

UCWL:SECTL:SE:20  
24<sup>th</sup> July 2020

**BSE Limited**

Department of Corporate Services,  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai – 400001.  
Through BSE Listing  
**Security Code: 530131**

Dear Sir(s),

**Re: Intimation of 24<sup>th</sup> AGM, Book Closure and Cut-off date for E-voting**

1. We have to inform you that the 24<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Monday, the 17<sup>th</sup> August 2020 at 11:00 A.M. IST through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), in accordance with all the applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with relevant Circulars issued by Ministry of Corporate Affairs and Securities of Exchange Board of India.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 11<sup>th</sup> August 2020 to 17<sup>th</sup> August 2020 (both days inclusive) for the purpose of AGM.
3. In compliance with the relevant circulars, the Annual Report for the Financial Year 2019- 20, comprising the Notice of the AGM and the standalone financial statements for the Financial Year 2019-20, along with Directors' Report, Auditor's Report and other documents required to be attached thereto (Annual Report), have been sent to all the members of the Company whose email addresses are registered with the Company / Depository Participant(s) and the same is uploaded on the website of the Company at [www.udaipurcement.com](http://www.udaipurcement.com).

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


4. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the Members, facility to exercise their right to vote at the 24<sup>th</sup> AGM by electronic means and the business mentioned in the AGM Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited. The details such as manner of casting vote through e-voting, attending the AGM through VC / OAVM and registering / updating email addresses etc. has been set out in the Notice of the AGM.

5. For the purpose of e-voting, the Company has fixed 10<sup>th</sup> August 2020 as the 'cut-off date' for ascertaining the names of the members, holding shares either in physical form or in dematerialized form, who will be entitled to cast their votes electronically during 14<sup>th</sup> August 2020 (10.00 A.M) to 16<sup>th</sup> August 2020 (5.00 P.M) and also during the AGM in respect of business to be transacted at the aforesaid AGM.

You are requested to disseminate the above intimation on your website.

Thanking you

Yours faithfully,  
For Udaipur Cement Works Limited  
  
(Poonam Singh)  
Company Secretary & Compliance Officer

Encl: a.a.

Cc: National Securities Depository Ltd.  
Central Depository Services (India) Ltd.  
MCS Share Transfer Agent Ltd.





**UCWL** UDAIPUR CEMENT  
WORKS LIMITED

**PLATINUM**  
**HEAVY DUTY**  
CEMENT

# IMPROVING PERFORMANCE INCREASING EXPECTATIONS

ANNUAL REPORT 2019-20







# BOARD OF DIRECTORS



**VINITA SINGHANIA**  
Chairperson



**ONKAR NATH RAI**  
Director



**SURENDRA MALHOTRA**  
Director



**AMB. BHASWATI MUKHERJEE**  
Director



**SHRIVATS SINGHANIA**  
Executive Director



**NAVEEN KUMAR SHARMA**  
Whole Time Director



**VINIT MARWAHA**  
Director

**POONAM SINGH**  
Company Secretary

**PRANAV CHITRE**  
Chief Financial Officer

## REGISTERED OFFICE & WORKS

Shripati Nagar  
C.F.A., P.O. Dabok,  
Udaipur - 313022 (Rajasthan)

## CORPORATE OFFICE

Nehru House  
4, Bahadur Shah Zafar Marg,  
New Delhi - 110002

## SECRETARIAL DEPARTMENT

Gulab Bhawan, 3rd Floor (Rear Block),  
6-A, Bahadur Shah Zafar Marg,  
New Delhi - 110002

## BANKERS

Axis Bank Limited  
RBL Bank Limited

## REGISTRAR & SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited,  
F-65, First Floor, Okhla Industrial Area,  
Phase-1, New Delhi - 110020  
Phone: 011-41406149-52  
E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

## AUDITORS

Bansilal Shah & Co.  
Chartered Accountants  
Udaipur

**COMPANY WEBSITE**  
[www.udaipurcement.com](http://www.udaipurcement.com)



## **Udaipur Cement Works Limited (UCWL)**

### **A growing cement manufacturing Company**

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Based on the philosophy of sustainable growth and developmental framework, UCWL ensures a strong construction of a happier tomorrow. Since its inception, the Company is committed towards adopting the latest art of technology designs, resource efficient equipment and various in-house innovations. With the blend of modern technology and rich legacy, the company manufactures world class cement under the brand name - Platinum Heavy Duty Cement. The cement is made up by using the latest superior PSD Technology providing a wide array of benefits like 10% more volume, high initial strength, superior workability and fast setting to the consumers.



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

Your Directors are pleased to present the 24<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2020.

### FINANCIAL RESULTS AND STATE OF COMPANY AFFAIRS

(₹ in Crores)

	2019-20	2018-19
Sales & Other Income	<b>686.88</b>	580.46
Profit before Interest & Depreciation	<b>126.04</b>	41.09
Profit/(Loss) before Depreciation	<b>61.09</b>	(27.42)
Profit/(Loss) after Tax	<b>14.89</b>	(40.85)
Surplus/(Deficit) brought forward	<b>(43.94)</b>	(3.09)
Total Surplus/(Deficit)	<b>(29.05)</b>	(43.94)

### PERFORMANCE

Your Company has been able to establish "PLATINUM HEAVY DUTY CEMENT" brand as a premium brand in three nearby States. During Financial Year 2019-20, the cement production stood at 8.51 Lakh tonnes and the Company sold 8.45 Lakh tonnes of cement. In addition to the above, your Company has sold record high 6.24 Lakh tonnes of Platinum Heavy Duty Cement through trading activities and also sold 4.42 Lakh tonnes of clinker. The Company recorded an all-time High Sales of ₹ 686.88 Crores, showing a jump of 18% over sales of ₹ 580.46 Crores achieved in the previous Financial Year. EBITDA for the Financial Year 2019-20 more than tripled to ₹ 126.04 Crores from ₹ 41.09 Crores achieved in the previous Financial Year. After providing for Interest, Depreciation & Tax, the Profit After Tax (PAT) for the Financial Year 2019-20 stood at ₹ 14.89 Crores as against Loss of ₹ 40.85 Crores recorded in the previous Financial Year.

The Operations and the Financial Results of the Company during the Year ended 31<sup>st</sup> March 2020 were impacted due to the shutdown of the Company's Plant during March 2020 under the lockdown announced by the State/Central Government after the outbreak of COVID-19 Pandemic. The Company has since resumed its operations in a phased manner during the month of April, 2020 conforming to the Guidelines of the Government.

### PROGRESS OF THE PROJECTS

The Company has taken up for implementation a De-bottlenecking & Balancing Scheme wherein the Per Annum 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. The Project is estimated to cost ₹ 60 Crores and is expected to be commissioned by September, 2021.

### OUTLOOK FOR INDIAN ECONOMY AND CEMENT INDUSTRY

The Indian Economy has been impacted during the recent past due to certain land mark policy measures taken by the Government. At a time when the economy was sailing smoothly in 2016-17, the Government's decision of demonetization in November, 2016 impacted the industrial activities across the Sectors. Immediately thereafter when the economy was showing signs of revival, introduction of GST from July, 2017 further crippled the growth of the economy during the Financial Year 2017-18. Although these were long-term reforms made by the government, but in the short-term these measures had impacted the demand across the Industries.

During the Financial Year 2019-20, when the Indian Economy had recovered fully and GDP growth was one of the highest in the world, suddenly the spread of COVID-19 Pandemic impacted the Global and the Indian Economy.

The outbreak of COVID-19 Pandemic in India is causing significant disturbances and slow-down of the normal activity by way of interruption in Production, supply chain disruption, shutdown of production facility etc. The Government of India proactively announced the lockdown in March 2020 to prevent the spread of Pandemic initially for a period of 3 weeks, upto mid-April, 2020, but the same has been extended continuously upto 17<sup>th</sup> May, 2020. It seems that the Indian economy shall have to live with COVID-19 Pandemic for some more time and gradually restart the economic activity by conforming to the government guidelines.

While the spread of the Pandemic has crippled the economic activities world over, but due to lower demand, the Pandemic has also resulted in softening of the international crude oil prices and petroleum based raw materials. According to International Monetary Fund (IMF), the drop in the global out-put and decline in the GDP would be worse than the one witnessed during the financial crisis of 2009.

The Indian economy can pin its hope of revival of the economy based on expectation of a normal monsoon during 2020 and the resultant upsurge in the demand after monsoon especially from the Rural Sector.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the second largest producer of cement in the world and accounts for 8% of the total world installed cement capacity. The Indian Cement sector has a total available cement production capacity of around 550 Million Tonnes per annum and the cement production of about 300 Million Tonnes signifying a considerable under utilization of the capacity.

The Indian Cement Industry is highly cyclical in nature and has been subject to peaks and troughs of the demand growth. During the peak times the demand growth across

the double digit level and in the lean phase the demand declines resulting into negative. While the Financial Year 2018-19 witnessed 12% demand growth in the Cement Industry, the Financial Year 2019-20 saw the demand falling to negative growth of 7%. Demand of cement in Financial Year 2019-20 was impacted by a host of factors including a slowdown in government expenditure post general elections, change in state governments which triggered project reviews, delayed project approvals and heavy monsoons. As a result of fall in demand in Financial Year 2019-20, the capacity utilization across the Indian Cement industry dropped considerably.

The Cement demand, which started recovering from the beginning of 2020, has suddenly came to a standstill since the second half of March 2020 in the wake of nationwide lockdown to combat COVID-19. The shutdown has come at the time of peak construction activity and would result in a considerable volume loss in March 2020.

The lockdown will not only impact the volume, but the expectation of a weak economic growth, cut in government's spending and infrastructure in real estate would take a beating on demand for the Financial Year 2020-21.

The demand in Cement Industry is likely to decline by 40%-50% during the first Quarter of Financial Year 2020-21 primarily due to the on-going lockdown and it is expected that overall for the Financial Year 2020-21, the demand growth in the Cement Industry may plunge to historical low of negative 4%-5%. With consecutive decline in the demand in Financial Year 2019-20 and Financial Year 2020-21, the overall expected utilization in the Industry is also expected to drop to a historical low of below 61%. It is only after Industry is able to come out the impact of COVID-19 that the capacity utilization can reach the earlier levels achieved in Financial Year 2018-19.

## THREAT & OPPORTUNITIES

Growth in the housing segment, that forms 60%-65% of cement demand, is likely to be affected given the impact of the slowdown in economic growth on discretionary spending over the next year. A public health emergency of such a severe magnitude and the resultant slowdown in the economy will put government finances under stress, limiting its ability to step-up capital expenditure thus impacting infrastructure growth, which forms nearly one-fourth of the total demand.

With the lockdown impacting income and purchasing power of agricultural and daily wage earners, the individual home builder-driven rural housing segment will witness a slowdown in Financial Year 2020-21. The heightened funding challenges for the real estate sector will also slowdown launches. Any worsening of the outbreak or the extension of the lockdown can impact the liquidity of cement players.

The Indian Cement Industry will take quite some time to come out from the impact of COVID-19 and it is expected that revival would happen much earlier in the Rural Economy as compared to normalcy being restored in the

Urban Economy. The current migration of the workers from the Urban areas to Rural areas is causing lot of uncertainty in the revival of the Economy in the Urban areas. The government is also taking several measures to contain the movement of the workers from the Urban areas to the Rural areas.

The only silver lining amongst all the pessimism for the Cement Industry is that a decline in coal, pet coke and diesel prices due to the sharp fall in crude oil prices will lead to a moderation in power and fuel and logistics costs.

It appears that Indian Corporates shall have to live with the new normal of Social Distancing and Working from Home.

Your Company has put in place "Standard Operating Procedure" (SOP), as per the guidelines and directives of the Ministry of Home Affairs and the Ministry of Health, to safeguard against spread of COVID-19. The Company has organized campaigns to bring awareness amongst all employees and workers on safeguards against COVID-19. Thermal Scanning at the entry and exit gates, mandatory use of face masks, hand washing and sanitizing facilities at entry and exit and at different locations of the plant have been put in place along with strict ban on non-essential visitors. Safeguards for social distancing at work place is also being implemented. Meetings, gatherings, travelling etc. are being avoided with focus on video conferencing and other digital modes.

Adequate measures have been taken by your Company to adhere to the new norms of Working from Home by making the use of IT Infrastructure. Further, a lot of efforts are being made to cut the cost and reduce the discretionary expenses. The IT Infrastructure is being strengthened to adhere to the new normal of Working from Home and Social Distancing.

## RISKS AND CONCERNS

Global spread of COVID-19 has resulted in high volatility in financial markets, widening credit spread, dried up liquidity, and is indicating an economic slowdown across the world. To stabilize financial markets, Reserve Bank of India (RBI) announced repo cuts and reverse repo rates, reduced Cash Reserve Requirements (CRR) and planned Targeted Long-Term Repos Operations (TLTROs). It has also instituted moratorium on term loans installments and allowed deferment of interest on working capital loans.

Companies are struggling to implement an immediate crisis response mechanism while exploring long term sustainability solutions to build adequate resilience to bounce back.

The most critical area of consideration is cash and liquidity management. Rising market uncertainty has caused companies to revise their monthly cash flow forecasting horizon to daily monitoring and to match their expenditure with collections.

The financial markets also experienced record levels of market volatility due to sharp depreciation of INR against the dollar. To stabilise the situation, RBI is conducting



multiple interventions like infusing dollar liquidity and providing operational flexibility to corporates.

One of the main concern for the Cement Industry is the high GST Sin Slab of 28%. The Industry has made several representations to the government in the past for reduction in the GST rates on cement from 28% to 18%. In the backdrop of the slowdown of the Economy, the Industry is hopeful that the government will reduce the GST rate of cement which will help it to come out of this current difficult phase.

## KEY CHANGES IN FINANCIAL INDICATORS

On account of improved performance and profitability, there was significant improvement in following financial ratios in comparison to previous year as given hereunder:

S. No.	Ratios	Unit	As on 31.3.2020	As on 31.3.2019
1	Debtor Turnover	Times	161	203
2	Inventory Turnover	Times	13	15
3	Current Ratio	Times	0.94	0.51
4	Interest Coverage ratio	Times	1.94	0.60
5	Debt Equity Ratio	Times	3.09	3.38
6	Operation profit margin	%	18%	7%
7	Net profit margin	%	2.17%	-7.04%
8	Return on Net Worth	%	8.11%	-24.34%

## HUMAN CAPITAL MANAGEMENT

As evident from 1<sup>st</sup> Core Value of JKO- i.e., “caring for people”, the Company is known for its people centric approach ever since its inception. It has adopted best HR practices for retaining talents in the Organization. Various HR initiatives for developing learning culture and imparting regular programs on Emerging Leadership, Strengthening PMS system through SMART based KRAs, 360 degree feedback, launching of various employee engagement activities viz. Quality Circles, SGAs, CFTs, 5S activities etc. are in place. Besides suggestion scheme and structured communication process, various training programs for employee skill development both on functional and behavioral aspects are being organized in a structured way befitting benchmark standards. With a view to develop belongingness amongst the employees and considering need of social, cultural and spiritual developments, planned welfare activities are being conducted in the plant. In order to retain talent in the Organization, we have focused on various key parameters like recruitment, career development, performance management, award & recognition, executive coaching & mentoring, motivating employees, employee survey, exit interviews etc. In view of

increasing digitalization, developing HR modules online and making HR technology employee friendly, involving IT modern techniques had been a focus area for HR interventions.

The Company, apart from business priorities co-exists with social responsibility and commitments to help needy and marginalized people in the nearby community. CSR activities are being carried out mainly in nearby villages of Plant and Mines areas. Your Company focuses on five basic community needs such as Education, Health, Sustainable Livelihood, Rural Development and Social Causes at large. A new dimension in CSR arena had been launching programs of Women Empowerment and developing employability of poor and low earning group ladies and girls of nearby areas, in which programs like Computer literacy, Weaving, Sewing, Embroidery and Beautician courses are being organized in coordination with Women Polytechnic, Udaipur, providing certificates by Institute on completion of three months’ courses.

The Company is constantly improving on People Management Practices and taking every step to enrich major HR thrust areas which in turn has helped the Company in getting excellence in development of Human Capital. It is a matter of great satisfaction that your Company has again grabbed the best and highest Award in the field of Safety and Health on 4<sup>th</sup> of March 2020, from amongst all Major Plants of Rajasthan. The Award was presented to the Company’s officials by Shri Teeka Ram Juli - Hon’ble Labour Minister of Rajasthan at Alwar.

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.

The Company had responded strongly to the unprecedented humanitarian crisis, i.e., for COVID-19 Pandemic. The Company fought for this pandemic at several fronts in collaboration with District Authorities, Local Panchayats etc., by supporting the local communities around its plant, helping migrants and contractual labourers and other needy sections of the society.

## ENVIRONMENT, HEALTH AND SAFETY

Occupational health, safety and environment has always been on the priority agenda of the Management. The Company has taken up mass plantation in and around its factory, colony and mines area. Awareness program regarding environment conducted through bird pot distribution in and around the plant. The Company participated in district level flower exhibition held under guidelines of district authorities. Rain water harvesting structures developed for the buildings in plant and colony area. Your Company along with the coordination of local administration & regulatory authorities has started water supply to the nearby villages of mines from mines pits. The Company has conducted periodic medical and health check-up of its employees. As a social responsibility, the Company has also provided free medical facilities to nearby residents around its plant and mines area by

conducting medical camps. It is gratifying to note that your Company has received the following awards and recognitions:

- First prize for Storage, Transportation, Handling & Use of Explosives; First prize for General Cleanliness; Second Prize for Welfare Amenities and Activities under Category A-1 Mechanized Mines in the Financial Year 2019-20.
- Won 6<sup>th</sup> EXCEED CSR AWARD under GOLD category in Cement Industry for its outstanding Achievement in Corporate Social Responsibility on 20<sup>th</sup> December 2019.
- First prize in Heavy Industry category in factory award scheme by Department of Labour, State of Rajasthan and Office of Chief Inspector Factories and Boilers on 4<sup>th</sup> March, 2020.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate Internal Control Systems commensurate with the size and level of operations of the Company and the same were operating effectively throughout the year. The Company has an independent Corporate Internal Audit Department which carries out the Internal Audit of its Plant, Sales Depots and Registered Office. This Internal Audit Department submits its report on the Efficacy and Adequacy of Internal Control Systems to the Chairman of Audit Committee of the Board. There are adequate checks and balances in place, wherein deviation from the systems laid out are clearly identified and corrective actions are taken in respective areas, wherever required.

During the year, the Company's Budgetary Control System and MIS were working effectively to map the actual performance viz-a-viz Budget for taking corrective actions in the areas where deviations were found.

### INTERNAL FINANCIAL CONTROLS

The Company has also institutionalized its Internal Financial Control Systems, Policies and Procedures in line with the size and the complexity of its operations. This ensures accuracy and comprehensiveness of the Accounting records. These Internal Financial Control Systems are adequate for safeguarding the Assets of the Company and are effective towards prevention and detection of frauds and errors. The Policies and Procedures are also adequate for orderly and efficient conduct of business of the Company. The Company has in place specific Standard Operating Practices (SOPs) for its various functional areas. These SOPs are periodically reviewed by the Internal Audit Team and exceptions, if any, are reported. The Company also has a robust management information system for the timely preparation of reliable financial information. No reportable material weaknesses were observed in the system during the previous fiscal.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on 31<sup>st</sup> March 2020 in the prescribed Form MGT - 9 is attached as **Annexure 'A'** to this Report and forms a part of it and is also available on the website of the Company at [www.udaipurcement.com](http://www.udaipurcement.com).

### RELATED PARTY TRANSACTIONS

During the Financial Year ended 31<sup>st</sup> March 2020, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on an arm's length basis and were in compliance with the applicable provisions of the Companies Act, 2013 (Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Form AOC-2 containing the details of the material Related Party Transactions entered into during the Financial Year 2019- 20 as per the Related Party Transactions Policy is attached as **Annexure 'B'** to this Report and forms a part of it. The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The particulars of loans given, guarantees or securities provided and investments made as required under the provisions of Section 186 of the Act, are given in the Notes to Financial Statements.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Act, Shri Naveen Kumar Sharma (DIN: 08152305) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment. The Board recommends his re-appointment.

The Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, has appointed Shri Shrivats Singhania (DIN: 02359242) who has been a Non-executive Director on the Board, liable to retire by rotation, as Executive Director (Business Development), for a period of five years, w.e.f. 1<sup>st</sup> April 2020, subject to requisite approval of Members of the Company at the ensuing AGM.

Further, the Board, on recommendation of the Nomination and Remuneration Committee, has also appointed Ambassador Bhaswati Mukherjee (DIN:07173244) as an Additional Director in the category of Independent Director, pursuant to Regulation 17(1) (a) of the Listing Regulations, for a period of three consecutive years, with effect from 24<sup>th</sup> January 2020, subject to requisite approval of the Members at the ensuing AGM. She holds office up to the date of the ensuing AGM. Amb. Mukherjee possesses requisite expertise and experience and hold highest standards of integrity. The Company has received requisite Notice under section 160 of the Act from a Member and declaration of Independence from

her pursuant to Section 149 of the Act. As an Independent Director, she shall not be liable to retire by rotation. The Board recommends above appointment of Directors at the ensuing AGM.

The Board has taken on record the declarations and confirmations received from all the Independent Directors regarding their independence pursuant to Section 149 of the Act and Regulation 16 of Listing Regulations. Regarding proficiency of the Directors, the Company has taken requisite steps towards the inclusion of the names of all Independent Directors in the data bank of the Indian Institute of Corporate Affairs.

Ms. Poonam Singh was appointed as Key Managerial Personnel (KMP) in the capacity of Secretary of the Company w.e.f. 1<sup>st</sup> February 2020 in place of Ms. Hema Kumari who has ceased to be a KMP w.e.f. 24<sup>th</sup> November 2019. There are no other changes in the Directors/Key Managerial Personnel of the Company during the year.

### CONSERVATION OF ENERGY ETC.

The details as required under Section 134(3)(m) of the Act, read with the Companies (Accounts) Rules, 2014 are annexed to this Report as **Annexure 'C'** and forms part of it.

### DEPOSITS

The Company has neither invited nor accepted any deposits from the public.

### AUDITORS

(a) In accordance with the provisions of the Act, and Rules thereunder, M/s Bansilal Shah & Co., Chartered Accountants (Firm Registration Number: 000384W), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 23<sup>rd</sup> AGM held on 17<sup>th</sup> August 2019 until the conclusion of the 28<sup>th</sup> AGM to be held in the year 2024.

The observations of the Auditors in their Report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

### (b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act, the Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the Financial Year 2019-20.

The Report given by him for the said Financial Year in the prescribed format is annexed to this Report as **Annexure 'D'**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

### (c) Cost Auditors and Cost Audit Report

M/s. HMVN & Associates, Cost Accountants, conducted the audit of cost records of the Company for the Financial Year ended 31<sup>st</sup> March 2019 and as required, Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Company has duly maintained requisite Cost Accounts and Records pursuant to Section 148 (1) of the Act.

The audit of the Cost Records of the Company for the Financial Year ended 31<sup>st</sup> March 2020 is being conducted by the said Firm and the Report will be duly filed.

### PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed to this Report as **Annexure 'E'**. Further, particulars of employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report. However, in terms of provisions of Section 136 of the Act, the Report and Accounts are being sent to all the Members of the Company and others entitled there to, excluding the said Particulars of Employees. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company up to the ensuing AGM. Any member interested in obtaining such particulars may write to the Company Secretary.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

### CHANGE IN THE NATURE OF BUSINESS

During the Financial Year under review, there was no change in the nature of business.

### BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 (2) (f) of the Listing Regulations, the 1<sup>st</sup> Business Responsibility Report of the Company for the Financial Year 2019-20 ended 31<sup>st</sup> March 2020 in the prescribed format, giving an overview of the initiatives taken by the Company from an environmental, social and governance perspective is given in a separate section of the Annual Report and forms a part of it.

### CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant

to Regulation 34 of Listing Regulations, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report. The Corporate Governance Report also covers the following:

- (a) Particulars of the five Board Meetings held during the Financial Year under review.
- (b) Salient features of the Nomination and Remuneration Policy, including changes therein.
- (c) The manner in which formal annual evaluation of the performance of the Board of Directors, of its Committees and of individual Directors has been made.
- (d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism;
- (e) Details regarding Risk Management.
- (f) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### COMPLIANCE OF SECRETARIAL STANDARDS

Based on the Secretarial Audit Report of the Secretarial Auditor, the Company has duly complied with the applicable Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

#### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Act, your Directors state that:-

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems are adequate and operating effectively.

#### ACKNOWLEDGEMENTS

Your Directors wish to place on record and acknowledge their appreciation for the continued support and valuable co-operation received from the Government of Rajasthan, other Government Authorities, Lending Institutions/Banks, Dealers, Suppliers, Business Associates and Company's valued Customers and the esteemed Shareholders for the faith they continue to repose in the Company. The Directors also express their gratitude to "Team UCWL" whose unstinted efforts and collective contribution has enabled the Company to move ahead in tough times. Last but not the least, your Directors wish to place on record their sincere gratitude towards JK Lakshmi Cement Limited, our Holding Company and Hansdeep Industries & Trading Company Limited, a Fellow Subsidiary, for all the financial, technical, marketing and operational assistance extended by them to make turnaround and revival of the Company a reality.

#### CAUTIONARY STATEMENT

The Directors' Report & Management Discussion and Analysis contains forward-looking statements, which may be identified by the use of words in that direction, or connoting the same. All statements that address expectations or projections about the future including but not limited to statements about your Company's strategy for growth, product development, market positions, expenditures and financial results are forward looking statements.

Your Company's actual results, performance & achievements could thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

On behalf of the Board of Directors

Place: New Delhi  
Date: 16<sup>th</sup> May, 2020

Vinita Singhania  
Chairperson



**ANNEXURE 'A' TO DIRECTORS' REPORT**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year ended on 31<sup>st</sup> March 2020**  
**[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS**

(i)	CIN	L26943RJ1993PLC007267
(ii)	Registration Date	15 <sup>th</sup> March, 1993
(iii)	Name of the Company	Udaipur Cement Works Limited
(iv)	Category/Sub-Category of the Company	Public Company Limited by Shares/Non-Government Company
(v)	Address of the Registered Office and Contact Details	Shripati Nagar, CFA, P.O. Dabok, Udaipur-313022 (Rajasthan) Tele/Fax No. - 0294-2655076/77 Email id: <a href="mailto:ucwl.investors@jkmil.com">ucwl.investors@jkmil.com</a> Website: <a href="http://www.udaipurcement.com">www.udaipurcement.com</a>
(vi)	Whether Listed Company (Yes/No)	Yes
(vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Ltd. F-65, First Floor Okhla Industrial Area, Phase-I New Delhi-110020 Ph. No.: 91-11-41406149-50 Fax No.: 91-11-41709881 Email id: <a href="mailto:admin@mcsregistrars.com">admin@mcsregistrars.com</a> Website: <a href="http://www.mcsregistrars.com">www.mcsregistrars.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company :-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service*	% to total turnover of the Company
1	Cement	2394	100%

\*As per National Industrial Classification (2008)-Ministry of Statistics and Programme Implementation.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	JK Lakshmi Cement Limited Jaykaypuram, Distt. Sirohi, Rajasthan-307019	L74999RJ1938PLC019511	Holding	72.54	2(46)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)****(i) Category-wise Share Holding**

(Equity Share of ₹ 4 each)

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters**</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	23,34,04,537	-	23,34,04,537	74.95	22,58,93,537	-	22,58,93,537	72.54	(2.41)
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1):-</b>		<b>23,34,04,537</b>	<b>-</b>	<b>23,34,04,537</b>	<b>74.95</b>	<b>22,58,93,537</b>	<b>-</b>	<b>22,58,93,537</b>	<b>72.54</b>	<b>(2.41)</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2):-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)**</b>		<b>23,34,04,537</b>	<b>-</b>	<b>23,34,04,537</b>	<b>74.95</b>	<b>22,58,93,537</b>	<b>-</b>	<b>22,58,93,537</b>	<b>72.54</b>	<b>(2.41)</b>

\*\* The total shareholding of Promoters at (A) above includes 75,11,756 Equity Shares as on 1<sup>st</sup> April 2019 and 756 Equity Shares as on 31<sup>st</sup> March 2020 pertaining to constituent of the Promoter Group as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoter as defined in the Companies Act, 2013.

S. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B.</b>	<b>Public Shareholding Institutions</b>									
<b>1.</b>										
(a)	Mutual Funds	3,15,048	1,33,651	4,48,699	0.15	3,16,532	1,33,651	4,50,183	0.14	(0.01)
(b)	Banks/FI	696235	-	696235	0.22	6,61,235	-	6,61,235	0.21	(0.01)
(c)	Central Govt.	-	-	-	-	-	-	-	-	-
(d)	State Govt. (s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	35,084	-	35,084	0.01	35,084	-	35,084	0.01	-
(g)	Foreign Institutional Investors	3,00,000	-	3,00,000	0.10	3,00,000	-	3,00,000	0.10	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>		<b>13,46,367</b>	<b>1,33,651</b>	<b>14,80,018</b>	<b>0.48</b>	<b>13,12,851</b>	<b>1,33,651</b>	<b>14,46,502</b>	<b>0.46</b>	<b>(0.02)</b>
<b>2.</b>	<b>Non-Institutions</b>									
(a)	Bodies Corp.									
(i)	Indian	1,81,09,543	17,31,345	1,98,40,888	6.37	1,71,14,678	17,31,345	1,88,46,023	6.05	(0.32)
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	3,15,81,488	18,09,722	3,33,91,210	10.72	3,24,01,993	17,23,947	3,41,25,940	10.96	0.24
(ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2,23,21,252	26,300	2,23,47,552	7.18	3,03,93,656	26,300	3,04,19,956	9.77	2.59
(c)	Others (Specify)									
(i)	Non-resident Indians	9,33,912	-	9,33,912	0.30	6,66,859	-	6,66,859	0.22	(0.09)
(ii)	NBFCs registered with RBI	11,700	-	11,700	0.00	11,000	-	11,000	0.00	-
<b>Sub-Total (B)(2):-</b>		<b>7,29,57,895</b>	<b>35,67,367</b>	<b>7,65,25,262</b>	<b>24.57</b>	<b>8,05,88,186</b>	<b>34,81,592</b>	<b>8,40,69,778</b>	<b>27.00</b>	<b>2.42</b>
<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>		<b>7,43,04,262</b>	<b>37,01,018</b>	<b>7,80,05,280</b>	<b>25.05</b>	<b>8,19,01,037</b>	<b>36,15,243</b>	<b>8,55,16,280</b>	<b>27.46</b>	<b>2.41</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>30,77,08,799</b>	<b>37,01,018</b>	<b>31,14,09,817</b>	<b>100</b>	<b>30,77,94,574</b>	<b>36,15,243</b>	<b>31,14,09,817</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoter**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2019)			Shareholding at the end of the year (as on 31 <sup>st</sup> March 2020)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	JK Lakshmi Cement Limited	22,58,92,781	72.54	-	22,58,92,781	72.54	-	-
<b>Total</b>		<b>22,58,92,781</b>	<b>72.54</b>	<b>-</b>	<b>22,58,92,781</b>	<b>72.54</b>	<b>-</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2019)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>JK Lakshmi Cement Limited</b>				
	At the beginning of the year	<b>22,58,92,781</b>	<b>72.54</b>	22,58,92,781	72.54
	Date wise Increase/decrease	<b>Nil</b>			
	At the end of the year i.e. 31 <sup>st</sup> March 2020			<b>22,58,92,781</b>	<b>72.54</b>

**(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2019)		Shareholding at the end of the year (as on 31 <sup>st</sup> March 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sunflag Commercial Enterprises Limited^^	45,00,000	1.45	45,00,000	1.45
2	Jai Bhikshu Credit and Holdings Limited^^	33,55,000	1.08	33,55,000	1.08
3	Sanjay Jain^^	25,08,341	0.81	25,08,341	0.81
4	Raghupati Singhania@	7000	0.00	22,57,000	0.72
5	Ultima Finvest Limited^^	21,45,000	0.69	21,45,000	0.69
6	Vinita Singhania@	33,100	0.01	19,08,100	0.61
7	A And J Industrial and Financial Consultancy Private Limited^^	16,90,922	0.54	16,90,922	0.54
8	Sharda Goyal^^	14,00,000	0.45	14,00,000	0.45
9	Amit Goel^^	14,00,000	0.45	14,00,000	0.45
10	Atul Goel^^	14,00,000	0.45	14,00,000	0.45

Note: More than 98% of the Shares of the Company are held in dematerialised form and are widely traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

^^Common Top ten Shareholders as on 1<sup>st</sup> April, 2019 and 31<sup>st</sup> March, 2020.

@Shareholders as on 31<sup>st</sup> March, 2020



**(v) Shareholding of Directors and key Managerial Personnel**

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2019)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1.</b>	<b>Smt. Vinita Singhania, Chairperson</b>				
	At the beginning of the year	33,100	0.01	33,100	0.01
	Increase/Decrease in Shareholding during the year				
	On 28 <sup>th</sup> June, 2019 18,75,000 Equity Shares purchased from market			18,75,000	0.60
	At the end of the year i.e. 31.3.2020			19,08,100	0.61
<b>2.</b>	<b>Shri Shrivats Singhania</b>				
	At the beginning of the year	Nil			
	Increase/Decrease in Shareholding during the year				
	On 28 <sup>th</sup> June, 2019 3,10,000 Equity Shares purchased from market			3,10,000	0.10
	At the end of the year i.e. 31.3.2020			3,10,000	0.10
<b>3.</b>	<b>Shri Onkar Nath Rai, Director</b>				
	At the beginning of the year	1	0.00	1	0.00
	Increase/Decrease in Shareholding during the year	No Change			
	At the end of the year i.e. 31.3.2020			1	0.00

Note: Shri Surendra Malhotra, Shri Vinit Marwaha, Amb. Bhaswati Mukherjee (appointed as an Independent Director w.e.f. 24<sup>th</sup> January, 2020) and Shri Naveen Kumar Sharma, Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e., as on 1<sup>st</sup> April, 2019/date of appointment, as applicable, during the year 2019-20 and at the end of the year i.e as on 31<sup>st</sup> March, 2020. Shri Pranav Chitre, Chief Financial Officer and Ms. Poonam Singh (appointed as Company Secretary w.e.f. 1<sup>st</sup> February, 2020) were not holding any shares in the Company at the beginning of the year/date of appointment, as applicable, i.e. as on 1<sup>st</sup> April, 2019, during the year 2019-20 and at the end of the Financial Year i.e. as on 31<sup>st</sup> March, 2020.

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment:-**

(₹ in Crore)

	Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year (as on 1<sup>st</sup> April 2019)</b>					
(i)	Principal Amount	556.79	10.00	-	566.79
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	34.81	-	-	34.81
<b>Total (i+ii+iii)</b>		<b>591.60</b>	<b>10.00</b>	<b>-</b>	<b>601.60</b>
<b>Change in indebtedness during the Financial Year</b>					
	Addition	205.20	-	-	205.20
	Reduction	219.54			219.54
<b>Net Change</b>		<b>(14.34)</b>	<b>-</b>	<b>-</b>	<b>(14.34)</b>
<b>Indebtedness at the end of the Financial Year (as on 31<sup>st</sup> March 2020)</b>					
(i)	Principal Amount	557.03	10.00	-	567.03
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	20.23	-	-	20.23
<b>Total (i+ii+iii)</b>		<b>577.26</b>	<b>10.00</b>	<b>-</b>	<b>587.26</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-**

(₹ in Lakh)

S. No.	Particulars of Remuneration	Shri Naveen Kumar Sharma, Whole-time Director
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	94.92
	(b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	12.93
2.	Others (mainly contribution to Provident Fund)	4.46
<b>Total (A)</b>		<b>112.31</b>
Ceiling as per the Act		₹ 288.98 Lakh (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).

The Company does not have Sweat Equity/Scheme for stock option. Commission - Not Applicable.

**B. Remuneration to other Directors:-**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Shri Onkar Nath Rai	Shri Surendra Malhotra	Shri Vinit Marwaha	Amb. Bhaswati Mukherjee**	Smt. Vinita Singhania	Shri Shrivats Singhania	
1.	<b>Independent Directors</b>							
(a)	Fee for attending Board/ Committee Meetings	1.47	2.58	2.95	0.40	-	-	7.40
(b)	Commission	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>1.47</b>	<b>2.58</b>	<b>2.95</b>	<b>0.40</b>	<b>-</b>	<b>-</b>	<b>7.40</b>
2.	<b>Other Non Executive Directors</b>							
(a)	Fee for attending Board/ Committee Meetings	-	-	-	-	1.80	1.30	3.10
(b)	Commission	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.80</b>	<b>1.30</b>	<b>3.10</b>
<b>Total (B) (1+2)</b>		<b>1.47</b>	<b>2.58</b>	<b>2.95</b>	<b>0.40</b>	<b>1.80</b>	<b>1.30</b>	<b>10.50</b>
<b>Total Managerial Remuneration (A+B)*</b>		<b>122.81*</b>						
Overall Ceiling as per the Act		₹ 317.88 Lakh (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).						

\*Total Remuneration to Whole-time Director and other Directors (being the total of A and B), includes sitting fees of ₹ 10.50 Lakh.

\*\*Amb. Bhaswati Mukherjee was appointed as an Independent Director w.e.f. 24.1.2020.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTG:**

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Pranav Chitre, Chief Financial Officer	Ms. Hema Kumari, Company Secretary*	Ms. Poonam Singh, Company Secretary**	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.13	6.51	1.85	39.49
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	5.13	1.34	0.13	6.60
2.	Others (mainly contribution to Provident Fund)	1.34	0.33	0.11	1.78
<b>Total (A)</b>		<b>37.60</b>	<b>8.18</b>	<b>2.09</b>	<b>47.87</b>

\*Ceased to be a Company Secretary w.e.f. 24<sup>th</sup> November, 2019.

\*\*Appointed as Company Secretary w.e.f. 1<sup>st</sup> February, 2020.

The Company does not have Sweat Equity/Scheme for stock option. Commission - Not applicable.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties, punishment or compounding of offences during the Financial Year ended 31<sup>st</sup> March 2020.

On behalf of the Board of Directors

Place: New Delhi  
Date: 16<sup>th</sup> May, 2020

Vinita Singhania  
Chairperson

**ANNEXURE 'B' TO DIRECTORS' REPORT****Form No. AOC-2****(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)**

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year ended 31<sup>st</sup> March 2020 are as follows:

<b>Name of Related Party and Nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of contracts/ arrangements/ transactions</b>	<b>Salient terms of the Contracts or arrangements or transactions including the value, if any</b>	<b>Date (s) of approval by the Board, if any</b>	<b>Transaction Amount (₹ in crores)</b>
JK Lakshmi Cement Limited – Holding Company	Clinker Purchase, Brand Royalty, Cement & others	June 2013 ongoing	Purchase of Clinker/other goods at Arm's length price	N.A.*	<b>6.03</b>
JK Lakshmi Cement Limited – Holding Company	Purchase of Cement	June 2018 ongoing	Purchase of Cement at Arm's length price	N.A.*	<b>230.18</b>
JK Lakshmi Cement Limited – Holding Company	Sale of Cement	August 2018 onwards	Sale of Cement/other goods at Arm's length price	N.A.*	<b>177.26</b>
JK Lakshmi Cement Limited – Holding Company	Corporate Guarantee taken	August 2018 onwards	Corporate Guarantee by JKLC to Bank for sanctioning Term Loan	25.07.2018	<b>100.00</b>
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Sale of Clinker	August 2015 ongoing	Sale of Clinker at Arm's length price	N.A.*	<b>89.37</b>
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Finance Charges on Inter Corporate Term Loan	August 2015 ongoing	Interest charges at Arm's length price and applicable Finance charges at market rate.	N.A.*	<b>39.74</b>
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Inter Corporate Term Loan	August 2015 ongoing	Repayment of Term Loan on due date as per agreement	N.A.*	<b>198.72</b>

\*Not applicable since the contract was entered into in the ordinary course of business and on Arm's length basis, market rate.

**Note:** All transactions with JK Lakshmi Cement Ltd. & Hansdeep Industries & Trading Co. Ltd. have been disclosed irrespective of whether they are covered under Section 188 of the Companies Act, 2013 or not. No Advance was paid for any transaction noted above.

On behalf of the Board of Directors

Place: New Delhi  
Date: 16<sup>th</sup> May, 2020

Vinita Singhania  
Chairperson



## ANNEXURE 'C' TO DIRECTORS' REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

### (A) Conservation of Energy

#### (I) Steps taken for Conservation of Energy

The Company understands the need of Energy conservation and has a Certification of ISO 50001. The following initiatives have been undertaken by the Company:

- Optimization in WHR Section to achieve the Auxiliary power consumption below 5%.
- Installation of variable frequency drives (VFDs) in packing plant section resulting into reduced power consumption.
- Installation of VFD in Kiln coal conveying blower to optimize the Coal to Air Ratio.
- Modifications in pre-heater cyclones/ducts to reduce pressure drop across the preheater section to reduce power consumption in preheater fan.
- Installation of blasters to avoid the material accumulation at cyclone 5 inlet duct to reduce pressure drop.
- Optimization of compressed air requirement by optimizing the loading and unloading timing of compressors in the entire plant which result into power conservation.
- New arrangement done to minimize operation of boiler hot meal elevator to save energy.
- Optimization of Air Cooled Condenser (ACC) fans in WHRS Section to reduce power consumption.
- Modifications of Air Quenching Cooler (AQC) boiler outlet duct to reduce pressure drop in WHRS Section to gain on lower power consumption in CV Fan.

#### (II) Steps taken by the Company for utilizing alternate sources of energy

- In house installation of Hazardous Liquid Waste Co-processing system in Kiln.
- In-house innovative modification to enhance WHR based power generation to fulfill approximately more than 40% of the total operational power requirement from renewable energy.

### (III) The Capital Investment on energy conservation equipment

S No.	Particulars/Equipment Names	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1.	Modifications of Air Quenching Cooler (AQC) boiler outlet duct to reduce pressure drop.	30.0	26.3
2.	Modifications in pre-heater cyclones/ducts to reduce pressure drop across the preheater section (kiln riser duct, cyclone 4 inlet duct).	10.0	32.9
3.	Installation of blasters in cyclone 5 inlet duct to reduce pressure drop.	4.2	13.1
4.	Diversion of WHRS SP Boiler hot material into VRM silo feed buck elevator through existing air slide.	1.49	8.2

### (B) Technology absorption, adaptation and innovation by technology adaptation

#### (I) The efforts made towards technology absorption

Technological innovation adaptation and implementation has been the key area of the Company. Well trained engineers utilized these technologies by fine tuning certain parameter of the process.

Some of the technological innovations implemented are as under:

- Installation of automatic grease lubrication system to avoid idle running of jaw crusher.
- Automation in the operation of haul Road lights to save the power.
- Installation of flat plate type indicator mounted about 1.5 meter above the bottom of the chute of limestone crushing section to avoid the jamming.
- Installation of flow switches in raw mill grinding roller lubrication system for the regular and adequate lubrication.
- Installation of vibration sensors at primary air fan, Coal mill booster fan and kiln girth gear for the preventive/predictive maintenance.
- Installation of RTD at bag filter inlet at deep pan conveyor to avoid the damage of the bags.
- Installation of hopper level switches at packing plant to improve operations of packer.

- Merger of OLBC operating station to the VRM operating station for the single station operation.

**(II) The Benefits derived like product improvement, cost reduction, product development or Import substitution**

- Installation of low thermal bricks in kiln section to reduce the radiation in the Girth Gear zone.
- Optimization of contract demand through automation to reduce fixed minimum charges in electricity bill.
- Modified logic implementation to avoid the idle running of Limestone/additive material handling circuit.
- Modified logic implementation to avoid the idle running of raw meal material extraction root blower operation.
- Installation of the motorized diverter in place of the manual plate diverter for time saving in diverter operation.
- Latest Technology adopted for the chutes and Roller protection cover to reduce the wear and tear.

**(III) In case of imported technology (imported during the last three years reckoned from the beginning of financial year)**

- a. The details of Technology Imported
- Boiler, Turbine and Generator Set for WHRS
  - Sino walk Cooler for Pyro process
  - Jaw & Cone Crushers for Mines
  - Hydraulic system for Raw Mill
  - Hydraulic system for Coal Mill

The details of Import Technology, which are under pipeline:

- Particle Size Distribution analyzer
- Process optimization software
- Sino walk cooler module
- Coal metering and dosing system

b. The Year of Import:-

Particulars	Year of Import
Boiler, Turbine and Generator Set for WHRS	2016-2017
Sino walk Cooler for Pyro Process	2016-2017
Jaw/Cone Crusher for Limestone crushing	2016-2017
Raw Mill Hydraulic System	2016-2017
Coal Mill Hydraulic System	2016-2017

c. Whether the technology has been fully absorbed:-Yes

d. If not fully absorbed, areas where absorption has not taken place and reason thereof: - N.A.

**(IV) Expenditure on Research and Development: Nil**

**(C) Foreign Exchange Earnings and Outgo**

S. No.	Particulars	Amount (₹ In Crores)
1.	Foreign Exchange Earned	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, etc.)	12.87

On behalf of the Board of Directors

Place: New Delhi  
Date: 16<sup>th</sup> May, 2020

Vinita Singhania  
Chairperson

# ANNEXURE 'D' TO DIRECTORS' REPORT

## Form No.MR-3 SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Udaipur Cement Works Limited,**  
Shripati Nagar, Dabok P.O. CFA,  
Udaipur-313022 (Rajasthan)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Udaipur Cement Works Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2020** (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-(Not applicable to the Company during the Audit Period); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company and complied with:-
  - Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 and Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973
  - Mines Act, 1952 and Mines Rules, 1955
  - Mines Vocational Training Rules, 1966
  - Metalliferous Mines Regulations, 1961, Mineral Conservation and Development Rules, 1988
  - Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960
  - Bureau of Indian Standards Act, 1986 and Cement (Quality Control) Order, 2003

I have also examined compliance with the applicable clauses of the following:

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate Notice is given to all directors in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were also sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that,** based on review of compliance mechanism established by the Company and on the basis of compliance certificate issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that,** during the audit period, the following major events have taken place –

1. Manufacturing and other operations remained closed/suspended at the Company's plant since 23<sup>rd</sup> March 2020 to 31<sup>st</sup> March 2020 due to lockdown imposed in the Country on account of COVID-19.
2. Members authorised the Board of Directors, at their Annual General Meeting on 17<sup>th</sup> August, 2019, for borrowings upto an amount not exceeding ₹ 1500 crores, (in supersession of earlier resolution dated 9<sup>th</sup> August, 2018 authorising upto ₹ 1000 crores) and to create mortgage/charge on the properties of the Company in favour of the lenders upto the borrowed amount.

