

## Directors' Report

Dear Members,

Your Directors have pleasure in presenting Company's **Twenty Ninth Annual Report** and **Audited Financial Statements** for the year ended 31<sup>st</sup> March, 2023.

### 1. Financial Results

Particulars	₹ In Lacs	
	2022-23	2021-22
Revenue from operations	899859.90	767858.40
Profit before depreciation & Tax and exceptional items	116172.12	137555.53
Less: Depreciation	36146.40	28201.96
Less: Exceptional items	NIL	13000.00
Profit Before Tax	80025.72	96353.57
Tax Expense (Including deferred tax and tax adjustment of earlier years)	23771.62	33285.85
Profit After Tax	56254.10	63067.72
Add: OCI (Other Comprehensive Income)	319.47	380.61
Add: Retained earnings at the beginning of the year	208070.74	174854.95
Add: Transfer from Debenture Redemption Reserve	1307.35	1357.70
Less: Transfer to General Reserve	20000.00	20000.00
Less: Dividend on Equity Shares	11590.24	11590.24
Balance to be carried forward	234361.42	208070.74

### 2. Performance of the Company

Your Company's performance during the year under report has overall improved. However, substantial increase in input costs impacted profitability. The Company's Revenue from Operations increased by 17.19% to ₹899859.90 Lacs during the year compared to ₹767858.40 Lacs in previous year. Profit after Tax decreased to ₹56254.10 Lacs compared to ₹63067.72 Lacs.

### 3. Performance of the Subsidiary /Joint Venture Companies

The Company has three wholly owned subsidiaries two in India viz. JaykayCem (Central) Ltd and JK Maxx Paint Ltd (formerly known as 'JK Paints & Coatings Limited') and another in UAE viz JK Cement (Fujairah) FZC. JK Maxx Paint Ltd (formerly known as 'JK Paints & Coatings Limited') has a step down subsidiary viz Acro Paints Ltd. The UAE subsidiary has one step down subsidiary and such step down subsidiary has a subsidiary in Africa. There has been no material change in nature of the business of subsidiaries.

### Subsidiary Company

J.K. Cement (Fujairah) FZC (JKCF) recorded net income of AED 1933446 (equivalent to ₹422.92 Lacs) for the period from April, 2022 to 31<sup>st</sup> March, 2023 (Previous year net Loss of AED 114172584.99 equivalent to ₹23162.87 Lacs)

JK Cement Works (Fujairah) FZC (JKCWF) is primarily involved in the business of manufacturing and sale of white cement in Middle East and GCC markets. It has reported a turnover of AED 184986144.73 (equivalent to 40463.31 lacs) (Previous year AED 166408466.55 equivalent to ₹33260.29 Lacs). It recorded a loss before OCI of AED 34494877.02 (equivalent to ₹7247.22 Lacs) for the period from April, 2022 to 31<sup>st</sup> March, 2023 {Previous year a loss of AED 39501152.48 equivalent to ₹7908.22 lacs.}.

JK White Cement (Africa) Ltd. is second level step down subsidiary of the Company, incorporated on 4<sup>th</sup> November, 2018, in Republic of Tanzania. 99.90 % stake is held by JK Cement Works (Fujairah) FZC. It is



engaged in the business of manufacturing/trading/ import/export of all types of cement, wall putty other allied products, cement clinker, limestone, gypsum etc.

Jaykaycem (Central) Ltd, has set up grey cement manufacturing facilities in the state of Uttar Pradesh and Madhya Pradesh, recorded a revenue of ₹33002.84 Lacs and net loss of ₹5969.40 Lacs (previous year loss ₹97.31 Lacs) for the year ended 31<sup>st</sup> March, 2023. It is proposed to amalgamate with your Company and as on the date of reporting amalgamation is yet to be effective.

JK Maxx Paint Ltd (erstwhile JK Paints and Coatings Ltd.) is engaged in business of Paints business has been incorporated during the year under report. Acro Paints Ltd. became subsidiary of JK Maxx Paint Ltd and step down subsidiary of the Company w.e.f 6<sup>th</sup> January, 2023. Acro Paints Ltd has recorded revenue of ₹7955.58 Lacs and a net profit of ₹29.47 lacs during the FY 2022-23.

#### 4. Consolidated Financial Statements

The statement as required under Section 129 of the Companies Act, 2013, in respect of the subsidiaries of the Company viz. J.K. Cement (Fujairah) FZC, J.K. Cement Works (Fujairah) FZC, Jaykaycem (Central) Ltd, JK Maxx Paint Limited and Acro Paints Limited are annexed and forms an integral part of this Report. The Consolidated Financial Statements prepared in accordance with relevant Accounting Standards issued by the Institute of Chartered Accountants of India, form part of the Annual Report and Accounts.

