate continued strong demand for our grey cement products in the near and medium-term. We believe that we are well positioned to take advantage of this demand, as the third largest grey cement manufacturer in Northern India by installed capacity, and the largest grey cement manufacturer in the State of Rajasthan.

Second largest white cement producer in India: White cement accounted for 16.6% of our total net sales and 35.2% of our adjusted PBIDT in fiscal 2005, and 15.6% of our total net sales and 26.7% of our adjusted PBIDT in the six months ended September 30, 2005. Unlike grey cement, the white cement industry in India is highly concentrated with the two largest players accounting for almost all of India's production capacity. Consequently, prices of white cement have been relatively less volatile and sales of white cement have generated more stable cash flows for us even during industry downturns in grey cement. We also believe our position as the second largest producer of white cement in India, together with our nationwide delivery network, significantly enhances the overall brand image of the Company.

Proximity and access to large reserves of high quality limestone: We have access to large reserves of limestone for both our grey and white cement operations, which we believe are sufficient to sustain our operations well into the future. Based on independent geological surveys of our mines from time to time between 1996 and 2001, we believe that our limestone reserves are sufficient to support our current and planned capacity for approximately 40 years for both grey and white cement. As one of the first cement producers in Northern India, we were able to choose our limestone reserves in an area with high quality limestone resources. Due to its high quality, we are not required to purchase sweeteners to improve the quality of our limestone for our grey cement operations, which provides us with a cost advantage. White cement also requires high quality limestone. Further, our manufacturing plants are in close proximity to our limestone reserves, resulting in lower transportation costs.

***Quality of products and strong brand name*:** We believe that brand name and reputation are important to retail purchasers of cement in India. We have built a strong reputation among cement purchasers by consistently providing high quality products. We believe that there is strong customer awareness of our brands, J.K. Cement, Sarvashaktiman and J.K. Super for grey cement in our principal market in Northern India, and J.K. White and Camel for white cement across India. Further, we believe that our brand name and our reputation for consistently supplying high quality products provide us with a competitive advantage in ensuring that cement dealers carry our products.

***Extensive marketing and distribution network*:** We have a wide distribution network for grey cement in Northern India. We also have a strong all-India distribution network for white cement. Our distribution network for grey cement products consists of 38 feeder depots serviced by seven regional sales offices in Delhi, Haryana, Uttar Pradesh, Punjab, Rajasthan, Madhya Pradesh and Gujarat. Our white cement network comprises 26 feeder depots serviced by 12 regional sales offices in Delhi, Chandigarh, Uttar Pradesh, West Bengal, Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. In addition, we have more than 4,000 stockists that store and distribute our grey and white cement products, as well as 29 sales promoters and 40 handling agents. We believe that the extent of this network, and our relationships with our dealers, enables us to market and distribute our cement widely and efficiently.

Experience and technical know-how: We have 30 years of experience in the Indian cement industry, which we believe provides us with the experience and skills to maximize production efficiency, expand production capacity quickly and reduce costs. Over the years, we believe that we have developed long-term customer relationships and a strong reputation for quality. In addition, we have upgraded and modernized our production capabilities efficiently and have increased our installed capacity at Nimbahera by more than 80%, from 1.54 MnTPA in 1998 to 2.8 MnTPA as of September 30, 2005. Further, we have a stable and experienced middle and senior level management team with significant experience in the industry. Our Nimbahera manufacturing facility was chosen by the World Bank and the Danish International Development Agency to serve as a regional training centre for Northern India. There are only four regional training centres for the cement industry in India, and we believe our operation of the training centre provides us with access to modern training aids and technical expertise developed by established national and international cement producers.

Our Strategy

Our objective is to strengthen our position as a leading player in the Northern Indian cement industry. In order to meet this objective, our business strategy is focused on the following:

Developing less expensive and a reliable captive source of power: Cost of power accounted for 18.7% of our total expenditure in fiscal 2005 and 19.2% of our total expenditure in the six months ended September 30, 2005. Total expenditure does not include interest and depreciation expenses but includes freight and handling charges and selling expenses. We currently rely on power provided by the Rajasthan State Electricity Board and other sources such as diesel generator sets and our captive thermal power plant, which are relatively expensive sources of power, and we believe our average cost of power is significantly higher than other plants of a similar size whose power needs are furnished by their own captive power plant. Therefore, our principal strategic objective is to reduce our cost of power. We are currently implementing three projects that we anticipate will lead to a reduction in our power costs. First, we are constructing a 20 MW petcoke based power plant at our Nimbahera grey cement plant that we expect will be fully operational by April 2007. Second, we are developing a 13.2 MW waste heat recovery power plant at Nimbahera, which will generate power from gases generated in the production process. We believe that our waste heat recovery power plant will help reduce our power costs and may also allow us to generate revenues from carbon trading as this is not a fuel based method of power generation. Third, we plan to replace an existing 7.5 MW turbine with a 10 MW turbine at our captive thermal power plant at Bamania. These power projects, when completed, are expected to provide us access to an additional 43 MW of power, which we believe will provide us with power equivalent to approximately 86% of our requirements in fiscal 2005, at a cost per KWh that is expected to be lower than our current cost and allow us to compete more effectively.

Increase production capacity: In the twelve month period ended September 30, 2005, we produced 3,504,189 metric tons of grey cement, and the average capacity utilization of our grey cement plants was close to full capacity. To capitalize on the high growth in Northern India and associated demand for our products, we intend to increase our production capacity of blended cement, which is referred to as Pozzolona Portland Cement, or PPC, at our grey cement facility by increasing their grinding capacity. This will enable us to increase the production of blended cement, without requiring us to increase our use of clinker, and reduce our overall cost of production. In the twelve month period ended September 30, 2005, we produced 223,714 metric tons of white cement and the average cement capacity utilization of our white cement plant was approximately 75%, although, during periods of peak demand for white cement, our Gotan plant has also operated at close to full capacity. We plan to increase the production capacity at our white cement plant to meet the peak seasonal demand as well as meet future growth in demand.

Continuous expansion of the distribution network and focus on brand promotion: In order to improve our market share, we intend to continue to focus on the expansion of our distribution network and the promotion of our brands. We continuously seek to add additional authorized dealers and retailers to our network, and strengthen our relationships with the existing dealers and retailers that carry our cement products. In order to enhance our relationships with dealers, we undertake programs to provide training and advice on marketing and sales techniques and technical applications of cement products. To increase the awareness and usage of our white cement products, we meet with retailers and potential end users of white cement products to educate them about the diverse uses of white cement in applications such as glass fibre reinforced concrete, garden furniture, lamp posts, pointing for brick on stone works, and pre-cast cladding panels, as well as more traditional uses in floor and wall applications.

THE ISSUE

Equity Shares offered by the Company:	:	20,000,000 Equity Shares
Of which		
Employee Reservation Portion	:	Up to 200,000 Equity Shares
Existing Shareholders Reservation Portion	:	Up to 1,800,000 Equity Shares
Therefore, Net Issue to the Public	:	18,000,000 Equity Shares
Qualified Institutional Buyers Portion(1)	:	At least 9,000,000 Equity Shares
Of which		
Reservation for Mutual Funds		450,000 Equity Shares
Balance for all QIBs including Mutual Funds	:	8,550,000 Equity Shares
Non-Institutional Portion	:	At least 2,700,000 Equity Shares
Retail Portion	:	At least 6,300,000 Equity Shares
Equity Shares outstanding prior to the Issue	:	49,927,250 Equity Shares
Equity Shares outstanding after the Issue	:	69,927,250 Equity Shares
Objects of the Issue	:	Please see the section titled "Objects of the Issue" on page 20 of this Draft Red Herring Prospectus

(1) As per recent amendments to the SEBI Guidelines, allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds registered with SEBI. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following summary financial information is derived from (i) the financial statements of the Company for fiscal 2001, 2002, 2003, 2004 and 2005 and for the six months ended September 30, 2005, including the notes thereto and reports thereon, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with applicable SEBI Guidelines and (ii) the financial statements of the JKSL Cement Division for fiscal 2001, 2002, 2003, 2004 and as of and for the period between April 1, 2004 and November 3, 2004, including the notes thereto and reports thereon. The financial information relating to the JKSL Cement Division included in the following summary financial information has been restated in accordance with applicable SEBI Guidelines and has been derived from the audited financial statements of JKSL for fiscal 2001, 2002, 2003, 2004 and 2005.

The Company's fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

Indian GAAP differs in certain significant respects from U.S. GAAP. For more information on these differences, see "Summary of Significant Differences between Indian GAAP and US GAAP" beginning on page 116 of this Draft Red Herring Prospectus.

Presentation of Financial Information:

Pursuant to the Scheme of Rehabilitation, with effect from November 4, 2004, the JKSL Cement Division was acquired by the Company. Prior to such acquisition, the Company did not have any significant operations. Accordingly, the Company's financial condition and results of operations prior to the acquisition of the JKSL Cement Division may not be comparable to the financial condition and results of operations subsequent to such acquisition. In order to provide a meaningful comparison of our results of operations, we have provided a comparison of the results of operations of the Company (until the line item "profit before depreciation, interest and tax" in our profit and loss account) subsequent to the acquisition of the JKSL Cement Division effective as of November 4, 2004 with the results of operations of the JKSL Cement Division (until the line item "profit before depreciation, interest and tax" in our profit and loss account) prior to November 4, 2004. As the Scheme of Rehabilitation became effective in the middle of fiscal 2005, in order to facilitate a more meaningful comparison, we have presented the aggregate of the results of the JKSL Cement Division for the period from April 1, 2004 to November 3, 2004 and the results of the Company for the period from November 4, 2004 to March 31, 2005 as our results of operations (until the line item "profit before depreciation, interest and tax" in our profit and loss account) in fiscal 2005. However, the actual results of the Company would vary from the information presented for fiscal 2005 had the Scheme of Rehabilitation become effective as of April 1, 2004. We are unable to calculate net income or any other financial information because of the reasons stated elsewhere in this Draft Red Herring Prospectus. We have also not provided any statement of assets and liabilities or cash flow information of the JKSL Cement Division for purposes of such comparison.

In addition, the financial information relating to the JKSL Cement Division prior to November 4, 2004 and the financial information relating to the Company subsequent to the acquisition of the JKSL Cement Division may not provide an accurate basis of comparison. Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" beginning on page 119 of this Draft Red Herring Prospectus for a detailed discussion on these issues. You are cautioned not to place undue reliance on this financial information comparison.

Statement of Assets and Liabilities of J.K. Cement Limited, as restated

	As of March 31,					As of September 30,
	2001	2002	2003	2004	2005	2005
	(Rs. thousands)					
A) Fixed assets						
Gross block	-	-	-	-	9,210,723	9,224,547
Less depreciation	-	-	-	-	178,254	393,601
Net block	-	-	-	-	9,032,469	8,830,946
Add: capital work in progress	-	-	-	-	178,380	366,028
Total	**-**	**-**	**-**	**-**	**9,210,849**	**9,196,974**
Less revaluation reserve	-	-	-	-	3,370,764	3,245,595
Net block after adjustment of revaluation reserve	-	-	-	-	5,840,085	5,951,379
B) Investments	**-**	**-**	**-**	**3**	**-**	**-**

C) Current Assets, Loans and Advances						
Inventories	-	-	-	-	665,645	583,144
Sundry debtors	-	-	-	-	422,700	445,378
Cash and bank balances	50	132	128	624,339	681,476	779,291
Loans and advances	3,578	2,081	1,138	213,570	896,971	926,479
Other current assets	-	-	-	510	5,299	12,880
Total	**3,628**	**2,213**	**1,266**	**838,419**	**2,672,091**	**2,747,172**
D) Liabilities and Provisions						
Secured loans	-	-	-	-	4,746,491	4,537,013
Unsecured loans	-	-	-	471,993	1,666,344	1,663,383
Deferred tax liability (net)	-	-	-	-	36,000	71,368
Current liabilities and provisions	5,170	3,765	1,628	2,723	1,517,454	1,797,858
Total	**5,170**	**3,765**	**1,628**	**474,716**	**7,966,289**	**8,069,622**
E) Net worth (A+B+C-D)	**(1,542)**	**(1,552)**	**(362)**	**363,706**	**545,887**	**628,929**
F) Represented by						
Share capital	7	7	1,204	365,454	499,272	499,272
Reserves and surplus	(19)	(29)	(36)	367	3,434,103	3,393,522
Less: revaluation reserve	-	-	-	-	3,370,764	3,245,595
Reserves (net of revaluation reserves)	(19)	(29)	(36)	367	63,339	147,927
Total	**(12)**	**(22)**	**1,168**	**365,821**	**562,611**	**647,199**
G) Miscellaneous expenses (to the extent not written off or adjusted)	**(1,530)**	**(1,530)**	**(1,530)**	**(2,115)**	**(16,724)**	**(18,270)**
H) Net worth (F-G)	**(1,542)**	**(1,552)**	**(362)**	**363,706**	**545,887**	**628,929**

Summary Statement of Profit and Loss of J.K. Cement Limited, as restated

	For the year ended March 31,					For the six months ended September 30,
	2001	**2002**	**2003**	**2004**	**2005**	**2005**
				(Rs. thousands)		
Income						
Net Sales	-	-	-	1	3,294,111	4,061,318
Other income[(1)]	-	13	-	7,026	94,053	42,043
Increase / (decrease) in inventories	-	-	-	-	95,461	(83,236)
Total Income	**-**	**13**		**7,028**	**3,483,625**	**4,020,125**
Expenditure						
Trade purchases	-	-	-	1	986	1,982
Raw material consumed	-	-	-	-	365,728	387,257
Staff cost	-	-	-	-	160,735	197,882
Other manufacturing expenses	-	-	-	-	1,580,750	1,753,583
Administrative & other expenses	8	23	7	51	109,302	142,358
Selling & distribution expenses	-	-	-	-	789,842	963,047
Depreciation	-	-	-	-	125,626	153,527
Interest	-	-	-	6,360	242,684	284,670
Total Expenditure	**8**	**23**	**7**	**6,412**	**3,375,653**	**3,884,306**
Profit / (loss) before taxes	(8)	(10)	(7)	616	107,972	135,819

Taxation	-	-	-	212	45,000	51,231
Net profit / (loss)	**(8)**	**(10)**	**(7)**	**404**	**62,972**	**84,588**

(1) Other income includes interest income of the Company.

Statement of Profit before Depreciation, Interest and Taxes relating to the JKSL Cement Division and the Company, as restated

	For the year ended March 31,							For the six months ended September 30,	
	2001[(1)]	2002[(1)]	2003[(1)]	2004[(1)]	April 1, 2004 to November 3, 2004[(1)]	November 4, 2004 to March 31, 2005[(1)]	2005[(2)]	2004[(1)]	2005[(3)]
	(JKSL Cement Division)					(J.K. Cement)	(JKSL Cement Division + J.K. Cement)	(JKSL Cement Division)	(J.K. Cement)
Income					(Rs. millions)				
Gross sales	5,438.83	6,642.91	7,619.44	8,019.17	5600.20	4,234.42	9,834.62	4,633.13	5,225.02
Less: Excise duty	912.80	1,140.01	1,221.56	1,406.77	889.47	683.10	1,572.57	736.39	821.05
Less : Sales tax	247.93	296.90	412.87	340.81	260.39	257.21	517.60	194.65	342.65
Net sales	4,278.10	5,206.00	5,985.01	6,271.59	4450.34	3294.11	7,744.45	3,702.09	4,061.32
Other Income[(4)]	85.98	14.41	31.73	16.93	64.94	29.71	94.65	13.27	22.62
Total income	**4,364.08**	**5,220.41**	**6,016.74**	**6,288.52**	**4515.28**	**3323.82**	**7,839.10**	**3,715.36**	**4,083.94**
Expenses									
Raw materials	365.92	461.74	594.90	649.10	409.00	365.73	774.73	327.39	389.24
Stores and spares	460.07	498.46	614.14	617.29	455.89	305.33	761.22	382.09	368.66
Power	766.96	854.38	1,142.08	1,081.57	729.42	555.55	1,284.97	599.24	676.73
Fuel	856.77	954.88	1,077.32	1,034.17	756.65	646.53	1,403.18	595.99	611.64
Salary and wages	287.27	296.78	317.42	365.29	211.73	160.73	372.46	182.17	197.88
Freight and handling outward	704.87	962.25	1,256.44	1,372.31	914.78	659.77	1,574.55	754.85	836.91
Administrative and other expenses	467.14	486.61	550.98	612.02	411.56	313.68	725.24	288.40	364.71
Stock adjustment	75.55	16.83	(63.40)	1.74	59.53	(95.46)	(35.93)	100.17	83.24
Total expenditure	3,984.55	4,531.93	5,489.88	5,733.49	3948.56	2911.86	6,860.42	3,230.30	3,529.01
Profit before depreciation, interest and taxes	**379.53**	**688.48**	**526.86**	**555.03**	**566.72**	**411.96**	**978.68**	**485.06**	**554.93**
Registered office and corporate office expenses[(5)]	25.20	24.78	25.83	27.06	15.92	-	15.92	-	-
Provision for sales tax exemption	174.42	161.60	142.83	205.21	109.61	-	109.61	14.06	-
Prior period items	2.41	(0.05)	0.87	(1.58)	0.32	-	0.32	109.61	0.34
Profit before depreciation, interest and taxes, as adjusted	**177.50**	**502.15**	**357.33**	**324.34**	**440.87**	**411.96**	**852.83**	**361.39**	**554.59**

(1) Financial information of the JKSL Cement Division.

(2) Aggregate of financial information of the JKSL Cement Division for period between April 1, 2004 and November 3, 2004 and financial information of the Company for the period between November 4, 2004 and March 31, 2004. For further information on the aggregation of financial information relating to the JKSL Cement Division the Company, please see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" on page 119 of this Draft Red Herring Prospectus.

(3) Financial information of the Company.

(4) Other Income does not include interest income of the JKSL Cement Division and/or the Company, as applicable. For further information please see section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" on page 119 of this Draft Red Herring Prospectus.

(5) For purposes of these financial statements, certain administrative and other expenses incurred by JKSL were not allocated to either the JKSL Man-made Fibre Division or the JKSL Cement Division in its audited financial statements. We have, for purposes of presentation of the financial information in this Draft Red Herring Prospectus, allocated 50% of such expenses to the results of operations of the JKSL Cement Division. Accordingly, although the financial information for fiscal 2001, 2002, 2003, 2004 and for the period between April 1, 2004 and November 3, 2004, as well as for the six months ended September 30, 2004 include such allocated expenses under the line item "registered office and corporate office expenses", there is no corresponding financial information for the period between November 4, 2004 and April 1, 2005, or for the six months ended September 30, 2005.

GENERAL INFORMATION

Registered Office of the Company

J.K. Cement Limited
Kamla Tower
Kanpur 208001
Uttar Pradesh, India

Registration Number: 20-17199

The Company is registered with the Registrar of Companies (Uttar Pradesh and Uttaranchal), located at 37/17 Westcott Building, The Mall, Kanpur 208001, Uttar Pradesh, India.

Board of Directors

The following persons constitute our Board of Directors:

1. Dr. Gaur Hari Singhania, Chairman;
2. Mr. Yadupati Singhania, Managing Director and Chief Executive Officer;
3. Mr. J.P. Bajpai;
4. Mr. K.N. Khandelwal;
5. Mr. Raj Kumar Lohia;
6. Mr. Alok Dhir;
7. Mr. Ashok Sharma; and
8. Mr. Achintya Karati.

For further details of our Chairman, Managing Director and directors, see "Our Management" on page 60 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer
Mr. Manish Bajpai
J.K. Cement Limited
Kamla Tower
Kanpur 208 001
Uttar Pradesh, India
Tel: +91 512 2371 478
Fax: +91 512 2369 854
Email: fpo@jkcements.com

Investors can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account or refund orders, etc.

Book Running Lead Manager

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre Nariman Point
Mumbai 400 021
India
Tel: +91 22 2262 1071
Fax: +91 22 2262 1187
Email: jkcement_fpo@ml.com
Website: www.dspml.com
Contact Person: Mr. N.S. Shekhar

Syndicate Members

[●]

Legal Advisors

Domestic Legal Counsel to the Company
Amarchand & Mangaldas & Suresh A. Shroff & Co.
Amarchand Towers
216, Okhla Industrial Estate
Phase – III
New Delhi 110 020
India
Tel: +91 11 2692 0500
Fax: +91 11 2692 4900
E-mail: am.delhi_corp@amarchand.com

Domestic Legal Counsel to the Underwriters

S&R Associates
K 40 Connaught Circus
New Delhi 110 001
India
Tel: + 91 11 5289 8000
Fax: + 91 11 5289 8001

International Legal Counsel to the Underwriters

(Advising on matters pertaining to the laws of the State of New York and the Federal laws of the United States of America)

Jones Day
31/F Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong
Tel: + 852 2526 6895
Fax: + 852 2868 5871

Registrar to the Issue

MCS Limited
Sri Padmavati Bhavan
Plot No. 93, Road No. 16
MIDC Area, Andheri East
Mumbai 400 093, India
Tel.: +91 22 5502 5235
Fax: +91 22 5502 5256
E-mail: jkcement@mcsind.com
Website: www.mcsind.com

Banker to the Issue and Escrow Collection Banks

[●]

Auditors
P.L. Tandon & Co.
37/17 Westcott Building
The Mall
Kanpur 208001
Uttar Pradesh, India
Tel: +91 512 2367 262; 2366 774
Fax: 91 512 2351 560
E-mail: pltandon@sancharnet.in

Bankers to the Company

Allahabad Bank
Industrial Finance Branch
17, Parliament Street
New Delhi 110 001
Tel: + 91 11 2374 4621; 2334 2790
Fax: + 91 11 2334 2102
Email: delib@del.allahabadbank.co.in
Contact Person: Mr. S.K. Kalra

Andhra Bank
DDA Vasant Place Market
Sector-6, R.K. Puram
New Delhi 110 022
Tel: + 91 11 2619 6493; 2619 8380
Fax: + 91 11 2618 3103
Email: bmdel481@andhrabank.co.in
Contact Person: Mr. G. Suryanarayana

Asst. General Manager

Asst. General Manager

Canara Bank
Mulund Camp Branch
Munish Co-Op. Hsg.Soc.Ltd.
Opp. Johnson & Johnson
Plot No. 1091/92/L.B.S. Marg
Mulund (West)
Mumbai 400 080
Tel: + 91 22 2561 0959; 2591 2143
Fax: + 91
Email: mcity.0154.canbank.co.in
Contact Person: Mr. M. Vijay Shankar
Sr. Manager

Dena Bank
24/57 Birhana Road
Opp. Chest Clinic Building
Kanpur 208 001
Tel: + 91 512 2361 729
Fax: + 91 512 2623 150
Email: kanpur@denabank.co.in
Contact Person: Mr. R.S. Dubey
Sr. Manager

Indian Bank
New Delhi Main Branch
G-41, Connaught Circus
New Delhi 110 001
Tel: + 91 11 2371 2161; 2371 2156
Fax: + 91 11 2371 8418
Email: ibnewdelhimain@vsnl.net
Contact Person: Mr. S.K. Verma
Asst. General Manager

Indian Overseas Bank
Industrial Finance Branch
101-102, Rohit House
3 Tolstoy Marg
New Delhi 110 001
Tel: + 91 11 2371 8062; 2335 9148
Fax: + 91 11 2371 8061
Email: indfibr@delsco.iobnet.co.in
Contact Person: Mr. K.K. Soni
Asst. General Manager

Jammu & Kashmir Bank
G-40, Connaught Place
Opp. Madras Hotel
New Delhi 110 001
Tel: + 91 11 5151 6126; 2335 2863
Fax: + 91 11 2335 2105
Email: gnteli_2004@rediffmail.com
Contact Person: Mr. G.N. Teli
Manager Corporate Finance

Union Bank of India
Industrial Finance Branch
M-11, 1st Floor, Middle Circle
Connaught Circus
New Delhi 110 001
Tel: + 91 11 2341 7401; 2341 7402
Fax: + 91 11 2341 7405
Email: ubiifbcp@vsnl.net
Contact Person: Mr. S.K. Sidhanti
Assistant General Manager

United Bank of India
Nehru Place Branch
106-109, Ansal Tower, 1st Floor
38, Nehru Place
New Delhi 110 019
Tel: + 91 11 2642 0014; 2641 8981
Fax: + 91 11 2641 8981
Email: santoshbhowmik@gmail.com
Contact Person: Mr. S.K. Bhowmik
Chief Manager

Statement of Responsibilities for the Issue

S.No.	Activity	Responsibility and Coordination
1.	Capital structuring with the relative components and formalities such as the type of instruments etc.	DSPML
2.	Due diligence of the Company's operations/ management/ business plans/ legal matters etc. Drafting and design of the Red Herring Prospectus and of statutory and non-statutory advertisements including the memorandum containing salient features of the Prospectus and any other publicity material. The BRLM shall ensure compliance with the stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the Prospectus and filing of the Prospectus with the Stock Exchanges/RoC.	DSPML
3.	Appointment of other intermediaries i.e. Registrar to the Issue, printers, advertising agency and Bankers to the Issue.	DSPML
4.	Retail and Non Institutional marketing strategy, which will cover inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media and public relations strategy; • Finalizing centers for holding conferences for press and brokers; • Finalizing collection centers;	DSPML

	Follow-up on distribution of publicity and Issue material; including form, prospectus and deciding on the quantum of the Issue material.	
5.	Institutional marketing strategy, which will cover inter alia: Finalizing the list and division of investors for one-on-one meetings; Managing the book, co-ordination with the Stock Exchanges and pricing and institutional allocation in consultation with the Company; Finalizing road show presentations.	DSPML
6.	The post bidding activities including management of Escrow Accounts, coordination of Non Institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Issue activities will involve essential follow up steps, including finalization of trading and dealing instruments and dispatch of certificates and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the banks handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with the Company.	DSPML

Credit Rating

As the Issue is of equity shares, credit rating is not required.

Trustees

As the Issue is of equity shares, the appointment of Trustees is not required.

Book Building Process

Book Building Process refers to the process of collection of Bids, on the basis of the Draft Red Herring Prospectus within the Price Band. The Issue Price is fixed after the Bid Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;
2. The Book Running Lead Manager;
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as underwriters. Syndicate Members are appointed by the BRLM; and
4. The Registrar to the Issue.

The SEBI Guidelines have permitted an issue of securities to the public through the 100% Book Building Process, wherein at least 50% of Net Issue shall be allocated on a proportionate basis to QIBs. Of the QIB Portion, 5% would be available for allocation to Mutual Funds. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded herewith. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

In accordance with SEBI Guidelines, QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing Date. In addition, as per the recent amendments to the SEBI Guidelines, QIBs are required to pay 10% Margin Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to QIBs will be on a proportionate basis. For further details see section titled "Issue Structure" on page 203 of this Draft Red Herring Prospectus.

The Company shall comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, the Company has appointed DSP Merrill Lynch Limited as the Book Running Lead Manager to manage the Issue and to procure the subscriptions to the Issue.

The process of Book Building under the SEBI Guidelines is relatively new and is subject to change, from time to time. Accordingly, investors are advised to make their own judgment about investment through this process of Book Building prior to making a Bid.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can Bid at any price within the price band. For instance, assume a price band of Rs.20 to Rs.24 per share, issue size of 3,000 equity shares and receipt of five Bids from Bidders. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the Bidding Period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the issue is subscribed, i.e., Rs.22 in the above example. The issuer, in consultation with the book running lead manager, will finalize the issue price at or below such cut-off price, i.e., at or below Rs.22. All Bids at or above this issue price and cut-off bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken for Bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid?" on page 206 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
3. If your Bid is for Rs.50,000 or more, ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid cum Application Form (see section titled "Issue Procedure - 'PAN' or 'GIR' Number" on page 220 of this Draft Red Herring Prospectus); and
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. million)
DSP Merrill Lynch Limited 10th Floor, Mafatlal Centre Nariman Point Mumbai 400 021, India	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

The above-mentioned amount is indicative and this would be finalized after determination of Issue Price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [•].

In the opinion of the Board of Directors (based on certificates given to them by the BRLM and the Syndicate Members), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and the Company has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount.

As per recent amendments to the SEBI Guidelines, allocation to QIBs is proportionate as per the terms of this Draft Red Herring Prospectus. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

CAPITAL STRUCTURE

Our share capital as at the date of filing this Draft Red Herring Prospectus with SEBI (before and after the Issue) is set forth below.

(Rs. million, except share data)

	Aggregate nominal value	Aggregate Value at Issue Price
A. Authorized Equity Share Capital[(1)]		
80,000,000 Equity Shares of Rs.10 each	800.00	
B. Issued, Subscribed and Paid-Up Equity Share Capital before the Issue		
49,927,250 Equity Shares of Rs.10 each fully paid-up	499.27	
C. Present Issue in terms of this Draft Red Herring Prospectus		
20,000,000 Equity Shares of Rs.10 each fully paid-up	200.00	[•]
D. Employee Reservation Portion		
200,000 Equity Shares of Rs.10 each fully paid-up	2.00	[•]
E. Existing Shareholders Reservation Portion		
1,800,000 Equity Shares of Rs.10 each fully paid-up	18.00	[•]
G. Net Issue to the Public		
18,000,000 Equity Shares of Rs.10 each fully paid-up	180.00	[•]
H. Share Premium Account		
Before the Issue	Nil	
After the Issue	[•]	

(1) (i) Pursuant to a resolution of the shareholders passed at an extraordinary general meeting held on August 8, 2003, Rs.100 million was cancelled from the un-issued authorised preference share capital of our Company and simultaneously Rs.100 million equity share capital of our Company was created.

(ii) The authorized share capital of our Company was increased from Rs.500 million divided into 50 million Equity Shares of Rs.10 each to Rs.600 million divided into 60 million Equity Shares of Rs.10 each through a resolution passed by the shareholders of our Company at an extraordinary general meeting held on August 8, 2003. Further, the authorized capital of our Company was increased to Rs.800 million divided into 80 million Equity Shares of Rs.10 each through a resolution of the shareholders passed at an extraordinary general meeting held on November 26, 2005.

Notes to the Capital Structure

1. Share Capital History of our Company

The following is the history of the issued and paid up equity share capital of our Company:

Date of Allotment	Number of Equity Shares (of face value of Rs.10)[1]	Issue Price per Share (Rs.)	Face Value per Equity Share (Rs.)	Consideration (cash, bonus, consideration other than cash)	Reasons for allotment	Cumulative Share Premium (Rs.)	Cumulative Share Capital (Rs.)
December 20, 1994	700	10	10	Cash	Subscription on signing of Memorandum of Association[2]	NIL	7,000
September 16, 2002	119,700	10	10	Cash	Further allotment[3]	NIL	1,204,000
March 4, 2004	35,925,000	10	10	Cash	Further allotment[4]	NIL	360,454,000
March 29, 2004	500,000	10	10	Cash	Further allotment[5]	NIL	365,454,000
October 16, 2004	5,954,900	10	10	Cash	Further allotment[6]	NIL	425,003,000
March 10, 2005	7,426,950	10	10	Consideration other than cash	Allotment to the shareholders of JKSL pursuant to the order of the AAIFR dated January 23, 2003[7]	NIL	499,272,500

(1) 31,875,225 Equity Shares have been pledged with the Consortium of Banks for the entire period of the term loan. The Equity Shares pledged with the Consortium of Banks comprise 12,770,000 Equity Shares held by Mr. Yadupati Singhania and 19,105,225 Equity Shares held by Yadu International Limited

(2) Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Mr. Rama Shankar Bajpai, Mr. Jyoti Prasad Bajpai, Mr. Ram Gopal Bagla, Mr. Kailash Nath Khandelwal and Mr. Ajay Kumar Saraogi were each allotted 100 Equity Shares.

(3) 25,000 Equity Shares were allotted to each of Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Ms. Sushila Devi Singhania, and Ms. Kavita Y. Singhania, and 19,700 Equity Shares were allotted to Wellbred Asset Management Bahamas Limited, Bahamas.

(4) 11,975,000 Equity Shares were allotted to Mr. Yadupati Singhania, 18,050,000 Equity Shares were allotted to Yadu International Limited, 550,000 Equity Shares were allotted to Ms. Kavita Y. Singhania, 4,700,000 Equity Shares were allotted to Juggilal Kamlapat Holding Limited, 400,000 Equity Shares were allotted to J.K. Investment Limited and 250,000 Equity Shares were allotted to Kanpur Investments Limited.

(5) 500,000 Equity Shares were allotted to Mr. Yadupati Singhania.

(6) 270,000 Equity Shares were allotted to Mr. Yadupati Singhania, 2,910,000 Equity Shares were allotted to Yadu International Limited, 974,900 Equity Shares were allotted to Dr. Gaur Hari Singhania, 875,000 Equity Shares were allotted to Ms. Sushila Devi Singhania, 725,000 Equity Shares were allotted to Ms. Kavita Y. Singhania, 195,000 Equity Shares were allotted to Kanpur Investments Limited and 5,000 Equity Shares were allotted to Juggilal Kamlapat Holding Limited.

(7) Pursuant to the order of the AAIFR sanctioning the Scheme of Rehabilitation, our Company allotted 7,426,950 Equity Shares to 115,003 equity shareholders of JKSL in the ratio 1:10 (i.e., one Equity Share for every 10 equity shares of JKSL). Although, of the 7,426,950 Equity Shares, 285,184 Equity Shares have been allotted by the Company to certain shareholders, the Company has not yet despatched share certificates to these shareholders as the title to the Equity Shares is under dispute. For more details on the Scheme of Rehabilitation, please see the section "History and Certain Corporate Matters" beginning on page 57 of this Draft Red Herring Prospectus. In addition to the other shareholders of JKSL, Equity Shares were allotted to the following Promoters and members of the Promoter group: Dr. Gaur Hari Singhania (41,973 Equity shares, including 20 Equity Shares received as executor of the will of Late Mr. P.D. Singhania, 8,196 Equity Shares held by him in his capacity as karta of Dr. Gaur Hari-Yadupati Singhania HUF and 3,000 Equity Shares held by him in his capacity as karta of Dr. Gaur Hari Singhania (Greater HUF)), Mr. Yadupati Singhania (60,573 Equity Shares, including 7,683 Equity Shares held by him in his capacity as karta of Yadupati Singhania HUF), Yadu International Limited (14,791 Equity Shares, including 40 Equity Shares, the title of which is under dispute), Ms. Sushila Devi Singhania (20,957 Equity Shares), Ms. Kavita Y. Singhania (1,611 Equity Shares), Mr. Govind Hari Singhania (28,623 Equity Shares), Ms. Manorama Devi Singhania (31,465 Equity Shares), Ms. Kalpana Devi Singhania (4,263 Equity Shares), J.K. Traders Limited (211,254 Equity Shares), JK Cotton (48 Equity Shares), Yadu Securities (Private) Limited (10,000 Equity Shares), G.H. Securities (Private) Limited (13,000 Equity Shares).

2. Promoter's Contribution and Lock-in

The Promoters will not participate in the Issue. Pursuant to the SEBI Guidelines, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked up by our Promoters for a period of three years from the date of

Allotment in the Issue. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under Clause 4.6 of the SEBI Guidelines.

(a) Details of Promoters' contribution locked-in for three years are as follows:

Name	Date of Allotment/ Acquisition	Consideration (per Equity Share)(Rs.)	No. of Equity Shares (Face Value Rs.10)	% of Pre-Issue paid-up capital	% of Post-Issue paid-up capital
Yadu International Limited	March 10, 2005	Other than cash	14,751		
	October 16, 2004	10	1,854,775		
	October 16, 2004	10	1,055,225*		
Sub Total			**2,924,751**	**5.86**	**4.18**
Mr. Yadupati Singhania	March 10, 2005	Other than cash	52,890		
	October 16, 2004	10	270,000*		
	March 29, 2004	10	500,000*		
	March 4, 2004	10	3,900,000*		
Sub Total			**4,722,890**	**9.46**	**6.75**
Dr. Gaur Hari Singhania	March 10,2005	Other than cash	30,757		
	October 16, 2004	10	974,900		
Sub Total			**1,005,657**	**2.01**	**1.44**
Juggilal Kamlapat Holding Limited	October 16, 2004	10	200,000		
	March 4,2004	10	5,350,000		
Sub Total			**5,550,000****	**11.12**	**7.94**
Total			**14,203,298*****	**28.45**	**20.31**

* These Equity Shares are presently pledged with the Consortium of Banks. These Equity Shares shall be put under lock in for a period of three years from the date of Allotment under the present Issue, for which the Company has obtained a consent dated November 28, 2005 from Allahabad Bank, the leader of the Consortium of Banks.

** The High Court of Judicature at Allahabad, by its order dated August 22, 2005, has sanctioned a scheme of amalgamation, pursuant to which Kanpur Investments Limited and J.K. Investment Limited merged with Juggilal Kamlapat Holding Limited. Consequently, Kanpur Investments Limited and J.K. Investment Limited have since been dissolved. Prior to the scheme of amalgamation, Kanpur Investments Limited and J.K. Investment Limited held 445,000 Equity Shares and 400,000 Equity Shares, respectively. However, the transfer of these Equity Shares from Kanpur Investments Limited and J.K. Investment Limited to Juggilal Kamlapat Holding Limited has not yet been recorded by NSDL. The Company has taken the necessary steps, as requested by NSDL, to complete procedure to ensure that the transfer is recorded by NSDL. The Company expects that the NSDL shall record the transfer shortly.

*** Of the 14,203,298 Equity Shares held by the Promoters, 8,399,375 Equity Shares are already subject to lock-in for a period of three years from June 30, 2005 pursuant to the listing requirement of BSE. As per the requirements of the SEBI Guidelines, these 8,399,375 Equity Shares will continue to be locked-in for a period of three years from the date of Allotment under the present Issue.

The locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of loan.

Further, under Clause 4.16.1(b) of the SEBI Guidelines, the Equity Shares held by the Promoters may be transferred to and among the Promoter group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

Under Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Guidelines, as amended from time to time.

Other Restrictions

Our Company has agreed with the BRLM that for a period of 180 days commencing from the date of listing of the Equity Shares allotted pursuant to the Issue, our Company shall not, and shall not announce any intention to, without the prior written consent of the BRLM, directly or indirectly, (1) issue, offer for sale, sell, pledge or otherwise dispose off (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any equity or equity-linked securities of our Company or (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such securities, whether any such transaction described in (1) and (2) herein is to be settled by delivery of any securities of our Company, in cash or otherwise. However, the restriction contained in the preceding sentence shall not apply to the pledge of securities of our Company for availing of financial facilities from banks/financial institutions as may be permitted by relevant SEBI guidelines.

3. Shareholding Pattern of our Company

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

Name of Shareholder	Pre-Issue (As on December 1, 2005)		Post-Issue	
Promoters	**Number of Equity Shares**	**Percentage of equity share capital (%)**	**Number of Equity Shares**	**Percentage of equity share capital (%)**
Mr. Yadupati Singhania	12,830,673[(1)]	25.70	12,830,673	18.35
Dr. Gaur Hari Singhania	1,041,973[(2)]	2.09	1,041,973	1.49
Yadu International Limited	20,974,791[(3)]	42.01	20,974,791	30.00
Juggilal Kamlapat Holding Limited	5,550,000[(4)]	11.12	5,550,000	7.94
Total Holding of Promoters	**40,397,437**	**80.91**	**40,397,437**	**57.77**
Promoter Group (other than the Promoters)				
Ms. Kavita Y. Singhania	1,301,611	2.61	1,301,611	1.86
Ms. Sushila Devi Singhania	920,957	1.84	920,957	1.32
Mr. Govind Hari Singhania	28,623	0.06	28,623	0.04
Ms. Manorama Devi Singhania	31,465	0.06	31,465	0.04
Ms. Kalpana Devi Singhania	4,263	0.01	4,263	0.01
J.K. Traders Limited	211,254[(5)]	0.42	211,254	0.30
Yadu Securities (Private) Limited	10,000[(6)]	0.02	10,000	0.01
G.H. Securities (Private) Limited	13,000[(7)]	0.03	13,000	0.02
Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited	48	0.00	48	0.00
Total Holding of Promoter Group (other than Promoters)	**2,521,221**	**5.05**	**2,521,221**	**3.61**
Other Shareholders				
Mutual Funds and UTI Bank	377,365	0.76	[●]	[●]
Banks, financial institutions, insurance companies	82,384	0.17	[●]	[●]
FIIs	28,850	0.06	[●]	[●]
Public and others	3,754,882	7.52	[●]	[●]
Private Corporate Bodies	2,255,528	4.52	[●]	[●]
NRIs/OCBs	174,928	0.35	[●]	[●]
Others	334,654	0.67	[●]	[●]
Total Holding of Other Shareholders	**7,008,592**	**14.04**	**27,008,592**	**38.62**
Total	**49,927,250**	**100.00**	**69,927,250**	**100.00**

(1) Of the 12,830,673 Equity Shares held by Mr. Yadupati Singhania, 7,683 Equity Shares are held by him in his capacity as karta of Yadupati Singhania HUF.

(2) Of the 1,041,973 Equity Shares held by Dr. Gaur Hari Singhania, 8,196 Equity Shares are held by him in his capacity as karta of Dr. Gaur Hari-Yadupati Singhania HUF, 3,000 Equity Shares are held by him in his capacity as karta of Dr. Gaur Hari Singhania (Greater HUF) and 20 Equity Shares are held by him as executor of the will of Late Mr. P.D. Singhania.

(3) This includes 40 Equity Shares that have been allotted to Yadu International Limited by the Company but the Company has not yet despatched share certificates as the title to these 40 Equity Shares is under dispute.

(4) Of the 5,550,000 Equity Shares, 445,000 Equity Shares and 400,000 Equity Shares were held by Kanpur Investments Limited and J.K. Investment Limited, respectively. The High Court of Judicature at Allahabad, by its order dated August 22, 2005, has sanctioned a scheme of amalgamation, pursuant to which Kanpur Investments Limited and J.K. Investment Limited merged with Juggilal Kamlapat Holding Limited. Consequently, Kanpur Investments Limited and J.K. Investment Limited have since been dissolved. However, the transfer of these Equity Shares from Kanpur Investments Limited and J.K. Investment Limited to Juggilal Kamlapat Holding Limited has not yet been recorded by NSDL. The Company has taken the necessary steps, as requested by NSDL, to complete procedure to ensure that the transfer is recorded by NSDL. The Company expects that the NSDL shall record the transfer shortly.

(5) The title to these 211,254 Equity Shares are under dispute. Consequently, these Equity Shares have been allotted to J.K. Traders Limited, but the Company has not yet despatched share certificates.

(6) This includes 40 Equity Shares that have been allotted to Yadu Securities (Private) Limited by the Company but the Company has not yet despatched share certificates as the title to these 40 Equity Shares is under dispute.

(7) This includes 40 Equity Shares that have been allotted to G.H. Securities (Private) Limited by the Company but the Company has not yet despatched share certificates as the title to these 40 Equity Shares is under dispute.

4. Our Company, our Directors, our Promoters, the Promoter group, their respective directors, and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.

5. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as under:

(a) The top ten shareholders of our Company as of December 1, 2005 are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Yadu International Limited	20,974,791	42.01
2.	Mr. Yadupati Singhania	12,830,673[(1)]	25.70
3.	Juggilal Kamlapat Holding Limited	5,550,000[(2)]	11.12
4.	Ms. Kavita Y. Singhania	1,301,611	2.61
5.	Dr. Gaur Hari Singhania	1,041,973[(3)]	2.09
6.	Ms. Sushila Devi Singhania	920,957	1.84
7.	Adm. of Spe U/t UTI AMC	353,332	0.71
8.	Manphul Trading & Finance Company Limited	301,733	0.60
9.	J.K. Traders Limited	211,254	0.42
10.	Surya Commercials Limited	158,329	0.32

(1) Of the 12,830,673 Equity Shares held by Mr. Yadupati Singhania, 7,683 Equity Shares are held by him in his capacity as karta of Yadupati Singhania HUF.

(2) Of the 5,550,000 Equity Shares, 445,000 Equity Shares and 400,000 Equity Shares were held by Kanpur Investments Limited and J.K. Investment Limited, respectively. The High Court of Judicature at Allahabad, by its order dated August 22, 2005, has sanctioned a scheme of amalgamation, pursuant to which Kanpur Investments Limited and J.K. Investment Limited merged with Juggilal Kamlapat Holding Limited. Consequently, Kanpur Investments Limited and J.K. Investment Limited have since been dissolved. However, the transfer of these Equity Shares from Kanpur Investments Limited and J.K. Investment Limited to Juggilal Kamlapat Holding Limited has not yet been recorded by NSDL. The Company has taken the necessary steps, as requested by NSDL, to complete procedure to ensure that the transfer is recorded by NSDL. The Company expects that the NSDL shall record the transfer shortly.

(3) Of the 1,041,973 Equity Shares held by Dr. Gaur Hari Singhania, 8,196 Equity Shares are held by him in his capacity as karta of Dr. Gaur Hari-Yadupati Singhania HUF, 3,000 Equity Shares are held by him in his capacity as karta of Dr. Gaur Hari Singhania (Greater HUF) and 20 Equity Shares are held by him as executor of the will of Late Mr. P.D. Singhania.

(b) The top ten shareholders of our Company as of November 25, 2005 are as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Yadu International Limited	20,974,791	42.01
2.	Mr. Yadupati Singhania	12,830,673[(1)]	25.70
3.	Juggilal Kamlapat Holding Limited	5,550,000[(2)]	11.12
4.	Ms. Kavita Y. Singhania	1,301,611	2.61
5.	Dr. Gaur Hari Singhania	1,041,973[(3)]	2.09
6.	Ms. Sushila Devi Singhania	920,957	1.84
7.	Adm. of Spe U/t UTI AMC	353,332	0.71
8.	Manphul Trading & Finance Company Limited	301,733	0.60
9.	J.K. Traders Limited	211,254	0.42
10.	Surya Commercials Limited	158,329	0.32

(1) Of the 12,830,673 Equity Shares held by Mr. Yadupati Singhania, 7,683 Equity Shares are held by him in his capacity as karta of Yadupati Singhania HUF.

(2) Of the 5,550,000 Equity Shares, 445,000 Equity Shares and 400,000 Equity Shares were held by Kanpur Investments Limited and J.K. Investment Limited, respectively. The High Court of Judicature at Allahabad, by its order dated August 22, 2005, has sanctioned a scheme of amalgamation, pursuant to which Kanpur Investments Limited and J.K. Investment Limited merged with Juggilal Kamlapat Holding Limited. Consequently, Kanpur Investments Limited and J.K. Investment Limited have since been dissolved. However, the transfer of these Equity Shares from Kanpur Investments Limited and J.K. Investment Limited to Juggilal Kamlapat Holding Limited has not yet been recorded by NSDL. The Company has taken the necessary steps, as

requested by NSDL, to complete procedure to ensure that the transfer is recorded by NSDL. The Company expects that the NSDL shall record the transfer shortly.

(3) Of the 1,041,973 Equity Shares held by Dr. Gaur Hari Singhania, 8,196 Equity Shares are held by him in his capacity as karta of Dr. Gaur Hari-Yadupati Singhania HUF, 3,000 Equity Shares are held by him in his capacity as karta of Dr. Gaur Hari Singhania (Greater HUF) and 20 Equity Shares are held by him as executor of the will of Late Mr. P.D. Singhania.

(c) The top ten shareholders of our Company as of December 5, 2003 were as follows:

S. No.	Name of Shareholders	Number of Equity Shares	Percentage Shareholding (%)
1.	Dr. Gaur Hari Singhania	25,100	20.85
2.	Mr. Yadupati Singhania	25,100	20.85
3.	Ms. Sushila Devi Singhania	25,000	20.76
4.	Ms. Kavita Y. Singhania	25,000	20.76
5.	Wellbred Asset Management Bahamas Limited	19,700	16.36
6.	Mr. J.P. Bajpai	100	0.08
7.	Mr. R.G. Bagla	100	0.08
8.	Mr. K.N. Khandelwal	100	0.08
9.	Mr. Ajay Kumar Saraogi	100	0.08
10.	Mr. Anil Kumar Agrawal	100	0.08
	Total	**120,400**	**100.00**

6. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments on our Equity Shares.

7. Our Promoters, our Promoter group, or the directors of our Promoter group or our Directors have not purchased or sold any Equity Shares, during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

8. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

9. In case of over-subscription in all categories, at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, at least 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill-over from other categories, at our sole discretion, in consultation with the BRLM and the Designated Stock Exchange.

10. Only Employees would be eligible to apply in this Issue under the Employee Reservation Portion on competitive basis. Employees other than as mentioned in this Draft Red Herring Prospectus are not eligible to participate under the Employee Reservation Portion. Bids by Employees can also be made in the "Net Issue" to the public and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 200,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. The unsubscribed portion, if any, from the Equity Shares in the Employee Reservation Portion will be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of the Company in consultation with the BRLM and the Designated Stock Exchange.

11. Up to 1,800,000 Equity Shares, has been reserved for allocation to the Existing Shareholders on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Existing Shareholders would be eligible to apply in this Issue under the Existing Shareholders Reservation Portion. Each Existing Shareholder may bid in the Net Issue to the public portion as well and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Existing Shareholders Reservation Portion is greater than 1,800,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. Any under subscription in the Equity Shares under the Existing Shareholders Reservation Portion would be treated as part of the Net Issue and the proportionate allocation of the same would be at the sole discretion of the Company in consultation with the BRLM and the Designated Stock Exchange.

12. Except as disclosed in the Section titled "Our Management" on page 60 of this Draft Red Herring Prospectus, none of our Directors and key managerial employees hold any Equity Shares.

13. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

14. We do not presently intend or propose to alter our capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities convertible into Equity Shares solely to finance an acquisition, joint venture, or merger by us or as consideration for such acquisition, joint venture or merger.

15. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

16. As of December 1, 2005, the total number of holders of Equity Shares was 105,266.

17. We have not raised any bridge loans against the proceeds of the Issue.

18. Except as disclosed in this Draft Red Herring Prospectus, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash.

19. An oversubscription to the extent of 10% of the Issue has been retained for purposes of rounding off to the nearest multiple of the minimum allotment lot.

20. Except for the 31,875,225 Equity Shares that are pledged with the Consortium of Banks, no other Equity Shares held by our Promoters are subject to any pledge.

OBJECTS OF THE ISSUE

The net proceeds of the Issue, after deducting underwriting and management fees, selling commissions and all other Issue expenses payable by us, are estimated to be approximately Rs.[●] million.

The Company intends to use the net proceeds of the Issue in connection with the following:

1.	Installation of waste heat recovery power plant of 13 MW capacity
2.	Installation of 20 MW petcoke based captive power plant
3.	Replacement of an existing turbine with a new 10 MW turbine
4.	Increase in the grinding and production capacity at the grey cement plant
5.	Increase in the production capacity at the white cement plant
6.	General corporate purposes

The main objects clause and the objects incidental or ancillary to the main objects clause of the Memorandum of Association enable the Company to undertake its existing activities and the activities for which funds are being raised by the Company in the Issue.

The fund requirement and deployment is based on internal management estimates and/or commercial bids received from various plant and machinery suppliers and/or supply contracts entered with such suppliers. Our fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. The Company may have to revise its capital expenditure requirements as a result of variations in the cost structure, changes in estimates, exchange rate fluctuations and external factors which may not be within the control of the Company's management. This may entail rescheduling or revising our planned capital expenditure and increasing or decreasing the capital expenditure for a particular purpose from its planned expenditure at the discretion of the Company's management.

The following table summarizes the intended use of net proceeds of the Issue:

S.No.	Particulars	Location (in Rajasthan)	Estimated Capital Cost (Rs. Million)	Targeted Month and Year of Completion
1.	Installation of waste heat recovery power plant of 13 MW capacity	Nimbahera	1,110.00	June 2007
2.	Installation of 20 MW petcoke based captive power plant	Nimbahera	850.00	April 2007
3.	Replacement of an existing turbine with a new 10 MW turbine	Bamania	85.00	December 2006
4.	Increase in the grinding and production capacity at the grey cement plant	Nimbahera	225.00	June 2006
5.	Increase in the production capacity at the white cement plant	Gotan	90.00	June 2006
6.	General corporate purposes		[•]	
	Total		**[•]**	

Schedule of Implementation/Utilization of Net Issue Proceeds

The year-wise deployment of net proceeds of the Issue, as currently estimated by the Company, during Fiscal 2006 and 2007 is set forth below:

(Rs. million)

S.No.	Particulars	Utilization of Net Proceeds of the Issue		
		Fiscal 2006	From April 1, 2006 until June 30, 2007	Total
1.	Installation of waste heat recovery power plant of 13 MW capacity	300.00	810.00	1,110.00
2.	Installation of 20 MW petcoke based captive power plant	300.00	550.00	850.00
3.	Replacement of an existing turbine with a new 10 MW turbine	56.00	29.00	85.00
4.	Increase in the grinding and production capacity at the grey cement plant	173.00	52.00	225.00
5.	Increase in production capacity at the white cement plant	70.00	20.00	90.00
6.	General corporate purposes	[●]	[●]	[●]

As of November 15, 2005, we have incurred Rs.9.90 million in expenditure for replacement of an existing turbine with a new 10 MW turbine at Bamania, as certified by P.L. Tandon & Company, Chartered Accountants, pursuant to their certificate dated November 23, 2005, Rs.126.96 million in expenditure for the increase in the grinding and production capacity at the grey cement plant at Nimbahera, as certified by R.K. Nyati & Company, Chartered Accountants, pursuant to their certificate dated November 19, 2005 and Rs.9.39 million in expenditure for increase in the production capacity at the white cement plant at Gotan, as certified by Kanstia & Company, Chartered Accountants, pursuant to their certificate dated November 22, 2005. This expenditure has presently been funded through internal accruals. We intend to utilize the net proceeds of the Issue for replenishing the internal accruals to the extent of the expenditure already incurred towards the above projects. For details regarding the expenditure already incurred, please see "Use of Proceeds - Expenditure Already Incurred" on page 24 of this Draft Red Herring Prospectus.

Any shortfall in the net proceeds of the Issue will be met by internal accruals.

The Company confirms that the entire cost for the projects identified above, in an amount of Rs.2,360.00 million, is proposed to be funded through the net proceeds of the Issue and internal accruals, if necessary, and there is no debt being incurred to fund these projects. Accordingly, the Company confirms that there is no requirement for it to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Details of Use of Proceeds

Installation of waste heat recovery power plant of 13 MW capacity

The Company proposes to install a waste heat recovery power plant of 13 MW capacity at Nimbahera to reduce the cost of generation of power. The generation of power from this power plant will not involve any fuel consumption and therefore, it is expected that the cost of power will be lower compared to power that is currently available to the Company from other sources. The Company has invited commercial bids in respect of the project and is yet to select a supplier. The Company has estimated a capital expenditure of Rs.1,110.00 million in respect of the installation of the waste heat recovery power plant, which is based on the commercial bids received from potential suppliers.

Installation of 20 MW petcoke based captive power plant

The Company estimates that the cost of generation of power from the installation of a 20 MW captive power plant, which will be based on a mix of petcoke and coal in the ratio 70:30, is also expected to lower its existing power costs. This 20 MW petcoke based captive power plant is proposed to be installed on an EPC basis. The Company has invited commercial bids in respect of the project and is yet to select a supplier. The Company has estimated a capital expenditure of Rs.850.00 million in respect of the installation of the 20 MW captive power plant, which is based on commercial bids received from potential suppliers.

Replacement of an existing turbine with a new 10 MW turbine

The Company proposes to replace a 7.5 MW steam turbo-generator set, which is currently not operational, at its existing captive power plant at Bamania with a new 10 MW steam turbo-generator set to be supplied by Kessels Engineering Works Private Limited, pursuant to a work order dated June 25, 2005, for the supply, erection and commissioning of the 10 MW steam turbo generator set. Kessels Engineering Works Private Limited has submitted drawings and documents to the Company for final approval. Based on such contract, the Company has estimated a capital expenditure of Rs.85.00 million in respect of the replacement of the existing steam turbo-generator set with the new 10 MW steam turbo-generator set. The Company has incurred expenditure as of November 15, 2005, of Rs.9.90 million in respect of such project, which has been funded from internal accruals, and will be replenished by the Company from the net proceeds of the Issue. For details regarding the expenditure already incurred, please see "Use of Proceeds- Expenditure Already Incurred" on page 24 of this Draft Red Herring Prospectus.

A break-down of the estimated fund requirement for this purpose is set forth below:

S.No.	Particulars	Cost (Rs. Million)
1.	EPC	66.50[(1)]
2.	Civil and Building	2.50
3.	Plant and Machinery	10.00
4.	Taxes and Duties	2.00
5.	Contingency and Others	4.00
	Total	**85.00**

(1) This includes Rs.64.00 million relating to the cost of plant and machinery and Rs.2.50 million relating to excise and service tax.

Increase in the grinding and production capacity at the grey cement plant at Nimbahera

The increase in demand for blended cement has resulted in the need to expand the grinding capacity at the grey cement plant. The Company proposes to increase the cement grinding and production capacity at the grey cement plant at Nimbahera by (i) installing a new grinding mill, (ii) modernizing an existing mill and (iii) installing other equipments including a fly ash silo, a fly ash handling system at the plant and power station and loading devices in the packing plant at Nimbahera.

Certain information regarding this proposed expenditure (including expenditure already incurred) is provided below:

(Rs. million)

S.No.	Project Description	Total Cost of Project	Expenditure Incurred	Funds Required	Status
1.	Installation of new cement mill	90.00	36.02	53.98	Company has placed work orders with Promac Engineering Industries Limited, Bangalore dated March 23, 2005, Elecon Engineering Company Limited dated March 23, 2005, AIA Engineering Private Limited dated March 22, 2005 and Bharat Heavy Electricals Limited dated October 1, 2005. Commissioning is currently expected by June 30, 2006
2.	Modernization of existing mill by installing a high efficiency separator together with fly ash feeding arrangement	31.00	5.88	25.12	Company has placed work orders with Sabash Engineering, Chennai dated June 25, 2005 and Mahindra Engineering and Chemical Products, Pune dated September 29 and 30, 2005. Commissioning is currently expected by June 30, 2006
3.	Installation of other equipments	104.00	85.06	18.94	(i) Fly ash storage silo and feeding system Suppliers: Elecon Engineering Company Limited and Rieco Industries Limited Status: Commissioned (ii) Dry fly ash unloading system at Nimbahera Supplier: Melco India Private Limited, Kirloskar Pneumatic Company Limited and H.B. Enterprises Status: Commissioning currently expected by December 31, 2005 (iii) Dry fly ash collection and loading system at Suratgarh Thermal Power Station Suppliers: Melco India Private Limited, Kirloskar Pneumatic Company Limited and H.B. Enterprises Status: Commissioning is currently expected by December 31, 2005 (iv) Installation of four semi- automatic loading devices in packing plants Nos. 4 and 5 Supplier: EEL India Limited Status: Commissioned (v) Installation of four semi- automatic loading devices in packing plants Nos. 1 and 2 Supplier: Nil Status: Work yet to start
	Total	**225.00**	**126.96**	**98.04**	

The Company has estimated a total capital expenditure of Rs.225.00 million in respect of increasing the grinding capacity and production of blended cement at its grey cement plant at Nimbahera, including Rs.126.96 million which has already been spent by the Company from its internal accruals and which will be replenished by the Company from the net proceeds of the Issue. For details regarding the expenditure already incurred, please see "Use of Proceeds-Expenditure Already Incurred" on page 24 of this Draft Red Herring Prospectus.

A break-down of the estimated fund requirement for this purpose is set forth below:

(Rs. million)

S.No.	Particulars	Installation of new cement mill	Modernization of existing mill by installing high efficiency separator along with fly ash feeding arrange-ment	Installation of other equipments	Cost
1.	Civil and Building	3.99	3.05	16.64	23.68
2.	Plant and Machinery	65.63	22.43	63.56	151.62

3.	Taxes and Duties	13.68	3.29	12.03	29.00
4.	Erection and Commissioning	3.20	0.96	4.42	8.58
5.	Engineering Cost	0.35	0.05	2.20	2.60
6.	Contingency and Others	3.15	1.22	5.15	9.52
	Total	**90.00**	**31.00**	**104.00**	**225.00**

Increase in the production capacity at the white cement plant at Gotan

In order to meet the expected increase in demand for white cement in the future and reduce the cost of production, the Company is increasing capacity in two phases. Phase I consists of the installation of a five-stage pre-heater to increase capacity to 350,000 tons. This project is under commissioning and trial run and the Company does not plan to use the net proceeds of the Issue for the Phase I of this project.

Under Phase II of the project, the Company plans to increase capacity from 350,000 tons to 400,000 tons by means of the following: (i) installing a pre-calciner, (ii) installing a pre-crusher at the raw mill and (iii) adding a new petcoke mill.

Work on installation of the pre-calciner, with a cost of Rs.42.50 million, is yet to commence. Work is under progress for the installation of the pre-crusher, for a cost of Rs.12.50 million, and the addition of a new petcoke mill, for a cost of Rs.35.50 million.

Certain relevant information regarding this proposed expenditure (including expenditure already incurred) is provided below:

(Rs. million)

S.No.	Project Description	Total Cost of Project	Expenditure Incurred	Funds Required	Status
1.	Pre-Calciner	42.00	Nil	42.00	Commissioning is currently expected by June 30, 2006
2.	Petcoke Mill	35.50	5.42	30.08	Company has procured a second hand petcoke mill shell from M & H Enterprises Private Limited. The Company has also placed work orders with Steel Authority of India Limited. Commissioning is currently expected by June 30, 2006
3.	Pre-Crusher	12.50	3.97	8.53	Company has procured a pre-crusher from Sayaji Iron and Engineering Company Limited. The Company has also placed work orders with Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. Commissioning is currently expected by March 31, 2006
	Total	**90.00**	**9.39**	**80.61**	

The Company has estimated a capital expenditure of Rs.90.00 million in respect of increasing the production capacity of white cement at its white cement plant at Gotan, including Rs.9.39 million which has already been spent by the Company as of November 15, 2005 from its internal accruals and which will be replenished by the Company from the net proceeds of the Issue. For details regarding the expenditure already incurred, please see "Use of Proceeds-Expenditure Already Incurred" on page 24 of this Draft Red Herring Prospectus.

A break-down of the estimated fund requirement for this purpose is set forth below:

(Rs. million)

Description	Petcoke Mill	Pre-Crusher	Pre-Calciner
Civil and Building	10.00	2.50	4.00
Plant and Machinery	15.00	7.00	28.50(1)
Miscellaneous Fixed Assets	5.00	0.60	4.00

Erection and Commissioning	3.00	1.00	3.00
Contingency and Others	2.50	1.40	2.50
Total	**35.50**	**12.50**	**42.00**

(1) Includes the cost of X-ray analyzer

General Corporate Purposes

We also intend to use an amount of Rs.[•] million for general corporate purposes.

Expenditure Already Incurred

As of November 15, 2005, we have incurred Rs.9.90 million in expenditure for replacement of an existing turbine with a new 10 MW turbine at Bamania, as certified by P.L. Tandon & Company, Chartered Accountants, pursuant to their certificate dated November 23, 2005, Rs.126.96 million in expenditure for the increase in the grinding and production capacity at the grey cement plant at Nimbahera, as certified by R.K. Nyati & Company, Chartered Accountants, pursuant to their certificate dated November 19, 2005 and Rs.9.39 million in expenditure for increase in the production capacity at the white cement plant at Gotan, as certified by Kanstia & Company, Chartered Accountants, pursuant to their certificate dated November 22, 2005. This expenditure has presently been funded through our internal accruals.

The expenditure already incurred is set forth below:

Activity	Amount (Rs. million)
Replacement of an existing turbine with a new 10 MW turbine	9.90
Increase in the grinding and production capacity at the grey cement plant	126.96
Increase in production capacity at the white cement plant	9.39
Total	**146.25**

The Company had not incurred any expenditure until November 15, 2005 in respect of installation of the waste heat recovery power plant and the installation of the 20MW petcoke based power plant.

Issue Related Expenses

The Issue related expenses include, among others, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses and registrar and depository fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. million)
Lead management, underwriting and selling commissions	[●][(1)]
Advertising and marketing expenses	[●][(2)]
Printing and stationery	[●][(2)]
Other (Registrar's fees, legal fees, etc.)	[●][(2)]
Total estimated Issue expenses	**[●]**

(1) Will be completed after finalization of the Issue Price.
(2) Will be incorporated at the time of filing of the Red Herring Prospectus.

All expenses with respect to the Issue will be paid by the Company.

Interim Use of Proceeds

The Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks. Such investments would be in accordance with the investment policies or investment approvals approved by the Board from time to time.

Monitoring of Utilization of Funds

We are not required to appoint a monitoring agency for purposes of the Issue. Our Board will monitor the utilization of the net proceeds of the Issue. We will disclose the utilization of the net proceeds of the Issue under a separate head in our Balance Sheet for Fiscal 2006, 2007 and 2008 clearly specifying the purposes for which such proceeds have been utilized. We will also, in our Balance Sheet for Fiscal 2006, 2007 and 2008 provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. No part of the proceeds of the Issue will be paid by us as consideration to our Promoters, our Directors, key managerial employees or companies promoted by our Promoters.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Note: The SEBI Guidelines have been recently amended on September 19, 2005 and November 11, 2005. Pursuant to these amendments certain significant changes have been made, including with regard to the allocation procedure for QIBs. Certain changes may be made to the terms of the Issue and the description of Issue procedure based on the discussions the BRLM may have with, or clarifications that they may obtain from, SEBI and the Stock Exchanges.

Authority for the Issue

The Shareholders have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the extra-ordinary general meeting of our Company held on November 26, 2005 at Kanpur, Uttar Pradesh.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including rights in respect of dividend. See “Main Provisions of Articles of Association of the Company” beginning on page 226 of this Draft Red Herring Prospectus for a description of the Articles of Association of our Company. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of allotment.

Mode of Payment of Dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs.10 each and the Issue Price is Rs.[●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

The face value of the shares is Rs.10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, regulations, rules and guidelines and the Memorandum and Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles of Association dealing with voting rights, dividend, forfeiture and lien, recision, transfer and transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association of the Company” on page 226 of this Draft Red Herring Prospectus.

Market Lot and Trading Lot

Under existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of our Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form in multiples of one Equity Share subject to a minimum allotment of [●] Equity Shares.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or
b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Net Issue, i.e., the Issue less the Employee Reservation Portion and the Existing Shareholders Reservation Portion, including devolvement of the members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Kanpur, Uttar Pradesh, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of existing market price of the Equity Shares, market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10 and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

The qualitative factors, which may form the basis for computing the price, are:

Leading position in attractive Northern India grey cement market: Based on CMA data, Northern Indian cement manufacturers have consistently operated at the highest levels of capacity utilization among India's five regions, reflecting strong demand in Northern India for cement products relative to supply. We believe that we are well positioned to take advantage of this demand, as the fourth largest grey cement manufacturer in Northern India, and the largest grey cement manufacturer in the State of Rajasthan

Second largest white cement producer in India: Unlike grey cement, the white cement industry in India is highly concentrated with the two largest players accounting for the substantial majority of India's production capacity. Consequently, prices of white cement have been relatively less volatile and sales of white cement have generated more stable cash flows for us even during industry downturns in grey cement.

Proximity and access to large reserves of high quality limestone: We have access to large reserves of limestone for both our grey and white cement operations, which we believe are sufficient to sustain our current and planned capacity for approximately 40 years for both grey and white cement.

Quality of products and strong brand name: We have built a strong reputation by consistently providing high quality products as well building strong customer awareness for our brands. This provide us with a competitive advantage in ensuring that cement dealers carry our products.

Extensive marketing and distribution network: We have a wide distribution network for grey cement in Northern India, and a strong all-India distribution network for white cement. We have 66 feeder depots and ore than 4,000 retail stores that stock our grey and white cement products. This enables us to maket and distribute our cement widely and efficiently.

Experience and Technical Know-how: We have 30 years of experience in the Indian cement industry, which we believe provides us with the skills to maximize production efficiency, expand production capacity and reduce costs. Further, we have a stable and experienced middle and senior level management team, many of whom have been with the Company for more than 20 years.

Developing cheaper and reliable captive source of power: Power cost accounted for 18.7% of our expenditures in fiscal 2005 and 19.2% of our expenditure in the six months ended September 30, 2005. We currently rely on power provided by the state electricity board and other sources such as diesel generator sets, which are relatively expensive sources of power, and our average cost of power is higher than other plants of a similar size whose power needs are furnished by their own captive power plant. We are currently implementing three projects that we anticipate will lead to a reduction in our power costs.

Quantitative Factors

Some of the quantitative factors, which may form the basis for computing the price, are:

1. Adjusted Earnings per Share (EPS)

Period Ended	EPS (Annualized) (Rs.)	Weight
March 31, 2003	(0.10)	1
March 31, 2004	0.14	2
March 31, 2005	1.59	3
Weighted Average	0.83	

a. EPS has been calculated as per the following formula:
(Net Profit attributable to equity shareholders)/(Weighted average number of equity shares outstanding during the year/ period)
b. Restated Net Profit is as per on the "Summary Restated Financial Statements" of our Company..
c. EPS calculations have been done in accordance with the Accounting Standard 20 – "Earnings per share" issued by the Institute of Chartered Accountants of India.

2. Price Earning Ratio (P/E) in relation to the Issue Price of Rs.[•]

a. Based on Weighted Average EPS of Rs 0.83 is [•]

3. Average Return on Net Worth (RoNW)

Period Ended	RoNW (Annualized) (%)	Weight
March 31, 2003	(1.93%)	1
March 31, 2004	0.11%	2
March 31, 2005	11.54%	3
Weighted Average	6.13%	

a. RONW has been calculated as per the following formula:
(Net Profit after tax)/(Net Worth excluding revaluation reserve and deferred revenue expenditure at the end of the year/period)

b. Restated Net Profit is as per on the "Summary Restated Financial Statements" of our Company.

c. Net Worth excluding revaluation reserve and deferred revenue expenditure and as on March 31, 2003 and Restated Net Profit for the period ended March 31, 2003 are both negative

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS of Rs.1.59 is 19.76%

5. Net Asset Value (NAV)

NAV as at March 31, 2005 (Rs.)	Rs.10.93
NAV after the Issue (Rs.)	Rs.[•]
Issue Price	Rs.[•]

NAV per equity share has been calculated as per the following formula:

(Net worth excluding revaluation reserve and deferred revenue expenditure at the end of the year/period)/(Total number of Equity Shares outstanding at the end of the year/period)

The Issue Price of Rs.[•] has been determined on the basis of the demand from investors through the Book-Building Process and is justified based on the above accounting ratios.

6. Comparison with other listed companies

Particulars	EPS (TTM based)	P/E (times) (EPS TTM)	RoNW (%)	Book Value (Rs.)
J.K. Cement	2.2	63.4	2.5%	78.8
A C C	22.7	19.1	25.7%	88.1
Gujarat Ambuja	3.3	20.8	22.3%	16.0 (Face value Rs.1 per equity share)
Ultratech	4.3	89.1	0.3%	85.8
Shree Cement	14.7	29.4	10.8%	83.1
J.K. Lakshmi Cement Limited (erstwhile, JK Corp)	5.0	12.3	N.A	22.8

(1) Source for information is from "Capital market" Volume XX/18 Dated November 7–20, 2005. The figures for the Company have been taken from the same source and may not match with figures from "Financial Statements" given on page 87 of this Draft Red Herring Prospectus.

