

UCWL:SECTL:SE:21  
15<sup>th</sup> July 2021

**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 25<sup>th</sup> AGM, Book Closure and Cut-off date for E-voting**

1. We have to inform you that the 25<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Thursday, the 19<sup>th</sup> August 2021 at 12:00 Noon Indian Standard Time through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 13<sup>th</sup> August 2021 to 19<sup>th</sup> August 2021 (both days inclusive) for the purpose of AGM.
3. In compliance with the relevant circulars, the Annual Report for the financial year 2020-21, comprising the Notice of the AGM and the standalone financial statements for the financial year 2020-21, along with Director's Report, Auditors' 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).



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 25<sup>th</sup> AGM by electronic means and the business may be transacted through remote e-voting (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, the Company has fixed 12<sup>th</sup> August 2021 as the 'cut-off date' for ascertaining the names of the Shareholders, holding shares either in physical form or in dematerialized form, who will be entitled to cast their votes electronically during 16<sup>th</sup> August 2021 (10.00 A. M.) to 18<sup>th</sup> August 2021 (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 and 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

# SETTING THE STAGE FOR TOMORROW

ANNUAL REPORT 2020-21





# UCWL UDAIPUR CEMENT WORKS LIMITED

**Udaipur Cement Works Limited, is a subsidiary of one of the leading cement manufacturing companies of India, JK Lakshmi Cement Limited.**

The Company has an integrated Cement Manufacturing unit with installed cement production capacity of 1.6 Million tonnes per annum (MTPA). Since its inception, the Company is committed towards boosting sustainability through adopting latest art of technology designs, resource efficient equipment and various in-house innovations. The Company has a 6 MW Waste Heat Recovery System that utilizes the waste heat of kiln and helps reducing the carbon footprint of the Company by 34058 tCO<sub>2</sub>e per year and thereby saving 24724 tons of coal and 113529 KL of water compared to conventional thermal power plant.

Today the Company sources more than 48% of its power requirement from renewable sources of energy including 10 MW Solar Power Plant, which is estimated to be equivalent to plantation of about 45 Million Trees during its 25 years of effective life. This amount to saving of 3,00,210 Tons of CO<sub>2</sub> from the Environment.

The Company has done considerable work in the area of water conservation and stands certified at 2.76 times water positive. Instead of transporting limestone to cement plant through dumpers by road which would have generated more than 1557600 Kg of GHG on annual basis, the Company has installed a 6 km long Over Land Belt Conveyor (OLBC) to source raw material from its captive mine to the manufacturing plant that further adds value in gaining cost and environmental efficiency. With the blend of modern technology and rich legacy, UCWL manufactures world class cement under the brand name-Platinum Heavy Duty Cement. The cement is made using latest superior PSD Technology which provides a wide array of benefits to the consumers like 10% more volume, high initial strength, superior workability and fast setting.



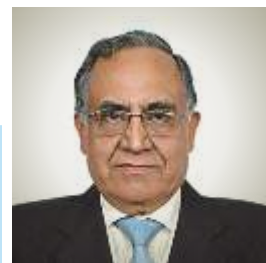
## BOARD OF DIRECTORS



**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)

### SECRETARIAL DEPARTMENT

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

### 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

### CORPORATE OFFICE

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

### BANKERS

Axis Bank Limited | RBL Bank Limited

### AUDITORS

Bansilal Shah & Co., Chartered Accountants, Udaipur

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

## OUR JOURNEY

**2013**

Restarting of Grinding  
Section with a capacity of  
**6.3 Lac MT**

**2015**

Expansion in  
Grinding capacity to  
**7 Lac MT**

**2017**

Starting of Integrated plant with Pyroprocessing Section  
and New Cement Mill with enhanced Capacity of  
**16 Lac MT**

**2021**

Launching of New Premium  
Cement-Platinum Supremo  
**16 Lac MT**



# KEY FINANCIAL HIGHLIGHTS



**UCWL** UDAIPUR CEMENT  
WORKS LIMITED

TURNOVER

**7%**

**₹ 737.66**  
Crores

EBIDTA

**20%**

**₹ 151.28**  
Crores

Profit After Tax  
(PAT)

**268%**

**₹ 54.74**  
Crores

The Market Capitalisation has also jumped from **₹ 234 Crore** as of 31<sup>st</sup> March 2020 to over **₹ 800 Crore** as on date.

Clinker Capacity is being enhanced from **1.20 Million Tonnes** to **1.50 Million Tonnes** and the Cement Capacity from **1.60 Million Tonnes** to **2.20 Million Tonnes** by September 2021.



# THE YEAR THAT WAS



Platinum Supremo Cement Bag unveiled at Launch Event



Innovative Advertising for Brand Recall



Felicitating Business Associates under Supreme Bonanza Scheme



First Batch of Platinum Supremo Cement Flagged from UCWL Plant



On Assistance demo and Technical Van



Covid Appropriate behaviour practiced at UCWL Plant.



Regular Sanitisation of Residential Colonies in Plant during Pandemic.



# AWARDS AND ACCOLADES



Brand Platinum Heavy Duty Cement - "Asia's Most Promising Brand - Cement Sector."



UCWL Awarded Best Employer 2019 with "Certificate of Excellence" under large Scale Category given by Employer's Association of Rajasthan



UCWL Awarded "Industrial Sector Safety Excellence" at 19<sup>th</sup> Annual Greentech Safety Summit.



UCWL Won "Enercon 2020" under the category "Creating Awareness on Efficiency & Energy Conservation" for Prime Generation of Green Energy organised by CII-Godrej, GBC



UCWL felicitated with the 8<sup>th</sup> Exceed Occupation Health, Safety, Security & HR Award



**PLATINUM**  
HEAVY DUTY  
CEMENT

# हैवी ड्यूटी निर्माण के लिए



PLATINUM HEAVY DUTY CEMENT  
PORTLAND POZZOLANA CEMENT  
(FLY ASH BASED)

# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

## Dear Shareholders,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2021.

## FINANCIAL RESULTS AND STATE OF COMPANY AFFAIRS

	(₹ in Crores)	
	2020-21	2019-20
Sales & Other Income	737.66	686.88
Profit before Interest & Depreciation	151.28	126.04
Profit/(Loss) before Depreciation	97.50	61.09
Profit/(Loss) after Tax	54.74	14.89
Surplus/(Deficit) brought forward	(29.05)	(43.94)
Surplus/(Deficit) carried to Balance Sheet	25.69	(29.05)

## PERFORMANCE

The Financial Year 2020-21 would go down as one of the most memorable year in the Company's history. The year as we all know started with continued lockdown from last month of the previous financial year on account of first wave of the global pandemic. Despite this lockdown upto 17<sup>th</sup> May 2020, when everything was looking too bleak, we could achieve a capacity utilization of 71% in the first quarter, thanks to rural demand and our ability to leverage the same. This performance gave us the hope and built enthusiasm in the team that despite uncertain year looming ahead, we can convert a tough situation into an opportunity and strive to achieve a good performance. Your Company precisely did the same and achieved still better.

During the year varying segments gave us opportunities at different times and we could grab all the possible opportunities because of effective coordination and agility of our teams, whether it is sales and marketing at the front end or manufacturing/support functions at the back end. During this pandemic year our Manufacturing/R&D team also developed one of the best premium products i.e. Platinum Supremo that we launched in March 21. The most satisfactory part is that in its very first month of launch, product has got very enthusiastic acceptance from our customers. This same customer satisfaction acts as tonic for us to bring further improvement in our portfolio of various products and services.

During Financial Year 2020-21, the Company's Cement Production & Sales stood at 9.64 and 9.66 Lakh tonnes

respectively. Additionally, we sold 5.81 Lakh tonnes of Platinum Heavy Duty Cement through trading activities and 4.89 Lakh tonnes of clinker. Thereby, Company recorded an all-time High Sales of ₹ 737.66 Crores, showing a jump of 7% over sales of ₹ 686.88 Crores achieved in the previous Financial Year.

Your Company has been working very aggressively on various operational efficiency improvement levers. Financial Year 2020-21 has seen significant uptick in improvement in our geo and product mix besides improvement in our supply chain efficiency. In Financial Year 2020-21, despite significant diesel's price rise, Company has been able to contain its logistics cost by reducing its lead and improving its direct deliveries from Plant significantly. All these levers combined resulted into a healthy EBIDTA numbers for the Financial Year 2020-21 i.e. ₹ 151.28 Crores against ₹ 126.04 Crores achieved in the previous Financial Year, this corresponds to a satisfactory rise of 20 %. After providing for Interest, Depreciation & Tax, the Profit After Tax (PAT) for the Financial Year 2020-21 stood at ₹ 54.74 Crores as against ₹ 14.89 Crores recorded in the previous Financial Year, registering a rise of 268 %.

Based on the stupendous performance of the Company during the Financial Year 2020-21, the Market Cap of the Company has also jumped from ₹ 234 Crores as of 31<sup>st</sup> March 2020 to over ₹ 800 Crores as on date.

## PROGRESS OF THE PROJECTS & EXPANSION

As mentioned last year, the Company had taken up for implementation a De-bottlenecking & Balancing Scheme wherein the Clinker Capacity was being enhanced from 1.20 Million Tonnes to 1.50 Million Tonnes and the Cement Capacity from 1.60 Million Tonnes to 2.20 Million Tonnes by September 2021. Despite all adversities posed by the COVID-19 crisis, your Company has successfully commissioned the capacity augmentation Project. Some minor left out jobs are under progress and shall be completed as per the target.

Your Company, is also working towards installation of new Clinkerization Line and Grinding Unit at Udaipur. This shall boost Clinker Capacity by additional 1.5 Million Tonnes and Cement Grinding Capacity by another 2.5 Million Tonnes. After the completion of the Expansion, the Company's total Clinker Capacity shall be 3.00 Million Tonnes and Cement Capacity shall be 4.7 Million

Tonnes. This Project has an estimated capital outlay of ₹ 1,400 Crores and expected to be commissioned over a period of 3 years. The Company has received Environmental Clearance for the Project and other clearances like approval from the Airport Authority of India, Rajasthan State Pollution Control Board etc. are in process.

### **OUTLOOK FOR INDIAN ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS**

In the just concluded Quarter of Jan to Mar' 2021, the demand recovery across the country was clearly visible and believing that the Covid disaster is behind us, the Industry was bracing itself to meet surge of demand in the new Financial Year. However, the Second Wave has hit us with a ferocity and suddenness that has taken the entire country completely unaware and unprepared, bringing us back to almost similar position which was experienced from 3<sup>rd</sup> week of March, last year or even worse in some markets.

The Second wave has given us a grim reminder that uncertainty, as we are presently experiencing is a likely situation that we are going to be in for some time to come. However, despite these uncertainties it is also obvious that deficiencies in the infrastructure and not just health even otherwise have added to woes of our country in the two Covid waves that we have witnessed and therefore as soon some semblance of normalcy is restored, correction of these deficiencies would assume top priority. Construction activities can therefore be one of the first economic activity to commence as soon this Wave subsides. So, while Q1 can be expected to follow more or less pattern of last year's Q1, the famed resilience our economy will propel Q2 and subsequent quarters to perhaps more than make up for shortfall in Q1.

We also expect that some of the behavioral changes induced by the pandemic would have long term impact on the composition of demand especially in residential and institutional sectors. Permanently, Work From Home being adopted in certain sectors would create the new market for low rise and larger residential units slightly away from the congested urban centers. This auger well for the Cement industry in the short to medium terms.

### **OPPORTUNITIES & THREATS**

The pandemic has induced behavioural changes in the life and work styles; some of which may become permanent. Such changes are both opportunities and

threats for the industry. Work From Home is increasingly being adopted across various sectors in the industry so much so that a few of them have already announced this as a permanent option for their work force. This move on one hand would reduce the demand for large office spaces but at the same time would create the need for a larger homes for many families. Less visits to market place on one hand would reduce the need for retail space but at the same time would create the need for larger warehouses and redistribution centres. Developers and Builders will look forward to undertake a fewer projects but would strive to complete them fast and in defined time frame. These changes would call for a big change in the construction technologies, construction practices and products used in construction. 'Time Saved' shall now have a realistic tangible value assigned to it as the pressure to reduce Stock in Process and Working Capital locked in it, builds up.