#### 5. Dividend

The Board of Directors has recommended a payment of final dividend at a rate of ₹15 per equity share (150%) for the year ended March 31, 2023 subject to the approval of the Members at the 29<sup>th</sup> Annual General Meeting ('AGM'). In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), our Company has formulated a Dividend Distribution Policy. The policy is available on our Company's website and can be accessed at [www.jkcement.com/assets/about/company-policy/Dividend\\_Distribution\\_Policy.pdf](http://www.jkcement.com/assets/about/company-policy/Dividend_Distribution_Policy.pdf)

#### 6. Transfer to Reserves

The Company proposes to transfer ₹1307.35 Lacs (previous year ₹1357.70 Lacs) from Debenture Redemption Reserve. Besides, our Company

proposes ₹20000 Lacs (previous year ₹20,000 Lacs) to General Reserve during Financial Year 2022-23

#### 7. Share Capital

The paid up Equity Share Capital as at 31<sup>st</sup> March, 2023 remained at ₹77.27 Crores. During the period under report, your Company has not issued any share including Sweat Equity, ESOP.

#### 8. Finance

During the year under report, your Company has availed a sum of ₹668.94 Crores towards disbursement of term loans and NCDs (previous year ₹585 Crores). However it repaid ₹608.37 Crores (previous year ₹346.73Crore) towards Term Loan and NCD, reflecting its commitment to fulfilling its financial obligations and maintaining its commitment to financial stability.

#### 9. Credit Rating

Inspite of challenging cement industry scenario, CARE has reaffirmed your Company's rating as "CARE AA+" (Care double AA+) for long term bank facilities and "CARE A1+" for short term bank facilities. Besides this India Ratings has also reaffirmed the Company's Issuer Rating at "IND AA+" (Stable). Further, CRISIL has reaffirmed the Company's rating for Commercial Paper at "CRISIL A1+".

#### 10. Particulars of Guarantees or Investments by Our Company

Details of Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

#### 11. Operations

##### Grey Cement

During the year under report, cement production increased by 13% at 13.17 Million Tonne (compared to 11.70 Million Tonne last year) and sales increased by 12% at 13.17 Million Tonne (compared to 11.72 Million Tonne last year), driven by favourable market scenario.

##### White Cement

During the reporting period, production of White Cement & Wall Putty increased by 11% to 15.55 Lac Tonne against 14.09 Lac Tonne in the previous year. Sales increased by 11% to 15.92 Lac Tonne (compared to 14.34 Lac Tonne last year)

## Paints

During the year under report, Your Company, through its wholly owned subsidiary JK Maxx Paint Limited, acquired 60% equity share capital of M/s Acro Paints Ltd (APL), making APL a step down subsidiary of your Company.

## 12. Projects of the Company

### Our Company has

- (a) Commenced Commercial production of Clinker and Cement at its greenfield grey cement manufacturing unit at Panna, MP with a split grinding unit at Hamirpur, U.P. with total capacity of 4 MnTPA under its wholly owned subsidiary M/s Jaykaycem (Central) Ltd. ('Jaykaycem').
- (b) Implemented 2 MnTPA expansion by increasing Cement grinding Capacity at various units with this, the Grey Cement production Capacity increased to 20.67 MnTPA

## 13. Personnel

### 13.1 Industrial Relations

The industrial relations during the period under review generally remained cordial at all cement plants.

The information required pursuant to Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

S. No	Requirements	Disclosure
1	The percentage increase in remuneration of CFO and CS in the financial year	CFO- 3.59% CS -1.19%
2	The percentage increase in the median remuneration of employees in the financial year	6.5%
3	The number of permanent employees on the rolls of the Company	Staff- 3475 Workmen- 551
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	12% Last FY
5	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes
6	Median Remuneration of all the employees of the Company (₹ Lakh)	8.84
7	Ratio of Remuneration of each Director and KMP to the median remuneration of all the employees of the Company for the year 2022-23	Provided below

Particulars about Key Managerial Personnel including Managing Director.

### 13.2 Particulars of Employees

List of employees getting salary in excess of the limits as specified under the provisions of Section 134 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 throughout or part of the financial year under review is annexed separately marked as Annexure - E. However, the Annual Report excluding the aforesaid information is being sent to all the members of the Company pursuant to proviso to Section 136 of the Companies Act, 2013. Any member interested in obtaining such particulars may inspect and/or send the request to the Company at its Registered Office. None of the employee listed in the said Annexure is a relative of any Director of the Company except Dr. Raghavpat Singhania, Managing Director and Mr. Madhavkrishna Singhania Dy. Managing Director & Chief Executive Officer being brothers and Dr. Nidhipati Singhania being father. None of the employee hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.



SN	Name	Designation	Remuneration Paid in ₹		% Increase in Remuneration from previous Year	Ratio to median Remuneration of all employees
			2022-23	2021-22		
1	Dr. Raghavpat Singhania	Managing Director (KMP)	16,12,62,000	14,33,58,916	12.49%	182:1
2	Mr. Ajay Kumar Saraogi	Dy Managing Director & Chief Financial Officer (KMP)	9,13,36,000	8,81,71,750	3.59%	103:1
3	Mr. Madhavkrishna Singhania	Dy Managing Director & Chief Executive Officer (KMP)	15,49,14,000	13,67,14,250	13.31%	175:1
4	Mr. Shambhu Singh	Company Secretary (KMP)	88,36,259	87,32,193	1.19%	10:1

