

UDAIPUR CEMENT WORKS LIMITED

Transcript of 26th Annual General Meeting held through Video Conferencing/Other Audio Visual means on 12th August 2022 at 11.00 AM

Ms. Poonam Singh, Company Secretary

Dear Members – Very Good Morning to all of you. It is 11.00 AM, time to commence the AGM proceedings. Smt. Vinita Singhania, Chairperson, is present with us and I request her to start the proceedings. Thank you.

Welcome Address - Smt. Vinita Singhania, Chairperson

Good Morning to all of you. I, Vinita Singhania, extend a very warm welcome to all of you at the 26th 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 (MCA) and Securities Exchange Board of India (SEBI), we are holding this AGM through Video Conferencing (VC).

I would like to place on record that all the efforts 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.

It is my pleasure to introduce the Directors present in the Meeting, one by one. Along with me in the Company's Board Room from New Delhi are Shri Shrivats Singhania, Executive Director, Shri O.N. Rai, Chairman of Audit Committee and Nomination & Remuneration Committee and Shri Vinit Marwaha, Independent Director and the Chairman of the Stakeholders Relationship Committee.

The other Directors namely, Shri Surendra Malhotra, Independent Director is participating from Jamshedpur and Shri Naveen Kumar Sharma, Whole-time Director is participating in this meeting from Udaipur.

Amb. Bhaswati Mukherjee, Independent Woman Director is unable to attend the Meeting due to unavoidable circumstances.

Ms. Poonam Singh, Company Secretary is also present in the AGM and Mr. Pranav Chitre, Chief Financial Officer of the Company is present through Video Conferencing.

I would now request Ms. Poonam Singh, Company Secretary to confirm that requisite quorum is present and may also brief the Members regarding procedure of e-voting and participation in this meeting.

Company Secretary

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 (VC) 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/WIFI 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 & Answers 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 9th August 2022 (10:00 A.M.) to 11th August 2022 (upto 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 Smt. Vinita Singhania, Chairperson, to continue the AGM Proceedings.

Chairperson:

Thank you Ms. Poonam

Shri Arvind Shah, Partner, M/s. Bansilal Shah & Co., Chartered Accountants, Company's Statutory Auditors, Shri Namu Narain Agarwal Company's Secretarial Auditor and Shri Ronak Jhuthawat, Company Secretary in practice who has been appointed as the Scrutiniser for supervising the e-voting process for this AGM are present at 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 for inspection by the members.

The Notice dated 4th July 2022 convening the 26th AGM and the Annual Report for Financial Year 2021-2022 ended 31st March 2022 is already circulated to all the Members on 18th July 2022. I, with 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 Bansilal Shah & Co., Company's Statutory Auditors for the Financial Year ended 31st March 2022, 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.

Also, there are no qualifications, observations or comments or other remarks in the Secretarial Audit Report for the Financial Year ended 31st March 2022 issued by Shri Namu 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 2021-22 ended 31st March 2022.

Chairperson's Speech:

"Dear Esteemed Members,

Namaskaar,

With great pleasure, I would like to extend a warm welcome to all of you at the occasion of our 26th 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. I hope that we will be able to meet in our next AGM in 2023, as I highly value our personal contact and rich discussions.

The detailed message is already covered in the Annual Report of Financial Year 2021-22. I will dwell on the main points in brief, retaining the essence of my detailed speech.

The last two years of the pandemic and current global uncertainties (caused by Russia-Ukraine war) have impacted the pace of economic growth across the world, India though not insulated; remains amongst the fastest growing big economy in the world. Markets world over has witnessed steep rise in the price of energy and since fuel and energy cost constitute a major percentage, working of the cement industry was greatly impacted.

I hope you have had the opportunity to read the Annual Report for FY 2021-22, I will now brief the Hon'ble Members present here on the key highlights of the performance of our industry and Company.

Cement Industry:

Cement is one of the core ingredients for development of any economy as it is the main component for building of the infrastructure. The movement of the economy as well as the essential needs of the human society viz Roti, Kapda aur Makaan. Our country's development too is fueled by building / strengthening of the infrastructure and the year gone by was no exception. Infact, post CORONA year, infrastructure and revival of the real estate has contributed significantly to the healthy growth of cement consumption. The Industry, as a whole, recorded a growth of nearly 15% in the financial year.

Company's Performance:

Company recorded a very healthy growth of nearly 23% in its production and sales. Its Sales of ₹ 881.10 Crores, showed a jump of ~19 % over sales of ₹ 737.66 Crores achieved in the previous Financial Year. Market Capitalization of the Company has crossed ₹ 1500 Crores, an increase of more than 90% vis-à vis Market Capitalisation as on 31st March 2021. Towards the end of the year there has been sharp rise in the prices of fuel - both coal as well as of pet-coke. Rising diesel prices have also increased the freight costs significantly. However, your Company has been able to successfully mitigate the impact by focusing on improving efficiencies, product mix, geo mix, and brand positioning.

