

## UDAIPUR CEMENT WORKS LIMITED

### Transcript of 27<sup>th</sup> Annual General Meeting held through Video Conferencing/Other Audio Visual means on 17<sup>th</sup> August 2023 at 2.00 PM

#### **Ms. Poonam Singh, Company Secretary**

Dear Members – Very Good afternoon to all of you. It is time: 2.00 P.M., to commence the AGM proceedings. Mrs. Vinita Singhania, Chairperson, is present with us and I request her to start the proceedings. Thank you.

#### **Welcome Address - Mrs. Vinita Singhania, Chairperson**

Good Afternoon to all of you. I, extend a very warm welcome to all of you at the 27th AGM of your Company. We hope you and your family members are safe and healthy. I wish the best of health for you and your family members in the future.

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

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

Now, I would like to introduce the Directors participating in the AGM. Along with me in the Company's Board Room at New Delhi are Mr. Shrivats Singhania, Director & CEO, Mr. O.N.Rai, Independent Director, the Chairman of Audit Committee and Nomination & Remuneration Committee and Mr. Vinit Marwaha, Independent Director & the Chairman of the Stakeholders Relationship Committee.

The other Directors, participating in this meeting through VC are: Amb. Bhaswati Mukherjee, Independent Director from New Delhi and Mr. Naveen Kumar Sharma, Whole-time Director is participating in this meeting from Udaipur.

Mr. Surendra Malhotra, Independent Director, is unable to attend this Meeting as he is not well.

Ms. Poonam Singh, Company Secretary is also present in the AGM and Mr. Pranav Chitre, Chief Financial Officer of the Company is present through Video Conferencing. Mr. Sudhir Bidkar, CFO and Mr. Amit Chaurasia, Company Secretary of JK Lakshmi Cement Ltd. are also present in the Meeting from New Delhi.

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

**Ms. Poonam Singh, Company Secretary**

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

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

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

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

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

Please note that only those Members who have not casted their votes through Remote e-Voting which was open from 11<sup>th</sup> August 2023 (10:00 A.M.) to 16<sup>th</sup> August 2023 (upto 5.00 P.M.) and who are participating in this meeting today, will have an opportunity to cast their votes during the AGM and till 15 minutes after conclusion of the meeting.

I now request Mrs. Vinita Singhania, Chairperson, to continue the AGM Proceedings.

**Mrs. Vinita Singhania, Chairperson**

Thank you Ms. Poonam

**Mr. Dhruv Shah, Partner, M/s. Bansilal Shah & Co.,** Chartered Accountants, Company's Statutory Auditors, Mr. Namo Narain Agarwal Company's Secretarial Auditor and **Mr. Ronak Jhuthawat,**

**Company Secretary in practice** who has been appointed as the **Scrutiniser** for supervising the e-voting process for this AGM **are present at the Meeting through VC.**

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

As the Notice dated 4<sup>th</sup> July 2023 convening the 27<sup>th</sup> AGM and the Annual Report for the Financial Year 2022-2023, already circulated to the Members on 24<sup>th</sup> July 2023. I, with permission of the Members, take them, as read.

Under the Companies Act, 2013, there is no requirement of reading of the Report of **M/s. Bansilal Shah & Co.**, Chartered Accountants, Company's Statutory Auditors for the Financial Year ended 31<sup>st</sup> March 2023, as the same does not contain any qualifications, observations or comments or other remarks on the financial transactions or matters which have any adverse effect on the functioning of the Company.

Also, there are no qualifications, observations, comments or other remarks in the Secretarial Audit Report for the Financial Year 2022-23 issued by the Secretarial Auditor. Therefore, there is no requirement to read this Report.

Before taking up the items of the Agenda, I would like to share with you all my thoughts on the Cement Industry and working of the Company for the Financial Year 2022-23.

### **Chairperson's Speech:**

"Dear Esteemed Members,

Namaskaar,

I am delighted to welcome you to 27<sup>th</sup> Annual General Meeting (AGM) of your Company which is being held through Video Conferencing. The Board of Directors, and I, would like to thank each one of you, for being present here today. I hope you and your loved ones are all safe and healthy.