**Further, this report is to be read alongwith the following-**

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 12<sup>th</sup> May, 2020  
UDIN: F000234B000230816

Namo Narain Agarwal  
Secretarial Auditor  
CP No. 3331, FCS No. 234



## ANNEXURE 'E' TO DIRECTORS' REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2019-20 ended 31<sup>st</sup> March 2020:

**A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year**

Non-Executive Directors: Smt. Vinita Singhania, 0.36; Shri Shrivats Singhania, 0.26; Shri Onkar Nath Rai, 0.29; Shri Vinit Marwaha, 0.58 ; Shri Surendra Malhotra, 0.51, and Amb.Bhaswati Mukherjee^ (Appointed as Independent Woman Director w.e.f. 24<sup>th</sup> January 2020)

Executive Director: Shri Naveen Sharma, WTD, 22.22

**B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year**

No commission was paid to the Non-executive Directors and only sitting fees was paid. Executive Director & KMP-Shri Naveen Kumar Sharma, WTD^, and Shri Pranav Avinash Chitre, CFO^, Ms. Poonam Singh, Company Secretary^. The increase/decrease in sitting fees of Non-Executive Director – namely Smt. Vinita Singhania, Shri Shrivats Singhania, Shri Onkar Nath Rai, Shri Vinit Marwaha, Shri Surendra Malhotra, are 26%, 4%, (29%), 7% and 49% respectively.

**C. The percentage increase in the median remuneration of employees is 3%.**

**D. The number of permanent employees on the rolls of Company-328.**

**E. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

During the Financial Year 2019-20 on an average employee received an annual increment of 9% with individual increment varying from 3.8 to 32%.

**F. Affirmation that the remuneration is as per the remuneration Policy**

We affirm that the remuneration paid during the Financial Year 2019-20 is as per the Nomination and Remuneration policy of the Company.

^Note: Where the remuneration of Directors/KMP is only for part of the year/earlier year, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated.

On behalf of the Board of Directors

Place: New Delhi  
Date: 16<sup>th</sup> May, 2020

Vinita Singhania  
Chairperson

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The core values of the Company are:

- commitment to excellence and customer satisfaction
- maximizing long term shareholders' value
- socially valued enterprise and
- caring for people and environment.

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a

Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

### 2. BOARD OF DIRECTORS

As on 31<sup>st</sup> March 2020, the Board of Directors of the Company, consists of Seven Directors comprising of one Executive Director and six Non-executive Directors (NED) out of which four are Independent Directors (IND). Five Board Meetings were held during the Financial Year 2019-20 ended 31<sup>st</sup> March 2020, on 10<sup>th</sup> May 2019, 24<sup>th</sup> July 2019, 24<sup>th</sup> October 2019, 24<sup>th</sup> January 2020 and 13<sup>th</sup> March 2020. Attendance and other details of the Directors as on 31<sup>st</sup> March 2020 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (17.8.2019)	No. of other Directorships and Committee Memberships/Chairmanships held in other companies		
					Directorships <sup>§</sup>	Committee Memberships <sup>@</sup>	Committee Chairmanships <sup>@</sup>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Smt. Vinita Singhania - Chairperson	00042983	NED	5	Yes	5	-	-
Shri Onkar Nath Rai	00033142	IND	3	Yes	-	-	-
Shri Surendra Malhotra	00271508	IND	5	Yes	8	4	2
Shri Shrivats Singhania	02359242	NED	5	No	1	-	-
Shri Vinit Marwaha	00051403	IND	5	Yes	3	-	-
Shri Naveen Kumar Sharma	08152305	Executive	5	Yes	-	-	-
Amb. Bhaswati Mukherjee <sup>^</sup>	07173244	IND	2	N.A.	2	-	-

\*The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 (Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

<sup>§</sup>Excluding private companies, foreign companies and companies under Section 8 of the Act. Independent

Directorships held by the Directors are in accordance with the Listing Regulations.

<sup>@</sup>Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

<sup>^</sup>Appointed as an Independent Woman Director w.e.f. 24<sup>th</sup> January 2020.

NA – Not Applicable

Other Listed companies where Directors of the Company are Directors and category of directorship (as on 31<sup>st</sup> March 2020)

Sl. No	Name of Directors	Name of Listed Company	Category of Directorship
1	Smt. Vinita Singhania	JK Lakshmi Cement Limited	Executive
		HEG Limited	Non- executive
		Bengal & Assam Company Limited	Non- executive
		JK Paper Limited	Non- executive
2	Amb. Bhaswati Mukherjee	JK Lakshmi Cement Limited	Independent
		Jindal Stainless Limited	Independent

Note: Other Directors do not hold directorship in any other listed Company.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

The Board has identified the following as core skills/ expertise/competencies (core skills) required in the context of the Company's business and sector for it to function effectively:-

(i) Financial and Accounting Knowledge; (ii) Strategic expertise; (iii) Legal & Corporate Governance Expertise; (iv) Technology/ Knowledge pertaining to Cement Industry; (v) Commercial Experience; (vi) Community Service, Sustainability and Corporate Social Responsibility; (vii) Quality and Safety experience; and (viii) Risk governance

All the Board members possess above skills collectively that enable them to make effective contribution to the Board and its Committees. The core skills of individual Directors: (a) the Executive Directors of the Company: Shri Naveen Kumar Sharma- a Professional having vast experience and technical knowledge pertaining to cement industry, environment, quality & safety management, risk governance, sustainability and community service; Shri Shrivats Singhania, appointed as an Executive Director (Business Development) w.e.f. 1<sup>st</sup> April 2020, is an Entrepreneur having rich experience in various aspects of Cement and Paper businesses; (b) the Non-executive Directors of the Company: Smt. Vinita Singhania- an Industrialist and Entrepreneur having diversified business knowledge and has rich experience in Human Relations, Sustainability, Community Service and Corporate Social Responsibility; Shri Onkar Nath Rai -has wide technical knowledge and experience in management of Cement and Sugar businesses; Shri Surendra Malhotra – strategic expertise and commercial experience; Shri Vinit Marwaha – vast experience in Taxation and Corporate matters; and Amb. Bhaswati Mukherjee - former Ambassador of India to Netherlands, Educationist and a prolific Writer having rich experience on International Relations, Human Rights and Community Service.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. With a view to foster an improved compliance reporting and monitoring in the Company, the Company implemented a web based legal compliance tool called

“Compliance Manager” developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior Management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Director), which is strictly adhered to. In terms of the provisions of Regulation 17(5) of Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said Code is available on the website of the Company ([www.udaipurcement.com](http://www.udaipurcement.com)). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Shri Naveen Kumar Sharma, Whole-time Director.

Relationship between Directors inter-se: Smt. Vinita Singhania is the mother of Shri Shrivats Singhania. None of the other Directors are related to each other within the meaning of the Act.

The number of Equity Shares of ₹4 each held by the Non-executive Directors as on 31<sup>st</sup> March 2020 are: Shri Onkar Nath Rai – 1 (one) share, Smt. Vinita Singhania – 19,08,100 shares, Shri Shrivats Singhania – 3,10,000 shares, Shri Vinit Marwaha, Shri Surendra Malhotra and Amb. Bhaswati Mukherjee does not hold any shares in the Company. The Company does not have any outstanding convertible instruments.

### 3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Act and Regulation 25 of the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 24<sup>th</sup> January, 2020. Shri Surendra Malhotra was unanimously elected as Chairman of the Meeting and all the Independent Directors of the Company were present at the said Meeting.

#### 4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25 (7) of the Listing Regulations, the Company has been conducting various familiarization programmes. The details of such familiarization programmes for Independent Directors have been disclosed on the website of the Company, the weblink for which is <https://www.udaipurcement.com/Note%20on%20Familiarisation%20Programme-UCWL.pdf>.

#### 5. PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Act and the Listing Regulations.

The Board of Directors has made formal annual evaluation of its own performance and that of its Committees and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under the Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of criteria such as composition of Committees, terms of reference of Committees, effectiveness of the Committee meetings, participation of the Members of the Committee in the meetings, etc.

The Board carried out evaluation of the performance of individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its Committees, exercise of his/ her duties with due & reasonable care, skill and diligence, etc.

In a separate Meeting of the Independent Directors of the Company, performance of the Non-independent Directors, performance of the Board as a whole and performance of the Chairperson was evaluated, taking into account the views of Executive and Non-executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

#### 6. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 2001. The composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

The Committee consists of four Directors, out of which three are Independent Directors and one is Executive Director. Four Meetings of the Audit Committee were held during the Financial Year ended 31<sup>st</sup> March 2020.

Dates of the Meetings and the number of Members attended:

Dates of Meetings	Number of Members attended
10 <sup>th</sup> May 2019	3
24 <sup>th</sup> July 2019	4
24 <sup>th</sup> October 2019	3
24 <sup>th</sup> January 2020	4

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Onkar Nath Rai	Chairman	2
Shri Vinit Marwaha	Member	4
Shri Surendra Malhotra	Member	4
Shri Naveen Kumar Sharma	Member	4

The Committee Meetings were attended by the Chief Financial Officer, Internal Auditor and Company Secretary. The Company Secretary acts as the Secretary of the Committee.

#### 7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Independent Directors. The composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Dates of the Meetings and the number of Members attended:

Date of Meeting	Number of Members attended
10 <sup>th</sup> May 2019	2
24 <sup>th</sup> July 2019	3
24 <sup>th</sup> October 2019	2
24 <sup>th</sup> January 2020	3

The names of the Members of the Committee and their attendance at the Meetings:

Name	Status	No. of Meetings attended
Shri Vinit Marwaha	Chairman	4
Shri Onkar Nath Rai	Member	2
Shri Surendra Malhotra	Member	4

Ms. Poonam Singh, Company Secretary is the Compliance Officer who oversees the investors' grievances including related to transfer of shares, non-receipt of Annual Report etc. During the Financial Year ended 31<sup>st</sup> March 2020, the Company received only 4 complaints from the Shareholders and the same have since been resolved to the satisfaction of Shareholders. Also, there are no complaints pending in respect of previous period.

The Board of Directors has delegated the power of transfer of shares and related matters to 'Share Transfer Committee'. The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the Financial Year ended 31<sup>st</sup> March 2020, Eleven (11) Meetings of the Share Transfer Committee were held.

## 8. NOMINATION AND REMUNERATION COMMITTEE

The Company has a 'Nomination and Remuneration Committee' comprising of four Directors, all being Non-executive Directors out of which three are Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Dates of the Meeting and the number of Members attended:

Date of Meeting	Number of Members attended
10 <sup>th</sup> May 2019	3
24 <sup>th</sup> July 2019	4
24 <sup>th</sup> October 2019	3
24 <sup>th</sup> January 2020	4
13 <sup>th</sup> March 2020	4

The names of the Members of the Committee and their attendance at the Meeting:

Name	Status	No. of Meetings attended
Shri Onkar Nath Rai	Chairman	3
Smt. Vinita Singhania	Member	5
Shri Surendra Malhotra	Member	5
Shri Vinit Marwaha	Member	5

## 9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Act and Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The Policy is available at the website of the Company and the weblink is <http://www.udaipurcement.com/Nomination%20and%20Remuneration%20Policy.pdf>. The salient features of the policy are as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like-respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to the Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review compensation of such Directors in relation to other comparable companies and other factors, as the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The Board will review the performance of the Board of Directors, its Committees and individual Director as per the manner of performance evaluation specified by the Committee from time to time.
- (iv) The Committee will review from time to time, Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind while recommending any person for appointment as a Director on the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled in by senior personnel having relevant qualifications and experience. The Compensation structure for KMPs and

other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## 10. REMUNERATION PAID TO DIRECTORS

- (i) **Executive Director:** The aggregate value of salary, perquisites and contribution to Provident & other Funds for the Financial Year ended 31<sup>st</sup> March 2020 to Shri Naveen Kumar Sharma was ₹ 1.12 Crore. The Company does not have any Stock Option Scheme. For more details about components of remuneration, please refer to Form MGT- 9, which forms part of the Directors' Report.

The tenure of office of Shri Naveen Kumar Sharma, Whole- time Director is three years and notice period is six months.

- (ii) **Non Executive Directors (NEDs):** During the Financial Year 2019-20, the Company paid sitting fees aggregating to ₹ 10.50 Lakh to all the Non-executive Directors (NEDs) for attending the Meetings of the Board and Committees of Directors of the Company. The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

## 11. GENERAL BODY MEETINGS:

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

Year	Location	Date	Time
2016 - 17	Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan)	10.8.2017	11.00 A.M.
2017 - 18	Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan)	9.8.2018	11.00 A.M.
2018 -19	Shripati Nagar, P.O. CFA, Dabok, Udaipur-313 022 (Rajasthan)	17.8.2019	11.00 A.M.

Details of Special Resolutions passed in the previous three AGMs:

Special Resolutions for issuance of 50,00,000, 6% Optionally Convertible Cumulative Redeemable Preference Shares aggregating to ₹ 50 Crore to Promoter/Holding Company on preferential basis

and re- appointment of Shri Rohni Kumar Gupta, Whole-time Director of the Company for a period of one year w.e.f. 1<sup>st</sup> April 2017, were passed in the AGM held on 10<sup>th</sup> August 2017, Special Resolutions for appointment of Shri Surendra Malhotra as an Independent Director, Shi Naveen Kumar Sharma and Shri Rohni Kumar Gupta as Whole-time Directors, for a period of three years and six months respectively, approval for Issue of Secured Non-Convertible Debentures of upto ₹ 200 Crore, authorisation to the Board of Directors for borrowings upto an amount not exceeding ₹ 1000 Crore and to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding ₹ 1,000 Crore were passed in the AGM held on 9<sup>th</sup> August 2018. Special Resolutions regarding re-appointment of Shri O.N.Rai as an Independent Director and Authorisation to the Board of Directors for borrowings upto an amount not exceeding ₹ 1,500 Crore and to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding ₹ 1,500 Crore were passed in the last AGM held on 17<sup>th</sup> August 2019.

During the Financial Year 2019-20, no Special Resolution was passed through Postal Ballot.

There is no immediate proposal for passing any Special Resolution through Postal Ballot

## 12. DISCLOSURES

- (a) **Related Party Transactions:** Disclosures on materially significant Related Party Transactions that may have potential conflict with the interests of the Company at large: **None.**

Suitable disclosures as required by Ind AS- 24 - Related Party Transactions have been made in the Annual Report. All the Related Party Transactions are dealt with in accordance with the provisions of the Act and Regulation 23 of the Listing Regulations.

The Company has formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink is <http://www.udaipurcement.com/UCWL%20-RPT%20Policy-24.01.2020.pdf>

- (b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years: There were no cases of non-compliance of any matter related to capital markets during the last three years.



**(c) Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors of the Company at its Meeting held on 13<sup>th</sup> August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

**(d) Prevention of Sexual Harassment of Women at Workplace:**

Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees.

During the year, no complaint was filed with ICC and no complaint pending as on the end of the Financial Year 31<sup>st</sup> March 2020.

**(e) Risk Management:** The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures. A Risk Management Committee headed by a Director of the Company meets on quarterly basis and evaluates the efficacy of the framework relating to risk identification and its mitigation. Board Members are accordingly informed.

**(f) Disclosure of commodity price risks and commodity hedging activities:**

As a part of Risk Management mechanism, the Company has identified fluctuations in major commodity prices as one of the risks. To mitigate the same, the Company undertakes commodity hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to ensure availability of raw material and prices under check.

Requisite details pursuant to SEBI Circular dated 15<sup>th</sup> November 2018: For the Financial Year 2019-20, Company's exposure in petcoke and coal was more than 10% of the total cost of production. Board of Directors considered Petcoke and Coal as 'Material' commodities for the purpose of disclosure as required under the aforesaid SEBI Circular.

- (a) Total exposure of the listed entity to commodities = ₹ 90.34 Crore
- (b) Commodity risks faced by the listed entity during the year: Nil
- (c) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Pet Coke	70.79 Crores	0.83 Lakh MT	NIL	NIL	NIL	NIL	NIL
Coal	19.55 Crores	0.29 Lakh MT	NIL	NIL	NIL	NIL	NIL

**(g) Details of utilization of funds raised through preferential allotment as specified under Regulation 32 (7A):**

During the Financial Year, the Company has not raised any funds through preferential Allotment or through Qualified Institutions Placement.

**(h) Certificate:** The Company has received a certificate dated 10<sup>th</sup> May 2020 from Shri Namo Narain Aggarwal, Company Secretary in Practice (FCS No.234, CP No. 3331) that none of the Directors on the Board of Udaipur Cement Works Limited has been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

**(i) Credit Ratings**

Ratings to various facilities of the Company by Rating Agency are as under:

Sl. No.	Facility	Rating Agency	Rating Assigned
1	Long Term Bank facilities of ₹ 350 Crore	CARE Ratings Ltd.	CARE AA- (CE); Stable (Double A Minus [Credit Enhancement]); Outlook Stable
2	Short Term Bank Facilities of ₹ 20 Crore	CARE Ratings Ltd.	CARE A1 (+) (CE) (A One Plus [Credit Enhancement]); Outlook Stable

During the year under review, CARE Ratings Ltd. has reaffirmed the Credit Rating for Company's Long Term Banking Facilities at CARE AA- (CE) Stable (Double A Minus [Credit Enhancement]) Outlook: Stable

During the year under review, CARE Ratings Ltd. has maintained the Credit Rating in respect of Company's Short Term Bank Facilities at CARE A1(+) (CE) (A One Plus [Credit Enhancement] Outlook: Stable).

- (j) There were no instances where the Board had not accepted any recommendation of any Committees of the Board during the Financial Year ended 31<sup>st</sup> March 2020.
- (k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details regarding fees paid to the Statutory Auditors are given in Note No 56 of the Financial Statements.

### 13. MEANS OF COMMUNICATION

Quarterly, Half-Yearly and Annual Results are normally published in the leading English newspaper, namely, The Financial Express and one regional daily "Pratahkal" (Udaipur), having wide circulation and promptly furnished to the Stock Exchange for display on its website. The financial results are also displayed on the Company's website- [www.udaipurcement.com](http://www.udaipurcement.com). No Presentation was made to Institutional Investors or to the Analysts.

### 14. GENERAL SHAREHOLDERS' INFORMATION

#### (i) Registered Office

Shripati Nagar, CFA, P.O: Dabok Udaipur - 313022, Rajasthan

#### (ii) Annual General Meeting (AGM)

(a) Date and Time: Please refer to Notice of the AGM.

Venue: Through Video Conferencing/Other Audio Visual Means [Deemed Venue for Meeting: Registered Office: Shripati Nagar, CFA, P.O: Dabok Udaipur - 313022, Rajasthan

(b) A brief resume and other particulars of Director(s) seeking re-appointment at the aforesaid AGM are given in the Notice convening the said AGM.

(iii) **Financial Year:** April 1 to March 31

(iv) **Financial Calendar (Tentative)**

#### Financial Reporting

• for the quarter ending 30.06.2020	Within 45 days of the end of the Quarter
• for the half-year ending 30.09.2020	
• for the quarter ending 31.12.2020	
• for the year ending 31.03.2021 (Audited)	Within 60 days of the end of the Financial Year
• Annual General Meeting for the Financial Year ending 2020-21	

Between July and September 2021

(v) **Dividend Payment Date:** Not Applicable

(vi) **Date of Book Closure:** As in the AGM Notice.

(vii) **Names and address of Stock Exchange where Equity Shares of the Company are listed:** The Equity Shares of the Company (Face Value: Rs. 4 each) are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

The annual listing fee for the Financial Year 2020-21 has been paid to the aforesaid Stock Exchange.

The securities of the Company are not suspended from trading.

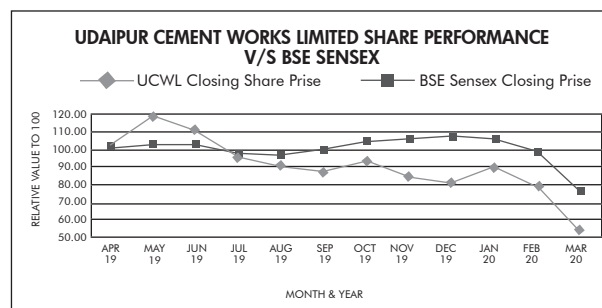
(viii) **Security Code for Company's Equity Shares on Stock Exchange and ISIN:**

BSE – 530131, ISIN: INE225C01029

#### (ix) Stock Market Price Data

Months (2019-20)	BSE Ltd. (₹)	
	HIGH	LOW
April 2019	16.25	14.00
May 2019	18.20	12.20
June 2019	16.75	12.50
July 2019	16.00	12.40
August 2019	13.89	11.90
September 2019	13.80	12.11
October 2019	13.86	10.90
November 2019	13.69	11.84
December 2019	12.40	10.90
January 2020	15.54	11.09
February 2020	13.00	10.90
March 2020	11.35	7.00

### Udaipur Cement Works Limited Share Performance v/s BSE Sensex (April 19- March 20)



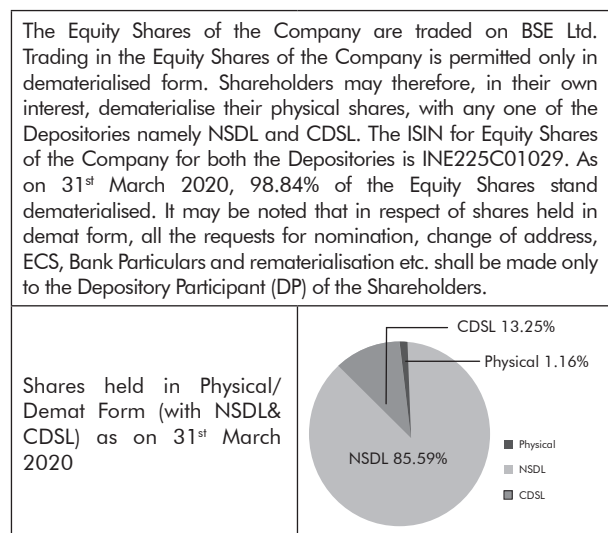
**(x) Distribution of Shareholdings as on 31<sup>st</sup> March 2020**

Category (No. of Shares)	No. of Equity Shares of ₹ 4/- each	%	No. of Shareholders	%
1-500	43,16,578	1.39	18,833	64.80
501-1000	35,13,981	1.13	3,973	13.67
1001-5000	11,616,172	3.73	4,519	15.55
5001-10000	67,46,435	2.17	863	2.97
10001 & above	28,52,16,651	91.58	876	3.01
<b>TOTAL</b>	<b>31,14,09,817</b>	<b>100.00</b>	<b>29,064</b>	<b>100.00</b>

**(xi) Share Transfer System**

All valid requests for transfer/transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt thereof. In case of shares held in dematerialized form, the transfers are processed by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

**(xii) Dematerialisation of Shares and Liquidity:**



**(xiii) Outstanding GDRs/ADRs/Warrants/Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31<sup>st</sup> March 2020 - NIL

**(xiv) Commodity price risk or foreign Exchange risk and hedging activities:** During the Financial Year ended 31<sup>st</sup> March 2020, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contracts.