Progress of the Projects:

Your Company is pleased to inform that after successful implementation of de-bottlenecking & Balancing projects our Clinker Capacity has increased from 1.20 Million Tonnes Per Annum to 1.50 Million Tonnes Per Annum and Cement Capacity has increased from 1.60 Million Tonnes Per Annum to 2.20 Million Tonnes Per Annum. In addition, your Company has already taken up for implementation of Expansion Project involving setting up of an additional Clinker Line of 1.50 Million Tonnes Per Annum capacity and Cement Grinding Capacity of 2.50 Million Tonnes Per Annum. After the completion of this expansion Project, the Total Clinker Capacity shall enhance from existing 1.50 Million Tonnes Per Annum to 3.0 Million Tonnes Per Annum and Total Cement Capacity shall enhance from 2.2 Million Tonnes Per Annum to 4.7 Million Tonnes Per Annum in about 2 years time.

Corporate Social Responsibility and Human Capital Management

Serving the society towards improving the quality of life of the community at large has always been a priority of the Company. The concept of socially responsible business is deeply ingrained into our corporate DNA inherited from philosophy of our over 125 years old organization. Company's CSR activities are aimed to strengthen community relationship and being about positive changes in the quality of life of the neighbouring communities through our initiatives in the field of Education, Health and Skill Development.

The Company's HR policy is driven by its values including "Caring for People'. We believe our employees are the key assets for achieving our vision and mission seamlessly.

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 and mines location. 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.

Thank you very much."

Resolutions, Q&A Session, E-voting and Vote of thanks

Chairperson:

Now, I will read 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 the audited Financial Statements of the Company for the Financial Year ended 31st March 2022 and the Reports of the Board of Directors and Auditors thereon

Chairperson requested Shri Vinit Marwaha to take up Item No. 2 of the Notice.

Item No. 2 : Re-appointment of Shri Shrivats Singhanian, as a Director liable to retire by rotation.

Chairperson resumed the chair.

Item No. 3 : Ratification of remuneration of M/s. HVMN & Associates, Cost Accountants, the Cost Auditor of the Company for the Financial Year 2022-23, of ₹ 1,00,000/- p.a.

Item No. 4 : Re-appointment of Shri Surendra Malhotra, as an Independent Director of the Company for second term of three consecutive years w.e.f. 30th June 2023.

Item No. 5 : Re-appointment of Amb. Bhaswati Mukherjee, as an Independent Director of the Company for second term of Five consecutive years w.e.f. 24th January 2023.

Item No. 6 : Re-appointment of Shri Vinit Marwaha, as an Independent Director of the Company for second term of Five consecutive years w.e.f. 10th May 2023.

Item No. 7: Authority for Borrowing under Section 180(1)(c) not exceeding in the aggregate ₹ 2,000 Crores (Rupees Two Thousand Crores only).

Item No. 8: Authority for Creation of Security under Section 180(1) (a) not exceeding in the aggregate ₹ 2,000 Crores (Rupees Two Thousand Crores only).

Item No. 9: Approval under Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for Material Related Party Transactions with JK Lakshmi Cement Ltd.

Chairperson:

As you are aware, Remote e-Voting on all the AGM items and Resolutions was open from 9th August 2022 from 10:00 A.M. to 11th August 2022 upto 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 two working days 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 17th August 2022. 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 their 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 Annual Accounts/ Reports of the Directors and Auditors thereon. We will respond to the questions at the end, after all the speakers have spoken.

Ms. Poonam Singh, Company Secretary announced the names of the five Members, one by one, who registered themselves as Speakers at the AGM and facilitated the Question and Answer Session.

Members/Speakers – Five Members namely, Shri Manoj Gupta and Shri Goutam Nandy from Kolkata, Shri Bharat Raj from Hyderabad, Shri Nikhil Sharda and Shri Deepak Sharma from Udaipur spoke at the Meeting. The Members appreciated the Management on the performance of the Company and holding of the virtual AGM, enabling them to participate in the Meeting without any difficulty. They expressed their views and sought information/clarifications, *inter alia* on the Company’s business operations, expansion plans and future outlook for cement industry, payment of Dividend, impact of Covid-19 on Company’s business and vaccination of employees, Corporate Social Responsibility activities by the Company, plans for Plant visit etc.

Smt. Vinita Singhania thanked the Speakers for their appreciation, comments and suggestions. The queries of all the Speakers were replied to their satisfaction.

Smt. Vinita Singhania: I believe that all the questions of the Shareholders have been duly replied to their satisfaction. May, I therefore, with your permission, declare the Meeting as closed. However, please note that the e-voting window will remain open for another 15 minutes for voting by the Members who have so far not casted their votes.

The Meeting concluded at 11.55 AM, with a vote of thanks given to the Chair by Shri Naveen Kumar Sharma, Whole-time Director of the Company.

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