



TACKLING UNCERTAINTIES WITH PERFORMANCE



ANNUAL REPORT 2019-20

Your comments and feedback are of great importance to us. We would be glad to address any queries or observations that you may have with regard to our various future-aligned initiatives, our performance or this Report.

Caution regarding forward-looking statements: This document contains statements about expected future events and operations of JK Lakshmi Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are requested to take caution of this aspect. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the JK Lakshmi Cement Limited Annual Report 2019 - 20.



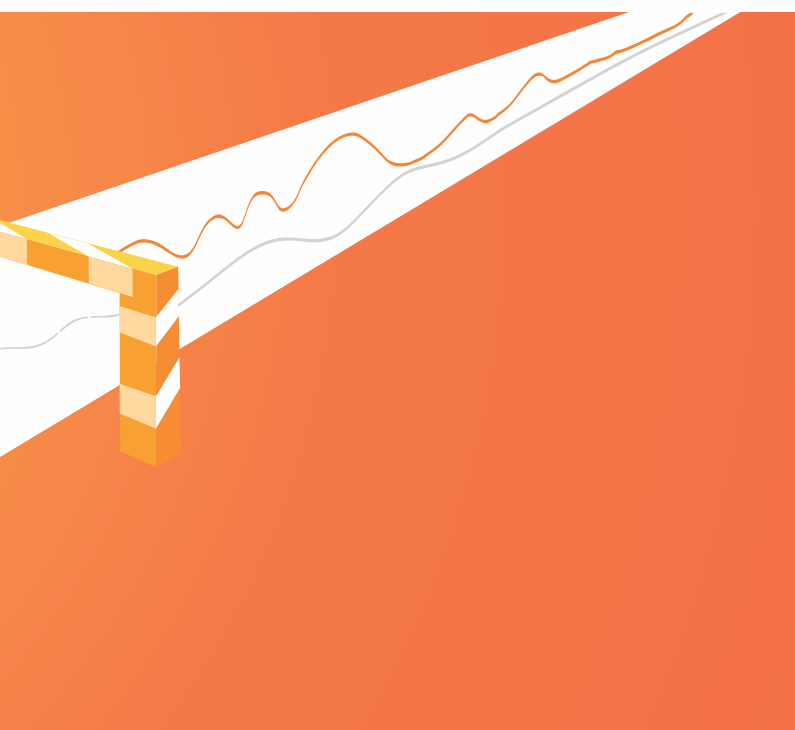
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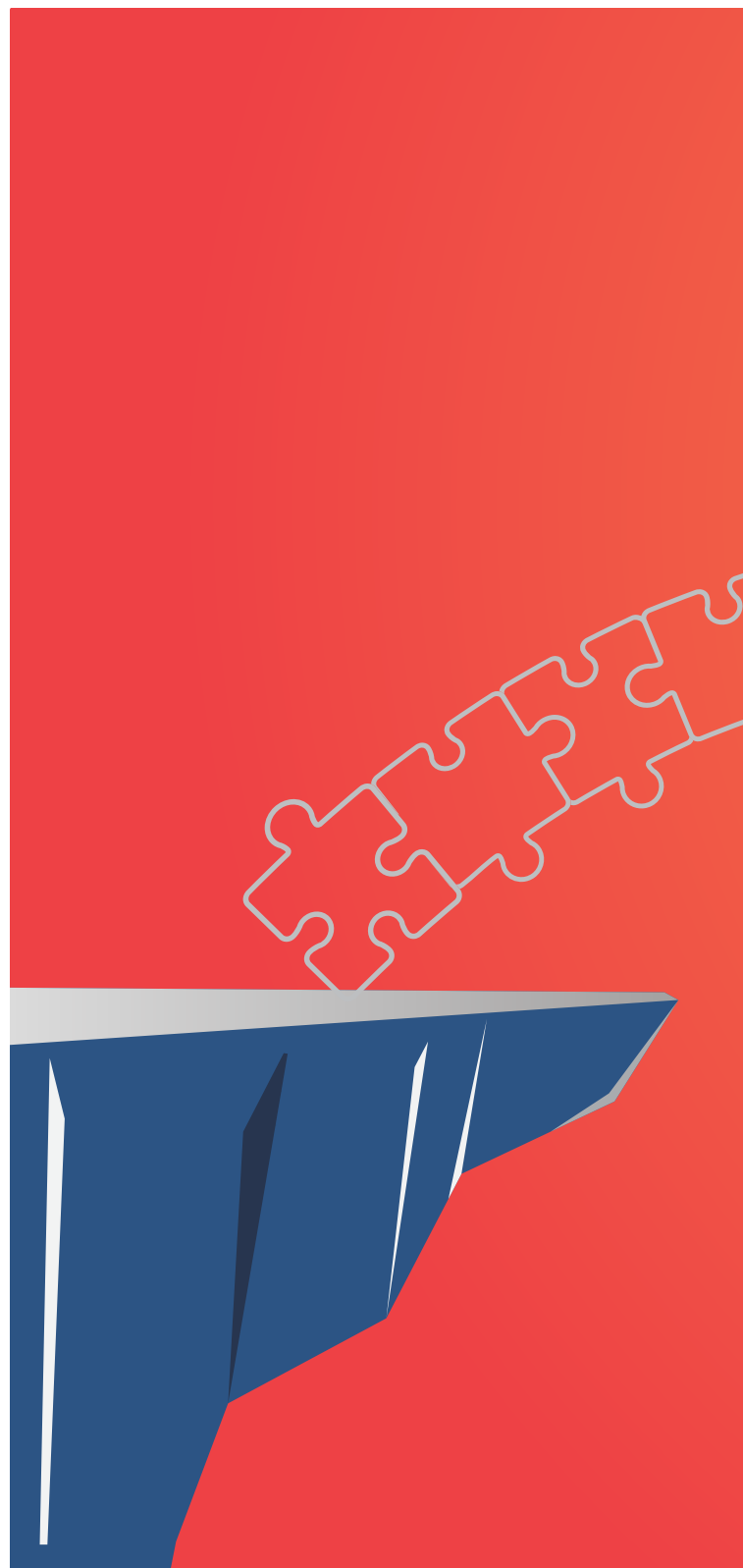