### **RISKS AND CONCERNS**

Since March'20, COVID-19 has impacted the Socio-Economic and Financial fabric of the economy, both at macro as well as at micro level. Due to pandemic, the Central Government reforms have not been able to fully unleash themselves to their full potential. Some of the projects will either remain deferred or postponed at least for the near future. Resources are getting dried up in combatting the pandemic and sustaining rather than growth. We see Construction and Real Estate as being one of the worst hit sectors. Globally, we see second wave badly hitting nations like us and some countries are now reeling under a third wave impact. To add to the woes, fuel/coal prices have seen exorbitant rise globally, thereby increasing variable costs. Distribution channels and supply chains in all sectors are hit. Needless to say, this has resulted in increase in input costs.

However, your Company through its prudent management and efficient and economic use of resources has managed to mitigate the risk and has been able to present the said financial results.

A lingering concern for the Cement Industry viz. High GST Slab of 28% does still remain. The Industry has already 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 ever 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 the following financial ratios in comparison to previous year as given hereunder:

Sl. No.	Ratios	Unit of measure	As on 31.3.2021	As on 31.3.2020
1	Operation Profit Margin	%	20.2	18.2
2	Net Profit Margin	%	7.45	2.17
3	Return on Net Worth	%	25.44	8.48
4	Current Ratio	Times	0.99	0.36
5	Interest Coverage ratio	Times	2.81	1.94
6	Debt Service Coverage Ratio	Times	2.08	1.88
7	Debt Equity Ratio	Times	2.31	3.09
8	Net Debt Equity Ratio	Times	1.88	2.95
9	Debtors Turnover	Times	237	157
10	Inventory Turnover	Times	12	13

### HUMAN CAPITAL MANAGEMENT

Your Company is known for its people centric approach i.e., caring for their people. The year under report is characterized by unprecedented pandemic (COVID-19) of epic proportion. Your Company has responded strongly to the crisis and fought against this pandemic at several fronts in collaboration with the District Authorities, Local Panchayats etc., by supporting the local communities around its plant and mines, helping migrants and contractual labours and other needy sections of the society. The outstanding work being carried out by your Company has been appreciated by the local administration too.

Various HR initiatives, in the times of COVID-19 for developing learning culture were taken. Your Company organized number of online programmes/discussions for the employees on Emerging Leadership, Strengthening PMS system through SMART based KRAs, programmes on

energy saving, employees Skill development both on functional and leadership aspects etc.

In order to retain talent in your Company, we have focused on various key parameters like recruitment, career development, performance management, award and recognition, executive coaching and 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 have been a focus area for HR interventions. Your Company also focusses on job enrichment/rotation to ensure retention.

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

Your Company is constantly improving on People Management Practices and taking every step to enrich our major HR thrust areas which in turn has helped the Company in getting excellence in development of Human Capital and as a result during the year the Company was awarded with "Certificate of Excellence" under the "Best Employer Award" by Employer's Association of Rajasthan.

### ENVIRONMENT, HEALTH AND SAFETY

Environment, Health and Safety have always been at the core of Your Company's operations. Use of state of art pollution control equipment, extensive plantation, sourcing of power from Renewable sources replacing conventional non-renewable sources of energy are some of the key strengths of the Company. Occupational Health and Safety improvement programs for employees are regular features. Various initiatives with regard to protection of employees and business associates from COVID-19 have been taken like distribution of face masks, installation of sanitizer dispenser for hand sanitization, playing of pre-recorded safety instructions with regard to COVID-19 at various locations, office sanitization and fumigation and installation of awareness posters in and around the plant etc.

Your Company uses IT based portal for recording and analysing the safety performance. Various agencies

have appreciated our efforts toward EHS and have recognized by awarding the Company.

The Following awards/recognitions were received during FY 2020-21 :

- Special Recognition certificate for “Green Belt” developed in UCWL premises from SDM, Mavli received on 26<sup>th</sup> January 2021.
- National Winner in “CII EnerCon 2020” under category of “Creating Awareness on Efficiency & Energy Conservation” for “Prime Generation of Green Energy”.
- Won Gold Award for “Best Practices in Industrial Security” at 8<sup>th</sup> Exceed Occupational Health, Safety, Security & HR Award and Conference organised by Sustainable Development Foundation.
- Winner at “Industry Sector Safety Excellence” at 19<sup>th</sup> Annual Greentech Safety Summit held on 12<sup>th</sup> February 2021.
- Secured 7<sup>th</sup> Position in the category of Specific Power Consumption upto Clinkerisation in the List of Top Ten Energy Efficient Plants in the CII Study based on Energy Award Performance.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate Internal Control System 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 & registered office. This Internal Audit Department submits its report on the Efficacy & Adequacy of Internal Control Systems to the Chairman of Audit Committee of the Board. There are adequate checks & 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 & Procedures in line

with the size and the complexity of its operations. This ensures accuracy & comprehensiveness of the Accounting records. These Internal Financial Control Systems are adequate for safeguarding the Assets of the Company and are effective towards prevention & detection of frauds & errors. The Policies & 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.

#### **ANNUAL RETURN**

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 (Act) read with Rules made thereunder is available on the website of the Company [www.udaipurcement.com](http://www.udaipurcement.com)

#### **RELATED PARTY TRANSACTIONS**

During the Financial Year ended 31<sup>st</sup> March 2021, 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 arms' length basis and were in compliance with the applicable provisions of the 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 2020-21 as per the Related Party Transactions Policy is attached as **Annexure 'A'** 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 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, Smt. Vinita Singhania

(DIN: 00042983) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers herself for re-appointment. The Board recommends her re-appointment.

The Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee has re-appointed Shri Naveen Kumar Sharma (DIN: 08152305) as Whole-time Director, for a further term of 3 years w.e.f. 1<sup>st</sup> October 2021, subject to requisite approval of Members of the Company. The Board has recommended necessary Special Resolution in this behalf, for approval of the Members 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.

There are no changes in the Directors/Key Managerial Personnel of the Company during the year under review.

#### **CONSERVATION OF ENERGY ETC.**

The details as required under Section 134(4)(m) of the Act read with the Companies (Accounts) Rules, 2014 are annexed to this Report as **Annexure 'B'** and forms part of it.

#### **DEPOSITS**

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

#### **AUDITORS**

##### **(a) Statutory Auditors**

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 for their second term of five consecutive years 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 2020-21.

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

##### **(c) Cost Auditor 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 2020 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 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 2021 is being conducted by the said Firm and the Report will be duly filed.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Serving the Society towards improving the quality of life of the community at large has always been a priority of the Company. The concept of socially responsible business is deeply ingrained into our corporate DNA right from the initial years and till date we have pioneered and delivered several CSR projects for needy and vulnerable communities and families.

The Company works towards overall development and welfare of the society by focusing on areas such as Health, Sanitation, Water, Education, Skill Development and Livelihood Interventions to name a few. As the beginning of Financial Year saw outbreak of COVID-19 Pandemic, your Company responded to this unprecedented crisis, taking several initiatives in collaboration with local panchayats and district administration. Number of food kits, sanitizers, cotton

masks and hand wash were distributed to the needy families as well as sessions and meetings were organized to create awareness on COVID-19.

Your Company also undertook multiple CSR activities like medical camps; skills training for the women and girls and supporting them for income earning under its flagship project "Swavalamban", among others. Projects like farmer's trainings, exposure visits and veterinary camps were organized to improve agricultural and cattle rearing practices, to strengthen livelihoods of the marginalized families. These CSR projects have impacted positively the lives of the beneficiaries around the Plant.

#### **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 is annexed to this Report as **Annexure 'D'**.

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 thereto, 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 Business Responsibility Report of the Company for the Financial Year 2020-21 ended 31<sup>st</sup> March 2021 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 the 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 four 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 & 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) 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**

The Board gratefully acknowledge the continuing faith reposed in the Company by the Financial Institutions, Banks, Government Authorities, Dealers, Suppliers, Business Associates and esteemed Shareholders, who have extended their splendid co-operation and support to the Company. The Directors also take this opportunity to thank Company's valued Customers who have patronized its products.

The Board places on record its appreciation towards "Team UCWL" for their dedication and excellence displayed in conducting all operations of the Company and without whose whole-hearted efforts and solidarity, the Company's consistent growth would not have been possible in these challenging times. Last but not the least, the Board also 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 and 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: 15<sup>th</sup> May 2021

Vinita Singhania  
Chairperson



## ANNEXURE 'A' 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 fourth 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 2021 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ arrangements /transactions	Duration of contracts/ arrangements /transactions	Salient terms of the Contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Transaction amount (₹ in crores)
JK Lakshmi Cement Limited – Holding Company	Purchase of Clinker, Cement & others	June 2013 onwards	Purchase of Clinker/other goods at Arm's length price	N.A.*	4.47
JK Lakshmi Cement Limited – Holding Company	Purchase of Cement	June 2018 onwards	Purchase of Cement at Arm's length price	N.A.*	205.67
JK Lakshmi Cement Limited – Holding Company	Sale of Cement	August 2018 onwards	Sale of Cement/other goods at Arm's length price	N.A.*	298.87
JK Lakshmi Cement Limited – Holding Company	Corporate Guarantee taken	August 2018 onwards	Corporate Guarantee by Holding Company to Bank for sanctioning Term Loan	25.07.2018	270.00
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Sale of Clinker/Cement	August 2015 onwards	Sale of Clinker/Cement at Arm's length price	N.A.*	0.82
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Finance Charges on Inter Corporate Term Loan	August 2015 onwards	Interest charges at Arm's length price and applicable Finance charges at market rate.	N.A.*	6.22
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Inter corporate Term Loan	August 2015 onwards	Repayment of Term Loan on due date as per agreement	N.A.*	246.28

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

**Note:** All transactions with JK Lakshmi Cement Limited and 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: 15<sup>th</sup> May 2021

Vinita Singhania  
Chairperson

## ANNEXURE 'B' 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 following initiatives were undertaken towards conservation of energy by the Company:

- Identification and Installation of 2 Nos. of VFD panels for various applications to reduce the power consumption.
- Reduction in Diameter of coal conveying pipeline to reduce the power consumption.
- Installation of FRP Based Fans for shell cooling for lower power consumption.
- Design of operational philosophy for various units of the plant to maximize solar power utilization.
- Reduction in False air ingress in Raw mill Fan resulting into power saving.
- Optimization in WHR Section to achieve the Auxiliary power consumption below 4%.
- Optimization of compressed air pressure and re-routing of lines in various sections of plant resulting into power saving.
- Power saving by Fine tuning of various VFDs installed in the plant.
- Logic modification in Limestone transportation system for reducing the idle running leading to power saving.

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

- Installation of additional economizer tube to improve the power generation from WHRS.
- Installed 10 MW Solar Power Plant (BOOT Model) to fulfill above 12% of the total power requirement of the operations.
- Overall Renewable Energy constitutes more than 48% of the total power consumed during the year.

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

S No.	Particulars/ Equipment Names	Investment Amount (₹ in Lakh)	Saving/ year (₹ in Lakh)
1.	Reduction of Diameter in Coal conveying pipeline to reduce the power Consumption.	5.00	11.50
2.	Installation of Coal metering and dosing system to reduce the power consumption & smooth operations.	280.00	120.00
3.	Installation of additional economizer tube SP LP Steam Boiler to improve the power generation.	220.00	194.00

### (B) Technology absorption

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

Technological innovations adaptations provide growth to the operations of Businesses. The Company has always been keen to incorporate these innovative skills in their engineers through internal skill upgradation programs.

Some of the technological innovations implemented are as under:

- AI based process optimization system (Adaptive predictive Controller) in Mills.
- Automation of Manual Flap Valve at coal feeding belt system to reduce power consumption.
- Automation of Shell cooling fans with shell temperature for ease of operation.
- Automation of Cooler fans flow in DCS for the effective operation.
- Replacement of conventional lamps with LED Lamps for lower energy consumption

#### (II) The Benefits derived like product improvement, cost reduction, product development or import substitution

- Modification in the entry at TAD for improving the Degree of Calcination resulting into productivity.

- Addition of plate in kiln riser to avoid the material spillage from the Cyclone feed pipe-4 to increase the productivity.

**(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 during the Financial Year 2020-21.**

- Coal Metering and dosing system
- Sino walk Cooler module for Pyro processing plant
- Process Optimization Software
- Particle size Distribution Analyzer
- Cement Mill Diaphragm and Liners.

**b.** Whether the technology has been fully absorbed:-Yes

**c.** 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 (₹ in Lakhs)
1.	Foreign Exchange Earned	-
2.	Foreign Exchange Used (CIF value of Imports of Fuel, Stores & Spares, etc.)	610.89

On behalf of the Board of Directors

Place: New Delhi  
Date: 15<sup>th</sup> May 2021

Vinita Singhania  
Chairperson

# ANNEXURE 'C' TO DIRECTORS' REPORT

Form No.MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

[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 2021 (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 2021 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. The Authorised Share Capital of the Company has been increased from ₹ 250 Crore to ₹ 400 Crore.
2. The Company has taken a project for setting-up of an additional Clinker Unit having capacity of 1.50 MT per annum and an additional Cement Grinding Unit with capacity of 2.50 MT per annum taking the total cement production capacity of upto 4.70 MT per annum. The project is expected to cost ₹ 1400 crores.