The BRLM believes that the Issue Price of Rs [●] is justified in view of the above qualitative and quantitative parameters. See the section titled "Risk Factors" on page x of the Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditors' Report on page 85 of this Draft Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

The Board of Directors,
J.K. CEMENT LIMITED,
Kamla Tower,
KANPUR-208001 (Uttar Pradesh)
INDIA.

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961, Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling Shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

i. the Company or its shareholders will continue to obtain these benefits in future; or

ii. the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For P.L. TANDON & CO.,
Chartered Accountants.

(PARTNER)

PLACE: KANPUR.
DATE : December 3, 2005

TAX BENEFITS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax.

A. TO THE COMPANY - Under the Income tax Act, 1961.

The Company will be entitled to claim depreciation allowance at the prescribed rates on tangible and intangible assets under section 32 of the IT Act.

1. The Company will be entitled to claim expenditure incurred in respect of voluntary retirement under section 35DDA of the IT Act in five equal annual instalments.
2. The Company is eligible under section 35E of the IT Act to a deduction equal to one-tenth of specified expenditure relating to prospecting for or extraction or production of minerals specified in the section.
3. In accordance with the provisions of section 10(38) the long-term capital Gains arising on the transfer of securities in a transaction entered into in a recognized stock exchange in India and such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004, shall be exempt from income tax.
4. The long-term capital Gains accruing to the Company otherwise than as mentioned in 4 above, shall be chargeable to tax in accordance with and subject to the provisions of section 112 of the IT Act as follows :
   - If long term capital gain is computed with indexation @ 20% (plus applicable surcharge and education cess)
   - In the case of certain listed shares, securities and units, in a transaction not entered into in a recognized stock exchange, if long capital Gain is computed without indexation @ 10% (plus applicable surcharge and educational cess).
5. The short-term capital gains accruing to the company, from the transfer of a short-term capital asset, being securities, in a transaction entered into in a recognized stock exchange in India, and such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004 shall be chargeable to tax at the rate of 10% (plus applicable surcharge and education cess) as per the provisions of section 111A.
6. The Company is eligible to claim exemption in respect of tax on long term capital Gains under sections 54EC and 54ED if the amount of capital Gains is invested in certain specified bonds / securities subject to the fulfilment of the conditions specified in those sections.
7. The Company is eligible to exemption under section 10(34) in respect of income by way of dividend received from other Domestic Companies.
8. The Company is eligible to exemption under section 10(35) in respect of income by way of dividend received from mutual fund specified under section 10(23D) and other specified undertakings/companies.

B. TO THE MEMBERS OF THE COMPANY - Under the Income Tax Act, 1961

I – RESIDENT MEMBERS

1. Members will be entitled to exemption, under section 10(34) of the IT Act in respect of the income by way of dividend received from the company.
2. The long-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into a recognized stock exchange in India, would be exempt from tax as per the provisions of section10(38).
3. The short-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into a recognized stock exchange in India, would be chargeable to tax @ 10% (plus applicable surcharge and education cess) as per the provisions of section 111A.
4. As per the provision of section 112 of the IT Act, the long-term capital Gains accruing to the members of the company from the transfer of the shares of the company, otherwise than as mentioned in point 2 above, shall be charged to tax.
   - @ 20% (plus applicable surcharge and education cess) after deducting from the sale proceeds the indexed cost of acquisition or
   - @ 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation.
5. The members are entitled to claim exemption in respect of tax on long term Capital Gains under sections 54EC and 54ED of the IT Act, if the amount of Capital Gains is invested in certain specified bonds/securities subject to the fulfilment of the conditions specified in those sections.

6. Individuals or HUF members can avail exemption under section 54F by utilization of the sales consideration for purchase/construction of a residential house within the specified time period and subject to the fulfilment of the conditions specified therein.
7. In terms of Section 88 E of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.

II – NON-RESIDENT MEMBERS

1. Non- resident members will be entitled to exemption, under section 10(34) of the IT Act, 1961, in respect of the income by way of dividend received from the company.
2. The long-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, would be exempt from tax as per the provisions of section10(38).
3. The short-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, would be chargeable to tax @ 10% (plus applicable surcharge and education cess) as per the provisions of section 111A.
4. As per the provision of section 112 of the IT Act, the long-term capital Gains accruing to the members of the company from the transfer of the shares of the company, otherwise than as mentioned in point 2 above, shall be charged to tax.
   - @ 20% (plus applicable surcharge and education cess) after deducting from the sale proceeds the indexed cost of acquisition or
   - @ 10% (plus applicable surcharge and education cess) after deducting from the sale proceeds the cost of acquisition without indexation.
5. The members are entitled to claim exemption in respect of tax on long term Capital Gains under sections 54EC and 54ED of the IT Act, if the amount of Capital Gains is invested in certain specified bonds/securities subject to the fulfilment of the conditions specified in those sections.
6. Individuals or HUF members can avail exemption under section 54F by utilization of the sales consideration for purchase/construction of a residential house within the specified time period and subject to the fulfilment of the conditions specified therein.
7. Under the provisions of section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the Country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
8. Non-Resident Indians (As defined in section 115C(e) of the IT Act), being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which interlaid entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.
   - As per the provisions of section 115E of the IT Act, and subject to the conditions specified therein, long-term capital Gains arising on the transfer of Company's shares will be charged to Income Tax @ 10% (Plus applicable surcharge and education cess).
   - As per the provisions of section 115F of the IT Act, and subject to the fulfilment of the conditions specified therein, the Long Term Capital Gains arising on the transfer of Company's shares shall be exempted from income tax entirely / proportionately if all or a portion of the net consideration is invested within six months of the date of transfer in specified assets as defined in section 115C (f) or any savings certificates referred to in section 10(4B) of the IT Act. The amount so exempted shall, however, be chargeable to tax as long term capital Gains under the provisions of section 115F(2) if the specified assets are transferred or converted into money within three years from the date of acquisition thereof as specified in the said section.
   - As per the provisions of section 115G of the IT Act, Non-resident Indians are not obliged to file a return of income under section 139(1) of the IT Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-A of the IT Act.
   - Under section 115H of the IT Act, where a Non-Resident Indian, in relation to any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he/she may furnish to the Assessing Officer a declaration in writing, along with his/her return of income under section 139 of the IT Act for the assessment year for which he/she is so assessable, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from any foreign exchange asset, being an asset of the nature referred to in sub clause (ii) to clause (v) of clause (f) of section 115C, in which case, the provisions of Chapter XII-A shall continue to apply to him/her in relation to such income for that assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- As per the provision of section 115-I of the IT Act, when a Non-Resident Indian, elects not to be governed by the provision of Chapter XII-A of the IT Act, then his/her total income shall be computed and charged in accordance with other provisions of the IT Act.

III-FOREIGN INSTITUTIONAL INVESTORS

1. Income by way of dividend received on shares of the company is exempt under section 10(34) of the IT Act.
2. The long-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, would be exempt from tax as per the provisions of section10(38).
3. The short-term Capital Gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, would be chargeable to tax @ 10% (plus applicable surcharge and education cess) as per the provisions of section 111A.
4. Under section 115AD(1)(b)(ii) if the IT Act, Income by way of Short Term Capital Gains arising from the transfer of shares (otherwise than as mentioned in 3 above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and education cess).
5. Under section 115AD(1)(b)(iii) of the IT Act, Income by way of Long Term Capital Gains arising from the transfer of shares (otherwise than as mentioned in 2 above) held in the Company will be taxable @ 10% (plus applicable surcharge and education cess). It is to be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not available to Foreign Institutional Investors.
6. Long Term Capital Gains on sale of shares of the Company by the members shall be exempt from income tax if such gains are invested in bonds/equity shares specified in section 54EC or section 54ED respectively subject to the fulfilment of the conditions specified in those sections.

   Under the provisions of section 90(2) of the IT Act, if the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident are more beneficial, then the provisions of the DTAA shall be applicable.
7. Dividend paid by the Company would not be subject to deduction of Tax at Source as per Section 195 of the Act.
8. No deduction of Tax shall be made in respect of Capital Gains arising on sale proceeds to F11 on transfer of share of the Company as per section 196D(2) of the Act.

IV. MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India would be exempt from income tax subject to conditions specified therein.

V. VENTURE CAPITAL COMPANIES / FUNDS.

As per the provisions of section 10(23FB) of the Act, income of

- Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax

VI. BENEFITS UNDER THE WEALTH TAX ACT, 1957

Asset' as defined under section 2(ea) of the Wealth Tax Act, 1957, does not include shares in companies and hence, shares are not liable to wealth tax.

VII. BENEFITS UNDER THE GIFT-TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the Company will not attract gift tax.

INDUSTRY

Information presented in this section has been extracted from publicly available documents and industry publications and has not been prepared or independently verified by us, the BRLM, or any of our or its respective affiliates or advisors. Unless otherwise indicated, information presented in this section has been extracted from publications of the Cement Manufacturers' Association, or the CMA.

Grey Cement Industry Overview

As per CMA, as of March 31, 2005, the Indian cement industry comprised 54 cement producers, operating 129 cement plants with an average installed capacity of 153.6 MnTPA. Over the years, the cement industry has made significant progress upgrading and assimilating the latest technology. At present, 96% of the total capacity in the industry is based on modern, environment-friendly and energy-efficient dry process technology, with only 4% of the capacity based on old wet and semi-dry process technologies.

Actual cement production in the year end March 31, 2005 was 127.6 MnT, compared to 117.5 MnT in the year ended March 31, 2004, at a growth rate of 8.6%. Domestic cement consumption in the year end March 31, 2005 was 123.1 MnT, representing a 8.1% increase over the previous year domestic consumption of 113.9 MnT. During the six months ended September 30, 2005, cement consumption increased by approximately 9.9% as compared to consumption in the six months ended September 30, 2004. Despite this comparatively high growth rate enjoyed by the Indian cement industry, India's per capita cement consumption of approximately 110 kgs per annum as at March 31, 2003 was only about 35% of the global average.

In 2002, global cement production was reported at 1.8 billion tons, with China accounting for 37.2% of the total output. India was the second largest producer with 6.1% of the total output, closely followed by the United States at 5%. India's share of global cement production has increased from 2.9% in 1990 to 6.1% in 2002, principally due to improved economic conditions and increased construction activity in India as compared to global economy.

One of the defining features of the Indian cement industry is its highly clustered nature, as cement units are concentrated in close proximity to limestone deposits. Competition is also localized because the cost of transportation of cement to distant markets often results in the product being uncompetitive in those markets. Hence, cement units tend to be located close to both limestone deposits, as well as the markets those units service. This is one of the key factors which has resulted in the Indian market being more regional and fragmented in nature.

The key players in the Indian cement industry and their share of installed capacity as of March 31, 2005 included ACC (11.9%), Ultratech Cement Limited (11.1%), Gujarat Ambuja (9.7%), Grasim Industries (9.2%), and India Cements (5.7%). In the year ended March 31, 1995, these companies together had 34% of the total capacity in the country. However, with increasing consolidation in the industry, their share of total capacity increased to 47.6% as of March 31, 2005.

Demand and Supply Trends

According to the CMA, from the year ended March 31, 2000 to the year ended March 31, 2005, the average installed capacity of the cement industry in India increased at a CAGR of 7.1%. During the same period, capacity utilization decreased from 87% in the year ended March 31, 2000 to 79% in the year ended March 31, 2002 and has since then increased to 84% in the year ended March 31, 2005.

Indian Cement Capacity, Production, Capacity Utilisation Domestic Consumption and Exports

(in million tons, except percentage data)

	Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
Average Cement Capacity for the year[(1)]	108.6	114.9	129.8	137.0	144.3	151.3
Cement Production	94.0	93.6	102.4	111.4	117.5	127.6
Capacity Utilisation	87%	81%	79%	81%	81%	84%
Domestic Cement Consumption	91.9	90.3	99.0	107.6	113.9	123.1
Cement Export	1.95	3.15	3.38	3.47	3.36	4.07
Clinker Export	1.19	2.00	1.76	3.45	5.64	5.99

Source: Cement Manufacturers Association

(1) The capacity of the industry is taken as the sum total of the installed capacity of the large players, and does not include the total capacity of mini-cement players (i.e small producers with individual capacity of up to 300,000 tons), which has been estimated at 10 MnTPA as of March 31, 2005. Capacities are monthly add-ups. Of the total capacity as of March 31, 2005, approximately 4.15 MnTPA is not in operation.

North India

The Indian cement market, on account of its regional nature, is separated into the key markets of Northern, Southern, Eastern, Central and Western India, for purposes of understanding regional dynamics. The states in India comprising these regions, as classified by CMA, are set forth below:

Region	States and Union Territories
North	Chandigarh, Delhi, Haryana, Himachal Pradesh, J&K, Punjab, Rajasthan, Uttaranchal
East	Assam, Meghalaya, Bihar, Jharkhand, Orissa, West Bengal, Chhattisgarh, Other North East states
South	Andhra Pradesh, Tamil Nadu, Karnataka, Kerala
West	Gujarat, Maharashtra
Central	Uttar Pradesh, Madhya Pradesh

The following table highlights production, demand and capacity trends by region for the key markets in India during the periods indicated:

Regional Capacity, Production and Capacity Utilization

(in million tons, except percentage data)

	Year Ended March 31,					
	2000	**2001**	**2002**	**2003**	**2004**	**2005**
Northern India						
Capacity(1)	19.7	21.3	23.4	25.2	26.0	27.4
Production	19.8	19.5	21.9	24.1	25.2	26.7
Capacity Utilisation	101%	92%	94%	96%	97%	98%
Southern India						
Capacity(1)	31.6	33.9	42.9	45.3	46.3	48.1
Production	28.9	27.4	29.9	33.4	36.1	39.0
Capacity Utilisation	91%	81%	70%	74%	78%	81%
Eastern India						
Capacity(1)	8.2	20.1	21.2	21.3	22.4	22.8
Production	6.2	15.2	16.7	16.7	16.7	18.7
Capacity Utilisation	75%	76%	79%	79%	74%	82%
Western India						
Capacity(1)	18.8	20.1	21.9	24.1	28.0	28.9
Production	15.3	15.8	17.2	19.3	21.0	22.8
Capacity Utilisation	82%	79%	79%	80%	75%	79%
Central India						
Capacity(1)	30.1	19.2	20.5	21.0	21.7	24.2
Production	24.0	15.6	16.7	17.8	18.5	20.4
Capacity Utilisation	80%	82%	81%	85%	85%	84%
Total						
Capacity(1)	108.6	114.5	129.9	137.0	144.3	151.3
Production	94.0	93.6	102.4	111.3	117.5	127.6
Capacity Utilisation	87%	82%	79%	81%	81%	84%

Source: CMA

(1) Available capacity is the monthly add-up capacity.

There also exists an imbalance in cement demand between the different regions. As can be seen in the table above, Northern India has been operating at close to 100% capacity, which is in excess of operating rates in any other region. Adjusting for non-operational capacity of approximately 1.57 MnT in Northern India, effective capacity utilisation will be higher at 103%. Similarly, nearly 2.6 MnT capacity belonging to UP State Government has been non-operational and on adjustment, capacity utilisation in Central India will be approximately 94.4%. Approximately 4.4 MnT of clinker was exported from Western India in the year ended March31, 2005. Assuming a conversion ratio of around 0.95 between clinker and cement, adjusted capacity utilisation for Western India will be approximately 95.0%.

Cement consumption varies across regions because of the differences in per capita income and the level of industrial development in each state of the region. Demand in Eastern and Central region has been largely driven by the housing sector, whereas infrastructure, investments in industrial projects and the housing sector (in varying proportions) have had a more significant impact on demand in the Western, Northern and Southern regions.

	Growth in Consumption			
	5 Year CAGR (2000 - 05)	**3 Year CAGR (2002-05)**	**1 Year Growth (2004-05)**	**Growth in Six months ended Sept 30, 2005 as compared to six months ended Sept 30, 2004**
Northern India	7.5%	7.6%	6.1%	6.0%
Southern India	5.2%	8.2%	4.4%	21.0%
Eastern India	11.3%	7.8%	16.7%	16.6%
Western India	4.4%	5.8%	9.2%	5.3%
Central India	3.2%	8.3%	7.6%	-4.4%
Total	**6.0%**	**7.5%**	**8.1%**	**9.9%**

Source: CMA

We expect Northern India to demonstrate strong cement demand, driven by increased emphasis on infrastructure projects including urban infrastructure and power projects and continued growth in housing sector.

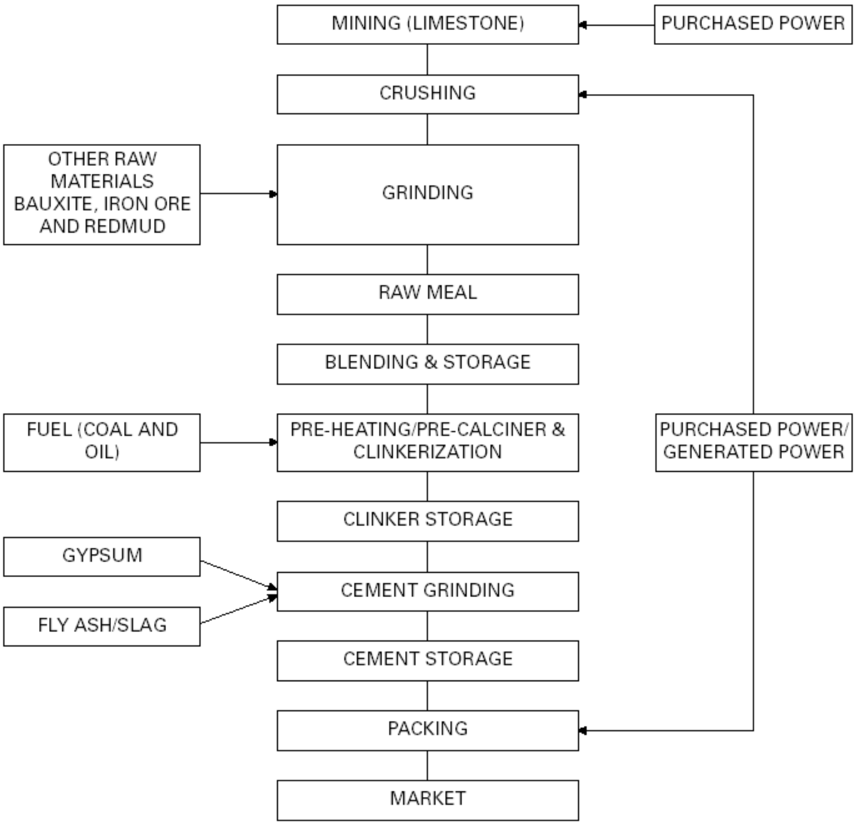
The Manufacturing Process

The production process for cement consists of drying, grinding and mixing limestone and additives like bauxite and iron ore into a powder known as “raw meal”. The raw meal is then heated and burned in a pre-heater and kiln and then cooled in an air cooling system to form a semi-finished product, known as clinker. Clinker (95%) is cooled by air and subsequently ground with gypsum (5%) to form Ordinary Portland Cement (“OPC”). Other forms of cement require increased blending with other raw materials. Blending of clinker with other materials helps impart key characteristics to cement, which eventually govern its end use.

There are two general purposes for producing clinker and cement in India: a dry purpose and a wet process.

The basic differences between these processes are the form in which the raw meal is fed into the kiln, and the amount of energy consumed in each of the processes. In the dry process, the raw meal is fed into the kiln in the form of a dry powder resulting in energy saving, whereas in the wet process the raw meal is fed into the kiln in the form of slurry. There is also a semi-dry process, which consumes more energy than the dry process but lesser than the wet process.

Production Process



The basic steps involved in the production process are set out below:

Dry process

In dry process production, limestone is crushed to a uniform and usable size, blended with certain additives (such as iron ore and bauxite) and discharged on a vertical roller mill, where the raw materials are ground to fine powder. An electrostatic precipitator deducts the raw mill gases and collects the raw meal for a series of further stages of blending. The homogenized raw meal thus extracted is pumped to the top of a preheater by air lift pumps. In the preheaters the material is heated to 750°C. Subsequently, the raw meal undergoes a process of calcination in a precalcinator (in which the carbonates present are reduced to oxides) and is then fed to the kiln. The remaining calcination and clinkerization reactions are completed in the kiln where the temperature is raised to between 1,450°C and 1,500°C. The clinker formed is cooled and conveyed to the clinker silo from where it is extracted and transported to the cement mills for producing cement. For producing OPC, clinker and gypsum are used and for producing Portland Pozzolana Cement ("PPC"), clinker, gypsum and fly ash are used. In the production of Portland Blast Furnace Stag Cement ("PSC"), granulated blast furnace slag from steel plants is added to clinker.

Wet process

The wet process differs mainly in the preparation of raw meal, where water is added to raw materials to produce slurry. The chemical composition is corrected and the slurry is then pumped to the kiln where evaporation of moisture, preheating, calcination and sintering reaction takes place. The clinker is cooled and transported as in the case of other plants with suitable conveyors to cement mills for grinding. The wet process is more energy intensive, and thus becomes expensive when power and energy prices are high.

Special cement

The basic process outlined above can be modified slightly in order to make cements with special characteristics. In the case of sulphate resistant cement, the raw mix is designed so as to produce clinker with enhanced iron content. Once the raw mix has been properly designed further processing is similar to the production of OPC.

Cement Varieties

Three basic varieties of portland cement are sold in India based on the different blending compositions (according to specific end-uses), comprising OPC, PPC and PSC.

The basic difference among these cements is the percentage of clinker used and the quantum and nature of blending done at the grinding stage. Since the grinding process is the most expensive part of the cement manufacturing process, blending of cement effectively raises production without requiring any additional clinker or significant investments for extra grinding and packing capacity. The quantum of blending in each variety of cement, the requisite strength, and other parameters of the cement variety sold are governed by the Bureau of Indian Standards ("BIS"). For a discussion on the principal types of cements and their uses, please see the section tilted "Our Business" on page 41 of this Draft Red Herring Prospectus.

Industry Characteristics

Units concentrated in proximity to raw material sources or markets

Since cement is a bulk commodity, transportation costs contribute significantly to the overall cost of production. In order to minimize these costs, most cement manufacturing facilities units are located near limestone reserves or markets. As a result, cement manufacture and sale is largely regional in nature with manufacturing units concentrated in specific locations called "clusters". The thirteen states of Madhya Pradesh located in central India, Rajasthan, Punjab and Himachal Pradesh, located in the north of India, Jharkhand, Orissa, West Bengal and Chattisgarh, located in the east of India, Gujarat and Maharashtra, located in the west of India, and Karnataka, Tamil Nadu, and Andhra Pradesh, located in the south of India, together accounted for around 93% of total domestic capacity as of March 31, 2005. The concentration of capacity in these regions is largely due to the presence of limestone deposits. As per the Planning Commission of the Government of India, over 45% of the inventory of cement grade limestone is in the Southern region, followed by 20% in the Northern region, 13% in the Western region, 10% in the Central region and 8% in the Eastern region.

Energy-intensive

Coal and power costs constitute a major share of total cement production costs, depending on the manufacturing process, with the wet process more energy-intensive than the dry process. Coal is used to fire kilns during process by which limestone is converted to clinker, and as a source of fuel for some captive power plants set up by the cement manufacturers.

To economize on costs, companies also import high-quality coal with a higher calorific content and superior consistency in quality compared to domestic coal. Cement plants, primarily in Gujarat and Rajasthan, have started using petcoke, a waste product from petroleum industry to replace domestic coal. While petcoke has a higher calorific value than coal, sulphur content in petcoke can cause corrosion and hence the cement plant requires modifications to enable usage of petcoke. At the same time, cement manufactures are shifting to captive power to avoid the high power tariffs and frequent power cuts associated with locally supplied grid power.

Regional variations and volatility in prices and margins

Cement prices and margins vary across regions due to the variation in the supply-demand balance, the level of concentration, demand growth and sales tax. Due to a significant increase in production capacity in the period 2001 to 2003, prices were subject to intense pressure. However, during the last two years, as capacity increases have slowed down and demand steadily increased, prices have begun to increase.

Tariffs and duties limit Import of Cement

Cement imports into India are taxed at the rate of 15% (basic duty). In addition, the Indian government levies a countervailing duty of Rs.408 per ton.

While the Government has announced its commitment to further easing of import restrictions and phased reduction of customs tariffs, there are other non-tariff barriers that hinder cement importers from entering the Indian market, including the cost competitive nature of the Indian cement industry and the predominance of retail, rather than wholesale, distribution of cement products in India. In addition, cement is sold mostly in bags in India whereas imports are normally in bulk. In order to be able to distribute imported bulk cement, the importer needs to set up bulk storage and bagging facilities at the port of call and a distribution network to carry its product.

Incentives, Taxes and Indirect Taxes

Cement in India is a highly taxed commodity with various taxes and levies comprising a significant portion of the end-user price. The key levies on cement are excise duty and sales tax.

Excise duty is a tax on manufacturing in India and is payable on dispatch of the cement from the factory. While most manufactured goods in India attract an *ad-valorem* duty, grey cement attracts a fixed levy of Rs.408 per ton while white cement attracts *ad-valorem* duty . However, clinker sold directly (without grinding it into cement) attracts a lower fixed levy of Rs.357 per ton. Sales tax is levied by a state government on sales originating from that state. Most states in India levy a value added tax ("VAT") on cement sales at an *ad-valorem* rate of 12.5%.

Historically, sales tax incentives were one of the key factors which drove the creation of new capacity in the country. With these incentives being withdrawn, one of the key factors that had driven the creation of excess capacity in the country is no longer in effect.

Further, sales tax incentives create distortion in the market, providing a competitive advantage to plants with high sales tax benefits. Implementation of VAT is therefore expected to impact profitability of plants enjoying higher sales tax incentives.

Recent Trends

Slowdown in the creation of fresh capacity

According to the CMA there was a significant increase in capacity during the years ended March 31, 2001 and 2002, which was driven primarily by the planned phase out of the Government's sales tax incentives resulting in decline in capacity utilisation from 94% in year ended March 31, 2000 to 79% in year ended March 31, 2002. In 1999, state governments decided to withdraw the sales tax incentives that were extended to new manufacturing units and for expansion of existing capacity. However, projects that had already commenced or were in the pipeline were exempted from this provision. This resulted in a rush among cement producers to set up capacity and avail of this benefit before it is phased out. However, new additional capacity decreased after the phase out of the sales tax incentives.

With demand expected to grow faster than the increase in capacity, demand supply imbalance is generally expected to narrow in the near term resulting in improved capacity utilisation.

Increasing demand from housing and infrastructure

Over the last decade, growth in cement consumption in India has been driven primarily by private housing and commercial construction activities. With declining retail interest rates and incentives given to housing loans, residential construction is expected to generate increased demand for cement products.

In addition to demand from housing, in recent Government budgets, the Government has indicated its commitment to developing infrastructure in the country and undertaking large projects involving construction of ports, airports, power plants, and highways linking different parts of the country. Some of the key infrastructure projects which have been announced and are underway include:

1. *The Golden Quadrilateral Project:* This project proposes to link the key metropolitan cities of Delhi-Mumbai-Chennai-Kolkata (approximately 5,800 kilometers).

2. *The East-West and North-South Road Corridors:* This project envisages constructing roads that will traverse India (approximately 7,000 kilometers).

In addition, the Government has also announced plans to build roads (approximately 200,000 kilometers) linking every village in the country with a population of over 1,000.

The increased focus on infrastructure development, together with the increasing demand for housing and commercial construction, are expected to drive growth of the cement industry.

Upswing in exports

Cement exports have been growing at a CAGR of 15.9% during the period fiscal 2000 to fiscal 2005, while clinker exports have grown at a CAGR of 38.2% during the same period. With an increase in export demand and realisations, coastal plants in India have been exporting their additional production, reducing supply pressure in the domestic market. India exports cement and clinker primarily to its neighbouring countries and Africa and West Asia. In the near term, with high construction activity expected in Afghanistan and Middle East, India's proximity to these markets is also likely to lead to a growth in cement exports.

(in million tons)

	Year ended March 31,					
Exports	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Cement	1.95	3.15	3.38	3.47	3.36	4.07
Clinker	1.19	2.00	1.76	3.45	5.64	5.99

Source: CMA

Consolidation

Currently, the cement industry in India continues to be highly fragmented compared to other cement producing countries. Although the share of cement capacity of the top five cement companies has increased to 48% in the year ended March 31, 2005 from 34% in the year ended March 31, 1995, there are still approximately 20 different cement companies in India which have less than 2.0 MTPA of cement capacity. Accordingly there may be further consolidation in the sector.

Foreign cement companies such as Lafarge, Holcim and Italcementi have, over a period of time, acquired substantial interests in cement companies in India. In early 2005, Holcim acquired control of ACC, India's largest cement producer. At the same time the larger Indian cement companies have acquired cement companies and/or plants to consolidate their position and benefit from economies of scale and better leverage in terms of pricing their products.

White Cement Industry Overview

White cement is distinguished from grey cement by its colour. White cement currently sold in India has a whiteness of around 88% to 90% and is used primarily as filler between ceramic tiles or for decorative purposes (cement paint, cement tiles, marble laying, white wash, finishing mortar, decorative articles, pre-cast elements etc).

The Company was one of the first Indian cement manufacturer to introduce quality white cement. It established a 50,000 tons per annum dry process white cement plant in 1984. Grasim commenced production of white cement around 1987. Travancore Cement is the third operational white cement player with approximately 30,000 tons per annum of sea-shell based white cement capacity. During early 1990s, Nihon Nirmaan Limited commissioned a 100,000 tons per annum plant but shut down within few years. At present, the plant is not producing cement.

Indian White Cement Capacity, Production and Capacity Utilisation

	As of March 31,			
	2002	2003	2004	2005
Capacity	700,000	700,000	700,000	775,000
Production	452,079	510,312	526,116	539,849
Capacity Utilisation(1)	64.6%	72.9%	75.2%	73.2%

Source: Information compiled from the published annual report of Grasim Industries Limited and JKSL/the Company.
(1) Capacity Utilisation has been calculated as Production / (Average of Capacity at beginning and end of year)

The domestic production of white cement has grown at CAGR of 6% over the period fiscal 2002 to fiscal 2005. However, while domestic demand for white cement did not increase in fiscal 2005 over the prior year, exports grew substantially. White cement manufacturers work with downstream customers to promote usage of white cement. White cement competes with natural stone, clay and glass in terms of final application as well as against other cementatious materials such as ground granulated slag or off-white cement for cement applications.

White cement is primarily used in the following applications:

Application	Key Usage
Flooring	For decorative and reflective flooring
Cement paint, mortars and plasters	Used for interior / exterior walls and ceilings, decoration
Pre-cast elements	Used extensively in residential and commercial sectors both in terms of exterior and interior walls and landscaping
Art	Used for statues, restoration of historic buildings, reproductions, monuments

The Manufacturing Process

The production process for white cement is similar to that of OPC grey cement described above with the following differences:

- The production process is highly sensitive to small variations in inputs as small difference in whiteness can impair the usability of the product;
- Instead of coal, fuel oil or petcoke is used in kiln as coal generates ash which affects the whiteness of product;
- Cooling of clinker is done by water as against air in grey cement;
- White clay, feldspar and fluorspar are added as additives to clinker

Industry Characteristics

Concentrated Market: White cement industry in India is produced primarily by two large players, Grasim Industries and the Company, who together accounted for most of the total capacity in India in fiscal 2002. Availability of high quality limestone reserves suitable for white cement production acts a strong entry barrier. During early 1990s, Nihon Nirmaan Limited commissioned a 100,000 tons per annum white cement plant in Rajasthan but shut down within few years. Fewer players in the market has resulted in less price fluctuation over the years, unlike cyclical price behaviour for grey cement, and has also resulted in higher profitability per ton as compared to grey cement

National Market: As white cement is sold at nearly three times the price of grey cement, transportation cost are a much lower part of the total cost of production of white cement compared to grey cement. Further, as the two largest white cement producers are located in the State of Rajasthan, the market for white cement is national unlike a regional market for grey cement.

Import: The Government of India has imposed an anti-dumping duty on the import of white cement from the Middle East.

OUR BUSINESS

We are one of the largest cement manufacturers in Northern India[(1)] according to CMA. We are also the second largest white cement manufacturer in India based on published production capacities of other white cement manufacturers in India. We sell our grey cement primarily to purchasers located in Northern India, while our white cement is sold to purchasers throughout India. We also export white cement to a number of countries, including South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

[(1)] CMA defines Northern India to include the following states and union territories in north India: Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab, Rajasthan and Uttaranchal.

We own and operate two grey cement manufacturing facilities located at Nimbahera and Mangrol in the State of Rajasthan with production capacities of 2.8 MnTPA and 0.75 MnTPA, respectively. We also own and operate a white cement manufacturing facility at Gotan in Rajasthan with a production capacity of 0.30 MnTPA.

We believe that the business environment in Northern India for grey cement is favourable for cement manufacturers. As per CMA data, during fiscal 2005, grey cement plants in Northern India operated at 98.0% capacity utilization as compared to an average of 84.0% on an all-India basis. Northern India has also been a high growth region, with cement demand growing at 7.5% during the five-year period from 2000 to 2005 as compared to an all-India average of 6.0%. With limited capacity expansion in Northern India expected in the next few years, cement manufacturing facilities in Northern India are expected to operate at high levels of capacity utilization. According to CMA, as of September 30, 2005, we were the third largest grey cement manufacturer in Northern India by installed capacity and as of March 31, 2005, we enjoyed the fifth largest market share in Northern India. According to CMA, as of September 30, 2005, we were the largest grey cement manufacturer in Rajasthan. As illustrated by the following table, we have significant market share in key regions of Northern India:

State	Fiscal 2005		Six months ended September 30, 2005	
	Market Share (%)	Rank	Market Share (%)	Rank
Haryana	17.51	1	17.95	1
Delhi	12.95	4	14.20	3
Rajasthan	12.40	5	11.47	5
Punjab	5.82	5	4.4	6

Source: CMA

We believe we were one of the first Indian cement manufacturers to produce quality white cement in India. We established our dry process white cement plant in 1984. We sell our white cement throughout India and believe our brand name is well recognized and accepted by most major industrial consumers. We believe that our access to high quality limestone reserves that are suitable for production of white cement provides us with a competitive advantage, as access to such reserves is a significant barrier for new entrants.

Our limestone reserves for both grey and white cement are of high quality and are expected to meet our existing and planned limestone requirements for approximately 4.0 MnTPA of grey cement and 0.4 MnTPA of white cement for approximately 40 years based on geological surveys conducted by independent agencies on our mines from time to time between 1996 and 2001. Our manufacturing facilities are located in close proximity to our limestone deposits in the State of Rajasthan and are well connected to our key markets by rail and road.

Our key strategies are focused on cost savings and project expansion. We plan to commence construction of two new captive power plants at our existing production facilities, which we expect will be fully operational by fiscal 2008. We also plan to modernize and upgrade our existing thermal power plant at Bamania. These power projects are expected to provide us access to an additional 43 MW of captive power sources, which we believe will provide us with power equivalent to approximately 86% of our requirements in the year ended March 31, 2005. We believe that these proposed power sources will enable us to generate power at cost that is expected to be substantially lower than our current cost, and enable us to compete more effectively.

In addition, we plan to both expand the capacity and increase the efficiency of our existing plants. For further information on the projects we plan to undertake, please refer to the section “Objects of the Issue” beginning on page 20 of this Draft Red Herring Prospectus. We are also selectively looking for new areas in India in which to set up additional manufacturing facilities. For example, we have located a potential site in Karnataka for which one of our Promoter group companies has been granted a mining lease and is conducting a feasibility study for the establishment of a greenfield grey cement plant. We may also evaluate the possibility of expanding our capacity in Northern India by acquiring or investing in existing cement plants, or developing new plants of our own, if we identify opportunities that we believe are attractive and consistent with our long-term goals.

Our manufacturing plants are well connected by road and rail, with each of our grey and white cement plants connected to both the national highway and the national railway networks. The Nimbahera plant has railway sidings at the plant site that enable it to access the railway directly and reduces our transportation costs. Our Gotan plant is located only one kilometre away from the nearest railway station. We believe we have a well developed distribution network for grey cement in

Northern India and a strong national distribution network for white cement with a total of 64 feeder depot warehouses and more than 4,000 retail stores.

In fiscal 2005 and the six months ended September 30, 2005, we sold 3,339,358 metric tons and 1,751,837 metric tons of grey cement, and 222,039 metric tons and 96,417 metric tons of white cement, respectively. In fiscal 2003, 2004 and 2005, our total net sales were Rs.5,985.01 million, Rs.6,271.59 million and Rs.7,744.45 million, respectively, representing a CAGR of 13.8% between fiscal 2003 and fiscal 2005. In the six months ended September 30, 2005, our total net sales were Rs.4,061.32 million.

Corporate History and Structure

The Company is an affiliate of the J.K. organization, which was founded by Late Lala Kamlapat Singhania. The J.K. organization includes various industrial and commercial companies with operations in a broad number of industries.

The Company's cement manufacturing operations were originally owned and operated by JKSL. JKSL is a listed company that has been in the manufacturing business since 1962. Its principal operations consisted of manufacturing facilities for the production of man made fibres, fabrics and yarns at Kota and Jhalawar, as well as grey cement plants at Nimbahera and Mangrol, and a white cement plant at Gotan. During the 1990s, JKSL's man made fibre operations became unprofitable and began to accumulate losses. However, its cement operation remained relatively profitable. Pursuant to the Scheme of Rehabilitation, the JKSL Cement Division was acquired by the Company with effect from November 4, 2004. Prior to such acquisition, the Company did not have any significant operations. For further information on the Scheme of Rehabilitation, please see "History and Certain Corporate Matters" beginning on page 57 of this Draft Red Herring Prospectus.

Our cement operations commenced commercial production in May 1975 at our first plant at Nimbahera in the State of Rajasthan. Since commencement of our cement operations, JKSL, and since November 2004, the Company, have made continual investments for the expansion and modernization of our production facilities. At Nimbahera, we started with a single kiln with an installed capacity of 0.3 MnTPA. We added a second kiln in 1979 with an installed capacity of 0.42 MnTPA, and a third kiln in 1982 with an installed capacity of 0.42 MnTPA. We added a precalciner in 1988, which increased our installed capacity at the Nimbahera facility to 1.54 MnTPA. During the years 1998 through 2003, we continued to implement modifications to each of our kilns, which increased our aggregate installed capacity at the Nimbahera facility to 2.8 MnTPA as of September 30, 2005.

We commissioned a second grey cement plant at our Mangrol plant in 2001, with an installed capacity of 0.75 MnTPA. As of September 30, 2005, we had an aggregate installed capacity of 3.55 MTPA of grey cement. Our white cement manufacturing facility at Gotan was completed in 1984 with a capacity of 50,000 tons per annum. Our continuing modifications to the Gotan manufacturing facility have resulted in increasing its installed capacity to 0.3 MnTPA as of September 30, 2005.

Our Strengths and Competitive Advantages

We enjoy a number of key competitive advantages, which have helped us maintain our position as one of the leading cement manufacturers in the Northern Indian cement market. Our principal strengths and competitive advantages are as follows:

***Leading position in Northern India grey cement market*:** Based on CMA data, Northern Indian cement manufacturers have consistently operated at the highest levels of capacity utilization among India's five regions in recent years. We believe this reflects the strong demand in Northern India for cement products relative to supply. Further, based on capacity expansions announced by cement manufacturers, we expect cement plants in Northern India to continue to operate at high utilization levels and anticipate continued strong demand for our grey cement products in the near and medium-term. We believe that we are well positioned to take advantage of this demand, as the third largest grey cement manufacturer in Northern India by installed capacity, and the largest grey cement manufacturer in the State of Rajasthan.

Second largest white cement producer in India: White cement accounted for 16.6% of our total net sales and 35.2% of our adjusted PBIDT in fiscal 2005, and 15.6% of our total net sales and 26.7% of our adjusted PBIDT in the six months ended September 30, 2005. Unlike grey cement, the white cement industry in India is highly concentrated with the two largest players accounting for almost all of India's production capacity. Consequently, prices of white cement have been relatively less volatile and sales of white cement have generated more stable cash flows for us even during industry downturns in grey cement. We also believe our position as the second largest producer of white cement in India, together with our nationwide delivery network, significantly enhances the overall brand image of the Company.

Proximity and access to large reserves of high quality limestone: We have access to large reserves of limestone for both our grey and white cement operations, which we believe are sufficient to sustain our operations well into the future. Based on independent geological surveys of our mines from time to time between 1996 and 2001, we believe that our limestone reserves are sufficient to support our current and planned capacity for approximately 40 years for both grey and white cement. As one of the first cement producers in Northern India, we were able to choose our limestone reserves in an area with high quality limestone resources. Due to its high quality, we are not required to purchase sweeteners to improve the quality of our limestone for our grey cement operations, which provides us with a cost advantage. White cement also requires high quality limestone. Further, our manufacturing plants are in close proximity to our limestone reserves, resulting in lower transportation costs.

***Quality of products and strong brand name*:** We believe that brand name and reputation are important to retail purchasers of cement in India. We have built a strong reputation among cement purchasers by consistently providing high quality products. We believe that there is strong customer awareness of our brands, J.K. Cement, Sarvashaktiman and J.K. Super for grey cement in our principal market in Northern India, and J.K. White and Camel for white cement across India. Further, we believe that our brand name and our reputation for consistently supplying high quality products provide us with a competitive advantage in ensuring that cement dealers carry our products.

***Extensive marketing and distribution network*:** We have a wide distribution network for grey cement in Northern India. We also have a strong all-India distribution network for white cement. Our distribution network for grey cement products consists of 38 feeder depots serviced by seven regional sales offices in Delhi, Haryana, Uttar Pradesh, Punjab, Rajasthan, Madhya Pradesh and Gujarat. Our white cement network comprises 26 feeder depots serviced by 12 regional sales offices in Delhi, Chandigarh, Uttar Pradesh, West Bengal, Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. In addition, we have more than 4,000 stockists that store and distribute our grey and white cement products, as well as 29 sales promoters and 40 handling agents. We believe that the extent of this network, and our relationships with our dealers, enables us to market and distribute our cement widely and efficiently.

Experience and technical know-how: We have 30 years of experience in the Indian cement industry, which we believe provides us with the experience and skills to maximize production efficiency, expand production capacity quickly and reduce costs. Over the years, we believe that we have developed long-term customer relationships and a strong reputation for quality. In addition, we have upgraded and modernized our production capabilities efficiently and have increased our installed capacity at Nimbahera by more than 80%, from 1.54 MnTPA in 1998 to 2.8 MnTPA as of September 30, 2005. Further, we have a stable and experienced middle and senior level management team with significant experience in the industry. Our Nimbahera manufacturing facility was chosen by the World Bank and the Danish International Development Agency to serve as a regional training centre for Northern India. There are only four regional training centres for the cement industry in India, and we believe our operation of the training centre provides us with access to modern training aids and technical expertise developed by established national and international cement producers.

Our Strategy

Our objective is to strengthen our position as a leading player in the Northern Indian cement industry. In order to meet this objective, our business strategy is focused on the following:

Developing less expensive and a reliable captive source of power: Cost of power accounted for 18.7% of our total expenditure in fiscal 2005 and 19.2% of our total expenditure in the six months ended September 30, 2005. Total expenditure does not include interest and depreciation expenses but includes freight and handling charges and selling expenses. We currently rely on power provided by the Rajasthan State Electricity Board and other sources such as diesel generator sets and our captive thermal power plant, which are relatively expensive sources of power, and we believe our average cost of power is significantly higher than other plants of a similar size whose power needs are furnished by their own captive power plant. Therefore, our principal strategic objective is to reduce our cost of power. We are currently implementing three projects that we anticipate will lead to a reduction in our power costs. First, we are constructing a 20 MW petcoke based power plant at our Nimbahera grey cement plant that we expect will be fully operational by April 2007. Second, we are developing a 13.2 MW waste heat recovery power plant at Nimbahera, which will generate power from gases generated in the production process. We believe that our waste heat recovery power plant will help reduce our power costs and may also allow us to generate revenues from carbon trading as this is not a fuel based method of power generation. Third, we plan to replace an existing 7.5 MW turbine with a 10 MW turbine at our captive thermal power plant at Bamania. These power projects, when completed, are expected to provide us access to an additional 43 MW of power, which we believe will provide us with power equivalent to approximately 86% of our requirements in fiscal 2005, at a cost per KWh that is expected to be lower than our current cost and allow us to compete more effectively.

Increase production capacity: In the twelve month period ended September 30, 2005, we produced 3,504,189 metric tons of grey cement, and the average capacity utilization of our grey cement plants was close to full capacity. To capitalize on the high growth in Northern India and associated demand for our products, we intend to increase our production capacity of blended cement, which is referred to as Pozzolona Portland Cement, or PPC, at our grey cement facility by increasing their grinding capacity. This will enable us to increase the production of blended cement, without requiring us to increase our use of clinker, and reduce our overall cost of production. In the twelve month period ended September 30, 2005, we produced 223,714 metric tons of white cement and the average cement capacity utilization of our white cement plant was approximately 75%, although, during periods of peak demand for white cement, our Gotan plant has also operated at close to full capacity. We plan to increase the production capacity at our white cement plant to meet the peak seasonal demand as well as meet future growth in demand.

Continuous expansion of the distribution network and focus on brand promotion: In order to improve our market share, we intend to continue to focus on the expansion of our distribution network and the promotion of our brands. We continuously seek to add additional authorized dealers and retailers to our network, and strengthen our relationships with the existing dealers and retailers that carry our cement products. In order to enhance our relationships with dealers, we undertake programs to provide training and advice on marketing and sales techniques and technical applications of cement products. To increase the awareness and usage of our white cement products, we meet with retailers and potential end users of white cement products to educate them about the diverse uses of white cement in applications such as glass fibre reinforced concrete, garden furniture, lamp posts, pointing for brick on stone works, and pre-cast cladding panels, as well as more traditional uses in floor and wall applications.

Our Products

We have a variety of cement products from which we generate revenues and we seek to maximize our margins based on the mix of products we sell in accordance with market demand. While we have also made efforts to maintain or increase our margins through cost cutting measures, our results of operations over the last two years have benefited from an increase in the domestic demand for cement.

We produce grey cement and white cement. Grey cement produced by us consists of Ordinary Portland Cement ("OPC") and Portland Pozzolana Cement ("PPC"). OPC has three principal grades that are differentiated by their compressive strengths, and consist of 53-grade, 43-grade and 33-grade OPC.

The following tables set forth, for the periods specified, our gross sales and percentages of our gross sales contributed by our different cement products:

Period	Grey Cement		White Cement		Total	
	Amount	**Percentage**	**Amount**	**Percentage**	**Amount**	**Percentage**
	(Rs. millions)	(%)	(Rs. millions)	(%)	(Rs. millions)	(%)
Fiscal 2003	6,290.53	82.6	1,328.91	17.4	7,619.44	100
Fiscal 2004	6,546.44	81.6	1,472.73	18.4	8,019.17	100
Fiscal 2005	8,179.10	83.2	1,655.52	16.8	9,834.62	100
Six months ended September 30, 2005	4,421.93	84.6	803.09	15.4	5,225.02	100

The following tables set forth, for the periods specified below, the total quantity, in metric tons, of our grey cement sold and percentage of our total sales volume by our different grades of grey cement:

	Grey Cement				
Period	**OPC**		**PPC**		**Total**
	Volume	Percentage	Volume	Percentage	Volume
	(tons)	(%)	(tons)	(%)	(tons)
Fiscal 2003	2,475,470	85.59	416,657	14.41	2,892,157
Fiscal 2004	2,051,721	68.78	931,085	31.22	2,982,806
Fiscal 2005	2,527,512	75.69	811,846	24.31	3,339,358
Six months ended September 30, 2005	1,250,337	71.37	501,500	28.63	1,751,837

The following table sets forth, for the periods specified below, the total quantity, in metric tons, of our white cement sold in India and in our international markets:

Period	Domestic sales	Export sales	Total
	(tons)		
Fiscal 2003	182,904	15,562	198,466
Fiscal 2004	198,982	18,570	217,552
Fiscal 2005	194,872	27,167	222,039
Six months ended September 30, 2005	84,006	12,411	96,417

All our products comply with the quality standards specified by the Bureau of Indian Standards ("BIS"). Our cement products are marketed under the brand names J.K. Cement and Sarvashaktiman for OPC products, J.K. Super for PPC products and J.K. White and Camel for white cement products, which we believe are well known brands in their respective markets.

Types of Cement

Grey Cement

Grey cement produced by us consists of OPC and PPC. There are also other cements in the market that we do not produce, such as Portland slag cement, oil well cement, sulphate resistant cement, rapid gardening cement, low alkali cement, low heat cement and super finish cement.

OPC has three grades that we produce, that are differentiated by their compressive strengths, expressed in mega pascals ("MPa"), as specified by the BIS. These grades are 53-grade OPC, 43-grade OPC and 33-grade OPC, with 53-grade OPC having the highest compressive strength. The customer selects the grade of OPC based on the intended application. Our most popular cement, by sales volume, is 43-grade cement, with 53-grade cement being used in applications which require high strength characteristics.

Ordinary Portland Cement

OPC is produced by inter-grinding cement clinker prepared in a rotary cement kiln with gypsum. Each metric ton of OPC requires approximately 0.95 metric tons of clinker and approximately 0.05 metric tons of gypsum. The range of applications, the physical and chemical requirements specified by BIS and strength of the three grades of OPC are discussed below:

53-grade OPC (IS:12269-1987)*:* 53-grade OPC is a high strength cement. According to the BIS requirements, 53-grade OPC must have a 28-day compressive strength of no less than 53 MPa. For certain specialized products, such as pre-stressed concrete and certain pre-cast concrete items requiring high strength, 53-grade OPC is considered useful as it can produce high-grade concrete at lower cement content levels. We produce 53-grade OPC by exposing the clinker to the grinding process for longer period of time, which results in a higher density and stronger cement. As the grinding process requires a significant amount of power, finer grinding for the 53-grade OPC requires more power and is therefore priced higher compared to lower grades of OPC.

53-grade OPC can be used for the following applications:

1. Pre-cast concrete items such as paving blocks, tiles and building blocks;
2. Pre-stressed concrete components; and
3. Runways, concrete roads and bridges.

43-grade OPC (IS-8112:1989)*:* According to the BIS requirements, 43-grade OPC must have a 28-day compressive strength of no less than 43 MPa. 43-grade OPC is commonly used in the following applications:

1. General civil engineering construction work;
2. Pre-cast items such as blocks, tiles and pipes;
3. Asbestos products such as sheets and pipes; and
4. Non-structural works such as plastering and flooring.

33-grade OPC (IS-269:1989): 33-grade OPC has been commonly used for general civil construction work under normal environmental conditions. According to the BIS requirements, 33-grade OPC must have a 28-day compressive strength of no less than 33 MPa. The increased availability of higher grades of OPC has decreased the use of 33-grade OPC in India and now 43-grade OPC is normally used for general construction work rather than 33-grade OPC. 33-grade OPC is now more commonly used for mass concreting and plain cement concreting and is produced on a made to order basis. It can also be used for plastering and single storey individual houses.

Portland Pozzolana Cement

We also manufacture PPC (IS:1489 (Part-1) – 1991) under the brand name J.K. Super. PPC is also known as blended cement or silicate cement, and this blended cement has become increasingly popular in the market in recent years. Each ton of PPC requires approximately 0.75 tons of clinker, 0.05 tons of gypsum and 0.20 tons of fly ash, a pozzolanic material that is a by-product of thermal power plants. In the manufacture of PPC, a portion of the clinker is replaced with fly ash. This enables the cement manufacturer to produce a higher quantity of cement per ton of clinker. As a result, the cement manufacturer can increase its production capacity by making a limited investment in grinding capacity without a corresponding investment in earlier stage production equipment such as kilns. Further, the only cost incurred for fly ash is transportation cost from the thermal power plants that generate it to the cement manufacturing site, as fly ash is currently available free of cost. The use of fly ash therefore significantly reduces the overall cost of production of cement.

The advantage of PPC is its low heat of hydration and corresponding resistance to exposure to various environmental chemicals such as salt water. It is particularly suitable for marine and hydraulic construction and other mass concrete structures. This cement has durability that is equivalent to OPC and can be used most of the applications where OPC is used.

As PPC is generally sold at a comparable price to OPC and the cost of production of PPC is comparatively lower, PPC's margins per ton are generally higher compared to OPC.

White Cement

We manufacture white cement under the brand names J.K. White and Camel. White cement is produced using a different quality of limestone and is distinguished from grey cement by its white colour. Each ton of white cement requires approximately 1.33 tons of limestone, 0.02 tons of gypsum and 0.2 tons of additives including white clay, feldspar and fluorspar.

White cement is typically used in three principal areas of application, as set forth below:

- flooring, for the manufacturing and laying of mosaic tiles and as tile fixing grout;
- wall applications, such as decorative white cement paints and plain and spray plasters; and
- other specialized applications including glass fibre reinforced concrete, garden furniture, lamp posts, as pointing for brick and stone works and as pre-cast cladding panels.

We sell white cement primarily in the Indian market. We also export white cement to a number of countries, including South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

Packaging

We package our grey cement products primarily in 50 kilogram (Kg) polypropylene bags. In addition, we supply a small portion of our grey and white cement in bulk in tankers to direct consumers.

We package our white cement products in a number of ways depending on the manner of distribution, intended customer, and quantity of the cement being packaged. The following table sets forth our different methods of packaging white cement:

Type of packing	Size of package by weight	Target customer section
Palletized cargo	1,500 Kg	Export
Adstar bag	50 Kg, 40 Kg and 25 Kg	Dealers, retailers and for export
Adstar bag for industrial consumer	50 Kg	Industrial consumers and builders
Polypropylene/ high density polyethylene bag	50 Kg	Industrial and builders
Paper bag	50 Kg, 40 Kg and 25 Kg	For export of white cement
Flexible laminated pouch	1 Kg and 5 Kg	To dealers and retailers
Secondary polypropylene/ high density polypropylene bags	25 Kg (1 Kg X 25 or 5 Kg X 5)	To dealers and retailers

Production Facilities

We manufacture grey cement in two facilities located at Nimbahera and Mangrol in the State of Rajasthan in Northern India. White cement is produced at our facility at Gotan in the State of Rajasthan. Our grey cement facility at Nimbahera has the following accreditions: ISO – 9001:2000 QMS and ISO–14001:2004 EMS. Our white cement facility at Gotan has the following accreditions: ISO–9001:2000 QMS, ISO-14001:1998 EMS and the OHSAS-18001: 2005 Occupational Health and Safety.

Nimbahera

Commercial production in our first dry cement plant at Nimbahera in Rajasthan commenced in May 1975 with a four stage pre-heater dry process kiln of capacity of 0.3 MnTPA with a planetary cooler supplied by Larsen & Toubro in technical collaboration with FLS Denmark. The capacity of the plant was expanded in 1979 by commissioning another kiln of 0.42 MnTPA. A third kiln with a capacity of 0.42 MnTPA was set up in 1982 with a grate cooler, thereby increasing the total capacity of the facility to 1.14 MnTPA. In 1988, we added a precalciner in a third kiln to increase the plant's aggregate capacity to 1.54 MnTPA. Since then, we have continued to upgrade, expand and modernize our Nimbahera facility, and our capacity was 2.8 MnTPA as of September 30, 2005. In addition, we undertook other improvements such as the introduction of petcoke as the principal fuel source at our Nimbahera plant, which is more cost effective as a fuel than coal or fuel oil, installation of a vertical coal mill for petcoke, installation of a weigh feeder below the raw coal hopper, and installation of a dynamic separator in our coal mills.

Mangrol

A second grey cement plant was commissioned at Mangrol, Rajasthan in 2001 with a five stage pre-heater and in-line calciner kiln with a capacity of 0.75 MnTPA. The plant's equipment was supplied by Promac Engineering, Bangalore, technical collaboration of Nihon Cement Corporation, Japan, currently known as Taihieyo Engineering Corporation.

Gotan

In 1984, we commenced production of white cement at our Gotan manufacturing facility. We were one of the first white cement manufacturers in India when we established our dry process white cement plant using technology supplied by Larsen & Toubro, which had a separate technical collaboration with FLS. The plant had an initial capacity of 0.05 MnTPA. We have continued to upgrade, expand and modernize this facility, and have introduced various energy saving technologies, which have resulted in increased production capacities and enabled us to reduce our power and fuel consumption. For example, we shifted our kiln fuel from fuel oil to petcoke during 2003 to 2005. As a result of our ongoing expansion and modernization efforts, the present installed capacity at our Gotan facility is now 0.3 MnTPA.

The following table shows a breakdown of production of the Nimbahera, Mangrol and Gotan cement facilities for the periods indicated:

Facility	**Fiscal 2003**	**Fiscal 2004**	**Fiscal 2005**	**Six months ended September 30, 2005**
Nimbahera	2,323,283	2,272,760	2,414,196	1,256,942
Mangrol[1]	570,464	718,572	912,419	493,211
Gotan	200,149	215,538	224,481	99,343

1. We have excess grinding capacity at Mangrol. In fiscal 2005, although our cement capacity based on clinker production was 0.75 million tons, production of cement was 912,419 metric tons. This was because we transferred clinker from Nimbahera to Mangrol for grinding and conversion into cement.

Raw Materials

The principal raw materials for cement production are limestone, gypsum and fly ash. For grey cement, the costs of raw materials accounted for approximately 11.0% of our total expenditures on grey cement in fiscal 2005 and 10.3% in the six months ended September 30, 2005. For white cement, cost of raw materials accounted for approximately 12.7% of our total expenditure on white cement in fiscal 2005 and 15.7% in the six months ended September 30, 2005. Total expenditure does not include interest and depreciation expenses but includes freight and handling charges and selling expenses.

Limestone (Grey Cement): Limestone is the basic raw material for producing cement. The manufacture of each ton of OPC requires approximately 1.32 tons of limestone and the manufacture of each ton of PPC requires approximately 1.05 tons of limestone. Our cement production of 2,594,685 tons of OPC and 731,930 tons of PPC in fiscal 2005 required approximately 4.2 million tons of limestone. We currently operate four limestone quarries at Ahirpura, Tillakhera, Mailakhera and Karunda, each situated in relative proximity to our plants.

Limestone (White Cement): The manufacture of each ton of white cement requires approximately 1.33 tons of limestone. The quality of limestone required for producing white cement differs from the limestone used for grey cement in terms of colour and purity. We also source a small quantity of limestone from nearby external sources depending upon the prevailing market prices of such limestone. We currently operate two limestone quarries at Dhanappa that supply our white cement operations, each situated in relative proximity to our plants.

We are required to obtain a lease from the relevant state government in order to mine the limestone deposits. These leases were initially granted for a term of 20 years. Pursuant to current provisions of Mines and Minerals (Development and Regulation) Act, 1957, as amended and Mineral Concession Rules, 1960, as amended, such leases may be renewed for a term of up to 20 years at a time. These leases are for varying terms that expire between 2011 and 2025. Certain of our mining leases have expired and we have made applications for the renewal of such leases which are currently pending with the State Government Rajasthan. We currently pay a royalty of Rs.45 per ton of limestone extracted.

As we have access to high quality limestone, we generally do not need to purchase additional high quality limestone or other additives, referred to as "sweeteners," from external sources.

Gypsum: Another principal raw material used in the manufacture of cement is gypsum, which acts as a retarding agent to control the setting time for cement. It is added to clinker at the grinding stage in quantities that vary from 2% for white cement to approximately 5% for grey cement, depending on the requirements of the final product as well as the quality of the gypsum.

Gypsum is available in the Nagaur and Bikaner districts of the State of Rajasthan at mines that are located at a distance of between 300 kilometres and 500 kilometres from our grey cement plants. We obtain gypsum primarily from state government-owned enterprises. We believe we have an adequate supply of gypsum available to us to meet our existing and planned needs.

Fly ash: Fly ash, which is used in the manufacture of PPC, is a by-product of the coal burning process at thermal power plants, including those situated within the State of Rajasthan and in certain neighbouring states. Some of the fly ash we use is obtained from our captive power plant. Fly ash is currently available without charge from a number of nearby thermal power plants, and we presently have arrangements to access all of our fly ash requirements. However, we incur the cost of transportation when transporting the fly ash to our plants.

Others: Additives like laterite, red ochre, bauxite and iron ore are also required for OPC and PPC in small quantities, all of which are available from local suppliers within the State of Rajasthan. White cement requires additives like white clay, feldspar and fluorspar, which are sourced from nearby sites within the State of Rajasthan. We currently operate white clay mines in the State of Rajasthan at Rajputon-ki-Dhani and Kanthariya, both of which are situated in relative proximity to our plants.

Power and Fuel

Power and fuel expenses are our most significant expenses and together comprised approximately 39.2% of our total expenditure in fiscal 2005 and 36.5% of our total expenditure in the six months ended September 30, 2005.

Our total power requirement in fiscal 2005 for the manufacture of grey and white cement was approximately 338.42 million KWh. We have a captive thermal power plant at Bamania that is located close to our grey cement plants. We also derive power from diesel generator sets owned by us and located at Nimbahera, Mangrol and Gotan facilities and purchase power through the Rajasthan State Electricity Board.

The following tables provide a percentage breakdown of our sources of power for the indicated periods:

	Grey Cement			
	Fiscal 2003	**Fiscal 2004**	**Fiscal 2005**	**Six months ended September 30, 2005**
State electricity grid	50%	33%	32%	45%
Thermal captive power plant	27%	28%	26%	31%
Captive diesel generation sets	23%	39%	42%	24%

	White Cement			
	Fiscal 2003	**Fiscal 2004**	**Fiscal 2005**	**Six months ended September 30, 2005**
State electricity grid	33%	41%	42%	44%
Captive diesel generation sets	67%	59%	58%	56%

The price for power supplied via the power grid operated by the Rajasthan State Electricity Board is determined by the State of Rajasthan. As at September 30, 2005, the tariff imposed (excluding fixed charges) was Rs.4.31 per KWh.

We propose to use the net proceeds of the Issue to develop and upgrade our own captive sources of power, which we believe will reduce our total cost of power. For details please refer to the section "Objects of the Issue" in this Draft Red Herring Prospectus.

In recent years, our initiatives to reduce our cost of power have resulted in the amount of power consumed in the production of one ton of cement reducing from 99 KWh per ton in 2003 to 92 KWh per ton in the period November 4, 2004 to March 31, 2005 for grey cement and from 129 KWh per ton in 2003 to 121 KWh per ton in the period November 4, 2004 to March 31, 2005 for white cement.

Fuel is used in the kiln during the process through which we convert limestone to clinker for the production of both grey and white cement. Coal, petcoke and lignite are the primary fuel used in our grey cement plants, while petcoke and fuel oil are the primary fuels used in our white cement plant. Over the years, for the grey cement plants we have changed our primary fuel from conventional coal to petcoke, which has resulted in reduced fuel costs. Similarly, for our white cement plants, we have shifted from fuel oil to petcoke as the primary fuel. However, we continue to use a smaller percentage of coal and fuel oil for our grey and white cement plants.

In recent years, our initiatives to bring down our fuel cost have resulted in reduction in fuel consumption from 822 kilocalorie per kilogram of clinker in fiscal 2003 to 764 kilocalorie per kilogram of clinker in the period November 4, 2004 to March 31, 2005 for grey cement. However, in case of white cement, fuel consumption increased from 1,108 kilocalorie per kilogram of clinker in fiscal 2003 to 1,224 kilocalorie per kilogram of clinker in the period November 4, 2004 to March 31, 2005 due to increased usage of petcoke which involves longer retention time in kiln.

Petcoke. We use petcoke at our plants because it is cheaper on a cost per calorie basis compared to coal and fuel oil. We currently source our entire petcoke requirements from one supplier, Reliance Industries Limited.

Coal. We are presently using indigenous coal, which is procured from Government-owned coalfields located in the Bilaspur region of the State of Madhya Pradesh and imported coal, procured from Indonesia and South Africa.

Lignite. We also procure small quantities of lignite from mines owned by the State Government of Gujarat.

Repair and Maintenance

We conduct routine repair and maintenance on our production facilities, including relining our kilns throughout the year as needed. We also have periodic scheduled shutdowns for maintenance. Our kilns run for an average of 330 days per year, which we believe is comparable to the industry standard. Our plants are also periodically inspected by technicians from F.L. Smidth and L&T in respect of gears and other critical equipment. We regularly replace the grinding media used in our mills.

Sales and Marketing

Because of logistical difficulties, the high costs of transporting cement and the need to locate cement plants close to available deposits of limestone, the cement manufacturing industry in India tends to be geographically segmented, with manufacturers in a particular region of India mainly supplying customers in that region. Our sales of grey cement are made almost entirely in Northern India, principally to customers in Delhi, Haryana, Punjab, Rajasthan and Himachal Pradesh, and make a smaller amount of sales in Uttar Pradesh, Madhya Pradesh and Gujarat. Higher margins associated with white cement as compared to grey cement enables us to accommodate higher transportation costs and thereby sell white cement throughout India.

We have a strong and wide distribution network for grey cement in Northern India, and a strong national distribution network for white cement. We believe we have a strong and wide distribution network for grey cement in Northern India and a strong national distribution network for white cement with a total of 64 feeder depot warehouses and more than 4,000 retail stores.

Our distribution network for grey cement products is made up of 38 feeder depots serviced by seven regional sales offices in Delhi, Haryana, Uttar Pradesh, Punjab, Rajasthan, Madhya Pradesh and Gujarat. Our white cement network comprises 26 feeder depots serviced by twelve regional sales offices in Delhi, Chandigarh, Uttar Pradesh, West Bengal, Andhra Pradesh, Tamil Nadu, Karnataka, Kerala, Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. In addition, we have more than 4,000 retail stores that stock our grey and white cement products, as well as 29 sales promoters and 40 handling agents. We believe that the extent of this network, and our relationships with our dealers, enables us to market and distribute our cement widely and efficiently.

We also cater to more than 1,400 industrial consumers for white cement. We have sought to enhance our relationship with our dealers by providing training and advice on marketing and sales techniques and technical applications of cement products. To increase the awareness and usage of our white cement products, we meet with retailers and potential end users of white cement products to educate them about the diverse uses of white cement in applications such as glass fibre reinforced concrete, garden furniture, lamp posts, as pointing for brick on stone works, and as pre-cast cladding panels, in addition to white cement's more traditional uses in flooring and wall applications. We believe that the extent of this network, and our relationships with our dealers, enables us to market and distribute our cement widely and efficiently. Transport is by way of rail and road.

We have a direct marketing staff headed by our senior vice president for sales and marketing for grey and white cement separately. We have 79 persons in marketing staff focusing on grey cement, and 101 persons focusing on white cement. They are supported by our customer technical services department.

Sales are made to dealers on a principal to principal basis. Our dealers comprise wholesale and retail outlets. We have a team of sales officers operating within each district where we sell cement who are in regular contact with our dealers and help us monitor these sales relationships and inventory requirements. Orders are obtained from dealers on a daily basis and their requirements transmitted to our plants and depots through regional and branch offices.

For sales to end customers, orders are received at our offices as well as through canvassing agents. For sales to dealers, orders from the dealers are communicated to the branch office by sales officers. Each dealer has a maximum credit limit and orders will generally be approved if the value of the order plus the existing amount outstanding does not exceed this limit. Each regional office has online access to information on the availability of stock.

Pricing

We set prices for our white cement on a district by district basis monthly or more regularly if required by market conditions based on projected supply and demand in the markets in which we sell and the distances of such markets from our production facilities. Prices for different regions are also affected by local regulations and tax policies. Most of the states in our principal market have a sales tax rate of 12.5% under VAT. We generally set grey cement prices once a month. Performance over the course of the month is closely monitored in each location and prices can be changed to reflect changes in conditions.

We compete with other manufacturers of grey cement in Northern India and primarily with Grasim Industries Limited (Birla White) and Travancore Cement Limited for white cement market. Competition occurs principally on the basis of price, quality and brand name.

According to figures published by the CMA, as of March 31, 2005, we were the third largest grey cement manufacturer in Northern India based on installed capacity. We also enjoyed the fifth largest market share in Northern India according to the CMA. We are also the second largest white cement manufacturer in India based on published production capacities of other white cement manufacturers in India.

Based on industry data published by the CMA, our market share in our principal markets in Northern India for grey cement was as follows:

State	Fiscal 2005		Six months ended September 30, 2005	
	Market Share (%)	Rank	Market Share (%)	Rank
Haryana	17.51	1	17.95	1
Delhi	12.95	4	14.20	3
Rajasthan	12.40	5	11.47	5
Punjab	5.82	5	4.4	6

Source: CMA

The grey cement industry in India continues to be highly fragmented as compared to other cement producing countries. Though the share of cement production of the top five cement companies has risen to approximately 50% in fiscal 2005 from 34% in fiscal 1995, there are still more than 15 different cement companies in India which have less than 2 million tons of cement capacity, and which are likely targets for further consolidation in the sector. The white cement industry in India is primarily a duopoly market with the 2 largest players, Grasim Industries Limited and us accounting for most of the white cement capacity within the country. Availability of high quality limestone reserves suitable for white cement production acts a strong entry barrier. Further, despite the high profitability, the small size of white cement market and high level of technical investment as well as the presence of two well established players has also prevented any new players from entering the white cement market. This duopoly has resulted in stable price realisation over years unlike cyclical price behaviour for grey cement and superior profitability per ton as compared to grey cement.

We enjoy a degree of protection from competition from players outside the region of Northern India by reason of the costs of transport and also because of the significant advantages of our extensive distribution network and brand recognition and loyalty. Recently, however, certain regional and international players have begun to enter the domestic grey cement market. Notably, Lafarge, Holcim and Italcementi, over a period of time, have acquired certain local interests as part of their entry strategy into India.

Environmental Regulation and Practice

Under the Environment (Protection) Act of 1986, as amended and relevant state enactments, in order to set up a cement plant, various environmental clearances have to be obtained from the central and state governments. Until January 1994, obtaining an environmental clearance from the central government was only an administrative requirement intended for extremely large projects undertaken by the government or public sector undertakings. However, the environment impact assessment notification issued by the Ministry of Environment and Forests in January 1994 (as amended in May 1994) made environmental impact assessments mandatory for 29 different identified activities and industries, including the cement industry. This notification includes detailed procedures for obtaining environmental clearance and for public involvement and also sets schedules for decision-making.

Once an industry has been set up, it is required to meet the standards for emissions, effluents and noise levels prescribed under the Environment (Protection) Rules framed under the Environment (Protection) Act of 1986, as amended. Most states have State Pollution Control Boards ("SPCB"), which have a significant role to play in enforcing environmental management, and pollution control as required under different laws. The Central Pollution Control Board and SPCB are responsible for enforcing legal action against polluters.

The Rajasthan State Pollution Control Board ("RSPCB") is responsible for environmental management at the state level, with emphasis on air and water quality. The RSPCB is responsible for enforcing and monitoring all activities within Rajasthan and for issuing no-objection certificates for industrial development under the Water (Prevention and Control of Pollution) Act of 1974, as amended, the Cess Act of 1977, as amended and the Air (Prevention and Control of Pollution) Act of 1981, as amended.

Environmental clearance is not required at the time of renewal of a mining lease if there is no increase in the originally sanctioned lease area and/or production. The applicant should, however, seek prior environmental clearance from the Government of India for expanding production and/or mining lease area irrespective of the quantum of increase in size of area/production/or investment involved.

Our plants are all located in Rajasthan. All the required environmental clearances have been obtained for our current operations. We have applied for the approvals that are necessary to complete our proposed expansion and modernization plans.