Change is permanent and is the only constant. This is the universal law.

The time keeps changing and along with it, brings many uncertainties, some that are pleasant and some that are not at all beneficial. As the Great Bhagwad Gita propagates "Human life is full of battles, but we must never shirk in fear – we must stand our ground and fight. By concentrating on our goals, doing our karma to the best of our ability and believing in oneself, one can achieve true success in life". At, JK Lakshmi Cement Limited, we firmly believe that while the changing times might bring uncertainties, we can tackle these uncertainties with our collective, positive and progressive actions that lead to all-round, effective and superlative performance.

The key components of our DNA at JK Lakshmi Cement Limited have always been our vision, our beliefs and values, and our pursuit of excellence that reflects in each and every team member of JKLC. While the year gone by has been full of uncertainties and the current year is full of even more obstacles, we firmly believe that the enablers of our performance will hold true for the current year as they held true for the Financial year 19-20. These enablers of our steadfast and encouraging performance are:

- 1 Robust Foundation + Smart Teamwork
- 2 Customer Orientation + Agility in Response
- 3 People Orientation + Inclusive Development





**You can't change the
direction of the wind,
but you can adjust the
sails to reach your
destination.**



Integrated Cement Unit, Sirohi



Vision

- To be a profitably growing, innovative & caring Company
- To become a significantly relevant player in the mind of consumers

