



CMD'S Message

“Out of suffering have emerged the strongest souls; the most massive characters are seared with scars.”

— Kahlil Gibran —

Dear Stakeholders,

Humanity across the globe is facing a situation which has no precedent in living history for any of us. We all respond to situation based on our experiences of past but in a situation where there is no precedent available in the living history; drawing inspirations from ancient wisdom can possibly lead us to that ray of hope or light at the end of the tunnel. As we pass through these most turbulent, uncertain, volatile phase in our living history; 'Resilience', 'Responsiveness' and 'Reliability' are three key words that come closest to what our scriptures point to for determining the future of humanity.

Resilience

सत्त्वं सखे सञ्जयद्वत रजुः कमुद्वि भारत ।

ज्ञानमावृत्य त प्रमादे सञ्जयत्य त ॥

Srimad Bhagavad Gita Verse 14.9

A person who is of stable wisdom and is detached; is also a person full of hope, is self aware, is adaptable; and hence is 'Resilient'.

While the traits are relevant from the individual's point of view; the process has more significance if the societies, countries, and humanity at large have to bounce back in face of extreme adversity, trauma, tragedy or significant stress.

The last quarter of FY 20 gave some hints; some indications of how the future is likely to unfold in the coming quarters but with our living history or memories offering very little perspectives into the unfolding future; many countries were caught completely unaware and India was no such exception. As the first quarter of FY21 ended, the impact of the pandemic was felt across all Indian economic sectors and the GDP dipped 23.9% y/y, recording the first GDP contraction in more than 40 years. Barring a few exceptions, the contraction impacted almost every sector in the economy including construction. Even though the economic growth forecasts changed almost on daily basis; most of the sectors of the economy barring a few which were dependent on movement of people or social interactions, strongly bounced back in the subsequent quarters. The cement sector against the fears of demand contracting by as much as 15 to 20 % over FY 20 could recover gradually from third quarter to end with a degrowth of only about 7% when the year ended. Towards the last quarter of the financial year the cement demand was almost close to the historical high seen in the FY 19.

It gives me a great sense of encouragement and satisfaction both that all our stakeholders including employees, suppliers, dealers, customers etc. have shown strong resolve as well as resilience in this hour of difficulty. Plant operations despite being shut for more than a month during the lockdowns, markets being fully or partially closed during first half of the year; and labor returning back to their native places during the pandemic; our overall

production and sales have shown positive growth during the year. Against all odds during the year our volumes grew by 8% and PAT increased by over 55%. These results amply illustrate our inherent resilience and capability to bounce back.

Responsiveness

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।

मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥४७॥

Srimad Bhagavad Gita Verse 2.47

The holy scripture defines 'Responsiveness' as being 'Responsible'; the one who puts duty ahead of rights over the fruit of action. The global pandemic has just taught this lesson to all of us and it is indeed heartening to note that corporate India has put larger human values ahead of everything else and have acted resolutely.

If it was following of safety protocols in the operations, distribution, and supply chains; distributing food, providing shelter to migrating work force, making advance payment to MSME sectors etc. during the first wave; the response in the second wave is centered around contributing in providing of medical care including beds, oxygen supplies, medicines, ventilators etc. The industry is also taking lead in ensuring that the eligible employees and other stakeholders are supported financially and facilitated for a quicker vaccination.

Coming to your company in particular; it gives me immense sense of satisfaction that in a very quick time we at all levels adopted to the new realities and changed the way of our functioning at all levels. These included adoption of safety protocols, adoption of technology to be in touch with all our stakeholders, creating and providing of digital infrastructure to our people so that they can operate from the safety of their homes without any compromising on operating efficiencies. Even if the situation called for minute to minute micro management at plants, logistics, supply chain etc. then our people were ready and equipped with the will and tools to handle situation so much so that every single truck that was stuck on the road due to sudden announcement of lockdown was traced, tracked, and monitored to the nearest place of safety or till the ultimate destination. The government and administration across the country has also acted with alacrity in handling of the crisis. If these included the Prime Minister addressing to the Nation on multiple occasions, and the Finance Minister announcing multiple fiscal measures and relief packages at the highest level of policy making; it also included managing of micro containment zone at ground level so as to minimize the impact and sufferings caused due to

prolonged lockdowns during the first wave.