**(xv) Plant Location:**

Udaipur Cement Works Limited, Shripati Nagar, CFA, P.O: Dabok, Udaipur, Rajasthan-313022

**(xvi) Address for correspondence regarding share transfers and related matters:**

**1. Udaipur Cement Works Limited**

Secretarial Department,  
Gulab Bhawan, 3<sup>rd</sup> Floor (Rear Block)  
6A, Bahadur Shah Zafar Marg,  
New Delhi- 110 002.  
Ph: (011) – 30179864  
Contact Person: Ms. Poonam Singh  
E-mail: [ucwl.investors@jkmil.com](mailto:ucwl.investors@jkmil.com)

**2. Registrar & Share Transfer Agent-MCS Share Transfer Agent Limited (RTA)**

F-65, First Floor, Okhla Industrial Area,  
Phase – I,  
New Delhi – 110 020,  
Ph. (011) - 41406149-50,  
Fax No. 91-11-41709881  
E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)  
Contact Person: Mr. Ajay Dalal  
E-mail: [ajay@mcsregistrars.com](mailto:ajay@mcsregistrars.com)

**(xvii) This Corporate Governance Report of the Company for the Financial Year ended 31<sup>st</sup> March 2020 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.**

**(xviii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations-**

- The Board: The Chairperson of the Company is Non-Executive;
- Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website [www.udaipurcement.com](http://www.udaipurcement.com). At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders;
- Modified opinion(s) in audit report: The Company already has a regime of un-qualified Financial Statements. Auditors have raised no qualification on the Financial Statements;
- Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit Report to the Audit Committee on quarterly basis.

The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**(xix) Information in terms of Schedule V(F) of the Listing Regulations:**

As on 1<sup>st</sup> April 2019, the Company had 6,67,815 Equity Shares, which were unclaimed by 271 Equity Shareholders. These were lying in dematerialized mode in the unclaimed suspense account.

Out of the above, the Company received 15 requests for 10,046 Equity Shares for crediting to the Demat Account of the Shareholders/ dispatch of physical Share Certificate on rematerialization, during the year. These have since been dispatched/credited. As on 31<sup>st</sup> March 2020, the Company has 6,57,769

Equity Shares which remain unclaimed by 256 Equity Shareholders.

The voting rights on these shares shall remain frozen till the rightful owner of such Shares claims the shares. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

**15. DECLARATION**

This is to confirm that for the Financial Year ended 31<sup>st</sup> March 2020, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Place: New Delhi

Date: 16<sup>th</sup> May, 2020

**Naveen Kumar Sharma**

Whole-time Director

## **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members,

Udaipur Cement Works Limited

1. The certificate is issued in accordance with the terms of our engagement with Udaipur Cement Works Limited (the Company)
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2020 as stipulated in regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **MANAGEMENT'S RESPONSIBILITY:**

3. The compliance of condition of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **AUDITOR'S RESPONSIBILITY:**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certificate of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

### **OPINION**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2) and para C, D & E of schedule V of the Listing Regulations during the year ended 31<sup>st</sup> March, 2020.
9. We state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the Company.

### **RESTRICTION ON USE**

10. The Certificate is addressed to provide to the Members of the Company solely for the purposes to enable the Company to comply with the requirement of the Listing Requirements, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is known or into whose hands it may come without our prior consent in writing.

**For Bansilal Shah & Co**

Chartered Accountants

FRN: 000384W

**Arvind Shah**

Partner

M. No.: 071690

UDIN: 20071690AAAABU5559

Place: Udaipur

Date: 16<sup>th</sup> May, 2020



## BUSINESS RESPONSIBILITY REPORT

### INTRODUCTION



Sustainability for Udaipur Cement Works Ltd, embraces environmental and social responsibility while creating value for its stakeholders. The Business Responsibility Report (BRR) is one of the avenues to communicate the Company's Obligations and performance to all its stakeholders.

Resources are the key Ingredients to fulfill the objective of the Business outcomes. Cement Industry is highly energy intensive as well as uses the natural resources too. Company understands the importance of the energy and natural resources availability. In this direction, Company is working towards the Renewable Power Generation e.g. Waste Heat Recovery System and Utilizing the Power Generated through Solar Power Plant. Use of Alternate Fuels and Raw Materials in the place of Conventional Fuels and Raw Materials depicts-

The Company's intentions towards protection and conservation of the Natural Resources without affecting the quality of the product and services.

This report conforms to the Business Responsibility Reporting (BRR) requirements mentioned in Regulation 34 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India. In order to provide guidance to businesses regarding the responsible business conduct, Ministry of Corporate Affairs (MCA), Government of India, released a set of guidelines in 2018 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs).



## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26943RJ1993PLC007267			
2.	Name of the Company	Udaipur Cement Works Limited.			
3.	Registered address	Shripati Nagar, CFA, P.O., Dabok, Udaipur-313 022 (Rajasthan) Tele/Fax: 91-294-2655076-77			
4.	Website	<a href="http://www.udaipurcement.com">www.udaipurcement.com</a>			
5.	E-mail id	<a href="mailto:ucwl.investors@jkmil.com">ucwl.investors@jkmil.com</a>			
6.	Financial Year reported	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and Value-added Product Manufacturing			
		Group	Class	Sub Class	Description
		239	2394	23941, 23942	Manufacture of Clinker and Cement
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	i) PPC Cement ii) OPC Cement iii) Clinker			
9.	Total number of locations where business activity is undertaken by the Company	No. of International Location: Nil No. of National Location: The company has one Integrated Unit.			
10.	Markets served by the Company	India (North, West and Central)			

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (INR)	₹ 124.56 Crore
2.	Total Turnover (INR)	₹ 685.77 Crore
3.	Total Profits after Taxes (INR)	₹ 14.89 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	The Company has been contributing to inclusive development of the communities around its manufacturing plant. Although the Company doesn't fall under Section 135 of Companies Act 2013, for the Financial Year 2019-20.
5.	List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"><li>• Health</li><li>• Education</li><li>• Livelihood and skill development</li><li>• Water and Sanitation</li><li>• Community Development/Infrastructure Development.</li></ul>

## SECTION C: OTHER DETAILS

### 1. Does the Company have any Subsidiary Company/Companies?

No, the Company has no subsidiary Company.

### 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):

The Company has no subsidiary Company. Hence, there is no participation in the BR Initiatives.

### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No, the other entities e.g. Suppliers, Distributors, etc. with whom the Company does business, do not participate in the BR Initiatives of the Company.

**SECTION D: BR INFORMATION****1. Details of Director/Directors responsible for BR**

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	<b>DIN Number</b>	<b>08152305</b>
2.	Name	Naveen Kumar Sharma
3.	Designation	Whole-Time Director

(b) Details of the BR Head

1.	<b>DIN Number (if applicable)</b>	<b>NA</b>
2.	Name	Abhishek Bhardwaj
3.	Designation	Senior Engineer
4.	e-mail id	abhishekbhardwaj@ucwl.jkmail.com

**2. Principle-wise (as per NVGs) BR policy/policies****The 9 Principles are as under:**

- 1 **ETHICS, TRANSPERANCY AND ACCOUNTABILITY:** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- 2 **PRODUCT LIFE CYCLE SUSTAINABILITY:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
- 3 **EMPLOYEES' WELL BEING:** Businesses should promote the well-being of all employees
- 4 **STAKEHOLDER ENGAGEMENT:** Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- 5 **HUMAN RIGHTS:** Businesses should respect and promote human rights
- 6 **ENVIRONMENT:** Businesses should respect, protect and make efforts to restore the environment
- 7 **POLICY ADVOCACY:** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
- 8 **INCLUSIVE GROWTH:** Businesses should support inclusive growth and equitable development
- 9 **CUSTOMER VALUE:** Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Most of the policies are aligned to various standards like: 1) ISO 9001 for Quality Management System 2) ISO 14001 for Environment Management System 3) ISO 50001 for Energy Management System 4) ISO 45001 for Occupational Health & Safety Management System, etc.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	View restricted to internal stakeholders.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders	The policy has been circulated to key internal stakeholders. To cover all stakeholders, communication is an on-going process.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Conforming to the ISO Standards, the Company undergoes periodic audit to validate above systems.								

(b) If answer to S.No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)- Not Applicable.

**3. Governance related to BR**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Management assesses the Business responsibility performance periodically.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

As required under SEBI LODR (Listing Obligations and Disclosure Requirements), The Company is publishing its first Business Responsibility Report as a part of the annual report.

**SECTION E: PRINCIPLE-WISE PERFORMANCE****Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company has in place a "Code of Corporate Ethics and Conduct" from February 2002, which reiterates its commitment to maintain the highest standards in its interface with stakeholders, clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. All the employees sign this Code at the time of joining the Company.

The Company also has in place a "Code of Conduct for Board Members and Senior Management". Every year, the Board Members and Senior Management affirm Compliance with this Code of Conduct.

The Company also has in place a Policy on Vigil Mechanism (Whistle Blower Policy) for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behavior, and violation of the Company's Code of Conduct or Ethics Policy and any other event which would adversely affect the interests of the business of the Company.

The said Codes/Policy covers all dealings with the suppliers/customers/business associates/others.

The Company also encourages its suppliers/contractors/NGO's/others to practice the same in a fair manner.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Total four (4) complaints were received from the shareholders. The Company had resolved them with utmost satisfaction during the Financial Year 2019-20. No complaint was pending as on 31<sup>st</sup> March, 2020.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle**

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company has been a responsible corporate that promotes manufacturing of products with sustainable design and technology. The Company is engaged

in manufacturing of cement and a wide range of cement products including Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC) utilize waste derived raw materials such as Flyash, thereby reducing virgin resource consumption. The Company is progressively trying to increase use of alternate fuels instead of fossil fuels in the fuel mix to produce clinker.

The Company has installed state of art technology equipment and has progressively implemented various innovations, process modifications, optimizations etc. to gain best resource and environment efficiency.

6 MW Waste heat recovery based power generation systems installed at UCWL mitigates GHG Emission to the tune of 38966400 Kgs CO<sub>2</sub> eq per year.

Further, the Company has started to utilize energy generated through solar power plant installed at UCWL, having potential to mitigate carbon emissions to the tune of 14000 ton CO<sub>2</sub> eq per annum.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

Consumption per unit of Product	FY 2018-19	FY 2019-20
Electrical Energy (Kwh/Ton of Cement)	77	76

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Cement manufactured by the Company is used by a diverse range of consumers, and therefore it is not possible to measure the usage (energy, water) by them.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company focuses on environmental impacts of sourcing and works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

The Company has systems in place to identify the most significant environmental and social challenges within its value chain. Suppliers are encouraged to participate in the assessment of their state of

Environment & Social Aspects through responding to "Environment Health & Safety Questionnaire" shared with them during vendor registration as per the Green Procurement Guidelines.

The Company's commitment on environment - friendly-paper saving agenda through E-procurement has enabled structured supplier relationships, effective communication, reduced external spending, eliminated paperwork as well as travel hours, thereby promoting green supply chain.

To boost the sustainability practices to the ambit of inbound and outbound logistics, the Company ensures that the transporters rely on less polluting and low fuel consuming transport options. To reduce the transportation fuel and carbon footprint, the logistics department practices the sustainable route optimization strategy for both upstream and downstream logistics. It has also ensured logistic integration, both inbound and outbound to curtail the unproductive environment of vehicles and has also ensured least freight per km.

Further, systems are established to procure the waste-derived materials of other industries.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company whole heartedly supports local suppliers/vendors through giving preference to favoring procurement of goods and services by giving a boost to local manufacturing and economy. The Company conducts periodic vendor discussion forums and training to discuss possible avenues to mutually come together and strengthen the long lasting and sustainable procurement and supply chain relationship.

The Company maintains frequent and open lines of communication especially with its small vendors to improve and develop their capability. The performance monitoring process is also a part of the regular business practices adopted by the Company and it helps the vendors to improve their performance by taking timely and need-based corrective actions. The Company also promotes the development of import substitutes through local vendors. Further, The Company also encourages the Vendors to adopt quality, environmental and safety management practices.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company understands the importance of the Resource conservation and management of the natural resources. The Company works on the dry based cement manufacturing technology. Hence there is no major liquid and solid waste generated from the process. Used oil and Used Batteries are sold to the Central/State Pollution Control Board authorized recyclers. There is no waste liquid discharge out of the process. Therefore the plant comes into the category ZLD (Zero Liquid Discharge) Plant.

Domestic waste water generated from the colony is treated into the Sewage Treatment plant using the Activated Sludge technology. The treated water is used in the Plantation and dust suppression in the plant. Dust collected from the pollution control equipment is recycled back to the process.

Other Industries waste material such as liquid AFR, Chemical Gypsum and Fly ash are used in the manufacturing process of the cement.



**Principle 3: Businesses should promote the well-being of all employees**

1. Please indicate the Total number of employees : 328 permanent employees
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 475
3. Please indicate the Number of permanent women employees: 4
4. Please indicate the Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management?  
There is worker Union affiliated with INTUC.
6. What percentages of your permanent employees are members of this recognized employee association?  
Around 25% of our permanent workmen are part of the above mentioned trade union.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Category	No. of Complaints filed during the Financial Year	No. of Complaints pending as on the end of the Financial Year
Child Labour/Forced Labour/Involuntary Labour	NIL	NIL
Sexual Harassment	NIL	NIL
Discriminatory Employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

	Safety	Skill Up-gradation
Permanent employees	98%	86%
Permanent Women employees	100%	75%
Casual/Temporary/Contractual employees	100%	70%
Employees with disabilities	0%	0%

**Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal as well as external stakeholders and has identified - employees, customers, business partners/suppliers, government and government agencies, lenders, shareholders/investors and society as its stakeholders.

The Company has various mechanisms in place for engagement with these stakeholders such as employee satisfaction surveys, customer satisfaction surveys, organizing plant visits for the suppliers, etc.

Investors base being large, as required, the Company has a dedicated email id for them to engage with the Company. The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community development initiatives.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders in and around its manufacturing plants including the contractual workers. The Company engages with these stakeholders through various programmes, projects and activities.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has taken up Corporate Social Responsibility (CSR) activities in and around its plant site laying emphasis on HealthCare, Education, Skill Development, Water, Sanitation and Environment. The various efforts are aimed at betterment of the disadvantaged, vulnerable and marginalized groups by empowering them through various skill development program, especially women are the beneficiaries, Skill building of women and girls through structured trainings in stitching & tailoring, beautician and computer have been some of the initiatives which have helped them in their livelihoods and income enhancement. Medical camps were organized in the nearby villages on regular basis and free medicines were provided to the needy ones. Similarly projects like farmers' trainings and exposure visits and veterinary camps were organized to improve agricultural and cattle rearing practices.



The Company also responded strongly to COVID-19 crisis towards the end of this financial year. The Company in collaboration with local panchayats and Udaipur district administration in Rajasthan initiated multiple activities for the local communities around its plant, migrants and contractual laborers and others. As an immediate and urgent response to COVID-19 Pandemic; the Company's employees voluntarily contributed their one-day salary to Chief Minister Relief Fund.

The Company donated an amount of ₹1.0 Lakh to Udaipur District Relief Fund for COVID-19 towards food relief. The Company started Food Kits distribution to most needy families in the villages around its plant. Medical Camps are being organized for contractual workers as well as at nearby villages, in which free of cost medicines are being provided. The Company is creating awareness through pamphlet distribution; door-to-door visits and putting banners at prominent locations.

The Company also constituted a "Quick Response Team (QRT)" that monitors, supports and ensures prompt response towards continuous precautionary & preventive measures with respect to COVID-19. These interactions are now active on electronic media.

#### **Principle 5: Businesses should respect and promote human rights**

##### **1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company respects Human Rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalized groups. All the practices and policies of the Company including engagement with suppliers, contractors, etc. ensure that human rights are honored and protected, For instance:

- 1) All employees are treated equally regardless of nationality, caste, religion, color or sex.
- 2) The Company is committed to creating and providing a healthier environment for all the employees with high standards of safety measures.
- 3) Not employing child labor.
- 4) The Company has been specifically looking after welfare of underprivileged women by undertaking various projects including skill training program, medical camps, etc.
- 5) The Company through its following CSR initiatives extended to the areas near the Company's manufacturing unit have engaged the disadvantaged, vulnerable and marginalized stakeholders:
  - Health

- Education
- Livelihood & Skills Development
- Water and Sanitation
- Rural Development

The Company has adopted safety as a culture. It has engaged stakeholders at all levels - whether employees, contractors, suppliers or the community and has taken a structured approach, through leadership involvement, in order to bring about a culture change that views safety as non-negotiable.

##### **2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company had not received any stakeholder's complaint in the Financial Year 2019-20 for violation of human rights.

#### **Principle 6: Businesses should respect, protect and make efforts to restore the environment.**

##### **1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The Company is committed towards protection of the environment, and has a well-defined Integrated Sustainable Development Policy. The Company encourages its vendors, and dealers to take health, safety and environment-friendly measures on sustainable basis for a better future.

##### **2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, the Company has strategies and has taken initiatives to address Climate Change, Global Warming, Water Conservation and Resource Management. A Clean Development Mechanism (CDM) Project is under the process of registration. The project also aligns Company strategy with the Nation's ratification to the Paris agreement, focused on keeping global temperature rise below 2 degrees, through working collaboratively and aggressively towards reducing developmental impact on climate.

The Company has adopted a holistic approach to manage carbon footprint and develop a proactive top level drive for tackling sustainability issues like climate change, water management, etc. within the organization.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company has an elaborate risk management system to analyze and assess various risks associated with business and manufacturing and to inform the Management about risk minimization and mitigating procedures. Further, all the operations follow International Environment Management System guidelines through which Environment risk, impact and assessment is done and reviewed periodically.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company is under the process of registering a project related to Clean Development Mechanism (CDM):

- **Waste Heat Recovery Based Power Generation at UCWL** Udaipur Cement Works Ltd, Rajasthan.

There is no requirement of filing any compliance Report.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes, following a proactive approach to harness green energy and to reduce the consumption of polluting fuel i.e. Coal, the Company has started to source electricity from 7.6 MW Solar Power Plant installed at UCWL, Rajasthan in the year 2020.

Clean Technology like **Waste Heat Recovery Systems, 6 MW at Udaipur** is applied to utilize the waste heat as an alternative source to generate power. The Company has also set up Liquid AFR handling unit for substituting coal with alternative fuel in Pyro-Process.

Also, our manufacturing unit is ISO 50001 certified for Energy Management System and have undertaken various **Energy Efficiency** measures like installation of VFDs, process modification, optimization of pyro-process etc.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the Company since its inception thrives on following an approach of going beyond compliance, through keeping cautious and stringent system towards containing emissions/waste generation well within the permissible limits. All our emission sources are equipped with the latest art of technology air pollution control equipment like, Bag houses, Electrostatic Precipitator, Bag-filters etc. to ensure compliance with the applicable emission/waste

standards/norms.

Emission stacks at our unit are equipped with Online Continuous Emission Monitoring systems (OCEMS) that provide real-time emission data directly to Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

This is to confirm that no show cause/legal notices received from CPCB/SPCB are pending as on end of Financial Year 2019-20.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a Member of the following:

- a. Cement Manufacturers' Association (CMA)
- b. Udaipur Chamber of Commerce & Industry Udaipur (UCCI)
- c. Federation of Mining Association of Rajasthan (FMAR)
- d. The Employer's Association of Rajasthan (EAR)
- e. All India Organization of Employers New Delhi. (AIOE)

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company has been extensively using platforms of the Trade Association/Chambers of Commerce and industry and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Sustainable Business Principles etc.

The Company continuously advocates the use of eco-friendly manufacturing processes and use of alternative fuels, Energy Conservation, Water Conservation and Waste Management, Energy Efficiency Practices, etc. across its value chain through regular presentations, exhibitions, etc. on multiple national platform and conferences organized by various associations.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has always been committed to inclusive growth and equitable development. The Corporate Social Responsibility vision of the Company strongly reflects the commitment towards strengthening community relationship and to bring sustainable change in quality of life of neighborhood community through innovative solutions in Education, Health, Livelihood and Community Development. The major CSR thrust areas of the organization are Health, Water & Sanitation, Education, Skill development and Livelihoods, Environment sustainability & Community Development. The CSR vision and key highlights of the CSR Initiatives are disclosed on the website of the Company at [www.udaipurcement.com](http://www.udaipurcement.com)

The various CSR and social projects have been aligned to United Nations Sustainable Development Goals (SDGs) Nos. 1, 2, 3, 4, 5, 6, 8 & 10, and thus address the global level SDGs.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The Company generally pursues CSR programs and activities directly. On a need basis, NGO/Implementing Agencies are identified for specific expertise and implementation support. We have worked on a partnership with academic bodies, government hospitals and other government bodies for successful implementation of initiatives and for wider awareness creation on societal issues.

**3. Have you done any impact assessment of your initiative?**

Organization is engaged in the CSR activities since inception. Impact assessment is done on regular basis. We do take feedback from the stakeholders, and consultations are done with the beneficiaries to improve/gauge the quality of CSR project. We also ensure the Project is designed with the consultation of stakeholders and they are engaged in the monitoring of the program as well.

The impact assessment also helps us to improve the implementation of the initiative or expand its scope as per the requirement of the communities.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the Financial Year 2019-20, the Company has spent approx. ₹ 5.8 Lakhs on CSR initiatives.

Project Details and Direct Coverage: The major focus areas of intervention are Health, Water & Sanitation, Education, Skill development and Livelihoods, Environment sustainability, Community Development & Women Empowerment.

The Flagship program on women empowerment is "Swavalamban"- various skill developments training program which were designed and delivered to enhance their skills and livelihoods under this initiative. Medical camps were organized in the nearby villages on regular basis and free medicines were provided to the needy ones. Similarly projects like farmer's trainings and exposure visits and veterinary camps were organized to improve agricultural and cattle rearing practices.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Company's engagement with the community comes with people's full participation and involvement. Before initiating any community engagement and welfare programme, the Company consults and organizes group discussions with the village sarpanch and gram panchayats, detailing on the purpose and expected long-term benefits of the Projects. Grassroots level work is being done by the Company's CSR team along with the community, to ensure that the underlying objectives are achieved on a sustainable basis and led to greater sense of ownership among the beneficiaries.

The Company believes that consistency and involvement are factors for success of any Project designed to instill life oriented skills to whole communities to help them overcome social barriers of underprivileged community.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**1. What percentage of customer complaints/consumer cases are pending as at the end of financial year?**

The Company is customer focused and is committed to understand the present and changing needs of the customers and fulfilling the same for achieving total customer satisfaction. The Company has a well laid out redressal procedures for complaints and the complaints are immediately attended to their utmost satisfaction. The customers may approach the Company through various mediums such as emails, toll free nos., website, channel partners and Company's nationwide offices, etc.

No customer complaints/consumer cases were pending as on end of the financial year 2019-20.

- 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks(additional information)**

Yes, The Company displays product information as per Bureau of Indian Standards Rules & Guidelines.

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No such cases were filed against the Company.