Research and Development

Our principal research and development activities focus on increasing the productivity and cost efficiency of our operations, particularly with respect to the efficient use of power. In recent years, we have focused our research and development activities on reducing the KWh of power per ton of cement, and the reduction of heat consumption per ton of clinker. In addition, we are currently conducting research on the optimal coal mix in our manufacturing facilities and maximizing the benefits of converting our kilns to petcoke as a source of fuel.

In addition to these activities, our Nimbahera manufacturing facility was chosen by the World Bank and the Danish International Development Agency as one of the four training centres in India to serve as the "Regional Training Centre" for Northern India.

Employees

As of September 30, 2005, we had 1,817 full-time employees, of which 334 employees were employed at our corporate and marketing offices, and 1,483 employees were employed at our manufacturing facilities at Nimbahera, Mangrol and Gotan. We have never experienced any material losses or significant work stoppages as a result of disputes with our employees. We consider our current labour relations to be good

As of September 30, 2005, approximately 597 contract labourers were working at our manufacturing facilities. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors. We principally use contract labourers in connection with our packing operations, but also have a small number of contract labourers for cleaning and miscellaneous other work assignments. All contract labourers engaged at our facilities are assured minimum wages that are fixed by the state government of Rajasthan. Any upward revision of wages required by such government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect our business and results of our operations.

Labour relations at our grey cement facilities have been positive for over two decades with no interruption of manufacturing activities. The J.K. Cement Shramik Sangh (INTUC) union has existed since we commenced operations in 1974 and we conduct all discussions and negotiation with the INTUC. At our white cement plant at Gotan, there is one recognized labour union, the J.K. White Cement Mazdoor Sangh (INTUC). At each of our plants, we have from time to time entered into settlements with employees which are registered with the relevant government authorities.

As of September 30, 2005, information relating to our employees and contract labourers at our manufacturing facilities and at our corporate and marketing offices is summarized below.

Plant	Employees	Contract Labour
Nimbahera	1,115	283
Mangrol	69	
Gotan	299	314
Corporate, regional and marketing offices	334	
Total	**1,817**	**597**

We provide integrated accommodation facilities to our labour force in at each of our plants. These accommodation facilities are "mini-townships" with their own schools, medical facilities, banking facilities and recreational facilities for our employees. In the event we are not able to provide some of employees with accommodation on-site, we take efforts to provide suitable accommodation in the vicinity of the plant. We have regular staff training programs, leadership programs and performance enhancement programs for our employees. We engage outside consultants to assist us in training our employees and to enhance their performance.

In addition to a base salary and statutory bonuses, we provide a number of benefits to our employees, such as medical expenses, housing or rent assistance, subsidized work clothing, canteen facilities, annual leave and travel allowance, provident fund, healthcare, schooling, pension and group gratuity schemes. Our employees and contract labourers are also covered under specific insurance schemes. These insurance provide the coverage in the event of injuries or death sustained in course of employment. Certain of our employees also enjoy statutory rights in regard to dismissal or retrenchment.

Insurance

Our cement production plants are insured against fire, earthquake, riot, strike, flood, and malicious damage risks. Insurance policies also cover selected items of machinery for the risk of machinery breakdown. Our policy has been to provide cover on reinstatement value of the assets in their present state. Our policies do not cover product liability. We also have insurance policies that cover damages to our electronic equipments and control systems, and insurance coverage for the inventory at the plant and at our depots as well as for cement in transit by rail. While we do not have an insurance policy that covers cement transported by road, we maintain security deposits from all our road transport suppliers. We believe that our insurance arrangements are consistent with industry standards for cement manufacturers in India. Our insurance cover is reviewed on a yearly basis.

Intellectual Property

We have registered trademarks for our Sarvashaktiman and Camel, our brand names for grey and white cement, respectively, together with related logos. Our other brand name used in grey cement sales, J.K. Super, has not been registered as a trademark. We do not have ownership of the trade name and logo "J.K. Cement" nor have we made any application for the registration thereof as a trademark. We do not own the "Hand and Hammer" device and the "J.K. organization" logo in English and Hindi that we use in our business and operations, which are registered as copyright logos in the name of the J.K. organization. We and other companies registered with the J.K. organization use the "Hand and Hammer" device and the "J.K. organization" logo in English and Hindi. In the event that we cease to be part of the J.K. organization or are denied the right to continued usage of these logos, it may adversely affect our business.

In addition, other companies not part of the J.K. organization may use our corporate name, trade names or logos that may be deceptively similar to our corporate name, or the trade names, trademarks and logos that we use. It has also come to our knowledge that certain companies have been incorporated and are operating in the cement industry with the same or similar corporate names. Although we intend to initiate legal proceedings against such companies, there can be no assurance that we will succeed in these proceedings. Any failure to protect our intellectual property rights may adversely affect our business.

We have no other material intellectual property.

Legal Proceedings

In the ordinary course of our business we are party to various legal actions that we believe are incidental to the operation of our business. Except as disclosed in this Draft Red Herring Prospectus, as of the date hereof, we are not a party to any proceeding that, if finally determined against us, would result in a material adverse effect on our business and operating results. For further information, see "Risk Factors – The Company is involved in certain legal and regulatory proceedings that, if determined against us, could have a material adverse impact on us." and the section "Outstanding Litigation and Material Developments" beginning at pages xvi and 135, respectively, of this Draft Red Herring Prospectus.

Property

Our registered office is located at Kamla Tower, Kanpur 208 001, India. We do not currently own or have a lease for these premises. We have been permitted by JKSL, the lessee of the premises, to use and occupy these premises.

We have three cement manufacturing facilities at Nimbahera, Mangrol and Gotan and a captive power plant at Bamania, all located in the State of Rajasthan. We either own the freehold rights of the land for our manufacturing facilities and power plant or have obtained the land under leases from the state government of Rajasthan.

The following table set forth certain information relating to land for our manufacturing facilities and power plant:

Facilities	**Leasehold land area** (square meters in thousands)	**Freehold land area** (square meters in thousands)
Nimbahera	1,665	160
Mangrol	1,336	190
Gotan	510	140
Bamania	140	106

The following tables set forth certain information relating to land for our mines to which we hold freehold rights. :

Mines	**Freehold land area** (square meters in thousands)
Ahirpura mines (limestone for Nimbahera grey cement facilities)	580
Tilakhera (limestone for Nimbahera grey cement facilities)	50
Maliakhera (limestone for Nimbahera grey cement facilities)	450
Karunda (limestone for Mangrol grey cement facilities)	490
Dhanappa (limestone for Gotan white cement facilities) - two mines	76
Kantharia (china clay for Gotan white cement facilities) – three mines	210
Litheria (china clay for Gotan white cement facilities)	80
Thob (selenite for Gotan white cement facilities)	158

In addition, we own certain land located near to our facilities in the State of Rajasthan. We also lease several properties for our marketing and sales offices across India.

REGULATIONS AND POLICIES

Ministry of Commerce and Industry

The Ministry of Commerce and Industry, GoI, oversees the activities of the cement industry through the Department of Industrial Development.

Licensing Policy

Under the New Industrial Policy dated July 24, 1991, all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking which is exempt from licensing is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI, and no further approvals are required.

Cement has been exempted from industrial licensing pursuant to Notification Number 477(E) dated July 25, 1991 issued under the Industries (Development and Regulation) Act, 1951. Consequently, the Company does not require an industrial license.

FDI in Cement Sector

Foreign investment in Indian securities is regulated through the industrial policy of GoI and FEMA. While the industrial policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the industrial policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

At present, investments in companies manufacturing cement fall under the automatic approval route for FDI/NRI investment up to 100%.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain a certificate from SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and RBI's general permission under A.P. (DIR Series) Circular No.16 dated October 4, 2004, together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of equity shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of the company. However, the limit of 24% can be raised up to the permitted sectoral cap for that company after approval of the board of directors and shareholders of the company. The offer of equity shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company. In respect of an FII investing in equity shares of a company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that company.

Laws and Regulations relating to the Cement Industry

The applicable cement laws and regulations include the following:

- Cement Control (Amendment) Order, 1989

Pursuant to Notification No.1-5/89-Cem, dated March 1, 1989 (S.O. No. 168(E)), the Cement Control Order, 1967 (the "1967 Order") was amended, resulting in removal of the Government's control over price and distribution of cement. The amended 1967 Order, also known as the Cement Control (Amendment) Order, 1989, provides for maintenance of books relating to production, removal, sale and transfer of cement (excluding white cement) by the producer and furnishing of returns or such other information as may be specified by the Central Government. The Cement Control (Amendment) Order, 1989 also provides for the maintenance of a Cement Regulation Account by the Development Commissioner for the cement industry. The amount credited in this account is to be used, *inter alia*, for reimbursing the producer towards equalizing freight or concession in the matter of export price.

- Cement Cess Rules, 1993

The Cement Cess Rules, 1993, impose a cess on the manufacture of cement. The Cement Cess Rules provide for monthly returns to be filed by the producer with the appropriate authority and the amount due every month to be deposited by the 15th of the subsequent month. The proceeds of the cess are to be utilized for research and development in cement manufacturing and persons engaged in cement industry.

- Cement (Quality Control) Order, 2003

The Cement (Quality Control) Order, 2003, has been framed under the Bureau of Indian Standards Act, 1986, as amended, and prohibits sale, manufacture and distribution of cement which does not meet the quality requirements specified by the Bureau of Indian Standards or does not bear the standard mark, and requires a manufacturer of cement to make an application to the Bureau of Indian Standards for obtaining a license for use of the standard mark.

Mining Laws and Regulations

The Central Government has the power to regulate mines and mineral development under Entry 54 of List-I of the Seventh Schedule to the Constitution of India to the extent to which such regulation and development is declared by the Parliament by law to be expedient in the public interest. The State Governments have been given powers under Entry-23 of List-II to regulate mines and mineral development subject to the Union's power under Entry 54 of List-I.

The mining laws and regulations that may be applicable to the Company include the following:

- Mines and Minerals (Development and Regulation) Act, 1957 (the "MMDR Act") and the Mineral Concession Rules, 1960 (the "Mineral Rules");
- Rajasthan Minor Minerals Concession Rules, 1986;
- Mineral Conservation and Development Rules, 1988;
- Mining Lease (Modification of Terms) Rules, 1956;
- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
- Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973;
- The Mines Act, 1952 and Mines Rules, 1955;
- The Payment of Wages (Mines) Rules, 1956; and
- Metalliferous Mine Regulations, 1961.

Description of the Principal Mining Regulations

- The grant and renewal of a mining lease is governed by the provisions of the MMDR Act and the Mineral Rules.
- The MMDR Act prohibits any person from undertaking any mining operations without obtaining a mining lease. The Mineral Rules require that mining leases in respect of limestone should be obtained from the State Government. The State Government also has jurisdiction to renew a mining lease.
- Mining rights are subject to compliance with certain terms and conditions specified under the Mineral Rules. The Central Government and the State Governments have the power to take actions with respect to mining rights, including the imposition of fines or restrictions, the revocation of the mining rights or implementation of a change in the amount of royalty payable.

<u>Grant of Lease</u>

- Under the MMDR Act, a mining lease is granted for a minimum period of twenty years and a maximum period of thirty years. The term of the mining leases granted to the Company by the State Government of Rajasthan is 20 years.
- On receipt of an application for grant of a mining lease, the State Government takes a decision to grant the precise area for the mining lease and communicates the same to the applicant. The maximum area which may be granted under a lease is ten square kilometers in one or more mining leases. The Central Government may, however, relax this restriction in the interest of development of the mineral.
- The Mineral Rules mandate that within six months of the said communication from the State Government, or such other extended period as may be permitted by the State Government, a five year mining plan has to be submitted for approval by the Central Government. The mining plan lays down the detailed procedure for conducting the mining operations. The mining plan approved by the Central Government is submitted to the State Government for grant of the mining lease over the specified area. In case of cement grade limestone, the mining plan is approved by the Indian Bureau of Mines, Ministry of Mines, GoI.

- Under the Mineral Rules, during the term of the mining lease, the lessee is required to pay royalty or dead rent, whichever is higher, to the State Government. Under the Second Schedule of the MMDR Act, the current rate of royalty applicable to a limestone lease is Rs.45 per tonne. Under the Third Schedule, the current rate of dead rent is Rs.100 per hectare per annum for the first two years and Rs.400 per hectare per annum for each subsequent year.

Renewal of Lease

- Under the Mineral Rules:
  (a) an application for renewal of mining lease has to be made to the State Government.Before the grant of approval for second or subsequent renewal of a mining lease, the State Government seeks a report from the Controller General of Indian Bureau of Mines in respect of whether the grant of renewal will be in the interest of the development of the mineral. If a report is not received from the Controller General of Indian Bureau of Mines within three months of receipt of communication from the State Government, it would be deemed that the Indian Bureau of Mines does not have an adverse report regarding the grant of renewal of the mining lease.
  (b) a person is required to apply for renewal of the mining lease at least twelve months prior to the date of expiry of the subsisting mining lease. Any delay in filing an application for renewal can be condoned by the State Government on merits provided that the application is made prior to the date of expiry of the subsisting mining lease.
  (c) an application for renewal of the mining lease in time authorizes a person to continue mining operations beyond the date of expiry of the subsisting mining lease until the State Government decides on the application for renewal. If an application for renewal is made in time, the period of that lease is deemed to have been extended by a further period until the State Government passes orders thereon.
  (d) a person seeking renewal of the mining lease for a mineral which is used in such person's own industry is entitled for renewal of the lease for a period not exceeding twenty years.
- Pursuant to the Supreme Court judgment in *M.C. Mehta v. Union of India* (*AIR 2004 SC 4016)*, environmental clearance from the MoEF, GoI is also required at the time of renewal of a mining lease if the area under the lease is in excess of 5 hectares and the mining lease is in respect of a major mineral.

Determination of Lease

- A notice of 12 months must be given to the State Government before determination of the lease by the lessee.
- In case of closure of the mine by the lessee, a final mine closure plan must be approved by the Regional Controller of Mines and a certificate that the conditions of the mine closure plan have been complied with must be obtained from the Regional Controller of Mines.
- A partial surrender of rights for mining certain minerals is permitted in certain conditions and a notice of six months must be given prior to surrender of the rights.

Transfer of Lease

- Under the Mineral Rules, the prior consent of the State Government in writing is required for transfer of a mining lease. Further, the transferee must accept all the conditions and liabilities to which the transferor was subject in respect of such lease.

Environmental and Labour Laws and Regulations

The environmental and labour laws and regulations that may be applicable to the Company include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Industries (Development and Regulation) Act, 1951;
- Factories Act, 1948;
- The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950;
- Explosives Act, 1884;
- Gas Cylinder Rules, 1981;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Payment of Bonus Act, 1965;
- Payment of Wages Act, 1936;
- Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules, 1957;
- Shops and Commercial Establishments Act;
- Environment Protection Act, 1986, and Rules, 1986;

- Water (Prevention and Control of Pollution) Act, 1974, and Rules, 1975;
- Water (Prevention and Control of Pollution) Cess Act ,1977, and Rules, 1978;
- Air (Prevention and Control of Pollution) Act, 1981, and Rules, 1982;
- Trade Union Act, 1926;
- Hazardous Waste (Management and Handling) Rules, 1989; and
- Workmen's Compensation Act, 1922.

Other Laws and Regulations

Certain other laws and regulations that may be applicable to the Company include the following:

- Fiscal Laws and Regulations including the I.T. Act, Central Excise Act, 1944, the Customs Tariff Act, 1975, and the Central Sales Tax Act, 1956;
- Petroleum Act, 1934;
- Rajasthan Petroleum Products (Licensing and Control) Order, 1990;
- Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000;
- Standards of Weights and Measures Act, 1956; and
- Electricity (Supply) Act, 1948.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

The Company is promoted by Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Yadu International Limited and Juggilal Kamlapat Holding Limited. The Company was incorporated under the Companies Act as J.K. Cement Limited on November 24, 1994 and obtained its certificate of commencement of business on the same date. One of the main objects of the Company, as contained in our Memorandum of Association, is the acquisition of the whole or substantially the whole of the undertakings and properties comprising the JKSL Cement Division.

Due to continuous losses, the net worth of JKSL became negative and consequently, JKSL applied to the Board for Industrial and Financial Reconstruction (the "BIFR"), which registered JKSL as a sick company on April 2, 1998. Subsequently, the matter was referred to the AAIFR, which formulated a Scheme of Rehabilitation for JKSL. Pursuant to the Scheme of Rehabilitation, the JKSL Cement Division was acquired by the Company as a 'going concern' on 'as-is-where-is' basis through a slump sale, with effect from November 4, 2004. Prior to the acquisition, the Company did not have any substantial business activity.

The principal terms of the Scheme of Rehabilitation in respect of the JKSL Cement Division, as sanctioned by the AAIFR, are set forth below:

(i) All fixed, current and intangible assets, rights, patents, trade marks, mining leases, all current liabilities including trade deposits, workers' dues, contingent liabilities and all litigation of the JKSL Cement Division shall stand transferred to the Company as a 'going concern' on an 'as-is-where-is' basis, free from all encumbrances, upon deposit of (a) Rs.3,255.70 million in an escrow account with IDBI in respect of the payment of one time settlement ("OTS") dues payable to term lenders, debenture-holders and preference shareholders of JKSL, including 5% simple interest arrears up to September 30, 2001 payable to term lenders and debenture holders; and (b) Rs.1,565.30 million in an escrow account with State Bank of India in respect of OTS dues of JKSL payable to banks up to September 30, 2001;

(ii) In addition, interest shall be payable at 11% per annum on the OTS amounts paid on or after October 1, 2001 until date of payment of the OTS dues;

(iii) The Company shall issue Equity Shares to the existing shareholders of JKSL in the ratio of 1:10 (i.e., one Equity Share for every 10 equity shares of JKSL) free of cost;

(iv) All workers, employees and officers of the JKSL Cement Division shall stand transferred to the Company, without loss of service benefits or any change in service conditions; and

(v) The charges of all secured creditors, including institutions and banks, on the fixed and current assets of the JKSL Cement Division shall stand released simultaneously upon deposit of the OTS amounts and 5% simple interest thereon in the escrow accounts of IDBI and State Bank of India.

IDBI, the monitoring agency, granted extension of time for payment of OTS dues until November 30, 2004 pursuant to the authority vested in it by the AAIFR by its order dated June 12, 2003.

In compliance with the Scheme of Rehabilitation:

- The amounts payable in respect of the OTS arrangements and the interest thereon were arranged and deposited in the escrow accounts of IDBI and SBI on November 4, 2004. Consequently, upon deposit of the requisite amounts, the Company acquired the JKSL Cement Division with effect from November 4, 2004. The Company made a payment of Rs.4679.50 million as consideration for the acquisition of the JKSL Cement Division.
- The Company issued 7,426,950 Equity Shares to all the existing shareholders of JKSL, as of December 16, 2004, in the ratio 1:10 (i.e., one Equity Share for every 10 equity shares of JKSL).

IDBI by its letter dated November 29, 2004 to JKSL confirmed that the deposit of the OTS amounts into the escrow accounts was in due compliance with the terms of the AAIFR order. Consequently, the acquisition of the JKSL Cement Division by the Company was taken on record by the AAIFR in its order dated January 7, 2005. The Company and JKSL by a letter dated November 11, 2004, informed the RoC regarding the deposit of money in the two escrow accounts. The RoC recorded vacation of charges by its letter dated July 13, 2005.

Key Events

The key events in respect of the JKSL Cement Division and the Company are set forth below:

Year	Event
1975	The grey cement plant at Nimbahera, with an initial capacity of 0.3 MnTPA, commenced commercial production
1979	A second production line was added at Nimbahera, increasing the capacity from 0.3 MnTPA to 0.72 MnTPA
1982	A third production line was added at Nimbahera, increasing the capacity from 0.72 MnTPA to 1.14 MnTPA
1984	Lime-based white cement plant was established at Gotan, with an initial capacity of 0.05 MnTPA
1987	A captive thermal power plant was installed at Bamania
1988	A pre-calciner was installed at Nimbahera, increasing the total capacity to 1.54 MnTPA
1990	The JKSL Cement Division instituted "Architect of the Year" award
1994	(i) The Company was incorporated (ii) The "Regional Training Centre"for Northern India, which was established at the Nimbahera plant of the JKSL Cement Division with aid from the World Bank and the Danish International Development Agency, commenced service
2000	The total capacity of the white cement plant at Gotan was increased to 0.3 MnTPA as a result of continous modernization and upgradation
2001	A new grey cement plant with a capacity of 0.75 MnTPA was installed at Mangrol
2004	(i) The Company acquired the JKSL Cement Division (ii) The total capacity of the grey cement plant at Nimbahera was increased to 2.8 MnTPA as a result of continous modernization and upgradation
2005	(i) The Company allotted 7,426,950 Equity Shares to the shareholders of JKSL pursuant to the AAIFR order dated January 23, 2003 (ii) The Company was listed on the BSE

J.K. Organization

The Company is an affiliate of the J.K. organization, which was founded by Lala Kamlapat Singhania. The J.K. organization comprises various industrial and commercial companies.

Our Main Objects

Our main objects as contained in our Memorandum of Association are:

i. To produce, manufacture, treat, process, refine, import, export, purchase, sell and generally to deal in, and to act as brokers, agents, stockists, distributors and suppliers of all kinds of cement (whether port land, pozzolana, white coloured, alumina, blast furnaces, masonary, rapid hardening low heat and all other varieties of cement, silica or otherwise), cement products of any description, such as pipes, poles, slabs, asbestos sheets, blocks, bricks, tiles, gardenwares, prefabricated slabs or building materials, and articles, things, compounds and preparations connected with the aforesaid products and in connection therewith to take on lease connected with the aforesaid products and deal in the crushing and marketing of various minerals, e.g. red oxide, ochres, bauxite, barites, calcite, gypsum, laterite, lime stone, all types of clays, soapstone, quarts, marble, granite, iron ore, all types of coal, lignite, and silica by taking on lease or otherwise, various mines and putting up machinery for pulverizing the various minerals.

ii. To acquire the whole or substantially whole of the undertaking and properties under the Scheme of arrangement under section 391 and 394 of the Companies Act, 1956 or any other Scheme approved by any statutory authority (ies) under any applicable Laws or Acts, of J.K. Synthetics Limited namely J.K. Cement Works, Nimbahera, J.K. Cement Works, Mangrol, J.K. White Cement Works, Gotan, J.K. Power, Bamania.

iii. To carry on all or any of the business as manufacturers of and dealers in lime, plasters, refractories, castables, cement paints, ready mix mortars, grinding media, concentrates and all type of building aggregates, clay, sand, minerals, earth, artificial stone and marbles and other chemicals connected with cement and building material industry.

iv. To carry on the business of builders, contractors, sub contractors, undertaking and executing contracts, works of construction of building-residential, commercial and industrial, dams, bridges including roads, highways, railways and airports and other superstructures and installation of all types of structures and foundations etc. whether on B.O.T. (Build Operate and Transfer) basis or otherwise.

v. To carry on business of and as Engineers (Civil, Mechanical, Electrical and otherwise for construction purposes), architects, surveyors, designers, decorators, furnishers, quarry masters, valuers, arbitrators Engineering consultants and to construct, execute, carry out, supervise, maintain, improve, work, develop, control, manage, alter, repair, pull down, restore and remodel, in any part of India or in any part of the world, civil works and their conveniences of all kinds, or otherwise assist or take part in the construction, maintenance, development, working control and management thereof.

vi. To carry on the business of electric power supply company in all the branches, and to construct, lay down, establish, fix and carry out all necessary power stations, wires, lines, accumulators, and works and generate by whatever means, manufacture, accumulate, distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, buildings and places, both public and private and to sell power to any board/authority whether private or public.

vii. To carry on the business of buyers and sellers and to act as agent, distributors, representatives, traders, stockists, importers, exporters, entitlement negotiators, suppliers and commission agents of products and commodities and materials in any form or shape manufactured or supplied by any company, firm, association of persons, body, whether incorporate or not, individual, Government, semi-Government, or any local authority, and for that purpose buy, sell, exchange, alter market, pledge, distribute, or otherwise deal in commodities, goods, manufactured articles materials and things of every description and kind.

viii. To carry on and undertake the business of finance, investment and trading, hire purchase, leasing, subscribing shares and debentures of other company and to finance lease operations of all kinds purchasing, selling, hiring or letting on hire all kinds of plant and machinery and equipments that the company may think fit and to undertake housing finance and financing of all and every kind and description and deferred payment of similar transactions and to subsidize, finance or assist in subsidizing or financing the sale and maintenance of any goods, article or commodities.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

Changes in Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment	Amendment
August 8, 2003	Rs.100 million was cancelled from the un-issued authorized preference share capital of the Company and simultaneously Rs.100 million equity share capital of the Company was created. In addition, the authorized share capital of the Company was increased from Rs.500 million to Rs.600 million
March 4, 2004	Amendment of Clause III(A)(2) of the objects clause of the Memorandum of Association by the addition of the words "or any other Scheme approved by any statutory authority (ies) under any applicable Laws or Acts" pursuant to a special resolution passed at the extra-ordinary general meeting of the Company
November 26, 2005	The authorized share capital of the Company was increased from Rs.600 million to Rs.800 million

Subsidiaries and Holding Company

We have no subsidiary or holding company.

OUR MANAGEMENT

Under our Articles of Association, we cannot have fewer than three directors and more than twelve directors. We currently have 8 directors.

The following table sets forth current details regarding our Board of Directors as of the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
Dr. Gaur Hari Singhania ***Chairman*** ***Non-Independent and Non-Executive*** S/o Late Sir Padampat Singhania Industrialist Term: Non-retiring director	70	11, Ganga Kuti Cantts, Kanpur Uttar Pradesh India	• J.K. Synthetics Limited • Key Corp Limited • Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited • J.K. Traders Limited • Yadu International Limited • G.H. Securities (Private) Limited
Mr. Yadupati Singhania ***Managing Director and Chief Executive Officer*** S/o Dr. Gaur Hari Singhania Industrialist Term: Non-retiring director (Managing Director for a period of three years)	52	11, Ganga Kuti Cantts, Kanpur Uttar Pradesh India	• J.K. Synthetics Limited • Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited • J.K. Traders Limited • Yadu International Limited • Yadu Securities (Private) Limited • Gotan Cement Works Limited • Jaykaycem (Central) Limited • Jaykaycem Limited • Jaykaycem (Eastern) Limited • Express Newspapers Limited • Ace Investments Limited • Navodaya Sidhi Cement Limited
Mr. J.P. Bajpai ***Non-Executive Director*** ***Non-Independent Director*** S/o Late Mr. R.P. Bajpai Company Executive Term: Liable to retire by rotation	69	11/214, Souter Ganj Kanpur, Uttar Pradesh India	• Juggilal Kamlapat Holding Limited • Jaykaycem (Central) Limited • Gotan Cement Works Limited • Navodaya Sidhi Cement Limited • Uttar Pradesh Cricket Association
Mr. K.N. Khandelwal ***Non-Executive Director*** ***Non-Independent Director*** S/o Mr. G.D. Khandelwal Company Executive Term: Liable to retire by rotation	60	50 MIG 'W' Block Juhi, Kanpur Uttar Pradesh India	• Khandelwal Extractions Limited • Juggilal Kamlapat Holding Limited • Jaykay Capital Finance Limited • J.K. Industrial & Mineral Products Limited
Mr. Raj Kumar Lohia ***Non-Executive*** ***Independent Director*** S/o Late Mr. Rishab Kumar Lohia Industrialist Term: Liable to retire by rotation	51	113/91, Swaroop Nagar Kanpur, Uttar Pradesh India	• Lohia Starlinger Limited • Lohia Sales & Services Limited • Lohia Packing Machines Limited • Lohia Filament Machines Limited • Lohia ICBT Limited • Rohit Polytex Private Limited
Mr. Alok Dhir ***Non-Executive*** ***Independent Director***	44	C-361, Defence Colony New Delhi India	• Dhir & Dhir Assets Reconstruction and Securitization Company Limited • Shiva Consultants (P) Limited

Name, Designation, Father's Name, Occupation and Term	Age	Address	Other Directorships
S/o Mr. L.P. Dhir Advocate Term: Liable to retire by rotation			• GPI Textile Limited • Cirrus Chemicals Private Limited • Cirrus Power Private Limited
Mr. Ashok Sharma ***Non-Executive*** ***Independent Director*** S/o Late Mr. J.N. Sharma Chartered Accountant Term: Liable to retire by rotation	54	704 Kalpana Tower 3/16A Vishnu Puri Kanpur Uttar Pradesh India	None
Mr. Achintya Karati ***Non-Executive*** ***Independent Director*** S/o Mr. P.K. Karati Consultant Term: Liable to retire by rotation	59	29/203 East End Apartments Mayur Vihar, Phase I New Delhi India	• BPL Display Devices Limited • Flex Industries Limited • ICICI-West Bengal Infrastructure Development Corporation Limited • Shyam Telecom Limited • Sangam (India) Limited • Danin Enterprises Private Limited • Delton Cables Limited • Hindustan Motors Limited

Brief Profile of the Directors

Dr. Gaur Hari Singhania

Dr. Singhania, our Chairman, holds a Master of Arts degree in Economics and a PhD degree in Economics from Agra University. He has corporate experience spanning 50 years. He has been associated with the Company as its Promoter Director and has led our Company since its inception in 1994. He is also the Chairman of JKSL, Juggilal Kamlapat Cotton Spg. & Wvg. Mills Company Limited and J.K. Traders Limited. He has held the position of Chairman of the Merchant Chambers of Uttar Pradesh and Employers Association of Northern India. He has also been the president of Uttar Pradesh Stock Exchange Association Limited. He has been a director of Pradeshiya Industrial Investment Corporation of Uttar Pradesh, Uttar Pradesh State Industrial Development Corporation and the Uttar Pradesh State Sugar Corporation. Currently, he is also the chancellor of Dayanand Shiksha Sansthan and the president of Kanpur Education Society. He is the father of Mr. Yadupati Singhania, the Managing Director and Chief Executive Officer of our Company.

Mr. Yadupati Singhania

Mr. Singhania, our Managing Director and Chief Executive Officer, holds a Bachelor of Technology (B.Tech.) degree from Indian Institute of Technology, Kanpur. He has experience spanning 25 years in the cement industry. He has been associated with the Company as its Promoter Director and has led our Company since its inception in 1994. He was appointed Managing Director of the Company with effect from April 1, 2004. He is also the Managing Director and Chief Executive Officer of JKSL since 1999. He was instrumental in setting up the JKSL Cement Division. He is the Director of the Employers Association of Northern India, President of Kanpur Productivity Council, and member of the Board of Governors of the National Council for Cement and Building Material and Jodhpur Chamber of Commerce. He is also a member of the managing committee of Cement Manufacturers Association. He has held the position of District Governor of Rotary International and President of Foreign Trade Development (India) Association. He is the son of Dr. Gaur Hari Singhania, our Chairman. His aggregate remuneration for the year ended March 31, 2005 was Rs.960,000, of which Rs.526,373 was paid by the JKSL Cement Division.

Mr. J.P. Bajpai

Mr. Bajpai holds a Master of Commerce degree from Agra University and is a member of the Institute of Company Secretaries of India, New Delhi. He has corporate experience spanning 45 years. He has been associated with our Company since its inception in 1994. He is also the Senior President (Head Office) and Company Secretary of JKSL. Prior to joining the Company and JKSL, he was Statistical Investigator in the Directorate of Industries, Uttar Pradesh from October 1959 until June 1960. He serves as a director on the board of a number of other Indian companies. He has also held the position of Honorary Treasurer of the Board of Control for Cricket in India. He is also a director of the Uttar Pradesh Cricket

Association and Chairman of the Development Committee of the Table Tennis Federation of India. He is also the recipient of several awards, including Sewa Ratna Award, Best Social Worker Award, Kala Shri Award, Kanpur Ratna Award and Madhavrao Sindhia Cricket Academy Life Time Achievement Award.

Mr. K. N. Khandelwal

Mr. Khandelwal holds a Bachelor of Commerce degree from Agra University. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the fields of commerce and industry spanning 36 years. He has been a director of our Company since February 9, 2004. He is also the President (Finance and Accounts) of JKSL. He started his professional career in JKSL in 1969, where he worked in different capacities. He serves as a director on the board of a number of other Indian companies. He is also a trustee and/or member of executive bodies of various educational and social institutions and organizations

Mr. Raj Kumar Lohia

Mr. Lohia holds a Bachelor of Arts degree in Economics from Kanpur University. He has vast experience in the fields of commerce and industry spanning 23 years. He has been a director of our Company since September 30, 2004. He is a leading industrialist of Kanpur and also serves as director on the board of a number of other Indian companies. He is the recipient of several awards, including the Excellence Award 2005 for contribution in the field of entrepreneurship.

Mr. Alok Dhir

Mr. Dhir holds a Bachelor of Laws degree from Delhi University and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the financial and legal fields spanning 21 years. He has been a director of our Company since October 27, 2004. He has been in the practice of law for over 16 years. He is a legal advisor to leading Indian companies and has represented corporations, banks, financial institutions and public sector undertakings before the Supreme Court and various other courts across India. He is the founder member of the AAIFR/BIFR Bar Association of India. He is also a member of various other organizations, including FICCI, PHD Chamber of Commerce, CII, ASSOCHAM, Indian Council of Arbitration and Indo-American Chamber of Commerce.

Mr. Ashok Sharma

Mr. Sharma holds a Bachelor of Laws degree from Kanpur University. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India, New Delhi. He has vast experience in the fields of finance and audit spanning 25 years. He is a practicing Chartered Accountant and handles the audit assignments of private sector organisations, banks, insurance companies and financial institutions. He is a member of the Disciplinary Committee of the Uttar Pradesh Stock Exchange Association Limited. He is also a member of the Rehabilitation Committee for Uttar Pradesh Small Industries Corporation Limited, Corporate Committee of CIRC of ICAI, Indian Council of Arbitrators and Kanpur Income Tax Bar Association.

Mr. Achintya Karati

Mr. Karati holds a Bachelor of Laws degree from Calcutta University. He has vast experience in the financial and legal fields spanning 31 years. He has worked in diverse areas of commercial, legal and secretarial matters. He retired as Country Head, Government and Institutional Solutions Group, ICICI Bank Limited (erstwhile, ICICI Industrial Credit and Investment Corporation of India Limited) in March 2004. During his association with ICICI Limited, he served in various capacities, including Deputy Zonal Manager (North) and Head of Major Client Group (North). Presently, he is a Senior Advisor to ICICI Securities Limited and is also associated with ICICI-Prudential Life Insurance Company Limited. He also heads the Government and Institutions group of National Commodity and Derivative Exchange, India.

Borrowing Powers of the Directors in the Company

Pursuant to a shareholders' resolution passed at the annual general meeting of our Company held on September 25, 2000 in accordance with the provisions of the Companies Act, our Board has been empowered to borrow from time to time any sum or sums of moneys that may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total of such borrowings by the Board shall not at any time exceed the limit of Rs.9,000 million.

Details of Appointment and Compensation of our Directors

Name of Directors	Date of contract/Appointment Letter/Resolution	Term	Compensation (per annum)
Dr. Gaur Hari Singhania	November 24, 1994	Non-retiring	Nil
Mr. Yadupati Singhania[(1)]	November 24, 1994	Non-retiring	1,680,000[(2)]
Mr. J.P. Bajpai	November 24, 1994	Liable to retire by rotation	Nil
Mr. K.N. Khandelwal	February 9, 2004	Liable to retire by rotation	Nil
Mr. Raj Kumar Lohia	September 30, 2004	Liable to retire by rotation	Nil
Mr. Alok Dhir	October 27, 2004	Liable to retire by rotation	Nil
Mr. Ashok Sharma	October 24, 2005	Liable to retire by rotation	Nil
Mr. Achintya Karati	October 24, 2005	Liable to retire by rotation	Nil

(1) Appointed as Managing Director with effect from April 1, 2004 until March 31, 2007
(2) Payable from January 1, 2005; does not include perquisites. For details regarding the compensation given to Mr. Yadupati Singhania, please see below.

The non-executive Directors of your Company are paid sitting fee for attending the meetings of the Board of Directors and its sub-committees. The shareholders of the Company have also passed a resolution dated August 20, 2005 approving the payment of commission to the non-executive Directors up to 1% of net profits of our Company for a period of five years commencing from Fiscal Year 2005-06.

Details of contracts appointing Mr. Yadupati Singhania

Pursuant to a contract dated October 1, 2004, Mr. Yadupati Singhania was appointed the Managing Director of our Company with effect from April 1, 2004 for a period of 3 years without remuneration and perquisites since he was already the Managing Director and Chief Executive Officer of JKSL and was drawing remuneration and perquisites from JKSL. With effect from January 1, 2005, pursuant to a supplemental contract dated January 20, 2005, Mr. Yadupati Singhania is being paid remuneration by our Company. Mr. Yadupati Singhania has ceased to draw any remuneration from JKSL, except in respect of certain perquisites. The shareholders of the Company have also passed a resolution dated August 20, 2005 approving the payment of commission to the Managing Director up to 1% of net profits of our Company for a period of five years commencing from Fiscal Year 2005-06.

Mr. Yadupati Singhania is eligible to the following compensation with effect from January 1, 2005 until March 31, 2007:

1. **Salary:** Rs.140,000 per month including dearness allowance and other allowance.

2. **Perquisites:**
   - (a) Contribution to Provident Fund: As per the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 i.e., 12% of the salary.
   - (b) Contribution to Superannuation Fund: In accordance with the rules of the Company i.e., 15% of the salary.
   - (c) Medical Reimbursement: Expenses incurred for self and spouse, subject to a ceiling of one month's salary i.e., Rs.140,000 in a year or three month's salary i.e., Rs.420,000 over a period of three years.
   - (d) Club Fees: Fees of clubs, subject a maximum of two clubs. However, no life membership or admission fee will be payable.
   - (e) Personal Accident/Mediclaim Policies: Premium shall not exceed Rs.15,000 per annum for both the policies.
   - (f) Gratuity: Not exceeding half a month's salary for each completed year of service as per provisions of the Payment of Gratuity Act, 1972.
   - (g) Earned/Privilege Leave: As per the rules of the Company. Leave accumulated and not availed of during his tenure as Managing Director to be encashed at the time of his retirement as per the rules of the Company.

3. **Other Facilities:**
   - (a) Car with Driver: The Company will provide a car with driver for official purposes. However, use of car for private purposes shall be billed by the Company to the Managing Director.
   - (b) Telephone: Free use of telephone at his residence.

Corporate Governance

The Company will be in compliance with the applicable guidelines issued by SEBI in respect of corporate governance at the time of seeking in-principle listing approval from Stock Exchanges. SEBI, through circular number SEBI/CFD/DIL/CG/1/2005/29 dated March 29, 2005 revised the date for ensuring compliance with Clause 49 of the listing agreement as per circular number SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004 from April 1, 2005 to December 31, 2005.

Committees of the Board of Directors

Audit Committee

The constitution of Audit Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Mr. Ashok Sharma (Chairman)	Independent and Non-Executive
2.	Mr. Raj Kumar Lohia	Independent and Non-Executive
3.	Mr. K.N. Khandelwal	Non-Independent and Non-Executive
4.	Mr. Alok Dhir	Independent and Non-Executive
5.	Mr. Achintya Karati	Independent and Non-Executive

The powers of the Audit Committee as conferred by the Board of Directors are as provided under Clause 49 of the Listing Agreement.

Shareholders Grievance Committee

The constitution of Shareholders Grievance Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Mr. J.P. Bajpai (Chairman)	Non-Independent and Non-Executive
2.	Mr. K.N. Khandelwal	Non-Independent and Non-Executive
3.	Mr. Raj Kumar Lohia	Independent and Non-Executive

The Shareholders Grievance Committee is responsible for redressal of shareholders' and investors' complaints relating to transfer of shares, non-receipt of balance sheet, and non-receipt of dividends declared. It is also responsible for reviewing the process and mechanism of redressal of investor complaints and suggesting measures of improving the existing system of redressal of investor grievances.

Remuneration Committee

The constitution of Remuneration Committee is as follows:

S. No.	Name of the Director	Executive/Non-Executive/Independent
1.	Mr. Raj Kumar Lohia (Chairman)	Independent and Non-Executive
2.	Mr. Alok Dhir	Independent and Non-Executive
3.	Mr. J.P. Bajpai	Non-Independent and Non-Executive

The Remuneration Committee is vested with the power to review and decide the policy on specific remuneration package of the Managing Director, whole-time Directors, executive/non-executive Chairman and executive/non-executive Vice Chairman of the Company and to decide the terms of remuneration of the non-executive Director of the Company.

Shareholding of Directors in the Company

Name of the Directors	Number of Equity Shares on the date of filing the DRHP with SEBI
Dr. Gaur Hari Singhania	1,041,973
Mr. Yadupati Singhania	12,830,673
Mr. J.P. Bajpai	100
Mr. K.N. Khandelwal	101
Mr. Raj Kumar Lohia	Nil
Mr. Alok Dhir	Nil
Mr. Ashok Sharma	Nil
Mr. Achintya Karati	Nil

Interest of Promoters, Directors and Key Managerial Personnel

Except as stated in "Our Promoter and Group Company-Related Party Transactions" on page 84 of this Draft Red Herring Prospectus, and to the extent of compensation and commission, if any, and their shareholding in our Company, the Promoters do not have any other interest in our business.

Dr. Gaur Hari Singhania is the Chairman of our Company and also a Promoter. Dr. Gaur Hari Singhania is also the Chairman of JKSL. Dr. Gaur Hari Singhania is the father of Mr. Yadupati Singhania, our Managing Director and Chief Executive Officer. Mr. Yadupati Singhania is the Managing Director and Chief Executive Officer of our Company and also a Promoter. Mr. Yadupati Singhania is paid compensation and commission as Managing Director of the Company. For more details on the compensation and other payments payable to Mr. Yadupati Singhania, please see "Our Management - Details of contracts appointing Mr. Yadupati Singhania" on page 63 of this Draft Red Herring Prospectus.

Except as disclosed below and to the extent of their compensation and commission, if any, and/or sitting fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses payable to them, as mentioned on page 63 of this Draft Red Herring Prospectus, and their shareholding or shareholding of companies they represent, the Directors, other than Promoter Directors, do not have any other interest in our Company. The following directors are also interested to the extent of the contracts/relationship with the Company:

- Mr. Alok Dhir is a partner of the law firm, Dhir & Dhir Associates, which is a legal advisor to the Company.

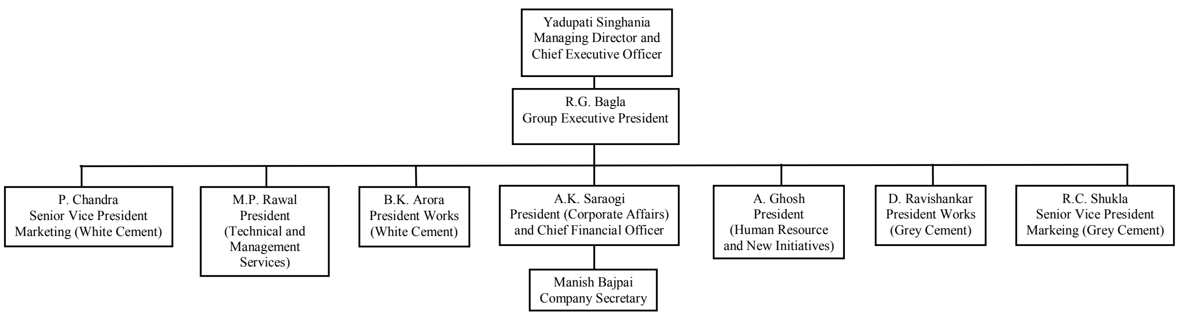
The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them in the Company, if any. Mr. Manish Bajpai, a key managerial personnel, is the son of our Director, Mr. J.P. Bajpai.

Changes in our Board of Directors during the last three years

Name	Date of Appointment	Date of Cessation	Reason/Remarks
Mr. Yadupati Singhania	November 24, 1994	Continuing	Appointed as Managing Director with effect from April 1, 2004
Mr. Kailash Nath	September 29, 2001	September 30, 2004	Did not seek re-election on retirement by rotation
Mr. R.G. Bagla	September 29, 2001	October 27, 2004	Resigned
Mr. B.K. Arora	September 29, 2001	October 27, 2004	Resigned
Mr. Alok Dhir	October 27, 2004	Continuing	Appointed in casual vacancy
Mr. Raj Kumar Lohia	September 30, 2004	Continuing	Appointment
Mr. K.N. Khandelwal	February 9, 2004	Continuing	Appointment
Mr. Ashok Sharma	October 24, 2005	Continuing	Appointment (Additional Director until next AGM)
Mr. Achintya Karati	October 24, 2005	Continuing	Appointment (Additional Director until next AGM)

Management Organization Structure

Our management organization structure is set forth below:



Key Managerial Employees

For details regarding Mr. Yadupati Singhania, please see page 69 of this Draft Red Herring Prospectus.

Mr. R.G. Bagla, Group Executive President, (66 years), holds a Bachelor of Science degree from Agra University and a Bachelor of Engineering (Mechanical) Honours degree from Victoria Jubilee Technical Institute, University of Mumbai. He has over 44 years experience in the erection, commissioning and control of cement plants. Prior to joining the JKSL Cement Division on August 31, 1968, Mr. Bagla worked at Hindustan Aluminum Corporation as Assistant Engineer from 1963 until 1968. At J.K. Cement, Mr. Bagla is responsible for the overall superintendence of the cement plants. Mr. Bagla is also a life fellow of the Institute of Engineers and the All India Management Association. His remuneration for the year ended March 31, 2005 was Rs.1,170,844, of which Rs.647,572 was paid by the JKSL Cement Division.

Mr. A.K. Saraogi, President (Corporate Affairs) and Chief Financial Officer, (49 years), holds a Bachelor of Arts (Honours) degree in Economics from Sriram College of Commerce, Delhi University and a Bachelor of Laws degree from Kanpur University, Kanpur. He has over 25 years experience in the field of finance. Mr. Saraogi joined the JKSL Cement Division on May 27, 1978. At J.K. Cement, Mr. Saraogi is responsible for finance, accounts and corporate affairs. His remuneration for the year ended March 31, 2005 was Rs.1,164,259, of which Rs.606,677 was paid by the JKSL Cement Division.

Mr. M.P. Rawal, President (Technical and Management Services), (62 years), holds a Bachelor of Engineering (Mechanical) degree from L.D. College of Engineering, Ahmedabad. He has over 37 years experience in the field of planning, machine designs, drawings, plant commissioning and project execution in respect of cement and allied building materials. Prior to joining the JKSL Cement Division on March 11, 1978, Mr. Rawal worked with Digvijay Cements Limited as Mechanical Engineer (Planning and Development) from April 1967 until March 1978. At J.K. Cement, Mr. Rawal is responsible for customer focus planning and customer service related activities, designing of training programmes, conducting energy and fuel audits at cement plants, designing systems for plants and overseeing export of white cement and other building materials. His remuneration for the year ended March 31, 2005 was Rs.1,004,376, of which Rs.581,179 was paid by the JKSL Cement Division.

Mr. D. Ravi Shankar, President Works (Grey Cement), (59 years), holds a Diploma in Mechanical Engineering from PACR Ramaswamy Polytechnic College in Tamil Nadu. He has over 37 years experience in the cement industry, including the manufacture of asbestos cement. Mr. Ravi Shankar worked with the JKSL Cement Division from March 1978 until 1984. He also worked with Southern Asbestos Cement Limited from November 1968 until March 1978 and with Shree Pipes Limited as Chief Engineer from 1984 until June 1985. He again joined the JKSL Cement Division on July 1, 1985. At J.K. Cement, Mr. Ravi Shankar is responsible for the overall operations of the grey cement plants. His remuneration for the year ended March 31, 2005 was Rs.916,261, of which Rs.520,702 was paid by the JKSL Cement Division.

Mr. B.K. Arora, President Works (White Cement), (56 years), holds a Bachelor of Science Engineering (Mechanical) degree from Institute of Technology, Benaras Hindu University. He has over 34 years experience in the cement industry. Prior to joining the JKSL Cement Division on October 16, 1975, Mr. Arora worked with Jaypur Udyog Limited as Mechanical Engineer from April 1971 until October 1975. At J.K. Cement, Mr. Arora is responsible for the overall operations of the white cement plant. His remuneration for the year ended March 31, 2005 was Rs.931,120, of which Rs.520,493 was paid by the JKSL Cement Division.

Mr. R.C. Shukla, Senior Vice President Marketing (Grey Cement), (51 years), holds a Master of Arts degree in Economics and a Bachelor of Laws degree from Kanpur University, Kanpur. He has over 28 years experience in the marketing of cement. Mr. Shukla started his career at the JKSL Cement Division in January 10, 1977. At J.K. Cement, Mr. Shukla is responsible for marketing grey cement. His remuneration for the year ended March 31, 2005 was Rs.1,070,585, of which Rs.518,816 was paid by the JKSL Cement Division.

Mr. Pankaj Chandra, Senior Vice President Marketing (White Cement), (44 years), holds a Bachelor of Technology degree from Indian Institute of Technology, Kanpur and a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Mr. Chandra has over 21 years experience in marketing. Prior to joining the JKSL Cement Division on June 30, 1989, Mr. Chandra worked with Pertech Computer Limited as Area Marketing Manager from 1988 until 1989. At J.K. Cement, Mr. Chandra is responsible for marketing white cement. His remuneration for the year ended March 31, 2005 was Rs.951,839, of which Rs.455,456 was paid by the JKSL Cement Division.

Mr. Ashok K. Ghosh, President Human Resource and New Initiatives, (52 years), holds a Master of Arts degree in Economics from Kanpur University. He has over 26 years experience in the field of education, commerce and industry. Prior to joining the Company in December 2004, Mr. Ghosh worked with the Institute of Management Technology, Ghaziabad, as its Director from March 2002 until October 2003. At J.K. Cement, Mr. Ghosh is responsible for human resources and new initiatives of the Company. His remuneration for the year ended March 31, 2005 was Rs.234,742.

Mr. Manish Bajpai, Company Secretary, (35 years), holds a Bachelor of Commerce degree from Kanpur University and is a qualified Company Secretary from the Institute of Company Secretaries of India, New Delhi. He has over 8 years experience in finance and secretarial functions. Prior to joining the JKSL Cement Division on September 2, 2002, Mr. Bajpai worked with Duncan Industries as Assistant Manager (Finance and Accounts) from August 2001 until August 2002. At J.K. Cement, Mr. Bajpai is responsible for the Company's secretarial matters. Presently, Mr. Bajpai also holds the position of secretary of the Institute of Company Secretaries of India (Kanpur Chapter). Mr. Bajpai is the son of Mr. J.P.

Bajpai, Director of the Company. His remuneration for the year ended March 31, 2005 was Rs.273,330, of which Rs.123,904 was paid by the JKSL Cement Division.

All the key managerial personnel as mentioned above are permanent employees of the Company. None of the above mentioned key managerial personnel are related to each other. None of the key managerial personnel are appointed pursuant to any arrangement or understanding with major shareholders, customers or suppliers.

Shareholding of the Key Managerial Employees

Name	Designation	Number of Equity Shares
Mr. Yadupati Singhania	Managing Director and Chief Executive Officer	12,830,673
Mr. R.G. Bagla	Group Executive President	100
Mr. A.K. Saraogi	President (Corporate Affairs) and Chief Financial Officer	100
Mr. M.P. Rawal	President (Technical and Management Services)	Nil
Mr. D. Ravi Shankar	President Works (Grey Cement)	Nil
Mr. B.K. Arora	President Works (White Cement)	3
Mr. A. Ghosh	President (Human Resource and New Initiatives)	Nil
Mr. R.C. Shukla	Senior Vice President Marketing (Grey Cement)	Nil
Mr. Pankaj Chandra	Senior Vice President Marketing (White Cement)	Nil
Mr. Manish Bajpai	Company Secretary	Nil

Bonus or Profit Sharing Plan for our Key Managerial Employees

There is no bonus or profit sharing plan for our key managerial employees. The Company has in the past paid ex-gratia bonus to employees as determined by the Company.

ESOP/ESPS

There is no Employee Stock Option Plan or Employee Stock Purchase Scheme of the Company.

Changes in our Key Managerial Employees during the last three years prior to date of filing of the Draft Red Herring Prospectus

Except for the transfer of employees, including the key managerial employees, from the JKSL Cement Division to the Company without break in service with effect from November 4, 2004 and the appointment of Mr. A. Ghosh with effect from December 12, 2004, there has been no change in our key managerial employees during the last three years prior to the date of filing of the Draft Red Herring Prospectus.

Payment or benefit to officers of the Company

Except as disclosed in the Draft Red Herring Prospectus and the statutory payments made by the Company, in the last two years, we have paid an aggregate sum of Rs.29.93 million to the employees of our Company in connection with superannuation payments and ex-gratia/rewards. No other amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

OUR PROMOTERS AND GROUP COMPANIES

The Promoters of our Company are 2 natural persons and 2 companies.

The natural persons who are our Promoters are:

1. Dr. Gaur Hari Singhania; and
2. Mr. Yadupati Singhania.

The companies which are our Promoters are:

1. Yadu International Limited; and
2. Juggilal Kamlapat Holding Limited.

In addition, the following are part of our Promoter group:

The natural persons who are part of our Promoter group, other than the Promoters named above are as follows:

1. Mr. Govind Hari Singhania;
2. Ms. Sushila Devi Singhania;
3. Ms. Kavita Y. Singhania;
4. Ms. Manorama Devi Singhania; and
5. Ms. Kalpana Devi Singhania.

The HUFs that are a part of our Promoter group are as follows:

1. Dr. Gaur Hari -Sushila Devi Singhania;
2. Dr. Gaur Hari -Yadupati Singhania;
3. Dr. Gaur Hari Singhania (Greater HUF); and
4. Mr. Yadupati Singhania.

The companies that are part of our Promoter group, other than the Promoters named above are as follows:

1. J.K.Synthetics Limited;
2. J.K.Traders Limited;
3. Juggilal Kamlapat Jute Mills Company Limited;
4. Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited;
5. J.K. Satoh Agricultural Machines Limited;
6. Jaykaycem Limited;
7. Jaykaycem (Central) Limited;
8. Jaykaycem (Eastern) Limited;
9. Dholera Port Limited;
10. Navodaya Sidhi Cement Limited;
11. Yadu Securities (Private) Limited
12. Gotan Cement Works Limited; and
13. G.H. Securities (Private) Limited.

The firms which are a part of our Promoter group are:

1. PGY Associates; and
2. Juggilal Kamlapat Padampat.

The details of our Promoters are as follows:

Dr. Gaur Hari Singhania

Dr. Gaur Hari Singhania, age 70 years, (Passport Number: E-8650554, Voter ID Number: HDN1601418, Permanent Account Number: AMXPS9442H, Bank A/c Number-Standard Chartered Bank-622-1-022856-3), a resident Indian national, is a Promoter Director in our Company. He is a M.A. Phd. in economics by qualification. He is a reputed industrialist and is the vice- president of J.K.Organisation. Dr. Singhania is the chancellor of Dayanand Shiksha Sansthan, Kanpur and the president of Kanpur Education Society. He is also the president of the Lajpat Rai Memorial Trust and chairman of the Kailashpat Singhania Sports Foundation. Dr. Singhania has also held the post of chairman of the Merchant Chambers of Uttar Pradesh and Employers Association of Northern India and has been the president of Uttar Pradesh Stock Exchange Association Limited. He has been the director of Pradeshiya Industrial Investment Corporation of Uttar Pradesh, U. P. State Development Corporation and the Uttar Pradesh State Sugar Corporation. He is currently the Chairman of our Company.

Mr. Yadupati Singhania

Mr. Yadupati Singhania, age 52 years, (Passport Number: Z-066677, Voter ID Number: HDN1601442, Permanent Account Number: ABXPS4722M, Bank account Number: Standard Chartered Bank - 622-1-0004290) is the Promoter Director in our Company. He graduated with a B.Tech from Indian Institute of Technology, Kanpur. He has over 25 years of experience in the cement industry due to his close association with the cement units of J.K.Synthetics Limited. He is a director of the Employers Association of Northern India and is a member of the boards of governors of National Council for Cement and Building Material and Jodhpur Chamber of Commerce. He is the president of the Kanpur Productivity Council and is a member of the managing committee, Cement Manufacturers Association. He has been the district governor of Rotary International and the president of Foreign Trade Development (India) Association. He has also been a president of Merchant Chambers of Uttar Pradesh. He is the Managing Director and Chief Executive Officer of our Company.

Yadu International Limited ("Yadu International")

Yadu International was incorporated on March 15, 1995 and is merchant exporter engaged in trading of all kinds of goods, articles and commodity. The registered office of Yadu International is located at 514, Kalpana Plaza, 24/147-A, Birhana Road, Kanpur- 208001.

The equity shares of Yadu International are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of Yadu International as of November 25, 2005 is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Dr. Gaur Hari Singhania	1,320,120	64.19
2.	Mr. Yadupati Singhania	635,928	30.92
3.	Dr. Gaur Hari -.Sushila Devi Singhania (HUF)	30,000	1.46
4.	Ms. Sushila Devi Singhania	25,120	1.22
5.	Dr. Gaur Hari -.Yadupati Singhania (HUF)	20,000	0.97
6.	Ms. Kavita Y. Singhania	20,120	0.99
7.	Yadupati Singhania (HUF)	5,000	0.24
8.	Mr. Ram Gopal Bagla	120	0.006
9.	Mr. Ajay Kumar Saraogi	120	0.006
10.	Mr. Anil Kumar Agrawal	120	0.006
	Total	**2,056,648**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Yadu International comprises of Dr. Gaur Hari Singhania, Mr.Yadupati Singhania, Ms. Sushila Devi Singhania, Ms. Kavita Y. Singhania, Mr. Ajay Kumar Saraogi and Mr. Anil Kumar Agrawal.

Financial Performance

(Rs. million, except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	20.56	20.56	20.56
Reserves and surplus (excluding revaluation reserve)	103.56	101.54	95.40
Total income	3.80	69.20	651.45
Sales	0.18	52.88	587.12
Profit (Loss) after tax	1.99	6.18	18.07
EPS (face value of Rs.10)	0.07	3.01	8.79
Net asset value per share	60.34	59.33	56.36

Change in Management

There has been no change in the management of the Yadu International since its incorporation.

Yadu International's PAN, Bank Account Details, Promoters Registration Number and Address of RoC

PAN	AAACY0480F
Bank Account Details	Standard Chartered Bank, Kanpur-62205035361
Registration Number	20-17694
Address of Registrar of Companies	Registrar of Companies (Uttar Pradesh and Uttaranchal), Westcott Building, The Mall, Kanpur- 208001

Juggilal Kamlapat Holding Limited ("JKHL")

JKHL was incorporated on June 19, 1984. It is an investment company. Recently, J.K. Investment Limited and Kanpur Investments Limited have transferred their businesses to JKHL through a scheme of amalgamation approved by the High Court of Judicature at Allahabad through an order dated August 22, 2005. The registered office of JKHL is at Kamla Tower, Kanpur-208001.

The equity shares of JKHL are not listed on any stock exchange.

Shareholding Pattern

Pursuant to the scheme of amalgamation approved by the High Court of Allahabad through order dated August 22, 2005, equity shares of JKHL have been allotted to equity shareholders of J.K.Investment Limited and Kanpur Investments Limited. The shareholding pattern of JKHL as of November 25, 2005 is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Mr. Yadupati Singhania	15,050	24.91
2.	Dr. Gaur Hari Singhania	15,060	24.93
3.	Ms. Sushila Devi Singhania	15,000	24.83
4.	Ms. Kavita Y. Singhania	15,000	24.83
5.	Mr. Jyoti Prasad Bajpai	60	0.10
6.	Mr. K.N.Khandelwal	60	0.10
7.	Mr. Krishna Behari Agrawal	50	0.08
8.	Mr. Anil Kumar Agrawal	60	0.10
9.	Mr. Anil Kamthan	60	0.10
10.	Mr. Govind Hari Singhania	10	0.01
11.	Mr. K.P.Singh	10	0.01
	Total	**60,420**	**100**

Board of Directors

As of November 25, 2005, the board of directors of JKHL comprises of Mr. J.P Bajpai, Mr. K.N. Khandelwal and Mr. R.G. Bagla.

Financial Performance

(Rs. millions. except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	47.03	47.12	0.28
Total income	0.02	52.58	1.08
Profit (Loss) after tax	(0.09)	46.84	(1.16)
EPS (face value of Rs.10)	(1.76)	930.29	(23.07)
Net asset value per share	944.14	945.89	15.61

Change in Management

There has been no change in the management of the JKHL since its incorporation.

JKHL's PAN, Bank Account Details, Promoters Registration Number and Address of RoC

Bank Account Details	ICICI Bank, The Mall, Kanpur-628805004737
PAN	AAACJ3380K
Registration Number	20-6592
Address of RoC	Registrar of Companies (Uttar Pradesh and Uttaranchal), 37/17 Westcott Building, The Mall, Kanpur-208001

For further details of our Promoters see the sections titled "History and Certain Corporate Matters" on page 57 and "Our Business" on page 41 of this Draft Red Herring Prospectus.

Further, the Promoters, except Dr. Gaur Hari Singhania and Mr. Yadupati Singhania, are not willful defaulters named by the Reserve Bank of India or any other Governmental authority and there are no violations of securities laws committed by the Promoters in the past or are pending against the Promoters. For details of the same, see the section titled "Outstanding Litigation and Material Developments—Litigation against our Directors" on page 152 of this Draft Red Herring Prospectus.

None of our Promoters have been restricted from accessing the capital markets.

The details of the companies that form part of our Promoter group are as follows:

J.K. Synthetics Limited ("JKSL")

JKSL was incorporated on May 17, 1943 under the Companies Act, 1913 in the name of J.K. Investment Trust Limited as an investment company. On May 9, 1961 the name was changed to the present name. Its main business is manufacturing manmade fibres. JKSL was declared a sick industrial company under the provisions of SICA on April 2, 1998. Presently JKSL is under rehabilitation pursuant to a scheme sanctioned by the AAIFR through its orders dated January 23, 2003, June 12, 2003 and January 7, 2005. The registered office of JKSL is at Kamla Tower, Kanpur- 208001.

Shareholding Pattern

The shareholding pattern of JKSL, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Juggilal Kamlapat Traders Limited	2,112,549	2.85
2.	Mr. Yadupati Singhania	605,745	0.82
3.	Mr. Ramapati Singhania	496,637	0.67
4.	Dr. Gaur Hari Singhania	419,735	0.56
5.	Mr. Nidhipati Singhania	338,485	0.45
6.	Ms. Manorama Devi	314,666	0.42
7.	Mr. Abhishek Singhania	303,711	0.40
8.	Mr. Govind Hari Singhania	283,957	0.38
9.	Ms. Sushila Devi Singhania	209,575	0.28
10.	Yadu International Limited	147,918	0.19
11.	G.H. Securities (Private) Limited	130,000	0.17
12.	Ms. Swati Singhania	44,505	0.06
13.	Yadu Securities (Private) Limited	100,000	0.13
14.	Ms. Kalpana Devi Singhania	42,531	0.06
15.	Ms. Kavita Y.Singhania	16,100	0.02
16.	Ms. Nandini Daga	10,241	0.01
17.	Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited	480	0.01
18.	Others	68,692,668	92.49
	Total	**74,269,503***	**100**

***** Excluding 154,877 equity shares which have been forfeited.

Board of Directors

As of November 25, 2005 the board of directors of JKSL comprises of Dr. Gaur Hari Singhania, Mr. Govind Hari Singhania, Mr. Yadupati Singhania, Mr. Ramapati Singhania, Dr. K.B. Agarwal, Mr. Jagendra Swarup, Mr. Kailash Nath, Mr. Suparas Bhandari, Mr. N.K. Jhajharia, Mr. R.K. Tandon and Mr. K.V. Murthy.

Financial Performance

	(Rs. millions, except per share data) As of March 31,		
	2005	2004	2003
Equity share capital	743.47	743.47	743.47
Reserves and surplus (excluding revaluation reserve)	777.01	832.03	832.02
Total income	5786.95	8080.22	7685.69
Sales	5730.73	8019.17	7619.44
Profit (Loss) after tax	4165.70	(56.36)	149.08
EPS (face value of Rs.10)	0.23	0.17	0.32
Net asset value per share	(0.84)	(59.55)	(58.65)

Information about Share Price

The equity shares of JKSL are listed on the BSE, Uttar Pradesh Stock Exchange Association Limited and Calcutta Stock Exchange Association Limited. However JKSL has received an in-principle approval from the Calcutta Stock Exchange Association Limited for the delisting of their equity shares, subject to payment of outstanding fees (amounting to Rs.84,700) up to the financial year 2004-2005 (since paid).

The high and low prices of the equity shares in the BSE were Rs.13.89 (on September 5, 2005) and Rs.6.41 (on May 4, 2005).

There has been no change in the capital structure of JKSL in the last six months.

Promise v/s. Performance

JKSL made a public issue on February 24, 1993, which contained projections. A comparison of the projections given in the prospectus with actual performance is given below.

Capacity Utilisation

(in percentage)

Product	1993-94		1994-95	
	Projection	Actuals	Projection	Actuals
Nylon Filament Yarn	88.00	80.04	88.00	86.33
Polyester Filament Yarn	94.00	138.48	99.00	130.69
Polyester Staple Fibre	97.00	111.52	97.00	115.54
Industrial Trye Cord Yarn/Fabric	105.00	73.84	102.00	90.85
Acrylic Staple Fibre	102.00	76.44	101.00	80.47
Portland Pozzolana Cement	110.00	105.76	110.00	114.21
White Cement	92.00	99.40	100.00	117.26

Financial Performance

(Rs. in million)

Product	1993-94		1994-95	
	Projection	Actuals	Projection	Actuals
Sale/Turnover	12,885.40	10,362.90	13,657.00	11,423.60
Other Income	153.40	210.40	23.4	109.50
Raw Material	3,992.40	2,692.90	4,324.30	3,262.40
PBDIT	1,699.20	732.00	1,658.60	822.80
Depreciation	680.00	428.70	700.00	430.9
Interest	950.00	655.90	900.00	604.7
PBT	692.00	(352.60)	58.60	(212.8)

Product	1993-94		1994-95	
	Projection	Actuals	Projection	Actuals
Tax	0	0.40	0	0.40
PAT	692.00	(353.00)	58.60	(213.20)
EPS	1.01	(5.23)	0.85	(2.86)
NAV per share (excluding revaluation reserve)	20.17	22.65	21.02	18.80

Details of public issue/rights issue in the last three years

There have been no public issues of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by J.K. Synthetics. The total number of complaints outstanding or received till September 30, 2005 from the shareholders and debenture holders were 17 out of which 16 complaints were satisfactorily replied. There was only 1 outstanding complaint as of September 30, 2005.

J.K. Traders Limited ("J.K. Traders")

J.K. Traders was incorporated on February 1, 1947 as an investment company. It is registered as a non-banking financial company with the RBI, vide registration no. 12.00091 dated On March 11, 1998. The registered office of J.K. Traders is at Kamla Tower, Kanpur-208001.

Shareholding Pattern

The shareholding pattern of J.K. Traders, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Ms. Sushila Devi Singhania	2,250	1.64
2.	Ms. Manorama Devi Singhania	2,500	1.82
3.	Mr. Yadupati Singhania	250	0.18
4.	J.K. Synthetics Limited.	306	0.22
5.	Dr. Gaur Hari Singhania	158	0.12
6.	Mr. Govind Hari Singhania	114	0.08
7.	Others	131,748	95.93
	Total	**137,326**	**100**

Board of Directors

As of November 25, 2005 the board of directors of J.K. Traders comprises of Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Mr. B.N. Jha, Mr. Akhileshwar Sharma, Mr. S.K. Agarwal and Mr. R.G. Bagla.

Financial Performance

(Rs. million, except per share data)

	As of March 31,		
	2005	2004	2003
Equity share capital	1.37	1.37	1.37
Reserves and surplus (excluding revaluation reserves)	76.63	75.35	74.51
Total income	2.63	1.83	1.42
Profit (Loss) after tax	1.20	0.84	(0.23)
EPS (face value of Rs.10)	8.71	6.09	(1.65)
Net asset value per share	566.96	557.59	551.50

Information about Share Price

The equity shares of J.K. Traders are listed on the Uttar Pradesh Stock Exchange Association Limited and the Delhi Stock Exchange Association Limited. There has been no trading in the equity shares of J.K. Traders during the six-month period ending September 30, 2005. The last traded price of the share of J.K. Traders on the Uttar Pradesh Stock Exchange Association Limited as on March 27, 2002 was Rs.8 per equity share.

There has been no change in the capital structure of J.K. Traders in the last six months.

Promise v/s. Performance

J.K. Traders came out with a public issue in April 4, 1947. There were no specified objects in the prospectus and J.K. Traders had used the proceeds of the offer for general corporate purposes. There were no projections in the prospectus of J.K.Traders.

Details of public issue/rights issue in the last three years

There has been no public issue of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by J.K. Traders. There are no pending investor complaints against J.K. Traders.

Juggilal Kamlapat Jute Mills Company Limited ("JKJM")

JKJM was incorporated on February 7, 1931 as a company engaged in the business of spinners, weavers, manufacturers and pressers of jute, jute cuttings, cotton and other fibrous materials. The registered office of JKJM is located at Kamla Tower, Kanpur-208001. Operations in JKJM continued up to June 20, 2003 prior to lock out in the mills under the Industrial Disputes Act, 1947 from June 21, 2003. JKJM has been declared a sick company and the matter is currently pending before the BIFR for the rehabilitation of the company. For details on the proceedings in the BIFR please refer to the section titled "Outstanding Litigation and Material Developments" on page 135 of this Draft Red Herring Prospectus.

Shareholding Pattern

The shareholding pattern of JKJM as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Dr. Gaur Hari Singhania	1,012,766	18.02
2.	Mr. Yadupati Singhania	1,003,880	17.86
3.	Mr. Kavita Y. Singhania	800,000	14.23
4.	Mr. Sushila Devi Singhania	700,000	12.46
5.	Dr. Gaur Hari Singhania and Ms. Sushila Devi Singhania	500,000	8.90
6.	Mr. Yadupati Singhania and Ms. Kavita Y. Singhania	416,800	7.42
7.	Dr. Gaur Hari Singhania and Mr.Yadupati Singhania	400,000	7.12
8.	Others	786,154	13.98
	Total	**5,619,600**	**100**

Board of Directors

As of November 25, 2005 the board of directors of JKJM comprises of Mr. R.G. Bagla, Mr. C.K.Arora, Mr. V.P. Aditya, Mr. S.K. Kinger, Mr. Mukul Kumar Tandon and Mr. Gautam Ukil.

Financial Performance

(Rs. millions, except per share data)
As of March 31,

	2005	2004	2003
Equity share capital	56.20	56.20	56.20
Reserves and surplus (excluding revaluation reserve)	NIL	NIL	NIL
Total income	17.08	71.19	511.27
Sales	0.10	50.97	496.86
Profit (Loss) after tax	(1.68)	(88.56)	(84.22)
EPS (face value of Rs.10)	(0.30)	(15.76)	(14.99)
Net asset value per share	(70.33)	(69.04)	(53.37)

Information about share price

The equity shares of JKJM are listed on the Uttar Pradesh Stock Exchange Association Limited. On account of financial constraints in JKJM, the listing fee for the year 2003-2004 and 2004-2005 has not yet been paid.

