

Message from the MD

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30 MnTPA
Planned grey cement capacity by FY26

₹20 per share
Dividend declared

Dear stakeholders,

I am delighted to write to you in what has been a remarkable year in multiple ways. Of course, our performance was in line with expectations, and the year saw us build on our leadership, strategic intent and ability to ramp up production rapidly. We demonstrated operational growth and market expansion and have charted out a plan for doubling our capacity by FY30. However, the current year is more special because it's a year of milestones – 50 years in the Grey cement business, 40 years of our White Cement business.

In line with our commitment to reward shareholders, the Board is delighted to propose a dividend of ₹ 15 per share, the same as last fiscal year along with a special dividend of ₹ 5 per share for the Golden Jubilee celebration of grey cement and 40 years of white cement business.

A year of milestones. Inspired by legacy

The success of JK Cement is deeply rooted in the transformation and growth of all our manufacturing units. We are celebrating 50 years in the cement business. From a small beginning in Nimbahera in

late 1974, we are now a pan India player, with manufacturing and marketing spread across many states in almost all regions of India. Early on in our journey, we took the bold step of setting up India's first dry process white cement plant, and are today one of the top five White Cement players in the World.

Despite our experience, it is remarkable that our cement capacities today are among the youngest in the country with over two-third of our 22 MnTPA capacity being less than ten years old. That means we are able to focus on being ahead in terms of cost of production, energy efficiency and quality.

Going forward, as we work to build on this legacy, we will continue to harness our execution excellence and deliver top-quartile cost leadership as we embark on our FY 30 plan of doubling capacity.

Progressing towards our aspiration

At JK Cement, we are expanding our capacity with prudence. Our capital cost is less than \$60 per tonne, significantly lower than the replacement cost of \$110-\$120 per tonne. We have met our capacity expansion plans, and are

Our 'UDAY' and 'AAROH' programmes focus on developing future leaders and fresh talent.

progressing well on expanding from the current 22 MnTPA tonnes to 30 MnTPA by FY26. We will achieve same while maintaining a net debt to EBITDA ratio of 1.5-2, so that our free cash flow and profitability is not impacted negatively. Further, we will continue to build on our laser sharp focus on project execution, driven by a strong internal team.

Our Ujjain Grinding Unit, a testament to our efficiency and rapid growth, was commissioned in November 2023, a mere 12 months after work began. It quickly ramped up to nearly 60% capacity utilisation during the last quarter of the year under review. The acquisition of Toshali Cements (P) Ltd. reflects our forward-thinking market expansion strategy. With an integrated unit in Ampavalli, Odisha, and a split grinding unit in Cuttack, Odisha, both contributing to our entry in the Eastern markets.

The India story

India, with its aspiration to emerge as "Viksit Bharat" by 2047, requires continuous investments in augmenting its infrastructure. The Government of India, over the last decade, has invested significantly to drive this growth. Further, the Government's focused programmes like the PM Gati Shakti National Master Plan, Udaan, Sagarmala and Bharatmala projects are driving the sector's growth. The housing sector, which accounts for close to 65% of cement demand in India, is witnessing accelerated growth owing to a large population, Government's focus on affordable housing programme, increasing urbanisation and increasing income levels.

The Interim Budget of FY 2024-25 targets an additional 20 million houses under Pradhan Mantri Awas Yojana—Gramin, potentially boosting cement demand significantly.

Growing with our people

We are building a culture of agility, transparency, and trust to ensure our organisation is future ready. Our 'UDAY' and 'AAROH' programmes focus on developing future leaders and fresh talent, contributing to our recognition as a 'Great Place To Work' for the fifth consecutive year and part of the CII-HR Excellence Award. We enhance gender diversity through targeted processes, benchmarking to position JK Cement as an employer of choice. Our integrated Talent Acquisition, Management, and Learning & Development strategy ensures everyone can achieve their potential. Our Zero Harm initiative prioritises safety, meeting legal regulations and aligning with ISO 45001:2018. We are building an organisation of the future and are seeding every aspect of our business with cutting-edge talent.

Shared aspirations, collective growth

Since our inception, we have focused on collective growth and taking communities along, together with all stakeholders. We are committed to positively impacting society through various initiatives in areas like environment, healthcare, education, vocational training, and community development. Our sustainability

efforts revolve around care, sensitivity, and responsibility towards the local communities.

Through our Corporate Social Responsibility initiatives, we have invested ₹ 20.8 Crores across our focus areas. Our efforts have touched the lives of ~5 Lakhs beneficiaries across the region where we operate

Way forward

With favourable operating environment, India's cement sector is poised for significant growth. We at JK Cement, stand out with our strategic expansion plans and a strong commitment to innovation and sustainability. Leveraging advanced technology, diversified product portfolio and presence in strategic locations, we are well-positioned to meet the rising demand and strengthen growth in the evolving cement sector.

We deeply appreciate our shareholders' trust and support, and we are committed to creating long-term value for all stakeholders. Thank you for your confidence in our Company. Together, we have embarked on an exciting journey of growth and shared value creation.

Sincerely,

Dr. Raghavpat Singhania
Managing Director