

UDAIPUR CEMENT WORKS LIMITED

24TH ANNUAL GENERAL MEETING HELD THROUGH VIDEO CONFERENCING ON 17TH AUGUST 2020 AT 11.00 AM

Directors and KMP present at the Meeting:

Smt. Vinita Singhania,	Chairperson
Shri O.N.Rai,	Independent Director
Shri Surendra Malhotra,	Independent Director
Shri Vinit Marwaha,	Independent Director
Amb. Bhaswati Mukherjee,	Independent Woman Director
Shri Shrivats Singhania,	Executive Director
Shri Naveen Kumar Sharma,	Whole-time Director

Shri Pranav Chitre, Chief Financial Officer

Ms. Poonam Singh, Company Secretary

Welcome Address - Chairperson

Good Morning to all of you. I, Vinita Singhania, extend a very warm welcome to all of you at the 24th 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.

As you all know, we are holding this AGM through Video Conferencing (VC) in the midst of an unprecedented crisis on account of the COVID 19 pandemic, in due compliance of the relevant Circulars issued by the Ministry of Corporate Affairs and SEBI.

I would like to place on record that all the efforts feasible under the current circumstances have been made by the Company to enable the Members to participate in large numbers and vote on the items being considered in this meeting.

I do hope that we will be able to have physical meeting next year; as it is always a pleasure to interact with all of you in person.

I am very glad to inform you that all the Directors on the Board are present at AGM through Video Conferencing. It is my pleasure to introduce them, one by one. Along with me, are Shri O.N. Rai, Independent Director and Chairman of the Audit Committee and Nomination and Remuneration Committee. Amb. Bhaswati Mukherjee is an Independent Woman Director. Shri Shrivats Singhania is the Executive Director (Business Development). Shri Vinit Marwaha, Independent Director, Chairman of the Stakeholders Relationship Committee and Shri Surendra Malhotra,

Independent Director, are participating in the AGM from their respective locations in New Delhi. Shri Naveen Kumar Sharma, Whole-time Director is participating in the meeting from Udaipur.

I would now request Ms. Poonam Singh, Company Secretary to brief the shareholders regarding procedure of e-voting and participation in this meeting.

Company Secretary

Thank you Madam

Good Morning everyone. As informed by the Chairperson, this 24th AGM of your Company is being held through Video Conferencing (VC) in due compliance of the Circulars issued by the MCA and the SEBI, through the e-voting services provided by CDSL.

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 meeting. As mentioned in the AGM Notice, it is hoped that members have joined the meeting through Laptops / iPads with high speed wired/WIFI internet connectivity to have smooth experience during the meeting. Helpline numbers are given in the Notice of the AGM in case there is some Audio / Video loss due to fluctuation in their WiFi network.

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

The Speakers will be given a chance to speak, one by one. We request the Speakers to switch on video/audio after a gap of 2 seconds and to keep their speech brief for about 2 minutes. In case there is connectivity issue at the Speaker's end, his name will be announced again to express his views and to ask any questions after all other registered Speakers have spoken or asked their questions.

Only those Members who have not casted their votes through remote e-voting and who are participating in this meeting, will have an opportunity to cast their votes during the AGM and till 15 minutes after conclusion of the meeting.

Requisite quorum being present through VC, I request Smt. Vinita Singhania, Chairperson of the Company, to commence the AGM proceedings.

Chairperson:

Quorum:

The requisite Quorum is present through VC to conduct the proceedings of the AGM. Therefore, I declare the Meeting as properly constituted and commence the proceedings.

Presence of Auditors and Scrutiniser:

Shri Dhruv Shah, Partner, Bansilal Shah & Co., Chartered Accountants, Company's Statutory Auditors and Shri Ronak Jhuthawat, Company Secretary in practice, Scrutiniser appointed for supervising the e-voting process for this AGM are present at the Meeting through VC. Further, Shri Namo Narain Agarwal, Secretarial Auditor of the Company has authorized Shri Ronak Juthawat as Authorised Representative.