- 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, Customers are the key stakeholders, who keep showing us the right direction. The Company performs

ahead of the curve, not just by producing and selling best quality products but by gauging feedback and listening to its customers and thereafter taking corrective actions towards product development and services. The Company puts a lot of effort to understand the need of customers, their pain areas, and their complaints/feedbacks through Focus Group Discussion with Customers and important influencers like Masons, Contractors & Architects etc. or online survey or by making individual calls to our customers or dealers through the call center. The Company ensures that none of the calls or missed calls at the call center goes unattended.

Further, digital surveys were conducted on Facebook to understand the preference of customers and our Brand Positioning. Through expanding reach to customers with digital media like Twitter, Youtube, Facebook, LinkedIn, etc., Company's key focus is to connect with the far end customer and delivering on his expectations.

## INDEPENDENT AUDITOR'S REPORT

To

The Members of Udaipur Cement Works Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Udaipur Cement Works Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit

of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<b>Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers".</b>  (Refer Sub-note No. III. (13) of Note 1 of Accounting Policy).	<p>Our response to the risk -</p> <p>We performed the following audit procedures over this risk area:</p> <ul style="list-style-type: none"> <li>We performed walk-throughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers"</li> <li>On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control.</li> <li>We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and</li> <li>Selected a sample of sales contracts and read, analyzed and identified the distinct performance obligations in these contracts.</li> </ul> <p>Based on our audit procedures we have concluded that revenue is appropriately recognized, and that there was no evidence of management bias.</p>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexure to Director's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone



financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and



to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For BANSILAL SHAH & CO.**

Chartered Accountants

Firm's Registration No: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

UDIN: 20071690AAAABV8272

Place: Udaipur

Date: 16<sup>th</sup> May, 2020

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Udaipur Cement Works Limited of even date)

- (i). In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii). In respect of its inventories:
  - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v). The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi). We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii). According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

NAME OF THE STATUTE	NATURE OF THE DUES	PERIOD	FORUM WHERE DISPUTE IS PENDING	AMOUNT (IN INR)
Sales Tax Act	Sales Tax	1999-2000	Assistant commissioner (Comm. Tax)	8,14,000
	Sales Tax (Interest)	1996-97 1997-98 1998-99	Assistant commissioner (Comm. Tax)	9,11,000
	Sales Tax	1996-97	Assistant commissioner (Comm. Tax) Circle B Jammu	25,04,900
	Sales tax	1999-2000 2000-01 2001-02	Assistant commissioner (Comm. Tax)	7,70,73,040

- (viii). Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions, banks, governments or debenture holders during the year.
- (ix). The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year except for Term Loans from Banks and the same was utilized for the purpose for which it was raised.
- (x). To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi). In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii). The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii). In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv). During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year.
- (xv). In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For BANSILAL SHAH & CO.**

Chartered Accountants

Firm's Registration No: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

UDIN: 20071690AAAABV8272

Place: Udaipur

Date: 16<sup>th</sup> May, 2020

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Udaipur Cement Works Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **UDAIPUR CEMENT WORKS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BANSILAL SHAH & CO.**

Chartered Accountants

Firm's Registration No: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

UDIN: 20071690AAAABV8272

Place: Udaipur

Date: 16<sup>th</sup> May, 2020

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹ Crs.)

	Note No.	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	697.77	730.35
(b) Capital work-in-progress	2A	6.03	-
(c) Investment Property	3	9.15	9.15
(d) Intangible Assets	4	0.05	0.09
(e) Financial Assets			
(i) Loans	5	8.95	6.45
(ii) Others	6	0.07	0.27
(f) Deferred Tax Assets (Net)	7	59.40	70.98
(g) Other Non-Current Assets	8	2.27	-
		<b>783.69</b>	<b>817.29</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	9	67.73	40.51
(b) Financial Assets			
(i) Investments	10	25.09	-
(ii) Trade Receivables	11	7.70	3.23
(iii) Cash and Cash Equivalents	12	1.19	0.25
(iv) Bank Balances other than (iii)	13	-	0.51
(v) Others	14	0.47	0.42
(c) Current Tax Assets (Net)		1.00	0.61
(d) Other Current Assets	15	30.60	19.79
		<b>133.78</b>	<b>65.32</b>
<b>TOTAL ASSETS</b>		<b>917.47</b>	<b>882.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	124.56	124.56
(b) Other Equity		58.99	43.28
		<b>183.55</b>	<b>167.84</b>
<b>LIABILITIES</b>			
<b>(1) NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	17	334.13	451.49
(ii) Other Financial Liabilities	18	22.67	22.15
(b) Provisions	19	2.19	1.62
(c) Other Non-Current Liabilities	20	0.35	0.26
		<b>359.34</b>	<b>475.52</b>
<b>(2) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	0.10	3.28
(ii) Trade Payables			
Micro and Small Enterprises		0.56	-
Others		40.41	33.13
(iii) Other Financial Liabilities	22	299.30	176.91
(b) Other Current Liabilities	23	32.84	25.43
(c) Provisions	24	1.37	0.50
		<b>374.58</b>	<b>239.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>917.47</b>	<b>882.61</b>
Significant Accounting Policies	1		
Notes on financial statements	2-59		

As per our report of even date  
For BANSILAL SHAH & CO.  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

Place : Udaipur

Date : 16<sup>th</sup> May, 2020

**POONAM SINGH**  
Company Secretary

**PRANAV CHITRE**  
Chief Financial Officer

For and on Behalf of the Board  
**VINITA SINGHANIA**  
Chairperson

**SHRIVATS SINGHANIA**  
**ONKAR NATH RAI**  
**SURENDRA MALHOTRA**  
**VINIT MARWAHA**  
**BHASWATI MUKHERJEE**  
**NAVEEN KUMAR SHARMA**

} Directors



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

(Amount in ₹ Crs.)

	Note No.	2019-20	2018-19
I. Revenue from Operations	25	<b>685.77</b>	579.29
II. Other Income	26	<b>1.11</b>	1.17
<b>III. Total Income (I + II)</b>		<b>686.88</b>	<b>580.46</b>
<b>IV. Expenses :-</b>			
a) Cost of Materials Consumed	27	<b>80.26</b>	80.27
b) Purchase of Stock in Trade	28	<b>228.83</b>	92.56
c) Change in Inventories of finished goods, work-in-progress and traded goods	29	<b>(14.82)</b>	11.84
d) Employee Benefits Expense	30	<b>30.82</b>	30.05
e) Finance Costs	31	<b>64.95</b>	68.51
f) Depreciation and Amortization Expense	32	<b>33.78</b>	33.94
g) Other Expenses	33	<b>235.75</b>	324.65
<b>Total Expenses (IV)</b>		<b>659.57</b>	<b>641.82</b>
<b>V. Profit/(Loss) before Exceptional Items and Tax (III - IV)</b>		<b>27.31</b>	<b>(61.36)</b>
VI. Exceptional Items - Gain		-	3.70
<b>VII. Profit/(Loss) before tax (V + VI)</b>		<b>27.31</b>	<b>(57.66)</b>
<b>VIII. Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		<b>11.79</b>	(16.93)
<b>IX. Profit/(Loss) for the year (VII - VIII)</b>		<b>15.52</b>	<b>(40.73)</b>
<b>X. Other Comprehensive Income/(Loss)</b>			
<b>Items that will not be reclassified to Profit or Loss in Subsequent Periods</b>			
(1) Re-measurement gain/(losses) on defined benefit plans		<b>(0.84)</b>	(0.19)
(2) Income tax effect		<b>0.21</b>	0.07
<b>Total Other Comprehensive Income/(Loss) (X)</b>		<b>(0.63)</b>	<b>(0.12)</b>
<b>XI. TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (IX + X)</b>		<b>14.89</b>	<b>(40.85)</b>
<b>XII. Earnings per Equity Share (Face Value of ₹ 4 each)</b>	34		
Basic Earnings per Equity Share (₹):		<b>0.50</b>	(1.32)
Diluted Earnings per Equity Share (₹):		<b>0.50</b>	(1.32)

Significant Accounting Policies  
Notes on financial statements

1  
2-59

As per our report of even date  
For BANSILAL SHAH & CO.  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

Place : Udaipur

Date : 16<sup>th</sup> May, 2020

**POONAM SINGH**  
Company Secretary

**PRANAV CHITRE**  
Chief Financial Officer

For and on Behalf of the Board  
**VINITA SINGHANIA**  
Chairperson

**SHRIVATS SINGHANIA**  
**ONKAR NATH RAI**  
**SURENDRA MALHOTRA**  
**VINIT MARWAHA**  
**BHASWATI MUKHERJEE**  
**NAVEEN KUMAR SHARMA**

} Directors

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020****A. EQUITY SHARE CAPITAL**

(Amount in ₹ Crs.)

Particulars	As at 1 <sup>st</sup> April 2018	Changes during the year	As at 31 <sup>st</sup> March 2019	Changes during the year	As at 31 <sup>st</sup> March 2020
Equity Shares 31,14,09,817 (Previous Year 31,14,09,817) of ₹ 4 each fully paid up	118.08	6.48	124.56	-	124.56
	<b>118.08</b>	<b>6.48</b>	<b>124.56</b>	<b>-</b>	<b>124.56</b>

**B. OTHER EQUITY**

(Amount in ₹ Crs.)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income, that will not be reclassified to Statement of Profit & Loss	Total
	Equity Component of Financial Guarantee	Equity Component of compound financial instruments	Security Premium	Retained Earnings	Re- measurement of Net Defined Benefit Plans	
<b>Balance as at 1<sup>st</sup> April 2018</b>	18.78	33.09	-	(2.61)	(0.48)	48.78
Profit/(Loss) for the Year	-	-	-	(40.73)	-	(40.73)
Changes in Corporate Guarantee given by Holding Co. for Inter Corporate Loan & Term Loan	(1.51)	-	-	-	-	(1.51)
Changes in Equity component of Preference Shares	-	(1.66)	-	-	-	(1.66)
Security premium on conversion of OCCRPS in Equity	-	-	38.52	-	-	38.52
Other Comprehensive Income/(Loss)	-	-	-	-	(0.12)	(0.12)
<b>Balance as at 31<sup>st</sup> March 2019</b>	<b>17.27</b>	<b>31.43</b>	<b>38.52</b>	<b>(43.34)</b>	<b>(0.60)</b>	<b>43.28</b>
Profit/(Loss) for the Year	-	-	-	15.52	-	15.52
Changes in Corporate Guarantee given by Holding Co. for Inter Corporate Loan & Term Loan	3.06	-	-	-	-	3.06
Changes in Equity component of Preference Shares	-	(2.24)	-	-	-	(2.24)
Other Comprehensive Income/(Loss)	-	-	-	-	(0.63)	(0.63)
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>20.33</b>	<b>29.19</b>	<b>38.52</b>	<b>(27.82)</b>	<b>(1.23)</b>	<b>58.99</b>

Significant Accounting Policies  
Notes on financial statements

1  
2-59

As per our report of even date  
For BANSILAL SHAH & CO.  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**

Partner  
Membership No.: 071690  
Place : Udaipur  
Date : 16<sup>th</sup> May, 2020

**POONAM SINGH**  
Company Secretary

**PRANAV CHITRE**  
Chief Financial Officer

For and on Behalf of the Board  
**VINITA SINGHANIA**  
Chairperson

**SHRIVATS SINGHANIA**  
**ONKAR NATH RAI**  
**SURENDRA MALHOTRA**  
**VINIT MARWAHA**  
**BHASWATI MUKHERJEE**  
**NAVEEN KUMAR SHARMA**

} Directors

**NOTE 1****Company Overview, Basis of Preparation & Significant Accounting Policies****I. Corporate & General Information**

Udaipur Cement Works Limited ("the Company") is domiciled and incorporated in India and its Shares are publicly traded on the Bombay Stock Exchange Ltd. (BSE). The Registered Office of the Company is situated at Shripati Nagar, P.O.: CFA, Dist.: Udaipur – 313 022 (Rajasthan)

The Company is a manufacturer and supplier of Cement and Cementitious products with manufacturing facilities in the State of Rajasthan. The Company's Technical Service Cell provides construction solutions to its customers & carries out regular & innovative contact programmes with Individual House Builders, Masons and other Business Associates to keep in tune with their needs and requirements

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on 16<sup>th</sup> May 2020.

**II. Basis of Preparation of Financial Statements****(i). Statement of Compliance**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time and relevant provisions of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

**(ii). Basis of Preparation**

The significant accounting policies used in preparing the Financial Statements are set out in Note no. III of the Notes to the Financial Statements. Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency.

**(iii). Basis of Measurement**

The Financial Statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value as required by relevant IND AS.

**(iv). Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy in which they fall.

**(v). Current & Non-Current Classifications**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(vi). Significant Accounting Judgements, Estimates and Assumptions**

The preparation of these Financial Statements requires management judgements, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimates are revised and any future periods effected pursuant to such revision.

**III. Significant Accounting Policies**

**(1) Property, Plant and Equipment**

The Company adopted optional exception under IND AS 101 to measure Property, plant and equipment at fair value as at 1<sup>st</sup> April 2015. Consequently, the fair value was assumed to be deemed cost of Property, plant and equipment on the date of transition. Subsequently, the Property, plant and equipment are carried at cost net of tax/duty credit availed, less accumulated depreciation and accumulated losses, if any. Cost includes expenses directly attributable to bringing the Asset to their location and conditions necessary for it to be capable of operating in the manner intended by the management.

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that is future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by the management, the cost of erection/construction is transferred to the appropriate category of property, plant and equipment cost (net of income and including pre-operative cost/expenses) associated with the commissioning of an asset are capitalized until the period of commissioning has been completed and the asset is ready of its intended use.

Property, Plant and Equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

*Depreciation methods, estimated useful lives and residual value.*

Deprecation is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as specified in Schedule II to Companies Act, 2013, except for captive power plant, Furniture & Fixtures, Office Equipments, Vehicles and Locomotives which is provided on Written Down Value Method (WDV) as per the said schedule.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

Depreciation on impaired assets is provided on the basis of their residual useful life.

**(2) Investment Properties**

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. The Company adopted optional exception under IND AS 101 to measure Investment Property at fair value as at 1<sup>st</sup> April, 2015. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using the Straight Line Method (SLM) over their estimated useful lives. The useful live has been determined based on technical evaluation performed by the management's expert.

The Residual Life, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

### (3) Intangible Assets

Intangibles Assets are recognized if the future economic benefits attributable to the Assets are expected to flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortization period and the amortization method for an Intangible Asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible Asset with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

Intangible Assets are amortized as follows:

- Computer Software: Over a period of five years

Intangibles Assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

Gain or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### (4) Research and Development Cost

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

However, Development expenditure on new product is capitalized as intangible asset.

### (5) Inventories

Inventories are carried in the balance sheet as follows :

- |   |   |   |
|---|---|---|
| a) Raw materials, packing materials, construction Materials, stores & spares. | : | At cost, on weighted average basis.   |
| b) Work-in Progress – Manufacturing   | : | At lower of cost of material, plus appropriate production overheads and net realizable value. |
| c) Finished goods – Manufacturing   | : | At lower of cost of materials plus appropriate production overheads and net realizable value. |
| d) Finished goods – Trading   | : | At lower of cost, on weighted average basis and net realizable value.                         |

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (6) Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks/Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value.

## **(7) Impairment of Assets**

The carrying amounts of Property, Plant & Equipment, Intangible Assets and Investment Properties are reviewed at each Balance Sheet date to assess impairment, if any, based on internal/ external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset or Cash Generating Unit (CGU) exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years. Recoverable amount is determined :-

- In the case of an Individual Asset, at the higher of the Fair Value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, and appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

## **(8) Foreign Currency Translations & Transitions**

### **(i) Functional and Presentation Currency**

The Company's financial statements are presented in INR, which is also the Company's Functional and Presentation Currency.

### **(ii) Transaction and Balance**

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is recognised to Statement of Profit and Loss.

## **(9) Financial Instruments.**

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **1. Financial Assets**

#### **1.1 Definition:**

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

#### **(i) Financial Assets at Amortised Cost**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the statement of profit and loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### **(ii) Financial Assets at Fair value through Other Comprehensive Income**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.



**(iii) Financial Assets at Fair value through Profit or Loss (FVTPL)**

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

**1.2 Trade Receivables**

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

**1.3 Investment in Equity Shares**

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Statement of Profit and Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

**1.4 Derecognition of Financial Assets**

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**2. Financial Liabilities**

**2.1. Definition:**

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

**(a) Initial Recognition and Measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**(b) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below :

**i) Financial Liabilities at Fair Value through Profit or Loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

**ii) Financial Liabilities measured at Amortized Cost**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

**2.2. Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**2.3. Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

**2.4. Trade and Other Payables**

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**2.5. De-recognition of Financial Liability**

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

**3. Offsetting of Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### 4. Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

#### 5. Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry

### (10) Grants

Grants from the Government are recognised when there is reasonable assurance that all underlying conditions will be complied with and that the grant will be received.

When loans or similar assistance are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. That grant is recognised in the Statement of Profit and Loss under 'other operating revenue'. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Government grants related to assets, including non-monetary grants at fair value, are presented in the balance sheet by recording the grant as deferred income which is released to the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

Grants related to income are recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate and are presented as 'other operating revenues'.

### (11) Equity Share Capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

### (12) Provisions, Contingent Liabilities, Contingent Assets and Commitments

#### i) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Contingent liability

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of Purchase Order (net of Advances) issued to parties for Completion of Assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**ii) Other Litigation Claims**

Provision for litigation related obligation represents liabilities that are expected to materialize in respect of matters in appeal.

**iii) Onerous Contracts**

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

**(13) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**i) Sale of Goods**

Revenue is recognized upon transfer of control of promised goods or services to customers at transaction price (net of taxes and duties), arrived at by determining the fair value of the consideration received or receivable after adjusting returns, allowances, trade discounts, volume discounts etc. in exchange of goods or services.

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably

**ii) Power Distribution**

Revenue from Power Distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

**iii) Dividend Income**

The Company recognises as income, when the Company's right to receive dividend is established, which is generally when it is approved by the shareholders, except in case of interim dividend which is authorised when it is approved by the Board of Directors.

**iv) Lease Incentives**

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Leases rentals are recognized on straight-line basis as per the terms of the agreements in the statement of profit and loss.

**v) Interest Income**

For all Financial instruments measured at amortized cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

**vi) Renewable Energy Certificate**

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on Sale of REC. Income from Sale of RECs is recognized on the delivery to the Customers' account.

**vii) Export Benefit**

Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss on accrual basis.

**(14) Employees Benefits**

**i) Defined Contribution Plans**

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.

**ii) Defined Benefit Plans**

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Company makes contribution towards provident fund which is administered by Employees' Provident Fund Organisation, Government of India.

**iii) Short-term Employee Benefits**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

**iv) Long-term Employee Benefit**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date. Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of leaves.

**v) Termination Benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.

The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- a) When the entity can no longer withdraw the offer of those benefits; and
- b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

**(15) Borrowing Costs**

- (1) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

The Borrowing Cost consists of Interest & Other Incidental costs that the Company incurs in connection with the borrowing of such funds.

- (2) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

- (3) All other borrowing costs are recognized as expense in the period in which they are incurred.

**(16) Leases**

**16.1 Policy applicable with effect from April 1, 2019**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

**iii) Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

**16.2 Policy relating to leases till March 31, 2019**

**i) As a Lessee**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**Finance Lease**

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.



## Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leasehold lands are amortized over the period of lease.

### ii) As a Lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## (17) Taxes on Income

### a) Current Tax

- i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.
- ii) Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### b) Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss.

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

## (18) Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

## (19) Earnings Per Share (EPS)

- i) Basic earnings per share  
Basic earnings per share is calculated by dividing

- The Profit or Loss attributable to Equity Shareholders of the Company by the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
- ii) Diluted earnings per share  
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account
  - The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the Weighted Average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## **(20) Segment Accounting**

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementitious Materials.

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Chairperson (Chief Operating Decision Maker).

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on each segments profit or loss and is measured consistently with profit or loss in the financial statements.

## **(21) Recent accounting pronouncements**

### **i) New and amended standards**

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard is described below.

#### **a) Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

#### **b) Amendment to existing issued Ind AS**

- i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments
- ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement
- iii) Amendment to Ind AS 12, Income Taxes
- iv) Amendment to Ind AS 23, Borrowing costs

The effect on adoption of above mentioned amendments were insignificant on the financial statements of the Company

#### **c) Accounting Standards, Interpretations and amendments to existing standards that are Effective from 1<sup>st</sup> April, 2020.**

During the year Ministry of Corporate affairs hasn't issued any standard which has been applicable from April 01, 2020.

**NOTE 2**  
**PROPERTY, PLANT AND EQUIPMENT**

	(Amount in ₹ Crs.)								
	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixture	Office Equipments	Vehicles	Railway Siding	Total
GROSS BLOCK :									
As at 1 <sup>st</sup> April 2018	2.82	103.32	26.32	737.73	0.93	0.74	1.03	4.27	877.16
Additions / Adjustments	0.31	-	1.04	5.71	0.06	0.02	0.91	-	8.05
Disposals / Adjustments	-	-	-	-	-	-	(0.18)	-	(0.18)
As at 31 <sup>st</sup> March 2019	3.13	103.32	27.36	743.44	0.99	0.76	1.76	4.27	885.03
Additions / Adjustments	1.06	-	-	0.06	0.02	0.04	0.18	-	1.36
Disposals / Adjustments	(0.16)	-	-	-	-	-	(0.08)	-	(0.24)
As at 31 <sup>st</sup> March 2020	4.03	103.32	27.36	743.50	1.01	0.80	1.86	4.27	886.15
ACCUMULATED DEPRECIATION :									
As at 1 <sup>st</sup> April 2018	-	6.50	11.84	101.03	0.73	0.50	0.29	-	120.89
Charged for the year	-	1.94	1.60	29.57	0.06	0.10	0.35	0.27	33.89
On Disposal	-	-	-	-	-	-	(0.10)	-	(0.10)
As at 31 <sup>st</sup> March 2019	-	8.44	13.44	130.60	0.79	0.60	0.54	0.27	154.68
Charged for the year	-	1.94	1.69	29.38	0.05	0.06	0.35	0.27	33.74
On Disposal	-	-	-	-	-	-	(0.04)	-	(0.04)
As at 31 <sup>st</sup> March 2020	-	10.38	15.13	159.98	0.84	0.66	0.85	0.54	188.38
NET CARRYING AMOUNT :									
As at 31 <sup>st</sup> March 2019	3.13	94.88	13.92	612.84	0.20	0.16	1.22	4.00	730.35
As at 31 <sup>st</sup> March 2020	4.03	92.94	12.23	583.52	0.17	0.14	1.01	3.73	697.77

**NOTE 2A**  
**CAPITAL WORK IN PROGRESS (CWIP)**

	(Amount in ₹ Crs.)	
	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Movement of Capital Work in Progress</b>		
<b>Opening</b>	-	-
Additions during the year	<b>6.21</b>	-
Capitalised during the year	<b>0.18</b>	-
<b>Closing</b>	<b>6.03</b>	-

**NOTE 3****INVESTMENT PROPERTY**

(Amount in ₹ Crs.)