\*\* ₹8.84 Lakhs Median, Ratio is calculated on remuneration 2022-23

### Particulars about other Non-Executive Directors.

SN	Name	Designation	Remuneration Paid in ₹		% Increase in Remuneration from previous Year	Ratio to median Remuneration of all employees #
			2022-23	2021-22		
1	Mrs. Sushila Devi Singhania	Non- Executive Non Independent	29,50,000	30,00,000	-1.67	3:1
2.	Dr. K.B. Agarwal	Non -Executive Independent	21,75,000	22,75,000	-4.40	2:1
3.	Mr. Sudhir Jalan	Non -Executive Non Independent	15,75,000	17,75,000	-11.27	2:1
4.	Mr. Paul Heinz Hugentobler	Non -Executive Non Independent	1,38,55,499	1,29,54,786	6.95	16:1
5.	Mrs. Deepa Gopalan Wadhwa	Non -Executive Independent	18,25,000	19,00,000	-3.95	2:1
6.	Mr. Ashok Sinha	Non -Executive Independent	17,50,000	18,25,000	-4.11	2:1
7.	Mr. Saurabh Chandra	Non -Executive Independent	19,00,000	19,75,000	-3.80	2:1
8.	Mr. Satish Kumar Kalra	Non -Executive Independent	16,75,000	16,00,000	4.69	2:1
9.	Mr. Mudit Aggarwal	Non -Executive Independent	17,75,000	16,50,000	7.58	2:1
10.	Mr. Ajay Narayan Jha	Non -Executive Independent	18,00,000	17,50,000	2.86	2:1
11.	Dr. Nidhipati Singhania	Non- Executive Non Independent	22,25,000	23,00,000	-3.26	3:1

### 13.3 Human Resources and Industrial Relations

Our Company has structured induction process at all locations. Objective appraisal systems based on Key Result Areas (KRAs) are in place for Senior Management Personnel. Our HR is effectively involved in nurturing, enhancing and retaining talent through job satisfaction, management development programme etc.

### 14. Significant and Material Order Passed by the Regulator(s) or Court(s)/ Matter of Emphasis Impacting the Going Concern Status and our Company's Operations in Future

The Competition Commission of India (CCI) vide its order dated 31.8.2016, imposed a penalty of ₹12,854 Lacs on the Company. The Appeal was heard whereupon National Company Law Appellate

Tribunal (NCLAT) vide order dated 25.7.2018 upheld CCI's order. The Company has filed statutory appeal before the Hon'ble Supreme Court, which vide its order dated 5.10.2018 has admitted the appeal and directed that the interim order of stay passed by the Tribunal in this matter will continue for the time being. The Company, backed by legal opinion, believes that it has a good case and accordingly no provision has been made in the Audited Annual Report of 2022-23

In a separate matter, CCI imposed penalty of ₹928 Lacs vide order dated 19.1.2017 for alleged contravention of provision of Competition Act, 2002 by the Company. On Company's appeal, NCLAT has stayed the operation of CCI's order. The matter is pending for hearing before NCLAT. Based on Legal opinion, the Company believes that it has a good case and accordingly, no provision has been made in the Audited Annual Report

Members' attention is drawn to the statement on contingent liabilities in the notes forming part of the Financial Statements.

## 15. Corporate Governance

A report on Corporate Governance along with the Practicing Company Secretary's Certificate on its compliance, forms an integral part of this Report.

## 16. Public Deposits

Your Company has not invited any deposits from public/ shareholders under Section 73 and 74 of the Companies Act, 2013.

## 17. Whistle Blower Policy/Vigil Mechanism

The Company has a Whistle Blower Policy to report genuine concerns or grievances, if any. The Whistle Blower Policy has been posted on the website of the Company.

## 18. Mitigation of Risk

The Company has been addressing various risks impacting the Company including details of significant changes in key financial ratios which is more fully provided in annexed Management Discussion and Analysis. As per the Listing Regulation Risk Management Committee for enforcing Risk Management Policy is in place.

## 19. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:

Your Company hedges its foreign currency exposure in respect of its imports and export receivables as per its laid down policies. Your Company uses a mix of various derivatives instruments like forward covers, currency swaps, interest rates swaps or a mix of all. Your Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular No. SEBI/HO/ CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> November, 2018.

## 20. Remuneration Policy

The Board of Directors and Nomination and Remuneration Committee follows a policy concerning remuneration of Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The Policy also covers criteria for selection and appointment of Board Members and Senior Management Personnel and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

## 21. Related Party Transactions

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly



basis, specifying the nature, value and terms and conditions of the transactions. The Independent Directors approves Related Party Transactions. The statement is supported by the certificate from the MD and the DMD & CFO. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [www.jkcement.com](http://www.jkcement.com).

## 22. Auditors' Report

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India. The financial statements have been prepared on historical cost basis (except items disclosed in significant accounting policies). The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31<sup>st</sup> March, 2023. Auditors' Report to the shareholders does not contain any qualification in the standalone or in the consolidated financial statements for the year under report. However, Auditors have drawn attention of shareholders on penalty imposed by Competition Commission of India (CCI), the matter is adequately covered in Para 15 above and to be read along with notes on accounts.

