

## JK LAKSHMI CEMENT LIMITED

### Transcript of 84<sup>th</sup> Annual General Meeting held through Video Conferencing/Other Audio Visual Means on 23<sup>rd</sup> August 2024 at 2:30 P.M.

#### Shri Amit Chaurasia, Company Secretary

Dear Members – Very Good Afternoon to all of you. It's 2.30 P.M., time to commence the AGM proceedings. Smt. Vinita Singhania, Chairperson & Managing Director, is present with us and I request her to start the proceedings. Thank you.

#### Welcome Address –Smt. Vinita Singhania, Chairperson and Managing Director (CMD)

Ladies & Gentleman - Good Afternoon to all of you. I extend a very warm welcome to all of you at the 84<sup>th</sup> AGM of your Company. We hope you and your family members are safe and healthy. We also wish the best of health for you and your family members in the future.

In due compliance of the relevant Circulars issued by the Ministry of Corporate Affairs and SEBI, we are holding this AGM through Video Conferencing (VC).

I would like to place on record that all the efforts feasible, have been made by the Company to enable the Members to participate in the AGM, in large numbers and vote on the Items being considered in this meeting for approval of the Members.

Now, I would like to introduce the Directors participating in the AGM. Along with me in the Company's Board Room from New Delhi are Dr. Raghupati Singhania, Chairman of the Stakeholders Relationship Committee and Shri Arun Kumar Shukla, President & Director.

The Independent Directors participating in the meeting through VC are: Shri N.G. Khaitan, Chairman of Audit and Nomination & Remuneration Committee, from Kolkata, Shri Ravi Jhunjhunwala from Noida and Shri Sadhu Ram Bansal, Amb. Bhaswati Mukherjee & Smt. Shwetambara Shardul Shroff Chopra from New Delhi. Smt. Shroff is attending the AGM for the first time.

Brief Profile of Smt. Shroff and other relevant details are available in the Notice of AGM, already circulated to the Members.

Shri Sudhir Bidkar, CFO & Shri Amit Chaurasia, Company Secretary of the Company and Shri Shrivats Singhania, Director & CEO of Udaipur Cement Works Limited, the subsidiary company are also present with me in the Board Room.

I would now request Shri Amit Chaurasia, to confirm that requisite quorum is present. Shri Amit Chaurasia may also brief the Members regarding procedure of e-voting and participation in this meeting.

#### Shri Amit Chaurasia

Thank you, Madam. I confirm that requisite quorum is present through VC and the Meeting is in order.

As mentioned by the Chairperson, this AGM of your Company is being held through Video Conferencing in due compliance of all the Circulars issued by the MCA and the SEBI, through the e-voting services provided by CDSL.



Since this AGM is being held through VC, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members is not available for the AGM. Facility for joining this meeting through VC is made available for the Members for 15 minutes before and after the scheduled time of the commencement of the AGM. As requested in the AGM Notice, we hope that the Members have joined the meeting through Laptops / iPads with high speed wired/Wi-Fi internet connectivity to have smooth experience of interaction during the meeting and also read through the detailed e-voting procedure given therein.

All the Members who have joined this Meeting are placed on mute by the Host to avoid any disturbance arising from the background noise and to ensure smooth conduct of the Meeting. During the meeting, when the Chairperson invites Questions from Members who have registered themselves as Speakers, their names will be announced one by one and the mike will be unmuted by the Host.

We request the Speakers to switch on their video/ audio after a gap of 2 seconds and to keep their speech brief to help us manage the time. In case there is any connectivity issue at the speaker's end, we will request the next Speaker to express views or ask question, if any. Opportunity will be provided to the earlier speaker after all other registered speakers have spoken.

Please note that only those Members who have not casted their votes through remote e-voting which was open from 18<sup>th</sup> August 2024 (10:00 A.M.) to 22<sup>nd</sup> August 2024 (5.00 P.M.), and who are participating in this meeting today, will have an opportunity to cast their votes during the AGM and till 15 minutes after conclusion of the meeting.

I now request Chairperson, to continue the AGM Proceedings.

**Smt. Vinita Singhania**

Thank you, Mr. Chaurasia.

Shri Sunil Wahal, Partner, M/s. S.S. Kothari Mehta & Co. LLP, Chartered Accountants, Company's Statutory Auditors and Shri Ronak Jhuthawat, Company Secretary in practice, who has been appointed as the Scrutiniser for supervising the e-voting process for this AGM and Shri Namu Narain Agarwal, Secretarial Auditor of the Company are present in the Meeting through VC.

In conformity with Sections 170 and 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their Shareholding and the Register of Contracts or Arrangements in which Directors are interested, are available on the website of the Company for inspection by the Members.