**This report is to be read along with 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 a reasonable basis for my opinion.

3. I have not verified the correctness & appropriateness of financial records and Books of Accounts of the company.
4. Wherever 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.
7. The prevailing circumstances in the country on account of Lockdown and COVID 19 have impacted, to some extent, my verification of documents and records of the Company.

Place: New Delhi  
Date: 6<sup>th</sup> May 2021  
UDIN: F000234C000248724

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



## ANNEXURE 'D' 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 FY 2020-21 ended 31<sup>st</sup> March 2021:

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

Non-Executive Directors: Smt. Vinita Singhania, 0.32; Shri Onkar Nath Rai, 0.41; Shri Vinit Marwaha, 0.57 ; Shri Surendra Malhotra, 0.41 and Amb. Bhaswati Mukherjee, 0.18.

Executive Directors: Shri Shrivats Singhania, Executive Director (Business Development), 35.98 and Shri Naveen Kumar Sharma, WTD, 27.25.

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

During the Financial Year remuneration of Shri Naveen Kumar Sharma, WTD, increased by 16.2% and the remuneration of Shri Pranav Chitre, CFO increased by 6.6%. The increase/decrease in sitting fees of Non-Executive Directors – namely Smt. Vinita Singhania, Shri Onkar Nath Rai, Shri Vinit Marwaha, Shri Surendra Malhotra and Amb. Bhaswati Mukherjee are (15%), 34%, (8%), (23%) and 119% respectively.

The percentage increase in the remuneration of Shri Shrivats Singhania, Executive Director (Business Development) and Ms. Poonam Singh, Company Secretary is not given, since no remuneration was paid in the earlier year/paid for part of the earlier year.

**C. The percentage increase/(decrease) in the median remuneration of employees is (5.26%).**

**D. The number of permanent employees on the rolls of Company - 299.**

**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 2020-21 on an average employee received an annual increment of 8% with individual increment varying from 2.8 to 28%. Further, during the Financial Year 2020-21, there was an increase of 16.2% in the Managerial Remuneration given to Shri Naveen Kumar Sharma, WTD. The increase in the Managerial Remuneration of Shri Shrivats Singhania, Executive Director (Business Development) is not given, since no remuneration was paid in the earlier year.

**F. Affirmation that the remuneration is as per the Nomination and Remuneration Policy**

We affirm that the remuneration paid during the Financial Year 2020-21 is as per the Nomination and Remuneration policy of the Company.

On behalf of the Board of Directors

Vinita Singhania  
Chairperson

Place: New Delhi  
Date: 15<sup>th</sup> May 2021



# 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 2021, the Board of Directors of the Company consists of Seven Directors comprising of two Executive Directors (ED) and five Non-executive Directors (NED) out of which four are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2020-21 ended 31<sup>st</sup> March 2021, on 16<sup>th</sup> May 2020, 24<sup>th</sup> July 2020, 22<sup>nd</sup> October 2020 and 20<sup>th</sup> January 2021. Attendance and other details of the Directors as on 31<sup>st</sup> March 2021 are given below:

Name of the Directors	DIN	Category	No. of Board Meetings Attended	Whether last AGM attended (17.8.2020)	No. of other Directorships and Committee Memberships/ Chairmanships held in other companies		
					Directorships \$	Committee Memberships@	Committee Chairmanships@
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Smt. Vinita Singhania, Chairperson	00042983	NED	3	Yes	5	-	-
Shri Onkar Nath Rai*	00033142	IND	4	Yes	-	-	-
Shri Surendra Malhotra*	00271508	IND	4	Yes	7	3	2
Shri Shrivats Singhania	02359242	ED	4	Yes	1	-	-
Shri Vinit Marwaha*	00051403	IND	4	Yes	4	2	-
Shri Naveen Kumar Sharma	08152305	ED	4	Yes	-	-	-
Amb. Bhaswati Mukherjee*	07173244	IND	4	Yes	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).

\$ 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.

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

Other Listed companies where Directors of the Company are Directors and category of directorship (as on 31<sup>st</sup> March 2021)

Sl. No	Name of Directors	Name of Listed Company	Category of directorship
1	Smt. Vinita Singhania	JK Lakshmi Cement Limited HEG Limited Bengal & Assam Company Limited JK Paper Limited	Executive Non- executive Non- executive Non- executive
2	Amb. Bhaswati Mukherjee	JK Lakshmi Cement Limited Jindal Stainless Limited	Independent Independent
3	Shri Vinit Marwaha	Umang Dairies 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, 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-

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 has 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 Directors), which is strictly adhered to. In terms of the provisions of Regulation 17(5) of the 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). 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 2021 are: Smt. Vinita Singhania - 19,08,100 shares, Shri Onkar Nath Rai - 1 share, Shri Vinit Marwaha, Shri Surendra Malhotra and Amb. Bhaswati Mukherjee do not hold any share 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 20<sup>th</sup> January 2021. 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 and the weblink is <https://www.udaipurcement.com/Familiarisation%20Programme...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 2021.

Dates of the Meeting and the Number of Member attended:

<b>Dates of Meetings</b>	<b>Number of Members attended</b>
16 <sup>th</sup> May 2020	4
24 <sup>th</sup> July 2020	4
22 <sup>nd</sup> October 2020	4
20 <sup>th</sup> January 2021	4

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

<b>Name</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Shri Onkar Nath Rai	Chairman	4
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, Company Secretary and the Statutory Auditor. 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 Meeting and the number of Members attended:

<b>Date of Meetings</b>	<b>Number of Members attended</b>
16 <sup>th</sup> May 2020	3
22 <sup>nd</sup> October 2020	3
20 <sup>th</sup> January 2021	3

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

<b>Name</b>	<b>Status</b>	<b>No. of Meetings attended</b>
Shri Vinit Marwaha	Chairman	3
Shri Onkar Nath Rai	Member	3
Shri Surendra Malhotra	Member	3

Ms. Poonam Singh, Company Secretary is the Compliance Officer who oversees the investors' grievances including related to transfer of shares/ transmission, non-receipt of Annual Report etc. During the Financial Year ended 31<sup>st</sup> March 2021, the Company received only 1 complaint from the Shareholder and the same has since been resolved to the satisfaction of Shareholder. Also, there are no complaints pending in respect of previous period.

The Board of Directors has delegated the power of transfer of shares / transmission and related matters to 'Share Transfer Committee'. The share transfer/ transmission formalities are attended as required. All valid requests for transfer of shares / transmission in physical form were processed in time and there were no pending transfers of shares / transmission. During the Financial Year ended 31<sup>st</sup> March 2021, four 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:

<b>Date of Meetings</b>	<b>Number of Members attended</b>
16 <sup>th</sup> May 2020	4
20 <sup>th</sup> January 2021	3

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	2
Smt. Vinita Singhania	Member	1
Shri Surendra Malhotra	Member	2
Shri Vinit Marwaha	Member	2

## 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's Diversity. The Policy is available at the website of the Company and the weblink is <https://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

During the Financial Year 2020-21, the remuneration paid to Directors are given below:

### (i) Executive Directors

₹ In Crore

Sl. No	Particulars of Remuneration	Name of Director	
		Shri Shrivats Singhania Executive Director (Business Development)	Shri Naveen Kumar Sharma (Whole-time Director)
1	Salary	1.32	1.10
2	Perquisites, etc.	0.29	0.15
3.	Others (mainly contribution to Provident Fund)	0.11	0.06
	<b>Total :</b>	<b>1.72</b>	<b>1.31</b>

The tenure of office of Shri Shrivats Singhania, Executive Director (Business Development) and Shri Naveen Kumar Sharma, Whole-time Director is five years and three years, respectively from their respective dates of appointment. In the case of Executive Directors, their Notice Period is six months. Further, the Company does not have Sweat Equity/Scheme for Stock Option.

### (ii) Non-Executive Directors

The Company paid sitting fees aggregating to ₹ 9.08 Lakh to all the Non-executive Directors (NEDs) for attending the Meetings of the Board and Committees of Directors of the Company. The NEDs 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 are:

Year	Location	Date	Time
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 - 313022 (Rajasthan)	17.8.2019	11.00 A.M.
2019-20	Video Conferencing/Other Audio Visual Means	17.8.2020	11.00 A.M.

Details of Special Resolutions passed in the previous three AGMs:

Special Resolutions for: (1)(a) appointment of Shri Surendra Malhotra as an Independent Director; (b) appointments of Shri Naveen Kumar Sharma and Shri Rohni Kumar Gupta as Whole-time Directors for a period of three years and six months respectively; (c) approval for Issue of Secured Non-Convertible Debentures of upto ₹ 200 Crore; (d) Authorisation to the Board of Directors for borrowings upto an amount not exceeding ₹ 1000 Crore, and (e) 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. (2) (a) re-appointment of Shri O.N.Rai as an Independent Director and (b) Authorisation to the Board of Directors for borrowings upto an amount not exceeding ₹ 1,500 Crore, and (c) 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 AGM held on 17<sup>th</sup> August 2019. (3) appointment of Shri Shrivats Singhania as an Executive Director (Business Development) for a period of five years w.e.f. 1<sup>st</sup> April 2020 was passed in the AGM held on 17<sup>th</sup> August 2020.

During the Financial Year 2020-21, no Special Resolution was passed through Postal Ballot.

However, the Company has passed an Ordinary Resolution through Postal Ballot for increasing the Authorised Share Capital of the Company from ₹ 250 Crore to ₹ 400 Crore.

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 for the same 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 market 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, if any, 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 2021.

**(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 2020-21, 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 Company to commodities: ₹99.55 Crores

(b) Exposure of the Company to various commodities:

Commodity Name	Exposure in ₹ 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	62.56 Crores	0.70 Lakh MT	NIL	NIL	NIL	NIL	NIL
Coal	36.99 Crores	0.49 Lakh MT	NIL	NIL	NIL	NIL	NIL

(c) Commodity risks faced by the Company during the year: Nil

**(g) Details of utilization of funds raised through preferential allotment as specified under Regulation 32 (7A):** During the Financial Year ended 31<sup>st</sup> March 2021, the Company has not raised any funds through preferential Allotment or through Qualified Institutions Placement.

**(h) Certificate:** The Company has received a certificate dated 30<sup>th</sup> April 2021 from Shri Namu 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 ₹ 589.93 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 2021.

(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. 57 of the Financial Statements.

- (l) **Corporate Social Responsibility Committee:** The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of four Directors out of which one is Independent, two are Executive and one is Non-executive Director. The composition and the role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder. No Meeting of the Committee was held during the Financial Year ended 31<sup>st</sup> March 2021.

### 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-313 022, Rajasthan

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

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

- (b) A brief resume and other particulars of Director(s) seeking appointment/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 30.06.2021	Within 45 days of the end of the Quarter
• for the half-year ending 30.09.2021	
• for the quarter ending 31.12.2021	
• for the year ending 31.03.2022 (Audited)	Within 60 days of the end of the Financial Year
• Annual General Meeting for the Financial Year ending 2021-22	Between July and September 2022

- (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: ₹ 4 each) are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The annual listing fee for the Financial Year 2021-22 has been paid to the aforesaid Stock Exchange.

The securities of the Company are not suspended from trading.