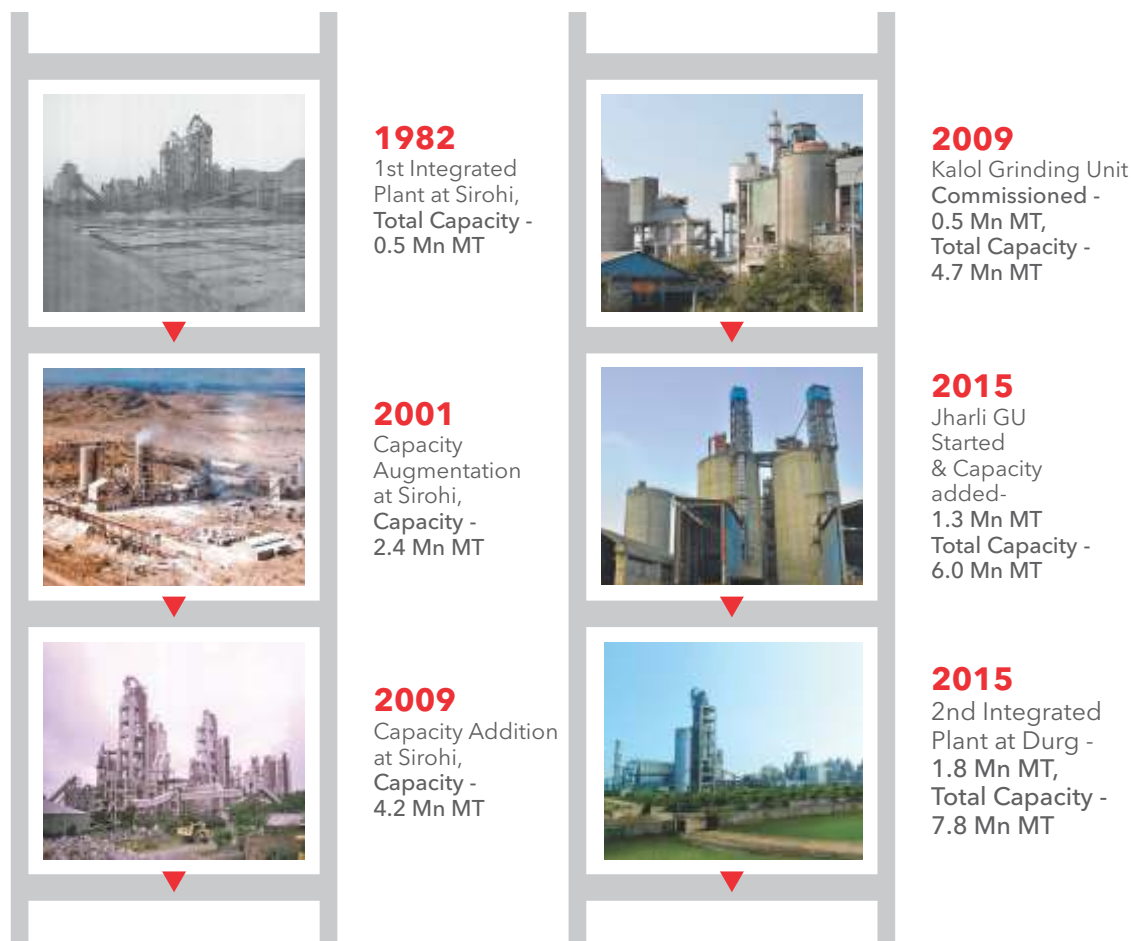
Mission

- Achieve Operational Excellence
- Be a workplace of choice - Attract, Retain and Grow Talent Pool of change leaders
- Achieve growth in Sales & Profit, higher than comparable sized players
- Create superior value for the customer through Premium Products & Brand Positioning
- Continuously enhance shareholders' wealth and be a Preferred Portfolio among Investors
- Be a Socially Responsible Corporate Citizen

