JK SUPER CEMENT
BUILD SAFE

JK Cement LTD.

Phone : +91-512-2371478 to 81
Fax (Office) : +91-512-2399854
Telefax (Direct) : +91-512-2332665
E-mail : shambhu.singh@jkcement.com
Website : www.jkcement.com

Registered Office :
Kamla Tower, Kanpur - 208 001 (U.P.) INDIA

CIN : L17229UP1994PLC017199

ISO 9001:2000 & ISO 14001 CERTIFIED COMPANY

31th July, 2020

BSE Limited Department of Corporate Services 25th Floor, P.J. Towers Dalal Street, MUMBAI-400001 Through BSE Listing Centre	National Stock Exchange of India Limited "Exchange Plaza", Bandra - Kurla Complex Bandra (E), MUMBAI-400051 Through NEAPS

Dear Sir,

Re: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 - Disclosure of material impact of COVID-19 Pandemic 2020

We had vide our Letter dated 23rd March, 2020 informed the Stock Exchanges about the temporary suspension of our operations across locations of our units located in five states on account of the lockdown announced by the State Governments / Central Government after the out-break of COVID-19 Pandemic. Thereafter, we have vide our letters dated 17th and 24th April, 2020 informed the Stock Exchanges about the resuming of operations in a phased manner in compliance with the guidelines issued by the various State / District Administrations. Subsequent thereto, we on 17.6.20 had made detailed disclosures on the impact of COVID-19 Pandemic to the Stock Exchanges besides note in our Quarterly/Yearly Results declared on 17th June, 2020. We would now like to make following additional disclosures with reference to the aforesaid SEBI Circular:

1. Impact of the COVID-19 pandemic on the business

As already informed, Company operations were suspended at all the locations in line with the Government directives of nation-wide lockdown. The operations at various plants were restarted from April'2020 in a phased manner by adopting safety measures in compliance of Standard Operating Procedures (SOPs) advised by Central/State Government & the Local Administration. However, this had an adverse impact on the Revenues of the Company.

Further, we wish to inform that **Grey Cement** Sales volumes picked up gradually. However, there was a drop of around 20% in the Sales volumes during Q1FY21 as compared to Q1FY20.

In case of **White Cement** business, recovery is slow resulting around 50% drop in the Sales volumes during the Q1FY21 as against same quarter of last year.

2. Ability to maintain operations including the factories/units/office, Schedule for Restarting of Operations and Steps taken to ensure smooth functioning

The business continuity was considered at the utmost priority with the safety and security of the plants and manpower during the lockdown period so as to ensure smooth restart of operations at the short notice. The Company took pro-active steps to develop awareness about sanitization,

J. K. CEMENT LIMITED KANPUR

social distancing, thermal screening, wearing masks and other advisories issued by the Government during the lockdown by preparing SOPs. To ensure safety of employees, Company had enabled Work from home for its employees and ensure seamless transition to the new ways of working with business continuity. Company management has been in continuous engagement with them. Core teams have been formulated across the plants to respond the rapidly changing scenario. Similarly, commercial teams have been formed to communicate with the channel partners and business associates through digital platform.

The Company has taken up various CSR initiatives by way of distribution of face mask, sanitizers, grocery items and food packets in coordination with the local administration. Company Employees have donated one day salary amounting to Rs. 57.03 Lacs to PM Cares Fund.

The Company has resumed operations at its various plants gradually with the Government approval and following the guidelines of Ministry of Home Affairs, Government of India with close monitoring/ implementation of directives / guidelines issued by regulatory bodies from time to time.

3. Estimation of the future impact of COVID-19 on its operations

It is difficult to assess the future impact of COVID -19 on the operations due to its rapid changing scenario. However, looking to better than expected outcome of previous quarter, Company management is confident to overcome the crisis based on strong financials, established brands, long standing relationship with suppliers, channel partners and employees.

4. Impact of COVID-19 Pandemic on the Company's capital and financial resources, profitability. Liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products/services

The Company's Capital and Financial resources remain entirely protected inspite of adverse impact on its sales. Lower sales would impact the profitablilty of the Company in the current financial year. There has been continuous review of the cash flow position with reduction in outstanding amount. Further, inventories of all the input materials, semi finished foods and cement at all the locations and in ward/ outward movement of materials have been closely monitored.

The Company has a liquidity of around Rs. 1000 crores. The Company further raised Rs. 250 Crores by issuing 2500 Nos of Secured, irredeemable, listed Non Convertible Debebtures (NCDs) of Rs. 10 Lakhs each to Banks/Mutual Funds. The said NCDs have been listed with wholesale debt market segment of BSE Ltd. The present Cash balance is to the tune of Rs. 1250 crores which is sufficient to meet Company's obligations and any unforeseen eventuality in future.

Shambhu Singh

J.K. CEMENT LIMITED KANPUR

Phone : +91-512-2371478 to 81
Fax (Office) : +91-512-2399854
Telefax (Direct) : +91-512-2332665
E-mail : shambhu.singh@jkcement.com
Website : www.jkcement.com

Registered Office :
Kamla Tower, Kanpur - 208 001 (U.P.) INDIA

CIN : L17229UP1994PLC017199

Conserving Cash is essential during the prevailing circumstances, therefore, the overall Capital expenditure during the current financial year would be restricted to Rs.700 crores (including balance expenditure on the 4.2 million tonnes capacity expansion). Rs.100 crores will be from internal accruals and balance would be from tied up borrowed funds.

Demand for Grey Cement has been reasonable from June'20 onwards and in case of White business though, recovery has not been so good, it is gradually picking up. Except containment zones, no other supply chain constraints are there.

Given the uncertainty of the COVID-19 Pandemic, the final impact on Company's Assets/Financials in future may differ from what is estimated now.

5. Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's Business:

The Company is confident of fulfilling its obligations under the various existing contracts/arrangements and does not foresee any major impact on the Company's business due to the non-fulfillment of its contractual obligations by any party arising out of existing contracts / agreements. The Company has also not availed the moratorium facility extended by the Banks as per the RBI guidelines and has serviced its debt obligations as per schedule.

However, there would be some delay in the implementation of Company's Grey Cement grinding Project at Balasinor, Gujrat and Upgradation of production Line -3 at Nimbahera due to lockdown and absence of laborers at the Project site for some time. Work has restarted with limited manpower and Company is taking all possible steps to minimize the delay.

Request you to take the aforesaid information on record and oblige.

Yours faithfully,
For **J.K.Cement Limited**

J. K. CEMENT LIMITED KANPUR

Shambhu Singh
Asst. Vice President (Legal) & Company Secretary.