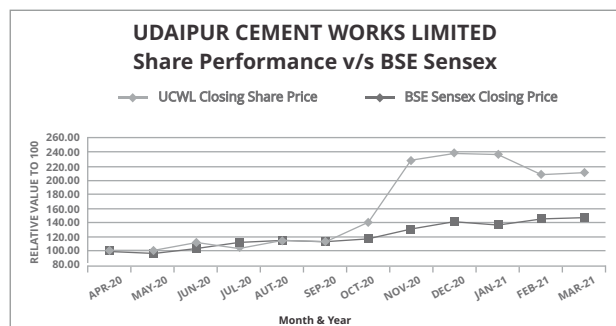
**(viii) Security Code for Company's Equity Shares on Stock Exchange and ISIN:**

BSE - 530131, ISIN: INE225C01029

**(ix) Stock Market Price Data**

Months (2020-21)	BSE Ltd. (₹)	
	HIGH	LOW
April 2020	10.80	7.51
May 2020	10.50	8.50
June 2020	11.90	9.00
July 2020	11.75	9.97
August 2020	13.84	10.10
September 2020	11.70	10.25
October 2020	14.80	10.40
November 2020	22.21	13.00
December 2020	28.90	18.80
January 2021	27.00	21.60
February 2021	24.25	19.65
March 2021	24.80	19.50

**Udaipur Cement Works Ltd.'s Share Performance v/s BSE Sensex (April 20- March 21)**



**(x) Distribution of Shareholdings as on 31<sup>st</sup> March 2021**

Category	No. of Equity Shares of ₹ 4/- each	%	No. of Shareholders	%
1-500	56,93,979	1.83	26,306	66.89
501-1000	48,82,225	1.57	5,538	14.08
1001-5000	1,40,22,849	4.50	5,605	14.25
5001-10000	78,71,203	2.53	1,003	2.55
10001 & above	27,89,39,561	89.57	878	2.23
<b>TOTAL</b>	<b>31,14,09,817</b>	<b>100.00</b>	<b>39,330</b>	<b>100.00</b>

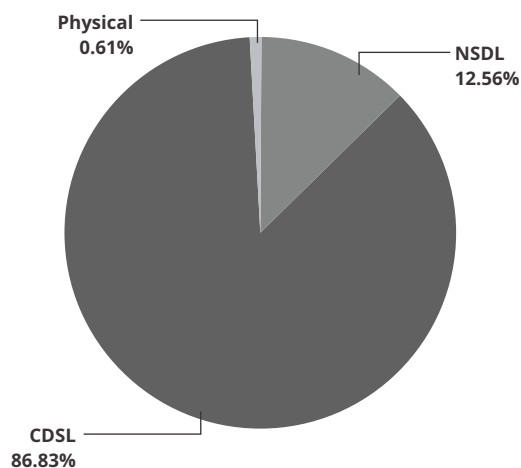
**(xi) Share Transfer System**

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:**

The Equity Shares of the Company are traded on BSE Ltd. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their physical shares, with any one of the Depositories namely NSDL and CDSL. The ISIN for Equity Shares of the Company for both the Depositories is INE225C01029. As on 31<sup>st</sup> March 2021, 99.39 % of the Equity Shares stand dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Particulars and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.

**Shares held in physical/Demat Form (with NSDL & CDSL) as on 31<sup>st</sup> March, 2021**



**(xiii) Outstanding GDRs/ADRs/Warrants/ Options or any Convertible instruments, conversion date and likely impact on Equity:** As on 31<sup>st</sup> March 2021-NIL

**(xiv) Commodity price risk or foreign Exchange risk and hedging activities:** During the Financial Year ended 31<sup>st</sup> March 2021, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contacts.

**(xv) Plant Location:** Udaipur Cement Works Limited, Shripati Nagar, CFA, P.O: Dabok, Udaipur-313 022, Rajasthan

**(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 Wing) 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002.

Ph:(011)–68201864

Contact Person: Ms. Poonam Singh

E-mail: [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com)

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

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 2021 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-

(a) The Board: The Chairperson of the Company is Non-Executive; (b) 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; (c) 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; (d) 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 2020, the Company had 6,57,769 Equity Shares, which were unclaimed by 256 Equity Shareholders. These were lying in dematerialized mode in the unclaimed suspense account.

Out of the above the Company received 8 requests for 4700 Equity Shares for

crediting to the Demat Account of the Shareholders/dispatch of physical Share Certificate on rematerialization, during the year. As on 31<sup>st</sup> March 2021, the Company has 6,53,069 Equity Shares which remain unclaimed by 248 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 2021, 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.

**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 2021 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 there presentations 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 2021.
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

UDIN21071690AAAACZ7852

Place: Udaipur

Date: 15<sup>th</sup> May 2021

# BUSINESS RESPONSIBILITY REPORT

## INTRODUCTION



## SUSTAINABLE DEVELOPMENT

*“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”*

Udaipur Cement Works Limited (UCWL) is an environmentally aware Company having thrust on optimization of resources, best use of renewable energy sources, well-being of the society.

Depletion of natural resources, Global temperature rise, Higher sea levels, Deforestation etc. indicates our world to change their business strategy. For the longer period of survival, we not only have to protect the environment but also plan all our business operation in a sustainable manner. The Company is constantly looking after the best practices to use the natural resource and utilizing the renewable energy sources for its all operations. Today more than 48% of its electrical power need is fulfilled from the renewable sources of energy.

The Company regularly tries to ingress the Energy efficient technologies and best practices to achieve the energy conservation in its operations. The Company utilizes the Renewable Energy as Waste Heat Recovery System Based Green Power and Outsourced Solar Green Power for the operations. The Company is also working in the water conservation area in and around

the plant by providing Rain water harvesting structures and has continued to be water positive.

Community plays a significant role in the growth of any business and the society. The Company endeavors the responsibility towards the benefits of the community and constantly providing their services in the form of livelihood, education, sanitation, health and Prevention and Protection from Covid-19 etc.

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, Government of India (MCA). In order to provide guidance to businesses regarding the responsible business conduct, MCA, 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@jkm.com">ucwl.investors@jkm.com</a>			
6.	Financial Year reported	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021			
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Cement and Value-added Product Manufacturing			
		<b>Group</b>	<b>Class</b>	<b>Sub Class</b>	<b>Description</b>
		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 at Udaipur in Rajasthan.			
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)	₹ 737.66 Crore
3.	Total Profits after Taxes (INR)	₹ 54.74 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after Tax (%)	Although, the Company has no obligation to spend on CSR activities for the Financial Year 2020-21, the Company has been contributing to inclusive development of the communities around its operational facilities
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.</li> <li>• Prevention from Covid-19</li> </ul>

**SECTION C: OTHER DETAILS**

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

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):**

Not Applicable

**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, TRANSPARENCY 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 System standards like: 1) ISO 9001:2015 for Quality Management System 2) ISO 14001:2015 for Environment Management 3) ISO 50001:2011 for Energy Management System 4) ISO 45001:2018 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, the Company is publishing its Business Responsibility Report as a part of the Annual Report.

Business Responsibility Report FY 2019-20: <https://www.udaipurcement.com/Final%20Annual%20Report%202019-20.pdf>

## 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.**

Only 1 complaint was received from the Shareholders. The Company had resolved them with utmost satisfaction during the Financial Year 2020-21. No complaint was pending as on 31<sup>st</sup> March, 2021.

### 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 always thrive to deliver more sustainable, more reliant and more cost effective products to the consumer without compromising the quality. The Company concentrates on the more efficient and less carbon intensive green products by using waste material of other industries. The main products produced in the facility are: Clinker, Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC). For the Manufacturing of clinker, alternative Fuels derived from other industrial wastes are used as the replacement of fossil fuels like Coal, Petcoke etc.

In the Production of PPC Cement, other industrial waste materials such as Fly ash, Chemical Gypsum, Jarosite is used as the replacement of virgin raw materials. This product is not only less carbon intensive but also energy efficient too.

The Company has installed Waste Heat Recovery based Power Generation System (Green Energy) of 6 MW Capacity which replaces the coal based power generation by utilizing the waste heat. During the Financial Year 2020-21, WHRS mitigated approximately 30114769 kg CO<sub>2</sub>eq. GHG Emission. Further, the Company seeks to optimize the power generation through various modifications/improvements.

The Company also started to utilize outsourced solar power based green energy for its operation, which also substitutes the coal based power generation and during the Financial Year 2020-21, it mitigated approximately 9910766 kg CO<sub>2</sub>eq. GHG Emission.

**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?**

The Company seeks to produce sustainable products for their consumers. The products are energy efficient in nature, made by less raw virgin material and without consuming water.

<b>Consumption per unit of Product</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>
Specific Heat Consumption (kCal/kg clinker)	729	727
Diesel Consumption for stationary combustion (kL)	17.34	13.93

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

It is highly uncertain to consider the energy or water consumption used by the consumers as the cement product is used by diverse range of customers.

**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 understands the need of optimization of logistics and transportation in terms of Social, Environmental and Financial aspects. Less Polluting Vehicles and Higher Capacity Vehicles for the longer distances preferred over short distances. Optimization of logistics and transportation is a continuous process. The Company strongly believes that Key raw material Procuring and Transportation is going through sustainable manner with lesser emissions to the environment.

The Company has already implemented an IT system for reducing the idle and turn-around Time of Vehicles called "Truck Calling System". This system eradicates the contact and paper indulged works. In this unprecedented period of Covid-19, the system strongly holds the 100% Contactless and Paperless work. This system also reduces the un-necessary movement of the vehicles, hence, reducing the environmental emissions. The Company follows the Green Procurement Guidelines, in which Suppliers has to fill the Questionnaire on Environment, Health and Safety during the Vendor registration.

The Company has a well-defined E-Procurement System. A web based E-Bidding portal is used to make procurement through features like RFQ (Request for Quote). This is a 100% Paperless more efficient, sustainable and transparent communication system between Purchaser and Vendor.

The Company has also SAP integrated system for tracking of E-waste and Hazardous waste inwards and outwards movement. This system provides an efficient solution for tracking these materials.

The Company ensures the Green Supply chain management practices in its upstream and

downstream operations to optimize the transportation in such a way that it reduces the travel time and distance between the source and destination.

**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?**

Local Vendors/Suppliers plays a vital role in the growth of a business based on the availability and lesser costing. The Company intends to grow with the community development, hence it promotes the local Vendor/Suppliers for their goods and services. The Company often discusses growth opportunity areas with local vendors through open channel and encourages them to perform well which leads to longer supply-chain relationship.

The Company seeks to develop the in-house design for the machineries parts to procure from local vendors and helps them to deliver in the lowest possible route transportation, which ultimately leads to uplift the local vendors. During the vendor registration, the Company also encourages local vendors to implement Quality, environmental and Safety Management practices for the sustainable supply chain.

**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 Cement Manufacturing Technology of the Company is based on "Dry Based Cement Manufacturing", Hence no water is consumed in the product manufacturing. For the prevention of virgin raw materials, the Company uses alternative raw materials as the replacement of some virgin raw materials based on the

availability like Chemical Gypsum, Fly ash, Jarosite, slag other industrial waste etc. The Company is also using the alternative fuels as the replacement of conventional fossil fuels like Industrial liquid waste etc. There is no other by-product and waste generated during the production. Waste Oil and E-wastes are sent to CPCB/SPCB authorized vendors. Sewage Treatment Plant is used to treat domestic water. This treated water is used in the plantation and dust suppression. The domestic waste generated through colony is used in the kiln co-processing.

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

1. Please indicate the Total number of employees: 299 permanent employees
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 488
3. Please indicate the Number of permanent women employees: 5
4. Please indicate the Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management?  
Yes, there is worker Union affiliated with INTUC.
6. What percentages of your permanent employees are members of this recognized employee association?  
Around 20 % 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	96%	88%
Permanent Women employees	100%	78%
Casual/ Temporary/ Contractual employees	100%	72%
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. The Company uses various medium to communicate with the stakeholders. The Company also provide services to its internal and external stakeholders to communicate with each other like Visiting Cards, E-mail etc. Through the Community service activities around the plant, the Company is also engaged with the respective stakeholders.

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

The disadvantaged, vulnerable and marginalized stakeholders are identified by the Company. The strata include the contractual workers and nearby community low marginalized people. The Company provide services to these groups by skill development, education, health, safety etc. through various initiatives with the help of its CSR Team. Food kits and PPEs like masks are provided by the Company for the prevention from Covid-19 to these stakeholders.

**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 always been seeking to contribute to the society by providing its services under community social responsibility. The Company's CSR Team identifies the needs and problems of the marginalized group of people nearby the Company's operational facilities. Services related to Education, Healthcare, Skill Development, Water, Sanitation etc. are provided by the Company on the need basis with available resources. The Covid-19 affected these disadvantaged, vulnerable and marginalized group severely. To help the community, the Company identified the key area of problems and provided services based on the available resources. Health Awareness regarding Prevention from Covid-19 is provided to these groups. Masks are prepared with the help of women working under skill development program run by the Company. Food kits were distributed to the needy ones as a quick response.

**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 has a well-defined policy for Human Rights. This policy covers the Company as well as the stakeholders such as communities, customers and marginalized groups. The Company follows the guidelines of the policy and ensures the protection of it by the Company and other stakeholders. The policy covers equality, healthy environment, safety, women empowerment, elimination of child labor, education, sanitation, community services etc. For the prevention from Covid-19, the Company took care of the utmost safety of its employees and marginalized groups of the community. In the plant premises, QRT (Quick Response Team) is active for the quick prevention. Initiatives like Automatic contactless Sanitization machine, Regular Temperature check, Quick medical support and Awareness Programs initiative were taken for the Employee Safety in the Plant, Mines and Colony premises.