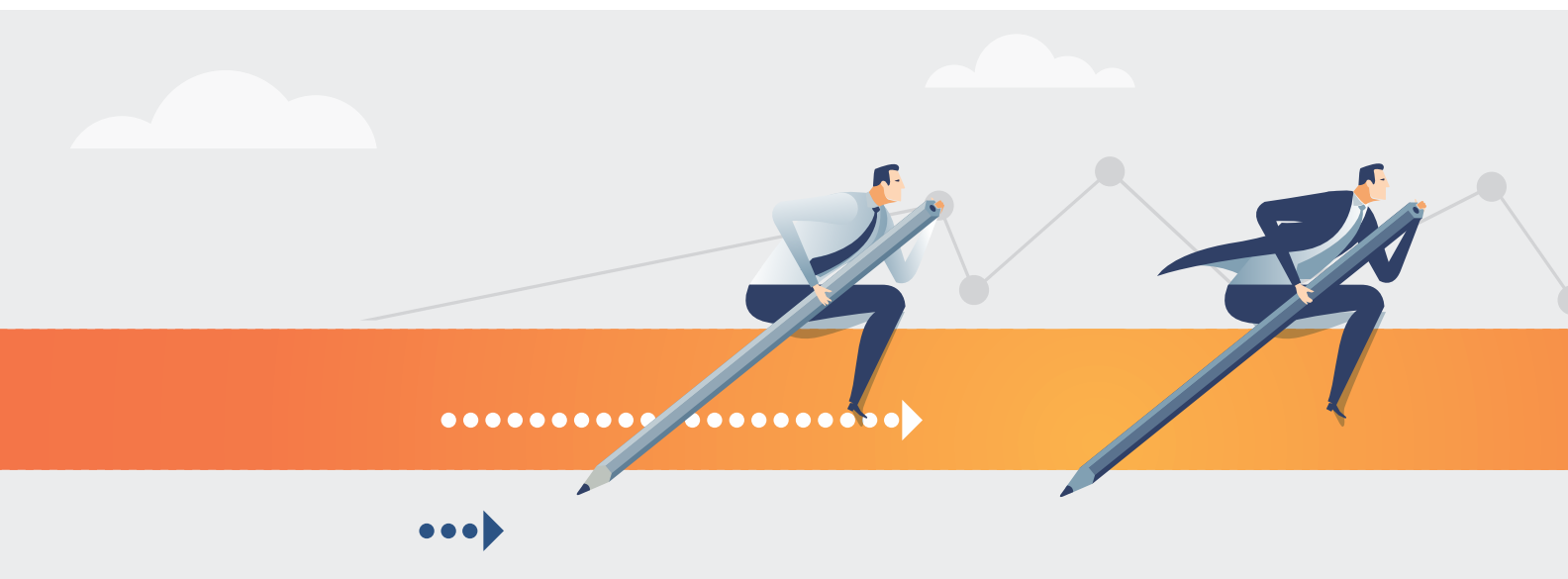
Core values

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust
- Commitment to excellence

Our Journey



Mn MT = Million Metric Tonne





2015

Capacity Addition at Sirohi - 0.5 Mn MT, Total Capacity - 8.3 Mn MT



2016

Capacity Addition at Kalol - 0.3 Mn MT, Total Capacity - 8.6 Mn MT



2017

Surat GU Commissioned - 1.4 Mn MT, Total Capacity - 10.0 Mn MT



2017

Capacity Addition at Durg - 0.9 Mn MT, Total Capacity - 10.90 Mn MT



2017

Successfully commissioned integrated plant of 1.6 Mn MT under Company's subsidiary - UCWL Total Capacity 12.5 Mn MT



2019

0.8 Mn MT GU Odisha Commissioned in the Second Quarter FY 19-20, Adding to the Total Capacity - 13.30 Mn MT



CMD'S Message



सत्त्वानुरूपा सर्वस्य श्रद्धा भवति भारत ।
श्रद्धामयोऽयं पुरुषो यो यच्छ्रद्धः स एव सः

Ch. 17 V 3 Srimad Bhagvad Gita

**"A man is made by his beliefs,
as he believes, so he is"**



Dear Stakeholders,

I am writing down this message to all our stakeholders at a time when we are passing through the most volatile and uncertain phase in our lives, owing to the circumstances that the world or humanity has not seen before. Yet, when the times are tough and there is uncertainty all around; it is our individual and collective belief in ourselves that gives us the will and strength to move forward, and carve out a path through the labyrinth of chaos and uncertainty.

Financial year 20 began on a positive note with the overhang of both healthy GDP growth as well as healthy cement growth in the previous financial year 2019. The mood was further buoyed with the formation of a stable government consequent to general elections held in the first quarter. In the first quarter due to elections economic activities slowed down considerably. Healthy monsoon in the second quarter brought very positive prospects of a bumper harvest, increase in the rural income, increase in the rural construction etc., but the demand got impacted more than the normal seasonal phenomenon due to prolonged monsoon which continued well till the third quarter. In the last month of the last quarter of the year global pandemic of COVID 19 broke out in India too resulting in the dismal economic performance during the quarter in which the GDP grew by mere 3.1% thereby dragging the growth to just 4.2% for the year. Consequently cement demand for the entire year showed a drop of ~5% in FY 20 against an handsome growth of ~13% in FY 19.

Rising trade tensions between US & China, rising of nationalistic sentiments across the globe, weak oil prices leading to slowing of construction in middle east also took its toll on FDI in real estate sector which otherwise was limping back to normal after the shocks of demonetisation, GST, and RERA regulations. Lower than expected tax collections also adversely impacted governments' expenditure on infrastructure projects. Despite all the disruption, still Indian economy performed better than many other major global economies in FY 20.

Though the overall cement consumption during the year shrank; the prices remained relatively stable and improved towards last quarter. We retained our focus on improving operational efficiencies, optimised the already commissioned waste heat recovery plant of 7.5 MW at Durg in FY 19 and operationalised captive power