The Notice dated 29<sup>th</sup> July 2024 convening the 84th AGM and the Annual Report for Financial Year 2023-24, have already been circulated to the Members on 1st August 2024. I, with the permission of the Members, take them, as read.

Under the Companies Act, 2013, there is no requirement of reading of the Report of M/s. S.S. Kothari Mehta & Co. LLP, Chartered Accountants, Company's Statutory Auditors for the Financial Year ended 31<sup>st</sup> March 2024, as the same does not contain any qualification, observation or comment or other remarks on the financial transactions or matters which have any adverse effect on the functioning of the Company.

Also, there are no qualifications, observations or comments or other remarks in the Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2024 issued by the Secretarial Auditor. Therefore, there is no requirement to read this Report.

Before taking up the items of the Agenda, I would like to share with you my thoughts on the Cement Industry and working of the Company for the Financial Year ended 31<sup>st</sup> March 2024.



## Chairperson's Address

"Dear Valued Members,

Good Afternoon and a warm welcome to the 84<sup>th</sup> Annual General Meeting (AGM) of your Company which is being held through Video Conferencing. I hope you all are safe and healthy. As per direction of Ministry of Corporate Affairs and considering a greater participation of members across globe, we have decided to conduct this AGM virtually.

The past year has witnessed geopolitical shifts, rapid technological projects and evolving global trade policies influence the global economic environment. While advanced economies have displayed varied recovery rates, emerging markets including India have demonstrated robust growth, offering new avenues for expansion and collaboration.

I would like to take a few minutes to brief you about the key highlights of the previous Financial Year and the performance of your Company.

**Cement Industry:** India is the second-largest producer of cement in the world. The installed capacity grew by 61% in FY 22. At present, the installed capacity of cement in India is ~ 640 Million Tonnes Per Annum (MTPA) with a production of ~427 MTPA. The Indian cement industry is likely to add more than 100 MT capacity by FY 26 driven by increased spending on housing and infrastructure activities.

During FY 24, cement demand registered a growth of 9% over the previous FY. During FY 25, the demand growth is expected to moderate to ~6% to 7% on a high base of the previous three fiscals. However, in the next couple of years, the demand growth is projected at ~8% considering better demand prospects, led by infrastructure and housing sectors and increased consolidation in the industry. India's cement production reached 392 MT in FY 23, a growth rate of 8.7% year-on-year (YoY) and grew by 9% in FY 24 driven by infrastructure-led investment and mass residential projects.

### Company's Performance:

I would like to express my appreciation for your Company's performance for FY 24. Despite all the challenges, the capacity utilisation of your Company increased marginally to 81% in Financial Year 24 from 80% in Financial Year 23. Further, our commitment to excellence has been recognized through various accolades and awards, underscoring our unwavering dedication to quality, safety and sustainability.

The Turnover of the Company during FY 24 increased to ₹ 6,384 Crore as against ₹ 6,133 Crore in FY 23. The Company registered an EBIDTA of ₹ 928 Crore as against ₹ 767 Crore in the previous FY, while the Net Profit is at ₹ 425 Crore as against ₹ 330 Crore in the previous FY. The Company's Market Capitalisation crossed ₹ 10,300 Crore during the year. Further, your Company continues to be regarded as one of the least cost producers of cement in the Industry.

### Dividend

Based on the financial performance of the Company and considering future prospects, the Board has proposed a Final dividend of 90% to reward the Members, in addition to an Interim Dividend of 40% already paid during the year, aggregating to a total Dividend payout of 130% for the FY 24.

### Sustainability

Sustainability lies at the heart of your Company's ethos, permeating all aspects of our business operations. We steadfastly afford our commitment to achieve net-zero by 2047. In our pursuit of sustainability, we have actively engaged with global agencies and industry associations. Our sustainability efforts include promoting LNG trucks in logistics operations, achieving a water positivity level of 4X, and targeting a Thermal Substitution Rate of 20% by 2030. Our renewable energy usage reached at 38% in FY 24. The Company aims to meet all 100% electrical energy needs through renewables by 2040.



## **Udaipur Cement Works Ltd.**

During FY 24, Udaipur Cement Works Ltd., Company's subsidiary (UCWL) successfully commissioned its 2<sup>nd</sup> Clinker Line of 1.50 MTPA and Cement Grinding Unit with capacity of 2.50 MTPA, at its integrated Cement Plant in Udaipur, Rajasthan. With this, UCWL's total Clinker Capacity doubled to 3 MTPA and Cement capacity more than doubled from 2.20 MTPA to 4.70 MTPA.