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

The Company did not receive any stakeholder's complaint in the Financial Year 2020-21 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 always thrives to grow in a healthy sustainable environment. Various initiatives have been taken to protect the environment such as installation of Pollution control equipment, Green belt development in and around the operational facilities, Waste Collection system generated from the colony of Company premises, water

treatment system in colony area etc. The environment policy covers the Company's operational facilities and endeavors to create healthy environment nearby area of the facilities.

**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.**

Environmental issues such as global warming causing temperature rise, higher sea levels, higher concentration of GHGs in atmosphere, lower availability of drinking water etc. To reduce the impacts of climate change, the Company has taken initiative at plant level like using renewable energy in its operations, Zero Liquid Discharge, Utilization of waste materials in production, modifications and improvisations activities to optimize energy consumption, treatment of domestic water, use of alternatives as a substitute of fossil fuels etc.

The Company seeks to reduce its Carbon Emissions by using renewable energy, alternative materials etc. and seeks to improve water positive footprints by installing rain water harvesting structures in the plant, mine and colony premises.

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

Yes, the Company has instrumented an elaborate mechanism to identify and assess potential environmental risks at its operational site. Further, the Company follows the international guidelines of ISO 14000:2015 for Environmental Management System which is reviewed periodically. Associated Risks are identified according to the guidelines in the business and reviewed by the well-established Risk Management Committee periodically. After the assessment of risks, corrective actions are taken.

**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.**

The Company is utilizing the Green renewable energy in its operations. Installed 6 MW Waste Heat Recovery based clean technology system is used as a renewable source of energy. The Company is utilizing more than 36% WHRS based green energy for its operation power consumption during the Financial Year 2020-21.

The Company is utilizing the outsourced green solar power energy. More than 12% solar based green energy is used for Company's operational power during the Financial Year 2020-21.

The Company endeavors to produce energy efficient products. Hence, it is focused on the modification or improvisation practices in the manufacturing operations.

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

The Company is following all the compliances of State and Central Pollution Control Board.

Emission Monitoring is being done through the OCEMS (Online Continuous Emission Monitoring System), which is connected to the Pollution Control Boards. All stack emissions are well below the permissible limits defined by the Boards. Regular Environment related compliances have been done through E&Y Compliance tool periodically.

There is no waste generated through the manufacturing process. E-waste and Generated Waste oil are well below the permissible limits and these are sold to CPCB/SPCB authorized parties.

**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 and nothing are pending as on end of Financial Year 2020-21.

**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. The Employer's Association of Rajasthan (EAR)

**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)**

Yes, the Company has been vividly using Trade Association/Chambers of Commerce and industry's platforms and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation, Renewable Energy, GHG Emission Reduction, Sustainable Business Principles etc.

The Company attends the presentations, exhibitions etc. on the various topics discussed or presented on multiple national platforms. The Company advocates the best practices presented on the platforms such as use of alternative fuels and raw materials, use of renewable energy, Energy efficient activities, water conservation and waste management etc. The Company always encourages its stakeholders to apply these best practices.

**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.**

Since the inception of the Company, it is focused to follow the philosophy of "Grow with all". Hence the Company has always been engaged in the development of community. The Corporate Social Responsibility Team identifies the key thrust areas by analyzing the situation in and around the plant, develop strategies to help the marginalized, Vulnerable group of people. The major thrust areas of CSR Team are Health, Education, Sanitation, Women Empowerment, Safety Awareness, Skill development and Prevention from Covid-19. Following initiative were taken in the unprecedented time of Covid-19:

- Prevention Awareness through Posters from Covid-19
- Health-Checkups, Eye-Checkups Camps for the marginalized group.
- Mask Distribution to the employees, other nearby concerned stakeholders.
- Food-kit distribution to the needy ones etc.

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

The Corporate Social Responsibility related programs/projects generally carried out by the Company's CSR Team. Need based collaborative partnerships are formed with government agencies, district authorities, village panchayats and NGOs for its CSR initiatives.

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

The Company's internal CSR Team assesses the needs of the project or activity before the implementation on ground with the consultation of the concerned stakeholders. After the Implementation of the project or activity, regular implementation status discussed internally and with the concerned stakeholders for the better monitoring of the project.

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

The Company has always been indulged in the Community development activities through its various initiatives, although during the year under review, the Company doesn't fall under Section 135 of Companies Act, 2013, for spending 2% of its average Net Profit of immediately three preceding financial years. Direct Contribution was done



during the financial year in the area of Covid-19 Relief and Emergency Response, Community Infrastructure, need assessment and skill development.

The details of key projects undertaken during the year under review are:

distribution of Food Kits to the needy ones affected due to Covid-19; distribution of Masks to the stakeholders and skill training programs like stitching, Computer education and self-help; organised awareness programs for farms, Veterinary Camps and Health and eye check up camps.

**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.**

The Company's CSR Team works well before taking any initiative. A need based assessment and discussion with internal and concerned external stakeholder were carried out for the adoption of the initiative after implementation. Our initiatives such as Stitching and Computer Education and Skill development programs were assessed well before implementation and continuous feedbacks and regular discussions with stakeholders made this initiative successful. For the efforts done by CSR Team, the Company was recognized and awarded by local authorities.

**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?**

Being a customer centric organization, the Company responds back immediately to the customer complaints and grievances to resolve their issues with the utmost satisfaction. Various mediums are available to the customers for their queries. The

Company ensures that every query is addressed and resolved in fast and efficient manner.

No customer complaints/consumer cases were pending as on end of the financial year 2020-21.

**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?**

The Customers opinion matters the most for the Company. The Company ensures that any query of its customer did not go unheard. The Company utilizes every medium and channel to reach out to its customers. The Company also takes regular feedbacks of the group of customers through online and offline media. Technical queries are solved by the technical teams and details of our products are provided to the Masons, Builders etc. on regular basis.

# 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, 2021, 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, 2021, 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 thereunder, 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.	<p><b>Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers".</b></p> <p>(Refer Sub-note No.III.(13) of Note 1 of Accounting Policy).</p>	<p>Our response to the risk- 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 IndAS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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: May 15, 2021

## 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, 2021 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, 2021 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, 2021 on account of dispute are given below:

NAME OF THE STATUTE	NATURE OF THE DUES	PERIOD	FORUM WHERE DISPUTE IS PENDING	AMOUNT (IN ₹)
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: 20071690AAAABV8282

Place: Udaipur

Date: May 15, 2021

## 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, 2021 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, 2021, 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: May 15, 2021



# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

₹ In Crore (10 Million)

	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	672.03	697.77
(b) Capital Work-in-Progress	2A	46.25	6.03
(c) Investment Property	3	9.15	9.15
(d) Intangible Assets	4	0.01	0.05
(e) Financial Assets			
(i) Loans	5	8.32	8.95
(ii) Others	6	0.01	0.07
(f) Deferred Tax Assets (Net)	7	57.34	59.40
(g) Other Non-Current Assets	8	0.13	2.27
		<b>793.24</b>	<b>783.69</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	9	50.71	67.73
(b) Financial Assets			
(i) Investments	10	92.74	25.09
(ii) Trade Receivables	11	0.82	7.13
(iii) Cash and Cash Equivalents	12	2.64	1.19
(iv) Bank Balances other than (iii)	13	10.06	-
(v) Others	14	1.92	1.04
(c) Other Current Assets	15	21.81	30.60
(d) Current Tax Assets (Net)		0.85	1.00
		<b>181.55</b>	<b>133.78</b>
<b>TOTAL ASSETS</b>		<b>974.79</b>	<b>917.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	124.56	124.56
(b) Other Equity		122.21	58.99
		<b>246.77</b>	<b>183.55</b>
<b>LIABILITIES</b>			
<b>(1) NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	17	522.98	334.13
(ii) Other Financial Liabilities	18	19.66	22.67
(b) Provisions	19	2.14	2.19
(c) Other Non-Current Liabilities	20	0.40	0.35
		<b>545.18</b>	<b>359.34</b>
<b>(2) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	-	0.10
(ii) Trade Payables			
Micro and Small Enterprises		0.46	0.56
Others		39.26	40.41
(iii) Other Financial Liabilities		106.08	299.30
(b) Other Current Liabilities	23	36.57	32.84
(c) Provisions	24	0.47	1.37
		<b>182.84</b>	<b>374.58</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>974.79</b>	<b>917.47</b>

Significant Accounting Policies 1  
The accompanying notes form an integral part of these financial statement. 2-60

As per our report of even date

For BANSILAL SHAH & COMPANY  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**  
Partner  
Membership No.: 071690  
Place : Udaipur  
Date : 15<sup>th</sup> May 2021

**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**  
**BHASKWATI MUKHERJEE**  
**NAVEEN KUMAR SHARMA**

Directors

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

₹ In Crore (10 Million)

	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Revenue from Operations	25	735.10	685.77
II. Other Income	26	2.56	1.11
<b>III. Total Income (I + II)</b>		<b>737.66</b>	<b>686.88</b>
<b>IV. Expenses :-</b>			
a) Cost of Materials Consumed	27	81.00	80.26
b) Purchase of Stock in Trade	28	208.78	228.83
c) Change in Inventories of finished goods, work-in-progress and traded goods	29	12.62	(14.82)
d) Employee Benefits Expense	30	35.16	30.82
e) Power and Fuel	31	143.64	141.67
f) Transport, Clearing & Forwarding Charges	32	42.20	36.98
g) Finance Costs	33	53.78	64.95
h) Depreciation and Amortization Expense	34	33.43	33.78
i) Other Expenses	35	62.98	57.10
<b>Total Expenses (IV)</b>		<b>673.59</b>	<b>659.57</b>
<b>V. Profit before Exceptional Items and Tax (III - IV)</b>		<b>64.07</b>	<b>27.31</b>
VI. Exceptional Items - Gain / (Loss)		(6.93)	-
<b>VII. Profit before tax (V + VI)</b>		<b>57.14</b>	<b>27.31</b>
<b>VIII. Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		2.14	11.79
<b>IX. Profit for the year (VII - VIII)</b>		<b>55.00</b>	<b>15.52</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		(0.34)	(0.84)
(2) Income tax effect		0.08	0.21
<b>Total Other Comprehensive Income / (Loss) (X)</b>		<b>(0.26)</b>	<b>(0.63)</b>
<b>XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)</b>		<b>54.74</b>	<b>14.89</b>
<b>XII. Earnings per Equity Share (Face Value of ₹ 4 each)</b>	36		
Basic Earnings per Equity Share (₹) :		1.77	0.50
Diluted Earnings per Equity Share (₹) :		1.77	0.50

Significant Accounting Policies  
The accompanying notes form an integral part of these financial statement.

1  
2-60

As per our report of even date

For BANSILAL SHAH & COMPANY  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**  
Partner  
Membership No.: 071690  
Place : Udaipur  
Date : 15<sup>th</sup> May 2021

**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, 2021

## A. EQUITY SHARE CAPITAL

₹ In Crore (10 Million)

Particulars	As at 1 <sup>st</sup> April 2019	Change during the year	As at 31 <sup>st</sup> March 2020	Change during the year	As at 31 <sup>st</sup> March 2021
Equity Shares 31,14,09,817 (Previous Year 31,14,09,817) of ₹ 4 each fully paid up	124.56	-	124.56	-	<b>124.56</b>
	<b>124.56</b>	-	<b>124.56</b>	-	<b>124.56</b>

## B. OTHER EQUITY

₹ In Crore (10 Million)

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 2019</b>	17.27	31.43	38.52	(43.34)	(0.60)	43.28
Profit 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>
Profit for the Year	-	-	-	55.00	-	55.00
Changes in Corporate Guarantee given by Holding Co. for Inter Corporate Loan & Term Loan	11.37	-	-	-	-	11.37
Changes in Equity component of Preference Shares	-	(2.89)	-	-	-	(2.89)
Other Comprehensive Income / (Loss)	-	-	-	-	(0.26)	(0.26)
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>31.70</b>	<b>26.30</b>	<b>38.52</b>	<b>27.18</b>	<b>(1.49)</b>	<b>122.21</b>

As per our report of even date

For BANSILAL SHAH & COMPANY  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**  
Partner  
Membership No.: 071690  
Place: Udaipur  
Date: 15<sup>th</sup> May 2021

**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, Dabok, 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 15<sup>th</sup> May 2021.