## 23. Internal Financial Controls and its Adequacy

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of Frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. It also reviews the quarterly Internal Audit Reports.

## 24. Directors and Key Managerial Personnel

### 24.1 Appointments

- a. In accordance with the provisions of Section 152 of Companies Act, 2013 and the Company's Articles of Association, **Mrs. Sushila Devi Singhania (DIN:00142549)** will retire by rotation

at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

- b. **Mr. Paul Heinz Hugentobler (DIN 00452691)** will attain the age of 75 (Seventy Five) years on 14<sup>th</sup> February, 2024, therefore, his continuance of office after attaining the age of 75 years would require approval of the Members by way of Special Resolution at the ensuing Annual General Meeting
- c. **Mrs. Deepa Gopalan Wadhwa (DIN 07862942)** was appointed as an Independent Director at the 25<sup>th</sup> Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from November 3, 2018, till November 2, 2023, and she is eligible for reappointment for the second term of 5 years that is from November 3, 2023, till November 2, 2028 would require approval of the Members by way of Special Resolution at the ensuing annual general meeting.
- d. **Mr. Ashok Sinha (DIN 00070477)** was appointed as an Independent Director at the 25<sup>th</sup> Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029. Mr. Ashok Sinha will attain the age of 75 (Seventy Five) years on 15<sup>th</sup> February, 2027, therefore, his continuance of office after attaining the age of 75 years and would require approval of the Members by way of Special Resolution at the ensuing annual general meeting.
- e. **Mr. Saurabh Chandra (DIN 02726077)** Mr. Saurabh Chandra, was appointed as an Independent Director at the 25<sup>th</sup> Annual General Meeting held on August 3, 2019, for a period of 5 years with effect from May 18, 2019, till May 17, 2024, and he is eligible for reappointment for the second term of 5 years that is from May 18, 2024, till May 17, 2029 and would require approval of the Members by way of Special Resolution at the ensuing annual general meeting.
- f. **Mr. Ashok Kumar Sharma (DIN: 00057771)** aged 71, is a practicing Chartered Accountant and having more than 46 years of experience in the field of audit, taxation, accounts and finance appointed as Non-Executive, Independent Director of the Company w.e.f 01.04.2023.



All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulation

## 24.2 Cessations

Dr. Krishna Behari Agarwal (DIN: 00339934) has resigned as an Independent Director of the Company w.e.f. 31<sup>st</sup> March, 2023 due to his advanced age and related health issues.

## 24.3 Key Managerial Personnel

During the year under report, following Officials acted as Key Managerial Personnel:-

SN	Name of the Official	Designation
1.	Dr. Raghavpat Singhania	Managing Director
2.	Mr. Madhavkrishna Singhania	Dy. Managing Director & Chief Executive Officer.
3.	Mr. Ajay Kumar Saraogi	Dy. Managing Director & CFO
4.	Mr. Shambhu Singh	Company Secretary

## 25. Meetings of the Board of Directors

During the year 2022-23, 4(Four) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings were within the period prescribed under the Companies Act, 2013.

## 26. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of its Independent Directors and the Independent Directors also evaluated the performance of Non- Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process. The Board of Directors also evaluated the functioning/performance of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, CSR Committee, Committee of Directors and expressed satisfaction with their functioning/performance.

## 27. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors to the best of their knowledge and ability confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii) The Directors have selected such accounting policies, judgments and estimates that are reasonable and prudent and applied them consistently, so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2023, and of the statement of Profit and Loss and cash flow of the Company for the period ended 31<sup>st</sup> March, 2023;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on an ongoing concern basis;
- v) Proper internal financial controls to be followed by the Company has been laid down and that such internal financial controls are adequate and were operating effectively and
- vi) Proper systems to ensure compliance with the provisions of all applicable laws has been devised and that such systems were adequate and operating effectively.

## 28. Statutory Auditor

M/s. S.R. Batliboi & Co. LLP., Chartered Accountants (ICAI Firm Registration No. 301003E/E300005) were re appointed as Statutory Auditors by the members of the Company at the 28<sup>th</sup> Annual General Meeting held on August 13, 2022, for a period of five years till the conclusion of the 33<sup>rd</sup> Annual General Meeting.

## 29. Cost Auditor

Pursuant to section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee, appointed M/s K.G. Goyal & Company Cost Accountants as the Cost Auditors of the company for the Financial Year 2023-24 and has recommended their remuneration to the Shareholders for ratification at the ensuing Annual General Meeting. M/s K.G. Goyal & Company have



confirmed that their appointment is within the limits of the Section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report for the financial year 2022-23 is being filed with Ministry of Corporate Affairs.

### 30. Secretarial Audit

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Reena Jakhodia & Associates, Kanpur, Company Secretaries in Practice, as the Secretarial Auditor for conducting Secretarial Audit of the Company for the Financial Year ended March 31, 2023. The report of the Secretarial Auditor is attached as Annexure A. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except as detailed in MR-3 annexed to this Report. The Company is in compliance with the Secretarial Standards, specified by the Institute of Company Secretaries of India ('ICSI').