	<b>Freehold Land</b>	<b>Total</b>
<b>GROSS BLOCK :</b>		
<b>As at 1<sup>st</sup> April 2018</b>	9.15	<b>9.15</b>
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>9.15</b>	<b>9.15</b>
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>9.15</b>	<b>9.15</b>
<b>ACCUMULATED DEPRECIATION :</b>		
<b>As at 1<sup>st</sup> April 2018</b>	-	-
Charged for the year	-	-
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2019</b>	-	-
Charged for the year	-	-
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2020</b>	-	-
<b>NET CARRYING AMOUNT :</b>		
<b>As at 31<sup>st</sup> March 2019</b>	9.15	<b>9.15</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>9.15</b>	<b>9.15</b>

**NOTE 4****INTANGIBLE ASSETS**

(Amount in ₹ Crs.)

	<b>Software</b>	<b>Total</b>
<b>GROSS BLOCK :</b>		
<b>As at 1<sup>st</sup> April 2018</b>	0.46	<b>0.46</b>
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>0.46</b>	<b>0.46</b>
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>0.46</b>	<b>0.46</b>
<b>ACCUMULATED DEPRECIATION :</b>		
<b>As at 1<sup>st</sup> April 2018</b>	0.33	<b>0.33</b>
Charged for the year	0.04	<b>0.04</b>
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2019</b>	<b>0.37</b>	<b>0.37</b>
Charged for the year	0.04	<b>0.04</b>
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2020</b>	<b>0.41</b>	<b>0.41</b>
<b>NET CARRYING AMOUNT :</b>		
<b>As at 31<sup>st</sup> March 2019</b>	0.09	<b>0.09</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>0.05</b>	<b>0.05</b>

(Amount in ₹ Crs.)

	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>FINANCIAL ASSETS</b>		
<b>NOTE 5</b>		
<b>LOANS</b>		
Loans considered good - Secured	-	-
Security Deposits considered good - Unsecured	8.95	6.45
Loans which have significant increase in Credit risk	-	-
Loans - credit impaired	-	-
	<u>8.95</u>	<u>6.45</u>
<b>NOTE 6</b>		
<b>OTHER NON-CURRENT FINANCIAL ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Bank Deposits with original maturity of more than 12 months*	0.07	0.27
	<u>0.07</u>	<u>0.27</u>
*Under lien with Bank		
<b>NOTE 7</b>		
<b>DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation and Brought Forward Business Losses	140.51	175.56
Expenses/Provisions allowable	0.52	0.68
<b>Less: Deferred Tax Liability</b>		
Related to Property, Plant and Equipments	81.63	105.26
	<u>59.40</u>	<u>70.98</u>
<b>NOTE 8</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Capital Advances	2.27	-
	<u>2.27</u>	<u>-</u>
<b>NOTE 9</b>		
<b>INVENTORIES</b>		
Raw Materials	{Including in transit of ₹ 0.02 Crs. (Previous Year - ₹ 0.03 Crs.)}	0.73
Work-in-Progress		8.30
Finished Goods		2.22
Stock-in-Trade		0.34
Stores & Spares	{Including in transit of ₹ 15.54 Crs. (Previous Year - ₹ 11.80 Crs.)}	28.92
	<u>67.73</u>	<u>40.51</u>

(Amount in ₹ Crs.)

	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
<b>FINANCIAL ASSETS</b>				
	<b>Numbers</b>	<b>Amount</b>	<b>Numbers</b>	<b>Amount</b>
<b>NOTE 10</b>				
<b>CURRENT INVESTMENT</b>				
<b>Investment in Mutual Funds at Lak</b>				
Aditya Birla Sun Life Saving Fund Growth Direct Plan	1,25,229	5.02	-	-
ICICI Prudential Ultra Short Term Fund - Direct Plan Growth	93,47,294	20.07	-	-
		<u>25.09</u>		<u>-</u>
Aggregate Book Value of quoted investments		25.09		-
Aggregate Market Value of quoted investments		25.09		-
Aggregate Book Value of unquoted Investments		-		-
<b>NOTE 11</b>				
<b>TRADE RECEIVABLES @</b>				
Considered good - Secured		-		-
Considered good - Unsecured		7.70		3.23
Which have significant increase in Credit risk		-		-
Credit Impaired		-		-
		<u>7.70</u>		<u>3.23</u>
@ Contract Assets as per IND AS 115				
<b>NOTE 12</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
On Current Accounts		0.90		0.18
Deposits of original maturity of less than 3 months*		0.27		0.05
Cash on hand		0.02		0.02
		<u>1.19</u>		<u>0.25</u>
*Under lien with Bank				
<b>NOTE 13</b>				
<b>OTHER BANK BALANCES</b>				
Deposits with maturity of more than 3 months but less than 12 months*		-		0.51
		<u>-</u>		<u>0.51</u>
*Under lien with Bank				
<b>NOTE 14</b>				
<b>OTHER CURRENT FINANCIAL ASSETS</b>				
<b>Unsecured, considered good unless otherwise stated</b>				
Other Receivables		0.47		0.42
		<u>0.47</u>		<u>0.42</u>
<b>NOTE 15</b>				
<b>OTHER CURRENT ASSETS</b>				
<b>Unsecured, considered good</b>				
Prepaid expenses		1.38		0.66
Balance with Govt. Authorities		0.70		1.14
Other Claims Receivable		18.60		9.64
Other Advances		9.92		8.35
		<u>30.60</u>		<u>19.79</u>



(Amount in ₹ Crs.)

	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>NOTE 16</b>		
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorized :</b>		
<b>Equity Shares</b>		
- 33,50,00,000 of ₹ 4 each	134.00	134.00
(Previous year - 33,50,00,000 of ₹ 4 each)		
<b>Preference Shares</b>		
- 6,600 of ₹ 1,00,000 each	66.00	66.00
(Previous year - 6,600 of ₹ 1,00,000 each)		
- 50,00,000 of ₹ 100 each	50.00	50.00
(Previous year - 50,00,000 of ₹ 100 each)		
	<u>250.00</u>	<u>250.00</u>
<b>Issued, Subscribed and fully paid :</b>		
<b>Equity Shares</b>		
31,14,09,817 of ₹ 4 each	124.56	124.56
(Previous year - 31,14,09,817 of ₹ 4 each) fully paid up		
<b>5% Cumulative Redeemable Preference Shares (CRPS)</b>		
4,700 Shares of ₹ 1,00,000 each	47.00	47.00
(Previous year - 4,700 Shares of ₹ 1,00,000 each) fully paid up (Series-I)		
1,300 Shares of ₹ 1,00,000 each	13.00	13.00
(Previous year - 1,300 Shares of ₹ 1,00,000 each) fully paid up (Series-II)		
600 Shares of ₹ 1,00,000 each	6.00	6.00
(Previous year - 600 Shares of ₹ 1,00,000 each) fully paid up (Series-B)		
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>		
5,00,000 Shares of ₹ 100 each	5.00	5.00
(Previous year - 5,00,000 Shares of ₹ 100 each) fully paid up		
	<u>195.56</u>	<u>195.56</u>
<b>Less: Reclassification of Preference Shares</b>		
<b>5% Cumulative Redeemable Preference Shares (CRPS)</b>		
4,700 Shares of ₹ 1,00,000 each	(47.00)	(47.00)
(Previous year - 4,700 Shares of ₹ 1,00,000 each) fully paid up (Series-I)		
1,300 Shares of ₹ 1,00,000 each	(13.00)	(13.00)
(Previous year - 1,300 Shares of ₹ 1,00,000 each) fully paid up (Series-II)		
600 Shares of ₹ 1,00,000 each	(6.00)	(6.00)
(Previous year - 600 Shares of ₹ 1,00,000 each) fully paid up (Series-B)		
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>		
5,00,000 Shares of ₹ 100 each	(5.00)	(5.00)
(Previous year - 5,00,000 Shares of ₹ 100 each) fully paid up		
	<u>124.56</u>	<u>124.56</u>

**a. Reconciliation of the number of Shares Outstanding:**

Particulars	Opening Balance	Changes in share capital during the year	Shares Outstanding at the end of the year
Equity Shares	31,14,09,817	-	31,14,09,817
5% CRPS (Series-I)	4,700	-	4,700
5% CRPS (Series-II)	1,300	-	1,300
5% CRPS (Series-B)	600	-	600
6% OCCRPS	5,00,000	-	5,00,000

**b. List of Shareholders holding more than 5% shares:**

Name of Shareholder	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity Shares</b>				
JK Lakshmi Cement Ltd. (Holding Company)	22,58,92,781	72.54%	22,58,92,781	72.54%
<b>5% Cumulative Redeemable Preference Shares</b>				
JK Lakshmi Cement Ltd. (Holding Company)	6,600	100%	6,600	100%
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>				
JK Lakshmi Cement Ltd. (Holding Company)	5,00,000	100%	5,00,000	100%

**c. Terms/right attached to Equity Shareholders:**

- The Company has only one class of equity shares having a par value of ₹ 4 per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.
- 5% Cumulative Redeemable Preference Shares (CRPS) (Series I & II) carries a Put option. In the event of the Company being unable to pay dividend for a consecutive period of 3 years after it is out of the purview of BIFR and unable to pay the Capital back, CRPS (Series I & II) holders have the right to get them converted into Equity Shares subject to statutory approvals.

5% CRPS (Series I & II) also carries a Call option. In case there being any Liquidity Event of the Company, if it fails to redeem the CRPS at par within 3 months, CRPS (Series I & II) holders shall have the right to get them converted into Equity Shares subject to statutory approvals.

If the Put/Call option is not exercised, 5% CRPS (Series I & II) are redeemable in 3 annual installments of 30%, 30% & 40% of face value at the end of 18<sup>th</sup>, 19<sup>th</sup> & 20<sup>th</sup> year from the date of allotment.

- 5% CRPS (Series B) carries a Put option. In the event of the Company being unable to pay dividend for a consecutive period of 3 years commencing from the Financial Year Apr-Mar'18 and unable to pay the Capital back, CRPS (Series B) holders shall have the right to get them converted into Equity Shares subject to statutory approvals.

5% CRPS (Series B) also carries a Call option. In case there being any Liquidity Event in the Company, if it fails to redeem the CRPS (Series B) at par within 3 months, CRPS (Series B) holders shall have the right to get them converted into Equity Shares subject to statutory approvals.

If the Put/Call option is not exercised, 5% CRPS (Series B) are redeemable in 3 annual installments of 30%, 30% & 40% of face value at the end of 18<sup>th</sup>, 19<sup>th</sup> & 20<sup>th</sup> year from the date of allotment.

- 5 Lakh, 6% OCCRPS of Face Value of ₹ 100 per share aggregating to ₹ 5 Crs. are Redeemable Preference Shares to be redeemed in three equal installments at the end of 18<sup>th</sup> Year, 19<sup>th</sup> Year & 20<sup>th</sup> Year from the date of allotment of 10<sup>th</sup> August 2017.

(Amount in ₹ Crs.)

	As at 31 <sup>st</sup> March 2020		As at 31 <sup>st</sup> March 2019	
	Non Current	Current*	Non Current	Current*
<b>NOTE 17</b>				
<b>NON-CURRENT BORROWINGS</b>				
<b>Secured Loans :-</b>				
Term Loans :-				
- From Related Party (Inter Corporate Loan)	40.00	216.28	345.00	110.00
- From Banks	249.95	16.52	67.98	2.03
<b>Unsecured Loans</b>				
- From Related Party	10.00	-	10.00	-
<b>Add: Liability Component of Compound Financial Instruments</b>				
<b>5% Cumulative Redeemable Preference Shares (CRPS)</b>				
- 4,700 Shares of ₹ 1,00,000 each fully paid up (Series-I)	38.33	-	34.30	-
- 1,300 Shares of ₹ 1,00,000 each fully paid up (Series-II)	10.35	-	9.26	-
- 600 Shares of ₹ 1,00,000 each fully paid up (Series-B)	4.03	-	3.61	-
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>	5.79	-	5.49	-
<b>Less: Amortization of Processing Charges on Loan and Corporate Guarantee for Loan</b>				
- Processing Charges on Loan	(3.99)	-	(6.88)	-
- Corporate Guarantee for Loan	(20.33)	-	(17.27)	-
	334.13	232.80	451.49	112.03
Less: Shown under Note No. 22	-	232.80	-	112.03
	334.13	-	451.49	-

\*Due & payable within one year

- Inter Corporate Loan of ₹ 256.28 Crore from a Fellow-Subsidiary Company consist of :
  - Inter Corporate Loan of ₹ 135.00 Crore shall be repayable on 09.08.2020.
  - Inter Corporate Loan of ₹ 41.28 Crore shall be repayable on 25.09.2020.
  - Inter Corporate Loan of ₹ 60.00 Crore shall be repayable in 2 annual installments on 09.04.2020 (₹ 25.00 Crore) and on 09.04.2021 (₹ 35.00 Crore)
  - Inter Corporate Loan of ₹ 20.00 Crore shall be repayable in 2 annual installments on 12.10.2020 (₹ 15.00 Crore) and on 12.10.2021 (₹ 5.00 Crore)
- Inter Corporate Loan of ₹ 256.28 Crore from a Fellow-Subsidiary Company is secured by :
  - First ranking pari passu charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan.
  - Second pari passu charge on Current Assets of the Company
- Term Loans aggregating to ₹ 266.47 Crore from Banks are secured by (i) First ranking pari passu charge on all the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan & (ii) Second pari passu charge on Current Assets of the Company  
 The said Term Loans are also secured by a Corporate Guarantee of the Holding Company
  - Term Loan of ₹ 47.75 Crore shall be repayable in 34 unequal quarterly instalments
  - Term Loan of ₹ 45.00 Crore shall be repayable in 36 unequal quarterly instalments commencing from 9<sup>th</sup> November 2020
  - Term Loan of ₹ 100.00 Crore shall be repayable in 32 unequal quarterly instalments commencing from 31<sup>st</sup> December 2020
  - Term Loan of ₹ 73.72 Crore shall be repayable in 32 unequal quarterly instalments commencing from 31<sup>st</sup> December 2021
- The Unsecured Loan from the Holding Company shall be repayable at the end of 5<sup>th</sup> year i.e. on 31.03.2023.
- During the year under review, the Company has prepaid Inter Corporate Loan of ₹ 99.96 Crore. Hence, figures of Inter Corporate Loans of previous year are not comparable

(Amount in ₹ Crs.)

	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
<b>NOTE 18</b>		
<b>OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Trade and other Deposits	<u>22.67</u>	<u>22.15</u>
	<u><b>22.67</b></u>	<u><b>22.15</b></u>
<b>NOTE 19</b>		
<b>NON-CURRENT PROVISIONS</b>		
Provision for Employees' Benefits	<u>2.19</u>	<u>1.62</u>
	<u><b>2.19</b></u>	<u><b>1.62</b></u>
<b>NOTE 20</b>		
<b>OTHER NON-CURRENT LIABILITIES</b>		
Liability for Employees Subsidized Car Scheme	<u>0.35</u>	<u>0.26</u>
	<u><b>0.35</b></u>	<u><b>0.26</b></u>
<b>NOTE 21</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>Secured Loan</b>		
Working Capital Borrowings from Banks	<u>0.10</u>	<u>3.28</u>
	<u><b>0.10</b></u>	<u><b>3.28</b></u>
Working capital facilities are secured by way of First Pari Passu Charge on the entire Current Assets of the Company and Second Pari Passu Charge on the Movable & Immovable Fixed Assets of the Company's Cement Unit in the State of Rajasthan, both Present and future. The Working Capital facilities are also secured by Corporate Guarantee of Holding Company		
<b>NOTE 22</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
Current maturities of Long-Term Debt (Refer Note No. 17)	<b>232.80</b>	112.03
Interest accrued but not due on borrowings	<b>20.23</b>	34.81
Capital Creditors	<b>2.26</b>	1.43
Other Payables	<u><b>44.01</b></u>	<u>28.64</u>
	<u><b>299.30</b></u>	<u><b>176.91</b></u>
<b>NOTE 23</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Govt. and other dues	<b>16.47</b>	15.82
Advance from Customers <sup>@</sup>	<b>9.76</b>	9.61
Other Advances	<u><b>6.61</b></u>	<u>-</u>
	<u><b>32.84</b></u>	<u><b>25.43</b></u>
<sup>@</sup> Contract Liabilities as per IND AS 115		
<b>NOTE 24</b>		
<b>CURRENT PROVISIONS</b>		
Provision for Employees' Benefits	<u><b>1.37</b></u>	<u>0.50</u>
	<u><b>1.37</b></u>	<u><b>0.50</b></u>

(Amount in ₹ Crs.)

	2019-20	2018-19
<b>NOTE 25</b>		
<b>REVENUE FROM OPERATIONS<sup>@</sup></b>		
Sale of Products		
Cement	568.16	487.49
Others	105.18	81.31
Other Operating revenues	12.43	10.49
	<u>685.77</u>	<u>579.29</u>
<sup>@</sup> Revenue from contracts with customers disaggregated based on nature of product.		
<b>NOTE 26</b>		
<b>OTHER INCOME</b>		
Interest Income	0.46	0.42
Interest on Income tax refund	-	0.01
Profit on sale of Current Investments*	0.22	0.43
Other Non-Operating Income	0.43	0.31
	<u>1.11</u>	<u>1.17</u>
*Inclusive of fair value gain of ₹ 0.09 Crs. (Previous Year - Nil)		
<b>NOTE 27</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Materials consumed	80.26	80.27
	<u>80.26</u>	<u>80.27</u>
<b>NOTE 28</b>		
<b>PURCHASE OF STOCK IN TRADE</b>		
Purchase of Traded Goods	228.83	92.56
	<u>228.83</u>	<u>92.56</u>
<b>NOTE 29</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stocks</b>		
Stock-in-Progress	8.30	20.87
Stock in Trade	0.34	-
Finished Goods	2.22	1.83
	<u>10.86</u>	<u>22.70</u>
<b>Closing Stocks</b>		
Stock-in-Progress	18.76	8.30
Stock in Trade	3.18	0.34
Finished Goods	3.74	2.22
	<u>25.68</u>	<u>10.86</u>
	<u>(14.82)</u>	<u>11.84</u>

(Amount in ₹ Crs.)

	2019-20	2018-19
<b>NOTE 30</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	25.41	25.06
Contribution to Provident and Other Funds	1.96	1.70
Staff Welfare Expenses	3.45	3.29
	<u>30.82</u>	<u>30.05</u>
<b>NOTE 31</b>		
<b>FINANCE COST</b>		
Interest Expenses	64.54	68.29
Other Borrowing Costs	0.41	0.22
	<u>64.95</u>	<u>68.51</u>
<b>NOTE 32</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Assets	33.74	33.90
Amortization on Intangible Assets	0.04	0.04
	<u>33.78</u>	<u>33.94</u>
<b>NOTE 33</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spares	13.13	13.77
Power and Fuel	141.67	167.61
Packing Material Consumed	13.44	17.74
Rent (Net of realization ₹ 0.10 Crs., Previous Year ₹ 0.08 Crs.)	1.65	1.47
Repairs to Buildings	1.27	1.05
Repairs to Machinery	5.57	5.50
Insurance	0.34	0.28
Rates and Taxes	3.75	0.12
Transport, Clearing and Forwarding Charges	36.98	94.06
Commission on Sales	2.18	6.97
Director's Fee & Commission	0.11	0.11
Advertisement, Travelling, Consultancy & Misc. Expenses, etc.	15.66	15.97
	<u>235.75</u>	<u>324.65</u>
<b>NOTE 34</b>		
<b>EARNING PER EQUITY SHARE</b>		
Profit after Tax	15.52	(40.73)
Weighted average number of Equity Shares outstanding	31,14,09,817	30,96,78,624
Basic Earnings per Equity Share (₹): (Face Value of ₹ 4 each)	0.50	(1.32)
Diluted Earnings per Equity Share (₹): (Face Value of ₹ 4 each)	0.50	(1.32)



**Notes Accompanying The Financial Statements.****35 Financial Risk Management Objectives and Policies.**

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

**35.1 Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument change may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

- a) Foreign Currency Risk:** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company makes certain imports in foreign currency & therefore is exposed to Foreign Exchange Risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

**Foreign Currency Sensitivity.** The following table demonstrates the sensitivity to a reasonable possible change of US \$ with all other variable held constant. The impact on the Company's Profit/(Loss) before tax due to changes in Foreign Exchange Rate

(Amount in ₹ Crs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Appreciation in USD	+ Rs. 0.25	+ Rs. 0.25
Effect on profit/(loss) before tax	(0.03)	(0.04)
Depreciation in USD	- Rs. 0.25	- Rs. 0.25
Effect on profit/(loss) before tax	0.03	0.04

- b) Interest Rate Risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings. The following Table shows the Company's Borrowings:

(Amount in ₹ Crs.)

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Loans in Rupees</b>		
	- Fixed Rate	320.24	505.31
	- Floating Rate	246.79	61.49
	<b>Total</b>	<b>567.03</b>	<b>566.80</b>
2	<b>Loans in USD</b>		
	- Fixed Rate	-	-
	- Floating Rate	-	-
	<b>Total</b>	<b>567.03</b>	<b>566.80</b>

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effective Cost of Funding.

**Interest Rate Sensitivity:**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows :

(Amount in ₹ Crs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Increase in Interest in Basis Points	+ 25	+ 25
Effect on profit/(loss) before tax	(0.67)	(0.18)
Decrease in Interest in Basis Points	- 25	- 25
Effect on profit/(loss) before tax	0.67	0.18

- c) **Commodity Price Risk and Sensitivity:** The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible

**35.2 Credit Risk:**

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

**Trade Receivable:** - Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Individual risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/postdated cheques. The Outstanding of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region.

**The Aging of Trade Receivables is as below:-**

(Amount in ₹ Crs.)

Particulars	Neither Due nor Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 Months	
<b>31<sup>st</sup> March, 2020</b>					
Unsecured	4.40	3.21	0.09	-	7.70
<b>Gross Total</b>	<b>4.40</b>	<b>3.21</b>	<b>0.09</b>	-	<b>7.70</b>
Provision for Doubtful	-	-	-	-	-
<b>Net Total</b>	<b>4.40</b>	<b>3.21</b>	<b>0.09</b>	-	<b>7.70</b>
<b>31<sup>st</sup> March, 2019</b>					
Unsecured	2.26	0.95	0.02	-	3.23
<b>Gross Total</b>	<b>2.26</b>	<b>0.95</b>	<b>0.02</b>	-	<b>3.23</b>
Provision for Doubtful	-	-	-	-	-
<b>Net Total</b>	<b>2.26</b>	<b>0.95</b>	<b>0.02</b>	-	<b>3.23</b>

**Financial Instruments and Deposits with Banks:**

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

### 35.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

#### Maturity Profile of Financial Liabilities:

The following Table provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Amount in ₹ Crs.)

S. No.	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	<b>As on 31<sup>st</sup> March, 2020</b>					
	- Borrowings	567.03	232.90	196.46	137.67	567.03
	- Trade Payables	40.97	40.97	-	-	40.97
	- Other Liabilities*	105.64	82.97	22.67	-	105.64
	<b>Total</b>	<b>713.64</b>	<b>356.84</b>	<b>219.13</b>	<b>137.67</b>	<b>713.64</b>
2	<b>As on 31<sup>st</sup> March, 2019</b>					
	- Borrowings	566.80	115.31	388.99	62.50	566.80
	- Trade Payables	33.13	33.13	-	-	33.13
	- Other Liabilities*	102.85	80.70	22.15	-	102.85
	<b>Total</b>	<b>702.78</b>	<b>229.14</b>	<b>411.14</b>	<b>62.50</b>	<b>702.78</b>

\*Including Government Dues

### 36 Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, preference shares and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(Amount in ₹ Crs.)