#### 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 costs 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 Equipment, 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 or 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 life 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 & 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 or loss. The losses arising from impairment are recognized in the Statement of Profit or 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.

## NOTE 2

### PROPERTY, PLANT AND EQUIPMENT

₹ In Crore (10 Million)

	Freehold Land	Leasehold Land	Buildings	Plant & Equipments	Furniture & Fixture	Office Equipments	Vehicles	Railway Siding	Total
<b>GROSS BLOCK :</b>									
<b>As at 1<sup>st</sup> April 2019</b>	3.13	103.32	27.36	743.44	0.99	0.76	1.76	4.27	<b>885.03</b>
Additions / Adjustments	1.06	-	-	0.06	0.02	0.04	0.18	-	<b>1.36</b>
Disposals / Adjustments	(0.16)	-	-	-	-	-	(0.08)	-	<b>(0.24)</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>4.03</b>	<b>103.32</b>	<b>27.36</b>	<b>743.50</b>	<b>1.01</b>	<b>0.80</b>	<b>1.86</b>	<b>4.27</b>	<b>886.15</b>
Additions / Adjustments	6.38	-	0.28	0.33	0.03	0.03	0.67	-	<b>7.72</b>
Disposals / Adjustments	-	-	-	-	-	-	(0.14)	-	<b>(0.14)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>10.41</b>	<b>103.32</b>	<b>27.64</b>	<b>743.83</b>	<b>1.04</b>	<b>0.83</b>	<b>2.39</b>	<b>4.27</b>	<b>893.73</b>
<b>ACCUMULATED DEPRECIATION :</b>									
<b>As at 1<sup>st</sup> April 2019</b>	-	8.44	13.44	130.60	0.79	0.60	0.54	0.27	<b>154.68</b>
Charged for the year	-	1.94	1.69	29.38	0.05	0.06	0.35	0.27	<b>33.74</b>
On Disposal	-	-	-	-	-	-	(0.04)	-	<b>(0.04)</b>
<b>As at 31<sup>st</sup> March 2020</b>	<b>-</b>	<b>10.38</b>	<b>15.13</b>	<b>159.98</b>	<b>0.84</b>	<b>0.66</b>	<b>0.85</b>	<b>0.54</b>	<b>188.38</b>
Charged for the year	-	1.94	1.69	28.94	0.05	0.05	0.45	0.27	<b>33.39</b>
On Disposal	-	-	-	-	-	-	(0.07)	-	<b>(0.07)</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>-</b>	<b>12.32</b>	<b>16.82</b>	<b>188.92</b>	<b>0.89</b>	<b>0.71</b>	<b>1.23</b>	<b>0.81</b>	<b>221.70</b>

### NET CARRYING AMOUNT :

<b>As at 31<sup>st</sup> March 2020</b>	4.03	92.94	12.23	583.52	0.17	0.14	1.01	3.73	<b>697.77</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>10.41</b>	<b>91.00</b>	<b>10.82</b>	<b>554.91</b>	<b>0.15</b>	<b>0.12</b>	<b>1.16</b>	<b>3.46</b>	<b>672.03</b>

## NOTE 2A

### CAPITAL WORK IN PROGRESS (CWIP)

₹ In Crore (10 Million)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Movement of Capital Work in Progress		
Opening	6.03	-
Additions during the year	40.40	6.21
Capitalised during the year	(0.18)	(0.18)
<b>Closing</b>	<b>46.25</b>	<b>6.03</b>

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

₹ In Crore (10 Million)

	Freehold Land	Total
<b>GROSS BLOCK :</b>		
<b>As at 1<sup>st</sup> April 2019</b>	9.15	<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>
Additions / Adjustments	-	-
Disposals / Adjustments	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>9.15</b>	<b>9.15</b>
<b>ACCUMULATED DEPRECIATION :</b>		
<b>As at 1<sup>st</sup> April 2019</b>	-	-
Charged for the year	-	-
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2020</b>	-	-
Charged for the year	-	-
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2021</b>	-	-
<b>NET CARRYING AMOUNT :</b>		
<b>As at 31<sup>st</sup> March 2020</b>	9.15	<b>9.15</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>9.15</b>	<b>9.15</b>

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

₹ In Crore (10 Million)

	Software	Total
<b>GROSS BLOCK :</b>		
<b>As at 1<sup>st</sup> April 2019</b>	0.46	<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>
Additions / Adjustments	-	-
Disposals / Adjustments	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>0.46</b>	<b>0.46</b>
<b>ACCUMULATED DEPRECIATION :</b>		
<b>As at 1<sup>st</sup> April 2019</b>	0.37	<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>
Charged for the year	0.04	<b>0.04</b>
On Disposal	-	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>0.45</b>	<b>0.45</b>
<b>NET CARRYING AMOUNT :</b>		
<b>As at 31<sup>st</sup> March 2020</b>	0.05	<b>0.05</b>
<b>As at 31<sup>st</sup> March 2021</b>	<b>0.01</b>	<b>0.01</b>

₹ In Crore (10 Million)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>FINANCIAL ASSETS</b>		
<b>NOTE 5</b>		
<b>LOANS</b>		
<b>Unsecured, Considered Good</b>		
Security Deposits	8.32	8.95
Loans	-	-
<b>Secured</b>		
Which have Significant Increase in Credit Risk	-	-
Credit Impaired	-	-
	<u>8.32</u>	<u>8.95</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*	0.01	0.07
	<u>0.01</u>	<u>0.07</u>
*Under lien		
<b>NOTE 7</b>		
<b>DEFERRED TAX ASSETS (NET)</b>		
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation and Brought Forward Business Losses	119.34	140.51
Expenses / Provisions allowable	2.79	0.52
<b>Less : Deferred Tax Liability</b>		
Related to Property, Plant and Equipments	64.79	81.63
	<u>57.34</u>	<u>59.40</u>
<b>NOTE 8</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
<b>Unsecured, Considered Good</b>		
Capital Advances	0.13	2.27
	<u>0.13</u>	<u>2.27</u>
<b>NOTE 9</b>		
<b>INVENTORIES</b>		
Raw Materials	1.48	1.91
	{Including in transit of ₹ 0.02 Crs. (Previous Year - ₹ 0.02 Crs.)}	
Work-in-Progress	9.20	18.76
Finished Goods	3.23	3.74
Stock-in-Trade	0.64	3.19
	{Including in transit of ₹ 0.18 Crs. (Previous Year - Nil)}	
Stores & Spares	34.23	38.78
	{Including in transit of ₹ 9.23 Crs. (Previous Year - ₹ 15.54 Crs.)}	
Packing Materials	1.93	1.35
	<u>50.71</u>	<u>67.73</u>

₹ In Crore (10 Million)

FINANCIAL ASSETS	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Numbers	Amount	Numbers	Amount
<b>NOTE 10</b>				
<b>CURRENT INVESTMENT</b>				
<b>Investment in Mutual Funds at FVTPL</b>				
Aditya Birla Sun Life Saving MF	3,04,566	13.00	1,25,229	5.02
ICICI Prudential Short Term - Direct - Growth	10,95,422	5.33	93,47,294	20.07
ICICI Prudential Ultra Short Fund - Direct - Growth	94,37,358	21.59	-	-
HDFC Ultra Short Term Fund - Direct - Growth	1,17,26,430	14.00	-	-
Tata Money Market Fund - Direct - Growth	4,118	1.51	-	-
ICICI Prudential Savings Fund - Direct - Growth	3,07,979	12.93	-	-
HDFC Low Duration Fund - Direct - Growth	39,03,058	18.57	-	-
ICICI Banking & PSU Fund - Direct - Growth	3,91,149	1.00	-	-
HSBC Corporate Bond Fund - Direct - Growth	47,26,537	4.81	-	-
		<u>92.74</u>		<u>25.09</u>
Aggregate Book Value of quoted investments		92.74		25.09
Aggregate Market Value of quoted investments		92.74		25.09
Aggregate Book Value of unquoted Investments		-		-
<b>NOTE 11</b>				
<b>TRADE RECEIVABLES @</b>				
Considered good - Secured		0.11		0.45
Considered good - Unsecured		0.71		6.68
Which have significant increase in Credit risk		-		-
Credit Impaired		-		-
		<u>0.82</u>		<u>7.13</u>
@ Contract Assets as per IND AS 115				
<b>NOTE 12</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
On Current Accounts		2.62		0.90
Deposits of original maturity of less than 3 months*		-		0.27
Cash on hand		0.02		0.02
		<u>2.64</u>		<u>1.19</u>
*Under lien				
<b>NOTE 13</b>				
<b>OTHER BANK BALANCES</b>				
Deposits with maturity of more than 3 months but less than 12 months*		10.06		-
		<u>10.06</u>		<u>-</u>
*Includes ₹ 0.01 Crs. (Previous Year - Nil) against lien				
<b>NOTE 14</b>				
<b>OTHER CURRENT FINANCIAL ASSETS</b>				
<b>Unsecured, considered good unless otherwise stated</b>				
Other Receivables		1.92		1.04
		<u>1.92</u>		<u>1.04</u>
<b>NOTE 15</b>				
<b>OTHER CURRENT ASSETS</b>				
<b>Unsecured, considered good</b>				
Prepaid expenses		1.39		1.38
Balance with Govt. Authorities		0.24		0.70
Other Claims Receivable		11.47		18.60
Other Advances		8.71		9.92
		<u>21.81</u>		<u>30.60</u>

₹ In Crore (10 Million)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>NOTE 16</b>		
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorized :</b>		
Equity Shares - 71,00,00,000 (Previous year - 33,50,00,000) of ₹ 4 each	284.00	134.00
Preference Shares - 6,600 (Previous year - 6,600) of ₹ 1,00,000 each	66.00	66.00
- 50,00,000 (Previous year - 50,00,000) of ₹ 100 each	50.00	50.00
	<u>400.00</u>	<u>250.00</u>
<b>Issued, Subscribed and Paid up :</b>		
<b>Equity Shares</b>		
31,14,09,817 (Previous year - 31,14,09,817) of ₹ 4 each fully paid up	124.56	124.56
<b>5% Cumulative Redeemable Preference Shares (CRPS)</b>		
4,700 (Previous year - 4,700) of ₹ 1,00,000 each fully paid up (Series-I)	47.00	47.00
1,300 (Previous year - 1,300) of ₹ 1,00,000 each fully paid up (Series-II)	13.00	13.00
600 (Previous year - 600) of ₹ 1,00,000 each fully paid up (Series-B)	6.00	6.00
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>		
5,00,000 (Previous year - 5,00,000) of ₹ 100 each fully paid up	5.00	5.00
	<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 (Previous year - 4,700) of ₹ 1,00,000 each fully paid up (Series-I)	(47.00)	(47.00)
1,300 (Previous year - 1,300) of ₹ 1,00,000 each fully paid up (Series-II)	(13.00)	(13.00)
600 (Previous year - 600) of ₹ 1,00,000 each fully paid up (Series-B)	(6.00)	(6.00)
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>		
5,00,000 (Previous year - 5,00,000) of ₹ 100 each fully paid up	(5.00)	(5.00)
	<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 2021		As at 31 <sup>st</sup> March 2020	
	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:**

1. 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.
2. 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.
- d. 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.

- e. 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.

- f. 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.



₹ In Crore (10 Million)

	As at		As at	
	31 <sup>st</sup> March 2021	Current *	31 <sup>st</sup> March 2020	Current *
<b>NOTE 17</b>				
<b>NON-CURRENT BORROWINGS</b>				
<b>Secured Loans :-</b>				
<b>Term Loans :-</b>				
- From Related Party (Inter Corporate Loan)	-	10.00	40.00	216.28
- From Banks	485.24	36.91	249.95	16.52
<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)	42.83	-	38.33	-
- 1,300 Shares of ₹ 1,00,000 each fully paid up (Series-II)	11.56	-	10.35	-
- 600 Shares of ₹ 1,00,000 each fully paid up (Series-B)	4.51	-	4.03	-
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>				
- 6,09	6.09	-	5.79	-
<b>Less: Amortization of Processing Charges on Loan and Corporate Guarantee for Loan</b>				
- Processing Charges on Loan	(5.67)	-	(3.99)	-
- Corporate Guarantee for Loan	(31.58)	(0.12)	(20.33)	-
	522.98	46.79	334.13	232.80
Less: Shown under Note No. 22	-	46.79	-	232.80
	522.98	-	334.13	-

\* Due & payable within one year

- Inter Corporate Loan of ₹ 10 Crore from a Fellow-Subsidiary Company consist of:
  - Inter Corporate Loan of ₹ 5.00 Crore shall be repayable on 09.04.2021
  - Inter Corporate Loan of ₹ 5.00 Crore shall be repayable on 12.10.2021
- Inter Corporate Loan of ₹ 10 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 ₹ 522.15 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 ₹ 43.25 Crore shall be repayable in 30 unequal quarterly instalments
  - Term Loan of ₹ 42.97 Crore shall be repayable in 32 unequal quarterly instalments
  - Term Loan of ₹ 90.00 Crore shall be repayable in 30 unequal quarterly instalments
  - Term Loan of ₹ 100.00 Crore shall be repayable in 32 unequal quarterly instalments commencing from 23<sup>rd</sup> December 2021
  - Term Loan of ₹ 217.70 Crore shall be repayable in 36 equal quarterly instalments
  - Term Loan of ₹ 28.23 Crore shall be repayable in 32 equal 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 ₹ 201.72 Crore. Hence, figures of Inter Corporate Loans of previous year are not comparable.