Register of Directors' & KMPs and their shareholdings and Register of Contracts:

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 for inspection by the members during the AGM.

Notice:

As the Notice dated 14th July 2020 convening the 24th AGM is already circulated to all the members, I, with permission of the Members take the Notice, as read.

Auditors' Report:

Under the Companies Act, 2013, there is no requirement of reading of the Report of M/s Bansilal Shah & Co., Company's Statutory Auditors for the Financial Year ended 31st March 2020, as the same does not contain any qualifications, observations or comments or other remarks on the financial transactions or matters which have any adverse effect on the functioning of the Company.

Secretarial Audit Report:

Also, there are no qualifications, observations or comments or other remarks in the Secretarial Audit Report for the Financial Year ended 31st March 2020 issued by Shri Namo Narain Agarwal, Secretarial Auditor of the Company. 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 2019-20.

Chairperson's Speech:

With great pleasure, I welcome you all again to this 24th Annual General Meeting (AGM) of your Company. I hope you and your loved ones are all safe and healthy. This AGM is being held through Video-Conferencing (VC) on account of the COVID-19 pandemic, which is perhaps unprecedented in corporate history not just in India but in the world.

As we all are aware, the out-break of COVID-19 pandemic across the globe and the subsequent lockdown announced by the Central and State Government in India, forced your Company to temporarily suspend its operations, in line with the directives and guidelines issued by the Government, from time to time. Operations at our plant could only be resumed towards the end of April 2020, and that too in a phased manner, while strictly complying with the prevailing directives issued by the relevant Authorities and by adopting stringent precautionary and safety measures.

The meeting today, thus is taking place in the midst of this ongoing Corona crisis. At Udaipur Cement works Ltd. (UCWL), Health & Safety of our employees has always been our priority and this approach has enabled us to deal with this crisis in a very proactive manner. To significantly enhance focus on Health & Safety during these difficult times, UCWL is constantly monitoring and assessing the impact of the crisis on the employees, stakeholders, operations etc. and ensuring medical preparedness, training and awareness besides implementing effective remedial actions.

I hope you all have had the opportunity to read the Annual Report for FY 2019-20. 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: Housing and Infrastructure are the key sectors that drive cement demand and consumption in the Country. Financial Year 2019- 20 began on a positive note building on the momentum of the previous financial year both in terms of healthy GDP growth as well as a steady uptick in the demand for cement. The mood was further buoyed by the formation of a stable Government at the Centre following the General Elections held in the first quarter which had slowed down the economic activities. A healthy monsoon in the second quarter raised the prospects of a bumper harvest, higher rural income, and an increase in rural construction activity, etc., but the resulting demand expansion remained somewhat muted because of the continuance of the monsoon well beyond its normal seasonal cycle into the 3rd quarter. The prolonged monsoons dampened normal construction activities which led to a softening of the anticipated demand. The global outbreak of COVID 19 in the second half of the last quarter made matters worse, with economic activity coming to a virtual standstill due to a stringent and prolonged lockdown across the country. As a result, economic activity during the last quarter of the FY20 contracted dramatically with GDP growth falling to a multi-year low of 3.1%, and the full-year

growth number to just 4.2%. Not surprisingly, cement demand for the entire year ended in a negative growth of 5% in FY 20 against a healthy growth of about 13% in Financial Year 2018- 19.

India is home to world's second largest cement Industry with an installed capacity of about 500 million tonnes per annum (MTPA). Like other commodity businesses, cement is a cyclical industry which is subject to peaks and troughs of growth every few years. During the peak phases, the demand growth reaches near double-digit levels, leading to sustained capacity utilisation at more than 90% and paving the way for fresh capacity addition. These periods of high growth are punctuated by the lean phases when demands tends to taper off causing capacity utilization to decline. The history of indiscriminate capacity additions seen between 2005 and 2010, which led to industry almost doubling its capacity, is hopefully not likely to be repeated in the near future as there are hardly any new players that have entered the industry in the recent past. In fact, low capacity utilisation levels in recent years have seen the exit of some of the new entrants in cement business and consolidation of some of the capacities.