Particulars	As at 31.03.2020	As at 31.03.2019
Borrowings	567.03	566.80
Less: Cash and Cash equivalents (Including Current Investments & other bank balances)	(26.35)	(1.02)
<b>Net debt</b>	<b>540.68</b>	<b>565.78</b>
Equity Share Capital	124.56	124.56
Other Equity	58.99	43.28
<b>Total Capital</b>	<b>183.55</b>	<b>167.84</b>
<b>Capital and net debt</b>	<b>724.23</b>	<b>733.62</b>
<b>Gearing ratio</b>	<b>75%</b>	<b>77%</b>

The Company is not subject to any external imposed capital requirement. The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

**37 Fair Value of Financial Assets and Liabilities:**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

(Amount in ₹ Crs.)

Particulars	31 <sup>st</sup> March, 20		31 <sup>st</sup> March, 19	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets</b>				
<b>(i) At Fair Value through Profit and Loss :-</b>				
<b>Investments</b>				
- Mutual Funds	25.09	25.09	-	-
<b>(ii) At Amortized Cost :-</b>				
a) Bank FDs.	0.34	0.34	0.83	0.83
b) Cash & Bank Balances	0.92	0.92	0.19	0.19
c) Trade Receivables	7.70	7.70	3.23	3.23
d) Loans	8.95	8.95	6.45	6.45
e) Others	0.47	0.47	0.42	0.42
<b>Total</b>	<b>43.47</b>	<b>43.47</b>	<b>11.12</b>	<b>11.12</b>
<b>B. Financial Liabilities</b>				
<b>(i) At Amortized Cost</b>				
- Borrowings	567.03	567.03	566.80	566.80
- Trade Payables	40.97	40.97	33.13	33.13
- Other Financial Liabilities	89.17	89.17	87.03	87.03
<b>Total</b>	<b>697.17</b>	<b>697.17</b>	<b>686.96</b>	<b>686.96</b>

**Fair Valuation Techniques:**

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.
3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

**Fair Value Hierarchy:**

The following table provides the fair value measurement hierarchy of Company's assets and liabilities, grouped into Level 1 to Level 3 as described below:

- Level 1** : Quoted prices in active markets.
- Level 2** : Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly
- Level 3** : Inputs that are not based on observable market data.

The following table provides the Fair Value measurement hierarchy of Company's assets and liabilities, grouped into Level 1 as described below:

(Amount in ₹ Crs.)

Particulars	Level 1	Level 2	Level 3
<b>As at March 31, 2020</b>			
<b>Financial Assets</b>			
- Mutual Funds	25.09		
<b>As at March 31, 2019</b>			
<b>Financial Assets</b>			
- Mutual Funds	-		

### 38 Segment Information:

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementitious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Directors of the Company.

- 39 Pursuant to the Taxation Law (Amendment) Ordinance 2019, No. 15 of 2019 dated 20<sup>th</sup> September 2019 u/s 115BAA(1) of Income Tax Act 1961, the Company has opted for the reduced Corporate Tax Rate of 22% (effective 25.17% including surcharge and CESS). As a result of this reduction in effective tax rate from 34.94% to 25.17%, the Deferred Tax Asset (DTA) has been reassessed at ₹ 59.40 Crores as of 31<sup>st</sup> March, 2020 as against ₹ 70.98 Crores as of 31<sup>st</sup> March, 2019 and the reduction in the DTA of ₹ 11.58 Crores has been charged to Profit & Loss Statement

### 40 Income Tax Expense:

#### i. Amount recognized in the Statement of Profit & Loss:-

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Current Tax	-	-
Deferred Tax (Gain)/Loss (Relating to origination and reversal of temporary difference)	11.79	(16.93)
Adjustments in respect of current income tax of previous year	-	-

#### ii. Deferred Tax recognized in Other Comprehensive Income (OCI) :-

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Deferred Tax (Gain)/Loss on defined benefit	(0.21)	(0.07)

#### iii. Reconciliation of effective tax rate :-

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
<b>Accounting Profit/(Loss) before taxes</b>	<b>26.47</b>	(57.85)
At applicable Statutory Income Tax Rate	25.17%	34.94%
Computed tax Expense/(Income)	6.66	-
<b>Increase/(reduction) in taxes on account of:</b>		
- Income not taxable/exempt from tax (on account of C/F Unabsorbed Depreciation & Business Losses)	(6.66)	-
- Deferred Tax related to Property, plant & equipment & others	11.79	(16.93)
<b>Income Tax Expenses/(Income) reported to Profit &amp; Loss</b>	<b>11.79</b>	<b>(16.93)</b>

**iv. Reconciliation of Deferred Tax Assets/(Liabilities) (Net) :-**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Opening Balance	70.98	53.98
Deferred Tax recognized in Statement of Profit & Loss	(11.79)	16.93
Other Comprehensive Income	0.21	0.07
<b>Closing Balance</b>	<b>59.40</b>	<b>70.98</b>

**v. Deferred Tax:**

Deferred Tax relates to the followings:

(Amount in ₹ Crs.)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Deferred Tax Assets related to</b>		
Brought Forward losses/depreciation setoff	(35.05)	33.84
Disallowance/Allowance (Net) under Income Tax	(0.16)	0.90
<b>Total Deferred Tax Assets</b>	<b>(35.21)</b>	<b>34.74</b>
<b>Deferred Tax Liabilities related to</b>		
Property, Plant & Equipment	23.63	(17.74)
<b>Total Deferred Tax Liabilities</b>	<b>23.63</b>	<b>(17.74)</b>
Net Total Movement in Statement of Profit & Loss	(11.58)	17.00
Movement in Profit & Loss	(11.79)	16.93
Movement in OCI	0.21	0.07

**41 Dividends :**

The Company has neither proposed nor declared any dividend for the financial year 2019-20 and 2018-19.

**42** The Company uses foreign currency forward contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

(Amount in ₹ Crs.)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Assets</b>		
Forward Contracts	-	-
<b>Liabilities</b>		
Forward Contracts	-	12.13

**43 Retirement benefit obligations****A Expense recognized for Defined Contribution plan**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Company's contribution to Provident Fund	1.41	1.22
Company's contribution to ESI	0.02	0.03
Company's contribution to Superannuation	0.09	0.04
<b>Total</b>	<b>1.52</b>	<b>1.29</b>



Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the standalone Balance Sheet as at March 31, 2020 and March 31, 2019, being the respective measurement dates:

**a) Change in Present Value of Defined benefit Obligation during the year**

(Amount in ₹ Crs.)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
Present value of obligation - April 1, 2018	<b>3.36</b>	<b>1.09</b>
Acquisitions/Transfer in/Transfer out	-	-
Current service cost	0.36	0.40
Interest cost	0.25	0.08
Past Service Cost including curtailment Gains/Losses	-	0.13
Benefits paid	(0.73)	(0.48)
Remeasurements - Actuarial loss/(gain)	0.18	0.27
<b>Present value of obligation - March 31, 2019</b>	<b>3.42</b>	<b>1.49</b>
Present value of obligation - April 1, 2019	<b>3.42</b>	<b>1.49</b>
Acquisitions/Transfer in/Transfer out	-	-
Current service cost	0.40	0.46
Interest cost	0.24	0.10
Past Service Cost including curtailment Gains/Losses	-	-
Benefits paid	(0.49)	(0.35)
Remeasurements - Actuarial loss/(gain)	0.91	0.43
<b>Present value of obligation - March 31, 2020</b>	<b>4.48</b>	<b>2.13</b>

**b) Change in Fair Value of Plan Assets – Gratuity**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Fair value of plan assets at beginning of year	<b>2.79</b>	2.19
Acquisitions/Transfer in/Transfer out	-	-
Expected return on plan assets	<b>0.20</b>	0.17
Employer contributions	<b>0.49</b>	1.17
Benefits paid	(0.49)	(0.73)
Actuarial gain/(loss)	<b>0.06</b>	(0.01)
<b>Fair value of plan assets at end of year</b>	<b>3.05</b>	<b>2.79</b>
Present value of obligation	<b>4.48</b>	3.42
Net funded status of plan	<b>1.43</b>	0.63
Actual return on plan assets	<b>0.26</b>	<b>0.16</b>

**c) Expenses recognized in Statement of profit and loss**

(Amount in ₹ Crs.)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
Current service cost	0.36	0.40
Interest cost	0.25	0.08
Expected return on plan assets	(0.17)	-
Past Service Cost including curtailment Gain/Losses	-	0.13
Remeasurements - actuarial loss/(gain)	-	0.27
<b>For the year ended March 31, 2019</b>	<b>0.44</b>	<b>0.88</b>
Actual return on plan assets	<b>0.16</b>	-
Current service cost	0.40	0.46
Interest cost	0.24	0.10
Expected return on plan assets	(0.20)	-
Past Service Cost including curtailment Gain/Losses	-	-
Remeasurements - actuarial loss/(gain)	-	0.43
<b>For the year ended March 31, 2020</b>	<b>0.44</b>	<b>0.99</b>
Actual return on plan assets	<b>0.26</b>	-

**d) Recognized in Other Comprehensive Income**

(Amount in ₹ Crs.)

Particulars	Gratuity (Funded)
<b>For the year ended March 31, 2019</b>	
Remeasurements - actuarial loss/(gain)	0.19
<b>For the year ended March 31, 2020</b>	
Remeasurements - actuarial loss/(gain)	0.84

**e) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below**

(Amount in ₹ Crs.)

Particulars	As at year ended March 31, 2020	As at year ended March 31, 2019
Attrition rate	-	-
Discount Rate	6.50%	7.00%
Expected Rate of increase in salary	5.00%	5.00%
Expected Rate of Return on Plan Assets	7.00%	7.00%
Mortality Rate	100% of IALM (2012-14)	100% of IALM (2006-08)
Expected Average remaining working lives of employees (years)	17.13	16.68

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2018-19.

**f) Sensitivity analysis:**

(Amount in ₹ Crs.)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumptions	Effect on Leave Encashment obligation
<b>For the year ended March 31, 2019</b>				
Discount rate	+0.50%	(0.11)	+0.50%	(0.08)
	-0.50%	0.11	-0.50%	0.08
Salary Growth Rate	+0.50%	0.12	+0.50%	0.08
	-0.50%	(0.11)	-0.50%	(0.08)
<b>For the year ended March 31, 2020</b>				
Discount rate	+0.50%	(0.13)	+0.50%	(0.11)
	-0.50%	0.14	-0.50%	0.12
Salary Growth Rate	+0.50%	0.13	+0.50%	0.09
	-0.50%	(0.12)	-0.50%	(0.08)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognized within the Balance Sheet.

**g) History of experience adjustments is as follows:**

(Amount in ₹ Crs.)

Particulars	Gratuity (Funded)
<b>For the year ended March 31, 2019</b>	
Plan Liabilities - (loss)/gain	0.21
Plan Assets - (loss)/gain	(0.01)
<b>For the year ended March 31, 2020</b>	
Plan Liabilities - (loss)/gain	0.78
Plan Assets - (loss)/gain	0.07

### Estimate of expected benefit payments

(Amount in ₹ Crs.)

Particulars	Gratuity (Funded)
01 Apr 2020 to 31 Mar 2021	1.03
01 Apr 2021 to 31 Mar 2022	0.61
01 Apr 2022 to 31 Mar 2023	0.52
01 Apr 2023 to 31 Mar 2024	0.17
01 Apr 2024 to 31 Mar 2025	0.46
01 Apr 2025 to 31 Mar 2026	0.18
01 Apr 2026 Onwards	1.51

### h) Statement of Employee benefit provision

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Gratuity	4.48	3.42
Leave encashment	2.13	1.49
<b>Total</b>	<b>6.61</b>	<b>4.91</b>

### i) Current and non-current provision for Gratuity and leave encashment

The following table sets out the funded status of the plan and the amounts recognized in the Company's balance sheet.

(Amount in ₹ Crs.)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
<b>For the year ended March 31, 2019</b>		
Current provision	0.35	0.16
Non-current provision	3.07	1.33
<b>Total Provision</b>	<b>3.42</b>	<b>1.49</b>
<b>For the year ended March 31, 2020</b>		
Current provision	1.03	0.34
Non-current provision	3.45	1.79
<b>Total Provision</b>	<b>4.48</b>	<b>2.13</b>

### j) Employee benefit expenses

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Salaries and Wages	25.41	25.06
Costs-defined benefit plan	0.44	0.41
Costs-defined contribution plan	1.52	1.29
Welfare expenses	3.45	3.29
<b>Total</b>	<b>30.82</b>	<b>30.05</b>

### OCI presentation of defined benefit plan

- Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

### Presentation in Statement of Profit & Loss and Balance Sheet

- Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.
- IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.
- Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

- When there is surplus in defined benefit plan, Company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign Company can use corporate bonds rate.
- The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

**44 Expenses charged to Raw Material (Limestone) account includes:**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Salaries and Wages	1.36	1.90
Contribution to Provident and Other Funds	0.13	0.17
Staff Welfare Expenses	0.23	0.22
Consumption of Stores and Spares	6.57	8.05
Power & Fuel	1.52	1.62
Material Handling	13.12	12.74
Royalty	16.25	16.55
Miscellaneous Expenses	2.61	1.51
<b>Total</b>	<b>41.79</b>	<b>42.76</b>

**45 Capital work in progress includes Machinery in stock, construction/erection materials, and also includes the following preoperation expenses pending allocation**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
Raw Materials Consumed	-	-
Power & Fuel	-	-
Salaries & Wages	0.04	-
Staff Welfare Expenses	-	-
Insurance	0.03	-
Travelling, Consultancy & Miscellaneous Expenses	-	-
Finance Cost	-	-
	<b>0.07</b>	-
Add: Expenditure up to previous period	-	-
Less: Transferred to Fixed Assets	-	-
	<b>0.07</b>	-

**46 Detail of Expenditure and Earning in Foreign Currency :**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
<b>a) Expenditure in Foreign Currency on account of:-</b>		
- Travelling Expenditure	0.03	-
<b>c) C.I.F. value of Imports</b>		
- Power & Fuel	7.17	11.97
- Stores & Spares	3.85	2.90
- Capital Goods	-	-

**47 Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances):**

(Amount in ₹ Crs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Property, Plant & Equipment	19.69	-

#### 48 Contingent Liabilities

- i. Contingent liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows:

(Amount in ₹ Crs.)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Excise duty	-	1.28
2	Sales Tax	8.13	8.13
3	Service tax	-	0.66
4	Other matters	4.31	1.22
		<b>12.44</b>	<b>11.29</b>

- ii. Contingent liability for non-use of jute bags for Cement packing up to 30<sup>th</sup> June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1<sup>st</sup> July, 1997.

**49** The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of takeover of the cement undertaking from Bajaj Hindustan Limited) will be borne by Bajaj Hindustan Limited.

**50** During the year, the Company has received subsidy of ₹ 1.10 Crs. (Previous year – ₹ 1.27 Crs.) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.

**51** Exceptional Items comprises of Profit on Sale of Old & Obsolete Fixed Assets amounting to NIL (Previous year - ₹ 3.70 Crs.) which were scrapped due to complete suspension of operation since 2002.

**52** a) Sales include own consumption at cost of ₹ 0.02 Crs. (Previous years- ₹ 0.15 Crs.).

b) Other Operating Revenue includes Sales Tax/Value added Tax/SGST subsidy of ₹ 12.42 Crs. (Previous year- ₹ 10.49 Crs.) and others - ₹ 0.02 Crs. (Previous year-Nil.).

**53** Forward Contract of ₹ Nil (Previous year - ₹ 12.45 Crs.-USD 0.18 Crs.) taken for the purpose of hedging payables and against letter of credit.

**54** Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

- Principal and Interest amount due and remaining unpaid as at 31<sup>st</sup> March 2020 - ₹ 0.56 Crs. (Previous year - Nil).
- Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).
- The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (Previous year - Nil).
- Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
- Interest Accrued and unpaid as at 31<sup>st</sup> March 2020 - Nil (Previous year - Nil).

**55** Some of the Balances of debtors and creditors are in process of confirmation.

**56** Amount paid to Auditors:

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
<b>a) Statutory Auditors:-</b>		
(i) Audit Fee	0.02	0.02
(ii) Tax Audit Fee	0.01	0.01
(iii) Other Services	0.01	0.001
	<b>0.04</b>	<b>0.03</b>
<b>b) Cost Auditors:-</b>		
(i) Cost Audit Fee	0.01	0.01
	<b>0.01</b>	<b>0.01</b>

**57 Related party transactions**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during reported periods, are:

**a) Related party name and relationship**

S. No.	Name of Related Party	Country of Incorporation	% Equity Interest	
			As at March 31, 2020	As at March 31, 2019
<b>a)</b>	<b>Holding Company</b>			
	JK Lakshmi Cement Ltd. (JKLC)	India	72.54%	72.54%
<b>b)</b>	<b>Fellow Subsidiary</b>			
	Hansdeep Industries & Trading Company Limited (HITCL)	India	NIL	NIL

**b) Key Management Personnel (KMP)**

Smt. Vinita Singhania	– Chairperson (Non Executive Director)
Shri Shrivats Singhania	– Non Executive Director
Shri O.N. Rai	– Independent and Non Executive Director
Shri Surendra Malhotra	– Independent and Non Executive Director
Shri Vinit Marwaha	– Independent and Non Executive Director
Amb. Bhaswati Mukherjee	– Independent and Non Executive Director
Shri Naveen Kumar Sharma	– Whole Time Director
Shri Pranav Chitre	– Chief Financial Officer
Ms. Poonam Singh	– Company Secretary & Compliance Officer
Ms. Hema Kumari (Resigned on 24.11.19)	– Company Secretary & Compliance Officer

**c) Holding Company****Key Management Personnel (KMP)**

Shri Bharat Hari Singhania	– Chairman & Managing Director
Smt. Vinita Singhania	– Vice Chairman & Managing Director
Shri B.V. Bhargava	– Independent and Non Executive Director
Shri N.G. Khaitan	– Independent and Non Executive Director
Dr. K.N. Memani	– Independent and Non Executive Director
Dr. Raghupati Singhania	– Non Independent and Non Executive Director
Shri Ravi Jhunjhunwala	– Independent and Non Executive Director
Shri Pradeep Dinodia (Resigned on 31.08.19)	– Independent and Non Executive Director
Amb. Bhaswati Mukherjee	– Independent and Non Executive Director
Shri S.K. Wali	– Whole Time Director
Dr. S. Chouksey	– Whole Time Director
Shri Sudhir A Bidkar	– Chief Financial Officer
Shri Brijesh K Daga	– Sr. VP & Company Secretary



**d) Trusts under Common Control**

JK Udaipur Udyog Limited Employees' Group Gratuity Fund Trust

JK Udaipur Udyog Limited Officers' Superannuation Fund Trust

**I** The following transactions were carried out with related parties in the ordinary course of business:

(Amount in ₹ Crs.)

Sl. No.	Nature of Transactions	2019-20				2018-19			
		JKLC	HITCL	KMPs	Trusts	JKLC	HITCL	KMPs	Trusts
(i)	Purchase of Cement/Clinker/Others	230.18	-	-	-	135.43	-	-	-
(ii)	Sales of Cement/Clinker/Others	177.26	89.37	-	-	8.83	85.94	-	-
(iii)	Sharing of Expenses/Expenses paid	6.03	-	-	-	8.92	-	-	-
(iv)	Finance Charges on Inter Corporate Loan	-	39.74	-	-	-	55.14	-	-
(v)	Corporate guarantee taken for Term loan	100.00	-	-	-	220.00	-	-	-
(vi)	Repayment of Loan	-	198.72	-	-	-	70.00	-	-
(vii)	Advances given	-	-	-	-	13.99	-	-	-
(viii)	Payment of Gratuity	-	-	-	0.49	-	-	-	1.17
(ix)	<b>Outstanding as at year end:-</b>								
	<b>- Payable</b>								
	HITCL	-	274.97	-	-	-	489.56	-	-
	JKLC	16.61	-	-	-	10.00	-	-	-
	KMP (Net)	-	-	0.001	-	-	-	-	-
	Trusts	-	-	-	1.43	-	-	-	0.63
	Corporate Guarantee Outstanding	316.27	256.28	-	-	270.00	455.00	-	-
	<b>- Receivable</b>								
	KMP (Net)	-	-	-	-	-	-	0.01	-

**II** Remuneration paid to KMPs:

(Amount in ₹ Crs.)

Sl. No.	Particulars	2019-20	2018-19
(i)	Short Term Employee Benefit	1.60	1.20
(ii)	Post Employee Benefit*	-	-
(iii)	Other Payments	0.11	0.11

\*As the Liability for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole. The amount pertaining to KMPs are not included above.

**58** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity by way of interruption in production, supply chain disruption, lock down of production facilities etc. On 24<sup>th</sup> March, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 17<sup>th</sup> May, 2020. The Company's Plant was shut down under the nationwide lockdown during March impacting the Financial Results for the month of March, 2020. The Company has since resumed its operations in a phased manner during the month of April, 2020 conforming to the guidelines of the Government.

**59** Previous year's figures have been regrouped/reclassified wherever necessary.

As per our report of even date  
For BANSILAL SHAH & CO.  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

Place : Udaipur

Date : 16<sup>th</sup> May, 2020

**POONAM SINGH**  
Company Secretary

**PRANAV CHITRE**  
Chief Financial Officer

For and on Behalf of the Board  
**VINITA SINGHANIA**  
Chairperson

**SHRIVATS SINGHANIA**  
**ONKAR NATH RAI**  
**SURENDRA MALHOTRA**  
**VINIT MARWAHA**  
**BHASWATI MUKHERJEE**  
**NAVEEN KUMAR SHARMA**

} Directors

**CASH FLOW STATEMENT FOR YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(Amount in ₹ Crs.)

Particulars	2019-20	2018-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Exceptional Items	27.31	(61.36)
Adjustments for:		
Depreciation and Amortisation (net)	33.78	33.93
Interest Income	-	(0.42)
Profit on sale of Current Investment (net)	(0.43)	(0.43)
(Gain)/Loss on fair value of Current Investments	(0.09)	-
Finance Cost	64.95	68.51
Foreign Exchange Difference (net)	0.19	0.11
Exceptional Items	-	3.70
Operating Profit before Working Capital changes	125.71	44.04
Adjustments for :		
Trade & Other Receivables	(18.16)	0.47
Inventories	(27.21)	(1.93)
Trade & Other Payables	52.70	23.80
<b>Net Cash from Operating Activities</b>	<b>133.04</b>	<b>66.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(9.72)	(8.04)
Sale of Property, Plant & Equipment	0.24	0.08
Interest received	(0.05)	0.25
(Purchase)/Sale of Investments (Net)	(24.57)	0.43
<b>Net Cash from/(used in) Investing Activities</b>	<b>(34.10)</b>	<b>(7.28)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	198.72	70.00
Repayment of Long-Term Borrowings	(200.97)	(70.00)
Short term Borrowings (net)	(3.18)	(4.05)
Interest Paid	(93.27)	(55.56)
<b>Net Cash from/(used in) Financing Activities</b>	<b>(98.70)</b>	<b>(59.61)</b>
<b>D. Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>0.24</b>	<b>(0.51)</b>
<b>E. Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>1.02</b>	<b>1.53</b>
<b>F. Cash &amp; Cash Equivalents as at the close of the year</b>	<b>1.26</b>	<b>1.02</b>
<b>Notes :</b>		
1 Cash and Cash Equivalents include :		
- Cash, Cheques in hand and remittance in transit	0.03	0.02
- Balance with Scheduled Banks	1.23	1.00
	<b>1.26</b>	<b>1.02</b>
2 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 Statement of Cash Flows.		
3 Previous year's figures have been re-arranged and re-casted wherever necessary.		