₹ In Crore (10 Million)

	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>NOTE 18</b>		
<b>OTHER NON-CURRENT FINANCIAL LIABILITIES</b>		
Trade and other Deposits	19.66	22.67
	<u>19.66</u>	<u>22.67</u>
<b>NOTE 19</b>		
<b>NON-CURRENT PROVISIONS</b>		
Provision for Employees' Benefits	2.14	2.19
	<u>2.14</u>	<u>2.19</u>
<b>NOTE 20</b>		
<b>OTHER NON-CURRENT LIABILITIES</b>		
Liability for Employees Subsidized Car Scheme	0.40	0.35
	<u>0.40</u>	<u>0.35</u>
<b>NOTE 21</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>Secured Loan</b>		
Working Capital Borrowings from Banks	-	0.10
	<u>-</u>	<u>0.10</u>
<p>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 &amp; 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</p>		
<b>NOTE 22</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
Current maturities of Long-Term Debt (Refer Note No. 17)	46.79	232.80
Interest accrued but not due on borrowings	0.80	20.23
Capital Creditors	5.45	2.26
Other Payables	53.04	44.01
	<u>106.08</u>	<u>299.30</u>
<b>NOTE 23</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Govt. and other dues	26.79	16.47
Advance from Customers @	7.49	9.76
Other Advances	2.29	6.61
	<u>36.57</u>	<u>32.84</u>
<p>@ Contract Liabilities as per IND AS 115</p>		
<b>NOTE 24</b>		
<b>CURRENT PROVISIONS</b>		
Provision for Employees' Benefits	0.47	1.37
	<u>0.47</u>	<u>1.37</u>

₹ In Crore (10 Million)

2020-21 2019-20

## NOTE 25

### REVENUE FROM OPERATIONS @

Sale of Products		
Cement	612.93	568.16
Others	113.23	105.18
Other Operating revenues	8.94	12.43
	<u>735.10</u>	<u>685.77</u>

@ Revenue from contracts with customers disaggregated based on nature of product as per IND AS 115.

## NOTE 26

### OTHER INCOME

Interest Income	0.80	0.46
Interest on Income tax refund	-	-
Profit on sale of Current Investments *	1.35	0.22
Other Non-Operating Income	0.41	0.43
	<u>2.56</u>	<u>1.11</u>

\* Inclusive of fair value gain of ₹ 0.30 Crs.  
(Previous Year - ₹ 0.09 Crs.)

## NOTE 27

### COST OF MATERIALS CONSUMED

Raw Materials consumed	81.00	80.26
	<u>81.00</u>	<u>80.26</u>

## NOTE 28

### PURCHASE OF STOCK IN TRADE

Purchase of Traded Goods	208.78	228.83
	<u>208.78</u>	<u>228.83</u>

## NOTE 29

### CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROGRESS AND STOCK-IN-TRADE

#### Opening Stocks

Stock-in-Progress	18.76	8.31
Finished Goods	3.74	2.22
Stock in Trade	3.19	0.34
	<u>25.69</u>	<u>10.87</u>

#### Closing Stocks

Stock-in-Progress	9.20	18.76
Finished Goods	3.23	3.74
Stock in Trade	0.64	3.19
	<u>13.07</u>	<u>25.69</u>
	<u>12.62</u>	<u>(14.82)</u>

₹ In Crore (10 Million)

	2020-21	2019-20
<b>NOTE 30</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	29.26	25.41
Contribution to Provident and Other Funds	2.17	1.96
Staff Welfare Expenses	3.73	3.45
	<u>35.16</u>	<u>30.82</u>
<b>NOTE 31</b>		
<b>POWER AND FUEL</b>		
Power and Fuel	143.64	141.67
	<u>143.64</u>	<u>141.67</u>
<b>NOTE 32</b>		
<b>TRANSPORT, CLEARING &amp; FORWARDING CHARGES</b>		
Transport, Clearing & Forwarding charges	42.20	36.98
	<u>42.20</u>	<u>36.98</u>
<b>NOTE 33</b>		
<b>FINANCE COST</b>		
Interest Expenses	51.87	64.54
Other Borrowing Costs	1.91	0.41
	<u>53.78</u>	<u>64.95</u>
<b>NOTE 34</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Property, Plant & Equipment	33.39	33.74
Amortization on Intangible Assets	0.04	0.04
	<u>33.43</u>	<u>33.78</u>
<b>NOTE 35</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and Spares	16.35	13.13
Consumption of Packing Material	16.01	13.44
Rent (Net of realization ₹ 0.11 Crs., Previous Year ₹ 0.10 Crs.)	1.71	1.65
Repairs to Buildings	0.69	1.27
Repairs to Machinery	7.07	5.57
Insurance	0.72	0.34
Rates and Taxes	4.74	3.75
Commission on Sales	2.76	2.18
Director's Fee & Commission	0.09	0.11
Advertisement, Travelling, Consultancy & Misc. Expenses, etc.	12.84	15.66
	<u>62.98</u>	<u>57.10</u>
<b>NOTE 36</b>		
<b>EARNING PER EQUITY SHARE</b>		
Profit after Tax	55.00	15.52
Weighted average number of Equity Shares outstanding	31,14,09,817	31,14,09,817
Basic Earnings per Equity Share (₹): (Face Value of ₹ 4 each)	1.77	0.50
Diluted Earnings per Equity Share (₹): (Face Value of ₹ 4 each)	1.77	0.50

## Notes accompanying the Financial Statements

### 37. 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.

**37.1 Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may result 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 :

₹ In Crore (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Appreciation in USD	+ Rs. 0.25	+ Rs. 0.25
Effect on profit / (loss) before tax	-	(0.03)
Depreciation in USD	- Rs. 0.25	- Rs. 0.25
Effect on profit / (loss) before tax	-	0.03

**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:

₹ In Crore (10 Million)

S. No.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Loans in Rupees</b>		
	- Fixed Rate	84.87	320.24
	- Floating Rate	484.90	246.79
	<b>Total</b>	<b>569.77</b>	<b>567.03</b>
2	<b>Loans in USD</b>		
	- Fixed Rate	-	-
	- Floating Rate	-	-
	<b>Total</b>	<b>569.77</b>	<b>567.03</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 :

₹ In Crore (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Increase in Interest in Basis Points	+25	+25
Effect on profit / (loss) before tax	(1.31)	(0.67)
Decrease in Interest in Basis Points	-25	-25
Effect on profit / (loss) before tax	1.31	0.67

The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

- 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.

#### 37.2 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:-

₹ In Crore (10 Million)

Particulars	Neither Due nor Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 Months	
<b>31<sup>st</sup> March'2021</b>					
Secured	0.11	-	-	-	0.11
Unsecured	0.60	0.10	0.01	-	0.71
<b>Gross Total</b>	<b>0.71</b>	<b>0.10</b>	<b>0.01</b>	<b>-</b>	<b>0.82</b>
Provision for Doubtful	-	-	-	-	-
<b>Net Total</b>		<b>0.71</b>	<b>0.10</b>	<b>0.01</b>	<b>-0.82</b>
<b>31<sup>st</sup> March'2020</b>					
Secured	0.38	0.07	-	-	0.45
Unsecured	3.71	2.87	0.10	-	6.68
<b>Gross Total</b>	<b>4.09</b>	<b>2.94</b>	<b>0.10</b>	<b>-</b>	<b>7.13</b>
Provision for Doubtful	-	-	-	-	-
<b>Net Total</b>		<b>4.09</b>	<b>2.94</b>	<b>0.10</b>	<b>-7.13</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.

### 37.3 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.

₹ In Crore (10 Million)

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, 2021</b>					
	- Borrowings	569.77	46.79	240.60	282.38	569.77
	- Trade Payables	39.72	39.72	-	-	39.72
	- Other Liabilities *	105.74	86.08	19.66	-	105.74
	<b>Total</b>	<b>715.23</b>	<b>172.59</b>	<b>260.26</b>	<b>282.38</b>	<b>715.23</b>
2	<b>As on 31<sup>st</sup> March, 2020</b>					
	- Borrowings	567.03	232.9	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>

\* Including Government Dues

### 38. 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.

₹ In Crore (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
Borrowings	569.77	567.03
Less: Cash and Cash equivalents (Including Current Investments & other bank balances)	(105.45)	(26.35)
<b>Net debt</b>	<b>464.32</b>	<b>540.68</b>
Equity Share Capital	124.56	124.56
Other Equity	122.21	58.99
<b>Total Capital</b>		<b>246.77183.55</b>
<b>Capital and net debt</b>	<b>711.09</b>	<b>724.23</b>
<b>Gearing ratio</b>	<b>65%</b>	<b>75%</b>

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.

### 39. 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: -

₹ In Crore (10 Million)

Particulars	31 <sup>st</sup> March'21		31 <sup>st</sup> March'20	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>A. Financial Assets</b>				
<b>(i) At Fair Value through Profit and Loss :-</b>				
- Investments in Mutual Funds	92.74	92.74	25.09	25.09
<b>(ii) At Amortized Cost :-</b>				
a) Bank FDs.	10.07	10.07	0.34	0.34
b) Cash & Bank Balances	2.64	2.64	0.92	0.92
c) Trade Receivables	0.82	0.82	7.70	7.70
d) Loans	8.32	8.32	8.95	8.95
e) Others	1.92	1.92	0.47	0.47
<b>Total</b>	<b>116.51</b>	<b>116.51</b>	<b>43.47</b>	<b>43.47</b>
<b>B. Financial Liabilities</b>				
<b>(i) At Amortized Cost</b>				
- Borrowings	569.77	569.77	567.03	567.03
- Trade Payables	39.72	39.72	40.97	40.97
- Other Financial Liabilities	78.95	78.95	89.17	89.17
<b>Total</b>	<b>688.44</b>	<b>688.44</b>	<b>697.17</b>	<b>697.17</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:

#### (A) Financial Assets

₹ In Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
<b>As at March 31, 2021</b>			
<b>Financial Assets at FVTPL</b>			
- Mutual Funds	92.74	-	-
<b>Financial Assets at Amortized Cost</b>			
- Bank FDs	-	10.07	-
- Cash & Bank Balances	-	2.64	-
- Trade Receivables	-	-	0.82
- Loans	-	-	8.32
- Others	-	-	1.92
<b>Total Financial Assets</b>	<b>92.74</b>	<b>12.71</b>	<b>11.06</b>
<b>As at March 31, 2020</b>			
<b>Financial Assets at FVTPL</b>			
- Mutual Funds	25.09	-	-
<b>Financial Assets at Amortized Cost</b>			
- Bank FDs	-	0.34	-
- Cash & Bank Balances	-	0.92	-
- Trade Receivables	-	-	7.70
- Loans	-	-	8.95
- Others	-	-	0.47
<b>Total Financial Assets</b>	<b>25.09</b>	<b>1.26</b>	<b>17.12</b>

## (B) Financial Liabilities

₹ In Crore (10 Million)

Particulars	Level 1	Level 2	Level 3
<b>As at March 31, 2021</b>			
<b>Financial Liabilities at Amortized Cost</b>			
- Borrowings	-	569.77	-
- Trade Payables	-	-	39.72
- Other Financial Liabilities	-	-	78.95
<b>Total Financial Liabilities</b>	<b>-</b>	<b>569.77</b>	<b>118.67</b>
<b>As at March 31, 2020</b>			
<b>Financial Liabilities at Amortized Cost</b>			
- Borrowings	-	567.03	-
- Trade Payables	-	-	40.97
- Other Financial Liabilities	-	-	89.17
<b>Total Financial Liabilities</b>	<b>-</b>	<b>567.03</b>	<b>130.14</b>