### **Expansions and Acquisitions**

Your Company remains steadfast in its commitment to delivering value to all stakeholders. Setting ambitious targets, we aim to take its capacity to 30 MTPA by 2030. To realize this vision, the Company has strategic plans in place, including both brownfield and greenfield expansion projects. The Company is already in the process of doubling its Cement Capacity at Surat Grinding Unit from 1.35 MTPA to 2.7 MTPA. The Project is expected to be commissioned by March 2025. The Company is also expanding the Clinker Capacity at its integrated Cement Plant at Durg in Chhattisgarh by putting up an Additional Clinker Line of 2.3 Million Tonnes Per Annum & Four Cement Grinding Units aggregating to 4.6 Million Tonnes Per Annum at Durg in Chhattisgarh and also Three Split Location Cement Grinding Units. The Project is expected to be commissioned by March 2027.

Your Company has also acquired 85% stake in Trivikram Consortium which has been granted Mining Rights in Assam having Limestone Reserves of Approx. 335 Million Tonnes. Further, the Consortium will be utilised for setting up a Clinkerization Unit of 1 Million Tonne & Cement Grinding Unit of 1.5 Million Tonne in the First Phase.

### **Composite Scheme of Amalgamation & Arrangement.**

As a part of Company's ongoing efforts to enhance Shareholders' Value, the Board of Directors of your Company have approved a Composite Scheme of Arrangement which provides for Merger of its 3 Subsidiaries including Udaipur Cement Works Ltd into itself. The Consolidation of fragmented Cement capacities into a Single Business Focused Listed Entity is in the overall interest of all the Stakeholders & is expected to result in enhancement in value of Shareholders of JKLC & UCWL.

### **Corporate Social Responsibility**

We believe that our responsibilities extend far beyond the confines of our operational and financial performance.

For upliftment of needy communities, we have initiated various CSR projects like Community Wellness, Naya Savera, Nutritional Support, Improvement of Water & Sanitation access, Water Conservation & Management (Jal Hi Jeevan Hai), Project Vidya, Project Back to School, Project Aajivika for professional growth and there are so many other projects which helps our needy communities to live with self respect and their upliftment. Shripati Singhania Skill Centre launched with aim to provide multiple educational improvement and skilling opportunities Centre for bringing transformational changes in the lives of needy youth.

Through its various need based and high impact CSR projects, the Company has been able to directly impact and bring positive changes in the lives of more than 2.40 Lakh people spread across its business operations. Special focus is being given on women and girl child by running different CSR projects by which approx.. 22000 women have been benefitted during FY 2023-24.

### **Human Resource – “Our People, Our Biggest Strength”**

At JK Lakshmi Cement, our people adeptly embrace dual roles with unwavering focus. They serve as both catalysts for growth and champions of change, driving success by embodying the ethos of our business at its core. The primacy of caring for our people remains a cornerstone of our values. From talent acquisition to retention, training to talent development, we take pride in the indispensable role our workforce plays in driving sustainable growth deep into the very essence of our organisational journey.

### **Acknowledgements**

I would like to extend my heartfelt thanks to our employees, partners, stakeholders for their unwavering support and commitment to our goal. I want to express my appreciation to all our channel partners, business associates,



customers, financial institutions, banks, government agencies, suppliers for their invaluable support and confidence.

Together we have made significant progress and I am confident that we will continue to achieve even greater milestones in the years to come.

Thank you very much for joining us !!!

### **Resolutions, Q&A Session, E-voting, etc.**

**Smt. Vinita Singhania, CMD:** Now, I will read out the items of the business to be conducted at the AGM, as mentioned in the Notice, one by one.

All resolutions have already been put to vote through Remote e-Voting. Therefore, no resolution is required to be proposed or seconded by the Members at the AGM.

Item No. 1: Adoption of : (a) the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 and the Reports of the Board of Directors and Auditors thereon; (b) the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2024 and the Report of the Auditors thereon.

Item No. 2: Declaration of Final Dividend @ ₹ 4.50 per Equity Share (90%) for the Financial Year ended 31<sup>st</sup> March 2024.

Item No. 3: To appoint a director in place of Shri Arun Kumar Shukla, who retires by rotation and being eligible, has offered himself for re-appointment.

Item No. 4: Ratification of remuneration of M/s. R.J. Goel & Co., Cost Accountants, the Cost Auditor of the Company for the Financial Year 2024-25.

Item No. 5: Appointment of Smt. Shwetambara Shardul Shroff Chopra as an Independent Director of the Company for a term of three consecutive years with effect from 1<sup>st</sup> July 2024.