The relentless all around efforts in performing the duties have also yielded sweet results. During the initial months of pandemic increased allocation on rural oriented schemes such as MNREGA, PMAY (Rural) and PMGSY helped to sustain rural demand and then towards the second half revival in infrastructure and real estate pulled the demand for cement in desired direction.

Reliability

यतो यतो निश्चरति मनश्चञ्चलमस्थिरम् ।

ततस्ततो नियम्यैतदात्मन्येव वशं नयेत् ॥२६॥

Srimad Bhagavad Gita Verse 6.26

Reliability is commitment of unwavering mind to a cause. Stronger the commitment; higher is the reliability because the committed mind can not be distracted. The current second wave of the pandemic is nearly 3 - 4 times bigger and stronger than the first wave seen last year. Yet though there is more suffering but there is less panic and less disruptions. The society and nations are beginning to learn to live with the pandemic amidst the fears or warnings of third wave which could be even more severe and bigger.

Everyone needs to be more firm and more committed in their resolve to fight the pandemic and not let it take away the action (sense of duty) & swiftness of actions (Resilience and Responsiveness) from us. All countries including India need to relentlessly move ahead with the goal of maximization of vaccine coverage in shortest possible time. It is reassuring to know that the number of vaccines which have been successfully developed and tested are increasing; and also are being found to be effective against new mutants of the virus. It is also heart warming to see our country being at the forefront of vaccination drive; where not only we are vaccinating our own people but are also providing vaccines to other countries under global initiatives such as GAVI and COVAX. The spirit of sharing shall stand in good stead in time to come and the country shall reap rich dividends.

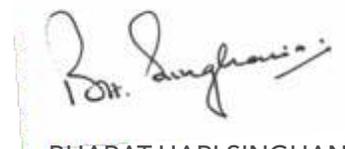
Continuing with this optimistic finale to the year gone by, your company shall selectively invest in augmenting the existing capacities in Northern and Western parts of the markets in next few years to enhance market share. During FY21, progress of expansion of Waste Heat Recovery Project in Jaykaypuram, with an annual capacity of 10 MW got impacted due to pandemic, is now progressing in full swing and the Project is expected to be commissioned by 3rd quarter of FY22. You would be happy to note that your company has recently been awarded two limestone mining blocks - one in Central

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Rajasthan and another in Coastal Gujarat. These blocks have been awarded in a competitive e-bidding process and each of these can support atleast 5 Million MTPA cement capacity for 40 - 50 years. In coming years your company will invest to make progress in operationalisation of these new mining blocks, which shall not only add to competitiveness in existing markets but also help in opening new markets also.

Lastly but not the least; I am extremely thankful for the unwavering commitment that all our stakeholders including the employees and their families have shown during this pandemic. My heart is with all those who have suffered losses during this period including the loss of lives of their near and dear ones. However these calamities have only strengthened our resolve to persue the path of 'Resilient', 'Responsive' and 'Reliable' actions with greater determination for ushering in a brighter future for all of us. We on part of JK Organization are doing our own bit to alleviate the pain and sufferings of the families of those who have suffered the loss of life during the pandemic. Our support to the grieving families shall not only be moral but financial too.

In the end I am concluding my thoughts expressed in this communication with a deep sense of hope for better and brighter present and future. The year gone by presented two pictures which are in sharp contrast. If the cement demand was just above 4 million MT in April 2020 (lowest of cement demand in any month in more than a decade); it was slightly below 33 million MT in March 2021 (second highest of cement demand in any month in the history). While the first reflects a complete economic downhill; the later is a blossoming hope full of promises. With unflinching support of all my stakeholders I firmly stand for hope and brighter future which is also reflected in your company announcing 75% dividend for the year gone by.



BHARAT HARI SINGHANIA
Chairman & Managing Director