There has been no trading in the equity shares of JKJM during the six-month period ending October 30, 2005. The last traded price of the share of JKJM as on March 27, 2002 was Rs.3.60 per equity share.

There has been no change in the capital structure of JKJM in the last six months.

Promise v/s. Performance

JKJM came out with a public issue on January 30, 1984. There were no specified objects in the prospectus and JKJM had used the proceeds of the offer for general corporate purposes. There were no projections in the prospectus of JKJM.

Details of public issue/rights issue in the last three years

There have been no public issues of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by JKJM. JKJM has not received any complaints.

Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited ("JKCSWM")

JKCSWM was incorporated on October 24, 1924 under the Indian Companies Act, 1913 as Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Private Limited. Thereafter the company became a public company and changed its name to its present name on January 1, 1960. It is engaged in the business of spinning, weaving, dyeing, bleaching, preparing and tent making and other incidental activities. The registered office JKCSWM is at Kamla Tower, Kanpur- 208001.

JKCSWM was declared a sick company under the SICA. A rehabilitation scheme sanctioned by the BIFR on November 12, 2002 is under implementation.

Shareholding Pattern

The shareholding pattern of JKCSWM, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	J.K. Synthetics Limited	590,360	22.21
2.	J.K. Traders Limited	185,868	7.00
3.	Mr. Govind Hari Singhania	12,326	0.46
4.	Mr. Nidhipati Singhania	11,547	0.43
5.	Dr. Gaur Hari Singhania	3,246	0.12
6.	Others	1,854,403	69.77
	Total	**2,657,750**	**100**

Board of Directors

As of November 25, 2005 the board of directors of JKCSWM comprises of Dr. Gaur Hari Singhania, Mr. Govind Hari Singhania, Mr. Yadupati Singhania, Mr. Nidhipati Singhania, Mr. J.N.Gupta, Mr. R.R.Mansingh, Dr. D.K.Kapila, Mr.S.K.Kinger, Mr. O.P. Yadav, Mr. P.K.Saraf, Mr. R.K.Saxena and Mr. Lalit Mohan Agarwal.

Financial Performance

(Rs. millions, except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	26.58	26.58	26.58
Reserves and surplus (excluding revaluation reserves)	31.23	31.23	31.23
Total income	5.04	8.71	7.75
Profit (Loss) after tax	(72.27)	(60.04)	(427.98)
EPS (face value of Rs.10)	(27.24)	(22.63)	(161.05)
Net asset value per share (Rs.)	(1,769.22)	(1,742.03)	(1,719.45)

Information about Share Price

The equity shares of JKCSWM are listed on the Uttar Pradesh Stock Exchange Association Limited and the Delhi Stock Exchange Association Limited. Due to the financial constraints, JKCSWM could not pay listing fees to Delhi Stock Exchange Association Limited after 1989-1990. However the listing fees of Uttar Pradesh Stock Exchange Association Limited has been paid up to the year 2005-2006.

There has been no trading in the equity shares of JKCSWM during the six-month period ending September 30, 2005. The last traded price of the share of JKCSWM on the Uttar Pradesh Stock Exchange Assoictaion Limited as on March 27, 2002 was Rs.8.20 per share.

There has been no change in the capital structure of JKCSWM in the last six months.

Promise v/s. Performance

JKCSWM came out with a rights issue on October 24, 1986. The object of the issue was to widen the equity base of JKCSWM and to augment its long term resources for working capital purposes. There were no projections in the prospectus of JKCSWM.

Details of public issue/rights issue in the last three years

There have been no public issues of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by JKCSWM. There are no pending investor complaints against JKCSWM.

J.K. Satoh Agricultural Machines Limited ("JK Satoh")

JK Satoh was incorporated on August 21, 1969 as a company engaged in the business of manufacturing agricultural machines of different kinds including tractors. The registered office of JK Satoh is located at Kamla Tower, Kanpur-208001. The manufacturing operations in the JK Satoh's factory remained suspended with effect from November 8, 1983.

JK Satoh is a sick industrial company under the provisions of the SICA. The petition for winding up of J.K.Satoh is currently pending before the Allahabad High Court.

Shareholding Pattern

The shareholding pattern of JK Satoh as of November 25, 2005 is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	J.K. Synthetics Limited.	540,000	50.70
2.	Kailashpat Singhania Sports Foundation	38,850	3.65
3.	JK Cotton	6,575	0.62
4.	Dr. Gaur Hari Singhania	700	0.07
5.	Syntex Fabrics Limited	550	0.05
6.	Mr. Govind Hari Singhania	50	0.005
7.	Ms. Sushila Devi Signhania	50	0.005
8.	Ms. Kalpana Singhania	50	0.005
9.	Ms. Manorama Devi Singhania	50	0.005
10.	Mr. Ramapati Singhania	50	0.005
11.	Others	586,925	44.89
	Total	**1,065,008**	**100**

Board of Directors

As of November 25, 2005, the board of directors of JK Satoh comprises Mr. S.B. Singh, Mr. M.P. Singh, Mr. A.N. Agarwal and Mr. L. Ravi Kumar.

Financial Performance

(Rs. millions, except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	10.64	10.64	10.64
Reserves and surplus (excluding revaluation reserves)	NIL	NIL	Nil
Total income	NIL	0.01	13.55
Profit (Loss) after tax	(0.03)	(0.10)	13.06
EPS (face value of Rs.10)	(0.03)	(0.09)	12.26
Net asset value per share	0.01	0.04	0.13

Information about Share Price

The equity shares of JK Satoh are listed on the Uttar Pradesh Stock Exchange Association Limited.

There has been no trading in the equity shares of JK Satoh during the six-month period ending September 30, 2005. The last traded price of the share of JK Satoh on the Uttar Pradesh Stock Exchange Association Limited as on April 1, 1981was Rs.2.0 per share.

There has been no change in the capital structure of JK Satoh in the last six months.

Promise v/s. Performance

The public issue of JK Satoh was made in September 1971. The prospectus for the said public issue of JK Satoh is untraceable.

Details of public issue/rights issue in the last three years

There have been no public issues of equity shares or rights issue in the three years preceding the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievance

The complaints received, if any, are normally attended to and replied within one week of receipt by JK Satoh. There are no pending investor complaints against JK Satoh.

Jaykaycem Limited ("Jaykaycem")

Jaykaycem was incorporated on October 7, 1988 as a company for manufacturing, processing, importing, exporting, purchasing, selling and generally dealing all kinds of cement and cement products. The registered office of Jaykaycem is located at Kamla Tower, Kanpur-208001. However, the company has not started any cement manufacturing activities.

The equity shares of Jaykaycem are not listed in any stock exchange.

Shareholding Pattern

The shareholding pattern of Jaykaycem, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Ms. Sushila Devi Singhania	100,000	28.51
2.	Dr. Gaur Hari Singhania	80,000	22.81
3.	Mr. Yadupati Singhania	50,100	14.29
4.	M/s Right Choice Construction Private Limited	20,000	5.70
5.	M/s New Generation Investment Private Limited	20,000	5.70
6.	Ms. Kavita Y. Singhania	20,000	5.70
7.	M/s. Dinanath Luhariwala Spinning Mills Company Limited	20,000	5.70
8.	Nikhil Builders and Promoters Private Limited	16,000	4.57
9.	M/s Changia Steels Private Limited	12,000	3.42
10.	M/s Rahul Finance Private Limited	12,000	3.42
11.	Mr. Jyoti Prasad Bajpai	100	0.03
12.	Mr. Anoop Kumar Shukla	100	0.03
13.	Mr. Ajay Kumar Saraogi	100	0.03
14.	Mr. Anil Kumar Agrawal	100	0.03
15.	Mr. Sevendra Bahadur Singh	100	0.03
16.	Mr. Anil Kamthan	100	0.03
	Total	**350,700**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Jaykaycem comprises of Mr.Yadupati Singhania, Mr. Virendra P. Aditya, Mr. Ram Gopal Bagla, Mr. Ajay Kumar Saraogi and Mr. Jayaram Surendra Reddy.

Financial Performance

(Rs. millions, except per share data)

	As of March 31		
	2005	**2004**	**2003**
Equity share capital	3.51	3.51	3.51
Reserves and surplus (excluding revaluation reserves)	6.50	6.50	6.50
Total income	0.01	0.04	0.06
Profit (Loss) after tax	(0.13)	(0.02)	0.02
EPS (face value of Rs.10)	(0.37)	(0.04)	0.04
Net asset value per share	26.50	26.86	26.89

Jaykaycem (Central) Limited ("Jaykaycem Central")

Jaykaycem Central was incorporated on November 30, 1987 under the name of J.K. Circuit Works Limited as a company engaged in the business of producing manufacturing, importing, exporting, purchasing, selling and generally dealing all kinds of cement. On April 26, 2002 the name of the company was changed to its present name. The registered office of Jaykaycem Central is located at Kamla Tower, Kanpur- 208001. However, the company has not started any cement manufacturing activities.

The equity shares of Jakaycem Central are not listed in any stock exchange.

Shareholding Pattern

The shareholding pattern of Jaykaycem Central, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Dr. Gaur Hari Singhania	12,500	24.96
2.	Mr. Yadupati Singhania	12,500	24.96
3.	Ms. Sushila Devi Singhania	12,500	24.96
4.	Ms. Kavita Y. Singhania	12,500	24.96
5.	Mr. Nidhipati Singhania	10	0.02
6.	Mr. Ram Gopal Bagla	10	0.02
7.	Mr. K.V.Murthy	10	0.02
8.	Mr. Jyoti Prasad Bajpai	10	0.02
9.	Mr. Anoop Kumar Shukla	10	0.02
10.	Mr. Anil Kumar Agrawal	10	0.02
11.	Mr. Anil Kamthan	10	0.02
	Total	**50,070**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Jaykaycem Central comprises of Mr.Yadupati Singhania, Mr. Jyoti Prasad Bajpai and Mr.Ram Gopal Bagla.

Financial Performance

(Rs. millions except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	-	-	-
Total income	0.02	0.02	0.005
Profit (Loss) after tax	0.01	0.01	(0.002)
EPS (face value of Rs.10)	0.18	0.19	(0.05)
Net asset value per share	9.50	9.32	9.13

Jaykaycem (Eastern) Limited ("Jaykaycem Eastern")

Jaykaycem Eastern was originally incorporated on April 15, 1993 under the name of Mapelli Abrasives Limited as a company engaged in the business of manufacturing, importing, exporting, and distributing all types and dimensions of abrasives. On June 7, 1996 its name of the company was changed to its present name. The registered office of Jaykaycem Eastern is located at Kamla Tower, Kanpur- 208001. The company has not started any business activities.

The equity shares of Jakaycem Eastern are not listed in any stock exchange.

Shareholding Pattern

The shareholding pattern of Jaykaycem Eastern, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Mr. Yadupati Singhania	12,520	24.97
2.	Dr. Gaur Hari Singhania	12,500	24.93
3.	Ms. Sushila Devi Singhania	12,500	24.93
4.	Ms. Kavita Y. Singhania	12,500	24.93
5.	Mr. Ram Gopal Bagla	20	0.04

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
6.	Mr. Anoop Kumar Shukla	20	0.04
7.	Mr. S.B. Singh	20	0.04
8.	Mr. A.K.Saraogi	20	0.04
9.	Mr. Lalit Kumar Khanna	20	0.04
10.	Mr. Anil Kumar Agrawal	20	0.04
	Total	**50,140**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Jaykaycem Eastern comprises of Mr.Yadupati Singhania, Mr.Ram Gopal Bagla, Mr.A.K.Saraogi and Mr.M.P.Rawal.

Financial Performance

(Rs. millions. except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	0.005	-	-
Total income	0.02	0.02	0.005
Profit (Loss) after tax	0.01	0.01	0.002
EPS (face value of Rs.10)	0.17	0.19	0.04
Net asset value per share	9.46	9.29	9.10

Dholera Port Limited ("Dholera")

Dholera was incorporated on August 31, 1998 as a company for carrying on the business of building, constructing, promoting installing operating, managing and administering ports, docks, wharfs etc. The registered office of Dholera is located at Kamla Tower, Kanpur - 208001.

The equity shares of Dholera are not listed in any stock exchange.

Shareholding Pattern

The shareholding pattern of Dholera, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Yadu International Limited	300,000	18.68
2.	J.K. Industrial and Mineral Products Limited	240,000	14.95
3.	Amarjothi Granites India Private Limited	204,000	12.70
4.	K.C.A. Allied Services Private Limited	109,000	6.79
5.	Comet Overseas Private Limited	100,000	6.23
6.	Vishnu Prasad Bindal and Sons (HUF)	100,000	6.23
7.	Jaykay Capital Finance Limited	90,000	5.61
8.	Nidhi Commercial Enterprises Ltd.	50,000	3.11
9.	Ramjiwan Commercial Limited	50,000	3.11
10.	Telesia Trading and Finance Limited	50,000	3.11
11	Others	312,700	19.48
	Total	**1,605,700**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Dholera comprises of Mr.Yadupati Singhania, Mr. Ajay Kumar Saraogi, Mr.B.K. Arora and Mr. Anil Kumar Agrawal.

Financial Performance

(Rs. millions. except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	16.06	16.06	16.06
Reserves and surplus (excluding revaluation reserves)	10.80	10.80	10.80
Total income	0.13	0.19	0.14
Net asset value per share (Rs.)	16.73	16.73	16.73

The auditors of Dholera, through a certificate dated November 18, 2005 stated that Dholera has not started any business activity till March 31, 2005 and accordingly there is no profit and loss account for Dholera as of March 31, 2005. The income and expenditure of Dholera has been capitalized and hence no statement for profit/loss and EPS can be ascertained.

Navodaya Sidhi Cement Limited ("Navodaya")

Navodaya was originally incorporated on January 23, 1992 as J.K. Hitech Concrete Limited, a company engaged in the business of production, manufacturing and marketing of 'Z process concentrate' and other chemical ingredients. Subsequently on October 5, 1992 it changed its name to J.K.Z. Eurodome Limited and on May 30, 1996 the company changed its name from J.K.Z. Eurodome Limited to the present name. The company has not commenced any manufacturing activities. The registered office of Navodaya is at Kamla Tower, Kanpur- 208001.

The equity shares of Navodaya are not listed in any stock exchange.

Shareholding Pattern

The shareholding pattern of Navodaya, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Mr. Yadupati Singhania	12,510	24.98
2.	Mr. Gaur Hari Singhania	12,500	24.96
3.	Ms. Kavita Y. Singhania	12,500	24.96
4.	Ms. Sushila Devi Singhania	12,500	24.96
5.	J.K. Synthetics	20	0.04
6.	Mr. Jyoti Prasad Bajpai	10	0.02
7.	Mr. Ram Gopal Bagla	10	0.02
8.	Mr. A.K.Saraogi	10	0.02
9.	Mr. K.V.Murthy	5	0.01
10.	Mr. Anil Kumar Agrawal	5	0.01
	Total	**50,070**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Navodaya comprises of Mr.Yadupati Singhania, Mr. Jyoti Prasad Bajpai and Mr. Ram Gopal Bagla.

Financial Performance

	(Rs. millions except per share data) As of March 31,		
	2005	**2004**	**2003**
Equity share capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	-	0.001	-
Total income	0.03	0.02	0.02
Profit (Loss) after tax	0.01	0.01	0.01
EPS (face value of Rs.10)	(3.32)	0.26	0.21
Net asset value per share	6.16	9.48	9.22

Gotan Cement Works Limited ("Gotan")

Gotan was incorporated on July 2, 1983 as a company engaged in the business of manufacturing, refining, processing, selling and dealing in white cement. The registered office of Gotan is located at 5A, Bhagwandas Road, Jaipur-302 001. Gotan has not started any manufacturing activity.

The equity shares of Gotan are not listed in any stock exchange.

Shareholding Pattern

The shareholding pattern of Gotan, as of November 25, 2005, is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Dr. Gaur Hari Singhania	12,520	24.97
2.	Mr. Yadupati Singhania	12,520	24.97
3.	Ms. Sushila Devi Signhania	12,500	24.93
4.	Mrs. Kavita Y.Singhania	12,500	24.93
5.	Mr. Jyoti Prasad Bajpai	20	0.04
6.	Mr. K.N.Khandelwal	20	0.04
7.	Mr. Anil Kumar Agrawal	20	0.04
8.	Mr. Anil Kamthan	20	0.04
9.	Mr. Govind Hari Singhania	20	0.04
	Total	**500,140**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Gotan comprises of Mr. Yadupati Singhania, Mr. Jyoti Prasad Bajpai and Mr. Ram Gopal Bagla.

Financial Performance

	(Rs. in million, except per share data) As of March 31,		
	2005	**2004**	**2003**
Equity share capital	0.50	0.50	0.50
Reserves and surplus (excluding revaluation reserves)	Nil	Nil	Nil
Total income	Nil	Nil	Nil
Profit (Loss) after tax	(0.002)	(0.002)	(0.003)
EPS (face value of Rs.10)	(0.04)	(0.03)	(0.06)
Net asset value per share	7.99	8.03	8.06

G.H. Securities (Private) Limited ("G.H.S.")

G.H.S. was incorporated on May 16, 1995. It is an investment company. The registered office of G.H.S. is located at Kamla Tower, Kanpur- 208001. It is a member of Uttar Pradesh Stock Exchange Association Limited and is registered as a stock broker with SEBI. Their registration number is INB100976834.

The equity shares of G.H.S. are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of G.H.S. as of November 25, 2005 is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Dr. Gaur Hari Singhania	150,010	99.99
2.	Ms. Sushila Devi Singhania	10	0.005
3.	Mr. Satish Kumar Agrawal	10	0.005
	Total	**150,030**	**100**

Board of Directors

As of November 25, 2005, the board of directors of G.H.S. comprises of Dr.Gaur Hari Singhania, Ms. Sushila Devi Singhania, Mr. Satish Kumar and Mr. Santosh Kumar Bajpai.

Financial Performance

(Rs. millions except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	1.5	1.5	1.5
Reserves and surplus (excluding revaluation reserves)	0.099	Nil	Nil
Total income	0.407	0.22	0.007
Profit (Loss) after tax	0.326	0.188	(.016)
EPS (face value of Rs.10)	2.13	1.26	(0.10)
Net asset value per share	10.66	8.52	7.25

Yadu Securities (Private) Limited ("Yadu Securities")

Yadu Securities was incorporated on June 2, 1995. The registered office of Yadu Securities is located at Kamla Tower, Kanpur, 208 001. It is a member of Uttar Pradesh Stock Exchange Association Limited and is registered as a stock broker with SEBI. Their registration number is INB101000331.

The equity shares of Yadu Securities are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of Yadu Securities as on November 25, 2005 is as follows:

Sl. No.	Name of Shareholder	Number of Shares	% of Issued Capital
1.	Mr. Yadupati Singhania	160,010	84.20%
2.	Ms. Kavita Y. Singhania	30,010	15.79%
3.	Mr. Anil Kumar Agrawal	10	0.001%
	Total	**190,030**	**100**

Board of Directors

As of November 25, 2005, the board of directors of Yadu Securities comprises of Mr.Yadupati Singhania, Ms. Kavita Y. Singhania, Mr. Anil Kumar Agrawal and Mr.Ravi Agarwal.

Financial Performance

(Rs. millions except per share data)

	As of March 31,		
	2005	**2004**	**2003**
Equity share capital	1.90	1.90	1.90
Reserves and surplus (excluding revaluation reserves)	Nil	Nil	Nil
Total income	0.5	0.21	0.38
Profit (Loss) after tax	0.43	0.17	0.33
EPS (face value of Rs.10)	2.24	0.95	1.75
Net asset value per share	7.66	5.41	4.51

PGY Associates ("PGY")

It is a partnership firm established in March 1, 1995 engaged in the business of exporting various commodities like garments, etc. The following persons are partners in PGY:

a) Dr. Gaur Hari Singhania;
b) Mr. Yadupati Singhania;
c) Ms. Sushila Devi Singhania; and
d) Ms. Kavita Y.Singhania.

Financial Performance

(Rs. millions)

	As of March 31,		
	2005	**2004**	**2003**
Sales	-	68.416	178.600
Profit (Loss) after Tax	0.539	22.428	38.513

PGY is a partnership and therefore does not have any equity capital, reserves, EPS and net asset value.

Juggilal Kamlapat Padampat ("JKP")

It is a partnership firm established on April 25, 1987 for carrying out the business of, among others, receiving deposits at interest, making advances at interest, collecting bills, guaranteeing loans and advances, acting as selling agents and distributors of mills. Presently, there is no major business activity in the firm. The following persons are partners in JKP:

a) Dr. Gaur Hari Singhania;
b) Mr. Yadupati Singhania;
c) Mr. Govind Hari Singhania;
d) Mr. Ramapati Singhania; and
e) Mr. Nidhipati Singhania;

Financial Performance

(Rs. millions)

	As of March 31,		
	2005	**2004**	**2003**
Total Income (Interest)	0.05	0.03	0.04
Profit (Loss) after Tax	(0.02)	(0.03)	(0.03)

JKP is a partnership and therefore does not have any equity capital, reserves, EPS and net asset value.

None of the natural persons or companies which form a part of our promoter group have been restricted from accessing the capital markets.

Related Party Transaction

For more information on Related Party Transactions please see the section titled "Financial Statements" on page 87 of this Draft Red Herring Prospectus.

AUDITORS' REPORT

The Board of Directors
J.K. CEMENT LIMITED
Kamla Tower,
KANPUR – UTTAR PRADESH

Dear Sirs,

We have examined the accompanying statements of assets and liabilities and profits and losses of J.K. Cement Limited (Company) for the five consecutive financial years ended 31st March, 2005 being the last date to which the financial statements of the Company have been prepared and approved by the Board of Directors of the Company and audited for presentation to the members of the Company.

We have also examined the statements of assets and liabilities and profits and losses for the six months ended 30th September 2005 prepared and approved by the Board of Directors.

The statements referred to above have been prepared in accordance with the Securities and Exchange Board of India (Disclosure and Investors Protection) Guidelines, 2000 ("the Guidelines") and audited by us for the purpose of disclosure in the Offering Document being issued by the Company in connection with the issue of 20,000,000 equity shares of par value Rs.10 each.

In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ("the Act"), the Guidelines and our terms of reference with the Company dated 26th November 2005, requesting us to make this report for the purpose of the offering document as aforesaid, we report that;

(a) The restated profits and losses of the Company for the financial years ended 31st March 2001, 2002, 2003, 2004, 2005 and six months ended 30 September 2005 are as set out in Annexure I to this report. The restated profits and losses have been arrived at after making such regroupings as in our opinion are appropriate.

(b) The restated assets and liabilities of the Company as at 31st March 2001, 2002, 2003, 2004, 2005 and at 30 September 2005, are as set out in Annexure II to this report. The restated assets and liabilities have been arrived at after making such regroupings as in our opinion are appropriate.

(c) The Company has not declared any dividend during the year ended 31st March, 2001, 2002, 2003, 2004, 2005 and for the six months ended 30th September, 2005.

(d) We have examined the following financial information relating to the Company and as approved by the Board of Directors for the purpose of inclusion in the offering document :

i.	Statement of Accounting Ratio	:	(Annexure-"VI")
ii.	Capitalisation Statement	:	(Annexure-"VII")
iii.	Principal terms of Loans and Assets charged as Securities	:	(Annexure-"VIII")
iv.	Tax Shelter Statement	:	(Annexure-"IX")
v.	Statement of Other Incomes	:	(Annexure-"X")
vi.	Statement of Sundry Debtors	:	(Annexure – "XI")
vii.	Statement of Loans and Advances	:	(Annexure- "XII")
viii.	Statement of Unsecured Loans	:	(Annexure- "XIII")
ix.	Statement of Related parties Disclosures	:	(Annexure- "XIV")

In our opinion, the financial information of the Company read with significant accounting policies attached in Annexure-"IV" to this report, after making the appropriate regroupings, has been prepared in accordance with Part II of Schedule II to the Companies Act, 1956 and the Guidelines.

This report is intended solely for your information and for inclusion in the offering document issued by the Company in connection with the Public issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For P.L. TANDON & CO.,
Chartered Accountants,

P.P. Singh
(Partner)
Membership No. : 72754

PLACE: New Delhi
DATE: December 3, 2005

FINANCIAL STATEMENTS

J.K.CEMENT LIMITED
ANNEXURE -1

STATEMENT OF PROFITS AND LOSSES (As Restated)

PARTICULARS (Rs. in Thousands)	For the six months ended September 30	For the year ended March 31,				
	2005	2005	2004	2003	2002	2001
INCOME :-						
SALES (NET)						
(a) OF PRODUCTS MANUFACTURED BY THE COMPANY	4,060,088	3,293,248	-	-	-	-
(b) OF PRODUCTS TRADED IN BY THE COMPANY	1,230	863	01	-	-	-
TOTAL	4,061,318	3,294,111	01	-	-	-
OTHER INCOME	42,043	94,053	7,026	-	13	-
INCREASE / (DECREASE) IN INVENTORIES	(83,236)	95,461	-	-	-	-
TOTAL	**4,020,125**	**3,483,625**	**7,028**	**-**	**13**	**-**
EXPENDITURE :						
TRADE PURCHASES	1,982	986	01	-	-	-
RAW MATERIAL CONSUMED	387,257	365,728	-	-	-	-
STAFF COST	197,882	160,735	-	-	-	-
OTHER MANUFACTURING EXPENSES	1,753,583	1,580,750	-	-	-	-
ADMINISTRATIVE & OTHER EXPENSES	142,358	109,302	51	07	23	08
SELLING & DISTRIBUTION EXPENSES	963,047	789,842	-	-	-	-
DEPRECIATION	153,527	125,626	-	-	-	-
INTEREST	284,670	242,684	6,360	-	-	-
TOTAL EXPENDITURE	**3,884,306**	**3,375,653**	**6,412**	**07**	**23**	**08**
PROFIT/(LOSS) BEFORE TAX	135,819	107,972	616	(07)	(10)	(08)
TAXATION	51,231	45,000	212	-	-	-
NET PROFIT/(LOSS)	**84,588**	**62,972**	**404**	**(07)**	**(10)**	**(08)**

NOTE :- The accompanying significant Accounting policies and notes are an integral part of this statement.

J.K.CEMENT LIMITED
ANNEXURE - II
STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

PARTICULARS (Rs in thousands)	As of September 30 2005	As of March 31 2005	2004	2003	2002	2001
A) FIXED ASSETS :						
GROSS BLOCK	9,224,547	9,210,723	-	-	-	-
LESS DEPRECIATION	393,601	178,254	-	-	-	-
NET BLOCK	8,830,946	9,032,469	-	-	-	-
ADD: CAPITAL WORK IN PROGRESS	366,028	178,380	-	-	-	-
TOTAL	**9,196,974**	**9,210,849**	**-**	**-**	**-**	**-**
LESS REVALUATION RESERVE	3,245,595	3,370,764	-	-	-	-
NET BLOCK AFTER ADJUSTMENT OF REVALUATION RESERVE	5,951,379	5,840,085	-	-	-	-
B) INVESTMENTS	-	-	03			
C) CURRENT ASSETS,LOANS & ADVANCES						
INVENTORIES	583,144	665,645	-	-	-	-
SUNDRY DEBTORS	445,378	422,700	-	-	-	-
CASH & BANK BALANCES	779,291	681,476	624,339	128	132	50
LOANS AND ADVANCES	926,479	896,971	213,570	1,138	2,081	3,578
OTHER CURRENT ASSETS	12,880	5,299	510	-	-	-
TOTAL	**2,747,172**	**2,672,091**	**838,419**	**1,266**	**2,213**	**3,628**
D) LIABILITIES AND PROVISIONS						
SECURED LOANS	4,537,013	4,746,491	-	-	-	-
UNSECURED LOANS	1,663,383	1,666,344	471,993	-	-	-
DIFFEREED TAX LIABILITY(NET)	71,368	36,000	-	-	-	-
CURRENT LIABILITIES AND PROVISIONS	1,797,858	1,517,454	2,723	1,628	3,765	5,170
TOTAL	**8,069,622**	**7,966,289**	**474,716**	**1,628**	**3,765**	**5,170**
E) NET WORTH (A+B+C-D)	**628,929**	**545,887**	**363,706**	**(362)**	**(1,552)**	**(1,542)**
F) REPRESENTED BY						
SHARE CAPITAL	499,272	499,272	365,454	1,204	07	07
RESERVES AND SURPLUS	3,393,522	3,434,103	367	(36)	(29)	(19)
LESS: REVALUATION RESERVE	3,245,595	3,370,764	-	-	-	-
RESERVES (NET OF REVALUATION RESERVES)	147,927	63,339	367	(36)	(29)	(19)
TOTAL	647,199	562,611	365,821	1,168	(22)	(12)
G) MISC.EXPENSES						
(TO THE EXTENT NOT W/OFF OR ADJUSTED)	(18,270)	(16,724)	(2,115)	(1,530)	(1,530)	(1,530)
H) NET WORTH (F-G)*	**628,929**	**545,887**	**363,706**	**(362)**	**(1,552)**	**(1,542)**

NOTE:- The accompanying significant Accounting policies and notes are an integral part of this statement.

ANNEXURE III

J.K.CEMENT LIMITED
CASH FLOW STATEMENT (AS RESTATED)

(Rs. in Thousands)	For the six month period ended September 30, 2005		For the period ended March 31, 2005		2004		2003		2002		2001	
a) Cash flow from operating activities												
Profit before Tax as per Profit & Loss Account		135,819		107,972		615		(07)		(10)		(08)
Adjusted for												
Depreciation	153,527		125,626		-			-		-		-
Deferred Revenue/Preliminary Exp.	2,796		2,112		-			-		-		-
Interest paid	284,670		242,684		6,360			-		-		-
Interest received	(19,426)		(49,277)		(6,943)			-		(13)		-
Profit on sale of investments	-		(15,785)		(83)			-		-		-
Impairment of Assets	2,991		1,396		-			-		-		-
Loss on sale of assets	1,732	426,290	1,361	308,117	-	(666)		-		-		-
Operating Profit before Working Capital Changes		562,109		416,089		(51)		(07)		(23)		(08)
Adjusted for												
Trade & Other Receivables	(57,924)		(630,362)		(61,012)		943	-	1,497	-		-
Inventories	82,500		(665,645)		-			-		-	(2,638)	-
Trade Payable	276,807	301,383	2,373,927	1,077,920	883	(60,129)	(2,137)	(,1194)	(1,405)	92	2,626	(12)
Cash Generated from Operations		863,492		1,494,009		(60,180)				69		(20)
Adjusted for												
Tax Paid	(7,571)		(8,000)		-			-		-		-
Deferred Revenue/Preliminary Exp. Incurred	(4,342)	(11,913)	(16,721)	(24,721)	(585)	(585)		-		-		-
Net cash from operating activities		**851,579**		**1,469,288**		**(60,765)**		**(1,201)**		**69**		**(20)**
b) Cash flow used in investing activities												

Acquisition/Purchase of fixed assets	(269,864)	(5,895,088)	-	-	-	-
Sale of fixed assets	320	891	-	-	-	-
Acquisition/Purchase of Investments	-	(1,070,512)	(24,030)	-	-	-
Sale of Investments	-	1,086,297	24,113	-	-	-
Interest income	11,845	37,540	5,010	-	13	-
Net cash used in investing activities	**(257,699)**	**(5,840,872)**	**5,093**	**-**	**13**	**-**
c) Cash flow from financing activities						
Issue of Share Capital	-	59,548	364,250	1,197	-	-
Deferred Sales-tax (NET)	29,471	95,652	-	-	-	-
Long Term borrowings	-	4,500,000	471,993	-	-	-
Repayment of long term borrowings	(321,515)	(21,835)	-	-	-	-
Interest paid	(283,627)	(233,090)	(6,360)	-	-	-
Bank and other loans	79,606	498,446	-	-	-	-
Advance to Associate Company	-	(470,000)	(150,000)	-	-	-
Net cash from financing activities	**(496,065)**	**4,428,721**	**679,883**	**1,197**	**-**	**-**
Net increase in Cash and Cash Equivalents (a+b+c)	97,815	57,137	624,211	(04)	82	(20)
Opening balance of cash and cash equivalents	681,476	624,339	128	132	50	70
Closing balance of cash & cash equivalent	779,291	681,476	624,339	128	132	50

ANNEXURE IV

J.K. CEMENT LIMITED

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.

Fixed Assets:.

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

Investments:

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

Inventories

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

Depreciation

xvi) Depreciation is provided on straight line method at the rates specified in the Schedule XIV to the Companies Act, 1956.

xvii) Depreciation on additions/deductions to fixed assets is being provided on pro-rata basis from/to the month of acquisition/disposal.

xviii) Depreciation on additional value of Revalued Assets is provided on the basis of life determined by the registered valuers. An amount equivalent to depreciation on additional values resulting from revaluation is withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

xix) Goodwill is amortised over a period of ten years.

xx) Leasehold land is ammortised over the period of total lease.

Retirement Benefits

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

Foreign Exchange Transactions

Foreign currency transactions are accounted at equivalent rupee value earned/incurred. Year end balance in current assets/liabilities is accounted for at applicable rates.

Borrowing Cost

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

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 balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

Miscellaneous expenditure

Preliminary expenses are amortised over a period of five years from the year of commencement of production.

Deferred Revenue Expenses

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

Contingent Liabilites

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

ANNEXURE V

J. K. CEMENT LTD.

NOTES ON ACCOUNTS

1(a) Contingent Liability

(Rs in Thousands)	As On September 30,	As On March 31,				
Details of Cases	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
In respect of claims against the Company not acknowledged as debt	146,820	168,036	0	0	0	0
In respect of interest on Cement Retention Price realised in earlier years	98,325	96,286	0	0	0	0
In respect of disputed demands, appeals pending with Appellate Authorities / Courts. No provision has been considered necessary by the Management :	51,652	38,261	0	0	0	0
In respect of future obligation of Lease Rentals under the Lease Agreement.	567	1,082	0	0	0	0
In respect of claims of employees , no provisions has been made as the liability is not ascertainable	Indetermin-ate	Indetermin-ate	Indetermin-ate	Indetermin-ate	Indetermin-ate	Indetermin-ate
Total	**297,364**	**303,665**	**0**	**0**	**0**	**0**
(b) Capital Commitment Estimated amount of Contracts remaining to be executed on capital account and not provided for	1190.89	145.95	0.00	0.00	0.00	0.00

2. Share Capital includes 7426950 equity shares of Rs.10 each allotted to the shareholders of J.K.Synthetics Ltd without receiving payment in cash.

3. (i) The liability of Rs.771,734 Thousands fallen upon the Company in view of Supreme Court Judgement in the matter of Sales Tax exemption benefits availed by J.K. Cement Works pertaining to the period prior to acquisition has been debited to the cost of fixed assets in the account for the year ended March 31, 2005

(ii) Additional liability of Rs 67,991 Thousands claimed by the Sales Tax Department, Government of Rajasthan vide order dated August 20, 2005 in the above matter also pertaining to the period prior to acquisition has been debited to the cost of Fixed Assets. Consequently the Revaluation Reserve has been reduced by Rs.63,258 Thousands.in the accounts for the period ended September 30, 2005.

4. (i) Land, Buildings, Plant & Machinery, Railway Sidings and Rolling Stock were revalued on 04.11.2004 by the approved valuers on the basis of assessment about current value of the similar assets.Current values have been determined by cost approach method. Accretion on account of revaluation (after considering impact as per Note no. 3) amounting to Rs.3,360,135 Thousands was credited to revaluation reserve. Depreciation on additional value is provided on the basis of life determined by the valuers. An amount of Rs.61,911 Thousands (Previous year - Rs.52,628 Thousands) equivalent to the depreciation for the half year on such additional values has been withdrawn from Revaluation Reserve and credited to Profit & Loss Account.

(ii) Title deeds in respect of some of mining leases are yet to be transferred in the name of the Company.

5. The Company had envisaged to arrange the necessary funds required for acquistion of cement undertakings through External Commercial Borrowing (ECB) and after seeking necessary approvals of RBI had deposited {US Dollars 1.29 million (equivalent to Rs.58,651 Thousands)} with the Escrow Agent in terms of Loan Agreement executed with ECB Lender. Due to inordinate delay in arrangement of funds through ECB, the Company arranged

the funds through alternate source. The company has taken suitable steps as permissible under the law for recovery of the amount deposited with the Escrow Agent.

6. Deferred tax assets and liabilities are as under:

	As On September 30,	As On March 31,				
Rs. in Thouands	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
(a) Deferred Tax Assets						
(i) Provision for Doubtful Debts	4,780	2,444	-	-	-	-
(ii) Expenses deductibe on payment basis	16,972	7,631	-	-	-	-
(iii) Unabsorbed Depreciation	**181,900**	**155,800**	-	-	-	-
			-	-	-	-
115JAA	**11,400**					
(iv) Tax credit under section	215,052	165,875	-	-	-	-
(b) Deferred Tax Liabilities						
Difference between book depreciation and Depreciation under Income-tax Act	286,420	201,875	-	-	-	-
(c) Net Deferred Tax Liabilities	71,368	36,000	-	-	-	-

7. The Directors have been paid remuneration as detailed below:

(Rs.in Thousands)	For the six month period ended September 30, 2005	For the twelve month period ended March 31, 2005
Managing Director:		
Remuneration	840	420
Contribution to Provident & Superannuation Fund	101	59
Perquisites	09	13
Sitting Fees to Directors	161	101

Commission to Managing Director and other Directors shall be payable on the full year profits for the year 2005-06 and hence not provided in the half yearly accounts.

8. Remuneration to Auditors:

(Rs. in Thousands)	For the six month period ended September 30, 2005	For the twelve month period ended March 31, 2005
Audit Fee	275	200
Travelling and Out of pocket expenses	20	29
In other capacity	35	--

9. The total future liability for retiring gratuity payable in accordance with the Payment of Gratuity Act has been actuarially determined as on 30th Sept.2005 at Rs.142863 Thousands. The Company is yet to complete the formalities for creation of new Trust. Hence the funds pertaining to its employees are still continuing with J.K. Synthetics Employees Gratuity Trust Fund. Considering the funds available with above Trust, no provision has been considered necessary.

10. The company is engaged in cement business which is the only reportable segment as per accounting standard AS-17 –Segment reporting issued by the Institute of Chartered accountants of India.

11. **Regrouping /Reclassification**

Liability of sales tax Rs 95653 Thousands was shown under other liability as on 31.03.2005 which has been regrouped and shown as deferred sales tax liability under the head unsecured loans as on 30.09.2005 in view of order of sales tax department – Government of Rajasthan.

12. Figures for the five consecutive financial years ended 31.03.2005 and for six months period ended 30.09.2005 are not comparable as the company has acquired the cement business on 04.11.2004 and there was no significant business before that date.

IMPORTANT NOTES FOR VARIOUS YEARS/ FOR THE YEAR ENDED 31.03.2005

13 (a) Cement undertakings comprising of J.K. Cement Works at Nimbahera and Mangrol, Power Plant at Bamania and J.K. White Cement Works at Gotan were acquired " as going concern" on 04.11.2004 through slump purchase in terms of OTS Scheme (One Time Settlement) approved by Hon'ble AAIFR vide their order dated 23.01.2003 in the matter of J.K. Synthetics Ltd(JKSL) on payment of purchase consideration of Rs.4679500 Thousands.

Accordingly all fixed assets, current assets, intangible assets, all rights, patents, trade marks, mining leases, contracts, agreements, employees of Cement Undertakings without any loss of service benefits and change in service conditions etc. and all current liabilities including trade deposits, workers dues, contingent liabilities and all litigations with respect to the Cement undertakings have been transferred to the Company on 04.11.2004.

(b) The Company has issued 7426950 equity shares of Rs.10 each to the shareholders of JKSL free of cost by debit to "Goodwill" account and also made arrangement of funds of Rs.470000 Thousands to meet the short-fall in the requisite amount required for OTS payment in compliance of the stipulation of the scheme for which the terms and conditions shall be decided on finalisation of rehabilitation scheme of JKSL

ANNXURE VI

J.K. CEMENT LIMITED

STATEMENT OF ACCOUNTING RATIOS

	As on / For the six month period ended September 30,	As on / For the twelve month period ended March 31,				
	2005	**2005**	**2004**	**2003**	**2002**	**2001**
(a) Net Profit (Rs in Thousands)	84,588	62,972	403	(07)	(10)	(08)
(b) Weighted average no. of equity shares outstanding during the year/period	49,927,250	39,680,959	2,780,605	64,977	700	700
(c) Net worth excluding revaluation reserve and deferred revenue expenditure (Rs in Thousands)	628,929	545,887	363,706	(362)	(1,552)	(,1542)
(d) Basic earnings per share (Rs)	1.69	1.59	0.14	(0.10)	(14.29)	(11.42)
(e) Return on net worth	0.13	0.12	0.00	(0.02)	(0.01)	(0.01)
(f) Net asset value per equity share (Rs)	12.60	10.93	130.80	(5.57)	(2217.14)	(2202.86)

NOTE:

The above ratios have been calculated using the following formulae

Basic earnings per share : Net profit after tax/Weighted average number of equity shares

Outstanding during the year

Return on Net Worth : Net Profit after tax/net worth as restated

Net Asset Value per share : Net worth at the year end /no. of equity shares at the year end

ANNEXURE VII

JK CEMENT LIMITED

CAPITALISATION STATEMENT

PARTICULARS (Rs In Thousands)	Pre-issue Amount As On 30.09.2005
BORROWINGS	
Short term debts	1,382,341
Long term debts	3,824,354
Total Debts	**5,206,695**
SHAREHOLDERS FUND	
Share capital	499,272
Reserve (After adjustment of revaluation reserve and Miscellneous expenditures to the extent not written off or adjusted)	129,657
TOTAL SHAREHOLDERS FUND	**628,929**
Total capitalisation	**5,835,624**
Long term debt / Equity	**6.08**

NOTES :

(1) Short term debts represents amount of loan which are repayble within a period of one Year from 30.09.2005

(2) Pre issue capital and reserves represents status as at 30.09.2005

(3) Deferred sales tax liability has not been considered as borrowing.

(4) Post issue figures will be completed on finalisation of issue price

Annexure VIII

J.K.CEMENT LIMITED

Terms of Loans & Assets Charged as Security

The principal terms of loans as on 30th September 2005 are as follows :
Rs. in Thousands

S.No.	Nature of Loan	Amount as on 30th Sept.2005	Rate of Interest	Repayment Schedule	Security
A	Secured loan				
1	Term Loan	4,178,443	10.00	7 years	Secured by First pari pasu charge by way of equitable
	Consortium of banks			Started 1.4.05	Mortgage of all the immovable properties and Hypothecation of all the movable assets of the Company both present and future save and except the inventories and book debts ,cash and bank Balances
2	Vehicle loans	13,690	Varied	3 Years	Secured by hypothecation of vehicles
3	Overdraft with bank	344,880	Varied	No repayment	Secured by pledge of fixed deposit receipts.
B	Unsecured Loan				
1	Allahabad bank	166,557	11.75	4 Years Started on 01.02.2005	Secured by assets and corporate gaurantees of third parties
2	Union bank of india	225,327	12.00	4 Years Started on 01.02.2005	Secured by equitable mortgage of property owned by directors and their relatives
3	Security deposit from stockists	277,798	8.00	On demand	Unsecured

NOTES :

(1) Deferred sales tax liability has not been onsidered as loan

(2) Loans as stated in A(1) and B(1&2) are also guaranteed by the managing director

ANNEXURE IX

JK CEMENT LIMITED

TAX SHELTER STATEMENT

PARTICULARS (Rs. In Thousands)		For the six month period ended September 30, 2005	For the twelve month period ended March 31, 2005	2004	2003	2002	2001
Profit /(Loss) before Tax as per Books	**A**	**135,819**	**107,972**	**615**	**(07)**	**(10)**	**(08)**
Tax Rate %		3,383	3,659	3,588	3,675	359	3,955
Tax at Notional Rate on Profit / (Loss)		45,948	39,507	220	(02)	(03)	(03)
Permanent Differences	**B**						
Other adjustments		5,161	795	-	-	-	-
Timing Differences							
Difference between Tax Depreciation and book Depreciation		(253,210)	(597,633)	-	-	-	-
Expenditure allowable U/S 43 B of I.T.Act.		27,750	49,022	-	-	-	-
Set off of Business Loss		-	-	(25)	-	-	-
Provision for doubtful debts		6,940	1,125	-	-	-	-
Total Timing difference	**C**	**(218,520)**	**(547,486)**	**(25)**	**-**	**-**	**-**
Net Adjustment	**B+C**	**(213,359)**	**(546,691)**	**(25)**	**-**	**-**	**-**
Tax Saving thereon		72,179	200,034	09	-	-	-
Profit /(Loss) as per I.T.Returns/Computation	**D (A-B-C)**	**(77,540)**	**(438,719)**	**590**	**(07)**	**(10)**	**(08)**
Tax Paid under MAT		11,400	8,466	-	-	-	-

Annexure X

J. K. CEMENT LTD.

Statement of Other Income

Details of other income is as follows.

Rs. in Thouands	For the six month period ended September 30,	For the twelve month period ended March 31,				
	2005	**2005**	**2004**	**2003**	**2002**	**2001**
Recurring						
Interest	19,426	49,277	6,943	-	13	-
Claim realised	2,792	2,298	-	-	-	-
Misc.Income	19,825	26,693	-	-	-	-
Non Recurring						
Profit on sale of investment	-	15,785	83	-	-	-
TOTAL	**42,043**	**94,053**	**7,026**	**-**	**13**	-

Annexure XI

J. K. CEMENT LTD.

Statement of Sundry Debtors

Details of sundry debtors is as follows:

	As on September 30,	As on March 31,				
(Rs in Thousands)	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
Debtors over six months						
Considered good						
Secured	1,929	-	-	-	-	-
Unsecured	68,893	-	-	-	-	-
Considered doubtful	14,034	-	-	-	-	-
Debts within six months						
Considered good						
Secured	30,918	15,236	-	-	-	-
Unsecured	343,638	407,464	-	-	-	-
Considered doubtful	80	7,261	-	-	-	-
TOTAL	**459,492**	**429,961**	-	-	-	-
Less Provision for doubtful debts	14,114	7,261	-	-	-	-
TOTAL	**445,378**	**422,700**	-	-	-	-

Annexure XII

J. K. CEMENT LTD.

Statement of Loans & Advances

Details of Loans and Advances are as follows

	As on September 30,	As on March 31,				
Rs. In Thousands	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
LOANS & ADVANCES						
UNSECURED- Considered Good Unless Otherwise Stated						
Loan-J.K. Synthetics Ltd	620,000	620,000	150,000	-	-	-
Advances Recoverable in cash Or in kind for value to be received	185,640	136,565	62,147	1,138	2,078	3,578
Taxation (net of provisions)	000	5,739	1,423	-	02	-
Prepaid Expenses	15,947	12,676	-	-	-	-
Deposits	57,102	51,577	-	-	-	-
Balances with Custom & Excise						
Departments	47,790	70,414	-	-	-	-
	926,479	**896,971**	**213,570**	**1,138**	**2,080**	**3,578**

Annexure-XIII

J K CEMENT LTD.

Statement of Unsecured Loans

	As on September 30,	As on March 31,				
Particulars (Rs in Thousands)	**2005**	**2005**	**2004**	**2003**	**2002**	**2001**
Term Loan from banks	391,884	450,200	471,993	-	-	-
Others	277,798	251,913	-	-	-	-
Deferred Sales Tax	993,701	964,231	-	-	-	-
Total	**1,663,383**	**1,666,344**	**471,993**	-	-	-

Annexure XIV

J. K. CEMENT LTD.

Statement of Related Parties Disclosures:

Summary of the transactions with related parties are as follows:

Nature of Transaction (Rs in Thousands)	**For the six month period ended September 30,**	**For the twelve month period ended March 31,**				
	2005	**2005**	**2004**	**2003**	**2002**	**2001**
Purchase of Goods /Services Associates	6,504	87,75			50	
Total	**6,504**	**8,775**			**50**	
Sale of Goods /Services Associates		470				
Total		**470**				
Loan/Deposit Received from Parties where the control/significant influence exists		137,500				1,000
Total		**137,500**				**1,000**
Loan received from key management personnel		24,500			50	2,000
Total		**24,500**			**50**	**2,000**
Acceptance with associates	11,108	12,455				
Total	11,108	12,455				
Loan given to Associates		470,000	150,000			
Total		**470,000**	**150,000**			
Loan repaid to related Parties where control/significant Influence exists.		137,500			1000,	
Loan repaid to Related party Key Management Personnel		24,500	30	2,020		
Total		**162,000**	**30**	**2,020**	**1,000**	
Repayment of liability of associates			1,594			
Total			**1,594**			
Equity shares & ApplicationMoneyParties where control /significant influence exists, key management personnel and his relatives		59,549	364,250	1,000		
Total		**59,549**	**364,250**	**1,000**		
Remuneration paid to key management personnel	950	492				
Total	**950**	**492**				
Interest / Financial Charges Received Associates		21,010	4,992			
Total		**21,010**	**4,992**			
Balance Outstanding Outstanding payable Parties where the control/significant Influence exists				-	-	1,000
Total				**-**	**-**	**1,000**
Balance outstanding Outstanding payable Associates	5,554	9,004		1,594	1,594	1,544
Total	**5,554**	**9,004**		**1,594**	**1,594**	**1,544**
Balance Outstanding Outstanding payable key management personnel				30	2,050	2,000
Total				**30**	**2,050**	**2,000**
Outstanding Receivable Associates	622,414	622,414	152,414	2,414	2,414	2,414
Total	**622,414**	**622,414**	**152,414**	**2,414**	**2,414**	**2,414**

(1) **Parties where the control/significant influence exists:-**

- (i) Juggilal Kamlapat Holding Ltd
- (ii) Yadu International Ltd
- (iii) Kanpur Investments Ltd
- (iv) J.K. Investments Ltd

Note : Entities (iii) & (iv) amalgamated with Juggilal Kamlapat Holding Ltd (i)

(2) **Associate Companies**

- (i) J.K.Synthetics limited(JKSL)
- (ii) J.K.Cotton spinning and Wvg. Mills Co. Ltd.
- (iii) J.K.Traders Limited
- (iv) Dholera Port Limited

(3) **Key Management personnel**

Shri Yadupati Singhania

The Board of Directors,
J.K.Cement Ltd
Kamla Tower
KANPUR

Sub: Your Proposed Public Issue

Dear Sirs;

We have examined and found correct the statement of Profit / Loss Before Interest, Depreciation and Extraordinary items of Cement Divisions of J.K. Synthetics Ltd for the years ended 31st March 2001, 2002, 2003 and 2004, for the period ended 01.04.2004 to 30.09.2004 and also for the period 01.04.2004 to 03.11.2004. These profits have been arrived at after charging all expenses and after making such adjustment and regrouping as in our opinion are appropriate and more fully described in the notes to the statement.

We have also examined and found correct the statement of Profit Before Interest, Depreciation and Tax of J.K. Cement Ltd for the periods 04.11.2004 to 31.03.2005 and 0.1.04.2005 to 30.09.2005.

This report is intended solely for your information and for inclusion in the offering document issued by the Company in connection with the public issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Thanking you,

Yours faithfully,
FOR P. L. TANDON & CO
Chartered Accountants

P.P.Singh
(PARTNER)
Membership No. 72754

DATED : December 3, 2005

PLACE : New Delhi

CEMENT DIVISIONS OF J K SYNTHETICS LTD
STATEMENT OF PROFIT/LOSS BEFORE INTEREST, DEPRECIATION & EXTRA ORDINARY ITEMS

	For the twelve month period ended March 31,								
	2001			2002			2003		
PARTICULARS	Grey Cement	White Cement	Total	Grey Cement	White Cement	Total	Grey Cement	White Cement	Total
PRODUCTION & SALES (Mn. Tons)									
PRODUCTION	1.89	0.19		2.30	0.18		2.89	0.20	
SALES	1.89	0.19		2.32	0.18		2.89	0.20	
INCOME	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**
GROSS SALES	4,183.38	1,255.45	5,438.83	5,333.01	1,309.90	6642.91	6,290.53	1,328.91	7,619.44
LESS: EXCISE DUTY	661.22	251.58	912.80	805.34	334.67	1140.01	1,027.44	194.12	1,221.56
LESS : SALES TAX	181.97	65.96	247.93	221.38	75.52	296.90	327.62	85.25	412.87
NET SALES	3,340.19	937.91	4,278.10	4,306.29	899.71	5206.00	4,935.47	1,049.54	5,985.01
OTHER INCOME	59.58	26.40	85.98	6.76	7.65	14.41	25.71	6.02	31.73
TOTAL INCOME	**3,399.77**	**964.31**	**4,364.08**	**4,313.05**	**907.36**	**5220.41**	**4,961.18**	**1,055.56**	**6,016.74**
EXPENSES									
RAW MATERIAL CONSUMPTION	286.01	79.91	365.92	382.34	79.40	461.74	508.84	86.06	594.90
STORES& SPARES CONSUMPTION	363.18	96.89	460.07	422.40	76.06	498.46	529.13	85.01	614.14
POWER	686.13	80.83	766.96	769.52	84.86	854.38	1,045.36	96.72	1,142.08
FUEL	641.77	215.00	856.77	828.30	126.58	954.88	974.92	102.40	1,077.32
SALARY & WAGES	213.99	73.28	287.27	221.26	75.52	296.78	230.39	87.03	317.42
FREIGHT & HANDLING OUTWARD	669.33	35.54	704.87	910.28	51.97	962.25	1,174.77	81.67	1,256.44
ADM.& OTHER EXPENSES	292.86	174.28	467.14	303.53	183.08	486.61	353.08	197.90	550.98
STOCK ADJUSTMENT	83.09	(7.54)	75.55	41.61	(24.78)	16.83	(61.44)	(1.96)	(63.40)
TOTAL EXPENDITURES	**3,236.36**	**748.19**	**3,984.55**	**3,879.24**	**652.69**	**4531.93**	**4,755.05**	**734.83**	**5,489.88**
PBIDT	**163.41**	**216.12**	**379.53**	**433.81**	**254.67**	**688.48**	**206.13**	**320.73**	**526.86**
REGISTERED OFFICE AND CORPORATE OFFICE EXPENSES	17.64	7.56	25.20	17.35	7.43	24.78	18.08	7.75	25.83
PROVISION FOR SALES TAX EXEMPTION	174.42		174.42	161.60		161.60	142.83		142.83
PRIOR PERIOD ITEMS	2.24	0.17	2.41	(0.33)	0.28	(0.05)	0.88	(0.01)	0.87
ADJ PBDIT	**(30.89)**	**208.39**	**177.50**	**255.19**	**246.96**	**502.15**	**44.34**	**312.99**	**357.33**

PARTICULARS	For the twelve month period ended March 31, 2004			For the period Apr1, 2004 – Nov 3, 2004		
	Grey Cement	**White Cement**	**Total**	**Grey Cement**	**White Cement**	**Total**
PRODUCTION & SALES (Mn.Tons)						
PRODUCTION	2.99	0.22		1.90	0.12	
SALES	2.98	0.22		1.92	0.13	
INCOME	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**
GROSS SALES	6,546.44	1,472.73	8,019.17	4,686.62	913.58	5,600.20
LESS: EXCISE DUTY	1,193.18	213.59	1,406.77	764.67	124.80	889.47
LESS : SALES TAX	239.57	101.24	340.81	180.75	79.64	260.39
NET SALES	5,113.69	1,157.90	6,271.59	3,741.20	709.14	4,450.34
OTHER INCOME	9.11	7.82	16.93	41.55	23.39	64.94
TOTAL INCOME	**5,122.80**	**1,165.72**	**6,288.52**	**3,782.75**	**732.53**	**4,515.28**
EXPENSES						
RAW MATERIAL CONSUMPTION	542.30	106.80	649.10	336.77	72.23	409.00
STORES& SPARES CONSUMPTION	529.96	87.33	617.29	402.35	53.54	455.89
POWER	973.08	108.49	1,081.57	668.62	60.80	729.42
FUEL	916.15	118.02	1034.17	676.99	79.66	756.65
SALARY & WAGES	262.77	102.52	365.29	150.82	60.91	211.73
FREIGHT & HANDLING OUTWARD	1,257.13	115.18	1,372.31	830.30	84.48	914.78
ADM.& OTHER EXPENSES	370.74	241.28	612.02	254.91	156.65	411.56
STOCK ADJUSTMENT	(3.18)	4.92	1.74	54.81	4.72	59.53
TOTAL EXPENDITURES	**4,848.95**	**884.54**	**5,733.49**	**3,375.57**	**572.99**	**3,948.56**
PBIDT	**273.85**	**281.18**	**555.03**	**407.18**	**159.54**	**566.72**
REGISTERED OFFICE AND CORPORATE OFFICE EXPENSES	18.94	8.12	27.06	11.14	4.78	15.92
PROVISION FOR SALES TAX EXEMPTION	205.21		205.21	109.61		109.61
PRIOR PERIOD ITEMS	(1.72)	0.14	(1.58)	0.13	0.19	0.32
ADJ PBDIT	**51.42**	**272.92**	**324.34**	**286.30**	**154.57**	**440.87**

Note: Refer Attachment 1

Attachment 1

Notes to adjustments carried out

1. Registered and Corporate Office expenses of J.K. Synthetics Ltd excluding one time expenses for restructuring have been allocated on reasonable basis to Cement Divisions.

2. Grey Cement Division of J.K. Synthetics Ltd was availing benefit under Rajasthan Sales Tax/Central Sales Tax Exemption Scheme,1998 w.e.f. 01.01.1999. Government of Rajasthan issued a corrigendum on 30.09.1999 which was published in Official Gazette on 7th Jan.2000 revising the benefits available in the scheme. However, company was availing benefits as per original scheme upto 30.09.2005 in view of judgement of High Court of Rajasthan in favour of the Company.

   Hon'ble Supreme Court has decided the matter against the company and upheld the corrigendum issued by the State of Rajasthan from the date of publication of notification. Adjustment for benefits availed during the period 01.04.2004 to 30.09.2004 has been carried out and now become payable on the basis of order passed by the Sales Tax Department.

J.K CEMENT LTD
STATEMENT OF PROFIT BEFORE INTEREST,
DEPRECIATION & TAX FOR THE PERIOD 04.11.2004 TO 31.03.2005 & APR.05-SEP.05

PARTICULARS	For the period Nov 4, 2004 – March 31, 2005			For the six month period ended September 30, 2005		
	Grey Cement	White Cement	Total	Grey Cement	White Cement	Total
PRODUCTION & SALES (Mn.Ton)						
PRODUCTION	1.42	0.10		1.75	0.10	
SALES	1.43	0.10		1.75	0.10	
INCOME	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**
GROSS SALES	3,492.48	741.94	4,234.42	4,421.93	803.09	5,225.02
LESS: EXCISE DUTY	580.69	102.41	683.10	709.53	111.53	821.06
LESS : SALES TAX	197.20	60.01	257.21	283.03	59.61	342.64
NET SALES	2,714.59	579.52	3,294.11	3,429.37	631.95	4061.32
OTHER INCOME	25.55	4.16	29.71	18.70	3.92	22.62
TOTAL INCOME	**2,740.14**	**583.68**	**3,323.82**	**3,448.07**	**635.87**	**4,083.94**
EXPENSES						
RAW MATERIAL CONSUMPTION	309.38	56.35	365.73	312.73	76.51	389.24
STORES& SPARES CONSUMPTION	263.16	42.17	305.33	324.98	43.68	368.66
POWER	511.06	44.49	555.55	619.98	56.75	676.73
FUEL	578.77	67.76	646.53	545.64	66.00	611.64
SALARY & WAGES	115.27	45.46	160.73	138.89	58.99	197.88
FREIGHT & HANDLING OUTWARD	585.70	74.07	659.77	755.92	80.99	836.91
ADM.& OTHER EXPENSES	192.18	121.50	313.68	239.27	125.44	364.71
STOCK ADJUSTMENT	(81.71)	(13.75)	(95.46)	103.99	(20.75)	83.24
TOTAL EXPENDITURE	**2,473.81**	**438.05**	**2,911.86**	**3,041.40**	**487.61**	**3,529.01**
PBIDT	**266.33**	**145.63**	**411.96**	**406.67**	**148.26**	**554.93**
PRIOR PERIOD ITEMS				0.34	0.00	0.34
ADJ PBDIT	**266.33**	**145.63**	**411.96**	**406.33**	**148.26**	**554.59**

NOTES

1. The figures of this statement has been compiled from audited profit & loss account of J.K. Cement Ltd for the year ended 31st March, 2005 and six month ended 30th September.2005
2. J.K. Cement Ltd had acquired the cement business on 4th Nov.2004. Therefore, this statement has been prepared for the period 04.11.2004 to 31.03.05.

COMPARITIVE WORKING OF CEMENT OPERATATIONS FOR THE PERIOD APR -SEPT 04 OF JKSL V/S APR - SEPT 05 OF JKCL

PARTICULARS	For the six month period ended September 30,	
	2004	2005
INCOME	**RS.\Mn**	**RS.\Mn**
GROSS SALES	4,633.13	5,225.02
LESS: EXCISE DUTY	736.39	821.05
LESS : SALES TAX	194.65	342.65
NET SALES	3,702.09	4,061.32
OTHER INCOME	13.27	22.62
TOTAL INCOME	**3,715.36**	**4,083.94**
EXPENSES		
RAW MATERIALS CONSUMED	327.39	389.24
STORES& SPARES CONSUMED	382.09	368.66
POWER	599.24	676.73
FUEL	595.99	611.64
SALARY & WAGES	182.17	197.88
FREIGHT & HANDLING OUTWARD	754.85	836.91
ADM.& OTHER EXPENSES	288.40	364.71
STOCK ADJUSTMENTS	100.17	83.24
TOTAL EXPENDITURE	**3,230.30**	**3,529.01**
PBIDT	**485.06**	**554.93**
ADJUSTMENT FOR :		
PRIOR PERIOD	0.00	0.34
REGISTERED OFFICE AND CORPORATE OFFICE EXPENSES	14.06	
PROV.FOR SALES TAX EXPEMPTION	109.61	
ADJ PBDIT	**361.39**	**554.59**

J.K CEMENT LTD

STATEMENT OF PROFIT/LOSS BEFORE INTEREST, DEPRECIATION & EXTRA ORDINARY ITEMS

	For the six month period ended September 30, 2005		
PARTICULARS	**Grey Cement**	**White Cement**	**Total**
PRODUCTION & SALES (Mn. Tons)			
PRODUCTION	1.75	0.10	
SALES	1.75	0.10	
INCOME	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**
GROSS SALES	4,421.93	803.09	5,225.02
LESS: EXCISE DUTY	709.53	111.53	821.06
LESS : SALES TAX	283.03	59.61	342.64
NET SALES	3,429.37	631.95	4,061.32
OTHER INCOME	18.70	3.92	22.62
TOTAL INCOME	**3,448.07**	**635.87**	**4,083.94**
EXPENSES			
RAW MATERIALCONSUMPTION	312.73	76.51	389.24
STORES& SPARESCONSUMPTION	324.98	43.68	368.66
POWER	619.98	56.75	676.73
FUEL	545.64	66.00	611.64
SALARY & WAGES	138.89	58.99	197.88
FREIGHT & HANDLING OUTWARD	755.92	80.99	836.91
ADM.& OTHER EXPENSES	239.27	125.44	364.71
STOCK ADJUSTMENT	103.99	(20.75)	83.24
TOTAL EXPENDITURES	**3,041.40**	**487.61**	**3,529.01**
PBIDT	**406.67**	**148.26**	**554.93**
PRIOR PERIOD ITEMS	0.34	0.00	0.34
ADJ PBDIT	**406.33**	**148.26**	**554.59**

NOTE: The figures of this statement have been compiled from Audited Profit & Loss A/c of J.K. Cement Ltd. for the half year ended on 30Th September 2005.

STATEMENT OF PROFIT/LOSS BEFORE INTEREST, DEPRECIATION & EXTRA ORDINARY ITEMS

PARTICULARS	CEMENT OPERATIONS OF JK SYNTHETICS LTD — For the period April 1, 2004 - Novembe 3, 2004			CEMENT OPERATIONS OF JK CEMENT LTD — For the period November 3, 2004 - March 31, 2005			COMBINED CEMENT OPERATIONS — For the twelve month period ended March 31, 2005		
PRODUCTION & SALES (Mn. Tons)	**Grey Cement**	**White Cement**	**Total**	**Grey Cement**	**White Cement**	**Total**	**Grey Cement**	**White Cement**	**Total**
PRODUCTION	1.90	0.12		1.42	0.10		3.33	0.22	
SALES	1.92	0.13		1.43	0.10		3.35	0.23	
INCOME	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**	**RS.\Mn**
GROSS SALES	4,686.62	913.58	5,600.20	3492.48	741.94	4,234.42	8,179.10	1,655.52	9,834.62
LESS: EXCISE DUTY	764.67	124.80	889.47	580.69	102.41	683.10	1,345.36	227.21	1,572.57
LESS : SALES TAX	180.75	79.64	260.39	197.20	60.01	257.21	377.95	139.65	517.60
NET SALES	3,741.20	709.14	4,450.34	2714.59	579.52	3,294.11	6,455.79	1,288.66	7,744.45
OTHER INCOME	41.55	23.39	64.94	25.55	4.16	29.71	67.10	27.55	94.65
TOTAL INCOME	**3,782.75**	**732.53**	**4,515.28**	**2740.14**	**583.68**	**3,323.82**	**6,522.89**	**1,316.21**	**7,839.10**
EXPENSES									
RAW MATERIAL CONSUMPTION	336.77	72.23	409.00	309.38	56.35	365.73	646.15	128.58	774.73
STORES& SPARES CONSUMPTION	402.35	53.54	455.89	263.16	42.17	305.33	665.51	95.71	761.22
POWER	668.62	60.80	729.42	511.06	44.49	555.55	1,179.68	105.29	1,284.97
FUEL	676.99	79.66	756.65	578.77	67.76	646.53	1,255.76	147.42	1,403.18
SALARY & WAGES	150.82	60.91	211.73	115.27	45.46	160.73	266.09	106.37	372.46
FREIGHT & HANDLING OUTWARD	830.30	84.48	914.78	585.70	74.07	659.77	1,416.00	158.55	1,574.55
ADM.& OTHER EXPENSES	254.91	156.65	411.56	192.18	121.50	313.68	447.09	278.15	725.24
STOCK ADJUSTMENT	54.81	4.72	59.53	(81.71)	(13.75)	(95.46)	(26.90)	(9.03)	(35.93)
TOTAL EXPENDITURES	**3,375.57**	**572.99**	**3,948.56**	**2473.81**	**438.05**	**2,911.86**	**5,849.38**	**1,011.04**	**6,860.42**
PBIDT	**407.18**	**159.54**	**566.72**	**266.33**	**145.63**	**411.96**	**673.51**	**305.17**	**978.68**
REGISTERED OFFICE AND CORPORATE OFFICE EXPENSES	11.14	4.78	15.92				11.14	4.78	15.92
PROVISION FOR SALES TAX EXEMPTION	109.61		109.61				109.61	-	109.61
PRIOR PERIOD ITEMS	0.13	0.19	0.32	0.00	0.00	0.00	0.13	0.19	0.32
ADJ PBDIT	**286.30**	**154.57**	**440.87**	**266.33**	**145.63**	**411.96**	**552.63**	**300.20**	**852.83**

NOTES

1. Figures for the period Ist April 2004 to 3rd Nov.2004 have been compiled from audited accounts of Cement Divisions of J.K. Synthetics Ltd. Registered and Corporate Office expenses of J.K. Synthetics Ltd excluding one time expenses of restructuring have been allocated to Cement Divisions.
2. Figures for the period 04.11.2004 to 31.03.2005 have been compiled from audited Profit & Loss Account of J.K. Cement Ltd for the Year ended 31st March,2005.
3. Grey band White Cement Divisions of J.K. Synthetics Ltd were availing benefits under Rajasthan Sales-tax/Central Sales tax Exemption/ Deferment Scheme 1998 w.e.f. 01.01.1999 and 01.04.1999 respectively. Government of Rajasthan issued a corrigendum on 30.09.1999. Which was published in the Official Gazette on 7th Jan.2000 revising benefits available in the scheme. The company had filed writ Petition for quashing of corigendum, Hon,ble High Court of Rajasthan had decided the matter in favour of the company so no provision Was made for Rs, 931.97 lacs., the benefits availed during the period 01.04.04 to 30.09.2004. However, later on the Hon,ble Supreme Court has decided the matter against the Company and upheld the corrigendum issued by State of Rajasthan from the date of notification.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. We have not paid any dividend to our shareholders since incorporation.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND US GAAP

The summarized financial information and Financial Statements included in this Draft Red Herring Prospectus have been prepared in accordance with the Indian GAAP, which differ in certain respects from the accounting principles generally accepted in the United States ("US GAAP").

The following table summarizes significant measurement differences between US GAAP and Indian GAAP insofar as they affect financial information reported in this Draft Red Herring Prospectus.

Various US GAAP and Indian GAAP pronouncements have been issued for which the mandatory application date is later than the reporting dates in this Draft Red Herring Prospectus. These, together with standards that are in the process of being developed in both jurisdictions, could have a significant impact on future comparisons between US GAAP and Indian GAAP.