### 31. Reporting of Fraud

The Auditors of the Company have not reported any fraud committed to the Company as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud on the Company has been reported to the Management from any other sources.

### 32. Compliance With Secretarial Standards on Board and Annual General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

### 33. Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. The Company assists in running of Schools at their Cement Plants, ITIs and Sir Padampat Singhania University, Udaipur imparting specialized value based education to students. Also, the Company played a

constructive role in the infrastructural development of surrounding areas. During the period under report, the Company undertook various activities e.g. Art, Culture, Community Welfare, Drinking Water, Sanitation, Education, Health, Rural Development, Eradicating Hunger/Poverty. The Annual Report on CSR activities is annexed herewith as Annexure B.

## 34. Statutory Information

### 34.1 Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

Particulars with regard to conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo in accordance with the provisions of Section 134 (3)(m) of the Companies Act 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014 in respect of Cement plants are annexed hereto as Annexure C and form part of the Report.

### 34.2 Annual Return

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: <https://www.jkcement.com/investors//annualreturns>

### 34.3 Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report for the year ended 31<sup>st</sup> March, 2023 as stipulated under regulation 34 of the Listing Regulations is annexed as Annexure D and forms part of the Annual Report.

### 34.4 Management Discussion & Analysis (MDA) Statement

The MDA as required under Listing Regulation is annexed hereto and forms an integral part of this Report

## 35. Transfer to Investor Education and Protection Fund

During and pertaining to the year, the Company has transferred a sum of ₹13,98,060/- which represents unclaimed dividend and Equity Shares (held by Shareholders) which represents unclaimed shares were due for transfer has been transferred after the close of financial year to the Investor Education and



Protection Fund in compliance with provisions of the Companies Act, 2013.

### **36. Disclosures Under the Companies Act, 2013 and Listing Regulations**

#### **36.1 Policy on Sexual Harassment of Women at Workplace:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. All employees (permanent contractual, temporary, trainees) are covered under the said policy. Internal Complaints Committees have also been set up at various location to redress complaints received on sexual harassment. During the financial year under review, the Company has not received any complaint of sexual harassment from any of the women employees of the Company.

#### **37.1 Independent Directors**

The Company's Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct. The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, people management, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services, investments, mining & mineral industries and E-marketing; and they hold highest standards of integrity. Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150

of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The IICA is yet to commence the online proficiency self-assessment test and hence, the said online proficiency self-assessment test has been undertaken by the Independent Directors of the Company and qualified..

#### **37.2 Familiarisation Programme for Independent Directors**

The familiarization program aims to provide Independent Directors with the cement industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarisation program also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

### **38. Equal Opportunity by Employer**

The Company has always provided a congenial atmosphere for work to all employees that is free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all irrespective of their caste, religion, color, marital status and sex.

### **39. Cautionary Statement**

Statements in the Directors Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic



development of the country, and other factors which are material to the business operations of the Company.

#### 40. Other Disclosure

No disclosure or reporting is made with respect to the following items, as there were no transactions during the year under review:

- Details relating to deposits that are covered under Chapter V of the Act
- The issue of equity shares with differential rights as to dividend, voting or otherwise
- The issue of shares to the employees of the Company under any scheme (sweat equity or stock options)
- There is no change in the Share Capital / Debt Structure during the year under review
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees

- Managing Director, Dy. Managing Director & CEO and Dy. Managing Director & CFO has not received any remuneration or commission from any of its subsidiaries
- There was no revision in the financial statements
- There was no change in the nature of business
- There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report

#### 41. Acknowledgements

Your Directors wish to place on record their appreciation for the valuable support received by your Company from Banks, Govt. of Rajasthan, Govt. of Karnataka, Govt. of Haryana, Government of Madhya Pradesh, Govt. of Uttar Pradesh, Central Govt. and Government of Fujairah. The Board thanks the employees at all levels for their dedication, commitment and hard work put in by them for Company's achievements. Your Directors are grateful to the Shareholders/ Stakeholders for their confidence and faith reposed in Board.

For J.K. Cement Ltd.

Place: New Delhi  
Date: 27.05.2023

**Dr. Raghavpat Singhania**  
Managing Director  
DIN: 02426556

**Madhavkrishna Singhania**  
Dy. Managing Director & CEO  
DIN: 07022433

## FORM AOC-1

### Statement containing salient features of the financial statement of Subsidiaries or associate companies or Joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees lacs, unless otherwise stated)