The detailed message is already covered in the Annual Report of Financial Year 2022-23. I will dwell on the main points in brief, retaining the essence of my detailed speech.

Let me now briefly touch upon the overall economic environment before I share my thoughts on your Company's performance in FY 2023.

The Fiscal 2022-23 began when global uncertainties were already at its peak. Whilst the pandemic was just receding the Russia-Ukraine war broke out in February 2022, which led to a sharp rise in the prices of food, fuel, and fertilizer and they remained at elevated levels for several months together. Despite efforts to alleviate the consequences of these challenges, the continuous uncertainties have had a notable effect on consumer and business confidence, ultimately impacting global economic growth.

After a strong recovery in 2021 – driven by strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels was followed by increasingly gloomy developments in 2022 and a further growth dip in 2023 but projected improvement in 2024.

However, amid this challenging environment, India has rebounded strongly. India's GDP growth during FY2022-23 has been among the highest in the world at an estimated 7.2%.

**Cement Industry:** With high allocation under the Union Budget 2022-23 for infrastructure and affordable housing government schemes, the domestic cement industry poised for a volume surge and boost the demand for cement.

India's cement production and consumption both grew by ~ 9% in FY23 on a y-o-y basis, driven by the Government's push for infrastructure development and increased real estate activity. There has been a 3% y-o-y increase on an average in wholesale cement prices in FY 23. Key energy items like Pet coke/ Coal were marginally down, but owing to the higher cost inventory, benefits are unlikely to percolate fully.

Going forward, while FY 2024 appears to be a year full of opportunities as well as uncertainties and challenges; however, we remain optimistic about the outlook for the cement sector which according to us would firmly remain in long-term trajectory of sustainable annual growth ranging from 6% to 8%.

### **Company's Performance:**

During the Financial Year 2022-23, the Company's Cement Production was higher by 13% at 14.69 Lac tonnes as against 13.05 lac tonnes achieved during the last Financial Year. The Company's Sales during the Financial Year ended 31st March 2023 were up by 4% at 20.35 lac tonnes against 19.49 lac tonnes logged in the last Financial Year.

The Turnover of the Company during the Financial Year 2022-23 increased by 18% from ₹ 875.98 Crores in Financial Year 2021-22 to ₹ 1,030.97 Crores in Financial Year 2022-23. Despite the tremendous pressure of rising inputs and fuel your company achieved an PBIDT margin of 13% against 17% achieved during last Financial Year. On the operations front - as always your Company has continued looking at being operationally efficient. We have been working aggressively on various operational efficiency improvement levers.

***During the Year, your company successfully commissioned a Floating Solar Power Plant of 1 MW, the first of its kind in the state of Rajasthan and in the Indian Cement Industry. This has resulted in an increase in the share of renewable energy of the Company to more than 48% of its total power requirement.***

### **Progress of the Projects:**

Especially in our Cement Industry the old adage “Being there at the right place and right time” is very important. We are part of an industry where its constituents are closely competing with each other fiercely. To sustain and grow has been the “mantra” your Company has been following. In resonance with the same, we have embarked on the journey towards an expansion project of Rs. 1,650 Crore involving additional Clinker Line of 1.50 Million Tonnes Per Annum and Cement Grinding Unit of 2.50 Million Tonnes Per Annum. With this the Total Clinker Capacity shall be doubled viz., from 1.50 Million Tonnes Per Annum to 3.0 Million Tonnes Per Annum (Phase I) and Total Cement Capacity shall be enhanced from 2.2 Million Tonnes Per Annum to 4.7 Million Tonnes Per Annum (Phase II). In line with the same, your Company is already on the right path to strengthen its existing base and make deeper forays in the wider market.

To part finance the said Project the Company came out with a Rights Issue in June-July 2023 for an amount of Rs. 448.43 Crores. Your Company received an overwhelming response from the shareholders and the Issue was subscribed to 132.10% by them.

### **Corporate Social Responsibility and Human Capital Management**

On the CSR front, the Company continued its journey of strengthening community relationship based on the four pillars – health, water, sanitation, education. Livelihood & skill development. Serving the society towards improving the quality of life of the community at large has always been a priority of your Company. The concept of socially responsible business is deeply ingrained in our corporate DNA right from the inception and since we have been pioneering and delivering multiple need based and high impact CSR projects for needy and vulnerable communities & families living around our business operations.