Particulars	Indian GAAP	US GAAP
Format and content of financial statements	Entities are required to present balance sheet, profit & loss account and cash flow statement for two years together with accounting policies, schedules and notes. Format for balance sheet is prescribed in statute. No standard format prescribed for the profit and loss account under Statute/GAAP. However, Statute/GAAP requires certain specific disclosures in profit & loss account.	All entities are required to present balance sheet, income statement, statement of changes in other comprehensive income, cash flow together with accounting policies and notes to the financial statements. The extent of disclosures in the notes to financial statements generally is far more extensive than under Indian GAAP. No specific format is mandated generally items are presented on the face of the balance sheet in decreasing order of liquidity. Income statement items may be presented using a single step or a multiple step format. Expenditure must be presented by function.
Fixed assets	Fixed assets are usually carried at historical cost, revaluation of fixed assets is permitted. Indian GAAP requires capitalization of exchange differences arising on repayment of liabilities incurred for the purpose of acquiring fixed assets even after the asset is put to use. Certain indirect expenses incurred during construction are capitalized.	Fixed assets are carried at historical cost only. Only down ward revaluation is permitted for impairment. Exchange fluctuation on loan taken for purchase of fixed assets are expensed when incurred. Indirect costs are expensed as incurred.
Depreciation	Depreciation is generally charged at rates prescribed by the Companies Act. These rates are minimum rates and companies are permitted to charge depreciation at higher rates, in order to write off the cost of assets over their useful life, if shorter.	Depreciation is provided in a systematic and rotational manner over the estimated useful economic life of the assets.
Investments	Under Indian GAAP investments are classified as long term investments and current investments. Current investments are carried at lower of cost or fair value. Long term investments are carried at cost except for other than temporary decline in value. The aggregate market value of quoted investment are required to be disclosed. However, no adjustment is made.	Debt and equity securities are classified as trading, held to maturity and available for sale. Securities held to maturity are stated at cost, adjusted for any amortization of premium or discount and subject to any provision for permanent diminution in value. Trading securities are held at market value and profit and losses arising from revaluation are taken to income statement. Available for sale securities are reported at market value with net unrealized gains and losses excluded from earning and reported as a separate component of shareholder's equity.
Inventories	Inventories are value at the lower of cost and net realizable value. Indian GAAP permits only FIFO or weighted average cost formula for determining the cost of inventories where the specific identification of cost is not	Inventories are stated at lower of cost or market value except in certain exceptional cases when it may be stated above cost. Cost of inventory may be determined under any of several assumptions as to the flow of cost

	possible.	factors such as FIFO, average and LIFO.
Revenue recognition	Revenue is recognized when significant risks and rewards of ownership are transferred and no significant uncertainty exists over collection Accrual basis is followed.	Revenue recognition under US GAAP require particular scrutiny when companies prepare their account under US GAAP because of its numerous rules for specific situations. Accrual basis is generally followed.
Changes in accounting policy and prior period items	Under Indian GAAP changes in accounting policies and prior period items are reported on a prospective basis, if, material, beginning with the year of change. Prior period items are reported as prior adjustment in current year results, comparative are not restated.	Prior period items are accounted by restating to prior years and adjustments to retained profits. Changes in accounting policies are not accounted by restating prior years but effect of such changes is separately disclosed in the profit and loss account.
Retirement benefits	The liability for defined benefit retirement plans is reported at an actuarial valuation. Several alternative methodologies are considered acceptable for the purposes of valuation and the actuary has considerable Latitude in selecting assumptions to be used. Expenditure incurred on voluntary retirement scheme may be deferred.	The liability for defined benefit retirement plans is reported at the present value of future benefits using the projected unit credit method, with a stipulated method to determine assumptions. Expenditure incurred on voluntary retirement scheme should be expensed in the period incurred.
Vacation accrual	Vacation accrual or leave encashment, is viewed as a retirement entitlement and is generally reported at the actuarially determined present value of future benefits.	Vacation earned but not taken is reported as a liability based on the number of days entitlement priced at the balance sheet salary rate.
Deferred taxation	Deferred taxes are required to be provided for the tax effect of timing differences between taxable income and accounting income using substantively enacted tax rates. Deferred tax assets arising due to unabsorbed depreciation or carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Other deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.	Deferred tax liabilities and assets are recorded for the tax effect of temporary differences between the tax and book bases of assets and liabilities and operating loss carry-forwards, at currently enacted tax rates expected to be in force when the temporary differences reverse. Changes in tax rates are reported in the income statement in the period of enactment. A valuation allowance is made against deferred taxes if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax asset will not be realized.
Impairment of assets	Indian GAAP require companies to assess whether there is any indication that an asset is impaired at each balance sheet date. If such an indication exists, the company is required to estimate the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, than carrying amount of the asset should be reduced to its recoverable amount. That reduction is reported as an impairment loss.	SFAS No.144 develops one accounting model for long-lived assets other than goodwill that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS No.144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. The impairment review is based on undiscounted cash flows at the lowest level of independent cash flow. If the undiscounted cash flows are less than the carrying amount, the impairment loss must be measured using discounted cash flows.

Proposed dividend	Proposed dividends are recognized in the financial statements in the period to which they relate, even if they are subject to shareholders' approval.	Dividends are recorded in the year of declaration.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with (i) financial statements of the Company for fiscal 2001, 2002, 2003, 2004 and 2005 and for the six months ended September 30, 2005, including the notes thereto and reports thereon, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with applicable SEBI Guidelines and (ii) the financial statements of the JKSL Cement Division for fiscal 2001, 2002, 2003, 2004, as of and for the six months ended September 30, 2004 and as of and for the period between April 1, 2004 and November 3, 2004, including the notes thereto and reports thereon. The financial information relating to the JKSL Cement Division included in this Draft Red Herring Prospectus has been restated in accordance with applicable SEBI Guidelines and has been derived from the audited financial statements of JKSL for fiscal 2001, 2002, 2003, 2004 and 2005.

The Company's fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

Indian GAAP differs in certain significant respects from U.S. GAAP. For more information on these differences, see "Summary of Significant Differences between Indian GAAP and US GAAP" on page 116 of this Draft Red Herring Prospectus.

Presentation of Financial Information

Pursuant to the Scheme of Rehabilitation, with effect from November 4, 2004, the JKSL Cement Division was acquired by the Company. Prior to such acquisition, the Company did not have any significant operations. Accordingly, any discussion on the Company's results of operations for fiscal 2005 compared to fiscal 2004, for fiscal 2004 compared to fiscal 2003 and for the six months ended September 30, 2005 compared to the six months ended September 30, 2004 may not provide a meaningful basis of comparison. We have therefore not included any discussions of the results of operations of the Company for such periods in this discussion.

In order to provide a more meaningful comparison of our results of operations, we have provided a comparison of the results of operations of the Company (until the line item "profit before depreciation, interest and tax" in our profit and loss account) subsequent to the acquisition of the JKSL Cement Division effective as of November 4, 2004 with the results of operations of the JKSL Cement Division (until the line item "profit before depreciation, interest and tax" in our profit and loss account) prior to November 4, 2004. We are unable to calculate net income or any other financial information because of the reasons stated elsewhere in this Draft Red Herring Prospectus. We have also not provided any balance sheet or cash flow information of the JKSL Cement Division for purposes of such comparison. As the Scheme of Rehabilitation became effective in the middle of fiscal 2005, in order to facilitate a meaningful comparison, we have presented the aggregate of the results of the JKSL Cement Division for the period from April 1, 2004 to November 3, 2004 and the results of the Company for the period from November 4, 2004 to March 31, 2005 as our results of operations (until the line item "profit before depreciation, interest and tax" in our profit and loss account) in fiscal 2005. However, the actual results of the Company would vary from the information presented for fiscal 2005 had the Scheme of Rehabilitation become effective as of April 1, 2004.

Please note the following in context of the financial information included in this discussion on our financial condition and results of operations:

- *The financial information for fiscal 2003 and 2004 and as of and for the six months ended September 30, 2004 represents financial information relating to the JKSL Cement Division, which was one of the two business segments of JKSL prior to its acquisition by the Company. The other business segment of JKSL was the JKSL Man-made fibre division. As JKSL was not required to prepare financial information for its business segments to the net income level, the financial information in this Draft Red Herring Prospectus relating to the JKSL Cement Division is limited to income and expenditure line items and to profit before depreciation, interest and taxes.*
- *No information relating to interest expenses and taxes are available on a segment basis, i.e., no specific allocation of such non-operating expenses have been made to either the JKSL Cement Division or the JKSL Man-made Fibre Division. Further, as a result of the significant debt that the Company incurred in connection with the acquisition of the JKSL Cement Division pursuant to the Scheme of Rehabilitation, any attempt to allocate interest to the JKSL Cement Division prior to November 3, 2004 would not provide a meaningful basis of comparison with our current interest expense.*
- *We have not presented financial information relating to depreciation, as depreciation costs prior to the implementation of the Scheme of Rehabilitation have been accounted for based on the book value of the assets of the JKSL Cement Division determined according to JKSL's investment in the relevant assets, whereas following the Scheme of Rehabilitation, the book value of such assets has been determined on the basis of the purchase consideration paid by the Company to JKSL for the acquisition of the JKSL Cement Division.*

- *As JKSL was a loss-making enterprise in the three years preceding the Scheme of Rehabilitation, no taxes in respect of the JKSL Cement Division were determined or paid for such periods.*

- *As a result of these factors, we are unable to calculate net income or other financial information below the line item "profit before depreciation, interest and taxes", or PBIDT, for any period prior to the Scheme of Rehabilitation.*

- *In addition, certain administrative and other expenses incurred by JKSL were not allocated to either the JKSL Man-made Fibre Division or the JKSL Cement Division in its audited financial statements. We have for purposes of presentation of the financial information in this Draft Red Herring Prospectus, allocated 50% of such expenses to the results of operations of the JKSL Cement Division. Accordingly, although the financial information for fiscal 2003, 2004 and for the period between April 1, 2004 and November 3, 2004, as well as for the six months ended September 30, 2004 include such allocated expenses under the line item "registered office and corporate office expenses", there is no corresponding financial information for the period between November 4, 2004 and April 1, 2005, or for the six months ended September 30, 2005.*

- *Further, as we are unable to calculate interest income with respect to the financial information relating to the JKSL Cement Division prior to November 4, 2004, in the presentation of our results of operations (until the line item "profit before depreciation, interest and tax" in our profit and loss account), we have not included interest income under the line item "Other Income". In the financial information relating to the Company, interest income has been included under the line item "Other Income". Accordingly, the results of operations of the Company included in this discussion and analysis may vary from the results of operations of the Company as presented in the comparative results of operations of the JKSL Cement Division and the Company (until the line item "profit before depreciation, interest and tax" in our profit and loss account).*

- *As a result of the foregoing, the discussion of our results of operations for fiscal 2005 compared to fiscal 2004, and for the six months ended September 30, 2005 compared to the six months ended September 30, 2004 in this Draft Red Herring Prospectus may not provide a meaningful basis of comparison. You are therefore cautioned not to place undue reliance on such comparison.*

- *As our cement operations formed a division of JKSL prior to the implementation of the Scheme of Rehabilitation, cash flow information for the Company prior to November 4, 2004 would not provide a meaningful basis of comparison with the cash flows subsequent to such date. As a result, the cash flow information in this section has been prepared to reflect the cash flows of the Company only.*

Overview

We are one of the largest cement manufacturers in Northern India according to CMA. We are also the second largest white cement manufacturer in India based on published production capacities of other white cement manufacturers in India. We sell our grey cement primarily to customers located in Northern India, while our white cement is sold to customers throughout India. We also export white cement to various international markets, including to South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

We own and operate two grey cement manufacturing facilities located at Nimbahera and Mangrol in Rajasthan with production capacities of 2.8 MTPA and 0.75 MTPA, respectively. We also own and operate our white cement manufacturing facility at Gotan in Rajasthan with a production capacity of 0.30 MTPA. In addition, we own and operate a captive thermal power plant at Bamania in Rajasthan with a capacity of approximately 12.4 MW.

The Company's cement manufacturing facilities and operations were originally owned and operated by JKSL. JKSL had two principal lines of business: the JKSL Man-made Fibre Division and the JKSL Cement Division. During the 1990s, the JKSL Man-made Fibre Division became unprofitable and accumulated losses resulting from significant debt repayment obligations and associated interest costs, high operating costs, devaluation of the Indian rupee and increased competition. However, the JKSL Cement Division continued to be relatively profitable.

On an application by JKSL to the BIFR, JKSL was registered as a sick company on April 2, 1998. After various proceedings before the BIFR, the AAIFR approved the Scheme of Rehabilitation, pursuant to which the JKSL Cement Division was acquired by the Company with effect from November 4, 2004. Prior to such acquisition, the Company did not have any significant operations. Pursuant to the Scheme of Rehabilitation, all assets and liabilities of the JKSL Cement Division, including the grey cement manufacturing facilities at Nimbahera and Mangrol, the white cement manufacturing facility at Gotan and the captive thermal power plant at Bamania were acquired by the Company. In order to finance the acquisition of the assets of the JKSL Cement Division pursuant to the Scheme of Rehabilitation, the Company raised a syndicated loan of Rs.4,500.00 million from certain lenders and our Promoters acquired a further equity interest in the Company of Rs.424.80 million.

Our cement operations commenced commercial production in May 1975 at our first plant at Nimbahera in the State of Rajasthan. Since commencement of cement operations, JKSL, and since 2004, the Company, have made continual investments into the expansion and modernization of our production facilities. At Nimbahera, we started with a single kiln with a production capacity of 0.3 MnTPA. We added a second kiln in 1979 with production capacity of 0.42 MnTPA, and a third kiln in 1982 with a production capacity of 0.42 MnTPA. We added a precalciner with a capacity of 0.4 MnTPA in

1988, which increased our capacity at Nimbahera to 1.54 MnTPA. During the years following 1998, we continued to implement modifications to each of our kilns, which increased our aggregate capacity at Nimbahera to 2.8 MnTPA as of September 30, 2005.

We commissioned a second grey cement plant at our Mangrol plant in 2001, with a production capacity of 0.75 MnTPA. As of September 30, 2005, we had an aggregate production capacity of 3.55 MnTPA of grey cement. Our white cement plant was completed in 1984 with a capacity of 0.05 MnTPA. Our continuing modifications to the plant have increased its production capacity to 0.3 MnTPA as of September 30, 2005.

In fiscal 2005 and the six months ended September 30, 2005, we sold 3,339,358 metric tons and 1,751,837 metric tons of grey cement, and 222,039 metric tons and 96,417 metric tons of white cement, respectively. In fiscal 2003, 2004 and 2005, our total net sales were Rs.5,985.01 million, Rs.6,271.59 million and Rs.7,744.45 million, respectively, representing a CAGR of 13.8% between fiscal 2003 and fiscal 2005. In the six months ended September 30, 2005, our total net sales were Rs.4,061.32 million.

Factors affecting our results of operations

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

Supply and Demand. Our grey cement sales volume and prices are influenced by the supply of and demand for grey cement in the Northern Indian cement market while our white cement sales volume and prices are influenced by the supply of and demand for white cement across India. Supply of cement and construction of new capacity is influenced by factors such as the central and state government tax incentives, the economic environment, perception of prospective demand and the cost of capital. According to CMA, during the five years ended March 31, 2005, available installed capacity in Northern India grew at a CAGR of 6.8%. Demand for cement can be stimulated by GDP growth, the fiscal policies of the central and state governments and increased spending on infrastructure and housing. According to CMA, during the five years ended March 31, 2005, the total sales volume of cement in Northern India grew at a CAGR of 7.5%.

All our plants and facilities are located in Northern India and the majority of our revenue is derived from sales of grey cement in this region. Accordingly, economic conditions and growth in Northern India have a direct impact on our operations, including the level of demand for and supply of our grey cement and the availability and prices of transport and raw materials. India has experienced significant economic growth in recent years. Our operating results are also affected by the level of business activity of our major customers, which in turn is affected by the level of economic activity in the industries and markets that they serve, in particular the construction and housing industries. Improvements or declines in the level of business activity of our customers caused by declines in the local economy could materially affect our results of operations.

Given the size of India and the freight intensive nature of the product, the cement business in India is significantly dependant upon regional demand and supply. Prices in a particular region or market are influenced by the growth in demand, capacity additions and general demand-supply dynamics of that region or market. Infrastructure bottlenecks, such as the availability of railway cars and trucks experienced from time to time, also impact pricing. Further, whenever any new large manufacturing facility comes on stream, it disturbs the demand-supply balance in that region and cement prices tend to soften, especially if the region is already experiencing excess supply.

Power and fuel costs. Power costs, together with fuel costs for coal and fuel oil, generally comprise the largest portion of our total expenditures. Power costs accounted for 18.7% and 19.2% of our total expenditure in fiscal 2005 and the six months ended September 30, 2005, respectively, while fuel costs accounted for 20.5% and 17.3% of our total expenditure in fiscal 2005 and the six months ended September 30, 2005, respectively. Total expenditure does not include interest and depreciation expenses but includes freight and handling charges and selling expenses. Fluctuations in the prices of fuel oil, coal and power therefore have a significant direct impact on our results of operations. We have worked to modernize our manufacturing operations and increase the efficiency of power and fuel consumption. As a result, we have reduced our use of power from 99 KWh per ton of grey cement produced during fiscal 2003 to 92 KWh per ton of grey cement during fiscal 2005.

Despite these efforts, our power costs have increased substantially over the years. We source a significant amount of our power from the Rajasthan State Electricity Board, which has increased its tariffs in recent years. In addition, we have relied on our diesel generator sets for a significant amount of our power requirements, and have been adversely affected by increases in the price of fuel oil. In response, we plan to commence construction of two new captive power plants at our existing production facilities which we expect will be fully operational by early fiscal 2008. We also plan to modernize and upgrade our existing thermal power plant at Bamania. These power projects, when completed, are expected to provide us access to an additional 43 MW of power, which we believe will provide us with power equivalent to approximately 86% of our requirements in fiscal 2005, at cost per KWh that is expected to be substantially lower than our current cost, and allow us to compete more effectively in Northern India’s cement industry.

Coal prices in India are set by government agencies and have increased significantly in recent years, generally reflecting increased worldwide demand. As a majority of our annual coal requirement is sourced from government operated coal mines, we are exposed to the risk of increases in coal prices by these government agencies. Any deterioration in the quality of the coal supplied to us may adversely impact our ability to manufacture cement to acceptable yield levels and quality standards and may have an adverse affect on our operations. We have gradually substituted the use of coal with petcoke for our fuel requirements, as petcoke is substantially cheaper than coal. Currently we source our entire petcoke requirements from Reliance Industries Limited.

Growth in the construction industry. Our business is significantly dependent on the general economic condition and infrastructure sector activity in India and government policies relating to infrastructure development projects. The Government's focus on and sustained increase in budgetary allocation for the infrastructure sector and the development of a structured and comprehensive infrastructure policy that encourages greater private sector participation, together with international and multilateral development financial institutions for infrastructure projects in this region have resulted in or is expected to result in several large infrastructure projects in this region. Our ability to benefit from the considerable investments proposed in the infrastructure sector in the medium and long term will be key to our results of operations.

Seasonality. Demand for cement is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, we usually experience a reduction in sales of cement during the quarter ending September 30, and somewhat stronger sales in the quarter ending March 31 when the weather is dry. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

Taxation. The Government of India may from time to time implement new policies using economic or administrative means to regulate the cement industry. Examples of such measures include imposing import restrictions and customs duties on imported cement, granting tax concessions for setting up new manufacturing plants, allocating Government of India and state government funding for public infrastructure programs in Northern India and providing preferential coal prices to cement manufacturers. In particular, policies related to tax rates and incentives have had a material impact on the cement industry in the past. Cement in India is a highly taxed commodity with various taxes and levies comprising a significant portion of the end-user price. The key levies on cement are excise duty and sales tax or value added tax.

Under existing regulations, we are currently required to pay to the relevant state governments or the Government of India royalty on the extraction of limestone, excise duty on cement, sales tax (or value added tax, where it has been implemented), duties on power tariffs, sales tax on stores and spares, packaging and other raw materials and import duty on coal. There can be no assurance that the current levels of these taxes, duties and royalties will not increase in the future, or that the state governments will not introduce additional levies, each of which may result in increased operating costs and lower sales realizations. To the extent additional levies are imposed, there can be no assurance that we would be able to pass such cost increases on to our customers.

Excise duty is levied on the manufacture or production of goods and is deducted from our gross sales in calculating our net sales. Excise duties amounted to Rs.1,221.56 million, Rs. 1,406.77 million, Rs.1,572.57 million in fiscal 2003, 2004 and 2005, respectively or 16.0%, 17.5% and 16.0%, respectively, of gross sales for those years, and Rs.821.05 million, or 15.7% of our gross sales in the six months ended September 30, 2005. White cement, like most manufactured goods in India, attracts an ad-valorem duty. However, our grey cement products attract a fixed levy of Rs.408 per ton. By virtue of the CENVAT scheme, excise duties paid by us on some of the inputs can be set off against excise duties payable by us, with the balance being accounted for to the Indian tax authorities. Exports are exempt from excise duty.

Many Indian states have implemented value added tax ("VAT") in place of sales tax with effect from April 1, 2005. Under VAT laws, local taxes paid on inputs can be set off against VAT payable on the sale of products. VAT is payable only on sales within a state. Sales outside the state are subject to central sales tax which is also expected to be phased out in the next few years. Cement falls in the "revenue neutral" rate category attracting 12.5% VAT. All our major markets, other than the states of Rajasthan, Gujarat, Madhya Pradesh and Uttar Pradesh, have implemented VAT.

Currently we benefit from certain sales tax benefits, which results in a decrease in the effective tax rate compared to the sales tax rates that we estimate would have applied if these incentives had not been available. There can be no assurance that these sales tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

Any change in existing Government of India and/or state government policies or new policies providing or withdrawing support to the Indian cement industry or otherwise affecting the economy of Northern India, including the construction industry, could adversely affect the supply/demand balance and competition in markets in which we operate and negatively affect our cost structure. There can be no assurance that we would be able to pass on such increase in costs to our customers through an increase in our prices.

Critical Accounting Policies

The financial statements of the Company 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 referred to in Section 211(3c) and other provisions of the Companies Act. Our more important accounting policies include:

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

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

Depreciation.

- Depreciation is provided on straight line method at the rates specified in Schedule XIV to the Companies Act.

- Depreciation on additions/deductions to fixed assets is being provided on pro-rata basis from/to the month of acquisition/disposal.

- 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 reserves and credited to the profit and loss account. Goodwill is amortized over a period of ten years.

Retirement benefits. The Company's contributions to provident fund and superannuation fund are charged to profit and loss account. Contribution to gratuity fund and provision for leave encashment are made on the basis of actuarial valuation and charged to the profit and loss account.

Foreign exchange transactions. Foreign currency transactions are accounted at equivalent rupee value earned/incurred. The year end balance in current assets/liabilities is accounted at applicable rates.

Borrowing cost. Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to the profit and loss account.

Provision for current and deferred tax.

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

- Deferred tax resulting from timing differences between book and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be adjusted in future.

Miscellaneous expenditure. Preliminary expenses are amortised over a period of five years from the year of commencement of production.

Deferred revenue expenses.

- Expenses on mines development/overburden removal is deferred and amortised over a period of lease/extraction from mines.

- The expenses on raising loans are treated as deferred revenue expenditure and is being amortised over the balance tenure of the loan.

Income

The following table sets forth information with respect to our income as a percentage of gross sales for the periods indicated:

	For the year ended March 31,						**For the six months ended September 30,**			
	2003		**2004**		**2005**		**2004**		**2005**	
	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)
Gross sales	7,619.44	100.0	8,019.17	100.0	9,834.62	100.0	4,633.13	100.0	5,225.02	100.0
Less: Excise duty	1,221.56	16.0	1,406.77	17.5	1,572.57	16.0	736.39	15.9	821.05	15.7
Less: sales tax	412.87	5.4	340.81	4.2	517.60	5.3	194.65	4.2	342.65	6.6

Net sales	5,985.01	78.5	6,271.59	78.2	7,744.45	78.7	3,702.09	79.9	4,061.32	77.7
Other income	31.73	0.4	16.93	0.2	94.65	1.0	13.27	0.3	22.62	0.4
Total income	**6,016.74**	**79.0**	**6,288.52**	**78.4**	**7,839.10**	**79.7**	**3,715.36**	**80.2**	**4,083.94**	**78.2**

Our income consists of income from the sale of grey cement, white cement and other cement products such as putty. In addition, we also record as income a small amount of sales of clinker. Our other income consists of non-operating income including income from insurance claims, profits on sale of investments, as well as sales of scrap and other unusable goods.

We recognize revenue for sales of our products upon drawing up a bill of sale, concurrent with shipping our product to a customer from our manufacturing facilities or depots. Our sales volume is influenced by market demand.

Given the freight intensive nature of our cement products, we sell most of our grey cement in Northern India, while white cement is sold to customers across India. We also export a small quantity of white cement to international markets such South Africa, Nigeria, Singapore, Bahrain, Bangladesh, Sri Lanka, Kenya, Tanzania, United Arab Emirates and Nepal.

The following table sets forth information relating to gross sales of our grey and white cement for the periods indicated:

	For the year ended March 31,						**For the six months ended September 30,**			
	2003		**2004**		**2005**		**2004**		**2005**	
	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)
Grey Cement	6,290.53	82.56	6,546.44	81.63	8,179.10	83.17	3,929.97	84.82	4,421.93	84.63
White Cement	1,328.91	17.44	1,472.73	18.37	1,655.52	16.83	703.15	15.18	803.09	15.37
Total	**7,619.44**	**100**	**8,019.17**	**100**	**9,834.62**	**100**	**4,633.13**	**100**	**5,225.02**	**100**

Expenditure

Our expenditure consists of expenses relating to raw materials, stores and spares (including packing materials), power, fuel, salary and wages, freight and handling, and administrative and other expenses (including selling expenses). The following table sets forth information relating to our expenditure line items as a percentage of total expenditure:

	For the year ended March 31,						**For the six months ended September 30,**			
	2003		**2004**		**2005**		**2004**		**2005**	
	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)	Amount (Rs. millions)	Percent (%)
Raw material consumption	594.90	10.8	649.10	11.3	774.73	11.3	327.39	10.1	389.24	11.0
Stores and spares	614.14	11.2	617.29	10.8	761.22	11.1	382.09	11.8	368.66	10.4
Power	1,142.08	20.8	1,081.57	18.9	1,284.97	18.7	599.24	18.6	676.73	19.2
Fuel	1,077.32	19.6	1,034.17	18.0	1,403.18	20.5	595.99	18.4	611.64	17.3
Salary and wages	317.42	5.8	365.29	6.4	372.46	5.4	182.17	5.6	197.88	5.6
Freight and handling	1,256.44	22.9	1,372.31	23.9	1,574.55	23.0	754.85	23.4	836.91	23.7
Administrative and other expenses	550.98	10.0	612.02	10.7	725.24	10.6	288.40	8.9	364.71	10.3
Stock adjustment	(63.40)	(1.2)	1.74	0.0	(35.93)	(0.5)	100.17	3.1	83.24	2.4
Total expenditure	**5,489.88**	**100.0**	**5,733.49**	**100.0**	**6,860.42**	**100.0**	**3,230.30**	**100.0**	**3,529.01**	**100.0**

Raw materials. Expenditure on raw materials includes costs relating to the extraction of limestone from our mines and the purchase of other raw materials used in our operations. Expenditures on limestone extraction vary from period to period, but have generally constituted a majority of our total raw materials expenditure. Most of our limestone requirements are mined from our limestone quarries situated in close proximity to our plants. We operate four limestone quarries for our grey cement operations at Nimbahera and Mangrol and two limestone quarries for our white cement operations at Gotan. Expenditure on raw materials also includes royalties paid to the state governments on the limestone mined as well as other costs relating to our mining operations, such as labour costs, costs of explosives and other materials used in mining, and costs for the transportation of limestone to our manufacturing facilities.

We currently pay to the state government of Rajasthan a royalty of Rs.45 per ton of limestone extracted from our quarries. Although we primarily utilize limestone extracted from our own quarries, we also buy a small quantity of our limestone requirements for white cement on the market principally for our Gotan plant when market prices are attractive.

Other raw materials consumed in our grey cement operations include gypsum, fly ash, sandstone, red ochre, bauxite and iron ore, while our white cement operations require gypsum and small quantities of white clay, feldspar and fluorspar.

As permitted under Indian GAAP, cost of raw materials consumed in producing cement are incurred in the period such cement is produced, and not necessarily in the period such cement is sold. To the extent production is greater or lesser than sales volume for a period, the resultant increase or decrease in goods in process and finished goods is accounted for as a stock adjustment in our total expenditure.

Stores and spares. Stores and spares principally include alumina bricks, grinding media, tires and tubes, conveyer belts, lubricants and sundry mechanical parts and oils used in our manufacturing facilities, as well as packing materials for our grey and white cement, principally in the form of polyethylene, polypropylene or paper bags. Expenditure on packing materials represents the largest component of our expenditure on stores and spares. Expenditure on packing materials constituted 63.27% and 66.06% of our expenditure on stores and spares in fiscal 2005 and the six months ended September 30, 2005, respectively. Stores and spares also include spare parts used in maintenance and repair of our kilns, diesel generator sets and other equipment.

Power. Our cost of power consists primarily of the purchase of power for the production of cement, as well as the cost of the coal and fuel oil we use to generate power. In the calculation of the cost of power, certain costs relating to the generation of power internally, such as employee costs, cost of stores and spares and costs incurred on account of depreciation are not included. Our principal source of power is our own power generation facilities, from which we derived approximately 55% of our power needs in the six months ended September 30, 2005. These include our captive thermal power plant at Bamania for use in our grey cement plants at Nimbahera and Mangrol, and our fuel oil based diesel generator sets that service both our grey and white cement plants. We pay a duty to the state government of Rs.0.10 per KWh on power that we generate ourselves. We also purchase a significant amount of power from the Rajasthan State Electricity Board. As of September 30, 3005, the tariff imposed (excluding fixed charges) on power from the Rajasthan State Electricity Board was Rs.4.31 per KWh. The average cost of power derived from all sources was Rs.3.80 per KWh and Rs.4.12 per KWh for fiscal 2005 and the six months ended September 30, 2005. Our actual average cost of power derived from all sources will be higher if other costs relating to the generation of power internally, such as employee costs, cost of stores and spares and costs incurred on account of depreciation are included in the cost of power.

Fuel. We purchase petcoke, coal, and fuel oil for use in our manufacturing facilities. Since conversion of our kilns to petcoke, purchases of petcoke have comprised the largest component of our fuel costs, comprising 78% of our total fuel cost in the six months ended September 30, 2005. We source all of our petcoke from Reliance Industries Limited. In addition, coal is a significant component of fuel costs. We use both domestically sourced coal from Government owned coalfields situated near our manufacturing facilities, and also import a small amount of coal when it is cost effective to do so. Finally, we use a small quantity of fuel oil for production of white cement.

Salary and wages. Expenditure on salaries and wages includes salaries, wages and bonus paid to our employees, contributions to the provident fund and other employee welfare benefits such as employee state insurance, benefits payable on retirement and other employee welfare related expenditures.

Administration and other expenses. Our administrative and other expenses include repairs relating to buildings and machinery, insurance, expenditure on lease rentals paid in connection with premises rented for our marketing and distribution offices and warehouses, rates and taxes, travel and conveyance expenses and miscellaneous expenses relating to among others, legal costs, printing and stationary costs and postage costs. Our administrative and other expenses also include expenses relating to advertisement and publicity, commissions, brokerages and incentives paid to our dealers and distributors and other miscellaneous selling expenses.

Results of Operations

Results of Operations of the Company

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to the results of operations of the Company as derived from the restated financial statements of the Company for the periods indicated:

	For the year ended March 31,			For the six months ended September 30,
	2003	2004	2005	2005
	(Rs. thousands)			
Income				
Net sales	-	1	3,294,111	4,061,318
Other income	-	7,026	94,053	42,043
Increase / (decrease) in inventories	-	-	95,461	(83,236)
Total income		7,027	3,483,625	4,020,125
Expenditure				
Trade purchases	-	1	986	1,982
Raw materials	-	-	365,728	387,257
Staff costs	-	-	160,735	197,882
Other manufacturing expenses	-	-	1,580,750	1,753,583
Administrative and other expenses	7	51	109,302	142,358
Selling and distribution expenses	-	-	789,842	963,047
Depreciation	-	-	125,626	153,527
Interest	-	6,360	242,684	284,670
Total expenditure	**7**	**6,412**	**3,375,653**	**3,884,306**
Profit/(loss) before tax	(7)	616	107,972	135,819
Taxation	-	212	45,000	51,231
Net profit / (loss)	(7)	404	62,972	84,588

Prior to the acquisition of the JKSL Cement Division by the Company with effect from November 4, 2004 pursuant to the Scheme of Rehabilitation, the Company did not have any significant operations. Prior to such acquisition, the Company recorded certain income in the form of interest income and certain administrative and other expenses. Such interest income and administrative and other expenses were not significant.

Accordingly, any discussion on the Company's results of operations for fiscal 2005 compared to fiscal 2004, for fiscal 2004 compared to fiscal 2003 and for the six months ended September 30, 2005 compared to the six months ended September 30, 2004 may not provide a meaningful basis of comparison. We have therefore not included any discussions of the results of operations of the Company for such periods in this discussion. In order to provide a meaningful comparison of our results of operations, we have provided a comparison of the results of operations of the Company subsequent to the acquisition of the JKSL Cement Division effective as of November 4, 2004 with the results of operations of the JKSL Cement Division prior to November 4, 2004. As the Scheme of Rehabilitation became effective in the middle of fiscal 2005, in order to facilitate a meaningful comparison of our financial condition and results of operations in prior periods, we have aggregated the results of the JKSL Cement Division for the period from April 1, 2004 to November 3, 2004 with the results of the Company for the period from November 4, 2004 to March 31, 2005.

Results of Operations of the JKSL Cement Division and the Company

The following table sets forth certain information with respect to our results of operations for the periods indicated:

	For the year ended March 31,			For the six months ended September 30,	
	2003	2004	2005	2004	2005
	(Rs. millions)				
Income					
Gross sales	7,619.44	8,019.17	9,834.62	4,633.13	5,225.02
Less: excise duty	1,221.56	1,406.77	1,572.57	736.39	821.05
Less : sales tax	412.87	340.81	517.60	194.65	342.65
Net sales	5,985.01	6,271.59	7,744.45	3,702.09	4,061.32
Other Income	31.73	16.93	94.65	13.27	22.62
Total Income	**6,016.74**	**6,288.52**	**7,839.10**	**3,715.36**	**4,083.94**
Expenditure					
Raw materials	594.90	649.10	774.73	327.39	389.24
Stores and spares	614.14	617.29	761.22	382.09	368.66
Power	1,142.08	1,081.57	1,284.97	599.24	676.73
Fuel	1,077.32	1,034.17	1,403.18	595.99	611.64
Salary and wages	317.42	365.29	372.46	182.17	197.88

Freight and handling outward	1,256.44	1,372.31	1,574.55	754.85	836.91
Administrative and other expenses	550.98	612.02	725.24	288.40	364.71
Stock adjustment	(63.40)	1.74	(35.93)	100.17	83.24
Total expenditure	**5,489.88**	**5,733.49**	**6,860.42**	**3,230.30**	**3,529.01**
Profit before interest, depreciation and taxes	**526.86**	**555.03**	**978.68**	**485.06**	**554.93**
Registered office and corporate office expenses	25.83	27.06	15.92	14.06	-
Provision for sales tax exemption	142.83	205.21	109.61	109.61	-
Prior period items	0.87	(1.58)	0.32	-	0.34
Profit before interest, depreciation and taxes, as adjusted	**357.33**	**324.34**	**852.83**	**361.39**	**554.59**

Six months ended September 30, 2005 compared to six months ended September 30, 2004

Income

- *Gross sales*. Our gross sales increased by 12.8% from Rs.4,633.13 million in the six months ended September 30, 2004 to Rs.5,225.02 million in the six months ended September 30, 2005 due to increased sales of grey cement as well as an increase in the average sales price of our grey cement and white cement products. While we sold 1,589,709 tons and 100,991 tons of grey cement and white cement, respectively, in the six months ended September 30, 2004, we sold 1,751,837 tons and 96,417 tons of grey cement and white cement, respectively, in the six months ended September 30, 2005. The average sale price of our grey cement products increased by 2.1% in the six months ended September 30, 2005 as compared to the six months ended September 30, 2004. In addition, the average sale price of our white cement increased by 19.6% in the six months ended September 30, 2005 as compared to the six months ended September 30, 2004. In addition to higher sales prices for white cement, we also sold an increased number of value added products, which increased our average selling price for white cement products.

- *Excise duty*. Excise duty paid on our grey cement and white cement products increased by 11.5% from Rs.736.39 million in the six months ended September 30, 2004 to Rs.821.05 million in the six months ended September 30, 2005 due to increased sales volumes and increased price of white cement.

- *Sales tax*. Sales taxes paid on our grey cement and white cement products increased by 76.0% from Rs.194.65 million in the six months ended September 30, 2004 to Rs.342.65 million in the six months ended September 30, 2005. In addition to increased sales, sales tax paid increased significantly as certain sales tax exemptions that we had availed of in the six months ended September 30, 2004 were determined to be not applicable, resulting in increased sales tax obligations in the six months ended September 30, 2005.

- *Net sales*. Due to the reasons described above, our net sales, that is gross sales as adjusted for payment of excise duty and sales taxes, increased by 9.7% from Rs.3,702.09 million in the six months ended September 30, 2004 to Rs.4,061.32 million in the six months ended September 30, 2005.

- *Other income*. Our other income increased by 70.5% from Rs.13.27 million in the six months ended September 30, 2004 to Rs.22.62 million in the six months ended September 30, 2005.

- *Total income*. Due to the reasons described above, our total income increased by 9.9% from Rs.3,715.36 million in the six months ended September 30, 2004 to Rs.4,083.94 million in the six months ended September 30, 2005.

Expenditure

- *Raw materials*. Expenditure on raw materials increased by 18.9% from Rs.327.39 million in the six months ended September 30, 2004 to Rs.389.24 million in the six months ended September 30, 2005 on account of increased production of grey cement and an increase in the price of most of our raw materials. These increases were however partially offset by a decrease in the average cost of limestone procured for our grey cement operations due to decreased mining costs.

- *Stores and spares*. Expenditure on stores and spares decreased marginally from Rs.382.09 million in the six months ended September 30, 2004 to Rs.368.66 million in the six months ended September 30, 2005. In the six months ended September 30, 2004, we incurred significantly higher expenses in connection with repairs we made to our kilns as compared to those incurred in the six months ended September 30, 2005. Maintenance costs for our diesel generator sets also decreased significantly in the six months ended September 30, 2005 as during this period we shifted to the use of electrical power from the Rajasthan State Electricity Board and decreased use of diesel generator sets due to increasing fuel costs. These reductions were however offset in part by an increase in packing costs associated with higher sales volumes.

- *Power*. Power costs increased by 12.9% from Rs.599.24 million in the six months ended September 30, 2004 to Rs.676.73 million in the six months ended September 30, 2005 primarily due to increased production of grey cement. In addition, power costs increased due to higher generation costs associated with our captive power facilities, especially for our diesel generator sets.

- *Fuel*. Fuel costs increased marginally by 2.6% from Rs.595.99 million in the six months ended September 30, 2004 to Rs.611.64 million in the six months ended September 30, 2005. While production increased, we made progress in our efforts to reduce consumption of coal by optimization of our coal mix, including an increased use of petcoke, which helped to reduce the average cost of fuel per ton of cement produced.

- *Salary and wages*. Expenditure on salary and wages increased by 8.6% from Rs.182.17 million in the six months ended September 30, 2004 to Rs.197.88 million in the six months ended September 30, 2005 primarily due to an increase in the salaries paid to employees pursuant to an increase in salaries and wages for cement industry employees in accordance with the memorandum of settlement agreed to by the members of the Cement Manufacturers' Association and employees in the cement industry represented through their respective trade unions, as recorded by the Chief Labour Commissioner (Central), the Government of India effective April 1, 2005.

- *Freight and handling*. Freight and handling costs increased by 10.9% from Rs.754.85 million in the six months ended September 30, 2004 to Rs.836.91 million in the six months ended September 30, 2005 as a direct result of our increased sales and an increase in freight costs resulting from increased fuel costs in the six months period ended September 30, 2005. In addition, freight costs increased due to an increase in the export of our white cement.

- *Administration and other expenses*. Our administrative and other expenses increased by 26.5% from Rs.288.40 million in the six months ended September 30, 2004 to Rs.364.71 million in the six months ended September 30, 2005 due to an increase in selling expenses associated with higher volumes of grey cement product sales. In addition, as our cement operations were still a division of JKSL during the six months ended September 30, 2004, administration and other expenses do not include corporate overhead expenses of Rs.14.06 million that were related to our cement operations but were recorded under the line item "allocation of registered and corporate offices".

- *Total expenditure*. For the reasons described above, our total expenditure, as adjusted for stock, increased by 9.2% from Rs.3,230.30 million in the six months ended September 30, 2004 to Rs.3,529.01 million in the six months ended September 30, 2005. We recorded a decrease in stock of Rs.83.24 million in the six months ended September 30, 2005 as compared to decrease in stock of Rs.100.17 million in the six months ended September 30, 2004.

Profit before depreciation, interest and taxes. For the reasons described above, our profit before depreciation, interest and taxes increased by 14.4% from Rs.485.06 million in the six months ended September 30, 2004 to Rs.554.93 million in the six months ended September 30, 2005.

Adjusted profit before depreciation, interest and taxes. Adjusted profit before depreciation, interest and taxes represents profit before deduction of depreciation, interest and taxes as adjusted for (i) certain administrative and other expenses incurred in connection with the operation of the corporate offices of JKSL that were not specifically allocated to either the Cement Division or the Man-made Fibre Division in JKSL for the period September 30, 2004 and therefore has been recorded under the line item "allocation of registered and corporate offices" in such period and (ii) sales tax benefits availed by the Company in the six months ended September 30, 2004 which were subsequently reversed by a judgment of the Supreme Court of India in October 2004. With respect to administration and other expenses, 50% of these expenses incurred by JKSL has been allocated to our cement operations under the line item "registered and corporate office expenses" to account for our estimated portion of corporate office expenses incurred by JKSL in the six months ended September 30, 2004. We recorded corporate office expenses of Rs.14.06 million in the six months ended September 30, 2004. As the results of operations in the six months ended September 30, 2005 relate to the operations of the Company, no separate allocation for corporate expenses has been made in such period, and all such expenses are included under the line item "administration and other expenses". Accordingly, adjusted profit before depreciation, interest and taxes increased by 53.5% from Rs.361.39 million in the six months ended September 30, 2004 to Rs.554.59 million in the six months ended September 30, 2005.

Year ended March 31, 2005 compared to year ended March 31, 2004

Income

- *Gross sales*. Our gross sales increased by 22.6% from Rs.8,019.17 million in fiscal 2004 to Rs.9,834.62 million in fiscal 2005 due to an increase in sales of both grey and white cement products. While we sold 2,982,806 tons and 217,552 tons of grey cement and white cement respectively in fiscal 2004, we sold 3,339,358 tons and 222,039 tons of grey cement and white cement respectively in fiscal 2005. The average sale price of our grey cement products increased by 11.7% from fiscal 2004 to fiscal 2005. In addition, the average sale price of our white cement increased by 5.1% from fiscal 2004 to the year months ended March 31, 2005. In addition to higher sales prices for white cement, we also sold an increased number of value added products, which increased our average selling prices for white cement products.

- *Excise Duty*. Excise duty paid on our grey cement and white cement products increased by 11.8% from Rs.1,406.77 million in fiscal 2004 to Rs.1,572.56 million in fiscal 2005 due to increased sales volumes of grey cement an increase in the sales value of white cement.

- *Sales Tax*. Sales taxes paid on our grey cement and white cement products increased by 51.9% from Rs.340.81 million in fiscal 2004 to Rs.517.60 million in fiscal 2005 due to increased sales realization and lower sales tax exemption benefits available after September 30, 2004.

- *Net sales*. Due to the reasons described above, our net sales, that is, gross sales as adjusted for payment of excise duty and sales taxes, increased by 23.5% from Rs.6,271.59 million in fiscal 2004 to Rs.7,744.45 million in fiscal 2005.
- *Other income*. Our other income increased sharply by 459.4% from Rs.16.93 million in fiscal 2004 to Rs.94.65 million in fiscal 2005. The significant increase was primarily due to the write-back of certain provisions relating to bad and doubtful debts and certain other provisions from prior periods.
- *Total income*. Due to the reasons described above, our total income increased by 24.7% from Rs.6,288.52 million in fiscal 2004 to Rs.7,839.10 million in fiscal 2005.

Expenditure

- *Raw Materials*. Expenditure on raw materials increased by 19.4% from Rs.649.10 million in fiscal 2004 to Rs.774.73 million in fiscal 2005 on account of increased production and an increase in the price of most of our raw materials.
- *Stores and spares*. Expenditure on stores and spares increased by 23.3% from Rs.617.29 million in fiscal 2004 to Rs.761.22 million in fiscal 2005 due to increased production levels and an increase in the price of packing materials.
- *Power*. Power costs increased by 18.8% from Rs.1,081.57 million in fiscal 2004 to Rs.1,284.97 in fiscal 2005 due to our increased production levels. In addition, the state government of Rajasthan increased the duty on power by Rs.0.15 per unit, from Rs.0.25 to Rs.0.40 per unit with effect from April 1, 2004. Despite these factors, our power cost per unit of production increased only marginally for grey cement products and declined for white cement products as we continued our efforts to use power more efficiently in our operations.
- *Fuel*. Fuel costs increased by 35.7% from Rs.1,034.17 million in fiscal 2004 to Rs.1,403.18 million in fiscal 2005. The increase was more than our increase in production as a result of increases in prices for coal, petcoke and fuel compared to the prior period.
- *Salary and wages*. Expenditure on salary and wages increased marginally from Rs.365.29 million in fiscal 2004 to Rs.372.46 million in fiscal 2005 due to the effects of annual increases in salaries paid to our employees.
- *Freight and handling*. Freight and handling costs increased by 14.7% from Rs.1,372.31 million in fiscal 2004 to Rs.1,574.55 million in fiscal 2005 due to our increase in sales volume and higher fuel prices. In addition, freight costs increased due to an increase in the export of our white cement.
- *Administration and other expenses*. Our administrative and other expenses increased by 18.5% from Rs.612.02 million in fiscal 2004 to Rs.725.24 million in fiscal 2005 primarily due to increased selling expenses, including increased advertisement and promotional expenses related to our white cement products, as we worked to increase the market reputation and unit sales of our white cement products. In addition, our cement operations were a division of JKSL for part of fiscal 2005. Consequently we recorded Rs.27.06 million under the line item “registered and corporate offices expenses” for fiscal 2004 as compared to only Rs.15.92 million for fiscal 2005.
- *Total expenditure*. For the reasons described above, our total expenditure, as adjusted for stock, increased by 19.7% from Rs.5,733.48 million in fiscal 2004 to Rs.6,860.42 million in fiscal 2005. We recorded a decrease in stock of Rs.1.74 million in fiscal 2005 as compared to increase in stock of Rs.35.93 million in fiscal 2004.

Profit before depreciation, interest and taxes. For the reasons described above, our profit before depreciation, interest and taxes increased significantly, by 76.3%, from Rs.555.04 million in fiscal 2004 to Rs.978.68 million in fiscal 2005.

Adjusted profit before depreciation, interest and taxes. We recorded registered and corporate office expenses of Rs.27.06 million in fiscal 2004, compared to Rs.15.92 million in fiscal 2005. Registered and corporate office expenses incurred in fiscal 2005, however, relate to expenses allocated to the JKSL Cement Division until November 3, 2004, while there was no such allocation in the expenses recorded by the Company following the acquisition of the JKSL Cement Division by the Company. Sales tax benefits availed by our cement operations in prior years which were subsequently reversed by the Supreme Court judgement in October 2004 were Rs.205.21 million and Rs.109.61 million in fiscal 2004 and 2005, respectively. Accordingly, adjusted profit before depreciation, interest and taxes increased by 162.9% from Rs.324.34 million in fiscal 2004 to Rs.852.83 million in fiscal 2005.

Year ended March 31, 2004 compared to year ended March 31, 2003

Income

- *Gross sales*. Our gross sales increased by 5.2% from Rs.7,619.44 million in fiscal 2003 to Rs.8,019.17 million in fiscal 2004 due to increased sales of cement products. While we sold 2,892,157 tons and 198,466 tons of grey cement and white cement, respectively, in fiscal 2003, we sold 2,982,806 tons and 217,552 tons of grey cement and white cement, respectively, in fiscal 2004. The average sale price of our cement products remained relatively steady in fiscal 2004 as compared to that in fiscal 2003.
- *Excise Duty*. Excise duty paid on our grey cement and white cement products increased by 15.2% from Rs.1,221.56 million in fiscal 2003 to Rs.1,406.77 million in fiscal 2004 due to an increase in excise duty levy on grey cement to

Rs.400 per ton in fiscal 2004 from Rs.350 per ton in fiscal 2003. Excise duty also increased as a result of our increased sales volumes.

- *Sales Tax*. Sales taxes paid on our grey cement and white cement products declined by 17.45% from Rs.412.87 million in fiscal 2003 to Rs.340.81 million in fiscal 2004. Despite increased sales volumes, sales tax payable on our grey cement products was less as we also commenced availing sales tax benefits applicable to cement produced at our facilities at Mangrol.

- *Net sales*. Due to the reasons described above, our net sales increased by 4.8% from Rs.5,985.01 million in fiscal 2003 to Rs.6,271.59 million in fiscal 2004.

- *Other income*. Our other income decreased from Rs.31.73 million in fiscal 2003 to Rs.16.93 million in fiscal 2004 primarily on account of receipt of excise refunds in the year ended March 2003.

- *Total income*. Due to the reasons described above, our total income increased by 4.5% from Rs.6,016.74 million in fiscal 2003 to Rs.6,288.52 million in fiscal 2004.

Expenditure

- *Raw materials*. Expenditure on raw materials increased by 9.1% from Rs.594.90 million in fiscal 2003 to Rs.649.10 million in fiscal 2004 primarily due to increased production and higher prices of certain raw materials.

- *Stores and spares*. Despite increased production in fiscal 2004, expenditure on stores and spares remained relatively steady at Rs.617.29 million in fiscal 2004 as compared to Rs.614.14 million in fiscal 2003 due to lower consumption of spare parts.

- *Power*. Cost of power decreased by 5.3% from Rs.1,142.08 million in fiscal 2003 to Rs.1,081.57 million in fiscal 2004. Cost of power decreased despite increased production as a result of our efforts to reduce the amount of power we use on a per unit basis, particularly in connection with our grey cement production. In addition to using our existing power sources more cost effectively, we also increased the use of power generated by our captive power generation facilities at costs that were lower than that for power sourced from the Rajasthan State Electricity Board.

- *Fuel*. Despite increased production, fuel costs decreased by 4.0% from Rs.1,077.32 million in fiscal 2003 to Rs.1,034.17 million in fiscal 2004, as a result of our efforts to reduce the energy consumption per ton of production, particularly in connection with our grey cement. In addition, we also increased the use of petcoke as fuel in our kilns, which is a more cost efficient source of fuel than coal or fuel oil.

- *Salary and wages*. Expenditure on salary and wages increased by 15.1% from Rs.317.42 million in fiscal 2003 to Rs.365.29 million in fiscal 2004. Prior to fiscal 2004, we had not provided our employees with any material wage increases for several years as a result of the losses that were being incurred by JKSL during such period. We therefore made the decision in fiscal 2004 to provide our employees with a substantial increase in wages to better align our compensation structure with market rates and help ensure retention of our personnel.

- *Freight and handling*. Freight and handling costs increased by 9.2% from Rs.1,256.44 million in fiscal 2003 to Rs.1,372.31 million in fiscal 2004 as a direct result of our increased sales. In addition, freight costs increased due to an increase in the exports of our white cement.

- *Administration and other expenses*. Our administrative and other expenses increased significantly by 11.1% from Rs.550.98 million in fiscal 2003 to Rs.612.02 million in fiscal 2004 primarily due to an increase in selling expenses related to increased advertisement and sales promotion activity for our white cement products.

- *Total expenditure*. For the reasons described above, our total expenditure, as adjusted for change in stock, increased by 4.4% from Rs.5,489.88 million in fiscal 2003 to Rs.5,733.49 million in fiscal 2004. We recorded an increase in stock of Rs.63.40 million in fiscal 2003 while we recorded decrease in stock of Rs.1.74 million in fiscal 2004.

Profit before depreciation, interest and taxes. For the reasons described above, our profit before depreciation, interest and taxes increased by 5.3% from Rs.526.86 million in fiscal 2003 to Rs.555.03 million in fiscal 2004.

Adjusted profit before depreciation, interest and taxes. We allocated corporate office expenses of Rs.25.83 million and Rs.27.06 million in fiscal 2003 and 2004, respectively. Sales tax benefits availed by the Company which were subsequently reversed by the Supreme Court judgement in October 2004 were Rs.142.83 million and Rs.205.21 million in fiscal 2003 and 2004, respectively. Accordingly, adjusted profit before depreciation, interest and taxes decreased by 9.2% from Rs.357.33 million in fiscal 2003 to Rs.324.34 million in fiscal 2004.

Liquidity and Capital Resources

Prior to the acquisition of the JKSL Cement Division by the Company pursuant to the Scheme of Rehabilitation, the Company did not have any significant operations. Further, no cash flow information was prepared separately for the JKSL Cement Division prior to the Scheme of Rehabilitation. As a result, the following discussion is based on the statements of cash flows of the Company. The cash flow information for fiscal 2005 consists principally of the Company's cash flows from November 4, 2004.

	For the year ended March 31,			For the six months ended September 30,
	2003	**2004**	**2005**	**2005**
	(Rs. thousands)			
Net cash from (used in) operating activities	(1,201)	(60,765)	1,469,288	851,579
Net cash from (used in) investing activities	-	5,093	(5,840,872)	(257,699)
Net cash from (used in) financing activities	1,197	679,883	4,428,721	(496,065)
Net increase (decrease) in cash and cash equivalents	(4)	624,221	57,137	97,815

Operating Activities

Net cash generated from operating activities in the six months ended September 30, 2005 was Rs.851.58 million although our profit before taxes for the same period was Rs.135.82 million. The difference was primarily attributable to an increase in trade payables of Rs.276.81 million, as well as a decrease in trade and other receivables of Rs.57.92 million. Trade payables increase principally as a result of increased sales volume. These were partially offset by an increase in inventories of Rs.82.50 million. We also made adjustments that increased our cash flow from operating activities for depreciation costs of Rs.153.53 million and interest costs of Rs.284.67 million, and an adjustment that decreased our cash flow from operations for interest received of Rs.19.43 million.

Net cash generated from operating activities in fiscal 2005 was Rs.1,469.29 million although our profit before taxes for the same period was Rs.107.97 million. The difference was primarily attributable to an increase in trade payables of Rs.2,373.9 million, a decrease in inventory of Rs.665.65 million and a decrease in trade and other receivables of Rs.630.36 million. Trade payables, inventory and trade and other receivables all increased significantly principally due to the commencement of our cement manufacturing operations pursuant to the acquisition of the JKSL Cement Division. We made adjustments that increased our cash flow from operations for depreciation costs of Rs.125.63 million and interest costs of Rs.242.68 million.

The Company did not have any significant operations in fiscal 2004. Net cash used in operating activities in fiscal 2004 was Rs.60.77 million, attributable to interest costs of Rs.6.36 million and trade and other receivables of Rs.61.01 million that was partially offset by interest received of Rs.6.94 million.

The Company did not have any significant operations in fiscal 2003. Net cash used in operating activities in fiscal 2003 was Rs.1.20 million, primarily attributable to trade payables of Rs.1.19 million.

Investing Activities

Net cash used in investing activities was Rs.257.70 million in the six months ended September 30, 2005 while net cash used in investing activities for fiscal 2005 was Rs.5,840.87 million. Our expenditure for investing activities primarily relates to the acquisition of fixed assets comprising property, plant and machinery used in our operations and other investments, and offset in each fiscal period by disposal of other investments, minor disposals of fixed assets and interest received. The significant amount of net cash used in investing activities in fiscal 2005 primarily resulted from capital expenditure relating to the acquisition of cement operations of the JKSL Cement Division pursuant to the Scheme of Rehabilitation with effect from November 4, 2004. Net cash used in investing activities in the six months ended September 30, 2005 principally related to the expansion and modernization of these operations.

Net cash generated from investing activities were Rs.5.09 million in fiscal 2004.

Financing Activities

Net cash used in financing activities in the six months ended September 30, 2005 was Rs.496.07 million, comprising repayment on long term borrowings of Rs.321.52 million and interest paid on borrowings of Rs.283.63 million which was partially offset by deferred sales tax credits of Rs.29.47 million and incurrence of a short-term loan in the amount of Rs.79.61 million.

Net cash from financing activities in fiscal 2005 was Rs.4,428.72 million, comprising principally a long term syndicated loan of Rs.4,500.00 million that we incurred in connection with the acquisition of the JKSL Cement Division. We also incurred Rs.470.00 million in additional loans in connection with the Scheme of Rehabilitation. We also raised equity in the amount of Rs.59.54 million through the issue and sale of the Equity Shares. Net cash provided by financing activities was partially offset by interest paid on long term borrowings of Rs.233.09 million, an advance to associate companies of Rs.470.00 million to assist JKSL in meeting its ongoing debt obligations prior to implementation of the Scheme of Rehabilitation, and repayment of long term borrowings of Rs.21.84 million.

Net cash generated from financing activities in fiscal 2004 was Rs.679.88 million, comprising an increase in the equity capital of the Company of Rs.364.25 million and long term borrowings from 471.99 million that was partially offset by advances made to associate companies of Rs.150 million and interest paid of Rs.6.36 million. Net cash generated from financing activities in fiscal 2003 was Rs.1.20 million.

Indebtedness

The following table summarizes our secured and unsecured long-term indebtedness as of September 30, 2005:

Indebtedness	Outstanding amount as on September 30, 2005	Payment due by March 31,			After March 31, 2010
		2006	2008	2010	
Secured	4,192.13	325.99	1,294.83	1,285.70	1,285.61
Unsecured	1,385.58	126.62	424.27	331.93	502.76

Most of our financing arrangements are secured by our present and future movable and immovable assets. In addition, certain members of our Promoter group have pledged their shares in the Company as collateral for our indebtedness, and our managing director has provided his personal guarantee to the relevant creditors. Many of our financing agreements also include numerous conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to obtain these consents could have significant consequences on our business and operations. Specifically, we require, and may be unable to obtain, lender consents to incur additional debt, issue equity, change our capital structure, increase or modify our capital expenditure plans, pay any dividends, undertake any expansion, provide additional guarantees, change our management structure, or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements. Pursuant to our financing agreements, the lenders also have the right to appoint a director on our Board.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our activities from time to time. Compliance with the various terms is, however, subject to interpretation and we cannot assure you that we have requested or received all consents from our lenders that are required by our financing documents. As a result, it is possible that a lender could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans.

Currently we do not have any working capital facilities and we therefore fund our working capital needs through cash flow from operations and credit lines extended by our suppliers and transporters. We are in the process of establishing working capital facilities with a number of banks in the amount of approximately Rs.650 million, of which approximately Rs.500 million is expected to be fund-based facilities and approximately Rs.150 million is expected to be non-fund based facilities.

Historical and Planned Capital Expenditures

Capital expenditures represent the net increase in the value of our fixed assets plus changes in capital work in progress (i.e., expenses incurred in relation to work in progress but not capitalized). Capital expenditures in the JKSL Cement Division in fiscal 2003 and 2004 and in the period between April 1, 2004 to November 3, 2004 were Rs.225.54 million, Rs.291.35 million and Rs.49.47 million, respectively. Following the acquisition of the JKSL Cement Division by the Company, during the period November 4, 2004 to March 31, 2005 and in the six months ended September 30, 2005, we incurred capital expenditure of Rs.116.71 million and Rs.201.87 million, respectively. These capital expenditures were incurred towards plant and machinery and land and building for ongoing modification and upgradation of our existing plants at Nimbahera, Mangrol and Gotan as well as regular sustenance capital expenditure for these facilities.

We expect to incur capital expenditures of approximately Rs.2,360 million through fiscal 2008 on, among other expenditures, for setting up a 13 MW waste heat recovery plant and a 20 MW petcoke based captive power plant, for the replacement of an existing 7.5 MW turbine with a 10 MW turbine at the existing thermal captive power plant at Bamania, for increasing the grinding capacity of our grey cement facilities and increasing the production capacity at our Gotan facilities for white cement production. Please see “Objects of the Issue” beginning on page 20 of this Draft Red Herring Prospectus for further information on proposed capital expenditure by the Company. In addition, we expect to incur capital expenditure in connection with the sustenance of our existing facilities in an amount of approximately Rs.350 million through fiscal 2008.

The Company proposes to increase its manufacturing capacity over the next several years and may require to make capital expenditures for plant and machinery. The Company is also considering the establishment of a grey cement manufacturing facility in the State of Karnataka for which mining rights have already been allotted to Jaykaycem Limited, a Promoter group company, by the government of the State of Karnataka.

We expect to finance our capital expenditures primarily through a combination of cash flow from operations and additional loans or borrowings from lenders or other third parties, as may be required. We may increase or decrease the amount of our planned capital expenditures, decide to incur other capital expenditures or cancel currently planned capital expenditures depending on, among other factors, market conditions, product demand, the cost, availability and quality of raw materials, our financial results and availability of financing on favourable terms and interest rates.

Foreign currency risk

Changes in currency exchange rates influence our results of operations. We import small quantities of coal, packing material and stores and spares for our operations and our future capital expenditures, including any imported equipment and machinery, may be denominated in currencies other than Indian rupees. As of September 30, 2005, we did not have any foreign currency borrowings. Any decline in the value of the rupee against such other currencies could increase the rupee cost of purchasing such equipment or materials. The exchange rate between the rupee and the U.S. dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. While we do not enter into currency hedging arrangements as part of our treasury operations, our white cement exports provide for a degree of protection from currency rate fluctuations.

Interest rate risk

Changes in interest rates could significantly affect our financial condition and results of operations. As of September 30, 2005, Rs.4,915.21 million of our borrowings were at floating rates of interest. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows. We currently do not enter into hedging arrangements against interest rate risks.

Inflation

In recent years, although India has experienced fluctuation in inflation rates, inflation has not had material impact on our business and results of operations.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Known trends or uncertainties

Other than as described in the sections "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future relationship between costs and income

Other than as described in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on the operation and finances of our Company.

Seasonality of business

The sale of cement is adversely affected by difficult working conditions during monsoon which restrict construction activities. Accordingly, revenues recorded in the first half of our financial year between April and September are traditionally lower compared to revenues recorded during the second half of our financial year. During periods of curtailed construction activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from sale of our products may be delayed or reduced.

Competitive conditions

For details please refer to the discussions of our competition in the sections entitled "Risk Factors" and "Our Business" beginning on pages x and 41 in this Draft Red Herring Prospectus.

Significant developments after September 30, 2005 that may affect our future results of operations

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affects or is likely to affect, the operations or profitability of our Company, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Except as stated elsewhere in this Draft Red Herring Prospectus, there is no subsequent development after the date of the Auditor's Report which we believe is expected to have a material impact on the reserves, profits, EPS and book value of our Company.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or civil proceedings or criminal or prosecutions, proceedings or tax liabilities against the Company, and there are no defaults, non payment of statutory dues, overdues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debentures, bonds or fixed deposits, and arrears on preference shares issued by the Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/ and other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act) that would result in a material adverse effect on our consolidated business taken as a whole.

Litigation/Proceedings involving the Company

Note: Outstanding Litigation involving the Company, as disclosed below, also includes certain litigation involving the JKSL Cement Division. Pursuant to the acquisition of the JKSL Cement Division by the Company with effect from November 4, 2004, and in accordance with the Scheme of Rehabilitation, all suits, appeals, actions and proceedings involving the JKSL Cement Division pending on November 4, 2004 were to be prosecuted or enforced by or against the Company.

A. Contingent liabilities of the Company as of September 30, 2005

(i)	In respect of claims against the Company not acknowledged as debts	:	Rs.146,820,000
(ii)	In respect of interest on "cement retention price" realized in earlier years	:	Rs.98,325,000
(iii)	In respect of disputed demands, appeals pending with Appelate Authorities/Courts (no provision has been made by the management)	:	Rs.51,652,000
(iv)	In respect of future obligation of Lease Rentals under the Lease Agreement	:	Rs.567,000
(v)	In respect of claims of employees (no provision has been made as the liability is not ascertainable)	:	Indeterminate

B. Litigation/Proceedings against the Company

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendants	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Statutory Non-Compliance Cases				
1.	80/03	April 24, 1991	Factory Inspector	Company, and Mr. Yadupati Singhania	Additional Chief Judicial Magistrate, Chittorgarh	-	A criminal complaint has been filed by Factory Inspector for non-compliance with statutory requirements under the Factories Act	The next date of hearing is December 10, 2005
				Recovery Cases				
2.	3594-3595/00	January 13, 2000	State of Rajasthan	Company	Supreme Court of India	40,000,000	State of Rajasthan has filed a special leave petition (SLP) against the interim order of stay granted in favour of the Company by Rajasthan High Court in connection with the recovery of Rs.40,000,000 on account of delay in execution of cement project. The SLP of the State Government has been admitted. In the meantime, the Company has made payment of the said amount	Next date of hearing is yet to be notified
3.	315/05	January 7, 2005	Employee State Insurance Corporation	Company, J.K.W.C Mazdoor Sangh Union and others	Supreme Court of India	500,000	Matter relates to demand raised by the Employee State Insurance Corporation (ESI). The Company had filed a writ petition before the High Court challenging the applicability of ESI. The High Court accepted the Company's contention. Against the order of the High Court, ESI has filed an appeal before the Supreme Court	Next date of hearing is yet to be notified
4.	517/94	February 18,1994	Seth Sagarmal Bhargodia Trust	Company	Additional District Judge, Delhi	739,320	Recovery suit has been filed against the Company by the plaintiff on the ground that the Company had not supplied the cement in time and that certain amount had	The matter had been adjourned sine die

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendants	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							been fraudulently retained by the Company. An application under Section 22(1) SICA has been moved	
5.	3707/90	December 7, 1990	Hitades Private Limited	JK Cotton and Company	High Court, Delhi	7,459,021	Suit for recovery of outstanding dues. The Company is a proforma party	Matter has been adjourned sine die
				Excise Cases				
6.	647/01	January 2001	Commissioner Central Excise, Jaipur, Rajasthan	Company and others	Supreme Court of India	913,137	This is an appeal filed by the Excise Department against the order of the excise tribunal. The matter relates to Modvat credit on light diesel oil. In this appeal, the Excise Department has disputed the contention of the tribunal which had held that Modvat credit on light diesel oil is permissible. Supreme Court has granted leave to appeal in the matter	Next date of hearing is yet to be notified
7.	649/02	July 12, 2001	Commissioner Central Excise, Jaipur, Rajasthan	Company and others	Supreme Court of India	748,840 and 526,335	This is an appeal filed by the Excise Department against the order of the tribunal. The matter relates to Modvat credit on light diesel oil. In this appeal, the Excise Department has disputed the contention of the tribunal which had held that Modvat credit on light diesel oil is permissible. Supreme Court has granted leave to appeal in the matter	Next date of hearing is yet to be notified
8.	1983-84/04	February 2004	Commissioner of Central Excise, Jaipur, Rajasthan	Company and Birla Corporation	Supreme Court of India	18,593,463	The matter relates to the refund granted by the Excise Department pursuant to the order of the tribunal. However, the Excise Department has filed an SLP against the refund order	The next date of hearing is January 2, 2006
9.	SCN/Cno./V (25)15/off/ Adj II/86/05/ 1111	October 21, 2005				681,832	This is a show cause notice issued by the Joint Commissioner, Central Excise, Jaipur to the Company. The Excise Department has contended that the Company is packing cement in excess quantity than as prescribed by the Bureau of Indian Standard	The next date of hearing is yet to be notified
10.	SCN/Cno/V (25)15/off/A dj-II/ 26/05/295	March 16, 2005				710,055	This is a show cause notice issued by the Joint Commissioner, Central Excise, Jaipur to the Company. The Excise Department has contended that the Company is packing cement in excess quantity than as prescribed by the Bureau of Indian Standard	The next date of hearing is yet to be notified
11.	SCN/Cno./V (25)15/off/A dj- II/59/05/589 8	November 9, 2005				19,116,117	This is a show cause notice issued by the Commissioner Central Excise, Jaipur for refund of interest which was earlier granted to the Company subject to the decision of the Supreme	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendants	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							Court in petition no. 198384/04	
				MRTP Cases				
12.	RTP Enquiry No. 99/90	September 1990	Director General of Investigation and Registration (DG(I&R))	CMA and others	MRTP Commission, New Delhi	-	The DG(I&R), New Delhi had instituted an enquiry against CMA and 44 cement manufacturers, including the Company, alleging that the cement manufacturers had formed a cartel and had artificially and deliberately regulated the prices. The MRTP Commission has passed an order against the cement manufacturers restraining them from carrying on restrictive trade practices of raising cement prices till further orders	The next date of hearing is December 5, 2005
13.	RTP Enquiry No. 93/01	October 20, 2001	Delhi Development Authority	Company and others	MRTP Commission, New Delhi	Indeterminate	A complaint has been filed by Delhi Development Authority against 6 cement manufacturers, including the Company, alleging collusion in submission of tenders	The next date of hearing is December 12, 2005
				Labour Cases				
14.	3/03	December 20, 2002	Mukesh Kumar and others	Company	W.C. Commissioner, Chittorgarh, Rajasthan	1,005,640	A complaint has been filed before Workmen's Compensation Commissioner, Chittorgarh for compensation in connection with an accident caused in the course of employment with the Company	The next date of hearing is December 15, 2005
15.	6641/03	November 5, 2003	J.K. Cement Works Mines Mazdoor Ekta Union	Company and others	High Court, Jaipur	-	This is a claim by 206 contract labourers for absorption and regularization of services	Next date of hearing is yet to be notified
				Other Cases				
16.	36/02	April 6, 2002	Mohd. Hussain	Company	Civil Judge, (Junior Division) Nimbahera	To be determined by the court	A civil suit has been filed against the Company seeking to restrain it from polluting and damaging crops	The next date of hearing is December 8, 2005
17.	138/02	November 6, 2002	Karan Singh and others	Company	S.D.O., Nimbahera	-	A suit has been filed against eviction from land by the Company	Next date of hearing is December 5, 2005
18.	67 and 73/89	September 4, 1989	State of Rajasthan	Company	Sub Divisional Magistrate Jaitaran, Rajasthan	-	These matters are pending against the Company in connection with the land relating to the Litheria mines. The tehsildar has objected to the excavation of clay by the Company on the ground that the land is for agricultural purpose only	The next date of hearing is yet to be notified
19.	716/04	October 30, 2004	State of Rajasthan	Company and Union of India	High Court, Jodhpur	-	This is an appeal filed by the State Government before the division bench of the High Court against the order of the single bench rejecting the Government's action for levy of additional royalty of Rs.5 per metric tonne in respect of the renewal of mining lease for Dhanappa limestone mines	The next date of hearing is yet to notified
20.	25(12)/02	February 25,	Rajasthan State	State of	Tribunal	-	In this matter, RSMML is	The next

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendants	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
		2002	Mines and Minerals Limited	Rajasthan, Company	(Mines), Delhi		challenging the grant of the Thob Selenite Mines to the Company	date of hearing is yet to be notified
21.	63/05	February 8, 2005					The State has filed criminal proceedings under Section 407/420/120B of the IPC against Dr. Gaur Hari Singhania and others. The Company has received summons dated November 24, 2005 for production of documents in the referenced matter. The Company has not received any other documentation in this matter	

Other Cases against the Company

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Recovery suit-related	2	304,452	-
2.	Service Matters	1	493,329	11
3.	Consumer Matters	3	233,225	-
4.	Others	4	636,698	-

Cases against the Company pertaining to securities laws

There are no cases against the Company pertaining to securities laws.