Sl. No.	Particulars	Details					
1.	Name of the Subsidiary	J. K. Cement (Fujairah) FZC (Wholly Owned Subsidiary)	J. K. Cement Works (Fujairah) FZC (Step Down Subsidiary)	J. K. White Cement (Africa) Limited (Step Down Subsidiary)	Jaykaycem Central Limited (Wholly Owned Subsidiary)	JK Maxx Paint Limited (erstwhile JK Paints and Coatings Limited) (Wholly Owned Subsidiary)	Acro Paints Limited (Step Down Subsidiary)
2.	The date since when subsidiary was acquired	Incorporated	Incorporated	Incorporated	Incorporated	Incorporated	06-01-2023
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023	31-03-2023
4.	* Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED	AED	TSH	RS.	RS.	RS.
5.	Share capital	98,503.68	19,958.39	176.96	4659.11	28,540.00	93.70
6.	Reserves & surplus	43,039.68	(73,200.92)	(826.93)	1,13,648.59	(909.78)	3,103.53
7.	Total Assets	88,657.97	1,09,119.21	911.80	3,17,732.08	27,949.14	5,176.74
8.	Total Liabilities	33,193.97	1,62,361.74	1,561.77	1,99,424.38	318.92	1,979.51
9.	Investments	80,677.83	212.03	-	-	-	-
10.	Turnover	-	40,463.31	3,892.13	33,002.84	-	2,130.23
11.	Profit/(loss) Before Taxation	422.92	(7,247.22)	(402.44)	(8,235.90)	(1,208.45)	125.11
12.	Provision for Taxation	-	-	19.03	(2,266.50)	(301.28)	(1.66)
13.	Profit/(loss) after Taxation	422.92	(7,247.22)	(421.47)	(5,969.40)	(907.17)	126.77
14.	Proposed Dividend	-	-	-	-	-	-
15.	Extent of shareholding (in percentage)	100.00	90.00	100.00	100.00	100.00	60.00

#### Notes:

- All subsidiaries are already in operations
- No subsidiaries have been liquidated or sold during the year.

\* Closing exchange rate adopted for consolidation: 1 AED = ₹22.3872 and 1 TSH = ₹0.0353919

\*Average exchange rate adopted for consolidation: 1 AED = ₹21.8737 and 1 TSH = ₹0.0346610



## Part "B": Associate Company and Joint Venture - Nil

For and on behalf of the Board of Directors of  
J. K. Cement Limited

**A.K. SARAOGI**

Dy Managing Director and CFO  
DIN: 00130805

**DR. RAGHAVPAT SINGHANIA**

Managing Director  
DIN: 02426556

Place : New Delhi  
Dated : 27 May 2023

**SHAMBHU SINGH**

Company Secretary  
Membership No: F5836

**MADHAVKRISHNA SINGHANIA**

Dy Managing Director and CEO  
DIN: 07022433

## Annexure-A

### Secretarial Audit Report

For The Financial Year Ended 31st March, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
J. K. Cement Limited,  
Kamla Tower,  
Kanpur.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **J.K. Cement Limited CIN: L17229UP1994PLC017199 ("the Company")** having its registered office at Kamla Tower, Kanpur, U.P. and manufacturing units at (i) Kailash Nagar, Nimbahera, Dist. Chittorgarh, Rajasthan, (ii) Mangrol, Dist. Chittorgarh, Rajasthan, (iii) Gotan, Dist. Nagaur, Rajasthan, (iv) Muddapur, Dist. Bagalkot, Karnataka, (v) Jharli, Dist. Jhajjar, Haryana, (vi) Village: Rupand, Tensil- Badwara, Dist. Katni, M.P. (vii) Aligarh U.P. (viii) Balasinor, Gujarat etc. Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2023**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2023** according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External commercial Borrowings.,
- v. Secretarial Standards as prescribed by Institute of Company Secretaries of India.
- vi. The following Regulations and Guidelines with amendments thereto prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and amendments from time to time;
  - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and amendments from time to time;
  - f) The Competition Act, 2002 and Rules/Regulations framed thereunder;
- vii. Following other laws are applicable specifically to the Company
  - a) Factories Act, 1948;
  - b) Industries (Development & Regulation) Act, 1951;
  - c) Laws prescribed related to mining activities;
  - d) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;
  - e) Laws prescribed under prevention and control of pollution;





- f) Laws prescribed under Environmental protection;
- g) Laws prescribed under Direct Tax and Indirect Tax;
- h) Land Revenue laws of respective States;
- i) Labour Welfare Laws of respective states;
- j) Local laws as applicable to various offices, plants, grinding stations/Units and bulk cement terminals.
- k) Ammonium Nitrate Rules 2012
- l) Explosive Rules 2008
- m) Mines Act, 1952 read with Mines Rules, 1955
- n) Cement Cess Rule, 1993
- o) Cement (Quality Control) Order, 2003.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The applicable provisions of SEBI (LODR) Regulations 2015 for listing of Company's shares with the Bombay Stock Exchange and National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned here in above. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for Compliances under other Act, Laws and Regulations to the Company.

A Compliance Management Software is in place to track timely Compliance of applicable legislation in the Company. The Internal Audit Team is monitoring and submitting its quarterly Compliance reports before the Audit Committee

We further report that during the year under report, following events/actions had major bearing on the Company's affairs in pursuance to the above referred laws, rules, regulations, guidelines, standards etc.:-

- 1. During the audit period, the Company has issued and Listed 10,000 in numbers of rated, listed, secured, Redeemable, Non-cumulative, 7.90% interest bearing Non-convertible Debentures of face value

of ₹1,00,000 each payable quarterly on a Private Placement basis and the Company has taken all the necessary approvals and duly complied with applicable laws, rules, regulations and guidelines, with respect to the said issuance.

