

## MESSAGE FROM THE MD



# Under-commit and over-deliver

**₹1,320** crore  
EBITDA in FY 2022-23

**4.8** lakh  
CSR beneficiaries

### Dear stakeholders,

The year gone by was yet another reflection of JK Cement's intrinsic strength and resilience to withstand external challenges. We not only managed to deliver robust operational as well as financial performance, but also remained steadfast on commitment to deliver sustainable growth. Amid a sharp increase in raw material costs and pricing pressure, we brought our expanded capacities on stream as planned, continued to make steady progress towards realising our ambitions. In addition, we opened

new windows of opportunities by foraying into the paints business through the inorganic route. We now have a comprehensive portfolio spanning grey cement, white cement (WhitemaxX), value added products like wall putty, gypsum plaster, tile adhesives and grouts, wood finishes and paints.

### Delivering consistent value

For FY 2022-23, we delivered industry-leading volume growth of 16%, driven by strong domestic demand especially from infrastructure and housing construction sectors. Our revenue from operations increased to ₹9,720 crore, up 22% from FY 2021-22. However, operating expenses rose 33% y-o-y, primarily on account of higher energy and logistics costs, which weighed significantly on margins. Although net sales realisations increased marginally, the full impact of higher input prices could not be passed through owing to pricing pressure on the back of intensifying competition. We reported EBITDA of ₹1,320 crore, down 14% while EBITDA margin came in at 13.9% versus 19.6% in the year earlier period. Input prices have started to ease and are likely to stabilise going forward, which should start flowing into the bottom-line from the second quarter. Our Board of Directors recommended a dividend of ₹15 per share, which remains unchanged from the year earlier.

### On the road to sustainable growth

At JKCL, we have set clearly defined sustainability targets across priority areas for 2030. Those priorities are also aligned with the United Nations Sustainable Development Goals

(UN SDGs). We have implemented an internal carbon price and follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The organisation has achieved ~17% decrease in emissions from base year 2020, with ~44% power sourced from green sources. The CDP climate score improved from 'D' in FY 2020-21 to 'B' in FY 2021-22, in the cement category. Additionally, our Muddapur facility has received a GreenCo Platinum Rating, making it India's first integrated cement factory to achieve this.

At JKCL, we are committed to making a positive impact on society through various initiatives in areas like environment, healthcare, education, vocational training, and community development. Our sustainability efforts are centred around care, sensitivity, and responsibility towards the local communities. Through our Corporate Social Responsibility initiatives, we have invested ₹26.8 crore, positively impacting 4.8 lakh beneficiaries. Our 'Sansparsh' programme aims to promote the overall development and economic advancement of the communities in our operational areas. This initiative includes various programmes such as the YPS Education Upliftment Programme, YPS Health & Sanitation Mission, YPS Environment Conservation Plan, YPS Drinking Water Project, and YPS Cattle Breed Improvement Project.

### Fostering an inclusive work environment

We place great importance on diversity, equity, and inclusion. JKCL prioritises the well-being of our workforce and strive to enhance their professional and personal



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skills. Our commitment to employee growth is demonstrated by our consistent achievement of the 'Great place to work' recognition for the fourth consecutive year!

We provide rigorous safety training for our factory workers and emphasise safe driving practices. Safety is a paramount concern for us, and we regularly assess and upgrade our safety measures to prevent accidents. We go beyond compliance with our operation health and safety (OHS) standards. We also have measures in place to prevent OHS emergencies and are prepared to handle any such situations using the 'Suraksha' app, which tracks permits, incidents, and EHS observations.

We utilise the SAP enterprise resource planning (ERP) system to streamline our operations and exchange information efficiently. This system enables us to record and access real-time data on accounting, procurement, supply chain, compliance, and other vital aspects of the business.

### All-round growth ahead

As we look ahead, I am confident in our growth potential. By reducing reliance on inorganic means, we are poised to leverage our internal strengths and optimise our resources effectively. This approach aligns perfectly with our track record of

under committing and overachieving, which has consistently generated value for our stakeholders. Lastly, I would like to emphasise our unwavering commitment to maintaining an investor-friendly approach. We greatly value the trust and support of our shareholders, and we remain dedicated to delivering to creating long-term value for all our stakeholders.

Thank you for your continued confidence in our Company. Together, we will forge ahead, setting new benchmarks and achieving even greater success.

With best wishes,

**Dr. Raghavpat Singhania**  
Managing Director