C. Litigation/Proceedings by the Company

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
Statutory Non-Compliance Cases								
1.	3301/02	September 2002	Company	Jute Commissioner	High Court, Jodhpur (transferred to Supreme Court of India)	Not ascertainable	Like other cement companies, the Company has also been issued show cause notices under the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1957 asking why penal proceeding should not be initiated for purported non-compliance with certain GoI, Ministry of Textiles Orders, which require cement companies to package certain amounts of cement in jute bags. Earlier, the Supreme Court had through its order dated April 20, 1996 upheld the validity of the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1957. The Company filed writ	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							petition before the High Court, Jodhpur. The High Court has granted stay of the notice dated August 14, 2002. The Jute Commissioner had filed transfer petitions (No.261-291/2004) before the Supreme Court seeking transfer of all writ petitions filed by various industries in different High Courts to the Supreme Court. The Company has received notice from the Supreme Court confirming transfer of petition from the High Court to the Supreme Court (Transfer Petition No. 281/2004)	
Recovery Cases								
2.	250/99	July 21, 1992	Company	Ghanshyam and Company, Alwar	High Court, Jodhpur	1,970,000	The Company had filed a suit for realization of sales outstanding. The Company's suit was dismissed, against which it has filed an appeal	The next date of hearing is not yet notified
3.	85/04	March 17, 1998	Company	Prabhat Steels	Additional District Judge, Nimbahera	1,278,000	The Company has filed a suit for recovery in connection with outstanding sales	The next date of hearing is December 8, 2005
4.	594/01	October 2001	Company	Brite Paint and Chemicals and another	Civil Judge, Ghaziabad	1,731,563	The Company has filed a suit for recovery. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is December 20, 2005
5.	863/98	November 1998	Company	Bhawani Cement Traders	Additional District Judge, Agra	3,875,000	The Company has filed a suit for recovery. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is December 15, 2005
6.	304/98	November 1998	Company	Keshyan Brothers and others	Additional District Judge, Gurgaon	5,674,782	The Company has filed a suit for recovery. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is January 28, 2006
7.	Not allotted	May 2005	Company	Universal Sales Corporation	Additional District Judge, Delhi	1,059,507	This is a suit for recovery filed by the Company, which was decreed in favour of the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is yet to be notified
8.	142/03	August 2005	Company	Agro Impex	Additional District Judge, Delhi	528,500	Execution proceedings in respect of advance paid by the Company to the defendant for supply of agricultural products	The next date of hearing is January 27, 2006
9.	1965/93	August 1993	Company	Vijay Kalia	Additional District Judge, Delhi	767,147	This is a suit for recovery filed by the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is January 25, 2006
10.	2223/90	July 1990	Company	Khan and Company	Additional District Judge, Delhi	641,525.71	This is a suit for recovery filed by the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	Matter has been adjourned sine die
11.	410/01	February 2001	Company	Metro Paint	Additional	812,543	This is a suit for recovery	The next

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Industries and Others	District Judge, Delhi		filed by the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	date of hearing is February 7, 2006
12.	782/98 and 9483/00	August 1998	Company	Dynamic Cement Traders	High Court, New Delhi	4,630,506.38	This is a suit for recovery filed by the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is December 16, 2005
13.	187/00	October 12, 2000	Company	Venus Agencies	Sub-Judge (Senior Division), Chandigarh	3,495,499.80	This is a suit for recovery filed by the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is January 21, 2006
14.	5764/00	August 2000	Company	Pavithra Agencies	Civil Court, Bangalore	992,549	This is a suit for recovery filed by the Company. The matter relates to supply of cement for which there was a default in payment by the defendant	The next date of hearing is December 14, 2005
15.	412/99	1999	Company	Vishal Industries, Mumbai	Civil Judge (Senior Division), Kanpur	921,114	This is a summary suit for recovery filed by the Company for outstanding amount payable for supply of cement	The next date of hearing is yet to be notified
16.	527/04	May 25, 2002	Company	Geeta Cement	High Court, Jodhpur	2,620,025	This is a suit for recovery filed by the Company. The matter was pending before Additional District Judge, Nimbahera. Company had petitioned to the High Court for granting stay of the proceedings before the lower court. The lower court proceedings have been stayed	The next date of hearing is yet to be notified
17.	198/93	May 17, 1993	Company	Oberoi and Company	District Judge, Delhi	5,097,239	This is a suit for recovery filed by the Company. Execution decree is pending	
18.	1618/95	December 21, 1995	Company	Ramesh Kumar Noharia	Civil Judge (Senior Division), Kanpur	500,000	This is a suit for recovery filed by the Company	The matter is yet to be listed
19.	78/99	May 12, 1999	Company	Jain Construction Co. Ajmer	Additional District Judge, Jaipur	2,184,000	This is a suit for recovery filed by the Company. Execution decree is pending	
20.	896/04	August 10, 2004	Company	Sunrich Marketing, Hyderabad	First Additional Chief Judge, Hyderabad	1,440,166	This is a civil suit for recovery of sale proceeds with interest	The next date of hearing is December 21, 2005
21.	2084/04	2004	Company	Ms. Sunita Manpuria	Civil Judge (Senior Division), Kanpur	1,038,205	This is a civil suit for recovery of the sale proceeds	The next date of hearing is December 12, 2005
22.	1586/05	March 18, 2005	Company	Assistant Provident Fund Commissioner, Kota	High Court, Jodhpur	4,200,000	Writ Petition has been filed by the Company against the order for recovery of provident fund dues. The Company contends that these dues do not relate to it	The next date of hearing is December 6, 2005
23.	3056 and 3058/99	August 23, 1999	Company	Union of India	High Court, Jodhpur	1,713,444	This matter relates to demand raised by the Department of Telecommunications, Kota in respect of the Kota plant of JKSL	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
24.	1540/04	March 24, 2004	Company	AVVNL, Ajmer	High Court, Jodhpur	7,070,000	This is a claim for refund in respect of power cut and tripping	The next date of hearing is yet to be notified
Criminal Cases								
25.	1069/04	January 30, 2004	Company	Tondiarpet Sales Corporation	Metropolitan Magistrate, Georgetown, Chennai	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is February 15, 2006
26.	129/96 and 760/96	June 6, 1996	Company	Gupta Cement Distributors, Bhawani	Civil Judge, Gurgaon	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is January 23, 2006
27.	93/1/02	September 28, 2002	Company	Anu Enterprise	Chief Judicial Magistrate, Nawashahar, Punjab		This is a criminal complaint filed by the Company in connection with recovery of an amount of Rs.631,299.50	Next date of hearing is December 22, 2005
28.	153/05	January 20, 2005	Company	Kataria Sales Corporation	Additional Chief Judicial Magistrate, Merta, Rajasthan	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is January 16, 2006
29.	156/04	March 28, 2004	Company	Ceramic World	Additional Chief Judicial Magistrate, Merta, Rajasthan	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is January 16, 2006
30.	10/05	June 10, 2005	Company	Victory Marketing	Additional Chief Judicial Magistrate, Merta, Rajasthan	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is December 22, 2005
31.	23/05	August 24, 2005	Company	Baderia Tiles	Additional Chief Judicial Magistrate, Merta, Rajasthan	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is December 22, 2005
32.	55/01	January 2001	Company	Shiva Oasis, Behrore	Additional Chief Judicial Magistrate, Nimbahera	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is December 8, 2005
33.	678/96	1996	Company	S.R.R. and Company	Additional Chief Metropolitan Magistrate, Kanpur	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is January 4, 2006
34.	2539/1/04	January 2004	Company	Technology Parks Limited	Metropolitan Magistrate, Delhi	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is December 19, 2005
35.	3533/03	June 2003	Company	Rajeev Enterprises, Aligarh	Additional Chief Metropolitan Magistrate, Kanpur	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is December 6, 2005
36.	452/03	February 2003	Company	Aarcee Traders and others	Additional Chief Metropolitan Magistrate, Kanpur	-	This is a criminal complaint filed by the Company for recovery of Rs.4,000,000. The accused is not traceable. The court has issued summons. A final report has been filed by the investigating officer seeking closure of the matter. The Company has filed an objection in respect	The next date of hearing is December 5, 2005

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							of the final report and sought re-investigation of the matter	
37.	14/05	August 18, 2004	Company	Sunrich Marketing, Hyderabad	Metropolitan Magistrate (City), Hyderabad	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is December 21, 2005
38.	1328/94	1994	Company	Smt. Sunita Manpuria and others	Additional Chief Metropolitan Magistrate, Kanpur	-	This is a criminal complaint filed by the Company under Section 138 of the Negotiable Instruments Act	The next date of hearing is yet to be notified
Excise Cases								
39.	1823/04	April 2004	Company	Collector Customs and Excise	High Court, Jodhpur	-	The matter relates to a refund of Rs.18,593,463 granted by the Excise Department pursuant to the order of the tribunal. However, a show cause notice was issued stating that the refund has been erroneously granted. The Company filed a writ petition in the Jodhpur High Court. The High Court has stayed the show cause notice. The department has also filed an SLP before the Supreme Court against the amount refunded to the Company. For further information, see point no.8 in Litigation/Proceedings against the Company, above	The next date of hearing is yet to be notified
40.	924/05	February 9, 2005	Company	Union of India and others	High Court, Jodhpur	7,952,179	The Excise Department had issued a show cause notice, alleging that the Company was packing excess cement in its plant. Company has filed a writ petition. The High Court has granted stay in respect of the show cause notice	The next date of hearing is yet to be notified
41.	925/05	February 9, 2005	Company	Union of India and others	High Court, Jodhpur	1,232,981	The Excise Department had issued a show cause notice, alleging that the Company was packing excess cement in its plant. The Company has filed a writ petition. The High Court has granted stay in respect of the show cause notice	The next date of hearing is yet to be notified
42.	1824/04	April 2004	Company	Additional Collector Customs and Excise	High Court, Jodhpur	2,029,894	The matter relates to the refund granted by the Excise Department pursuant to the order of the tribunal. However, a show cause notice was issued by the Excise Department stating that the refund has been erroneously granted. The Company has filed a writ petition in the Jodhpur High Court. The High Court has granted stay in respect of the show cause notice	The next date of hearing is yet to be notified
43.	1820/05	March 2005	Company	Commissioner, Central Excise	High Court, Jodhpur	10,617,035 and 18,461,424 (interest amount)	A writ petition has been filed by the Company against the order of Assistant Commissioner rejecting the relinquishment of title of retrofit grate cooler. The	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							High Court has stayed the operation of order of the Assistant Commissioner regarding recovery of dues in respect of customs duty	
44.	Number not allotted	October 29, 2005	Company	Commissioner Central Excise, Jaipur	High Court, New Delhi	406,590,210	This matter relates to refund of excess duty paid by the Company. CESTAT had disallowed the Company's claim for refund	The next date of hearing is yet to be notified
45.	1436/03	December 2003	Company	Commissioner Central Excise, Jodhpur	Supreme Court of India	2,500,000	The Company has filed an SLP challenging the Finance Bill 2000 which excluded high speed diesel oil as input for availing modvat credit with retrospective effect	The next date of hearing is yet to be notified
Sales Tax Cases								
46.	466-467/ 98	May 8, 1998	Company	Commissioner of Trade Tax, Kanpur	The Appellate Tribunal Trade Tax, Kanpur	U.P. Trade Tax (UPTT): 3,638,299 Central Sales Tax (CST): 3,144,974	Assessment Year 1991-92: Sales Tax demand has been raised in connection with transshipment from Agra to places outside U.P. and stock transfers to various depots of the Company outside U.P. The Company has filed an appeal before the U.P. Trade Tax Tribunal against the order of the Deputy Commissioner (Appeals)	The next date of hearing is yet to be notified
47.	592-593/00	July 12, 2000	Company	Deputy Commissioner (Appeals), Kanpur	U.P. Trade Tax Tribunal, Kanpur	-	Assessment Year 1992-93: Sales Tax demand was raised by the Assessing Officer in connection with transshipment from Agra to places outside U.P. and stock transfers to various depots of the Company outside U.P. The Deputy Commissioner (Appeals) remanded the matter to the Assessing Officer for re-determination and quashed the assessment order. In appeal before the tribunal, the Company has obtained a stay of the remand proceedings	The next date of hearing is yet to be notified
48.	Not Allotted	October 14, 2000	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	Rajasthan Sales Tax: 2,730,932	Assessment Year 1997-98: The dispute relates to the tax on trade discount, and interest thereon, as well as differential tax for want of declaration forms. The Company had claimed trade discounts on cement, which were not allowed for the assessment year 1997-98. The Assessing Officer however allowed the trade discount for the next assessment year. Against the order of the Assessing Officer, the Company has filed an appeal	The next date of hearing is yet to be notified
49.	Not Allotted	October 14, 2000	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	Central Sales Tax: 4,728,367	Assessment Year 1997-98: The Company had claimed certain rebates on sale of cement, which were not allowed for the assessment year 1997-98. The Company, therefore, challenged the	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							disallowance	
50.	Not Allotted	November 20, 2001	Company	Assistant Commissioner, Special Circle, Commercial Taxes, Kota	Deputy Commissioner (Appeals), Kota	Rajasthan Sales Tax: 1,025,823	Assessment Year 1998-99: Assessing Officer, Kota had levied sales tax on the Company arising as a result of rejection of trade discounts, and purchase tax on the purchase of high speed diesel oil and lifting of fly ash, which has been challenged by the Company	The next date of hearing is yet to be notified
51.	Not Allotted	November 20, 2001	Company	Assistant Commissioner, Special Circle, Commercial Taxes, Kota	Deputy Commissioner (Appeals), Kota	Central Sales Tax: 2,738,844	Assessment Year 1998-99: Assessing Officer, Kota had disallowed certain rebates and concessional sales and had raised a demand, which has been challenged by the Company	The next date of hearing is yet to be notified
52.	Not Allotted	April 25, 2002	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	Rajasthan Sales Tax: 711,622	Assessment Year 1999-00: Assessing Officer had levied purchase tax for lifting of fly ash and purchase of high speed diesel oil, and sales tax for want of certain declaration forms, which has been challenged by the Company	The next date of hearing is yet to be notified
53.	Not allotted	December 2002	Company	Assistant Commissioner, Special Circle, Commercial Taxes, Kota	Deputy Commissioner (Appeals), Kota	Rajasthan Sales Tax: 1,335,727	Assessment Year 2000-01: Assessing Officer had levied sales tax for want of declaration forms, and purchase tax on purchase of high speed diesel oil and lifting of fly ash, which has been challenged by the Company	The next date of hearing is yet to be notified
54.	162/04-05	November 20, 2004	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	Central Sales Tax: 5,701,290	Assessment Year 2001-02: A clarificatory circular issued by the Commissioner Commercial Taxes, Jaipur, allowed the Company to avail one out of two benefits (i.e., 50% rebate on CST or only 6% CST on interstate sales of cement, without C form, instead of 18% CST). During the assessment year, the Company availed both the benefits. The Assessing Officer disallowed the benefit in respect of 50% rebate on CST and raised demand for the shortfall, which has been challenged by the Company	The next date of hearing is yet to be notified
55.	161/04-05	November 20, 2004	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	Rajasthan Sales Tax: 2,791,900	Assessment Year 2001-02: Assessing Officer had levied purchase tax for lifting of fly ash and purchase of high speed diesel oil, and sales tax for want of certain declaration forms, and interest thereon, which has been challenged by the Company	The next date of hearing is yet to be notified
56.	725/05	May 25, 2005	Company	State Level Screening Committee, Jaipur	Rajasthan Tax Board, Ajmer	-	In respect of the new cement plant at Mangrol, against the Company's application for sales tax exemption under the Rajasthan Sales Tax Exemption Scheme Central Sales Tax Exemption Scheme	Hearing concluded; order awaited

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							For Industries, 1998, the sanctioning body sanctioned the benefit for an amount of Rs.902,071,000 only against the applied Eligible Fixed Capital Investment ("EFCI") of Rs.1,101,764,000. The Company has filed an appeal for the remaining disallowed EFCI	
57.	Not yet registered	July 1, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand for Rs.35,936,668 (RST) in connection with the excess exemption/ deferment availed by the Company during the year 1999-2000. The Company has challenged the basis for calculation of the demand. Note: The Company has already made provision in its books of accounts in connection with this liability. In addition, the Company has entered into an arrangement with the State Government for payment of this liability on an instalment basis	The next date of hearing is yet to be notified
58.	Not yet registered	July 1, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.18,454,118 (CST) in connection with the excess exemption/ deferment availed by the Company during the year 1999-2000. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
59.	Not yet registered	July 8, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.61,781,876 (CST) in connection with the excess exemption/ deferment availed by the Company during the year 2000-2001. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
60.	Not yet registered	July 8, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.141,385,940 (RST) in connection with the excess exemption/ deferment availed by the Company during the year 2000-2001. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
61.	Not yet registered	July 8, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.67,332,045 (CST) in connection with the excess exemption/ deferment availed	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							by the Company during the year 2001-2002. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	
62.	Not yet registered	July 8, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.118,404,032 (RST) in connection with the excess exemption/ deferment availed by the Company during the year 2001-2002. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
63.	Not yet registered	July 25, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.57,366,220 (CST) in connection with the excess exemption/ deferment availed by the Company during the year 2002-2003. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
64.	Not yet registered	July 25, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.103,063,799 (RST) in connection with the excess exemption/ deferment availed by the Company during the year 2002-2003. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	
65.	Not yet registered	July 25, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.55,512,292 (CST) in connection with the excess exemption/ deferment availed by the Company during the year 2003-2004. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
66.	Not yet registered	July 25, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.163,158,612 (RST) in connection with the excess exemption/ deferment availed by the Company during the year 2003-2004. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
67.	Not yet registered	July 8, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10%	The next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.30,628,835 (CST) in connection with the excess exemption/ deferment availed by the Company. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	
68.	Not yet registered	July 8, 2005	Company	Commercial Taxes Officer, Kota	Deputy Commissioner (Appeals), Kota	-	In view of the Rajasthan Sales Tax Exemption Scheme/ Central Sales Tax Exemption Scheme for Industries 1998, the Company had been availing 100% benefit during the first year and 10% reducing benefit every subsequent year. Subsequently, pursuant to the Supreme Court decision dated September 28, 2004, the rate of exemption and deferment was determined at 25% only. Based on this, the assessing authority raised a demand of Rs.83,544,106 (RST) in connection with the excess exemption/ deferment availed by the Company. The Company has challenged the basis for calculation of the demand. Please see note in point 57 above	The next date of hearing is yet to be notified
69.	Not available	May 27, 2002	Company	Assistant Commissioner, Special Circle, Kota	Deputy Commissioner (Appeals), Kota	-	This matter relates to the partial exemption of CST claimed by the Company for assessment year 1999-00 in an aggregate amount of approximately Rs.2,220,536, which was not allowed by the Assessing Officer. The Company has filed an appeal seeking rectification of the order of the Assessing Officer	Next date of hearing is yet to be notified
70.	6804, 6970 and 6971/03	December 2003	Company	Commercial Taxes Officer, Kota and others	High Court, Jodhpur	-	Writ petition has been filed by the Company challenging three notices issued by the Commercial Taxes Officer, Kota relating to the years 2001–2004 directing the Company to deposit the amount of 50% rebate on CST claimed by the Company on the basis of the clarificatory circular of the Commissioner Commercial Taxes, Jaipur. The notices have been stayed by the High Court	The next date of hearing is yet to be notified
71.	940/04	February 24, 2004	Company	Commercial Taxes Officer,	High Court, Jodhpur	-	Commercial Taxes Officer, Anti Evasion, Jaipur, has	The next date of

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Anti Evasion, Jaipur and others			issued notices to the Company seeking to include the amount payable in respect of freight in determining the purchase value of petroleum products for levying entry tax. The Company has filed a writ petition challenging the notice and the vires of the Rajasthan Tax on Entry of Goods into Local Area Act, 1999	hearing is yet to be notified
72.	1698/05	March 18, 2005	Company	Government of Rajasthan and others	High Court, Jodhpur	-	The Company has challenged levy of entry tax on petcoke on the ground that petcoke is "coal". Entry tax is not leviable on coal under the Rajasthan Tax on Entry of Goods into Local Area Act, 1999 and, therefore, the Company contends that no entry tax is leviable on petcoke	The next date of hearing is yet to be notified
Other Cases								
73.	7188/05	May 9, 2005	Company	Wellbred Asset Management Bahamas Limited, Mr. Naresh Rajya, Mr. Clifford N. Kelly, Mr. Potayya, Mr. Tibrewala and others	Additional Chief Metropolitan Magistrate, Kanpur	-	This is a criminal complaint in respect of Rs.58.6 million (US$1,291,875) paid by the Company towards closing cost in connection with the proposed external commercial borrowing from Wellbred Asset Management Bahamas Limited. In the criminal case, the ACMM issued summons and non-bailable warrants against certain respondents. Subsequently, in a petition (Petition No. 8056/05) filed by some of the respondents, the Allahabad High Court stayed the order of the ACMM. In this connection, the Company has also filed a civil suit and a suit for injunction before the Supreme Court of Mauritius	The next date of hearing before the ACMM is December 24, 2005 and before the Allahabad High Court is December 16, 2005. The next date of hearing before the Supreme Court of Mauritius is December 14, 2005 in connection with the injunction matter
74.	717/81	March 1981	Company and others	Union of India and others	High Court, New Delhi	27,200,000	The matter relates to the cement retention price fixed by the Ministry of Industry, GoI. The Company has disputed the fixation of the retention price	Appearing on board on Thursday of each week
75.	390/91	April 20, 1991	Company	State of Rajasthan	High Court, Jodhpur	1,328,224	Writ petition has been filed by the Company against the order of the Chief Judicial Magistrate, Chittorgarh. The Chief Judicial Magistrate had ordered the payment of Rs.13,28,224 by the Company on account of octroi in respect of limestone dispatched during the period August 1985 to March 1990 and March 1990 to January 1991	The next date of hearing is yet to be notified
76.	2/2005	April 8, 2005	Company	Union of India and others	RRT, Chennai	18,600,000	A demand has been raised by the railway against target	The next date of

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
							fixed for STS Scheme. The contention is that the Company has not achieved the target and has taken rebate on freight. Against this demand, the Company has filed a petition before RRT, Chennai and obtained a stay order. On September 17, 2005, the tribunal confirmed the stay order subject to the Company making a payment of Rs.2,500,000, which was subsequently paid by the Company	hearing is December 12, 2005
77.	269/98	January 1998	Company	Rajshree Roadways	Additional Chief Judicial Magistrate, Jaipur	-	A criminal case has been filed against Mr. Sajjan Jain of Rajshree Roadways for misappropriation of Rs.1,789,164. The Court of Additional Chief Judicial Magistrate has issued an arrest warrant for Mr. Sajjan Jain	The next date of hearing is December 16, 2005
78.	32/05	May 27, 2005	Company	State of Rajasthan	Additional Chief Judicial Magistrate, Chittorgarh	1,222,775	The Mines Department had imposed a penalty against the Company for unauthorized excavation. The Company has deposited the penalty amount	Next date of hearing is yet to be notified
79.	464/96	August 23, 1996	Company	State of Rajasthan	High Court, Jodhpur	-	This is a an appeal filed by the Company before the division bench in connection with recovery of 150 hectares of land surrendered by the Company	The next date of hearing is not yet notified
80.	2181/03	July 16, 2003	Company	State of Rajasthan	High Court, Jodhpur	1,190,000	This matter relates to refund of land tax in respect of Dhanappa Limestone Mines	The next date of hearing is yet to be notified
81.	2183/03	October 15, 2003	Company	State of Rajasthan	High Court, Jodhpur	550,000	This matter relates to refund of land tax	The next date of hearing is yet to be notified
82.	1809/05	March 29, 2005	Company	Secretary, Mines Department	High Court, Jodhpur	-	The Company has filed a writ petition challenging the grant of 53.84 hectares of land in place of 63.20 hectares applied for by the Company in connection with the china clay mines, Chittor	The next date of hearing is yet to be notified
83.	4271/05	August 30, 2005	Company	Rehmat Ali	Revenue Board, Ajmer	-	This matter relates to the acquisition of land in respect of the clay mines at Kantharia	The next date of hearing is December 5, 2005
84.	4272/05	August 30, 2005	Company	Iqbal Hussain	Revenue Board, Ajmer	-	This matter relates to the acquisition of land in respect of the clay mines at Kantharia	The next date of hearing is December 5, 2005
85.	156/02	September 27, 2002	Company	Abdul Samad	Collector, Chittorgarh	-	This matter relates to the acquisition of land in respect of the clay mines at Kantharia	The next date of hearing is yet to be notified
86.	59/05	May 24, 2005	Company	Oriental Insurance	National Consumer	8,989,650	This is an insurance claim for loss of coal due to floods	The next date of

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant/ Appellant	Respondents/ Defendant	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Company Limited	Disputes Redressal Commission, New Delhi			hearing is January 12, 2006
87.	62/05	July 7, 2005	Company	Oriental Insurance Company Limited	National Consumer Disputes Redressal Commission, New Delhi	9,767,379	This is an insurance claim for damages to cables and ESP	The next date of hearing is January 12, 2006
88.	80/05	November 2004	Company	Delhi Jal Board	High Court, New Delhi	6,651,390 (damages) and 295,000 (cost of cement) with 10% annual interest	The Company has filed objection against the award passed by the arbitrator in favour of the Delhi Jal Board in connection with the breach of the terms of the agreement and damages. The Delhi Jal had also filed an execution proceeding (No. 115/04), which was dismissed as premature by the High Court, Delhi	The next date of hearing is December 15, 2005
89.	10/04	January 19, 2004	Company	Gulbaz Khan and others	Revenue Board, Ajmer	2,160,000	This is a matter relating to declaration of land rights	The next date of hearing is December 5, 2005
90.	3208/05	May 26, 2005	Company	State of Rajasthan	High Court, Jodhpur	730,000	This is an appeal by the Company against the order of Collector Stamps in respect of payment of stamp duty	The next date of hearing is yet to be notified

Other Cases by the Company

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000, as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Recovery suit-related	55	8,836,702	-
2.	Criminal Matters, including matters relating to Section 138 of Negotiable Instruments Act	10	-	-
3.	Service Matters	2	110,000	2
4.	Consumer Matters	1	294,205	-
5.	Others	5	623,108	3

Litigation/Proceedings involving the Directors

Except as described below, there are no outstanding litigations, suits or criminal prosecutions or civil proceedings, and there are no defaults, non-payment of statutory dues, overdues to banks/financial institutions or defaults against banks/financial institutions by the Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

Litigation/Proceedings against the Directors

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
1.	674/04	1997	JK Staff Association,	Dr. Gaur Hari Singhania,	Chief Judicial Magistrate,	-	This is a criminal complaint filed for non-deposit of LIC	Next date of hearing is

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
			Kota	JKSL and others	Kota, Rajasthan		premium for an amount of Rs.417,000	February 10, 2006
2.	1992/01	1997	State of Rajasthan	JKSL, Shri Yadupati Singhania, Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint for contravention of order of Labour Commissioner dated September 3, 1997 under Section 10K of the Industrial Disputes Act declaring lock-out in Kota plant	Next date of hearing is December 12, 2005
3.	1993/01	1997	State of Rajasthan	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint for contravention of order of Labour Commissioner dated September 3, 1997 under Section 10K of the Industrial Disputes Act declaring lock-out in the Kota plant	Next date of hearing is December 12, 2005
4.	1990/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.1,097,000	Next date of hearing is December 12, 2005
5.	1991/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.980,397	Next date of hearing is December 12, 2005
6.	1982/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of pension fund contributions for an amount of Rs.213,838	Next date of hearing is December 12, 2005
7.	1983/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.423	Next date of hearing is December 12, 2005
8.	1984/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.326,799	Next date of hearing is December 12, 2005
9.	1985/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.365,799	Next date of hearing is December 12, 2005
10.	1986/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.387	Next date of hearing is December 12, 2005
11.	1987/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.141	Next date of hearing is December 12, 2005
12.	1988/01	September 1997	Enforcement Officer,	JKSL (J.K. Tyre Cord), Dr.	Additional Chief Judicial	-	This is a criminal complaint filed for non-deposit of	Next date of hearing is

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
			Employees Provident Fund, Kota	Gaur Hari Singhania, Mr. J.P. Bajpai and others	Magistrate, Kota, Rajasthan		pension fund contributions for an amount of Rs.641,514	December 12, 2005
13.	1989/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of pension fund contributions for an amount of Rs.612,243	Next date of hearing is December 12, 2005
14.	1980/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.129	Next date of hearing is December 12, 2005
15.	283/03	January 1997	Adani Exports Limited	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Mumbai, Maharashtra	-	This is a criminal complaint filed in connection with dishonor of cheque under Section 138 of the Negotiable Instruments Act for an amount of Rs.3,644,000	Next date of hearing is yet to be notified
16.	182/98	1998	Dharmesh Khandelwal	JKSL, Dr. Gaur Hari Singhania and others	Judicial Magistrate First Class, Indore, Madhya Pradesh	-	This is a criminal complaint under Section 138 of the Negotiable Instruments Act filed in connection with dishonor of cheque for an amount of Rs.200,000	Next date of hearing is December 12, 2005
17.	159/97	1997	State of Rajasthan	Dr. Gaur Hari Singhania and others	Chief Judicial Magistrate, Kota	Not quantified	This is a petition filed in connection with land matters of Kunhadi by the Tehsildar. The allegation is that the company intended to sell government land. The revision petition filed by JKSL (No.9/00) before High Court, Jaipur, which stayed the proceedings before the Chief Judicial Magistrate, is pending	Next date of hearing is February 10, 2006
18.	704/00	2000	State of Rajasthan	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	Special Judge, Jaipur, Rajasthan	-	This is a criminal complaint filed by the Central Excise Department for non-payment of central excise duty in an amount of Rs.8,500,354	Next date of hearing is yet to be notified
19.	720/02	2002	Mijaji Lal	Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	Civil Judge (Senior Division), Kanpur, Uttar Pradesh	-	This is a suit for possession of land	Next date of hearing is yet to be notified
20.	Not allotted	1998	New Era Woolen Mills	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	Civil Judge, Ludhiana, Punjab	898,306	This is a matter for execution of decree for recovery	Next date of hearing is January 21, 2006
21.	514/04	March2004	NDMC	Vinay Vaish, Mr. Yadupati Singhania, JKSL and others	Metropolitan Magistrate, Delhi	-	NDMC has filed a criminal complaint for misuse of leased premises against Mr. Vaish	Next dated of hearing is March 22, 2006
22.	29/05, 48/05 to 52/05, 74/04, 49/03, 81/03, 85/03, 87/03	Matters have been filed on different dates	These matters have been filed by various employees of JKSL	JKSL, Mr. K.N. Khandelwal and others	District Consumer Forum, Kota	-	The employees have filed applications under Section 27 of the Consumer Protection Act for payment of optional provident fund	Different dates of hearing have been fixed in these matters
23.	227/91	1991	Registrar of Companies, Uttar Pradesh,	Mr. K.N. Khandelwal and others	Special Judicial Magistrate, Kanpur	-	This is a complaint under Section 63(1) of the Companies Act for alleged	Next date of hearing is yet to be notified

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
			Kanpur				mis-statement of facts in the prospectus issued for public offering by Khandelwal Extractions Limited. The Allahabad High Court has stayed the proceedings before the Special Judicial Magistrate	
24.	16454/04 and 126/05	July 2004	Mr. Hari Shankar Singhania and others	Dr. Gaur Hari Singhania and others	Supreme Court of India	-	This matter relates to division of immovable assets of J.K. Bankers, a dissolved partnership firm. The Supreme Court by its order dated July 6, 2005 has directed the appointment of a conciliator. The matter is pending before the conciliator	Next date of hearing is yet to be notified
25.	1663/00	April 20, 2000	Mr. Hari Shankar Singhania and others	Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	High Court, Bombay	-	The appellant is seeking possession of immovable property of the dissolved partnership firm of J.K. Bankers	Next date of hearing is yet to be notified
26.	706/03	February 25, 2003	Mr. Srivats Singhania	Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	High Court, Bombay	-	The appellant is seeking possession of immovable property of the dissolved partnership firm of J.K. Bankers	Next date of hearing is yet to be notified
27.	96/LUC/1, 764/LUC/1, 765/LUC/1, 766/LUC/1	2001	Deputy Commissioner, Income Tax	Dr. Gaur Hari Singhania	Income Tax Appellate Tribunal, Lucknow	Aggregate amount: Rs.51,611 (tax liability)	For assessment years 1997-89 to 2000-01. These are certain income tax matters pending against Dr. Gaur Hari Singhania relating to enhancement of income from house property	Next date of hearing is yet to be notified
28.	521/00	2000	Punjab National Bank	JK Cotton, Dr. Gaur Hari Singhania and others	Debt Recovery Tribunal, Allahabad	24,944,113	Punjab National Bank had filed an original suit (No. 631/91) for recovery of its outstanding dues in the Civil Court, Kanpur. This matter was transferred to the Debt Recovery Tribunal, Allahabad	Next date of hearing is April 5, 2006
29.	588/00 and T.A. 514/00	2000	Central Bank of India	JK Cotton, Dr. Gaur Hari Singhania and others	Debt Recovery Tribunal, Allahabad	1,285,611 and 1,526,329	Central Bank of India had filed original suits (Nos. 829/93 and 791/92) for recovery of its outstanding dues in the Civil Court, Kanpur. This matter was transferred to the Debt Recovery Tribunal, Allahabad	Next date of hearing is April 5, 2006
30.	80/03	April 24, 1991	Factory Inspector	Company and Mr. Yadupati Singhania	Additional Chief Judicial Magistrate Chittorgarh	-	A criminal complaint has been filed by Factory Inspector for non-compliance with statutory requirements under the Factories Act	The next date of hearing is December 10, 2005
31.	18/05	2005	Banaras State Bank (now merged with Bank of Baroda)	Mr. Yadupati Singhania, JK Cotton, Mr. Govind Hari Singhania and others	Debt Recovery Tribunal, Allahabad	4,422,331	Banaras State Bank had filed original suits (Nos. 495/92) for recovery of its outstanding dues in the Civil Court, Kanpur. This matter was transferred to the Debt Recovery Tribunal, Allahabad	Next date of hearing is December 5, 2005
32.	98/LUC/1, 767 and 768/LUC/1, 374/LUC/4	There are several dates of filing	Deputy Commissioner of Income Tax	Mr. Yadupati Singhania	Income Tax Appellate Tribunal, Lucknow	Aggregate amount: Rs.168,059 (tax liability)	For assessment years 1997-98, 1998-99, 2000-01 and 2001-02. These are income tax matters pending against Mr. Yadupati Singhania relating to enhancement of income from house property	Next date of hearing is yet to be notified
33.	63/05	February 8,					The State has filed criminal	

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
		2005					proceedings under Section 407/420/120B of the IPC against Dr. Gaur Hari Singhania and others. The Company has received summons dated November 24, 2005 for production of documents in the referenced matter. The Company has not received any other documentation in this matter	

Litigation/Proceedings by the Directors

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
1.	1039/04 for Dr. Gaur Hari Singhania and 1041/04 for Mr. Yadupati Singhania	October 2004	Dr. Gaur Hari Singhania and Mr. Yadupati Singhania	Special Director, Enforcement Directorate, Delhi	Appellate Authority, FERA, New Delhi	500,000 each	This matter relates to non-compliance of Foreign Exchange Regulation Act, 1948 for non-filing the bill of entry by JKSL. Personal penalty has been imposed on the appellants	Next date of hearing is January 16, 2006
2.	16424/98	August 1998	JK Jute, Dr. Gaur Hari Singhania and others	State of Bihar and others	High Court, Patna		This is a petition filed under Section 482 of the Criminal Procedure Code praying for stay of the criminal proceedings filed by the respondents before Judicial Magistrate, Muzaffarpur (No. 971/97) in connection with breach of contract for sale of land	Next date of hearing is yet to be notified
3.	14/01, 15/01, 16/01, 17/01	July 2001	JK Cotton and Dr. Gaur Hari Singhania	Punjab National Bank and others	For details, please see "Litigation/Proceedings by JK Cotton-Recovery Cases" below			
4.	23140/00	2000	JK Cotton (J.K. Rayon), Dr. Gaur Hari Singhania and others	State of Uttar Pradesh, Sunder Lal and others	High Court, Allahabad	Not quantifiable	This is a writ filed by the petitioners against the award of the labour court in connection with the reinstatement of four workmen with back wages. The Allahabad High Court has stayed the implementation of the award	Next date of hearing is yet to be notified
5.	77/86, 1331/87 and 469/89	There are several dates of filing	Dr. Gaur Hari Singhania	Wealth Tax Officer, Central Circle, Kanpur	High Court, Allahabad	-	These relate to assessment years 1981-82 to 1986-87. The issue involved in these writ petitions relate the method of valuation of interest of a partner in a partnership firm under Wealth Tax Act	Next date of hearing is yet to be notified
6.	79/86, 1333/87 and 473/89	There are several dates of filing	Mr. Yadupati Singhania	Wealth Tax Officer, Central Circle, Kanpur	High Court, Allahabad	-	These relate to assessment years 1981-82 to 1986-87. The issue involved in these writ petitions relate the method of valuation of interest of a partner in a	Next date of hearing is yet to be notified

							partnership firm under Wealth Tax Act	
7.	6477/04	September 2004	JKSL, Mr. Yadupati Singhania and others	Raghuvir Singh, State of Rajasthan and others	High Court of Rajasthan, Jaipur	-	This is a writ petition challenging the order of the Additional Labour Commissioner, Jaipur dated August 16, 2004 sanctioning filing of prosecution against JKSL for non-compliance with the order of the Labour Court. The order of the Labour Commissioner has been stayed by the High Court	Next date of hearing is yet to be notified

Litigation/Proceedings involving the Promoters

Except as described below and in the section tilted "Outstanding Litigation and Material Developments-Litigation/Proceedings involving the Directors" on page 152 of this Draft Red Herring Prospectus in respect of the Promoter Directors, there are no outstanding litigation, suits or criminal prosecutions or civil proceedings or disputes against the Promoters and there are no defaults, non-payment of statutory dues, overdues to banks/ financial institutions or defaults against banks/ financial institutions by the Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

In connection with the non-payment of certain indebtedness to the secured creditors, JKSL appears on the RBI's list of defaulters. In addition, the names of Dr. Gaur Hari Singhania and Mr. Yadupati Singhania appear on the RBI's defaulters list in their capacity as directors of JKSL. Pursuant to the Scheme of Rehabilitation, the amount payable in respect of the "one time settlement" arrangement and the interests thereon have been deposited in the escrow accounts of IDBI and SBI on November 4, 2004. IDBI, the monitoring agency, by its letter dated November 30, 2004 informed the AAIFR regarding the settlement of dues of the financial institutions and banks by JKSL as per the scheme approved by the AAIFR. JKSL by its letter dated November 30, 2005 has represented to IDBI to advice RBI to delete its name and the names of Dr. Gaur Hari Singhania and Mr. Yadupati Singhania from the willful defaulter list.

In connection with the non-payment of certain indebtedness to the secured creditors, JK Cotton appears on the RBI's list of defaulters. In addition, the names of Dr. Gaur Hari Singhania and Mr. Yadupati Singhania appear on the RBI's defaulters list in their capacity as directors of JK Cotton. The AAIFR has sanctioned a "one time settlement" scheme dated December 20, 2002 for rehabilitation of JK Cotton, which is under implementation.

Litigation/Proceedings involving Yadu International Limited ("Yadu International")

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
3.	9018/03	August 20, 1999	Yadu International	Devendra & Co. and its Partners, Kanpur	Additional Chief Metropolitan Magistrate, Kanpur	-	This relates to non-payment of Rs.3,500,000 advanced by Yadu International. The amount has been paid by the respondents and the parties have reached an out of court settlement.	An application dated June 7, 2005 has been made by Yadu International for permission to withdraw or dismiss the case. Next date of hearing is yet to be notified

Litigation/Proceedings involving the Promoter Group Companies

Except as described below, there are no outstanding litigation, suits or criminal proceedings or civil prosecutions or tax liabilities against companies promoted by our Promoters, and there are no defaults, non-payment of statutory dues, overdues to banks/ financial institutions, defaults in dues payable to holders of any debentures, bond or fixed deposits and arrears on preference shares issued by the group companies (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act, 1956).

Litigation/Proceedings involving JKSL

Contingent liabilities of JKSL as of March 31, 2005

(i)	In respect of claims against the Company not acknowledged as debts	:	Rs.12,000,000
(ii)	In respect of non-fulfillment of export obligation against advance licenses (as per show cause notices)	:	Rs.19,610,000

(iii)	In respect of claims of various parties for interest/penalty on late payments	:	Indeterminate
(iv)	In respect of disputed demands, appeals pending with Appellate Authorities/Court (no provision has been made by the management)		
	Income Tax (paid under dispute)	:	Rs.73,409,000

In connection with the non-payment of certain indebtedness to the secured creditors, JKSL appears on the RBI's list of defaulters. Pursuant to the Scheme of Rehabilitation, the amount payable in respect of the "one time settlement" arrangement and the interests thereon have been deposited in the escrow accounts of IDBI and SBI on November 4, 2004. IDBI, the monitoring agency, by its letter dated November 30, 2004 informed the AAIFR regarding the settlement of dues of the financial institutions and banks by JKSL as per the scheme approved by the AAIFR. JKSL by its letter dated November 30, 2005 has represented to IDBI to advice RBI to delete its name from the willful defaulter list.

Litigation/Proceedings against JKSL

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Tax Cases				
1.	2001/88	1988	Income Tax Officer, Union of India	JKSL and others	Special Chief Judicial Magistrate, Kanpur	Not applicable	This matter relates to assessment year 1975-76. This is a criminal complaint under the I.T. Act for short payment of advance tax and filing incorrect estimate of advance tax	Next date of hearing is December 19, 2005
2.	1930/D/92	1992	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	Indeterminat e	This relates to the assessment year 1975-76. This is an appeal against relief granted by the Commissioner of Income Tax (Appeals) in respect of interest under Section 215 of the I.T. Act	Next date of hearing is yet to be notified
3.	1912/D/92	1992	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	4,000,000	This relates to assessment year 1981-82. This matter relates to penalty under Section 271(i)(c) of the I.T. Act for concealment of income	Next date of hearing is yet to be notified
4.	1911/D/92	1992	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	1,928,956	This relates to assessment year 1979-80. This matter relates to order under Section 154 of I.T. Act allowing gratuity liability as deduction	Next date of hearing is yet to be notified
5.	749/D/88	1988	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	392,300,000	This relates to assessment year 1984-85. This is an appeal against reliefs allowed by Commissioner of Income Tax (Appeals)	Next date of hearing is yet to be notified
6.	5689/D/91	1991	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	99,500,000	This relates to assessment year 1985-86. This is an appeal against reliefs allowed by Commissioner of Income Tax (Appeals)	Next date of hearing is yet to be notified
7.	721/D/93	1993	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	104,000,000	This relates to assessment year 1986-87. This is an appeal against reliefs allowed by Commissioner of Income Tax (Appeals)	Next date of hearing is yet to be notified
8.	828/A/94 and C No. 72	1994	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	34,400,000	This relates to assessment year 1988-89. This is an appeal against reliefs allowed by Commissioner of Income Tax (Appeals)	Next date of hearing is yet to be notified
9.	1121/D/96	1996	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	235,100,000	This relates to assessment year 1989-90. This is an appeal against reliefs granted by the order of the Commissioner of Income Tax (Appeals) under Section 250 of the I.T. Act	Next date of hearing is yet to be notified

10.	687/LUC/02	2002	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	62,700,000	This relates to assessment year 1993-94. This is an appeal against reliefs granted by the order dated May 6, 2002 of the Commissioner of Income Tax (Appeals)	Next date of hearing is yet to be notified
11.	347/LUC/05	2005	Assistant Commissioner of Income Tax, Kanpur	JKSL	Income Tax Appellate Tribunal, Lucknow	51,400,000	This relates to assessment year 1994-95. This is an appeal against reliefs granted by the order dated February 8, 2005 of the Commissioner of Income Tax (Appeals)	Next date of hearing is yet to be notified
12.	318/81	1981	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1970-71. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
13.	148/91	1991	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1976-77. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
14.	Not available	-	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
15.	238/240/90	1990	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1981-82. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
16.	225/90	1990	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1981-82. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
17.	356/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1980-81. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
18.	357/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1980-81. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
19.	424-92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
20.	484/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1976-77. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
21.	270/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1982-83. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified

22.	427/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1972-73. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
23.	39/93	1993	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1979-80. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
24.	Not available	-	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1978-79. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
25.	28/93	1993	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
26.	29/93	1993	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
27.	3A/95	1995	Commissioner of Income Tax, Kanpur	JKSL	High Court, Allahabad	-	This relates to assessment year 1985-86. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
28.	Not available	-	Commissioner of Income Tax, Kanpur	JKSL	High Court, Allahabad	1,541,888	This relates to assessment year 1978-79. This is an appeal against order granting relief from payment of interest under Section 216 of I.T. Act	Next date of hearing is yet to be notified
29.	74/88	1988	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1977-78. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
30.	88/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1977-78. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
31.	230/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
32.	4477/92	1992	Commissioner of Income Tax, Delhi	JKSL	High Court, Delhi	-	This relates to assessment year 1979-80. This is a writ against reference order	Next date of hearing is yet to be notified
33.	194/99	1999	Commissioner of Income Tax, Kanpur	JKSL	High Court, Allahabad	747,452	This relates to assessment year 1981-82. This is an appeal against order granting relief from payment of interest under Section 244(1A) of I.T. Act	Next date of hearing is yet to be notified
34.	Not available	-	Commissioner of Income Tax, Kanpur	JKSL	High Court, Allahabad	7,000,000	This relates to assessment year 1985-86. This is an appeal against order reducing the penalty under Section 271(1)(c) of I.T. Act	Next date of hearing is yet to be notified

35.	Nil	January 2005	Commercial Taxes Officer, Kota	JKSL	The Assessing Authority, Commercial Taxes Officer, Kota	6,270,036	The matter relates to the assessment years 1974-75, 1975-76 and 1976-77. Notice received from Assessing Authority for payment of contingent deposit taken by JKSL from its buyers	Next date of hearing is yet to be notified
Excise Cases								
36.	5850/02	2002	Central Excise Department	JKSL	High Court, Jaipur	-	The Central Excise Department has filed a writ petition challenging the draft scheme of rehabilitation circulated by AAIFR by its order dated August 31, 2001. The High Court has not granted stay in the matter	Next date of hearing is yet to be notified
Recovery Cases								
37.	1691/99	July 1999	Vam Organic Chemicals Limited	JKSL	High Court, Delhi	2,300,000	Suit for recovery for amount for supply of materials. JKSL has filed an application under Section 22(1) of SICA	Matter has been adjourned sine die
38.	271/04	July 1999	Vam Organic Chemicals Limited	JKSL	Additional District Judge, Delhi	1,662,421	Suit for recovery for amount for supply of materials	Next date of hearing is February 27, 2006
39.	58/03/91	1991	Executive Engineer, RMC CAD, Kota	JKSL	Additional District Collector, Kota	11,689,000	Matter relates to recovery of canal water charges for Kota plant from 1991 onwards	Next date of hearing is yet to be notified
40.	57/03/92	1992	Executive Engineer, RMC CAD, Kota	JKSL	Additional District Collector, Kota	22,803,000	Matter relates to recovery of canal water charges for Kota plant from 1991 onwards	Next date of hearing is yet to be notified
41.	118/04	2004	Executive Engineer, Jhalawar	JKSL	Collector, Jhalawar	2,600,000	Matter relates to recovery of water charges for Jhalawar plant	Next date of hearing is yet to be notified
42.	1990/01	September 1997	Enforcement Officer, EPF, Kota	JKSL	ACJM, Kota	-	This is criminal matter relating to alleged non-payment of provident fund contribution in an amount of Rs.1,097,000	Next date of hearing is December 12, 2005
43.	1989/01	September 1997	Enforcement Officer, EPF, Kota	JKSL	ACJM, Kota	-	This is criminal matter relating to alleged non-payment of pension fund contribution in an amount of Rs.612,243	Next date of hearing is December 12, 2005
44.	1988/01	September 1997	Enforcement Officer, EPF, Kota	JKSL	ACJM, Kota		This is criminal matter relating to alleged non-payment of pension fund contribution in an amount of Rs.641,514	Next date of hearing is December 12, 2005
45.	281/98	1998	Shree Sainath Corporation	JKSL	Civil Judge, Surat	585,000	Matter relates to refund of security deposit	Next date of hearing is yet to be notified
46.	250/05	2005	G.B. Corporation	JKSL	Civil Judge, Surat	1,390,000	Matter relates to refund of security deposit	Next date of hearing is yet to be notified
47.	30/99	1999	Dharmesh Khandelwal	JKSL and others	Additional District Judge, Indore	1,706,047	This suit has been filed against JKSL for recovery of outstanding amount in connection with supply of coal. JKSL's application under Section 22 of SICA was rejected by the court. JKSL has filed a writ petition before the High Court, Madhya Pradesh in WP No. 931/04 against the rejection of JKSL's application under Section 22 of SICA	Next date of hearing is December 7, 2005
48.	674/04	1997	JK Staff Association, Kota	Dr. Gaur Hari Singhania, JKSL and others	Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of LIC premium for an amount of Rs.417,000	Next date of hearing is February 10, 2006

49.	1991/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.980,397	Next date of hearing is December 12, 2005
50.	1982/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of pension fund contributions for an amount of Rs.213,838	Next date of hearing is December 12, 2005
51.	1983/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.423	Next date of hearing is December 12, 2005
52.	1984/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.326,799	Next date of hearing is December 12, 2005
53.	1985/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of provident fund contributions for an amount of Rs.365,799	Next date of hearing is December 12, 2005
54.	1986/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.387	Next date of hearing is December 12, 2005
55.	1987/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Tyre Cord), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.141	Next date of hearing is December 12, 2005
56.	1980/01	September 1997	Enforcement Officer, Employees Provident Fund, Kota	JKSL (J.K. Acrylics), Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint filed for non-deposit of administrative charges in respect of Employees' Deposit of Linked-Insurance Scheme for an amount of Rs.129	Next date of hearing is December 12, 2005
57.	283/03	January 1997	Adani Exports Limited	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Mumbai, Maharashtra	-	This is a criminal complaint filed in connection with dishonor of cheque under Section 138 of the Negotiable Instruments Act for an amount of Rs.3,644,000	Next date of hearing is yet to be notified
58.	182/98	1998	Dharmesh Khandelwal	JKSL, Dr. Gaur Hari Singhania and others	Judicial Magistrate First Class, Indore, Madhya Pradesh	-	This is a criminal complaint under Section 138 of the Negotiable Instruments Act filed in connection with dishonor of cheque for an amount of Rs.200,000	Next date of hearing is December 12, 2005
59.	704/00	2000	State of Rajasthan	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	Special Judge, Jaipur, Rajasthan	-	This is a criminal complaint filed by the Central Excise Department for non-payment of central excise duty in an amount of Rs.8,500,354	Next date of hearing is yet to be notified
60.	Not allotted	1998	New Era Woolen Mills	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania and others	Civil Judge, Ludhiana, Punjab	898,306	This is a matter for execution of decree for recovery	Next date of hearing is January 21, 2006

61.	29/05, 48/05 to 52/05, 74/04, 49/03, 81/03, 85/03, 87/03	Matters have been filed on different dates	These matters have been filed by various employees of JKSL	JKSL, Mr. K.N. Khandelwal and others	District Consumer Forum, Kota	-	The employees have filed applications under Section 27 of the Consumer Protection Act for payment of optional provident fund	Different dates of hearing have been fixed in these matters
				Labour Cases				
62.	5183/01 and 5182/01	November 2001	JK Synthetics Mazdoor Union in matter no. 5183/01 and JK Staff Association in matter no. 5182/01	JKSL	High Court, Jaipur	-	These petitions have been filed by the unions challenging the draft rehabilitation scheme circulated by the AAIFR and for payment of employees' dues in respect of the Kota plant. The alleged claims of the JK Synthetics Mazdoor Union and JK Staff Association in connection with the workers and staff dues are approximately Rs.3,000 million. Note: In terms of the tri-partite labour settlement agreements (TLSA) executed subsequently among JKSL, the prospective buyer of the Kota plant and the unions, all the cases pertaining to employee dues are to be withdrawn upon sanction of the scheme. The scheme sanctioned by the AAIFR by its order dated January 7, 2005 also requires the withdrawal of all the legal matters against JKSL by employees/workers of JKSL Kota complex. The scheme has already been implemented. The withdrawal proceedings are, however, yet to be initiated.	Next date of hearing is yet to be notified
63.	9419/02	2002	Tejmal Jain and others	JKSL	High Court, Jaipur	-	The petitioners have challenged the tripartite settlement dated October 22, 2002 among JKSL, the prospective buyer of the Kota plant and JK Staff Association. The court has not granted any stay in the matter	Next date of hearing is yet to be notified
64.	2270/03	2003	R.C. Bhatia and others	JKSL	High Court, Jaipur	-	This petition has been filed challenging the AAIFR order dated January 23, 2003. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above. The court has not granted any stay in the matter	Next date of hearing is yet to be notified
65.	3937/05	2005	R.C. Bhatia and others	JSKL and others	High Court, Jaipur	-	This writ petition has been filed challenging the order of AAIFR dated January 7, 2005. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above. The court has not granted any stay in the matter	Next date of hearing is yet to be notified

66.	168/88	1988	Harish Chandra and four others	JKSL	Labour Court, Kota	9,728,000	This matter relates to dismissal of Harish Chandra and others. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is April 20, 2003
67.	33/86	1986	JK Synthetics Mazdoor Union	JKSL	Labour Court, Kota	7,072,000	This matter relates to 24 canteen workers employed by the contractor	Next date of hearing is March 9, 2006
68.	197/93	1993	Babulal and four others	JKSL	Labour Court, Kota	2,402,000	This matter relates to termination of Babulal and 4 others employed by the contractor	Next date of hearing is March 9, 2006
69.	18/01	2001	Gopi Kishan Agarwal	JKSL	Labour Court, Kota	650,000	This is a claim for back wages. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is January 7, 2006
70.	127/02	2002	G.N. Bhati	JKSL	Labour Court, Kota	-	This is a claim for back wages. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is yet to be notified
71.	4/02	2002	Rajasthan Trade Union Kendra	JKSL	Industrial Tribunal, Kota	-	This matter relates to certain demands raised in respect of for bonus, lock-out and interim relief granted pursuant to the Sukharia Award. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is December 7, 2005
72.	15/93	1993	JK Staff Association	JKSL	Industrial Tribunal, Kota	4,200,000	This matter relates to the effective period of settlement in connection with the settlement dated April 2, 1990 reached with the JK Staff Association. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is February 10, 2006
73.	17/94	1994	JK Staff Association	JKSL	Industrial Tribunal, Kota	2,098,000	This matter relates to certain demands raised by the JK Staff Association. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing his February 2, 2006
74.	16/94	1994	JK Staff Association	JKSL	Industrial Tribunal, Kota	-	This matter relates to certain demands raised by the JK Staff Association. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is February 2, 2006
75.	73/03	2003	Benjamin Fransis	JKSL	Labour Court, Kota	500,000	This is a claim for back wages. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is March 18, 2006
76.	337/90	1990	Naresh Rai Sexena	JKSL	Labour Court, Kota	654,000	Matter relates to abandonment of employment by remaining absent. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is February 2, 2006

77.	59/02	2002	Rajendra Babu Soni	JKSL	Labour Commissioner, Jaipur	711,000	This is a claim for back wages. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is January 6, 2006
78.	58/02	2002	Hanuman Prasad Kurmi	JKSL	Labour Commissioner, Jaipur	747,000	This matter relates to payment of back wages. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is January 6, 2006
79.	15/01	2001	Hemraj Soni and others	JKSL	Labour Commissioner, Jaipur	1,030,000	This matter relates to payment of back wages. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is January 6, 2006
80.	49/03	2003	K.K. Kulshrestha	JKSL	District Consumer Forum, Kota	-	This matter has been filed for non-compliance with the order passed in connection with payment of superannuation dues	Next date of hearing is yet to be notified
81.	49/97	1997	Satyendra Bahadur	JKSL	Labour Commissioner, Kota	768,000	Matter relates to termination of employment. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is yet to be notified
82.	Number not allotted for filing of application		Hemraj Soni	JKSL	Labour Commissioner, Jaipur	-	This is an application seeking approval for prosecution of certain officers of JKSL	Next date of hearing is January 22, 2006
83.	93/86	1986	G.N. Bhati	JKSL and others	Labour Commissioner, Jaipur	-	This is an application seeking approval for prosecution for non-compliance of Award	Next date of hearing is January 6, 2006
84.	43/90	1990	JK Synthetic Mazdoor Union	JKSL	Labour Court, Kota	-	Matter relates to the termination of employment. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is January 27, 2006
85.	30/85	1985	JK Synthetic Mazdoor Union	JKSL	Labour Court, Kota	-	Matter relates to the alterations in the service conditions to the prejudice of workmen. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is January 19, 2006
86.	6/86	1986	JK Synthetic Mazdoor Union	JKSL	Labour Court, Kota	-	Matter relates to various demands of the union	Next date of hearing is January 19, 2006
87.	167/01	2001	JK Staff Association	JKSL	Labour Court, Kota	-	Matter relates to the charter of demands of JK Staff Association. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is December 15, 2005
88.	52/89	1989	JKS Employees' Union	JKSL	Labour Court, Kota	-	Matter relates to the charter of demands of JKS Employees' Union. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is December 7, 2005

89.	118/90	1990	JKS Employees' Union	JKSL	Labour Court, Kota	-	Matter relates to the charter of demands of JKS Employees' Union. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is December 15, 2005
90.	279/90	1990	JK Synthetic Mazdoor Union	JKSL	Labour Court, Kota	-	Matter relates to the charter of demands of JK Synthetic Mazdoor Union. This matter is required to be withdrawn pursuant to the terms of the TLSA. For more details, see note in point 62 above	Next date of hearing is March 2, 2006
Other Cases								
91.	47/97	January 27, 1997	Mr. Pradeep Kumar Goel	JKSL	National Consumer Disputes Redressal Forum (District Forum VI), New Delhi	1,385,000	Matter relates to the payment in respect of fixed deposit receipts	Matter has been adjourned sine die
92.	1126/95	March 16, 1995	Mr. Pradeep Kumar Goel	JKSL	National Consumer Disputes Redressal Forum (District Forum VI), New Delhi	-	Matter relates to claim for payment of compound interest in respect of fixed deposit receipts	The next date of hearing is yet to be notified
93.	336/94	March, 2003	MMTC	JKSL	High Court, Delhi	-	Dispute relates to the non-supply of soya meal by JKSL. MMTC initiated arbitration and claimed damages amounting to Rs.20.2 million on the ground that it had suffered losses due to non-supply. The arbitrator in his award had not awarded any damages to MMTC. Upon the passing of the award by the arbitrator, MMTC filed objections in the High Court. The High Court has referred the matter to the arbitrator for quantification of losses	Next date of hearing is yet to be notified
94.	86/03	2003	Verdhman Road Lines	JKSL	High Court, Jaipur	683,000	This matter relates to the order of the district court requiring the petitioner to reimburse the insurance company in respect of the goods of JKSL destroyed allegedly due to the negligence of the petitioner	Next date of hearing is yet to be notified
95.	31/98	1998	Nahar Spinning Mills	JKSL	High Court, Allahabad	1,521,179	This is a winding up petition filed by the petitioners for non-payment of dues. JKSL has filed an application under Section 22 of SICA	The matter stands adjourned sine die
96.	32/98	1998	Oswal Woolen Mills	JKSL	High Court, Allahabad	1,070,297	This is a winding up petition filed by the petitioners for non-payment of dues. JKSL has filed an application under Section 22 of SICA	The matter stands adjourned sine die
97.	33/98	1998	Nahar International Limited	JKSL	High Court, Allahabad	505,159	This is a winding up petition filed by the petitioners for non-payment of dues. JKSL has filed an application under Section 22 of SICA	The matter stands adjourned sine die

98.	82/98	1998	Vinyl India Limited	JKSL	High Court, Allahabad	13,060,584	This is a winding up petition filed by the petitioners for non-payment of dues. JKSL has filed an application under Section 22 of SICA. The parties have reached an out of court settlement. However, the matter is still pending	The matter stands adjourned sine die
99.	2870/94	1994	Karnataka Industrial Investment Development Corporation	JKSL	City Civil Court, Bangalore	12,000,000	This matter has been filed against JKSL in connection with non-performance of the contract	Next date of hearing is January 6, 2006
100.	1243/98 and 1072/98	1998	Municipal Corporation, Kota and State of Rajasthan	JKSL	High Court, Jaipur	1,231,498.12	The municipal corporation and the State of Rajasthan have filed an appeal against the order of the single bench dated August 5, 1998 in connection with exemption from payment of octroi duty	Next date of hearing is yet to be notified
101.	98/91	1991	Municipal Corporation, Kota	State of Rajasthan and JKSL	High Court, Jaipur	1,017,922.65	This is a review petition filed by the Municipal Corporation in connection with the order of the High Court in revision petition number 559/90 relating to exemption from payment of octroi duty	Next date of hearing is yet to be notified
102.	Miscellaneous applications have been filed against JKSL before the AAIFR by several parties in connection with Appeal No. 301/2000 relating to the scheme of rehabilitation for JKSL	There are different dates of filing of these applications	Several applicants, including workmen and creditors of JKSL	JKSL and others	AAIFR	-	These involve different matters, including recovery of dues, recall/modification of the AAIFR orders dated August 31, 2001, January 23, 2003 and January 7, 2005 and the scheme sanctioned thereunder	Next date of hearing is January 13, 2006
103.	1992/01	1997	State of Rajasthan	JKSL, Shri Yadupati Singhania, Dr. Gaur Hari Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint for contravention of order of Labour Commissioner dated September 3, 1997 under Section 10K of the Industrial Disputes Act declaring lock-out in Kota plant	Next date of hearing is December 12, 2005
104.	1993/01	1997	State of Rajasthan	JKSL, Dr. Gaur Hari Singhania, Mr. Yadupati Singhania, Mr. J.P. Bajpai and others	Additional Chief Judicial Magistrate, Kota, Rajasthan	-	This is a criminal complaint for contravention of order of Labour Commissioner dated September 3, 1997 under Section 10K of the Industrial Disputes Act declaring lock-out in the Kota plant	Next date of hearing is December 12, 2005
105.	514/04	March2004	NDMC	Vinay Vaish, Mr. Yadupati Singhania, JKSL and others	Metropolitan Magistrate, Delhi	-	NDMC has filed a criminal complaint for misuse of leased premises against Mr. Vaish	Next dated of hearing is March 22, 2006

Other Cases Against JKSL

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Recovery suit-related	93	925,337	-
2.	Service Matters	73	13,898,605	68
3.	Consumer Matters	-	-	107

4.	Others	3	557,641	116

Litigation/Proceedings by JKSL

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Statutory Non-Compliance				
1.	1038/04	October, 2004	JKSL	Special Director, Enforcement Directorate, FEMA	Foreign Exchange Appellate Tribunal, FERA, New Delhi	7,000,000	This matter relates to alleged violation of Foreign Exchange Regulation Act, 1948 in respect of non-submission of bill of entry	Next date of hearing is January 16, 2006
				Recovery Cases				
2.	37/01	August 1998	JKSL	Akai Impex Limited	Metropolitan Magistrate, Delhi	1,475,966	This is a criminal complaint filed by JKSL under Section 138 of the Negotiable Instruments Act	Next date of hearing is December 7, 2005
3.	4973/05	2005	JKSL	Prahlad Sharma	High Court, Jaipur	Indeterminate	Matter relates to recovery of amount of interest on gratuity	Next date of hearing is yet to be notified
4.	4766/90	1990	JKSL	M. Dimple & Co.	Civil Judge, Ahmedabad	1,281,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
5.	4765/90	1990	JKSL	G.D. Traders	Civil Judge, Ahmedabad	2,567,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
6.	5349/90	1990	JKSL	Nubid Agencies	Civil Judge, Ahmedabad	5,886,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
7.	4664/90	1990	JKSL	Deepan Traders	Civil Judge, Ahmedabad	10,944,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
8.	5166/90	1990	JKSL	N.B. & Company	Civil Judge, Ahmedabad	7,954,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
9.	1848/91	1991	JKSL	Akshay Textile	Civil Judge, Ahmedabad	5,940,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
10.	1849/91	1991	JKSL	Shree Ambika Yarn Trading Company	Civil Judge, Ahmedabad	10,833,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-

11.	393/91	1991	JKSL	Shenal Brothers and others	Civil Judge, Ahmedabad	2,816,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
12.	693/91	1991	JKSL	Shubhsar Enterprises	Civil Judge, Ahmedabad	5,021,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials. The case has been decreed in favour of JKSL. Execution proceeding is pending	-
13.	2453/92	1992	JKSL	Shree Sanand Textiles Industries Limited	Civil Judge, Ahmedabad	5,815,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials	Next date of hearing is yet to be notified
14.	1681/91	1991	JKSL	Mehta Synthetics Limited	Civil Judge, Ahmedabad	1,032,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials	Next date of hearing is yet to be notified
15.	5733/92	1992	JKSL	Manoj Mathur and others	Civil Judge, Ahmedabad	1,154,000	Matter relates to supply of yarn	Next date of hearing is yet to be notified
16.	233/94	1994	JKSL	Aarzoo Synthetics	Civil Judge, Surat	4,187,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials	Next date of hearing is yet to be notified
17.	143/94	1994	JKSL	Aarzoo Synthetics	Civil Judge, Surat	11,294,000	Matter relates to recovery of outstanding amount due from the respondent towards supply of materials	Next date of hearing is yet to be notified
18.	1123/05	February 2005	JKSL	Regional Provident Fund Commissioner and others	High Court, Jaipur	4,443,800	Matter relates to non-payment of provident fund contribution for the period December 1996 to March 1997 by J.K. Tyre Cord and J.K. Acrylics. The bank accounts of the Company were also attached in order to realize the amount due from JKSL. The Company has also filed a writ petition challenging the attachment of accounts	Next date of hearing is yet to be notified
19.	7015/03	April 2004	JKSL	D.T. Spinners and others	ACMM, Kanpur	450,000	This matter relates to the recovery of amount due from D.T. Spinners	Next date of hearing is March 1, 2006
Excise Cases								
20.	2161/82	July 1982	JKSL	Union of India	High Court, Delhi	4,172,093	Matter relates to disputes regarding concessional rate of customs duty paid by JKSL in respect of Caprolactam and DMT	Next date of hearing is yet to be notified
21.	141/95	1995	JKSL	Central Excise Department	Commissioner (Appeals)	555,216	This matter relates to payment of central excise duty. JKSL has already deposited the disputed amount	Next date of hearing is yet to be notified
22.	49/96	1996	JKSL	Central Excise Department	Commissioner (Appeals)	3,943,572	This matter relates to payment of central excise duty	Next date of hearing is yet to be notified
Tax Cases								
23.	Notice not yet issued	2005	JKSL	-	Assistant Director, Land & Building Tax Department, Kota	Yet to be quantified	There are several matters relating to assessment made by Land & Building Tax Department in respect of the Kota complex. The High Court, Jaipur has remanded these matters to the Assistant Director, Land & Building Tax Department, Kota for redetermination of tax on land and building	Next date of hearing is yet to be notified

24.		June 2004	JKSL	Deputy Commissioner (Appeals), Kota	Rajasthan Tax Board, Ajmer	2,013,875	The matter relates to the assessment year 1974-75. JKSL has moved the Tax Board in connection with the central sales tax already collected by JKSL as contingent deposit from its buyers in lieu of the central sales tax payable on tyre cord fabric	Next date of hearing is yet to be notified
25.	423/04	February 10, 1999	JKSL	Commercial Tax Officer, Special Circle, Kota	Deputy Commissioner (Appeals), Kota	615,947	The matter relates to the assessment year 1995-96. Matter is pending in connection with the disallowance of discount claim and shortage of declaration forms under sales tax	Next date of hearing is yet to be notified
26.	424/04	February 10, 1999	JKSL	Commercial Tax Officer, Special Circle, Kota	Deputy Commissioner (Appeals), Kota	623,792	The matter relates to the assessment year 1995-96. Matter is pending in connection with the disallowance of discount claim and shortage of declaration forms under sales tax	Next date of hearing is yet to be notified
27.	1/368/AC/ CC1/94-95	1994	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	291,600,000	The matter relates to assessment year 1987-88 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
28.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	143,600,000	The matter relates to assessment year 1990-91 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
29.	1/135/CC1/ 94-95	1994	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	142,200,000	The matter relates to assessment year 1991-92 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
30.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	51,200,000	The matter relates to assessment year 1992-93 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
31.	1/21/CC1/ 97-98	1997	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	116,900,000	The matter relates to assessment year 1995-96 and is in respect of various disallowances made in the assessment order	Next date of hearing is December 28, 2005
32.	1/37/CC1/ 99-00	1999	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	178,500,000	The matter relates to assessment year 1996-97 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
33.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	Tax liability Rs.Nil. Loss to be increased by amount of relief	The matter relates to assessment year 1997-98 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
34.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	Tax liability Rs.Nil. Loss to be increased by amount of relief	The matter relates to assessment year 1998-99 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
35.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	75,700,000	The matter relates to assessment year 1998-99 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified

36.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	58,000,000	The matter relates to assessment year 1999-00 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
37.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	90,500,000	The matter relates to assessment year 2000-01 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
38.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 2000-01 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
39.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	75,700,000	The matter relates to assessment year 2001-02 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
40.	Not available	-	JKSL	Assistant Commissioner of Income Tax	Commissioner of Income Tax, Kanpur	90,000,000	The matter relates to assessment year 2002-03 and is in respect of various disallowances made in the assessment order	Next date of hearing is yet to be notified
41.	6423/D/93	1993	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	-	The matter relates to assessment year 1972-73. This is an appeal against the order of Commissioner of Income Tax refusing to grant relief towards payment of interest under Section 244(1A) of I.T. Act	Next date of hearing is yet to be notified
42.	6424/D/93	1993	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	-	The matter relates to assessment year 1977-78. This is an appeal against the order of Commissioner of Income Tax refusing to grant relief towards payment of interest under Section 244(1A)(1) of I.T. Act	Next date of hearing is yet to be notified
43.	8824/D/92	1992	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 1986-87. This is an appeal challenging the various disallowances confirmed by Commissioner of Income Tax	Next date of hearing is yet to be notified
44.	2633/D/94	1994	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 1988-89. This is an appeal challenging the various disallowances confirmed by Commissioner of Income Tax	Next date of hearing is yet to be notified
45.	607/96	1996	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 1988-89 and is in respect of Section 115J order passed under Section 154 of I.T. Act	Next date of hearing is yet to be notified
46.	1617/A/96	1996	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	13,500,000	The matter relates to assessment year 1988-89 and is in respect of Section 115J of I.T. Act against order dated March 8, 1996	Next date of hearing is yet to be notified

47.	1120/D/95	1995	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 1989-90. This appeal is in respect of the order under Section 250 of I.T. Act confirming various disallowances	Next date of hearing is yet to be notified
48.	608A/96	1996	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 1989-90 and is in respect of Section 115J order passed under Section 154 of I.T. Act	Next date of hearing is yet to be notified
49.	589/LUC/ 2002	2002	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	9,859,000	The matter relates to assessment year 1993-94. This is an appeal against various disallowances made in the assessment order	Next date of hearing is yet to be notified
50.	220/LUC/ 041	2005	JKSL	Commissioner of Income Tax (Appeals), Kanpur	Income Tax Appellate Tribunal, Lucknow	24,300,000	The matter relates to assessment year 1994-95. This is an appeal against various disallowances made in the assessment order	Next date of hearing is December 14, 2005
51.	12/89	1989	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1968-69. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
52.	534 and 535/86	1986	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1972-73. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
53.	539	-	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1967-68. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
54.	192/87	1987	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1971-72. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
55.	318/81	1981	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1970-71 and in respect of Section 256 of I.T. Act	Next date of hearing is yet to be notified
56.	281-286	-	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1977-78. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
57.	202/89	1989	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1976-77. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
58.	38/89	1989	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1975-76. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified

59.	139-140/87	1987	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1979-80. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
60.	193/91	1991	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1975-76. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
61.	367-370/D91	1991	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1982-83. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
62.	Not available	-	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
63.	108-91	1991	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1978-79. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
64.	1993/90	1990	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1980-81. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
65.	423/92	1992	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
66.	14/93	1993	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1984-85. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
67.	Not available	-	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1978-79. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
68.	Not available	-	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1972-73. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
69.	5/89	1989	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1972-73. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
70.	Not available	-	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified

71.	199(A)/94	1994	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1985-86. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
72.	17/97	1997	JKSL	Commissioner of Income Tax, Kanpur	High Court, Allahabad	1,500,000	The matter relates to assessment year 1979-80. This is an appeal against order of penalty under Section 273(2)(a) of I.T. Act	Next date of hearing is yet to be notified
73.	1296/88	1988	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1975-76. This is a writ challenging the order for levy of interest under Section 215 of the I.T. Act	Next date of hearing is yet to be notified
74.	2263/88	1988	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1981-82. This is a writ challenging the order for levy of interest under Section 217 of the I.T. Act	Next date of hearing is yet to be notified
75.	2426/88	1988	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1983-84. This is a writ challenging the order for levy of interest under Section 217 of the I.T. Act	Next date of hearing is yet to be notified
76.	2779/88	1988	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1972-73. This is a writ against the order of reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
77.	115/92	1992	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
78.	157/92	1992	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	-	The matter relates to assessment year 1982-83. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
79.	42/92	1992	JKSL	Commissioner of Income Tax, Delhi	High Court, Delhi	Tax liability Rs.Nil. Loss to be increased/ decreased by amount of relief	The matter relates to assessment year 1983-84. This is a reference made under Section 256 of I.T. Act for allowability of certain expenses	Next date of hearing is yet to be notified
80.	349/LUC/ 2000	2000	JKSL	Commissioner of Income Tax, Kanpur	Income Tax Appellate Tribunal, Lucknow	-	The matter relates to assessment year 1988-89. This is an appeal against the order of the Commissioner of Income Tax under Section 115J of I.T. Act	Next date of hearing is yet to be notified
81.	Not available	-	JKSL	Commissioner of Income Tax, Kanpur	High Court, Allahabad	Not quantified	The matter relates to assessment year 1982-83. This is an appeal against order for penalty under Section 271(1)(c) of the I.T. Act for alleged concealment of income	Next date of hearing is yet to be notified
82.	Not available	-	JKSL	Commissioner of Income Tax, Kanpur	High Court, Allahabad	Not quantified	The matter relates to assessment year 1983-84. This is an appeal against order for penalty under Section 271(1)(c) of the I.T. Act for alleged concealment of income	Next date of hearing is yet to be notified

83.	77/03	2003	JKSL	Commissioner of Income Tax, Kanpur	High Court, Allahabad	Not quantified	The matter relates to assessment year 1982-83. This is an appeal against the order for disallowance of certain expenses	Next date of hearing is yet to be notified
84.	17/99	1999	JKSL	Commissioner of Income Tax, Kanpur	High Court, Allahabad	1,500,000	The matter relates to assessment year 1983-84. This is an appeal against levy of penalty under Section 260(a) of I.T. Act	Next date of hearing is yet to be notified
Other Cases								
85.	69/05	July 12, 2005	JKSL	National Insurance Co. Ltd.	National Consumer Redressal Commission, New Delhi	65,798,000	This matter relates to insurance claim for theft/ burglary at Kota units	Next date of hearing is December 13, 2005
86.	70/05	July 12, 2005	JKSL	National Insurance Co. Ltd.	National Consumer Redressal Commission, New Delhi	52,543,190	This matter relates to insurance claim for theft/ burglary at Jhalawar units	Next date of hearing is yet to be notified
87.	298/98	January 1998	JKSL	Vinay Zutshi and others	High Court, Allahabad	-	This is a petition for contempt of the Allahabad High Court order filed against Collector, Jaipur in connection with the wrongful attachment of J.K. House, Jaipur	Next date of hearing is yet to be notified
88.	1423/90	1990	JKSL	State of Rajasthan and others	High Court, Jaipur	2,907,210.43	This is a claim for refund of octroi for the period February 20, 1987 until November 26, 1988	Next date of hearing is yet to be notified
89.	1424/90	1990	JKSL	State of Rajasthan and others	High Court, Jaipur	3,978,602.23	This is a claim for refund of octroi	Next date of hearing is yet to be notified
90.	2945/90	1990	JKSL	State of Rajasthan and others	High Court, Jaipur	2,054,788.44	JKSL has challenged the demand of octroi and Dharmada	Next date of hearing is yet to be notified
91.	3566/93	1993	JKSL	State of Rajasthan and others	High Court, Jaipur	15,061,036.17	JKSL has challenged the demand of octroi and Dharmada	Next date of hearing is notified
92.	138/90	1990	JKSL	State of Rajasthan and others	High Court, Jaipur	Not quantifiable	JKSL has filed an appeal against the order of the single bench dated April 4, 1990 in connection with exemption of octroi duty. Municipal Corporation, Kota has also filed an appeal against the same order in 203/91	Next date of hearing is yet to be notified
93.	6477/04	September 2004	JKSL, Mr. Yadupati Singhania and others	Raghuvir Singh, State of Rajasthan and others	High Court, Jaipur	-	This is a writ petition against the order of the Labour Commissioner, Jaipur dated August 16, 2004 sanctioning filing of prosecution against JKSL for non-compliance with the order of the Labour Court. The order of the Labour Commissioner has been stayed by the High Court	Next date of hearing is yet to be notified
94.	7657/04	2004	JKSL	K.P. Aggarwal and others	Supreme Court of India	-	This is an appeal against the order of the High Court, Allahabad confirming the reinstatement of the respondent with back wages	Next date of hearing is yet to be notified

95.	301/00	July 2000	JKSL	BIFR	AAIFR	-	JKSL had filed an appeal against the order of the BIFR in connection with rehabilitation of JKSL. The schemes for rehabilitation sanctioned by the AAIFR relating to JKSL Cement Division and the plant at Kota have been implemented. The scheme for rehabilitation relating to the other assets of JKSL is under consideration before AAIFR	Next date of hearing is January 13, 2006
96.	MA 01/05 (Miscellaneous application filed by JKSL before the AAIFR in connection with Appeal No. 301/2000)	March 14, 2005	JKSL		AAIFR	-	JKSL has sought the issue of directions to UTI to acknowledge full and final settlement of its dues in terms of the sanctioned scheme or to redeposit Rs.729,626,000 in the IDBI escrow account	Order is reserved
97.	15265/98	1998	JKSL	JK Satoh and others	High Court, Allahabad	-	The labour court ordered for re-instatement of a workman who claimed to be an employee of both JKSL and JK Satoh. JKSL has filed a writ petition, in which JK Satoh has been made a proforma party, challenging the order of the labour court	Next date is yet to be notified
98.	10976/90	1990	JKSL	BIFR	High Court, Allahabad	-	JKSL challenged the winding up order passed by the BIFR relating to JK Satoh on the ground that being JK Satoh's holding company, it has not been heard by BIFR	Order reserved

Other Cases by JKSL

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Recovery suit-related	2	436,363	-
2.	Service Matters	15	2,189,734	7
3.	Consumer Matters	-	-	1
4.	Others	16	3,677,797	15

Litigation/Proceedings involving Juggilal Kamlapat Jute Mills Company Limited ("JK Jute")

Contingent liabilities of JK Jute as of March 31, 2005

(i)	Arrears of dividend for the years 1981 to 2004-2005 on 5,000 4.5% income tax free cumulative preference shares of Rs.100 each fully paid up and 5,000 6% income tax free cumulative preference shares of Rs.100 each fully paid up	:	Rs.1,655,063
(ii)	JK Jute has not provided Rs.12,014,000 being excess interest charged by the bank which is disputed and JK Jute had filed a civil miscellaneous petition number 43204 of 2000 before Allahabad High Court in September 2000. The bank instead of charging interest at prime lending rate prevailing from time to time since December 6, 1995, the date of sanction of Scheme of the Hon'ble BIFR, has been actually charging interest at uniform rate of 16% per annum inclusive of tax and now at 15.5% per annum exclusive of tax with effect from October 1, 2000		
(iii)	The Kanpur Nagar Nigam has demanded municipal taxes aggregating to Rs.1,487,000 up to 2004-2005 and the subject matter is subjudice before the District Court, Kanpur under U.P. Municipal Act, 1959		

Litigation/Proceedings against JK Jute

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Labour Cases				
5.	90/04	August 24, 2004	JK Jute Mill Mazdoor Panchayat Union	JK Jute	Assistant Labour Commissioner, Kanpur	Indeterminate	The union has claimed wages for the entire period of lock-out, alleging that the lock-out was illegal and unjustified	Next date of hearing is yet to be notified
6.	8275/88	March 21, 1989	JK Jute Mill Mazdoor Panchayat Union	JK Jute	High Court, Allahabad	650,000	Shri Mohammad Zaief, secretary of the petitioner, was dismissed from service for gross misconduct. Being aggrieved by the order of the Labour Court for dismissal, a writ petition was filed	Next date of hearing is yet to be notified
7.	172210/87	October 27, 1979	Mr. Mahesh Chand Ganglesh	JK Jute	Industrial Tribunal, Allahabad	700,000	This is a case in respect of termination of services. The Industrial Tribunal decided against Mr. Ganglesh	Next date of hearing is yet to be notified
8.	3006/87	November 26, 1982	Government of Uttar Pradesh	JK Jute	High Court, Allahabad	Indeterminate	In 1978, a cylinder blast occurred in the JK Jute mill resulting in various casualties. JK Jute made payments to the heirs of the deceased. The labour department exhonerated JK Jute. The Government of Uttar Pradesh has filed an appeal against the order of the labour court	Next date of hearing is yet to be notified
9.	349/1990	October 5, 1990	Commissioner Income Tax, Kanpur	JK Jute	High Court, Allahabad	Indeterminate	In this matter the issue was whether compensation paid to JK Iron and Steel Company and JKSL for use of electric power is deductable under I.T. Act	Next date of hearing is yet to be notified

Other Cases Against JK Jute

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Service Matters	47	4,291,635	13
2.	Others	7	1,011,512	1

Litigation/Proceedings by JK Jute

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Criminal Cases				
1.	16424/98	August 1998	JK Jute, Dr. Gaur Hari Singhania and others	State of Bihar and others	High Court, Patna		This is a petition filed under Section 482 of the Criminal Procedure Code praying for stay of the criminal proceedings filed by the respondents before Judicial Magistrate, Muzaffarpur (No. 971/97) in connection with breach of contract for sale of land	Next date of hearing is yet to be notified
				Labour Cases				

2.	1154/90	January 12, 1984	JK Jute	JK Jute Mazdoor Panchayat Union	High Court, Allahabad	1,214,000	Being aggrieved by the award of the industrial tribunal, Kanpur, JK Jute filed a writ petition. During the hearing for the stay application , the court directed reinstatement of 11 workmen	Next date of hearing is yet to be notified
3.	5006/2000	November 2000	JK Jute	State of Uttar Pradesh	High Court, Allahabad	535,000 and 312,000	JK Jute has filed a writ against a notification issued by the Uttar Pradesh Government enhancing the grades and scales of welfare officers with effect from January 1, 1996	Next date of hearing is yet to be notified
4.	10670/94	March 15, 1994	JK Jute	State of Uttar Pradesh	High Court, Allahabad	Indeterminate	This is a writ petition filed against show cause notice issued against lock-out declared by JK Jute. The show cause notice has been stayed by the High Court, Allahabad	Next date of hearing is yet to be notified
				Other Cases				
5.	43204/00	September 2000	JK Jute	BIFR	High Court, Allahabad	Indeterminate	Punjab National Bank has charged excess interest which is disputed. The bank instead of charging interest at prime lending rate prevailing from time to time since December 6, 1995, the date of sanction of Scheme of the Hon'ble BIFR, has been actually charging interest at uniform rate of 16% per annum inclusive of tax and now at 15.5% per annum exclusive of tax with effect from October 1, 2000	One time settlement has been deposited by JK Jute. The matter is yet to be withdrawn. Next date of hearing is yet to be notified
6.	149/94	1994	JK Jute		BIFR	-	JK Jute has filed a reference before BIFR under Section 15(1) of SICA. A revised scheme of rehabilitation is under preparation	Next date of hearing is yet to be notified

Other Cases By JK Jute

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Service Matters	7	1,098,395	4
2.	Others	6	747,824	6

Litigation/Proceedings involving Juggilal Kamlapat Cotton Spinning and Weaving Mills Company Limited ("JK Cotton")

Contingent liabilities of JK Cotton as of March 31, 2005

(i) Claims against JK Cotton not acknowledged as debts: amount unascertainable.
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs.3,371,000 approximately. (All these orders placed before lock-out.
(iii) Differential customs duty in respect of equipments imported by JK Cotton under project imports: amount indeterminate and proposed to be waived under the rehabilitation scheme.
(iv) Arrears of dividend on preference shares: Rs.302,800.

In connection with the non-payment of certain indebtedness to the secured creditors, JK Cotton appears on the RBI's list of defaulters. The AAIFR has sanctioned a "one time settlement" scheme dated December 20, 2002 for rehabilitation of JK Cotton, which is under implementation.

Litigation/Proceedings against JK Cotton

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
				Recovery Cases				
1.	521/00	2000	Punjab National Bank	JK Cotton, Dr. Gaur Hari Singhania and others	Debt Recovery Tribunal, Allahabad	24,944,113	Punjab National Bank had filed an original suit (No. 631/91) for recovery of its outstanding dues in the Civil Court, Kanpur. This matter was transferred to the Debt Recovery Tribunal, Allahabad. Note: The BIFR has sanctioned a scheme of rehabilitation for JK Cotton. Once the scheme is implemented, it is expected that the dues will be payable in terms of the scheme of rehabilitation for JK Cotton and the matter described herein will be withdrawn	Next date of hearing is April 5, 2006
2.	588/00 and T.A. 514/00	2000	Central Bank of India	JK Cotton, Dr. Gaur Hari Singhania and others	Debt Recovery Tribunal, Allahabad	1,285,611 and 1,526,329	Central Bank of India had filed original suits (Nos. 829/93 and 791/92) for recovery of its outstanding dues in the Civil Court, Kanpur. This matter was transferred to the Debt Recovery Tribunal, Allahabad. For further details, see note in point 1 above	Next date of hearing is April 5, 2006

3.	18/05	2005	Banaras State Bank (now merged with Bank of Baroda)	JK Cotton, Mr. Yadupati Singhania, Mr. Govind Hari Singhania and others	Debt Recovery Tribunal, Allahabad	4,422,331	Banaras State Bank had filed original suits (Nos. 495/92) for recovery of its outstanding dues in the Civil Court, Kanpur. This matter was transferred to the Debt Recovery Tribunal, Allahabad. For further details, see note in point 1 above	Next date of hearing is December 5, 2005
4.	226-228/90 and 230-231/90	1990	Oriental Bank of Commerce	JK Cotton	ACMM	4,032,722	The matter relates to the recovery of the amount due to Oriental Bank of Commerce. For further details, see note in point 1 above	Next date of hearing is December 21, 2005
5.	586/74/01	2001	Shaildinesh Shah	JK Cotton	Civil Judge, Ahmedabad	2,950,000	The petitioner has prayed for attachment of the assets of JK Cotton in order to recover the amount due under the order of the Civil Court, Ahmedabad. The civil court has passed an ex-parte order, against which JK Cotton has moved an application before the civil judge to reopen the case	Next date of hearing is January 20, 2006
6.	1560/91	1991	Karma Enterprises	JK Cotton	City Civil Judge, Ahmedabad	1,083,451	This is a suit for recovery against JK Cotton for amount due in respect of goods supplied	Next date of hearing is yet to be notified
7.	3707/90	December 7, 1990	Hitades Private Limited	JK Cotton and Company	High Court, Delhi	7,459,021	Suit for recovery of outstanding dues	Matter has been adjourned sine die
				Labour Cases				
8.	343/02	2002	U.P. Textiles Mazdoor Union, JKCM K.A. Co-operative Sammiti	State of Uttar Pradesh, JK Cotton and others	High Court, Allahabad	-	Matter relates to reopening of the mills and payment of interim relief against wages for lock-out period Note: The BIFR has sanctioned a scheme of rehabilitation for JK Cotton, which is under implementation. In terms of the scheme, upon its implementation, workers are required to forego their claims payable from the date of lock-out with effect from May 15, 1989 until the employment of the workmen after re-opening of the mill	Next date of hearing is yet to be notified
9.	20513/05	2005	J.K. Cotton Mill Karamchari Audhogik Utpadak Sahkari Sammiti	JK Cotton	Additional Labour Commissioner	225,299,025	Matter relates to payment of wages to 4,095 workmen for the lock-out period from January 1, 1991 until December 31, 1992. For further details, see note in point 8 above	Next date of hearing is yet to be notified
10.	27/05	2005	J.K. Cotton Mill Karamchari Audhogik Utpadak Sahkari Sammiti	JK Cotton	Additional Labour Commissioner	1,059,166,484	Matter relates to payment of wages to 4,095 workmen for the lock-out period from January 1, 1993 until December 31, 2000. For further details, see note in point 8 above	Next date of hearing is yet to be notified
				Tax Cases				

11.	1220/03	2003	Trade Tax Department	JK Cotton	High Court, Allahabad	750,000	This matter relates to the assessment year 1988-89. Penalty has been imposed by the Trade Tax Department under Section 15A(i)(O) for not submitting form 31 at check post in respect of coal purchased outside the State of Uttar Pradesh	Next date of hearing is yet to be notified
12.	71/91	November 15, 1991	Income Tax Department	JK Cotton	High Court, Allahabad	1,910,972	This matter relates to the assessment year 1980-81 and is in respect of (i) profit chargeable under Section 41(2) on sale of its assets, the written down values of which are not ascertainable, (ii) allowability of additional bonus paid during the year based on an agreement dated June 10, 1996, and (iii) retrenchment compensation paid to workers of JK Electronics	Next date of hearing is yet to be notified
13.	94/91	1985	Income Tax Department	JK Cotton	High Court, Allahabad	1,267,042	This matter relates to the assessment year 1981-82 and is in respect of (i) compensation paid to J.K. Iron and Steel Company Limited and JKSL for use of electric power, and (ii) income from property	Next date of hearing is yet to be notified
14.	Not allotted	March 26, 2002	Income Tax Department	JK Cotton	High Court, Allahabad		This matter relates to the assessment year 1988-89 and is in respect of (i) expenses of the closed rayon unit, and (ii) capital gains on sale of plant and machinery of rayon unit	Next date of hearing is yet to be notified
15.	Not allotted	March 26, 2002	Income Tax Department	JK Cotton	High Court, Allahabad	Tax liability Rs.Nil. Loss to be decreased if relief not allowed	This matter relates to the assessment year 1989-90 and is in respect of (i) expenses of the closed rayon unit, (ii) capital gains on sale of plant and machinery of rayon unit, and (iii) depreciation and investment allowance arising from an increase in liability for repayment of foreign currency loans due to exchange rate fluctuation	Next date of hearing is yet to be notified
16.	Not available	April 11, 1988	Income Tax Department	JK Cotton	Commissioner of Income Tax (Appeals), Kanpur	1,000,000	This matter relates to the assessment year 1971-72. This relates to deemed income on account of alleged clearance of non-controlled cloth as controlled cloth. The matter has been remanded to CIT (Appeals) for reconsideration	Next date of hearing is yet to be notified
Other Cases								
17.	3725/85	1985	M.C. Mehta	JK Cotton and others	Supreme Court of India	-	The matter relates to non-installation of water pollution plant and discharge of effluents into the Ganges	Next date of hearing is yet to be notified

18.	29/02	2002	Agarcon (India) Private Limited	JK Cotton	High Court, Allahabad	391,579,376	JK Cotton had filed a winding up petition (No. 15/90) against Agarcon (India) Private Limited, the guarantor in respect of 7 dealers who failed to pay the amount due to JK Cotton. The writ petition filed by JK Cotton was allowed by the High Court by its order dated August 30, 1996. Agarcon (India) Private Limited has filed a special appeal against this order	Next date of hearing is yet to be notified
19.	20/90	1990	Reliance Chemotex Industries	JK Cotton	High Court, Allahabad	785,136	This is a winding up petition for failure of JK Cotton to make payments against goods supplied. The proceedings have been stayed under Section 22 of SICA	Next date of hearing is yet to be notified

Other Cases Against JK Cotton

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Recovery suit-related	13	1,589,490	-
2.	Service Matters	22	1,180,890	12
3.	Others	17	3,821,122	5

Litigation/Proceedings by JK Cotton

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
Recovery Cases								
1.	14/01	July, 2001	JK Cotton and Dr. Gaur Hari Singhania	Punjab National Bank and others	Debt Recovery Tribunal, Allahabad	185,339,411	This is a review application filed against the order dated November 16, 2000 of the Debt Recovery Tribunal issuing recovery certificate against JK Cotton for the recovery of amount due and interest thereon. Review applications have also been filed by Dr. Gaur Hari Singhania (36/00) and Hindustan Traders (33/00 and 48/00) in respect of the order dated March 9, 1998 of ACMM – IV, Kanpur against Punjab National Bank, JK Cotton and others Note: The BIFR has sanctioned a scheme of rehabilitation for JK Cotton. Once the scheme is implemented, it is expected that the dues will be payable in terms of the scheme of rehabilitation for JK Cotton and the matter described herein will be withdrawn	Next date of hearing is April 4, 2006

2.	15/01	July, 2001	JK Cotton and Dr. Gaur Hari Singhania	Punjab National Bank and others	Debt Recovery Tribunal, Allahabad	75,678,776	This is a review application filed against the order dated November 16, 2000 of the Debt Recovery Tribunal issuing recovery certificate against JK Cotton for the recovery of amount due and interest thereon. Review applications have also been filed by Dr. Gaur Hari Singhania (35/00) and R.S. Textiles (44/00 and 45/00) in respect of the order dated March 9, 1998 of ACMM – IV, Kanpur against Punjab National Bank, JK Cotton and others. For further details, see note in point 1 above	Next date of hearing is April 4, 2006
3.	16/01	July, 2001	JK Cotton and Dr. Gaur Hari Singhania	Punjab National Bank and others	Debt Recovery Tribunal, Allahabad	22,707,708	This is a review application filed against the order dated November 16, 2000 of the Debt Recovery Tribunal issuing recovery certificate against JK Cotton for the recovery of amount due and interest thereon. Review applications have also been filed by Dr. Gaur Hari Singhania (34/00) and Polyester Sales (46/00 and 47/00) in respect of the order dated March 9, 1998 of ACMM – IV, Kanpur against Punjab National Bank, JK Cotton and others. For further details, see note in point 1 above	Next date of hearing is April 4, 2006
4.	17/01	July, 2001	JK Cotton and Dr. Gaur Hari Singhania	Punjab National Bank and others	Debt Recovery Tribunal, Allahabad	116,680,258	This is a review application filed against the order dated November 16, 2000 of the Debt Recovery Tribunal issuing recovery certificate against JK Cotton for the recovery of amount due and interest thereon. Review applications have also been filed by Dr. Gaur Hari Singhania (42/00) and Mr. Krishna Prem Shanker (43/00 and 227/00) in respect of the order dated March 9, 1998 of ACMM – IV, Kanpur against Punjab National Bank, JK Cotton and others. For further details, see note in point 1 above	Next date of hearing is April 4, 2006
5.	974/05	2005	JK Cotton	Union of India, Excise Commissioner, Kanpur and others	High Court, Allahabad	689,000	This matter has been filed against the demand notice issued by the excise authorities. The Allahabad High Court has stayed the demand notice	Next date of hearing is yet to be notified
Labour Cases								

6.	29764/91	1991	JK Cotton	Collector, Kanpur and others	High Court, Allahabad	40,767,237	This is a writ petition filed against the order of Collector , Kanpur in respect of recovery of wages for 21 workmen for the lock-out period from July 1, 1989 until June 30, 1990. The Allahabad High Court has stayed the recovery proceedings. Note: The BIFR has sanctioned a scheme of rehabilitation for JK Cotton. In terms of the scheme, upon its implementation, it is expected that the workers will forego their claims payable from the date of lock-out with effect from May 15, 1989 until the employment of the workmen after re-opening of the mill	Next date of hearing is yet to be notified
7.	23140/00	2000	JK Cotton (J.K. Rayon), Dr. Gaur Hari Singhania and others	State of Uttar Pradesh, Sunder Lal and others	High Court, Allahabad	Not quantifiable	This is a writ filed by the petitioners against the award of the labour court in connection with the reinstatement of four workmen with back wages. The Allahabad High Court has stayed the implementation of the award	Next date of hearing is yet to be notified
Tax Cases								
8.	467/93	1993	JK Cotton	Trade Tax Department	Deputy Commissioner (Appeals) Trade Tax, Kanpur	645,590	This matter relates to assessment year 1986-87 and is in connection with the rate differential on miscellaneous sales	Next date of hearing is yet to be notified
Other Cases								
9.	24339/89	1989	JK Cotton	State of Uttar Pradesh and others	High Court, Allahabad	Not quantifiable	This matter has been filed against the order of the Government of Uttar Pradesh prohibiting the lock-out declared by JK Cotton with effect from May 15, 1989	Next date of hearing is yet to be notified
10.	5-11/90	1990	JK Cotton	Dealers of JK Cotton	Judge Small Cause Court, Kanpur	397,900,000	These are insolvency matters filed by JK Cotton in connection with the recovery of an amount of Rs.397,900,000 due from the dealers of JK Cotton	Next date of hearing is December 21, 2005
11.	81/90	1990	JK Cotton		BIFR	-	JK Cotton has filed a reference before BIFR under Section 15(1) of SICA. The BIFR has sanctioned a scheme for rehabilitation of JK Cotton by its order dated December 20, 2002, which is under implementation	Next date of hearing is yet to be notified

Other Cases By JK Cotton

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	**Approx. Amount (Rs.)**	**Number**
1.	Recovery suit-related	14	1,501,710	2
2.	Service Matters	4	245,082	12
3.	Consumer Matters	1	3,000	-

4.	Others	3	92,541	3

Litigation/Proceedings involving J.K. Satoh Agricultural Machines Limited ("JK Satoh")

Contingent liabilities of JK Satoh as of March 31, 2005

Arrears of dividend on redeemable cumulative preference shares for the period November 1, 1991 to March 31, 2005 (including fractional amount left out of the arrears of earlier years consequent upon issue of fresh preference shares as per order of Company Law Board dated July 12, 1994) : Rs.7,347,448

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
1.	5929/90	1990	JK Satoh	BIFR	High Court, Allahabad	-	This is a writ petition filed by JK Satoh against the winding up order of the BIFR dated January 31, 1990. The High Court has stayed the order of the BIFR. BIFR has filed Company petition no.2 before the High Court, Allahabad for confirmation of the winding up order	Judgment awaited
2.	15265/98	1998	JKSL	JK Satoh and others	High Court, Allahabad	-	The labour ordered for re-instatement of a workmen who claimed to be an employee of both JKSL and JK Satoh. JKSL has filed a writ petition, in which JK Satoh has been made a proforma party, challenging the order of the labour court	Next date is yet to be notified

Other Cases Involving JK Satoh

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Service Matters	-	-	4

Litigation/Proceedings involving Dholera Port Limited ("Dholera")

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Others	2	339,047	-

Litigation/Proceedings involving J.K. Traders Limited ("J.K. Traders")

Contingent liabilities of J.K. Traders as of March 31, 2005

(i)	Corporate guarantee given to Punjab National Bank for financial assistance by bank to JK Jute	:	Rs.93,169,000
(ii)	Corporate guarantee and indemnity given by Allahabad Bank for financial assistance by bank to the Company	:	Rs.200,000,000
(iii)	Counter guarantee given to J.K. Industrial and Mineral Products Limited against corporate guarantee and indemnity given by them to Bank of India for financial assistance to J.K. Traders in an amount of Rs.5,000,000	:	Rs.5,000,000

S. No.	Appeal No./ Case No.	Dated	Complainant/ Applicant	Respondents	Name & Address of the Court/ Arbitration Panel	Amount Under Consideration (Rs.)	Brief Description of Case	Status
1.	1708/04	December 24, 2004	J.K. Traders	JKSL & others	Court of Upper Civil Judge (Senior Division), Kanpur	-	A guarantee was given by J.K. Traders to Punjab National Bank on behalf of JK Jute by lodging 2,112,549 equity shares of JKSL as collateral security for working capital limit in favour of JK Jute. Subsequently, Punjab National Bank lodged these shares for transfer in their name. A stay has been granted against the transfer of these shares	A compromise settlement has been arrived at between Punjab National Bank and JK Jute and the settled amount of Rs.34500000 has been paid by J.K. Traders. The matter is yet to be withdrawn. Next date of hearing is yet to be notified
2.	Not available	August 10, 2005	J.K. Traders	Assistant Commissioner of Income Tax, Kanpur	Commissioner of Income Tax (Appeals), Kanpur	1,65,000	This is an appeal filed by the Company against the order of Assistant Commissioner of Income Tax, Kanpur imposing penalty under Section 271(1)(c) of the I.T. Act	Next date of hearing is yet to be notified

Other Cases Involving J.K. Traders

The following table sets forth the compiled position of all other claims, involving amounts of less than Rs.500,000 as at the date of filing this Draft Red Herring Prospectus:

S. No.	Nature of Claim	Cases with monetary claims		Cases with no specific monetary claims
		Number	Approx. Amount (Rs.)	Number
1.	Others	2	161,210	-

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

APPROVALS FOR THE ISSUE

We have received the following approvals relating to the Issue:

Pursuant to the resolutions dated November 26, 2005, the shareholders and the Board have authorized the Issue in accordance with law. The Board of Directors has, pursuant to a resolution dated November 26, 2005 authorized a committee of its Directors, referred to as the IPO Committee, to take decisions relating to the Issue on behalf of the Board of Directors.

Allahabad Bank, as leader of the Consortium of Banks, by its letter dated November 21, 2005 has granted its approval for raising funds by way of equity by increasing equity capital of the Company to the extent of Rs.300 million.

APPROVALS FOR OUR BUSINESS

I. APPROVALS OBTAINED

As of the date of this Draft Red Herring Prospectus, the following major government and other approvals have been obtained in respect of our business:

S.No.	No./Description of Permit/License	Issuing Authority	Date	Contents/Remarks
GENERAL APPROVALS				
1.	Registration No. A-1657/65 under Copyright Act, 1957 (issued to J.K. organization) for use of "Hand and Hammer" device	Deputy Registrar of Copyrights, GoI, New Delhi	August 24, 1965	Valid until August 24, 2025
2.	Registration No. A-1927/66 under Copyright Act, 1957 (issued to J.K. organization) for use of logo of J.K. organization in English	Deputy Registrar of Copyrights, GoI, New Delhi	March 16, 1966	Valid until March 16, 2026
3.	Registration No. A-1919/66 under Copyright Act, 1957 (issued to J.K. organization) for use of logo of J.K. organization in Hindi	Deputy Registrar of Copyrights, GoI, New Delhi	August 24, 1965	Valid until August 24, 2025
4.	Registration No. 628123 under Trade and Merchandise Marks Act, 1958 for Sarvashaktiman	Registrar of Trade Marks	May 16, 1994	Registered Trademark; an application for renewal dated October 16, 2003 has been filed with the Registrar of Trademarks, The Trademark Registry, New Delhi
5.	Registration No. 371194 under Trade and Merchandise Marks Act, 1958 for Camel	Registrar of Trade Marks	January 20, 1981	Registered Trademark. This trademark registration has been renewed by the Examiner of Trade Marks, GoI on January 20, 2002 for a period of 7 years
6.	TAN No. JDHJ01761E under I.T. Act	Income Tax Authority	September 23, 2004	Valid until cancelled
7.	Registration No. SOL-CST 7982 under Central Sales Tax Act, 1956 for Himachal Pradesh.	Assessing Authority, Solan	April 1, 2004	Valid until cancelled
8.	Registration No. SOL-III-0045 under Himachal Pradesh General Sales Tax Rules, 1970	Assessing Authority, Solan	April 1, 2004	Valid until cancelled
9.	Registration No. 56738414 under Punjab General Sales Tax Act, 1948	Assessing Authority, Ludhiana	March 24, 2004	Valid until cancelled
10.	Registration No. 56738414 under Central Sales Tax Act, 1956 for Punjab	Assessing Authority, Ludhiana	March 24, 2004	Valid until cancelled
11.	Registration No 10/03/6056-C under Chattisgarh Sales Tax Act	Commercial Tax Officer, Raipur	January 29, 2002	Valid until cancelled
12.	Registration No. 10/03/6861/4/5 under Central Sales Tax Act, 1956 for Chattisgarh	Commercial Tax Officer, Raipur	January 29, 2002	Valid until cancelled

13.	TIN 22471201020 under Chattisgarh Sales Tax Act	Commercial Tax Officer, Raipur	November 1, 2003	Valid until cancelled
14.	Registration No. 23231721/11203 under Kerala General Sales Tax Rules, 1963	Additional Sales Tax Officer, Kochi	February 11, 2003	Name change from JKSL to J.K. Cement has been effected in the certificate. Valid until cancelled
15.	Registration No. 23055952 under Central Sales Tax Act, 1956 for Kerala	Additional Sales Tax Officer, Kochi	February 11, 2003	Change of name from JKSL to J.K. Cement has been effected in the registration certificate. Valid until cancelled
16.	Registration No. 23593203357 under Madhya Pradesh Sales Tax Act	Sales Tax Officer	March 23, 2004	Valid until cancelled
17.	Registration No. 23593203357 under Central Sales Tax Act, 1956 for Madhya Pradesh	Sales Tax Officer	March 23, 2004	Valid until cancelled
18.	Registration No. RU5025624 under Uttaranchal Sales Tax Act	Commercial Tax Officer	January 27, 2001	Change of name from JKSL to J.K. Cement has been effected in the registration certificate. Valid until cancelled
19.	Registration No. 1894153 under West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979	Profession Tax Officer, Salt Lake City	December 30, 2004	Valid until cancelled
20.	Registration No.19200628141 under West Bengal Sales Tax Act, 1994	Assistant Commissioner, Commercial Taxes, West Bengal	July 30, 2001	Valid until cancelled
21.	Registration No. 19200628238 under Central Sales Tax Act, 1956 for West Bengal.	Assistant Commissioner, Commercial Taxes, West Bengal	July 30, 2001	Valid until cancelled
22.	TIN No. 19200628044 under West Bengal Value Added Tax	Assistant Commissioner, Commercial Taxes, West Bengal		Valid until cancelled
23.	TIN No. 29640213060 under Karnataka Value Added Tax Act	Deputy Commissioner of Commercial Tax, Bangalore	April 1, 2005	Valid until cancelled
24.	Registration No. 0733020950 under Gujarat Sales Tax Act	Assistant Sales Tax Commissioner	November 4, 2004	Valid until cancelled
25.	GUJ99915326 under Central Sales Tax Act, 1956 for Gujarat	Assistant Sales Tax Commissioner	November 4, 2004	Valid until cancelled
26.	Registration No. LC/007/07880273237/0404 under Central Sales Tax Act, 1956 for Delhi	Sales Tax Officer	April 4, 2004	Valid until cancelled
27.	Registration No. LC/007/07880273237/0404 under Delhi Sales Tax Act	Sales Tax Officer	April 4, 2004	Valid until cancelled
28.	CST No. 22057 under Central Sales Tax Act, 1956 for Chandigarh	Notified Authority, Chandigarh	March 25, 2004	Valid until cancelled
29.	CST No. 22258 under Punjab General Sales Tax Act, 1948	Assessing Authority, Chandigarh	March 25, 2004	Valid until cancelled
30.	RWR/11GST 1394 under Haryana General Sales Tax Act, 1973	Assessing Authority, Rewari	April 1, 2002	Valid until March 31, 2007
31.	TIN No. 06022701394 under Haryana Value Added Tax Act, 2003	Assessing Authority, Rewari	April 1, 2003	Valid until cancelled
32.	Registration No. CST-787636 under Central Sales Tax Act, 1956 for Tamil Nadu	Commercial Tax Officer, Madras	February 17, 2003	Valid until cancelled
33.	Registration No. TNGST-0441924 under Tamil Nadu General Sales Tax Act, 1959	Commercial Tax Officer, Madras	February 10, 2003	Valid until March 31, 2006
34.	Registration No. SEC/01/1/2777/01-02 under Central Sales Tax Act, 1956 for Andhra Pradesh	Assistant Commercial Tax Officer, Musheerabad	July 30, 2001	Valid until cancelled

35.	Registration No. SEC/01/1/3397/01-02 under Andhra Pradesh General Sales Tax Act, 1957	Assistant Commercial Tax Officer, Musheerabad	July 30, 2001	Valid until cancelled
36.	TIN No. 28340192922 under Andhra Pradesh Value Added Tax Act, 2005	Commercial Tax Officer, Musheerabad	March 27, 2005	Valid until cancelled
37.	Certificate of Eligibility for Exemption under Sales Tax Exemption/Deferment Scheme, 1998	Joint Director, Industries, Jaipur	October 6, 2005	Valid until October 6, 2016
38.	EPCG 5% FOB Basis License No. 0630000343/2/11/00 under Foreign Trade (Development and Regulation) Act, 1992	Director General of Foreign Trade	July 13, 2005	Valid until July 13, 2008
39.	Registration No. 09/55/298 under Rajasthan Tax on Entry of Goods into Local Areas Act, 1999 for business situated at Nimbahera, Mangrol, Gotan, Bamania, Jaipur, Udaipur	Commercial Tax Officer	March 16, 2004	Valid until cancelled
40.	Registration No. 09/55/91585 under Rajasthan Sales Tax Act, 1954	Commercial Tax Officer.	March 23, 2004	Valid until cancelled
41.	Registration No. 09/55/91585 (Central) under Central Sales Tax Act, 1956 for Rajasthan	Sales Tax Officer	March 23, 2004	Valid until cancelled
42.	UPTTKR-0865437/AC-8 under Uttar Pradesh Trade Tax Act, 1948	Assistant Commissioner, Trade Tax	March 17, 2004	Valid until cancelled
APPROVALS FOR GREY CEMENT PLANT AT NIMBAHERA				
1.	Central Excise Registration No.: AABCJ0355RXM002	Deputy Commissioner, Central Excise, Chittorgarh	November 16, 2004	For manufacture of excisable goods. This registration is not valid in case of change in the constitution of the management
2.	Letter No. 1359/SIA/IMO/2005 for IEM filed with Secretariat of Industrial Assistance	Secretariat of Industrial Assistance, Ministry of Commerce and Industry, GoI, New Delhi	March 23, 2005	For manufacture of portland cement, aluminous cement, slag cement and similar hydraulic cement, except in the form of clinkers for total capacity of 3,000,000 tons
3.	Approval No. F.12 (CH-72) RPCB/Gr. III/5218 under Air Act	Member Secretary, RSPCB	January 1, 2005	Conditional consent for production capacity of clinker up to 2.8 MnTPA and cement up to 3.6 MnTPA valid for a period of three years
4.	Environmental clearance No. J-11015/83/2004-IA II for expansion of Nimbahera-Ahirpura limestone mines	Additional Director, Ministry of Environment and Forests	May 30, 2005	Conditional consent for increase in production capacity from 1.4 MnTPA to 2 MnTPA
5.	Environmental clearance No. J-11015/82/2004-IA.II for expansion of Tilakhera limestone mines	Additional Director, Ministry of Environment and Forests	May 30, 2005	Conditional consent for increase in production capacity from 0.36 MnTPA to 0.6 MnTPA
6.	Environmental clearance No. J-11015/84/2004-IA.II for expansion of Maliakhera limestone mines	Additional Director, Ministry of Environment and Forests	May 30, 2005	Conditional consent for increase in production capacity from 1.2 MnTPA to 2.2 MnTPA
7.	Approval No. F16(65)/HAZ/bhl/GR111/19851 under Hazardous Waste Rules, 1989	Member Secretary, RSPCB	June 23, 2001	For sale of waste lubricating oil up to 250,000 liters valid until June 22, 2006
8.	License No. RJ 4337 under Factories Act, 1948	Chief Inspector of Factories, Jaipur	June 8, 2005	For a factory employing not more than 1,500 persons on any day during the year and using motive power not exceeding 97,393 horse power. The license shall remain in force until March 31, 2006

9.	Approval No. F.12 (10-5) RPCB/Gr. III/11817 under Air Act, 1981	Member Secretary, RSPCB	August 1, 2003	For 2 DG sets of 7,000 KVA capacity each
10.	Registration No. 102/93 under Contract Labour Act, 1970	Assistant Labour Commissioner (Central), Kota	October 13, 1993	For up to 518 casual labourers per day (as amended on June 1, 2005)
11.	Registration No. RJ/2054 under Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	February 16, 1977	Valid until cancelled
12.	License No. RA163/ANFO under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	October 3, 2005	Valid until March 31, 2007
13.	License No. RA712/ANFO under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	October 3, 2005	Valid until March 31, 2007
14.	License No. RA41/EV under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	October 3, 2005	Valid until March 31, 2007
15.	License No. RA904/EV under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	October 3, 2005	Valid until March 31, 2007
16.	License No. RA904/ANFO under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	October 3, 2005	Valid until March 31, 2007
17.	License No. RA803/ANFO under Explosives Rules, 1980	Controller of Explosives, Jaipur	October 3, 1991	Valid until March 31, 2007
18.	Registration No. 2195/83 under Standard Weights and Measures Act, 1967 for packer	Inspector, Weights and Measures Department, Nagaur	March 11, 2004	Valid until March 11, 2006
19.	Registration No. 2195/84 under Standard Weights and Measures Act, 1967 for 60 tons weigh bridge	Inspector, Weights and Measures Department, Nagaur	March 11, 2005	March 11, 2006
20.	License No. MDJ/L-81872 84 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	November 18, 2004	License for use of IS 1489 (Part 1):1991; valid until March 31, 2006
21.	License No. MDJ/L-81872 84 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	April 1, 2004	License for use of IS 1489 (Part 2):1991; valid until March 31, 2006
22.	License No. MDJ/L-82177 72 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	October 1, 2004	License for use of IS 12269: 1987; valid until September 30, 2006
23.	License No. MDJ/L-80159 62 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	April 1, 2004	License for use of IS 8112: 1989; valid until March 31, 2006
24.	Approval No. F.12 (CH-21) RPCB/Gr.III/248 under the Water Act for mining activities at Nimbahera-Ahirpura	Member Secretary, RSPCB	June 6, 2005	Conditional consent granted to establish and operate; valid until June 5, 2008
25.	Approval No. F.12 (CH-21) RPCB/Gr.III/245 under the Air Act for mining activities at Nimbahera-Ahirpura	Member Secretary, RSPCB	June 6, 2005	Conditional consent granted to establish and operate; valid until June 5, 2008
26.	Approval No. F.12 (CH-48) RPCB/Gr.III/269 under the Water Act for mining activities at Tilakhera	Member Secretary, RSPCB	June 13, 2005	Conditional consent to establish and operate; valid until June 12, 2008
27.	Approval No. F.12 (CH-48) RPCB/Gr.III/272 under the Air Act for J.K. Cements Works, Tilakhera	Member Secretary, RSPCB	June 13, 2005	Conditional consent to establish and operate; valid until June 12, 2008
28.	Approval No. F.12 (CH-47) RPCB/Gr.III/251 under the Water Act for mining activities at Maliakhera	Member Secretary, RSPCB	June 13, 2005	Conditional consent to establish and operate; valid until June 12, 2008

29.	Approval No. F.12 (CH-48) RPCB/Gr.III/254 under the Air Act for mining activities at Maliakhera	Member Secretary, RSPCB	June 13, 2005	Conditional consent to establish and operate; valid until June 12, 2008
30.	Approval No. F.12 (CH-61) RPCB/Gr.III/260 under the Water Act for mining activities at Karunda	Member Secretary, RSPCB	June 8, 2005	Conditional consent to establish and operate; valid until June 7, 2008
31.	Approval No. F.12 (CH-61) RPCB/Gr.III/257 under the Air Act for mining activities at Karunda	Member Secretary, RSPCB	June 8, 2005	Conditional consent to establish and operate; valid until June 7, 2008
32.	Approval No.AVVNL/SE(O&M)/CHB/Works/F/D.1067	Superintending Engineer, Ajmer Vidhyut Vitran Nigam Limited	June 6, 2001	Consent to commence parallel operation of the proposed captive power plant with Ajmer Power System
33.	Approval No. P/HQ/RJ/15/384(P5132)	Deputy Controller of Explosives, Department of Explosives, Jaipur	February 26, 1987 (renewal no. 1 dated November 23, 2004)	For the importation of 1,200 kilo litres of petroleum; valid until December 31, 2007
34.	Approval No. P/HQ/RJ/15/174(P4925)	Deputy Controller of Explosives, Department of Explosives, Jaipur	October 7, 1982 (renewal no. 1 dated November 25, 2004)	For the importation of 900 kilo litres of petroleum; valid until December 31, 2007
35.	Approval No. P/HQ/RJ/15/518(P5269)	Chief Controller of Explosives, Department of Explosives, Jaipur	February 25, 1987 (renewal no. 1 dated December 8, 2004)	For the importation of 100 kilo litres of petroleum; valid until December 31, 2007
36.	Approval No. P/HQ/RJ/15/465(P5217)	Chief Controller of Explosives, Department of Explosives, Jaipur	January 17, 2003	For the importation of 60 kilo litres of petroleum; valid until December 31, 2005
37.	Approval No. NVCC-2/P-1(1)02/97	Director, Department of Mines and Geology	October 20, 2005	Approval for transfer of Nimbahera-Ahirpura mining lease from JKSL to the Company, subject to completion of certain requirements
38.	Approval No. 682(23)(231)/2002-UDP for mining plan for limestone mine at Karunda	Controller of Mines, Ajmer	March 17, 2003	Approval for mining plan
39.	Approval No.682(23)(342)/2004-UDP for mining plan for limestone mine at Maliakhera	Controller of Mines, Ajmer	October 1, 2004	Approval for mining plan
40.	Approval No.682(23)MS-282/2004-UDP for scheme for mining for limestone mine at Nimbahera-Ahirpura	Controller of Mines, Ajmer	October 1, 2004	Approval for scheme of mining
41.	Approval No.682(23)MS-283/2004-UDP for scheme for mining for limestone mine at Mangrol-Tilakhera	Controller of Mines, Ajmer	October 1, 2004	Approval for scheme of mining
42.	Renewal of mining lease (ML No. 2/97) for 652.31 hectares Nimbahera-Ahirpura limestone mine	Government of Rajasthan	February 23, 1998	Valid until February 22, 2018
APPROVALS FOR GREY CEMENT PLANT AT MANGROL				
1.	Central Excise Registration No.: AABCJ0355RXM003	Deputy Commissioner, Central Excise, Chittorgarh	November 16, 2004	For manufacture of excisable goods. This registration is not valid in case of change in the constitution of the management
2.	Letter No. 4933/SIA/IMO/2004 for IEM filed with Secretariat of Industrial Assistance	Secretariat of Industrial Assistance, Ministry of Commerce and Industry, GoI, New Delhi	December 24, 2004	For manufacture of portland cement, aluminous cement, slag cement and similar hydraulic cement, except in the form of clinkers for total capacity of 1,000,000 tons

3.	Approval No. F.12 (CH-62) RPCB/Gr. III/263 under Air Act, 1981	Member Secretary, RSPCB	October 1, 2005	Consent to operate for the production/manufacture of clinker up to 0.75 MnTPA and cement up to 0.95 MnTPA; valid until September 30, 2008
4.	Approval No. F.12 (CH-62) RPCB/Gr. III/266 under Water Act, 1974	Member Secretary, RSPCB	October 1, 2005	For effluents; valid until September 30, 2008
5.	Approval No. F16(64)/HAZ/bhl/GR111/3174 under Hazardous Waste Rules, 1989	Member Secretary, RSPCB	June 21, 2001.	For sale of waste lubricating oil up to 75,000 liters; valid until June 20, 2006
6.	Environmental clearance No. J-11015/3/2004-IA.II (Vol I) for Karunda limestone mines	Additional Director, Ministry of Environment and Forests	October 4, 2004	Conditional consent for production capacity up to 1.09 MnTPA
7.	Approval No. F.12 (CH-7) RPCB/Gr. III/16373 under Air Act, 1981	Member Secretary, RSPCB	October 1, 2003	For 3 DG sets of 6 MW capacity each; valid until September 30, 2006
8.	License No. RJ 21618 under Factories Act, 1948	Chief Inspector of Factories, Jaipur	June 8, 2005	For a factory employing not more than 300 persons on any day during the year and using motive power not exceeding 21,508 horse power. The license shall remain in force until March 31, 2006
9.	Registration No. RJ/12219 under Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	January 23, 2002	Valid until cancelled
10.	License No. RA905/ANFO under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	October 3, 2005	Valid until March 31, 2006
11.	Approval No. P/HQ/RJ/15/1856(P18290)	Chief Controller of Explosives, Department of Explosives, Jaipur	January 17, 2003	For the importation of 880 kilo litres of petroleum; valid until December 31, 2006
12.	Registration No. 2195/85-86 under Standard Weights and Measures Act, 1967	Inspector, Weights and Measures Department, Nagaur	March 11, 2004	Valid until March 11, 2006
13.	License No.JBO/L 8502468/63 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	July 1, 2005	License for use of IS 12269: 1987; valid until June 30, 2007
14.	License No.MDJ/L 8106258/1535 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	July 1, 2004	License for use of 8112:1989; valid until June 30, 2006
15.	License No. MDJ/L-82450 70/1672 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	April 1, 2004	License for use of IS 1489 (Part 1 and 2): 1991; valid until March 31, 2006
16.	Registration No. 3/994 under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner (Central)	October 10, 1994	For up to 40 contract workers per day
APPROVALS FOR WHITE CEMENT PLANT AT GOTAN				
1.	Central Excise Registration No.: AABCJ0355RXM001	Deputy Commissioner, Central Excise, Ajmer	November 1, 2004	For manufacture of excisable goods. This Registration is not valid in case of change in the constitution of the management

2.	Letter No. 3061/SIA/IMO/2005 for IEM filed with Secretariat of Industrial Assistance	Secretariat of Industrial Assistance, Ministry of Commerce and Industry, GoI, New Delhi	June 28, 2005	For manufacture of portland cement, aluminous cement, slag cement and similar hydraulic cement, except in the form of clinkers for total capacity of 400,000 tons and manufacture of wall putty for total capacity of 30,000 tons
3.	License No. RJ 11761 under Factories Act	Chief Inspector of Factories, Jaipur	February 18, 2005	For a factory employing not more than 450 persons on any day during the year and using motive power not exceeding 7,500 horse power. The license shall remain in force until March 31, 2009. The Company has obtained an approval dated November 8, 2005 for amendment in the factory license for increase in use of motive power to 17,426 horse power
4.	Registration No. JP(R)/2/95 under Contract Labour (Regulation and Abolition) Act, 1970	Assistant Labour Commissioner (Central), Jaipur	June 8, 2005	License for employing contract labour
5.	Approval No. F.5 (NG-2)/RPCB/Gr.II/3424 under Air Act, 1981	Member Secretary, RSPCB	September 30, 2005	Conditional consent for production of white cement for a capacity of 1,150 tons per day; valid until July 22, 2006
6.	Approval No. F.5 (NG-2)/RPCB/Gr.II/3428 under Air Act, 1981	Member Secretary, RSPCB	September 30, 2005	Conditional consent for production of pre-mix dry mortar; valid until February 24, 2008
7.	Approval No. F.5 (NG-2)/RPCB/Gr.II/3432 under Water Act, 1974	Member Secretary, RSPCB	September 30, 2005	Conditional consent for production of white cement for a capacity of 1,150 tons per day; valid until July 22, 2006
8.	Approval No. F.16(11)/RPCB/GR.II/HWMR/jodhpur/3593 under Hazardous Waste Rules, 1989	Member Secretary, RSPCB	August 3, 2005	Authorization for operating facility for collection, storage and disposal of hazardous waste i.e., used or spent oil and waste or residues containing oil up to 37 kilo litres per annum; valid until August 2, 2006
9.	License No. RA-340/E under Explosives Rules, 1983	Joint Chief Controller of Explosives, Faridabad	April 7, 2004	Valid until March 31, 2006
10.	License No. RA-1801/E under Explosives Rules, 1983	Joint Chief Controller of Explosives, Faridabad	August 23, 1989	Valid until March 31, 2007
11.	Registration No. 591 under Motor Transport Workers Act, 1961	Inspector, Motor Transport Department, Nagaur	January 17, 2001	Valid until December 31, 2005
12.	Approval No. A/G/NC/RJ/06/767 (G15041) under Gas Cylinder Rules, 1981	Joint Chief Controller of Explosives, Faridabad	June 9, 2004	Approval for site layout and construction plan of storage facilities for Oxygen, DA gas in cylinders
13.	License No. RJ-17/0002/04 for use of franking machine supplied by Telepost India Private Limited	Superintendent, Post Office, Nagaur	January 1, 2004	Valid until December 31, 2008

14.	License No. P-12 (20) 1191/RA 2087 under Petroleum Act, 1934	Deputy Chief Controller of Explosives, Jaipur	February 15, 1999	License for storing 244 kilo litres petroleum (Class-B and C); valid until December 31, 2005
15.	License No. P/HQ/RJ/15/125(P3355) under Petroleum Act, 1934	Chief Controller of Explosives, Jaipur	May 16, 1984	License for storing 3,055 kilo litres petroleum (Class-C); valid until December 31, 2007
16.	License No. MDJ/L - 13381 43/11 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	October 1, 2004	License for use of IS 8042:1989; valid until September 30, 2006
17.	License No. MDJ/L - 14902 50/564 under Bureau of Indian Standards Act, 1986	Director, BIS, Jaipur	January 1, 2005	License for use of IS 8041:1990; valid until December 31, 2005. The Company has submitted an application for renewal of the license on October 17, 2005
18.	License No. 149/2001 under Rajasthan Petroleum Products (Licensing and Control) Order, 1990	District Supply Officer, Nagaur	August 2, 2001	License authorizing purchase/sale of LPG; valid until March 31, 2021
19.	License No. 5/2003 under Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000	District Supply Officer, Nagaur	June 12, 2003	License for end use of furnace and light diesel oil of 6,000 kilo litres each; valid until June 11, 2006
20.	License No. RA-1368 under Petroleum Act, 1934	Deputy Chief Controller of Explosives, Jaipur	June 20, 1986	License for storing petroleum in tanks for fuelling motor conveyance; valid until December 31, 2006
21.	License No. RA343/ANFO under Explosives Rules, 1980	Joint Chief Controller of Explosives, Faridabad	May 18, 2005	License for manufacture of up to 50 kilogram ANFO explosive at site; valid until March 31, 2007
22.	License No. 0630000343/2/11/00 under Foreign Trade Regulation Rules, 1993	Assistant Director General of Foreign Trade	July 13, 2005	Valid for a period of 8 years for exporting “Camel Brand” white cement
23.	Registration No. 1576/40-46 under Standard Weights and Measures Act, 1967	Inspector, Weights and Measures Department, Nagaur	August 26, 2005	Valid until August 25, 2006
24.	Registration No. 15/13491/46 under Employee State Insurance Act	Assistant Regional Director, ESI Corporation, Jaipur	March16, 1995	Valid until cancelled
25.	Approval No. F.5(NG-87)RPCB/Gr.II/ 2897 under Water Act for mining lease 3/93, Dhanappa limestone mines	Member Secretary, RSPCB, Jaipur	July 14, 2003	Consent to operate; valid until July 25, 2006
26.	Approval No. F.5 (NG-87) RPCB/Gr. II/2901 under Air Act for mining lease 3/93, Dhanappa limestone mines	Member Secretary, RSPCB, Jaipur	July 14, 2003	Consent to operate; valid until July 25, 2006
27.	Approval No. F.12(CH-27)RPCB/Gr.III/4162 under Air Act and Water Act for Kanthariya china clay mines (ML No.27/92)	Member Secretary, RSPCB, Jaipur	April 4, 2005	Consent to operate; valid until April 3, 2008
28.	Registration No. 2/2005 under Contract Labour (Regulation and Abolition) Act, 1970 in Kanthariya mines	Assistant Labour Commissioner (Central), Kota	August 25, 2005	License for employing contract labour
29.	No Objection Certificate F.5(PA-846)/RPCB/Gr.III/2777 for Rajputon Ki Dhani china clay mines (ML No.4/2002)	Member Secretary, RSPCB, Jaipur	August 12, 2005	Renewal of capacity for china clay mine; valid until August 12, 2010
30.	Approval No.584 (4)(3)(818)/2004-RCOM-AJM for mining plan for ML No.4/2002 Rajputon Ki Dhani china clay mines (42 hectares)	Regional Controller of Mines, Ajmer	October 26, 2004	Approval of mining plan for Rajputon Ki Dhani china clay mine
31.	No Objection Certificate No.F.12(CH-27) RPCB/Gr. III/2016-19 under Water Act and Air Act for mining activities at ML No.27/92 for Kanthariya china clay mines	Member Secretary, RSPCB, Jaipur	February 9, 2000	For china clay mine at Kanthariya; valid until April 3, 2008

32.	Approval No.682(23)(162)/2001-MCCM(N) Udp for mining plan for Kanthariya china clay mine (ML No.27/92) (measuring 53.8424 hectares)	Regional Controller of Mines, Udaipur	February 8, 2002	Approval of mining plan for Kanthariya china clay mine
33.	No.RPCB/RO Jodh/Mines 17736 under Air Act, 1981	Regional Officer, RSPCB, Jodhpur	August 17, 2005	Consent to operate under Section 25/26 of Water Act and under Section 21 of Air Act for ML No.75/90; valid until October 19, 2006
34.	No Objection Certificate No.F.12 (CH-67)/RPCB/Gr.III/756-60 under Air Act and Water Act for Kanthariya china clay mines (ML No.1/2001)	Member Secretary, RSPCB, Jaipur	April 21, 2005	For china clay mine at Kanthariya
35.	No.RPCB/RO BHL/LMO-16/3441 under Air Act and Water Act	Regional Officer, RPCB, Bhilwara	May 14, 2004	Consent to operate under Air Act and Water Act for Kanthariya china clay mines (ML No.23/92); valid until May 13, 2007
36.	Approval No.584(6)(3)(208)/2004-RCOM-AJM for mining plan for Dhanappa limestone mines (ML No.3/93)	Regional Controller of Mines, Ajmer	October 3, 2005	Approval for mining plan for Dhanappa limestone mines
37.	Approval No.682(23)(403)/2005-MCCM(N) Udai for mining plan for Kanthariya china clay mines (ML No.23/92) (measuring 5 hectares)	Regional Controller of Mines, Udaipur	July 7, 2005	Approval for mining plan
38.	Approval No.682(23)(410)/2005-Udai for mining plan for Kanthariya china clay mines (ML No.1/2001) (measuring 51.03 hectares)	Regional Controller of Mines, Udaipur	October 3, 2005	Approval for mining plan
39.	Renewal of mining lease (ML No. 3/93) for 400 hectare Dhanappa limestone mine	Government of Rajasthan	April 8, 1994	Valid until April 7, 2014
40.	Mining lease (ML No. 75/90) for 80.40 hectare Dhanappa limestone mine	Government of Rajasthan	February 16, 1991	Valid until February 15, 2011
41.	Renewal of mining lease (ML No. 1/2001) for 51.03 hectare Kanthariya china clay mine	Government of Rajasthan	April 23, 2004	Valid until April 22, 2022
42.	Mining lease (ML No. 23/92) for 5 hectare Kanthariya china clay mine	Government of Rajasthan	April 24, 2002	Valid until April 23, 2022
43.	Mining lease (ML No. 27/92) for 53.84 hectare Kanthariya china clay mine	Government of Rajasthan	April 4, 2005	Valid until April 3, 2025
APPROVALS FOR CAPTIVE POWER PLANT AT BAMANIA				
4.	Approval No. F.12 (CH-3) RPCB/Gr. III/4138 under Air Act, 1981	Member Secretary, RSPCB	September 1, 2003	Conditional approval for production of electricity up to 23 MW; valid until August 30, 2006
5.	Approval No. F.12 (CH-3) RPCB/Gr. III/4135 under Water Act, 1974	Member Secretary, RSPCB	September 1, 2003	Conditional approval for production of electricity up to 23 MW; valid until August 30, 2006
6.	License No. RJ 13316 under Factories Act, 1948	Chief Inspector of Factories, Jaipur	June 8, 2005	For a factory employing not more than 150 persons on any day during the year and using motive power not exceeding 23,000 horse power. The license shall remain in force until March 31, 2006
7.	Registration No. RJ/5682 under Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Assistant Provident Fund Commissioner	May 3, 1991	Valid until cancelled

II. PENDING APPLICATIONS

S.No.	No./Description of Permit/License	Authority	Date	Contents/Remarks
1.	The Company has made applications for transfer of mining leases from JKSL to the Company for Maliakhera, Karunda and Tilakhera Mines	Director, Department of Mines and Geology	September 2, 2003 and November 10, 2004	Pending
2.	The Company has applied for transfer of mining lease from JKSL to the Company for Dhanappa Mines (ML No. 3/93 and ML No. 75/90), Kanthariya china clay mines (ML No.1/2001 and ML No. 23/92) and Rajputon Ki Dhani china clay mines (ML No.4/2002)	Department of Mines and Geology	September 5, 2003,	Pending
3.	Application for renewal of mining lease (ML No. 4/2002) for 42 hectares Rajputon Ki Dhani china clay mine	Government of Rajasthan	February 3, 2002	Pending
4.	Application for renewal of mining lease (ML No. 9/97) for 299.20 hectares Tilakhera limestone mine	Government of Rajasthan	May 2, 1997	Pending
5.	Application for renewal of mining lease (ML No. 9/81) for 320 hectares Maliakhera limestone mine	Government of Rajasthan	December 12, 2003	Pending
6.	Application for renewal of mining lease (ML No. 9/79) for 336.70 hectares Karunda limestone mine	Government of Rajasthan	December 12, 2003	Pending

The Company has also obtained confirmation from the Ajmer Vidyut Vitran Nigam Limited ("AVVNL"), erstwhile Rajasthan State Electricity Board, that no approval is required from AVVNL for installation of the proposed 13 MW waste heat recovery power plant and the 20 MW petcoke based captive power plant. In connection with the installation of these captive power plants, the Company is also in the process of applying to the Rajasthan State Pollution Board for air and water pollution clearance and the Irrigation Department, Government of Rajasthan, for its water requirement.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Pursuant to the resolutions dated November 26, 2005, the shareholders and the Board have authorized the Issue in accordance with law.

We have also obtained all necessary contractual consents required for the Issue. For further information, refer "Government and other Approvals" on page 187 of this Draft Red Herring Prospectus.

Prohibition by SEBI

Our Company, our Directors, our Promoters, our Promoter group companies, directors of our affiliates and companies in which our Directors are associated with as directors, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Eligibility for the Issue

The Company is a listed company that does not comply with the conditions specified in Clause 2.3.1 of the SEBI Guidelines and is eligible to make the Issue under Clause 2.3.2 of the SEBI Guidelines, subject to complying with conditions specified in Clause 2.2.2. The Company is required to meet both the conditions set forth in Clause 2.2.2(a) and Clause 2.2.2(b) of the SEBI Guidelines.

- The Company will comply with Clause 2.2.2(a)(i) of the SEBI Guidelines and at least 50% of the Net Issue is proposed to be allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

Further, the Company will comply with Clause 11.3.5(i)(a) and (b) of the SEBI Guidelines, and at least 15% and 35% of the Net Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively.

- The Company will also comply with Clause 2.2.2(b)(i) of the SEBI Guidelines and the post-Issue face value capital of the Company shall be Rs.[●] million, which is more than the minimum requirement of Rs.100 million.

Except as disclosed in the section titled "Outstanding Litigation and Material Developments" on page 135 of this Draft Red Herring Prospectus, the Promoters, the Company, and associate companies are not defined as willful defaulters by the RBI/Government of India authorities and there are no violations of securities laws committed by them in the past or pending against them. Except as disclosed in the section "Outstanding Litigation and Material Developments", no penalty has been imposed by SEBI and other regulatory bodies against the Company, the Directors, the Promoters and other companies promoted by our Promoters.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, DSP MERRILL LYNCH LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, DSP MERRILL LYNCH LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 5, 2005 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

- ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;

- THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.

(III) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID;

(IV) WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS; AND

(V) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRI BUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS."

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE ROC IN TERMS OF SECTION 60B OF THE COMPANIES ACT. ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF REGISTRATION OF THE PROSPECTUS WITH THE ROC IN TERMS OF SECTION 56, SECTION 60 AND SECTION 60B OF THE COMPANIES ACT.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENTS OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from the Company and the BRLM

The Company, the Directors, and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone placing reliance on any other source of information, including our website, www.jkcement.com, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and us dated [•] and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres etc.

Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to permitted Non Residents including FIIS, Eligible NRIs and other eligible foreign investors. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kanpur only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus dated December 5, 2005 has been filed with SEBI at Corporation Finance Department, Ground Floor, Mittal Court, “A” Wing, Nariman Point, Mumbai 400 021.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered for registration to the RoC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with the Registrar of Companies (Uttar Pradesh and Uttaranchal), located at 37/17 Westcott Building, The Mall, Kanpur 208001, Uttar Pradesh, India.

Listing

Our existing Equity Shares are listed on the BSE.

Applications have been made to the BSE and the NSE for permission for listing of our Equity Shares being offered through this Draft Red Herring Prospectus.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the date of Bid Closing Date/Issue Closing Date, whichever is earlier), then our Company shall, on and from expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within seven working days of finalization of the basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, the Domestic Legal Counsel, the International Legal Counsel, the Bankers to the Issue, Bankers to the Company; and (b) the Book Running Lead

Manager, the Syndicate Members, the Escrow Collection Bankers and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

P.L. Tandon & Co., Chartered Accountants, our auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated elsewhere in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (Rs. millions)
Lead management, underwriting and selling commission	[•]
Advertisement and marketing expenses	[•]
Printing, stationery including transportation of the same	[•]
Others (Registrar's fees, legal fees, listing fees, etc.)	[•]
Total estimated Issue expenses	[•]

Fees Payable to the Book Running Lead Manager and Syndicate Members

The total fees payable by us to the Book Running Lead Manager and Syndicate Members (including underwriting commission and selling commission) will be as per the memorandum of understanding between the Company and the BRLM dated December 3, 2005, a copy of which is available for inspection at our registered office.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding between the Registrar to the Issue and the Company dated [●].

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by us to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Previous Rights and Public Issues

We have not made any public issue or rights issue of Equity Shares either in India or abroad in the five years preceding the date of this Draft Red Herring Prospectus. However, pursuant to the order of the AAIFR sanctioning the Scheme of Rehabilitation, our Company allotted 7,426,950 Equity Shares to 115,003 equity shareholders of JKSL in the ratio 1:10 (i.e., one Equity Share for every 10 equity shares of JKSL) and sought listing of its existing Equity Shares. On April 21, 2005, SEBI by its order dated April 21, 2005 relaxed the applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 subject to compliance with the conditions of the AAIFR order. On June 30, 2005, the existing Equity Shares of the Company were listed on the BSE. For more details on the Scheme of Rehabilitation, please see the section titled "History and Certain Corporate Matters" on page 57 of this Draft Red Herring Prospectus.

Issues otherwise than for Cash

Except as stated in the section titled "Capital Structure" on page 13 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Equity Issues by us

No sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Companies under the Same Management

We do not have any other company under the same management within the meaning of erstwhile Section 370(1B) of the Companies Act, which has made any capital issue during the last three years.

Promise v/s. Performance – Last Issue

We have not made any public issue or rights issue of Equity Shares either in India or abroad.

Promise v/s. Performance – Last Issue of Group/Associate Companies

For information regarding promise v/s. performance for Promoter group companies, see the sections titled "Risk Factors" and "Our Promoters and Group Companies" on pages x and 68, respectively of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds or Redeemable Preference Shares

There are no outstanding debentures or bonds or redeemable preference shares issued by us as of the date of this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

The following table sets forth, for the periods indicated, the high and low and average of daily closing prices of our Equity Shares on the BSE.

(In Rs.)

Period	High	Low	Average[1]
June 2005	150.65	150.65	150.65
July 2005	135.05	116.10	122.79
August 2005	148.75	116.35	130.46
September 2005	161.75	143.90	152.53
October 2005	151.30	132.85	142.32
November 2005	159.05	142.00	149.61

[1] Average of the daily closing price of our Equity Shares for the period

The following table sets forth the number of Equity Shares traded on the days high and low prices of our Equity Shares was recorded on the BSE for the last six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Month	High Date	Number of Equity Shares Traded	Low Date	Number of Equity Shares Traded
June 2005	June 30, 2005	1,254,871	June 30, 2005	1,254,871
July 2005	July 1, 2005	402,978	July 14, 2005	150,290
August 2005	August 19, 2005	575,326	August 9, 2005	22,661
September 2005	September 16, 2005	120,607	September 1, 2005	61,122
October 2005	October 3, 2005	13,533	October 19, 2005	61,189
November 2005	November 28, 2005	100,731	November 7, 2005	67,887

The following table sets forth total volume of Equity Shares traded and the volume of business transacted on the BSE during the six months preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

(Rs. million)

Month	Number of Equity Shares Traded	Volume of Business Transacted
June 2005	1,254,871	201.34
July 2005	2,505,959	317.80
August 2005	1,901,377	262.62
September 2005	1,712,911	263.15
October 2005	1,158,408	163.82
November 2005	1,474,499	221.61

[Source of market data: BSE]

Other Disclosures

The closing market price of our Equity Shares on November 28, 2005, the day after the day our Board of Directors approved the Issue, was Rs.159.05 per Equity Share.

Our Equity Shares are actively traded on the BSE.

Except as disclosed in the section "Capital Structure" beginning on page 13 of this Draft Red Herring Prospectus, our Promoter group, or the directors of our Promoters companies or our Directors have not purchased or sold any securities of the Company during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and us, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letters of Allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant, and the bank branch or collection center where the application was submitted.

Disposal of Investor Grievances by the Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Manish Bajpai, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. Manish Bajpai
J.K. Cement Limited
Kamla Tower
Kanpur 208 001
Uttar Pradesh, India
Tel: +91 512 2371 478
Fax: +91 512 2369 854
Email: jkshr@jkcements.com

Changes in Auditors

There have been no changes in the auditors in the last three years.

Capitalization of Reserves or Profits

We have not capitalized any reserves or profits since our incorporation.

Revaluation of Assets

Pursuant to the order of the AAIFR sanctioning the Scheme of Rehabilitation, on November 4, 2004, our Company acquired the JKSL Cement Division on an "as-is-where-is", basis. The assets of the JKSL Cement Division, including land, building, plant and machinery, rolling stocks and railway siding have been revalued on net replacement cost based on cost approach method as per the valuation report of S.K. Ahuja and Associates, an independent valuer, and net accretion on this account has been credited to the revaluation reserve account. For more details, please see the section titled "Summary Financial Information" on page 5 of this Draft Red Herring Prospectus.

Payment or benefit to officers of the Company

Except as stated otherwise in this Draft Red Herring Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees since incorporation of the Company.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

ISSUE STRUCTURE

The present Issue of 20,000,000 Equity Shares at a price of Rs.[•] per Equity Share for cash, aggregating up to Rs.[•] million is being made through the 100% Book Building Process. 200,000 and 1,800,000 Equity Shares will be reserved in the Issue for subscription by Employees and the Existing Shareholders, respectively at the Issue Price. The Net Issue will comprise 18,000,000 Equity Shares of face value Rs.10 each at a price of Rs.[●] per Equity Share, aggregating Rs.[●] million.