Company's Performance:

Your Company has been able to establish "PLATINUM HEAVY DUTY CEMENT" brand as a premium brand in the States where we operate. During the FY 2019-20, the cement production stood at 8.51 Lakh tonnes and the Company sold 8.45 Lakh tonnes of cement and 4.42 Lakh tone of Clinker. Besides the Company also traded in 6.24 Lakh tons of Cement cumulatively. The Company recorded an all-time High Sales Turnover of Rs.686.88 Crores, which is a jump of 18% over sales of Rs.580.46 Crores achieved in the previous Financial Year. EBIDTA for the FY2019-20 more than tripled to Rs.126.04 Crores from Rs.41.09 Crores achieved in the previous Financial Year. After providing for Interest, Depreciation & Tax, the Profit After Tax (PAT) for the FY 2019-20 stood at Rs.14.89 Crores as against Loss of Rs.40.85 Crores recorded in the previous Financial Year.

Progress of the Projects: The Company has taken up for implementation a Debottlenecking & Balancing Scheme wherein the Clinker Production Capacity is being enhanced from 1.20 Million Tonnes to 1.50 Million Tonnes and the Cement Capacity is being enhanced from 1.60 Million Tonnes to 2.20 Million Tonnes per annum. The Project is estimated to cost Rs. 60 Crores and is expected to be commissioned by September 2021.

Community Development and Corporate Social Responsibility: As a socially responsible organization, your company has identified certain thrust areas where it contributes to the welfare of society viz., Health, water & sanitation, Education besides skill development and Livelihoods, Environment sustainability, & Women Empowerment. During the FY 2019-20, the Company has spent approx. Rs. 5.8 Lakhs on CSR initiatives. The Company has also contributed to the society during the COVID crisis by way of distribution of sanitizers, masks & rations in coordination with the District / Local administration. The employees of the Company across all levels have donated one day salary to the Rajasthan Chief Minister Relief Fund.

Human Capital Management: As an adoptor to the core values of JK Organization, your company has followed people centric approach ever since its inception. It has adopted best HR practices for retaining and developing talents in the Company.

Open acknowledgement and encouragement to our employee talents has led to number of in-house low-cost innovations. Over the years, the Company has nurtured a culture of openness, trust and collaboration to drive change and successfully mitigate the challenges posed by business environment and competition.

At Industrial Relations front, fair and consistent HR Policies followed by the Management ensure that Industrial Relations continue to be peaceful and cordial. Workers are given adequate opportunities/ encouragement to share new ideas. Company also gives due weightage to job enrichment of workers and their contributions.

Acknowledgements: I would like to end by acknowledging the tremendous support that I have received from my colleagues on the Board, the hard work and dedication of the Management Team but, most of all, the unfailing commitment and effort of our workmen at plant location. This extraordinary team effort is what gives us the confidence in successfully meeting the challenges that environment continuously offers. I would also like to extend my sincere gratitude and thanks to all dealers, distribution channel partners, customers, financial institutions, banks, business associates, government agencies, and, not least, our esteemed shareholders for their invaluable support and confidence.

As I look ahead, I am confident that we can continue to bank upon on this tremendous fund of goodwill as we march towards a future that is bright and full of opportunities notwithstanding the current crisis.

[CHAIRPERSON SPEECH CONCLUDES]

Chairperson:

Now, I will read items of the business mentioned in the Notice one by one.

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

Item No. 1 of the Notice is regarding adoption of the audited Financial Statements of the Company for the Financial Year ended 31st March 2020 and the Reports of the Board of Directors and Auditors thereon.

Item No. 2 of the Notice is regarding re-appointment of a Director, in place of Shri Naveen Kumar Sharma, who retires by rotation and being eligible, has offered himself for re-appointment.