- 2. The Company has incorporated its wholly owned subsidiary viz. JK Paints and Coatings Ltd. on 13.4.2022 for entering into Paint Business. Subsequently JK Paints has acquired 60% equity in Acro Paints Ltd an existing established Paint Company. Hence, Acro Paints Ltd became step down subsidiary of your Company.
- 3. The wholly owned subsidiary Company M/s. Jaykaycem (Central) Limited has filed an application for its Amalgamation with the Company before Hon'ble National Company Law Tribunal (NCLT), Allahabad. The NCLT has passed an Order on 02.03.2023, formal Certified Copy of which is still awaited. After receiving the order, the same would be filed with MCA/ROC and then the merger will become effective.
- 4. Proceedings related to Competition Commission of India (CCI) matter is still pending.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

For: Reena Jakhodia & Associates  
Company Secretaries

**(Reena Jakhodia)**

Proprietor

Membership No: F6435

C.P. No.: 6083

Place: Kanpur

Date: 19.05.2023

UDIN: F006435E000336281

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## 'Annexure A'

To,  
The Members,  
J. K. Cement Limited,  
Kamla Tower,  
Kanpur.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company.  
Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For: Reena Jakhodia & Associates  
Company Secretaries

**(Reena Jakhodia)**

Proprietor

Membership No: F6435

C.P. No.: 6083

UDIN: F006435E000336281

Place: Kanpur  
Date: 19.05.2023



## Annexure-B

### The Annual Report on Corporate Social Responsibility (CSR)

[As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time]

1. Brief outline on CSR Policy of the Company: The CSR Policy was approved by the Board of Directors at its Meeting held on 1<sup>st</sup> November, 2014 and has been uploaded on the Company's website. The web link is [https://www.jkcement.com/frontTheme/pdf/csr\\_policy\\_of\\_jk\\_cement\\_ltd\\_20.11.14.pdf](https://www.jkcement.com/frontTheme/pdf/csr_policy_of_jk_cement_ltd_20.11.14.pdf) The Company undertook activities relating to rural development, community welfare, disaster relief, education promotion, environmental sustainability, eradicating hunger, poverty and malnutrition, healthcare and sanitation, drinking water, sports promotion.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Deepa Gopalan Wadhwa (Chairperson)	Non- Executive, Independent Director	2	2
2	Mrs. Sushila Devi Singhania	Non- Executive, Non- Independent Director	2	NIL
3	Dr. K.B. Agarwal (till 31.03.2023)	Non- Executive, Independent Director	2	2
4	Mr. Mudit Aggarwal	Non- Executive, Independent Director	2	2
5	Mr. Ajay Narayan Jha	Non- Executive, Independent Director	2	2

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.  
<https://www.jkcement.com/corporate-governance>  
<https://www.jkcement.com/policies>  
<https://www.jkcement.com/csr>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.  
 Provisions of Rule 8(3) of the Companies (CSR Policy) Rules 2014 in respect of impact assessment is not applicable for this financial year
5. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹1058,98,88,000/-  
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135.: ₹211797000/-  
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL  
 (d) Amount required to be set-off for the financial year, if any: Nil  
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹21,17,97,000/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹26,83,42,474.00  
 (b) Amount spent in Administrative Overheads.: Nil  
 (c) Amount spent on Impact Assessment, if applicable.: Not Applicable  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹26,83,42,474.00

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
26,82,17,474.00	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	21,17,97,000.00
(ii)	Total amount spent for the Financial Year	26,83,42,474.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	5,65,45,474
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	5,65,45,474

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6	7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)      Date of Transfer		
1	FY-1	NIL					
2	FY-2	NIL					
3	FY-3	NIL					

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NO

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
					CSR Registration Number, if applicable      Name      Registered address
	NIL				

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135. N.A.

**Dr. Raghavpat Singhania**

Managing Director  
DIN: 02426556

**Deepa Gopalan Wadhwa**

Chairperson, CSR Committee  
DIN: 07862942

Place: New Delhi  
Date: 27<sup>th</sup> May, 2023



## Annexure-C

**Particulars of Energy Conservation , Technology Absorbtion , Foreign Exchange Earnings and Outgo Required Under Companies (Accounts) Rules 2014 Pursuant to seciton 134(3)(m) of the Companies Act,2013 read with Rule 8(3) of the Companies(Accounts) Rules,2014**

### A) Energy Conservation

Sustainable Development and continuous improvement of Key Performance Indicators are of prime importance for the Company. Energy reduction in every field is the need of time to sustain business in the current scenerio of each & every industry including Cement. Major contribution towards cost of manufactured cement is the Electrical energy and Thermal energy consumption, so for J K Cement main focus to reduce cost of production is the conservation of electrical & thermal energy .

During the year 2022-23, various efforts have been done to reduce the consumption of electrical & thermal energy for the production of cement by our different manufacturing units .These energy conservation measures during 2022-23 has resulted in reduction of power consumption by 330 lacs kwh, equivalent to 3148 MTOE.