As per our report of even date  
For BANSILAL SHAH & CO.  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**

Partner

Membership No.: 071690

Place : Udaipur

Date : 16<sup>th</sup> May, 2020

**POONAM SINGH**  
Company Secretary

**PRANAV CHITRE**  
Chief Financial Officer

For and on Behalf of the Board  
**VINITA SINGHANIA**  
Chairperson

**SHRIVATS SINGHANIA**  
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**SURENDRA MALHOTRA**  
**VINIT MARWAHA**  
**BHASWATI MUKHERJEE**  
**NAVEEN KUMAR SHARMA**

} Directors

## UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

Regd. Office: Shripati Nagar, CFA, P.O: Dabok, Udaipur-313 022 (Rajasthan)

Secretarial Office: Gulab Bhawan, 3<sup>rd</sup> Floor, (Rear Block), 6A, Bahadur Shah Zafar Marg, New Delhi-110 002

Email: [ucwl.investors@jkmil.com](mailto:ucwl.investors@jkmil.com), Website: [www.udaipurcement.com](http://www.udaipurcement.com)

Tele/Fax: 91-294-2655076-77

### NOTICE

NOTICE is hereby given that the **24<sup>th</sup> Annual General Meeting** of the Members of **UDAIPUR CEMENT WORKS LIMITED** will be held on Monday, the 17<sup>th</sup> August, 2020 at 11:00 A.M. Indian Standard Time through Video Conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Naveen Kumar Sharma (DIN: 08152305), who retires by rotation and being eligible, has offered himself for re-appointment.

#### Special Business

3. To consider and if thought fit to pass, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), remuneration of M/s. HMVN & Associates, the Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year 2020-21 commencing 1<sup>st</sup> April 2020, of ₹ 75,000 (Rupees Seventy-five Thousand only), excluding GST as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

4. To consider and if thought fit to pass, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable

provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Regulation 16 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Ambassador Bhaswati Mukherjee (DIN: 07173244) whose appointment on the Board as an Additional Director determines on the date of present Annual General Meeting, be and is hereby appointed as an Independent Woman Director of the Company for a term of 3 (three) consecutive years w.e.f. 24<sup>th</sup> January, 2020."

5. To consider and if thought fit to pass, the following Resolution as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of Shri Shrivats Singhania (DIN: 02359242) as an Executive Director (Business Development) of the Company for a period of five years w.e.f. 1<sup>st</sup> April 2020, be and is hereby approved on the terms of remuneration set out in the Statement under Section 102 of the Act annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, during his tenure, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Executive Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby severally authorized to vary and/or revise the remuneration of the said Executive Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

Regd. Office:  
Shripati Nagar, CFA, P.O: Dabok  
Udaipur-313 022 (Rajasthan)

By Order of the Board

Poonam Singh  
Company Secretary &  
Compliance Officer

Date: 14<sup>th</sup> July, 2020

## NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs vide its General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020 respectively ("MCA Circulars") and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), have permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act), setting out the material facts concerning Item Nos. 3 to 5 of the Notice, is annexed hereto.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC/OAVM pursuant to the MCA and SEBI Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorising such representatives to attend and vote at the AGM.
5. The Members can join the AGM held through VC/OAVM Fifteen (15) minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under

Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All the documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of the AGM. Members seeking to inspect such documents can send an e-mail to [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com).

7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 10<sup>th</sup> August, 2020 through email at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com). The same will be replied by the Company suitably.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from 11<sup>th</sup> August, 2020 to 17<sup>th</sup> August, 2020 (both days inclusive).
9. **Dispatch of Annual Report through electronic mode:** In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.udaipurcement.com](http://www.udaipurcement.com), website of the Stock Exchange, i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of Depository i.e. Central Depository Services (India) Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).

For receiving all communication (including Annual Report) from the Company electronically: a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com) or [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com); b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.

In furtherance of Go-Green initiative of the Government and in the interest of the Members, the Company had published Notice in Financial Express on 1st July 2020 (All Editions), requesting the Members to register their Email addresses and Bank Account particulars to enable the Members to receive the Notice of General Meetings, Annual Report and other communications instantly in electronic form.

# 10. Remote e-voting procedure

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members, facility to exercise their right to vote at the 24<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting (e-voting) services provided by CDSL. Remote e-voting is optional. The facility of E-voting shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

## The instructions for Members for e-voting are as under:

- (i) The e-voting period begins on Friday, 14<sup>th</sup> August 2020 (10:00 A.M.) and ends on Sunday, 16<sup>th</sup> August 2020 (5:00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Monday, 10<sup>th</sup> August 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Members who have already voted prior to the meeting date would not be entitled to vote on the date of AGM.
  - (iii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on "Shareholders/Members" module.
  - (v) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID;
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- OR

Alternatively, if you are registered for CDSL's EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.

- (viii) If you are a first time user follow the steps given below:

## For Members holding shares in Demat Form and Physical Form

PAN	<ul style="list-style-type: none"><li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant for Udaipur Cement Works Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify

your vote.

- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**11. Procedure for Members whose email addresses are not registered with the Company or Depositories, as the case may be, for obtaining login credentials for e-voting on the resolutions proposed in this Notice:**

- (i) Shares held in Physical Mode - Please provide necessary details like Folio No., Name of Member, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com) /RTA at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).
- (ii) Shares held in Demat Mode - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of Member, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id as mentioned above.

**12. Information and Instructions for Members attending the AGM through VC/OVAM are as under:**

- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/ Members login where the EVSN of Company will be displayed.
- (ii) Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their

respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- (v) Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request on or before 10<sup>th</sup> August 2020 mentioning their name, demat account number/folio number, email id, mobile number at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com). The Members who do not wish to speak during the AGM but have queries may send their queries on or before 10<sup>th</sup> August 2020 mentioning their name, demat account number/folio number, email id, mobile number at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com).
- (vi) Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
- (vii) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

13. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

**14. Instructions for Members for e-voting during the AGM are as under:-**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (iii) If any Votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
- (iv) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



## 15. Other Common Instructions:

### (i) **Note for Non – Individual Members and Custodians**

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ucwl.investors@jkmall.com](mailto:ucwl.investors@jkmall.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

- (ii) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 022-23058542/43.

- (iii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.
- (iv) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instructions as mentioned above for e-voting.
- (v) The Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the Members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- (vi) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. 12094) of M/s Ronak Jhuthawat & Co., Company Secretary in practice, as Scrutinizer to scrutinize the process of remote e-voting and voting on the date of AGM in a fair and transparent manner.
- (vii) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting and submit, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
- (viii) **The results declared along with the consolidated Scrutinizer’s Report shall be placed on the Company’s website at [www.udaipurcement.com](http://www.udaipurcement.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchange. The result of the voting will also be displayed at the Notice Board at the Registered and the Administrative Office of the Company.**
- (ix) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date and who has not cast vote by remote e-voting, and being present at the AGM only shall be entitled to vote at the AGM.

## 16. Appointment of Directors

The relevant details of the Directors seeking re-appointment/appointment i.e Shri Naveen Kumar Sharma (Resolution No. 2) and Amb. Bhaswati Mukherjee (Resolution No. 4 as required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are given hereunder:

Name	Shri Naveen Kumar Sharma	Amb. Bhaswati Mukherjee
DIN	08152305	07173244
Age	53 Years	67 Years
Qualification	Master's Degree in Manufacturing Management and in Mathematics in addition to Post Graduate Diploma in Environmental Studies and Post Diploma in Industrial Safety	M.A. (History), University of Delhi, Degree (Superior) in French History and Civilization, Sorbonne University, Paris
Experience (including expertise in specific functional areas) Please refer to Company's Website at <a href="http://www.udaipurcement.com">www.udaipurcement.com</a> for detailed resume.	Rich experience of Cement, Steel and Power Industry in the areas of Developing Green Field Projects, Operations, Process Optimization, CSR, Environmental and Safety Management.	Former Ambassador of India to the Netherlands. Engaged in high level and effective bilateral and multilateral diplomacy on behalf of India visiting Professor in various Indian Universities.
Date of Appointment on the Board	30 <sup>th</sup> June 2018	24 <sup>th</sup> January 2020
Directorships held in other public companies (as per Section 165 of the Companies Act 2013 and excluding private and other companies)	NIL	JK Lakshmi Cement Ltd. (Listed Company) Jindal Stainless Ltd. (Listed Company)
Memberships/Chairmanships of committees of other public companies [includes only Audit Committee and Stakeholders' Relationship Committee in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]	NIL	NIL
Number of Equity Shares held in the Company	NIL	NIL
No. of Board Meetings attended during the Financial Year 2019-20	Five	Two
Terms & conditions of re-appointment	As per Resolution No. 6 of AGM Notice of Financial Year 2017-18.	As per Resolution No. 4 of this AGM Notice
Details of remuneration last drawn	Please refer MGT-9 in Annual Report	Please refer MGT-9 in Annual Report
Remuneration proposed to be paid	As per the terms and conditions mentioned in Resolution No. 6 of AGM Notice of Financial Year 2017-18.	Sitting fees for attending Board/ Committee Meetings and Commission on Net Profits, if any.
Relationships with other Directors /KMP	Not related to any Director or KMP	Not related to any Director or KMP

The details of Shri Shrivats Singhania are mentioned in the statement pursuant to Section 102 of the Act.

## STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

The Board at its Meeting held on 16<sup>th</sup> May 2020, appointed M/s HMVN & Associates, Cost Accountants as the Cost Auditors of the Company, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year 2020-21 commencing 1<sup>st</sup> April, 2020 at remuneration as mentioned in Resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 ('Act') read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of

the Company. The Board recommends the Resolution as set out at Item No. 3 of the Notice for approval of the Members by means of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

### Item No. 4

The Board of Directors of the Company based on recommendation of Nomination and Remuneration Committee of Directors of the Company has, appointed Ambassador Bhaswati Mukherjee (DIN: 07173244) as an Additional Director of the Company, in the category of Independent Director, to hold office for a term of three

(3) consecutive years w.e.f. 24<sup>th</sup> January, 2020 subject to requisite approval of the Members at the ensuing Annual General Meeting (AGM). Brief profile of Amb. Mukherjee, including her background and experience is provided at Sr. No. 16 to the Notes of the Notice.

Pursuant to the provisions of Section 161 of the Act, Amb. Mukherjee holds such office up to the date of this AGM and is eligible to be appointed as an Independent Director of the Company. The Company has received requisite Notice under Section 160 of the Act from a Member, proposing her candidature as an Independent Director of the Company.

The Company has also received her consent and declaration of Independence under Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In terms of Regulation 25(8) of Listing Regulations, she has confirmed that she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact her ability to discharge her duties. Further, requisite declarations of her non disqualification and confirmation that she is not debarred from holding the office of Director by virtue of any SEBI order or order of any other Authority have also been received by the Company. Amb. Bhaswati Mukherjee is independent of the management and possesses appropriate skills, experience and knowledge.

A Copy of the draft letter of appointment of Amb. Bhaswati Mukherjee as an Independent Director setting out the terms and conditions of her appointment is available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto and including the date of AGM. In the opinion of the Board, she fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Rules made thereunder and the Listing Regulations. Further, keeping in view her qualification, vast experience and knowledge, it will be in the interest of the Company to appoint Amb. Bhaswati Mukherjee as an Independent Director of the Company. The Board recommends the Resolution as set out at Item No. 4 of the Notice for approval of the Members by means of an Ordinary Resolution.

Except Amb. Bhaswati Mukherjee for herself, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Resolution.

#### Item No.5

The Board of Directors of the Company, based on recommendation of the Nomination and Remuneration Committee of the Directors ('Committee'), has appointed Shri Shrivats Singhania, (DIN : 02359242) who has been a Non-executive Director on the Board since 30<sup>th</sup> June 2018, as an Executive Director (Business Development), for a period of five years, w.e.f. 1<sup>st</sup> April 2020 pursuant

to Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Act, on the terms and remuneration determined by the Committee, set out hereinafter, subject to the requisite approval of Members of the Company.

In terms of Schedule V to the Act, the relevant details are as under:

#### I. General Information:

1. Nature of Industry: Cement.
2. Date or expected date of commencement of commercial production: The Cement Plant of the Company was commissioned in the year 1994.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

Particulars for the Financial Year ended 31 <sup>st</sup> March 2020	₹ in Lakh
Net Sales and Other Income	68,688
Profit/(Loss) before Exceptional Items and Tax	2,731
Profit/(Loss) Before Tax	2,731
Profit/(Loss) After Tax	1,552
Total Comprehensive Income/(Loss) for the year	1,489

5. Foreign investments or collaborations, if any: Not Applicable

#### II. Information about the Appointee:

1. Background details: Shri Shrivats Singhania, aged, 35 years, is a graduate in B.Sc. (Hons. in Business and Management) from IILM, New Delhi associated with Bradford University, U.K. and an Associate of Arts from Landmark College, Putney, VT (USA). He has developed entrepreneurial skills through participation in several management development programmes including "Immerging Leaders Programme" conducted by London Business School and Programme on "Effective Communication for Managerial Success" by IIM – Lucknow, to name a few.

Shri Singhania belongs to the large and well reputed 'JK Group', a diversified industrial conglomerate comprising of large companies engaged in manufacturing of Cement, Paper and Boards, Tyres & Tubes, V-Belts, Oil Seals, Hybrid seeds, Dairy Products, Textiles, System Engineering, Power transmission, Defence equipment, Health Care and Clinical Research etc. He has had extensive training in different positions & levels and gained a diversified and rich business experience of more than 11 years

including in cement manufacturing activities in JK Group companies. He has attended five Board Meetings of the Company held during the Financial Year ended 31<sup>st</sup> March 2020. Shri Singhanian holds 3,10,000 Equity Shares of Rs. 4 each of the Company.

Prior to his appointment as Executive Director (Business Development), he was working as Vice President- Marketing Development in JK Paper Ltd. He is also a non-executive Director of Param Shubham Vaniya Limited.

2. Past remuneration: Shri Singhanian being the non-executive Director of the Company during the Financial Year 2019-20 received Rs.1.30 Lakh as sitting fee for attending the Board/ Committee Meetings of the Company.
3. Recognition and Awards: The Company has received various awards and recognition during his tenure with the Company.
4. Job Profile and his suitability: Shri Shrivats Singhanian as an Executive Director (Business Development) of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors of the Company. He is also involved in policy planning, vision and strategy and developmental activities of the Company, besides Corporate Governance and Board co-ordination.
5. Remuneration Proposed: The Committee and the Board of Directors of the Company ('Board') at their respective Meetings held on 13<sup>th</sup> March 2020 have approved the following terms of remuneration of Shri Shrivats Singhanian for a tenure of five years w.e.f. 1<sup>st</sup> April 2020:
  - (A) Salary: Rs. 7 Lakh per month with such increments as may be decided by the Board/ Committee of the Company from time to time in the salary range of Rs. 5 Lakh per month to Rs. 25 Lakh per month.
  - (B) Perquisites, allowances and benefits: Perquisites comprising provision of Free furnished residential accommodation or house rent allowance in lieu thereto together with furnishings, gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of Global Health Policy premium for self and family, reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and travel relating thereto and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family,

fees of clubs, premium on personal accident insurance etc. and any other perquisites, allowances and benefits as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by the Board/Committee. The perquisites shall be evaluated as per the actual cost or Income tax Rules, as applicable.

- (C) Performance linked incentive, as may be decided by the Board from time to time.
  - (D) Commission: 2% of the net profits computed under Section 198 of the Companies Act, 2013 or more as may be decided by the Board from time to time.
- The term "Board" as mentioned above shall include any Committee of Directors authorized by the Board.
- (E) Contribution to Provident Fund or any other Funds as per rules of the Company.
  - (F) Gratuity at the rate of 15 days salary for each completed year of service.
  - (G) Encashment of unavailed leave as per Rules of the Company.
  - (H) The Board or the Committee may, from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, Performance Linked Incentive and other benefits subject to the overall ceiling prescribed under the Act, or any statutory modifications thereto or re-enactments thereof.
  - (I) In the event of inadequacy or absence of profits under Section 197, 198 and other applicable provisions of the Act in any Financial Year or Years, Shri Shrivats Singhanian shall be entitled to such remuneration as he may be then drawing, as specified in paras (A), (B) and (C) above, as minimum remuneration and be also entitled to perquisites mentioned in paras (E), (F) and (G) above which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Section II of Part II of Schedule V to the Act or any statutory modifications thereto or re-enactments thereof.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person: The executive remuneration in the industry has increased manifold. The Committee constituted by the Board in terms of the Act and the Listing Regulations perused the remuneration of managerial personnel prevalent in the industry and other companies comparable with the

size of the Company, industry benchmarks in general, profile, position and responsibilities of the aforesaid Executive Director of the Company and other relevant factors while determining his remuneration as proposed herein above.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any; Besides the remuneration proposed herein and shareholding in the Company, Shri Shrivats Singhania does not have any pecuniary relationship with the Company. Shri Singhania is related to Smt. Vinita Singhania, Director of the Company, being his relative, within the meaning of the Act.

### III. Other Information:

1. Reasons of loss or inadequate profits: At present, the Company has adequate profits. However, the appointment of Shri Shrivats Singhania is for a term of five years and the future trend in profitability will largely depend on state of Economy in general and the Cement Industry in particular, business environment, growth in demand, cost of inputs, etc.
2. Steps taken for improvement and expected increase in productivity and profits in measurable terms: The Company has been able to establish "PLATINUM HEAVY DUTY CEMENT" brand as a premium brand in three nearby States. During Financial Year 2019-20, the cement production stood at 8.51 Lakh tonnes and the Company sold 8.45 Lakh tonnes of cement. In addition to the above, the Company has sold record high 6.24 Lakh tonnes of Platinum Heavy Duty Cement through trading activities and also sold 4.42

Lakh tonnes of clinker. The Company recorded an all-time High Sales of ₹ 686.88 Crores, showing a jump of 18% over sales of ₹ 580.46 Crores achieved in the previous Financial Year.

Further, the Company has taken up for implementation a De-bottlenecking and Balancing Scheme wherein the Clinker 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. The estimated cost of the Project is ₹ 60 Crore and is expected to be commissioned by September, 2021.

3. The Company has not made any default in repayment of any of its debts or interest payable thereon in the preceding Financial Year.

### IV. Disclosures: Requisite details are given in the Corporate Governance Section of the Annual Report for the Financial Year 2019-20 .

Copies of the draft Contract/Memorandum setting out the terms and conditions of the appointment of the Executive Director, would be available for inspection by the Members at the Registered office of the Company during normal business hours on any working day upto and including the date of the AGM.

Shri Shrivats Singhania for himself, Smt. Vinita Singhania as a Director and relative of Shri Shrivats Singhania and their relatives to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution. None of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends Resolution set out at Item No. 5 of the Notice for approval of the Members by means of Special Resolution.

**Regd. Office:**

**Shripati Nagar, CFA, P.O: Dabok  
Udaipur-313 022 (Rajasthan)**

Date: 14<sup>th</sup> July, 2020

**By Order of the Board**

Poonam Singh  
Company Secretary &  
Compliance Officer

## FOR ATTENTION OF THE MEMBERS

1. Members having multiple folios are requested to write to the Company/ RTA together with the Share Certificates for consolidation of the Folios to save the administrative or servicing cost.
2. Please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Members are requested to intimate changes, if any, pertaining to their addresses, bank mandates, nominations, etc., and related correspondence to their Depository Participant in case the Shares are held in electronic form and to Company's Registrar and Share Transfer Agent: MCS Share Transfer Agent Limited, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA), in case the shares are held in physical form.
4. Investor Grievances can be lodged electronically online with the RTA. Please log on to [www.mcsregistrars.com](http://www.mcsregistrars.com) and click on Investors Services to register your queries/grievances which will be promptly responded by the RTA. Please write to the Company Secretary at Secretarial Department at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: [poonamsingh@jkmil.com](mailto:poonamsingh@jkmil.com) in case RTA's response is not received within a week's time.
5. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013, Individual Members holding shares in the Company, in single name

or joint names, may nominate an individual to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Holders. Members holding shares in physical form, may send their nomination in the prescribed Form SH 13, duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.

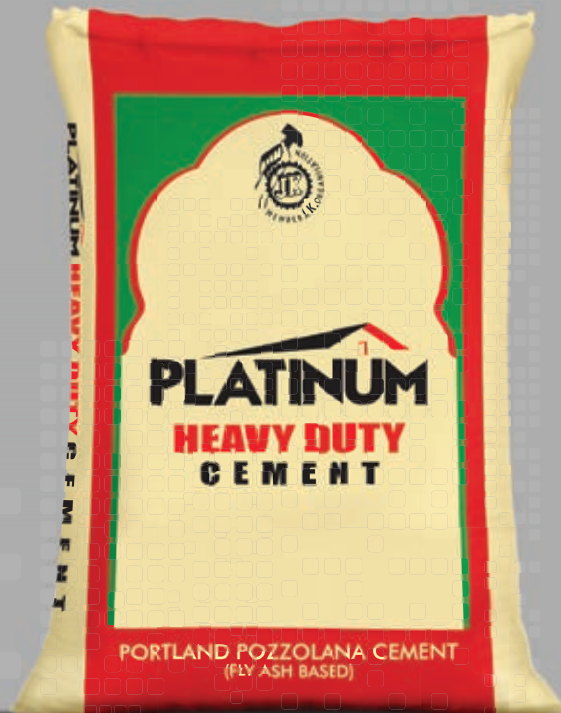
6. **Dematerialisation of Shares and Liquidity:** As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 2019, except in case of request received for transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form. Members can contact the Company's Registrar and Transfer Agent, MCS Share Transfer Agent Ltd, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA) for assistance in this regard. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN is INE225C01029.
7. Members are requested to quote their Folio No./ DPID- Client ID and details of shares held in physical/dematerialised forms, e-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.





**UCWL** UDAIPUR CEMENT  
WORKS LIMITED

# TOWARDS CONSTRUCTING THE NATION AGAIN



The company responded to the Covid-19 pandemic in a way that it has left no stone unturned to keep the spirits positive. Taking full safety measures as directed by the government, the company has ensured that its people remain safe. The company displayed a defining role by organising support and care systems within its communities.





## ONE'S SAFETY, ALL'S SAFETY.

As an immediate and urgent response to Covid-19 Pandemic; Udaipur Cement Works Ltd. has distributed food kits to the needy families in the villages across its plant location. The company has also responded to mask shortage in a unique way through cotton masks production by local women and distribution in the villages around the plant. A large number of sanitizer bottles have been distributed and local areas have also been disinfected by spraying sanitizer all over.







Shripati Nagar, C.F.A., P.O.Dabok,  
Udaipur - 313022 (Rajasthan)  
Email: [ucwl.customercare@ucwl.jkmail.com](mailto:ucwl.customercare@ucwl.jkmail.com)

Customer Care No.  
**1800 102 2407**



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