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

### **Acknowledgements:**

I would like to end by acknowledging the tremendous support that I have received from my colleagues on the Board, the hard work and dedication of the Management Team but, most of all, the unfailing commitment and effort of our workmen at plant and mines location. I would also like to extend my sincere gratitude and thanks to all dealers, distribution channel partners, customers, financial institutions, banks, business associates, government agencies, and, not least, our esteemed shareholders for their invaluable support and confidence.

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

Thank you very much.”

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

### **Mrs. Vinita Singhania, Chairperson**

Now, I will read items of the business to be conducted at the AGM, as mentioned in the Notice, one by one. All resolutions have already been put to vote through Remote e-Voting. Therefore, no resolution is required to be proposed or seconded by the members at the AGM.

Item No. 1 : Adoption of the audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2023 and the Reports of the Board of Directors and Auditors thereon

Item No. 2 : Re-appointment of Mr. Naveen Kumar Sharma, as a Director liable to retire by rotation.

Item No. 3 : Ratification of remuneration of M/s. HVMN & Associates, Cost Accountants, the Cost Auditor of the Company for the Financial Year 2023-24, of ₹ 1,25,000/- p.a.

Item No. 4: Re-designation of Mr. Shrivats Singhania as Director & Chief Executive Officer of the Company.

Item No. 5: Approval for enhancement of Borrowing limits under Section 180(1)(c) of the Companies Act, 2013.

Item No. 6: Approval for enhancement of limits for creation of Security under Section 180(1)(a) of the Companies Act, 2013.

### **Mrs. Vinita Singhania, Chairperson:**

As you are aware, Remote e-Voting on all the AGM items and Resolutions was open from 11<sup>th</sup> August 2023 from 10:00 A.M. to 16<sup>th</sup> August 2023 upto 5.00 P.M. Therefore, many of the Members may have already casted their votes during above period.

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

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

I authorize Mr. Naveen Kumar Sharma, Whole-time Director or in his absence Ms. Poonam Singh, Company Secretary to declare the final results of e-voting by 19<sup>th</sup> August 2023. The results declared along with the Report of the Scrutiniser shall be posted on the website of the Company and also on the website of CDSL. The results will simultaneously be forwarded to BSE Ltd. for placing on their website and shall also be displayed on the Company's Notice Board at the Registered Office and its Secretarial Office in New Delhi.

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

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

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

**Members/Speakers** –Members namely, Mr. Manoj Gupta, Mr. K. Bharat Raj, Mr. Praful Chavda, Mr. Shripal Mohnot and Mr. Ankur Chanda spoke at the Meeting. The Members appreciated the Management for the successful completion of the Rights Issue and successfully holding of the virtual AGM and enabling them to participate in the Meeting without any difficulty. They expressed their views and sought more information/clarifications, *inter alia* on the Company's business operations, further expansion plans, Merger/Demerger plans, reasons for drop in operating margin in Financial Year 2023, steps taken towards meeting the increasing competition and future outlook of the cement industry, plans for payment of Dividend, some shareholders also requested to organize Plant visit etc.

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

**Mrs. Vinita Singhania:** I believe that all the questions of the Shareholders have been duly replied to their satisfaction. May, I therefore, with your permission, declare the Meeting as closed. However,

please note that the e-voting window will remain open for another 15 minutes for voting by the Members who have so far not casted their votes.

I thank you once again for your participation in the AGM.

**Ms. Poonam Singh, Company Secretary:**

Members may note that in terms of SEBI Circulars, the Company has sent letters to all physical Shareholders for furnishing their PAN & KYC details in the prescribed forms. These forms are also available on the Company's website. Members who have not submitted such details so far are once again requested to send the same to the Company's RTA at the earliest.

In the absence of KYC and other details, no service request shall be entertained and the Folios wherein any of the above cited documents/ details are not available on or after 1<sup>st</sup> October 2023, shall be frozen by RTA.

The Meeting concluded at 3.15 PM, with a vote of thanks given to the Chair by Mr. Naveen Kumar Sharma, Whole-time Director of the Company.

.....