In an additional new technology absorption which are Solar power plant & AFR systems etc. resulted in reduced the fossil energy consumption of 7621 lacs KWH equivalent to 66025 MTOE during the year with a total Investment of ₹2075 lacs

The overall energy saving projects are classified into the listed categories:-

- Process optimization with nil investment
- Installation of energy efficient equipments
- Implementing in house kaizens & modifications
- Downsizing of existing equipments
- Improving Production & Operational effieciency.
- R&D Activities and Adopting new Technology.
- VFD installation in fans

#### Process optimization

By the optimization of various process parameters , interlockings , logics etc. , many savings were achieved. Monitoring of Production process and Analysis of data is very important for energy conservation.By various process optimizations

saving of ₹1068.82 lacs achieved with reducion of 185.70 lacs KWH of electricity equivalent to 1600 MTOE with expenditure of ₹109.92 lacs only.Most of the optimizations are done with minimal investment.

#### Installation of Energy Efficient Equipments

Replacement of low efficiency motors by high efficiency motors , replacement of high power consumption lamps by energy saving LED lamps and other energy efficient equipments of the latest technology were installed to improve the electrical efficiency of the system. By these steps saving of 59.38 lacs KWH equivalent to 672 MTOE and ₹271.40 lacs with the expenditure of ₹143.96 lacs. Achieved benefits are comparitavely less due to completion of some of the major projects in the last quarter of FY 22-23.

#### Implementing In-house kaizens & modifications

Small steps of energy savings like kaizen in various section of Production & Process is a big tool for energy conservation. Such small modifications resulted in savings of 18.42 lacs KWH equal to 158 MTOE and ₹120.82 lacs of electricity with ₹12.30 lacs investment only.

#### Downsizing of the existing equipments

Utilization of optimum loading on motors with respect to existing lower loading and rated KW, various motors were replaced by lower KW ratings resuting in Improvement in loading factor and efficiency. Such steps in total resulted in savings of ₹3.32 lacs by reducing 0.5 lacs KWH of electricity with an investment of 2.96 Lacs INR.

#### Improvement in Production & Operational Efficiency

Improvement in the Production rate index of Kilns with optimization of process & operational parameters in which savings in terms of rupees as well as effieciency of the system are achieved. Through improvement in output & operational efficiency , company has saved ₹463.50 lacs by



reducing 58.26 lacs KWH of electricity equivalent to 646 MTOE with a total investment of ₹13.84 Lacs.

#### VFD installation in fans

Replacement of existing drive system by VFD installation in fans has resulted in savings 7.73 lacs kwh and ₹50.27 lacs of electricity with expenditure of ₹16.8 lacs only.

#### Savings are as under:-

Detail of Energy Conservation Savings are as under:-

	Saving (KWH) in lacs	Saving (MTOE)	Saving (₹In lacs)
Installation of Energy Efficient Equipment	59.38	672	271.40
In house small modifications	18.42	158	120.82
VFD Installation	7.74	66	50.27
Improving production & operational efficiency	58.26	646	463.50
Downsizing of the existing equipment	0.50	4	3.32
Process optimization	185.70	1600	1068.82
	<b>330.00</b>	<b>3146</b>	<b>1978.13</b>

### B) Technology Absorption and R&D Activities

By technology upgradation and R&D activities in the areas of Process Improvement and Energy Management of JK Cement Ltd, in FY 2023-24 ₹12358 lacs has been planned for Technology Absorption & Energy Conservation measures.

#### Major steps in R&D activities are:-

For FY 2022-2023 by R&D activities & Energy saving initiatives, expenditure of ₹2075 Lacs incurred to save ₹8083 Lacs, the description of which is as mentioned below:

- i) CM-3 Classifier Up-gradation & separate Silo feeding arrangement to increase production with less energy consumption achieving saving of 21.15 Lacs KWH equivalent to 678.5 MTOE and ₹148.05 lacs with the expenditure of ₹1022.8 Lacs.
- ii) At Mangrol, absorbed power source from Solar plant of 7 MW to save primary fuel by collaborating with Amplus Solar regarding Solar energy purchase in which solar panel is installed in our plant land and complete installation cost were on Amplus Solar scope. JK Cement are paying per unit price to Amplus Solar against the daily usage, achieving saving of 71 lacs KWH equivalent to 611 MTOE and saving of ₹213 lacs with the zero investment.
- iii) At Mangrol unit, WHR Generation increased by 130.87 Lacs KWH equivalent to 1125.02 MTOE (Generation in year 2021-22 is 182085010 kwh and in year 2022-23 is 195171490 kwh), resulted in the saving of ₹871 Lacs.
- iv) Usage of Alternate fuel i.e. AFR in Line-1 (26841 MT), Line-2 (119765 MT) & Line-3 (144544 MT) by substituting primary fuel resulted in an overall saving of 7397.87 Lacs KWH equivalent to 63610.2 MTOE and ₹6850.46 Lacs with the expenditure of ₹1051.98 Lacs.

### C) Foreign Exchange Earnings and Outgo

Particulars	₹ In lacs
Foreign Exchange earned in terms of actual inflows	442.74
Foreign Exchange outgo in terms of Actual outflows	96,677.42