### **Smt. Vinita Singhania, CMD:**

As you are aware, remote e-voting on all the AGM items and Resolutions was open from 18<sup>th</sup> August 2024 (from 10:00 A.M.) to 22<sup>nd</sup> August 2024 up to 5.00 P.M. Therefore, many of the Members may have already casted their votes during above period.

However, those who have not casted their vote through remote e-voting, have the opportunity to vote now at the facility provided through CDSL portal through which you have logged in.

The Scrutiniser will submit a consolidated Scrutiniser's Report on remote e-Voting and e-Voting at the AGM, of the total votes cast in favour or against, if any, not later than three days of conclusion of this Meeting.

I authorize Shri Arun Kumar Shukla, President & Director or in his absence Shri Amit Chaurasia, Company Secretary to declare the final results of e-voting by 26<sup>th</sup> August 2024. The results declared along with the Report of the Scrutiniser shall be posted on the website of the Company and also on the website of CDSL. The results will simultaneously be forwarded to BSE Ltd. and National Stock Exchange of India Ltd. for placing on their websites and shall also be displayed on the Company's Notice Board at the Registered Office and its Administrative Office in New Delhi.

Members may note that voting on the CDSL platform will continue till 15 minutes from conclusion of the AGM.



I now request Mr. Chaurasia, Company Secretary, to announce names of the Speakers who have requested to express their views / ask any question arising out of Annual Accounts/ Reports of the Directors and Auditors thereon. We will respond to the questions at the end, after all the speakers have spoken.

**Shri Amit Chaurasia announced** the names of the six Members, one by one, who had registered themselves as Speakers at the AGM and facilitated the Question and Answer Session.

**Members/Speakers** – Six Members namely, Mr. Santosh Kumar Saraf, Mr. Manoj Kumar Gupta, Mr. Atul Gadodia and Gautam Nandy from Kolkata, Mr. Ankur Chanda from Rohtak and Mr. Abhishek J from Chennai spoke at the Meeting. The Members appreciated the Management on achieving good performance by the Company despite challenges caused by the ongoing global uncertainties, inflationary conditions, etc. They also thanked and appreciated the Management for successfully holding the virtual AGM enabling them to participate in the Meeting without any difficulty, recommendation of Final dividend of 90% in addition to an Interim Dividend of 40% already paid during the year, aggregating to a total Dividend payout of 130% for the FY 24, following best Corporate Governance practices, CSR activities undertaken, awards & accolades received, etc. Further, they expressed their views and sought information, *inter-alia*, on manner of rewarding the Shareholders, plans for stock split, Right Issue, losses incurred by Agrani Cement Private Limited ('Subsidiary Company') during F.Y. 2023-24, Future Capex Plan, manner of cost cutting, ESG Rating, appointment and empowerment of females, adoption of Artificial Intelligence in the Company's operations, etc. Further, the Speaker also sought information relating to impact of union budget 2024-25 on the Company's business, managing intensity of competition after recent consolidation in the cement sector, increase of Company's market share and capacity utilization in the future, use of Renewal Energy, route map of company for next three to four years, etc.

Comments/Queries of the Members were answered by the Management Team, to their satisfaction.

Shri Amit Chaurasia informed that to avail various advantages of Shares held in the electronic form, including receipt of Company's communication and benefits declared in electronic form, the Physical Shareholders are advised to dematerialise their shares. He further informed that in terms of SEBI Circulars, the Company has sent letters to all physical Shareholders for furnishing their KYC details in the prescribed forms. These forms are also available on the Company's website. Pending dematerialisation of Shares, Members who have not submitted such details so far are once again requested to send the same to the Company's RTA at the earliest. It was further informed that in compliance with the above said SEBI Circulars, shareholders holding shares in physical form shall be eligible for payment of dividend (including outstanding dividend payments) only through electronic mode with effect from 1<sup>st</sup> April 2024 and no service request shall be entertained unless their folios are KYC compliant i.e., have furnished their PAN, Address with PIN Code, Bank Account details and Specimen Signatures, etc. It is also advised to update Mobile Number and Nomination Details at the earliest.

Shri Amit Chaurasia requested the host to unmute Dr. S.K. Saxena to propose vote of thanks to the Chair.

Dr. S.K. Saxena proposed vote of thanks to the CMD, President & Director, the other Directors and the Members who have always encouraged us to perform better year after year. Thank you very much.

**Smt. Vinita Singhania, CMD:**

I believe that all the questions of the Members have been replied to their satisfaction. May, I therefore, with your permission, declare the Meeting as closed. The Chairperson thanked all the Shareholders for the interest they are taking in the Company, questions raised in the meeting and for being associated with the Company for a long time.

The Meeting concluded at 3.35 P.M.