If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith

	Employees	**Existing Shareholders**	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares[(1)]	200,000 Equity Shares	1,800,000 Equity Shares	At least 9,000,000 Equity Shares must be allotted to QIBs	At least 2,700,000 Equity Shares shall be available for allocation	At least 6,300,000 Equity Shares shall be available for allocation
Percentage of Issue size available for allocation	Up to 1% of the Issue	Up to 9% of the Issue	At least 50% of the Net Issue or the Net Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	At least 15% of Net Issue or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders	At least 35% of Net Issue or the Net Issue less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allocation if respective category is over-subscribed	Proportionate	Proportionate	Proportionate (a) 450,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 8,550,000 Equity Shares shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	[•] Equity Shares and in multiples of [•] Equity Shares thereafter	[•] Equity Shares and in multiples of [•] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of [●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of [●] Equity Shares	[•] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Not exceeding the size of the Issue, subject to applicable limits	Not exceeding the size of the Issue, subject to applicable limits	Such number of Equity Shares not exceeding the Issue, subject to applicable limits	Such number of Equity Shares not exceeding the Issue subject to applicable limits	Such number of Equity Shares whereby the Bid Amount does not exceed Rs.100,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share	One Equity Share

	Employees	Existing Shareholders	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply[(2)]	Indian Nationals who are permanent employees and Directors of the Company who are based in India. The permanent employees should be on the payroll of the Company as of [●] and the Directors should be Directors on the date of the Red Herring Prospectus	Existing shareholders of the Company as of [●] who hold Equity Shares worth up to Rs.100,000 determined on the basis of the closing price of the Equity Shares on the BSE on [●] and who are Indian Nationals and based in India	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, state industrial development corporations, FVCIs, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs.250 million.	Resident Indian individuals, HUF (in the name of Karta), Eligible NRIs, companies, corporate bodies, scientific institutions societies and trusts	Individuals (including HUFs (in the name of Karta) applying for such number of Equity Shares such that the Bid Amount does not exceed Rs.100,000 and Eligible NRIs) Resident Indian individuals HUF (in the name of Karta) and Eligible NRIs
Terms of Payment	Margin Amount applicable to Employees at the time of submission of Bid cum Application Form to the Syndicate	Margin Amount applicable to Existing Shareholders at the time of submission of Bid cum Application Form to the Syndicate	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Non-Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate
Margin Amount	Full Bid Amount on Bidding	Full Bid Amount on Bidding	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding	Full Bid Amount on bidding

(1) Subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than 450,000 Equity Shares (assuming QIB Portion is 50% of the Issue Size, i.e. 9,000,000 Equity Shares), the remaining Equity Shares available for allocation in the Mutual Fund portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders.

(2) In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment, without assigning any reason therefor.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allotment. We shall ensure dispatch of refund orders, if any, of value up to Rs.1,500 by 'Under Certificate of Posting', and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 15 days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Guidelines, we undertake that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refund orders shall be done within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to Bidders within the 15 day time prescribed above provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of upload of the demat credit.

We will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Bid/ Issue Program

BID/ISSUE OPENS ON	: [●]
BID/ISSUE CLOSES ON	: [●]

Bids and any revision in Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) on all working days except Saturdays when they shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids shall be accepted only between 10 a.m. and 1 p.m. (Indian Standard Time) and uploaded till such time as permitted by the BSE and the NSE on the Bid/ Issue Closing Date.

The Price Band will be decided by our Company in consultation with the BRLM and announced and advertised at least one day prior to the Bid Opening Date/Issue Opening Date. In the meantime, the investors may be guided by the price of our Equity Shares listed on the BSE. The Price Band shall be advertised at least one day prior to the Bid Opening Date/Issue Opening Date in [●], an English language newspaper with wide circulation and in [●], a Hindi language newspaper with wide circulation. The announcement on the Price Band shall also be made available on the web site of the BRLM and at the terminals of the Syndicate.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the price band advertised at least one day prior to the Bid Opening Date/Issue Opening Date.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 50% of the Net Issue shall be available for allocation on a proportionate basis to QIB Bidders, including up to 5% of the QIB Portion which shall be available for allocation to the Mutual Funds only. If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. Further, a minimum of 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and a minimum of 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with BRLM may reject Bid at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, and bids under the Employee Reservation Portion and the Existing Shareholders Reservation Portion, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the dematerialized form. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form, bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	**Colour of Bid cum Application Form**
Indian public and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents, including Eligible NRIs, FVCIs and FIIs, applying on a repatriation basis	Blue
Bidders in the Employee Reservation Portion	Green
Bidders in the Existing Shareholders Reservation Portion	Pink

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors, in single or joint names (not more than three);
3. Hindu undivided families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs would be considered at par with those from individuals;
4. Eligible NRIs on a repatriation basis or a non-repatriation basis;
5. FIIs registered with SEBI on a repatriation basis;
6. State industrial development corporations;
7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
8. Provident funds with minimum corpus of Rs.250 million and who are authorized under their constitution to invest in Equity Shares;
9. Pension funds with a minimum corpus of Rs.250 million and who are authorized under their constitution to invest in Equity Shares;
10. Companies, corporate/bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
11. Venture Capital Funds registered with SEBI;
12. Foreign Venture Capital Investors registered with SEBI;
13. Mutual Funds;
14. Indian financial institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);

15. Multilateral and bilateral development financial institutions;
16. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in Equity Shares;
17. Scientific and/or industrial research organizations in India authorized under their constitution to invest in equity shares;
18. Permanent employees or Directors (whole-time Directors, part-time Directors or otherwise) of the Company, who are Indian Nationals and are based in India. The permanent employees should be on the payroll of the Company as of [●] and the Directors should be Directors on the date of the Red Herring Prospectus;
19. Existing Shareholders of the Company as of [●] who hold Equity Shares worth up to Rs.100,000 determined on the basis of the closing price of the Equity Shares on the BSE on [●] and who are Indian Nationals and based in India; and
20. Any other QIBs permitted to invest in the Issue under applicable law or regulation.

As per existing regulations, OCBs cannot Bid in the Issue.

Note: The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations.

Bidders should note that:

Bidders are advised to ensure that any single Bid from them does not exceed the investments limits or maximum number of Equity Shares that can be held by them under applicable law, rules, regulations, guidelines and approvals.

In accordance with the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights.

5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid up capital of the Company (i.e. 10% of 69,927,250 Equity Shares). In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total paid up capital or 5% of the total paid up capital in case such sub-account is a foreign corporate or an individual. As of now, the aggregate FII holding in the Company cannot exceed 24% of its total paid up capital. With the approval of GoI, the Board of Directors and the Shareholders by way of a special resolution, the aggregate FII holding can go up to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favor of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In accordance with the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any venture capital fund or foreign venture capital investor should not exceed 25% of the corpus of the venture capital fund or of the foreign venture capital investor.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:**

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Bid Amount (including revision of Bids, if any) payable by the Bidder does not exceed Rs.100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs.100,000. In case the Bid Amount is over Rs.100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIB Bidders:**

The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiples of [•] Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to bid at Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

(c) For Bidders in the Employee Reservation Portion

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. Bidders in the Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs.100,000 may bid at Cut-off Price. The allotment in the Employee Reservation Portion will be on a proportionate basis. However, in case of an oversubscription in the Employee Reservation Portion, the maximum allotment to any Employee will be capped at up to [•] Equity Shares.

(d) For Bidders in the Existing Shareholders Reservation Portion

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. Bidders in the Existing Shareholders Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs.100,000 may bid at Cut-off Price. The allotment in the Existing Shareholders Reservation Portion will be on a proportionate basis. However, in case of an oversubscription in the Existing Shareholders Reservation Portion, the maximum allotment to any Existing Shareholder will be capped at up to [•] Equity Shares.

Information for the Bidders:

1. The Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

3. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus along with the Bid cum Application Form can obtain the same from our registered office or from any of the members of the Syndicate.

4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLM or Syndicate Members or their authorized agent(s) to register their Bids.

5. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the member of the Syndicate. Bid cum Application Forms, which do not bear the stamp of a member of the Syndicate, will be rejected.

Method and Process of Bidding

1. Our Company and the BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus filed with RoC and publish the same in two widely circulated newspapers (one each in English and Hindi). This advertisement shall contain the minimum disclosures as specified under Schedule XX-A of the SEBI Guidelines. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period (in accordance with the terms of the Syndicate Agreement).

2. The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. In case the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two national newspapers (one each in English and Hindi) and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate and the Bidding/Issue Period may be extended, if required, by an additional three working days, subject to the total Bidding/Issue Period not exceeding 10 working days.

3. During the Bidding/Issue Period, investors who are interested in subscribing to our Equity Shares should approach the members of Syndicate or their authorized agents to register their Bid.

4. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 209 of this Draft Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

5. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Build up of the Book and Revision of Bids" on page 212 of this Draft Red Herring Prospectus.

6. The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS, for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

7. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment" on page 210 of this Draft Red Herring Prospectus.

8. During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

Bids at Different Price Levels

1. The Price Band will be advertised at least one day prior to the Bid/Issue Opening Date in [●], an English language newspaper with wide circulation and [●], a Hindi language newspaper with wide circulation. The Bidders can bid at any price with in the Price Band, in multiples of Re. 1.

2. Our Company in consultation with the BRLM, can revise the Price Band during the Bidding/Issue Period, in which case the Bidding/issue Period shall be extended further for a period of three additional working days, subject to the total Bidding/Issue Period being a maximum of 10 working days. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid/Issue Opening Date in [●], an English language newspaper with wide circulation and [●], a Hindi language newspaper with wide circulation.

3. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi), and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.

5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding up to Rs.100,000 may bid at "Cut-off". Employees and Existing Shareholders applying for a maximum Bid in any of the bidding options not exceeding up to Rs.[●] may also bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders who bid for an amount exceeding Rs.100,000, and such Bids shall be rejected.

6. Retail Individual Bidders/Bidders in the Employee Reservation Portion/Bidders in the Existing Shareholders Reservation Portion who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders/Bidders in the Employee Reservation Portion/Bidders in the Existing Shareholders Reservation bidding at Cut-Off Price shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the cap of the Price Band with the members of the Syndicate. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders/Bidders in the Employee Reservation Portion/Bidders in the Existing Shareholders Reservation who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders/Bidders in the Employee Reservation Portion/Bidders in the Existing Shareholders Reservation who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Refund Account.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders/Bidders in the Employee Reservation Portion/Bidders in the Existing Shareholders Reservation who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders or Bidders in the Employee Reservation Portion or Bidders in the Existing Shareholders Reservation Portion who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Refund Account.

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs.5,000 to Rs.7,000.

Application in the Issue

Equity Shares being issued through the Draft Red Herring Prospectus can be applied for in the dematerialized form only.

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Accounts. The Escrow Collection Banks will act in terms of this Draft Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Issue Account and the Refund Account as per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Account

Each Bidder, shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (for details refer to the paragraph "Payment Instructions" on page 218 of this Draft Red Herring Prospectus) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock investment/money order shall not be accepted. The maximum Bid Amount has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Issue Account. The balance amount after transfer to the Issue Account of the Company shall be transferred to the Refund Account. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the

Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment, to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders, Bidders in the Employee Reservation Portion and Bidders in the Existing Shareholders Reservation Portion would be required to pay their applicable Margin Amount at the time of submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 203 of this Draft Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in Date, which shall be a minimum period of 2 (two) days from the date of communication of the allocation list to the Syndicate Members by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Rate for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which we shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

2. NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents during the Bidding/Issue Period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on the electronic facilities of NSE and BSE will be downloaded on a regular basis, consolidated and displayed on-line at all bidding centres. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

    - Name of the investor;
    - Investor category –Individual, Corporate, QIBs, Eligible NRI, FII or Mutual Fund, etc;
    - Numbers of Equity Shares bid for;
    - Bid price;
    - Bid cum Application Form number;
    - Whether payment is made upon submission of Bid cum Application Form; and
    - Depository participant identification number and client identification number of the beneficiary account of the Bidder.

5. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. Incase of QIB bidders, members of the syndicate also have the right to accept the bid or reject it. However, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case on Non-Institutional Bidders, Retail Individual Bidders, Bidders in the Employee Reservation Portion and Bidders in the Existing Shareholders Reservation Portion who Bid, Bids would not be rejected except on the technical grounds listed on page 220 of this Draft Red Herring Prospectus.

8. It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company.

9. It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by NSE or BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on NSE and BSE.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to NSE or BSE mainframe on a regular basis in accordance with market practice.

2. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

3. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

6. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

7. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

8. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In the event of discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of the Company in consultation with the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with us.

2. Our Company in consultation with the BRLM, shall finalize the "Issue Price" (and the number of Equity Shares to be allocated in each investor category).

3. The allocation for QIBs for at least 50% of the Net Issue would be on a proportionate basis (with a minimum 5% allocation of the QIB Portion reserved for Mutual Funds, and such Mutual Funds can participate in the remaining allocation for QIBs), in consultation with the Designated Stock Exchange subject to valid Bids being received at or above the Issue Price, in the manner as described in the Section titled "Basis of Allotment – Allotment to QIB Bidders". If at least 50% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded. The allocation to Non-Institutional Bidders and Retail Individual Bidders of at least 15% and 35% of the Net Issue respectively, would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. The allocation under the Employees Reservation Portion and the Existing Shareholders Portion for up to 10% of the Issue each would be on proportionate basis, in the manner specified in the SEBI Guidelines, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. Under subscription, if any, in Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of the Company, in consultation with the BRLM and the Designated Stock

Exchange. However, if the aggregate demand by Mutual Funds is less than 450,000 Equity Shares, the balance Equity Shares from 5% specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids. Any under subscription in the Equity Shares reserved for allocation to Bidders in the Employee Reservation Portion and Bidders in the Existing Shareholders Reservation Portion would be treated as part of the Net Issue to the public.

5. The BRLM, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

6. Allotment to Eligible NRIs, FIIs registered with SEBI or Mutual Funds or FVCIs registered with SEBI will be subject to applicable laws, rules, regulations, guidelines and approvals.

7. We reserve the right to cancel the Issue any time after the Bid/Issue Opening Date but before the Allotment without assigning any reasons whatsoever.

8. In terms of the SEBI Guidelines, QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by us after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Draft Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

a. Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, the investor should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

b. The BRLM or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

c. Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.

Designated Date and Allotment of Equity Shares

a. The Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Issue Account on the Designated Date, we would ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

b. As per SEBI Guidelines, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, in the manner stated in the Depositories Act.

c. After the funds are transferred from the Escrow Accounts to the Issue Account on the Designated Date, the Company will allot the Equity Shares to the Allottees.

d. Successful Bidders will have the option to rematerialize the Equity Shares so allotted/transferred if they so desire as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their depository participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Dos:

a. Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Draft Red Herring Prospectus;

b. Ensure that you Bid within the Price Band;

c. Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application From (blue in colour), or Employee Bid cum Application Form (green in color), or the Existing Shareholders Bid cum Application Form (pink in color), as the case may be;

d. Ensure that the details about your depository participant and beneficiary account are correct as Equity Shares will be Allotted in the dematerialized form only;

e. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

f. Ensure that you have been given a TRS for all your Bid options;

g. Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

h. If your Bid is for Rs.50,000 or more, ensure that you mention your PAN allotted under the I.T. Act and ensure that you have attached copies of your PAN card or PAN allotment letter with the Bid cum Application Form. In case the PAN has not been allotted, mention "Not allotted" in the appropriate place. (See to the section "Issue Procedure - 'PAN' or 'GIR' Number" on page 220 of this Draft Red Herring Prospectus.); and

i. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the depository participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

a. Do not Bid for lower than the minimum Bid size;

b. Do not Bid/revise Bid to a price that is less than the Floor Price or higher than the Cap Price;

c. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

d. Do not pay the Bid amount in cash;

e. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

f. Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs.100,000);

g. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus; and

h. Do not submit Bids accompanied by Stockinvest or postal order or money order.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and Eligible NRIs applying on non-repatriation basis, blue color for Non Residents including, Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI, applying on repatriation basis, green color for Bidders in the Employee Reservation Portion and pink color for Bidders in the Existing Shareholders Reservation Portion).

2. Made in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum application Forms or Revision Forms are liable to be rejected.

4. The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs.100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiples of [•] Equity Shares. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. For Bidders in the Employee Reservation Portion the bid must be for a minimum of [•] Equity Shares and shall be in multiples of [•] Equity Shares thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis. However, in case of an oversubscription in the Employee Reservation Portion, the maximum Allotment to any Bidder in the Employee Reservation Portion will be capped at up to [•] Equity Shares.

7. For Bidders in the Existing Shareholders Reservation Portion the bid must be for a minimum of [•] Equity Shares and shall be in multiples of [•] Equity Shares thereafter. The Allotment in the Existing Shareholders Reservation Portion will be on a proportionate basis. However, in case of an oversubscription in the Existing Shareholders Reservation Portion, the maximum Allotment to any Bidder in the Existing Shareholders Reservation Portion will be capped at up to [•] Equity Shares.

8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bid by Employees

For the sake of clarity, the term "Employees" shall mean all or any of the following all of whom should be Indian Nationals and are based in India:

(i) a permanent employee of the Company and on the payroll of the Company as of [●].

(ii) a Director of the Company, whether a whole-time Director, part time Director or otherwise, who is a Director on the date of the Red Herring Prospectus.

1. Bids by Employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e., green color form).
2. Employees should mention their Employee Number at the relevant place in the Bid cum Application Form.
3. The sole/First Bidder should be an Employee as defined above. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.
4. Only permanent employees on the payroll of the Company as on the cut-off date i.e. [●] and Directors of the Company as of the date of the Red Herring Prospectus would be eligible to apply in this Issue under reservation for Employees on a competitive basis.
5. Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allotment under this category.
6. If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Any under subscription in Equity Shares reserved for Employees would be treated as part of the Net Issue and proportionate allocation of the same would be at the sole discretion of the Company in consultation with the BRLM and the Designated Stock Exchange.

7. If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to maximum Allotment to any Employee of up to [●] Equity Shares.
8. Bidding at Cut-off is allowed only for Employees whose Bid Amount is less than or equal to Rs.[●]. Bids made by Employees both under Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple bids.

Bid by Existing Shareholders

For the sake of clarity, the term "Existing Shareholders" shall mean all or any of the existing shareholders of the Company as of [●] who hold Equity Shares worth up to Rs.100,000 determined on the basis of the closing price of the Equity Shares on the BSE on [●] and who are Indian Nationals and based in India.

Bids by Existing Shareholders shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e., pink color form).

1. Existing Shareholders should mention their Registered Folio Number/DP and Client ID number at the relevant place in the Bid cum Application Form.
2. The sole/First Bidder should be an Existing Shareholder as defined above. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and in the same sequence in which they appear in the Bid cum Application Form.
3. Only existing shareholders who as of [●] hold Equity Shares worth up to Rs.100,000 determined on the basis of the closing price of the Equity Shares on the BSE on [●] and who are Indian Nationals and based in India would be eligible to apply in this Issue under reservation for Existing Shareholders on a competitive basis.
4. Existing Shareholders will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allotment under this category.
5. If the aggregate demand in this category is less than or equal to 1,800,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Existing Shareholders to the extent of their demand. Any under subscription in Equity Shares reserved for Existing Shareholders would be treated as part of the Net Issue and proportionate allocation of the same would be at the sole discretion of the Company in consultation with the BRLM and the Designated Stock Exchange.
6. If the aggregate demand in this category is greater than 1,800,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to maximum Allotment to any Existing Shareholder of up to [●] Equity Shares.
7. Bidding at Cut-off is allowed only for Existing Shareholders whose Bid Amount is less than or equal to Rs.[●]. Bids made by Existing Shareholders both under Existing Shareholders Reservation Portion as well as in the Net Issue shall not be treated as multiple bids.

Bidder's Bank Account Details

Bidders should note that on the basis of name of the Bidders, depository participant's name and identification number and the beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the details of the Bidder's bank account. These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company shall have any responsibility and undertake any liability for the same.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation (hereinafter referred to as Demographic Details). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allocation Advice and printing of Bank particulars on the refund order and the Demographic Details given by Bidders in the Bid-cum-application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Bid-cum-Application Form, the Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the Power of Attorney or the relevant resolution or authority as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs.250 million and pension funds with minimum corpus of Rs.250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by Mutual Funds, venture capital funds registered with SEBI and FVCIs registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, we reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we and the BRLM may deem fit.

Bids by Eligible NRIs

Eligible NRI Bidders should comply with the following:

1. Individual Eligible NRIs can obtain the Bid cum Application Forms from our registered office, our corporate office, members of the Syndicate or the Registrar to the Issue.

2. Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through NRO Accounts shall use the Bid cum Application Form meant for resident Indians (White in color).

Bids by Eligible NRI's/ FIIs registered with SEBI / FVCIs registered with SEBI on a repatriation basis

Bids and revision to the Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (Blue in color), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

3. By Eligible NRIs – Bids for a Bid Amount of up to Rs.100,000 would be considered under the Retail Portion for the purposes of Allocation and for a Bid Amount of more than Rs.100,000 would be considered under Non-Institutional Portion for the purposes of Allocation.

4. By FIIs /FVCIs registered with SEBI – for a minimum of such number of Equity Shares and in multiples of [●] thereafter that the Bid Amount exceeds Rs.100,000. For further details see section titled "Issue Procedure - Maximum and Minimum Bid Size" on page 207 of this Draft Red Herring Prospectus.

5. In the names of individuals, or in the names of FIIs or FVCIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. We will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Eligible NRIs and FIIs, and all such Bidders will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Payment Instructions

We shall open Escrow Accounts with the Escrow Collection Banks for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

1. The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum Application Form draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding/Issue Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.

3. In case the payment of the Bid Amount has been waived by a member of the Syndicate for Retail Individual Bidders and Non-Institutional Bidders during the Bidding Period, on receipt of the CAN, an amount equal to the Issue Price multiplied by the Equity Shares allotted to the Bidder, shall be paid by the Bidder into the Escrow Account within the period specified in the CAN which shall be a minimum period of two days from the date of communication list to the members of the Syndicate by the BRLM.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    a. In case of Resident QIB Bidders: "Escrow Account QIB – J.K. Cement Limited Public Issue – R"

    b. In case of Non Resident QIB Bidders: "Escrow Account QIB – J.K. Cement Limited Public Issue – NR"

    c. In case of Resident Retail and Non-Institutional Bidders: "Escrow Account Retail and Non-Institutional Bidders – J.K. Cement Limited Public Issue-R"

    d. In case of Non Resident Retail and Non-Institutional Bidders: "Escrow Account Retail and Non-Institutional Bidders – J.K. Cement Limited Public Issue – NR"

    e. In case of Employees, "Escrow Account –J.K. Cement Limited Public Issue – Employees"

    f. In case of Existing Shareholders, "Escrow Account –J.K. Cement Limited Public Issue – Existing Shareholders"

- In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE or FCNR Account.

- In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

- In case of Bids by FIIs, FVCIs registered with SEBI the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to a Special Rupee Account.

5. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

6. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders till the Designated Date.

7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Issue Account.

8. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through stockinvest will not be accepted in the Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. In case of QIB Bidders, subject to the payment of a minimum of 10% Margin Amount as required under the recently amended SEBI Guidelines, a member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid cum Application Form and Revision Form, provided, however, that for QIB Bidders the Syndicate Member shall collect the QIB Margin and deposit the same in a specified escrow account.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the First Bidder and will be dispatched to his or her address.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Funds and such Bids in respect of more than one scheme of the Mutual Funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

Bids made by Employees both under Employees Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids. Bids made by Existing Shareholders both under Existing Shareholders Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

We reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN' or 'GIR' Number

Where Bid(s) is/are for Rs.50,000 or more, the Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground. In case the sole/First Bidder and joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the sole/First Bidder and each of the joint Bidder(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B of the Income Tax Rules, 1962), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B of the Income Tax Rules, 1962), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) ration card (b) passport (c) driving license (d) identity card issued by any institution (e) copy of the electricity bill or telephone bill showing residential address (f) any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All Bidders are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005.

Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reason for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders, Bidders in the Employee Reservation Portion and Bidders in the Existing Shareholders Reservation Portion, we have the right to reject Bids based on technical grounds only. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
2. Age of First Bidder not given;
3. Bids by minors;
4. PAN not stated if Bid is for Rs.50,000 or more and GIR number given instead of PAN and proof of PAN is not attached to the Bid cum Application Form;
5. Bids for lower number of Equity Shares than specified for that category of investors;
6. Bids at a price less than lower end of the Price Band;
7. Bids at a price more than the higher end of the Price Band;
8. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
9. Bids for number of Equity Shares, which are not in multiples of [•];
10. Category not ticked;
11. Multiple Bids;

12. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
13. Bids accompanied by Stockinvest/money order/postal order/cash;
14. Signature of sole and/or joint Bidders missing;
15. Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Members;
16. Bid cum Application Form does not have the Bidder's depository account details;
17. Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid cum Application Form;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Bids by OCBs;
21. Bids by U.S. residents or U.S. persons excluding "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
22. Bids by Employees or Directors of the Company not eligible to apply in the Employee Reservation Portion;
23. Bids by Existing Shareholders not eligible to apply in the Existing Shareholders Reservation Portion;and
24. Bids by person who are not eligible to acquire Equity Shares of our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals.

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Net Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this portion is less than or equal to [•] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of 1 (one) Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Net Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than [•] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of 1 (one) Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

  a. In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

     (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

     (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;

b. In the second instance allocation to all QIBs shall be determined as follows:

(i) In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate allocation to QIB Bidders shall not be less than 9,000,000 Equity Shares.

D. For Employee Reservation Portion

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 200,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 200,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.
- Only Employees may apply under the Employee Reservation Portion.

E. For Existing Shareholders Reservation Portion

- Bids received from the Existing Shareholders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Existing Shareholders will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 1,800,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Existing Shareholders to the extent of their demand.
- If the aggregate demand in this category is greater than 1,800,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.
- Only Existing Shareholders may apply under the Existing Shareholders Reservation Portion.

Method of proportionate basis of allocation

Bidders will be categorized according to the number of Equity Shares applied for by them.

a. The total number of Equity Shares to be allotted to each portion as a whole shall be arrived at on a proportionate basis, being the total number of Equity Shares applied for in that portion (number of Bidders in the portion multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

b. Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, being the total number of Equity Shares applied for by each Bidder in that portion multiplied by the inverse of the over-subscription ratio.

c. If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.

d. In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
- The successful Bidders out of the total Bidders for a portion shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that portion is equal to the number of Equity Shares calculated in accordance with (b) above; and
- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e. If the Equity Shares allocated on a proportionate basis to any portion are more than the Equity Shares allotted to the Bidders in that portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other portion, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that portion. The balance Equity Shares, if any, remaining after such adjustment will be added to the portion comprising Bidders applying for minimum number of Equity Shares.

Equity Shares in Dematerialized form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be Allotted only in a dematerialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

a. an agreement dated [●] between NSDL, us and Registrar to the Issue;
b. an agreement dated [●] between CDSL, us and Registrar to the Issue.

Bidders will be Allotted Equity Shares only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

3. Equity Shares Allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

9. Non-transferable allotment, advice or refund orders will be directly sent to the Bidder by the Registrar to the Issue.

Communications

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Pre-Issue and Post Issue related problems

We have appointed Mr. Manish Bajpai, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

Mr. Manish Bajpai
Kamla Tower
Kanpur 208 001
Uttar Pradesh, India
Tel: +91 512 2371 478
Fax: +91 512 2394 250
Email: jkshr@jkcements.com

Disposal of applications and interest in case of delay

We shall ensure dispatch of Allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of finalization of Allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs.1,500, 'Under Certificate of Posting', and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalization of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Guidelines we further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;
- dispatch of refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum for any delay beyond the 15 (fifteen)-day time period as mentioned above, if Allotment is not made and refund orders are not dispatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Guidelines.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Undertakings by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- that the funds required for dispatch of refund orders or Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
- that the refund orders or allotment advice to the Non Residents shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

Utilization of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- details of all monies utilized out of Issue referred above shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in our balance sheet indicating the form in which such unutilized monies have been invested;

We shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government of India notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued thereunder. While the policy of the Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. At present, investments in companies manufacturing cement fall under the RBI automatic approval route for FDI/NRI investment up to 100%.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total post-Issue share capital.

Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Resident, NRI and FII applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company (i.e., 10% of 69,927,250 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. With approval of our Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%; however as of the date of this Draft Red Herring Prospectus no such resolution has been recommended to our shareholders for approval.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

Pursuant to Schedule II of the Companies Act, 1956 and the SEBI Guidelines, the important provisions of the Articles of Association of the Company relating to members' voting rights, lien on Equity Shares and process for modification of such rights, forfeiture of Equity Shares, restrictions on transfer and transmission of Equity Shares and debentures and on their consolidation and splitting are detailed below:

Capitalized terms in this section have the meaning that has been given to such terms in the Articles of Association of the Company.

Membership of J. K. Organisation	**2A. The Company shall become a member of J. K. Organisation and shall perform all necessary covenants, agreements and stipulations in connection therewith.**
	CAPITAL AND INCREASE AND REDUCTION OF CAPITAL
Amount of Capital	3. The Authorised Share Capital of the Company is Rs.80,00,00,000 (Rupees Eighty Crore) divided into 8,00,00,000 (Eight Crore) Equity Shares of Rs.10 (Rupees Ten) each.
Increased of Capital by the Company and how carried into effect	4. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.
New Capital same as existing capital	5. Except so far as is otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, Voting and otherwise.
On what conditions new shares may be issued	6. Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof, shall direct and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.
Provision relating to the issue	7. Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of Section 79 of the Act, at a discount, in default of any such provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 6.
Inequality in number of new shares	8. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.
Redeemable Preference Shares	9. Subject to the provision of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Provision to apply on issue of Redeemable Preference Shares	10. On the issue of Redeemable Preference Shares under the provisions of Articles 6 hereof the following provisions shall take effect: (a) No such shares shall be redeemed except out of the profits of the Company would otherwise be available for dividend or out of the proceeds of fresh issue of shares made for the purpose of the redemption; (b) no such shares shall be redeemed unless they are fully paid; (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed; (d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the

reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.

Reduction of Capital

11. The Company may (subject to the provisions of Sections 78,80, 100 to 104 inclusive, of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

Allotment of Shares

12. Subject to the provisions of these Articles the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times, as the Board thinks fit either at par or at a premium and for such consideration as the Board thinks fit; Provided that where at any time it is proposed to increase the subscribed capital of the Company by the issue of new shares, then, subject to any directions to the contrary which may be given by the Company in general meeting;, the Board shall issue such shares in the manner set out in Section 81 (1) of the Act, save that the Board may determine whether or not any offer of shares made in such manner shall include a right exercisable by any person concerned to renounce all or any of the shares offered to him in favour of any other person. Option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

Return of Allotment

13. As regards all allotments made from time to time, the Company shall duly comply with Section 75 of the Act.

Shares at a discount

14. With the previous authority of the Company in general meeting and the sanction of the Company Law Board and upon otherwise complying with Section 79 of the Act the Board may issue at a discount shares of a class already issued.

Liability of members registered jointly in respect of shares

15. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares. In respect of shares or other securities of the Company held in dematerialised form, the provisions relating to joint holders contained herein shall mutatis-mutandis apply to the joint beneficial owners

Who may be Registered

16. Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered jointly as members in respect of any share. In respect of shares or other securities of the Company held in dematerialised form, the provisions relating to joint holders contained herein shall mutatis-mutandis apply to the joint beneficial owners.

DEMATERIALISATION AND DEPOSITORY

Authority to dematerialize securities

16A (1) Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealing in any or all the shares or debentures or other securities of the Company (hereinafter referred to as "securities") in dematerialised form under the provisions of the Depositories Act and may offer the securities of the Company for subscription/allotment in dematerialised form in the manner provided by the said Act.

SHARE AND CERTIFICATE

Further Issue of Capital

19. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation (Whichever is earlier) the Board decides to increase the capital of the Company by the issue of new shares then, subject to any direction to the contrary which may be given by the Company in General Meeting and subject to those directions, such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion as nearly as circumstances admit, to the capital paid up on those shares at that date and such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer after which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given, if he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company; Provided that option or right to call on any shares shall not be given to any person except with the sanction of the Company in general meeting.

(b) Notwithstanding anything contained in the preceding sub-clause, the Company may;

(i) by a special resolution; or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled to do so, vote in person or, where proxies are allowed, by proxies, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government if satisfied, on an application made by the Board in this behalf that the proposal is most beneficial to the Company; offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer are the holders of the equity shares of the Company,

(c) Notwithstanding anything contained in subclause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or to subscribe for shares in the Company,

Shares under control of Board

20. Subject to the provisions of these Articles and of the Act, the shares (including and shares forming part of any increased capital of the company) shall be under the control of the Board of Directors; who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Board of Directors think fit and subject to the sanction of the company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the company either (subject to the provisions or Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think. The Board shall cause to be filed the returns of the allotment provided for in Section 75 of the Act.

Power also to Company in General Meeting to issue shares

21. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 19 and 20 the Company in General Meeting may determine that any shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as General Meeting shall determine and with full power to give any person (Whether a member or not) the option to call or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment, removal of difficulty in apportionment of shares or disposal of any shares.

Acceptance of shares

22. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any share herein shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

Deposit and call to be a debt payable immediately

23. The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holders of such shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

Liability of Members

24. Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by the shares or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

Shares Certificates

25. (a) Every member of shares shall be entitled without payment, to receive one or more certificate specifying the name of the person in whose favour it issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus share. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose, and two Directors or their attorney and the Secretary or other person shall sign the share certificate particulars of every shares certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of a share for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) Subject to the provisions of Companies (Issue of Share Certificate) Rules, 1960 a director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or Lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

(d) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denomination corresponding to the market units of trading; for sub-division of renounceable letters of right for issue of new certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being.

Renewal of share certificates

26. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, worn out or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No...sub-divided/replaced on consolidation of shares".

(c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

(d) When a new share certificate shall be issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of share certificate No,,,, The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.

(e) Where a new Share certificate shall be issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(f) All blank forms to be issued for share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board, The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering the account of these forms to the Board.

(g) The Managing Director of the Company for the time being or, if the company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (f),

(h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

The first named joint-holders deemed sole holder

27. If any share stands in the names of two or more persons, the persons first name in the Register shall, as regards receipt of dividends or bonus or service or notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares and for all incidents, thereof according to the Company's regulation

Company not bound to recognize any interest in share other that that of registered holder	28. Except as ordered by a court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any rights in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
Purchase of Company's own shares	29. Subject to the provisions of the Act or any other applicable laws in force at the relevant time, the Board of Directors shall have powers to purchase any of the company's own fully paid shares whether or not they are redeemable, and may make payment out of its capital in respect of such purchases. For providing any financial assistance for financing the purchase of the company's shares/securities the provisions of section 77 of the Act will be applicable.
	UNDERWRITING AND BROKERAGE
Commission may be paid	30. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company but the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
Brokerage	30A. The Company may pay a reasonable sum for brokerage.
	INTEREST OUT OF CAPITAL
Interest may be paid out of capital	31. Where any shares are issued for the purpose of raising money to defray the expenses for the construction of any work or building or the provision of any plant, which can not be made profitable for a lengthy period, the Company may pay interest. on the share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as a part of the cost of construction of the work or building or plant and machinery.
	CALLS
Directors may make calls	32. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board, A call may be made payable by instalments.
Notice of calls	33. Thirty days' notices in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
Calls to date from resolution	34. A call shall be deemed to have made at the time when the resolution authorising such call was passed at a meeting of the Board.
Call may be revoked or postponed	35. A call may be revoked or postponed at the discretion of the Board.
Liability of Joint Holders	36. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
Board may extend time	37. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.
Calls to carry interest	38. If any member fails to pay any call due from him, on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Sums deemed to be calls

39. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall, for the purposes of these Articles, be deemed to be a call made and payable on the date on which by the terms of issue the same become payable, in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made notified.

Proof on trial or suit for money due on shares

40. On trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder at or subsequent to the date at which the money is sought to be recovered or is alleged to have become due on the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book, and that notice of such call was duly given to the member or his representative in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

41. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of call may carry interest

42. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of the respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN

Company to have lien on shares

43. The Company shall have first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 27 hereof is to have full effect. Any such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as waiver of the Company lien, if any, on such shares. The director may at any time declare any shares wholly or in part to be exempted from the provisions of this clause.

Enforcing lien by sale

44. For the purpose of enforcing such lien, the Board may sell the shares, subject thereto, in such manner as they think fit, and for that purpose, may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application of proceeds of sale

45. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable, as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

If money payable on share not paid notice to be given to Member	46. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
Form of notice	47. The notice shall name a day not being less than thirty days from the date of service of the notice and a place at which such calls or instalments and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non- payment of or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
If notice not complied with shares to be forfeited	48. If the requisition of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
Notice of forfeiture to a Member	49. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
Forfeited share to be property of the company and may be sold etc.	50. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of either to the original holder thereof or to any other person, upon such terms and in such manner as the Board think fit.
Member still liable to pay money owing at time of forfeiture and interest	51. (a) Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture together with interest at 12 (twelve) percent per annum and the Board may enforce the payment thereof if it think fit.
Effect of forfeiture	(b) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of those share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	52. A duly verified declaration in writing that the declarant is Director or secretary of the Company and that certain shares in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the shares.
Validity of sale under Articles	53. Upon any sale in the case of forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale be in damages only and against the Company exclusively.
Cancellation of share certificates in respect of forfeited shares	54. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative share shall (unless the same shall on demand by the company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto distinguishing it or them in such manner as they may think fit from the old certificate or certificates.
Power of Annual forfeiture	55. The Board may at any time before any share is so forfeited, shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers

56. The Company shall keep "Register of Transfer" and therein shall be fairly and distinctly enter particulars of every transfer or transmission of any share.

Form of Transfer

57. The instrument of Transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers and the registration thereof.

Transfer form to be completed and presented to the company

58. (i) The instrument of Transfer fully stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of Transfer shall remain with the Board. The transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

(ii) An application for the registration of transfer of shares may be made either by the transferor or by the transferee, but when the application is made by the transferor and related to partly paid shares the transfer shall not be registered unless the Company gives notice of the application to the transferee by pre-paid registered post at the address given in the instrument and the transferee makes no objection to the transfer within two weeks from the receipt of the notice, provided that such notice shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

(iii) A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of beneficial owners and shall not have any voting or any other rights in respect of shares and other securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The beneficial owner as per the Register of Beneficial Owners maintained by a Depository shall be entitled to all rights including voting rights and benefits in respect of the securities held by him with the Depository.

No transfer to infant, etc.

59. No partly paid shares be transferred to a minor or a person of unsound mind.

Transfer to be left at office when to be retained

60. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

Transfer books and Register of Members when closed

61. The Board shall have power on giving not less than seven day's previous notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of members or register of debenture holders at such time or times and for such period or periods, not exceeding in the aggregate forty-five days in each year, as it may deem expedient

Directors may refuse to register transfer

62. Subject to the provisions of Section 111 of the Act, the Board may, within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve provided that the registration of whom they do not approve provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever unless the Company has a lien on the shares.

Notice of application to be given

63. (i) Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Notice of refusal to register transfer

(ii) If the Board refuse, whether in pursuance of Article 62 or otherwise, to register the transfer of, or the transmission by the operation of law, or the right to any share, the Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the Transferee and the transferor or the person giving intimation of such transmission, as the case may be, notice of the refusal.

Death of one or more joint-holders of shares

64. In the case of the death of any one or more of the persons named in the Register of Member as the joint-holders of any share, the survivor or survivors shall be the only persons recognised

by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint- holder from any liability on shares held by him jointly with any other person.

Title to shares of deceased member

65. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased shareholder not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and the company shall not be bound to recognise such executors or administrators or holders of succession certificate or the legal representative unless they shall have first obtained probate or letters of Administration or Succession certificate or other legal representation as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or Letters of Administration or the Board, in its absolute discretion, may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

No transfer to insolvent etc. As to transfer of shares of insane, minor, deceased or bankrupt members

66. (i) No share shall be transferred to an insolvent or person of unsound mind.

(ii) Any committee or guardian of a lunatic or minor member of any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title, as the Board thinks sufficient, may, with the consent of the Board be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein before contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article."

Registration of person entitled to shares otherwise than by transfer

67. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which he purports to act under these Articles or of his titles the Board think sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided, never the less, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

Person entitled may receive dividend without being registered as Member

68. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, or money as hereinafter provided, be entitled to receive, and may give discharge for, any dividends or other money payable in respect of the share.

Fee on transfer or transmission

69. No fee shall be charged for transfer of shares/Debentures or for effecting transmission or for registering any letters of probate, letters of Administration and Seminar, other documents.

Company not liable for disregard of a notice

70. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice or persons having or claiming any equitable right, title or interest to or in the said shares, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

ALTERATION OF CAPITAL

Power to sub-divide and consolidate shares

71. The Company in general meeting may-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Sub-division into Preference and ordinary	72. The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the other subject, nevertheless, to the provisions of Sections 85, 86, 88 and 106 of the Act.
Surrender of shares	73. Subject to the provisions of Sections 100 to 104 inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed all or any of his share.
	MODIFICATION OF RIGHTS
Power to modify rights	74. Whenever the capital (by reason of the issue of Preference Shares or otherwise) is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, varied or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is (A) consented to in writing by the holders of at least three-fourths of the issued shares of that class or (B) sanctioned by a resolution passed at a separate general meeting of the holders of shares of that class in accordance with Section 106 (1) (b) of the Act and all the provisions hereinafter contained as to general meetings, shall mutatis mutandis, apply to every such meeting, except that the quorum thereof shall be not less than two persons holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class, This Article is not by implication to curtail the power of modification which the Company would have if this Articles were omitted, The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.
Copies of Memorandum and Articles of Association to be sent by the company	75. Copies of the Memorandum and Articles of Association of the company and other documents referred to in Section 39 of the Act shall be sent by the company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.
	BORROWING POWERS
Power to borrow	76. Subject to the provisions of Sections 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums or money for the purposes of the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purposes) the Board shall not borrow such moneys without the consent of the Company in General Meeting.
Payment or repayment of moneys borrowed	77. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Terms of issue of Debentures	78. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in General Meeting accorded by a Special Resolution.
	MEETING OF MEMBERS
Annual General Meeting Annual Summary	85. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year provided

that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar, under the provisions of Section 166(1) of the Act, to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in anyone Annual General Meeting fix the time for its sub-sequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the company shall have the right to attend and to be heard at any General meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and Audited Statements of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts) the Proxy Register with Proxies and the Register of Director's share holdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual list of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

Extraordinary General Meeting

86. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one tenth of such of the paid up capital at that date carried the right of voting in regard to the matter in respect which the requisition has been made.

On receipt of requisition Directors to call meeting and in default requisitionists ay do so

88. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists or such of their number as represents either a majority in value of the paid-up share capital held by all of them or not less than one tenth of such of the paid up share capital of the Company as is referred to in Section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

Meeting called by requisitionists

89. Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

Twenty-one days notice of meeting

90. Twenty-One days' notice at least of every General Meeting, Annual or Extra-Ordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote there at holding not less than ninety five percent 95% of such part of the paid up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Director in place of those retiring, (iv) the appointment of and fixing the remuneration of the Auditors, is to be transacted and in the case of any other meeting there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director and the Manager, if any, where any such item of special business relates to or affects any other company the extent of share holding interest in that other company or every Director and the Manager, if any, of the company shall also be set out in the statement if the extent of such share holding interest is not less than twenty percent of the paid up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

Omission to give notice not to invalidate resolution passed

91. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

Meeting not transact business not mentioned in notice

92. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice upon which it was convened.

Quorum at General Meeting

93. Five members present in person shall be a quorum for a General Meeting.

Body corporate deemed to be personally present

94. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

If quorum not present meeting to dissolved or adjourned

95. If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall stand dissolved but in any other cases the meeting shall stand adjourned to the same day in the next succeeding week which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

Resolution to be passed by company in general meeting

96. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted required to be done or passed by the Company in General Meting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189 (I) of the Act unless either the Act or these Articles specifically require such act to be done or resolution by a Special Resolution as defined in Section 189 (2) of the Act.

Chairman of General Meeting

97 (a). The Chairman of the Board shall be entitled to take the Chair at every General Meeting, Annual or Extra-Ordinary. If there be no such Chairman of the Directors or if at any meeting he shall not be present within fifteen minutes of-the time appointed for holding such meeting or shall decline to take the chair, then any other Director present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of the members to be the Chairman.

Business confined to election of Chairman while chair vacant

(b) No business shall be discussed at any General Meeting except election of a Chairman, whilst the chair is vacant.

Chairman with consent may adjourn meeting

(c) The chairman with the consent of the meeting may and shall if so directed by the meeting, adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Questions at General Meeting how decided

98. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the shows of hands) ordered by the Chairman or demanded by at least five members having the right to vote on the resolution and one-tenth present in person or by proxy or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being not less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid.

Chairman's casting vote

99. In the case of an equality of votes the Chairman shall, both on a show of hands and at a poll if any, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

What is to be evidence of the passing of a resolution where poll not demanded

100. At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of his own motion, or by at least five members having the right to vote on the resolution in question and present in person or by proxy, or by any member or members present in person or by proxy, and having not less than one-tenth of the total voting power in respect of such resolution, or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on such resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid up on all the shares conferring that right, a declaration by the Chairman that the resolution has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

Poll to be taken if demanded

101. If poll is demanded as aforesaid the same shall be taken at such time (not later than forty-eight hours from the time when demand was made) and place and either by open voting or by ballot as the Chairman shall direct and either by open voting or by ballot as the Chairman shall direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Scrutineers at poll

102. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to

scrutinise the votes given on the poll and to report thereon to him. One of the Scrutineers to appoint shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

Poll taken without adjournment

103. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith

Demand for poll not to prevent transaction of other business

104. The demand for a poll, except on the questions of the election of the Chairman and of an adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question or which the poll has been demanded.

Matters to be decided by postal ballot

104A. Subject to the provisions of section 192A of the Act and the rules made by the Central Government under that section or under regulations, if any, made by Securities and Exchange Board of India or under the listing agreement with the stock exchanges, the Company may, and in the case of regulations relating to such business, as the Central Government may notify or the Securities and Exchange Board of India or stock exchanges specify as per the listing agreement, to be conducted by postal ballot, shall get any such resolution passed by means of postal ballot, instead of transacting the business in general meeting of the Company.

VOTES OF MEMBERS

Votes of Members

105. (a) Save as hereinafter provided, on a show of hands every member present in person and being member registered in respect of Equity Shares shall have one vote and every person present either as a General Proxy (as defined in Article) on behalf of a member registered in respect of Equity Shares, if he is not entitled to vote in his own right, or, as a duly authorised representative of a body corporate, being a member registered in respect of Equity Shares, shall have one vote.

(b) Save as hereinafter provided, on a poll the voting rights of a member registered in respect of Equity Shares shall be as specified in Section 87 of the Act.

(c) The members registered in respect of Cumulative Preference Shares shall not be entitled to vote at general meetings of the Company except:

(i) On any resolution placed before the Company at a general meeting at the date of which the dividend due or any part thereof remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of such meeting and for this purpose the dividend in respect of any accounting period shall be deemed to be due on the last day of the ninth month from the close of such accounting period whether or not such dividend has been declared by the Company, or

(ii) On any resolution placed before the Company which directly affects the rights attached to the Cumulative Preference Shares and for this purpose any resolution for the winding up the Company or for the repayment or reduction of its shares capital shall be deemed to affect the rights to such shares.

Where the member registered in respect of any Cumulative Preference Shares has a right to vote on any resolution in accordance with the provisions of this Article his voting rights on a poll as such member shall, subject to any statutory provision for the time being applicable, be in the same proportion as the capital paid up on the Cumulative Preference Shares bears to the total paid up Equity Capital of the Company for the time being as defined in Section 87 (2) of the Act.

Provided that no company or body corporate shall vote by proxy so long as resolution of its board of directors under the provisions of Section 187 of the Act in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

Procedure where a company is a member of the Company

106. Where a company or body corporate (hereinafter called “member company” is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company, which the represents as that member company could exercise.

Members in arrears not to

107. No member shall be entitled to vote either personally or by proxy for another member at

vote — any General Meeting or meeting of a class of share holders either upon a shows of hands or upon poll in respect of any shares registered in his name on which any calls or other, sums presently payable by him have not been paid or in regard to which the Company has any right of lien and has exercised the same.

Number of votes to which Members entitled

108. Subject to the provisions of these Articles and without prejudice to any special privileges or restriction as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid up equity share capital of the Company, provided however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

Casting of votes by a member entitled to more than one vote

109. On a poll taken at a meeting of the company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

How Members non-composmentis and minor may vote

110. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in Lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian who may on a poll, vote by proxy if any member be a minor the vote in respect of his share shall be by guardian or any of his guardians, to be selected in case of dispute by the Chairman of the meeting.

Vote of joint member

111. If there be joint registered holders of any shares, anyone of such persons may vote at any meeting or may appoint another person (Whether a member or not) as his proxy in respect of such shares, as if he were solely entitled there to but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, that one of the said persons so present whose name stands first on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint- holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

Voting in person or proxy

112. Subject to the provisions of these Articles, vote may be given either personally or by a proxy. A body corporate being a member may vote either by a proxy or by representative duly authorised in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

Votes in respect of shares of deceased and insolvent member

113. Any person, entitled under the transmission article to transfer any share, may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meetings as the case maybe, at which he proposed to vote, he shall satisfy the Directors of his right to transfer such share and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Appointment of proxy

114. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation to be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak at the meeting.

Proxy either for specified meeting for a period

115. A proxy may be appointed either for the purpose of a particular meeting specified in the instrument and adjournment thereof or it may be appointed for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Proxy to Vote only on a poll

116. A member present by proxy shall be entitled to vote only on a poll.

Deposit of instrument of proxy	117. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the persons named in the instrument proposes to vote, and in default the instrument or proxy instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
Form of Proxy	118. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in the forms set out in Schedule IX of the Act.
Validity of votes given by proxy notwithstanding death of member	119. A note given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation, of the proxy or of any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given. Provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
Time for objections of votes	120. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

DIRECTORS

Number of Directors	123. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (including Debenture and Alternate and Nominee Directors, if any) shall not be less than three and more than twelve.
Power to appoint ex-officio Directors	125. Notwithstanding anything to the contrary in the articles, that so long as any moneys remaining owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Unit Trust of India (UTI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), and/or any of its subsidiaries, viz National Insurance Copmany Limited (NIC) New India Assurance Company Limited (NIA) Oriental Fire & General Insurance Company Limited (OFGI) and United India General Insuarance Company Limited (UI), State or Central Government Corporations (hereinafter referred to as “the Corporation”), Industrial Credit & Investment Corporation of India Bank Limited (ICICI Bank), Mutual Funds, Financing & leasing Companies, any body corporate or any entity (whether Foreign or Indian) (hereinafter referred to as “the body corporate”) out of loans granted by them to the Company so long as the Corporation(s)/the body corporate continue to hold debentures in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation/the body corporate on behalf of the company remains outstanding, the Corporation/the body corporate shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non whole-time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any such person or persons in his or their place/s.

At the option of the Corporation, such Nominee Directors shall not be required to hold any qualification share in the Company. Also at the option of the Corporation, such Nominee Directors shall be liable to retirement by rotation. Subject as aforesaid the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Directors so appointed shall hold the said office only so long as any moneys remain owing by the company to the Corporation or so long as the Corporation hold shares/debentures in the Company as a result of direct subscription or private placement or as a result of conversion of loans/debentures or as a result of any underwriting obligation or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment by the company remains outstanding. The Nominee Director so appointed in exercise of the said power shall ipso facto vacate his office immediately the money owing by the Company to the Corporation is paid off or on the corporation ceasing to hold debentures/shares in the guarantee.

The nominee Directors appointed under this Article shall be entitled to receive all notices of Board Meetings and of the meetings of the committees of which the Nominee Director is member, as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Directors (s) sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director (s) shall accrue to the

Corporation, and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the corporation or such Nominee Director (s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director (s).

Provided that if any such Nominee Director (s) is an officer of the Corporation the sitting fees, in relation to such nominee Director (s) shall also accure to the Corporation and the same shall accordingly be paid by the company directly to the corporation.

Provided also that in the event of Nominee Director(s} being appointed as wholetime Director(s}, such Nominee Director (s) shall exercise such powers and duties as may be approved by the corporation and have such rights as are usually exercised or available to a whole time Director, in the management of the affairs of the company. Such Nominee Director (s) shall be entitled to receive such remuneration, fees, commissions and monies as may be approved by the lenders

Debenture Directors

126. (a) If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the company, that any person or persons shall have power to nominate a Director of the company, then in the case of any and every such issue of debentures, the person or persons having such power can exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Appointment of Alternate Directors

(b) The Board may appoint an Alternate Director to act for a Director (hereinafter) called "the Original Director" during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Directors' power to add to the Board Additional Director

127. Subject to the provisions of Sections 260 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 123. Any such additional Director shall hold office only upto the date of the next Annual General Meeting.

Directors' power to fill casual vacancies

128. Subject to the provisions of Sections 264 and 284 the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed should have held office if it had not been vacated by him.

Qualification of Directors

129. A Director shall not be required to hold any share qualification.

Remuneration of Directors

130. (1) Subject to the provisions of the Act, a Managing Director or Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, Director who is neither in the whole time employment nor a Managing Director may be paid much remuneration as may be approved by the Board.

(3) A Director shall be paid a sitting fee not exceeding a sum prescribed under Section 310 of the Act for each Meeting of the Board of Directors or any committee thereof Attended by him.

Directors may act notwithstanding any vacancy

132. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by Article 123 hereof, the continuing Directors not being less than three, may act for the purpose of increasing the number of Directors to that numbers or for summoning a General Meeting but for no other purpose.

When office of Director to become vacant

133. Subject to Section 283 (2) and 314 of the Act, the office of a Director shall become vacant if :-

(a) he is found to be of unsound mind by a court of competent jurisdiction; or

(b) he applies to be adjudicated an insolvent; or

(c) he is adjudged an insolvent; or

(d) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the official Gazette removed the disqualification incurred by such failure; or

(e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or

(f) he becomes disqualified by an order of the court under section 203 of the Act; or

(g) he is removed in pursuance of Section 284; or

(h) he (whether by himself or by any person for his benefit on his account) or any firm in which is a partner or any private company of which is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or

(i) he acts in contravention of Section 299 of the Act; or

(j) he is convicted by court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

(k) having been appointed a Director by virtue of his holding any office or other employment in the company he ceases to hold such office or other employment in the Company; or

(l) he resigns his office by a notice in writing addressed to the Company.

Director may contract with Company

134. (1) A Director or his relative, a firm in which such director or relative is a partner or any other partner in such firm; or a private company of which the director is a member or director may enter into any contract with the Company for the purchase or supply of any goods, materials with the company or for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that if the paid-up share capital of the company is not less than Re.1 (One) crore, no such contract shall be entered into except with the previous approval of the Government of India and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with the provisions of Section 297 of the Act and provided that in case the paid-up capital of the Company is Rupees one Crore or more no such contract shall be entered into except with the previous approval of the Central Government or any amendment made in section 297 of the Act.

(2) No sanction shall, however, be necessary for :-

(a) Any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(b) Any contract or contracts between the company on one side, any such Director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, where the value of the goods and materials or the best of such services does not exceed Rs.5,000 (Rupees Five Thousand) in the aggregate in any year comprised in the period of the contract or contracts;

Provided that in circumstances of urgent necessity a Director, relative, firm, partner or private company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for sale, purchase or supply of any goods, materials or services even if the value of such goods, or the cost of such services exceed Rs.5,000 in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

Disclosure of interest

135. A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together withhold or hold not more than two percent of the paid up share capital in any such other Company.

General notice of interest

136. A General Notice given to the Board by a Director, to the effect that he is director or member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any

contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it is given would have expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes responsible steps to secure that it is brought up and read at the first meeting of the Board after it is given.

Interested Directors not to participate or vote in Board's proceedings

137. No Director shall, as a director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is any way, whether directly or indirectly, concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void; provided, however, that nothing herein contained shall apply to :-

(a) Any contract of indemnity against any loss which the directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.

(b) Any contract or arrangement entered into or to be entered into with a public company or private company which is a subsidiary of a public company in which the interest of the Director consists solely:

(i) in his being:-

(a) a director of such company; and

(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the Company, or

(ii) in his being a member holding not more than two percent of its paid up share capital.

Register of contract in which Director are interested

138. The Company shall keep a Register in accordance with Section 301 (1) and shall within the time specified in section 301 (1) and Section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The register aforesaid shall also specify, in relation to each Director of the company, the names of the bodies corporate and firms of which notices have been given by him under Articles 136. The Register shall be kept at the office of the Company and shall be open to inspection at such office and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of 163 of the Act shall apply accordingly.

Directors may be Directors of companies promoted by the Company

139. A Director may be or become, a Director of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or share holder of such company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.

Retirement and rotation of Directors

140. At every Annual General Meeting of the Company, one-third of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple thereof the number nearest to one-third shall retire from office.

(a) Dr. Gaur Hari Singhania shall be non retiring Director and chairman of the Company subject to Sec 255.

140(A). Shri Yadupati Singhania shall be non-retiring Director.

Ascertainment of Directors retiring by rotation and filling of vacancies

141. Subject to Section 256 (2) of the Act, the Directors to retire by rotation under Article 140 at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Eligibility for re-election

142. A retiring Director shall be eligible for re-appointment.

Appointment of Directors to be voted on individually

143. Save as permitted by Section 263 of the Act, every resolution of General Meeting for the appointment of a Director shall relate to one named individual only.

Company to appoint successors

144. Subject to section 258 of the Act, the Company at a General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

MANAGING DIRECTOR

Managing Director

150. Subject to the provisions of the Act and these Articles, the Board shall have power to

appoint from time to time any of its member as the Managing Director or Managing Directors of the Company upon such terms and conditions as the Board shall think fit and subject to the provisions of Article 152, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of the Managing Director or Managing Directors may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes or any other modes not expressly prohibited by the Act.

Restriction of Management

151. The Managing Director or Managing Directors shall not exercise the powers to:

(a) Make calls on shareholders in respect of money unpaid on the shares in the Company.

(b) Issue debentures; and except to the extent mentioned in the resolution passed at the Board meeting under Section 292, shall also not exercise the powers to :

(i) borrow moneys, otherwise than on debentures;

(ii) invest the funds of the Company; and

(iii) make loans.

Certain persons not to be appointed Managing Director

152. The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who :-

(a) is an undischarged insolvent; or has at any time been adjudged an insolvent;

(b) Suspends, or has at any time suspended payment to his creditors, or makes or has at any time made a composition with them; or

(c) is or has at any time been convicted by a Court of an offence involving moral turpitude.

Special position of Managing Director

153. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation, in accordance with Article 140. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.

Remuneration of Managing Director

154. Subject to the provisions of Sections 309,310,311 and Schedule XIII of the Act, a Managing Director / Wholetime Director shall, receive such remuneration as may from time to time be sanctioned by the Company

Powers of Managing Director

155. Subject to the provisions of the Act in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director / Wholetime Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit; and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meeting of Directors

156. The Directors may meet together at a Board for the □ummariz of business from time to time, and shall so meet atleast once in every three months and atleast four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

Quorum

158. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained it that one-third being rounded off as one), or two Directors, whichever higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength of the number of the remaining directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time.

Adjournment of meeting for want of quorum

159. If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

When meeting to be convened

160. The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every other Director.

Chairman

161. In the absence of the chairman or if he is unwilling to take chair the Directors may from time to time elect from among their member a Chairman of the Board of Directors and

determine the period for which he is to hold office. The chairman of the Board shall be entitled to take the Chair at every meeting of the Board. If at any meeting of the Board, he shall not be present within fifteen minutes from the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Directors present may elect one of their member to be the Chairman of the meeting.

Questions at Board meeting how decided

162. Questions arising at Meetings of the Board of Directors or a Committee thereof shall be decided by a majority of votes and in the case of an equality of votes, the chairman shall have a second or casting vote.

Powers of Board meeting

163. A meeting of a Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally.

Directors may appoint Committee

164. Subject to the restriction contained in Section 292 of the Act, the Board may delegate any of their powers to Committee of the Board consisting of such Member or Members of its body as it thinks fit and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes but every committee of the Board so formed shall be in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Resolution by circulation

166. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the committee then in India, (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or Members of the Committee, at their usual address in India and has been approved by such of the Directors or Members of the committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Acts of Board or committee valid notwithstanding informal appointment

167. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Minutes of proceedings of meeting of the Board

168. (1) The company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in a book kept for that purpose with their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last page of the record or proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) The minutes shall also contain :-

(a) the names of the Directors present at the meeting ;and

(b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in the resolution.

(7) Nothing contained in sub-clauses (1) to (6) shall be deemed to require in the inclusion of any such minutes of any matter which in the opinion of the Chairman of the meeting :-

(a) is or could reasonably be regarded by defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

© is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

190. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

Powers of Board of Directors

169. The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company is General Meetings, subject nevertheless these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting nor shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, provided that the Board shall not, except with the Company in General Meeting:-

(a) sell, lease or otherwise, dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings;

(b) remit or give time for the repayment of any debt due by a Director;

(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after considerable time;

(d) borrow moneys where the monies to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at a meeting of the Board, unless the same be delegated to the extent therein stated; or

(e) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five per cent of its average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.

Certain power of the Board

170. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, powers :-

(1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) To pay and charge to the capital account of the company and commission or interest lawfully payable thereon under the provisions of Section 76 and 208 of the Act.

(3) Subject to Sections 292, 297 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or services privileges which the Company is ummarized to acquire, at or for such price or consideration and generally on such tunes and conditions as they may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

(4) At their discretion and subject to the provisions of the Act, to apply for any property, rights or privileges acquired by or rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(5) To secure the ummarized entered into by the Company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they may think fit.

(6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.

(7) To appoint any person, to accept and hold in trust for the Company and property belonging to the Company in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.

(8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitrations, and

observe and perform any awards made thereon.

(9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(11) Subject to the provisions of Sections 292,295, 369, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner they may think fit, and from time to time to vary or ummari such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

(12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and agreements as shall be agreed upon.

(13) To determine from time to time who shall be entitled to sign, on the Company's behalf, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.

(14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction, and to charge such bonus or commission as part of the working expenses of the Company.

(15) To provide for the Welfare of employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, building or contributing to the building of houses, dwelling or chawls, or by grants of money, pension, gratuities, allowances, bonus or payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee to any charitable, benevolent, religious, scientific, national or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or other-wise

(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture, or for special dividends or for ummarized dividends or for repairing, extending, and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums to set aside of so much thereof as is required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and disposal and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital money of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.

(17) To appoint, and at their discretion remove or suspend such general managers, managers, secretary, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and for such amount as they may think fit, and also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the four following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

(18) To comply with the requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with.

(19) From time to time and at any time to establish any Local Board for

managing any of the affects of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local boards, and to fix their remuneration.

(20) Subject to Section 292 of the Act, from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to ummarize the member for the time being of any such local Boards, or any of them, to fill up any vacancies therein. Any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

(21) At any time by power of attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also, except in their limits ummarized by the Board, the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to time think fit, and any appointment may (if the Board thinks fit) to make in favour of the members or any of the Members of any Local Boards, established as aforesaid or in favour of any Company or the share holders, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to subdelegate all or any of the powers, authorities and discretions for the time being vested in them.

(22) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(23) From, time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

DIVIDENDS

Division of Profits

173. The Profits of the Company, subject to the provisions of Sections 205 to 208 of the Act and subject to any special rights relating thereto created or ummarized to be created by these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up on the Shares held by them respectively.

Declaration of dividend

174. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

Dividends only out of profits

175. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both:

Provided that:

(1) (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years.

(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at, in both cases after providing for depreciation in accordance with the provision of sub-section (2) of Section 205 of the Act, or against both.

(2) Not withstanding anything contained in sub-article (1) hereof, no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 except after the transfer to the reserves of the Company of such percentage of its profits for that year, not exceeding ten percent, as may be prescribed for the time being by any rules made under the Act.

(3) Nothing in sub-article (1) hereof shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with the Rules, if any, made by the Central Government in this behalf under the Act.

Deemed net profit

176. The declaration of the Board as to the amount of net profits of the Company shall be conclusive, subject to the provisions of the Act.

Interim dividends

177. (a) The Board may, from time to time, pay to the members such interim dividend as in their judgment the position of the Company justifies.

Capital paid in advance at interest not to earn dividend

(b) Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participation in profits.

Dividends in proportion to amount paid up

178. (a) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares paid or credited as paid on the shares during and portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms provided that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Retention of dividends until completion of transfer

(b) The Board may retain the dividends payable upon shares in respect of which any person is under Article 68 entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

Dividends to joint-holders

179. Anyone of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

No member to receive dividend while indebted to the Company

180. No member shall be entitled to receive payment of any interest or dividends in respect of his share or shares or otherwise howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sum of money so due from him to the Company.

Transfer of shares must be registered

181. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Remittance of dividends

182. Unless otherwise directed, any dividend may be paid by cheque or warrant by a pay slip or receipt having the force of a cheque or warrant sent through the post or courier or electronic transfer to the registered address or designated bank of the member or person entitled or in case of joint holders to that one of them first named in the register in case of joint holding. Every such cheque or warrant shall be made payable to the order of the □ummar to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or person entitled there to by the forged endorsement of any cheque or warrant or the forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

Unclaimed dividend

183. The unclaimed/unpaid dividend shall not bear interest against the Company. All unclaimed dividend shall be dealt in accordance with the provisions of Section 205-A, 205-B and 205-C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board

Unpaid or Unclaimed interest, application money, deposits, etc.

183A. The Company shall also comply with the provisions of Section 205C of the Act in respect of any money remaining unpaid with the Company in the nature of (i) application moneys received by the Company for allotment of any securities and due for refund; (ii) deposits received by the Company and due for repayment; (iii) debentures issued by the Company and matured for redemption; and (iv) the interest, if any, accrued on the amounts referred at items (i), (ii) and (iii) respectively

Dividend and call together

184. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that a call on each member shall not exceed the dividend payable to him and so that the call is made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the Calls.

CAPITALISATION OF RESERVES

Capitalisation

185. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit © Reserve fund or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be □ummarized□ and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions of the footing that they become entitled thereto as

capital and that all or any part of such □ummarized□ fund be applied on behalf of such share holders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures of the Company which shall be distributed accordingly or in or towards payment of the call liability or any issued shares or debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said □ummarized□ sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Articles, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

Surplus Moneys

(b) A General Meeting may resolve that any surplus moneys arising from the □ummarized□ of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

Fractional certificates

(c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Articles, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any member upon the footing of the value so fixed or that fraction of less value than 10 may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets, in trustees upon such trusts for the person entitled to the dividend or □ummarized□ fund as may seem expedient to the Board. Where requisite, a contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or □ummarized□ fund, and such appointment shall be effective.

ACCOUNTS

Directors to keep amounts

186. (1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act with respect to :

(a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;

(b) all sales and purchases of goods by the Company;

(c) the assets and liabilities of the company.

(2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(3) The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding the current year together with the Vouchers relevant to any entry in such books of account.

(4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office and proper □ummarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at it's office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

(5) The books of account shall give a true and fair view of the state of the affairs of the Company or branch office, as the case may be and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

Statement of accounts to be furnished to General Meeting

188. The Board of Directors shall from time to time, in accordance with Section 210, 212,215, 216,217 and 221 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting such Profit and Loss Accounts, Balance Sheet and report as are referred to in those Sections

AUDIT

Accounts to be audited annually

190. Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors.

Appointment and remuneration of Auditors

191. The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act.

RECONSTRUCTION

Reconstruction

204. On any sale of the undertaking of the Company the Board or the Liquidators on a winding-

up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the property of the Company, and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the members without realisation, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authroised and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of be winding up, such statutory rights (if any under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

WINDING UP

Distribution of assets

205. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.

Distribution of assets in specie

206. If the Company shall be wound-up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit.

INDEMNITY AND RESPONSIBILITY

Directors and others, right of indemnity

207. Subject to the provisions of Section 210 of the Act, every Officer or Agent for the time being of the Company shall be indemnified out of the funds of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which, he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

SECRECY CLAUSES

Secrecy clause

208. (a) Every Director, Manager, Auditor, Treasurer, Trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required, by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required so to do by the Directors or by law or by the persons to whom such matters are related and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

(b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of any information respecting any details of the company’s trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies, Uttar Pradesh and Uttaranchal for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of the Company situated at JK Cement Limited, Kamla Tower, Kanpur 208001, Uttar Pradesh, India from 10.00 am to 4.00 pm on working days from the date of the Draft Red Herring Prospectus until the Bid Closing Date/Issue Closing Date.

Material Contracts

1. Engagement Letter dated [●], 2005 for appointment of DSPML as the BRLM.

2. Memorandum of Understanding dated [•] between the Company and the BRLM.

3. Memorandum of Understanding dated [•] executed by the Company with Registrar to the Issue.

4. Escrow Agreement dated [●] among the Company, the BRLM, Escrow Collection Bank, and the Registrar to the Issue.

5. Syndicate Agreement dated [●] among the Company, the BRLM and the Syndicate Members.

6. Underwriting Agreement dated [●] among the Company, the BRLM and the Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association as amended till date.

2. Our certification of incorporation dated November 24, 1994.

3. Shareholders' resolutions dated November 26, 2005 in relation to this Issue and other related matters.

4. Resolution of the Board dated November 26, 2005 authorizing the Issue.

5. Agreement dated October 1, 2004 executed between the Company and Mr. Yadupati Singhania in connection with his appointment as Managing Director of the Company with effect from April 1, 2004. Supplemental contract dated January 20, 2005, executed between the Company and Mr. Yadupati Singhania for payment of remuneration.

6. Orders of the AAIFR dated January 23, 2003, June 12, 2003 and January 7, 2005, together with the Scheme of Rehabilitation.

7. Reports of the Auditors, P.L. Tandon & Company, Chartered Accountants, prepared as per Indian GAAP and mentioned in this Draft Red Herring Prospectus.

8. Consents of the Auditors, being P.L. Tandon & Company, Chartered Accountants, for inclusion of their report on accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

9. General Powers of Attorney executed by the Directors of the Company in favour of person(s) for signing and making necessary changes to this Draft Red Herring Prospectus and other related documents.

10. Consents of Auditors, Bankers to the Company, BRLM, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Banker to the Issue, Domestic Legal Counsel to the Company, International Legal Counsel to the Company, Domestic Legal Counsel to the BRLM, International Legal Counsel to the BRLM, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

11. Applications dated [•] for in-principle listing approval from BSE and NSE.

12. In-principle listing approvals pursuant to letters [•] and [•] from BSE and NSE respectively.

13. Agreement among NSDL, the Company and the Registrar to the Issue dated [•].

14. Agreement amongst CDSL, the Company and the Registrar to the Issue dated [•].

15. Due diligence certificate dated [•] to SEBI from the BRLM.

16. SEBI observation letter [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

Signed by all Directors

Dr. Gaur Hari Singhania, Chairman

Mr. Yadupati Singhania, Managing Director and Chief Executive Officer

Mr. Alok Dhir

Mr. J.P. Bajpai

Mr. K.N. Khandelwal

Mr. R.K. Lohia

Mr. Ashok Sharma

Mr. Achintya Karati

Signed by President (Corporate Affairs) and Chief Financial Officer

Mr. A.K. Saraogi

Date: December [•], 2005

Place: Kanpur, Uttar Pradesh