Item No. 3 of the Notice is regarding ratification of remuneration of the Cost Auditors: M/s. HMVN & Associates, Cost Accountants, for the Financial Year 2020-21, commencing from 1st April 2020 at a remuneration of Rs. 75,000/- p.a.

Item No. 4 of the Notice is regarding Appointment of Amb. Bhaswati Mukherjee as an Independent Woman Director of the Company for a term of three consecutive years w.e.f. 24th January 2020.

I request Shri O.N. Rai to take up the Item No. 5 of the Notice.

O.N.Rai:

Thank You Madam

Item No. 5 of the Notice It is my pleasure to propose Item No. 5 of the Notice regarding appointment of Shri Shrivats Singhania as an Executive Director (Business Development) for a period of 5 years w.e.f 1st April 2020.

Brief profile of Shri Shrivats Singhania and other details are provided in the explanatory statement to the AGM Notice. I request Vinita Ji to continue the proceedings.

Chairperson:

As you are aware, all the AGM items and Resolutions were put to remote e-voting and the voting was open from 14.8.2020 at 10.00 AM to 16.8.2020 up to 5.00 PM, I hope all of you have cast your votes.

However, those who have not cast their vote through remote e-voting, have the opportunity to vote now at the facility provided through CDSL portal 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 48 hours of conclusion of this Meeting.

I authorize Shri Naveen Kumar Sharma, Whole- time Director or in his absence Ms. Poonam Singh, Company Secretary to declare the final results of e-voting by 19th August 2020. 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. for placing on its website and shall also be displayed on the Company's Notice Board at the

Registered Office and its Secretarial Office.

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

I now request Ms. Poonam Singh, Company Secretary, to announce names of the Speakers who have requested to express their views / ask any question arising out of reports of the Directors and Auditors thereon. I will respond to all the questions at the end. I now invite the Members who have registered themselves as Speakers to speak/ask questions, if any.

Company Secretary: Request the host to unmute Speakers one-by-one

Mr. Ashish Garg, the first Speaker asked question regarding the Capacity Expansion Plans of the Company, Mr. Amit Khandelwal, the second Speaker asked question regarding water conservation by the Company and Mr. Vaibhav Kothari asked question about various CSR activities being done by the Company.

Chairperson:

Reply to the questions of the Speakers were given one by one.

Regarding capacity expansion plans of your Company, I am pleased to inform you that your company has been growing and constantly increasing its market share which is visible from the past three year's performance.

To further increase our market share, we are executing brown field expansion to increase the existing Clinker production capacity from 12 LTPA to 15 LTPA and Cement capacity from 16 LTPA to 22 LTPA. It will help us in increasing our market share and profitability too. UCWL is also exploring possibility of putting up Line-II at Udaipur.

On the question of water conservation, I am happy to inform you that your Company has done outstanding work through creating various rain water re-charge/ harvesting structures and collection of rain water in abandoned Mine's pits for utilization in plant operation. The company is re-charging more than 2.5 times of water being consumed for its operations. Recently, UCWL is certified under ISO 14046 which certifies that water positivity index of UCWL is 2.7, which is one of the highest in the Indian Cement Industry.

CSR is always on our priority agenda not only in UCWL but at the group level. The Company is doing various CSR related activities in the core zone of its Plant and Mines and more than 7000

people have been benefitted out of that. We have trained a large number of female population in the area of Stitching, Beauty Culture, Computer Literacy, Embroidery etc. Further, many activities are being done for the school children, differently abled people, Farmers, Sr. Citizens, Drivers and other socially backward people.

I believe that all the questions of the Speakers have been replied to their satisfaction. May I therefore with your permission declare the Meeting as closed. However, the e-voting window will remain open for another 15 minutes for voting by the Members who have so far not casted their votes. I thank you once again for your participation in the AGM.

The Meeting concluded with a vote of thanks to the chair given by Shri Naveen Kumar Sharma.

CHAIRPERSON