### 40. Segment Information:

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

### 41. Income Tax Expense:

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

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Current Tax	-	-
Deferred Tax (Gain) / Loss (Relating to origination and reversal of temporary difference)	2.14	11.79
Adjustments in respect of current income tax of previous year	-	-

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

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Deferred Tax (Gain)/Loss on defined benefit	(0.08)	(0.21)

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

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
<b>Accounting Profit / (Loss) before taxes</b>	<b>56.80</b>	<b>26.47</b>
At applicable Statutory Income Tax Rate	25.17%	25.17%
Computed tax Expense / (Income)	14.30	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)	(14.30)	(6.66)
- Deferred Tax related to Property, plant & equipment & others	2.14	11.79
<b>Income Tax Expenses / (Income) reported to Profit &amp; Loss</b>	<b>2.14</b>	<b>11.79</b>

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

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Opening Balance	59.40	70.98
Deferred Tax recognized in Statement of Profit & Loss	(2.14)	(11.79)
Other Comprehensive Income	0.08	0.21
<b>Closing Balance</b>	<b>57.34</b>	<b>59.40</b>

#### v. Deferred Tax:

Deferred Tax relates to the followings:

₹ In Crore (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Deferred Tax Assets related to</b>		
Brought Forward losses/depreciation setoff	(21.17)	(35.05)
Disallowance/Allowance (Net) under Income Tax	2.27	(0.16)
<b>Total Deferred Tax Assets</b>	<b>(18.90)</b>	<b>(35.21)</b>
<b>Deferred Tax Liabilities related to</b>		
Property, Plant & Equipment	16.84	23.63
<b>Total Deferred Tax Liabilities</b>	<b>16.84</b>	<b>23.63</b>
Net Total Movement in Statement of Profit & Loss	(2.06)	(11.58)
Movement in Profit & Loss	(2.14)	(11.79)
Movement in OCI	0.08	0.21

#### 42. Dividends:

The Company has neither proposed nor declared any dividend for the financial year 2020-21 and 2019-20.

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

₹ In Crore (10 Million)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Assets</b>		
Forward Contracts	-	-
<b>Liabilities</b>		
Forward Contracts	3.04	-

#### 44. Retirement benefit obligations

A. Expense recognized for Defined Contribution plan

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Company's contribution to provident fund	1.52	1.41
Company's contribution to ESI	0.02	0.02
Company's contribution to Superannuation	0.09	0.09
<b>Total</b>	<b>1.63</b>	<b>1.52</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, 2021 and March 31, 2020, being the respective measurement dates:

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

₹ In Crore (10 Million)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
<b>Present value of obligation - April 1, 2019</b>	<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>
Present value of obligation - April 1, 2020	4.48	2.13
Acquisitions/Transfer in/Transfer out	-	-
Current service cost	0.46	0.47
Interest cost	0.29	0.14
Past Service Cost including curtailment		
Gains/Losses	-	-
Benefits paid	(0.89)	(0.53)
Remeasurements - Actuarial loss/(gain)	0.36	0.24
<b>Present value of obligation - March 31, 2021</b>	<b>4.70</b>	<b>2.45</b>

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

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Fair value of plan assets at beginning of year	<b>3.05</b>	2.79
Acquisitions/Transfer in/Transfer out	-	-
Expected return on plan assets	<b>0.20</b>	0.20
Employer contributions	<b>2.15</b>	0.49
Benefits paid	<b>(0.89)</b>	(0.49)
Actuarial gain/(loss)	<b>0.03</b>	0.06
<b>Fair value of plan assets at end of year</b>	<b>4.54</b>	3.05
Present value of obligation	<b>4.70</b>	4.48
Net funded status of plan	<b>0.17</b>	1.43
Actual return on plan assets	<b>0.22</b>	0.26

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

₹ In Crore (10 Million)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
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>0.45</b>	<b>0.99</b>
Actual return on plan assets	<b>0.26</b>	-
Current service cost	0.46	0.47
Interest cost	0.29	0.14
Expected return on plan assets	(0.20)	-
Past Service Cost including curtailment Gain/Losses	-	-
Remeasurements - actuarial loss/(gain)	-	0.24
<b>For the year ended March 31, 2021</b>	<b>0.55</b>	<b>0.85</b>
Actual return on plan assets	<b>0.22</b>	-

**d) Recognized in Other Comprehensive Income**

₹ In Crore (10 Million)

Particulars	Gratuity (Funded)
<b>For the year ended March 31, 2020</b>	
Remeasurements - actuarial loss/(gain)	0.84
<b>For the year ended March 31, 2021</b>	
Remeasurements - actuarial loss/(gain)	0.34

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

Particulars	As at year ended March 31, 2021	As at year ended March 31, 2020
Attrition rate	-	-
Discount Rate	6.50%	6.50%
Expected Rate of increase in salary	5.50%	5.00%
Expected Rate of Return on Plan Assets	6.50%	7.00%
Mortality Rate	100% of IALM (2012-14)	100% of IALM (2012-14)
Expected Average remaining working lives of employees (years)	17.89	17.13

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. 2019-20.

**f) Sensitivity analysis:**

₹ In Crore (10 Million)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumptions	Effect on Leave Encashment obligation
<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)
<b>For the year ended March 31, 2021</b>				
Discount rate	+0.50%	(0.17)	+0.50%	(0.13)
	-0.50%	0.18	-0.50%	0.15
Salary Growth Rate	+0.50%	0.17	+0.50%	0.12
	-0.50%	(0.16)	-0.50%	(0.11)

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:**

₹ In Crore (10 Million)

Particulars	Gratuity (Funded)
<b>For the year ended March 31, 2020</b>	
Plan Liabilities - (loss)/gain	0.78
Plan Assets - (loss)/gain	0.07
<b>For the year ended March 31, 2021</b>	
Plan Liabilities - (loss)/gain	0.21
Plan Assets - (loss)/gain	0.03

**Estimate of expected benefit payments**

₹ In Crore (10 Million)

Particulars	Gratuity (Funded)
01 Apr 2021 to 31 Mar 2022	0.83
01 Apr 2022 to 31 Mar 2023	0.64
01 Apr 2023 to 31 Mar 2024	0.22
01 Apr 2024 to 31 Mar 2025	0.59
01 Apr 2025 to 31 Mar 2026	0.19
01 Apr 2026 to 31 Mar 2027	0.17
01 Apr 2027 Onwards	2.06

## h) Statement of Employee benefit provision

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Gratuity	4.70	4.48
Leave encashment	2.45	2.13
<b>Total</b>	<b>7.15</b>	<b>6.61</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.

₹ In Crore (10 Million)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
<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>
<b>For the year ended March 31, 2021</b>		
Current provision	0.83	0.31
Non-current provision	3.87	2.14
<b>Total Provision</b>	<b>4.70</b>	<b>2.45</b>

### j) Employee benefit expenses

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Salaries and Wages	29.26	25.41
Costs-defined benefit plan	0.54	0.44
Costs-defined contribution plan	1.63	1.52
Welfare expenses	3.73	3.45
<b>Total</b>	<b>35.16</b>	<b>30.82</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.

#### 45. Expenses charged to Raw Material (Limestone) account includes:

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Salaries and Wages	1.38	1.36
Contribution to Provident and Other Funds	0.13	0.13
Staff Welfare Expenses	0.21	0.23
Consumption of Stores and Spares	6.83	6.57
Power & Fuel	1.44	1.52
Material Handling	13.14	13.12
Royalty	16.11	16.25
Miscellaneous Expenses	0.68	2.61
<b>Total</b>	<b>39.92</b>	<b>41.79</b>

#### 46. Capital work in progress includes Machinery in stock, construction / erection materials, and also includes the following pre-operation expenses pending allocation

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
Power & Fuel	0.15	-
Salaries & Wages	0.45	0.04
Staff Welfare Expenses	0.02	-
Insurance	-	0.03
Travelling, Consultancy & Miscellaneous Expenses	0.36	-
Finance Cost	0.74	-
	<b>1.72</b>	<b>0.07</b>
Add: Expenditure up to previous period	0.07	-
Less: Transferred to Fixed Assets	-	-
	<b>1.79</b>	<b>0.07</b>

#### 47. Detail of Expenditure and Earning in Foreign Currency :

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
<b>a) Expenditure in Foreign Currency on account of:-</b>		
- Travelling Expenditure	0.04	0.03
<b>c) C.I.F. value of Imports</b>		
- Power & Fuel	1.44	7.17
- Stores & Spares	1.92	3.85
- Capital Goods	2.71	-



**48. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances):**

₹ In Crore (10 Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, Plant & Equipment	4.27	19.69

**49. 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:

₹ In Crore (10 Million)

S. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Sales Tax	8.13	8.13
2	Other matters	4.65	4.31
		12.78	12.44

- ii. Contingent liability for non-use of jute bags for Cement packing up to 30th 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.

**50.** 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.

**51.** During the year, the Company has received subsidy of ₹ 1.16 Crs. (Previous year - ₹ 1.10 Crs.) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.

**52.** Exceptional Item of ₹ 6.93 Crore includes RIPS Benefit of ₹ 6.61 Crore (& Interest of ₹ 0.32 Crore) availed by the Company under the Rajasthan Investment Promotion Scheme, 2010 on SGST Deposited in respect of certain Sales made by the Company during the earlier Financial Years which were denied to the Company by the Department pursuant to a Clarification dated 24<sup>th</sup> February 2020 issued by State Government of Rajasthan.

**53.** a) Sales include own consumption at cost of ₹ 49,200 (Previous years - ₹ 0.02 Crs.).

b) Other Operating Revenue includes Sales Tax / Value added Tax / SGST subsidy of ₹ 8.94 Crs. (Previous year - ₹ 12.43 Crs.) and others - Nil. (Previous year - ₹ 0.02 Crs.).

**54.** Forward Contract of ₹ 3.04 Crs. (Previous year - Nil.) taken for the purpose of hedging payables and against letter of credit.

**55.** Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:

i. Principal and Interest amount due and remaining unpaid as at 31<sup>st</sup> March 2021 - ₹ 0.46 Crs. (Previous year - ₹ 0.56 Crs.).

ii. Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).

- iii. 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).
- iv. Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
- v. Interest Accrued and unpaid as at 31<sup>st</sup> March 2021 - Nil (Previous year - Nil).

**56.** Some of the Balances of debtors and creditors are in process of confirmation.

**57.** Amount Paid to Auditors

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
<b>a) Statutory Auditors:-</b>		
(i) Audit Fee	0.02	0.02
(ii) Tax Audit Fee	0.01	0.01
(iii) Other Services	0.02	0.01
	<b>0.05</b>	<b>0.04</b>
<b>b) Cost Auditors:-</b>		
(i) Cost Audit Fee	0.01	0.01
	<b>0.01</b>	<b>0.01</b>

**58. 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, 2021	As at March 31, 2020
	<b>Holding Company</b>			
a)	JK Lakshmi Cement Ltd. (JKLC)	India	72.54%	72.54%
	<b>Fellow Subsidiary</b>			
b)	Hansdeep Industries & Trading Company Ltd. (HITCL)	India	NIL	NIL
c)	Ram Kanta Properties Private Ltd. (RKPPPL)	India	NIL	NIL

**b) Key Management Personnel (KMP)**

Smt. Vinita Singhania	- Chairperson (Non Executive Director)
Shri Shrivats Singhania	- Executive Director (Business Development)
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

**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 Jhunjunwala	- 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

**(l) The following transactions were carried out with related parties in the ordinary course of business:**

₹ In Crore (10 Million)

Sl. No.	Nature of Transactions	2020-21				2019-20			
		JKLC	HITCL	RKPPL	Trusts	JKLC	HITCL	RKPPL	Trusts
(i)	Purchase of Cement /Clinker/ Others	205.67	-	-	-	230.18	-	-	-
(ii)	Sales of Cement /Clinker/Others	298.87	0.82	-	-	177.26	89.37	-	-
(iii)	Sharing of Expenses/Expenses paid	4.47	-	-	-	6.03	-	-	-
(iv)	Finance Charges on Inter Corporate Loan	-	6.22	-	-	-	39.74	-	-
(v)	Corporate guarantee taken for Term loan	270.00	-	-	-	100.00	-	-	-
(vi)	Repayment of Loan	-	246.28	-	-	-	198.72	-	-
(vii)	Payment to Trusts	-	-	-	2.31	-	-	-	0.49
(viii)	Rent & Others	-	-	0.69	-	-	-	-	-
(ix)	<b>Outstanding as at year end:-</b>								
	- Receivable / (Payable)								
	HITCL	-	(10.80)	-	-	-	(274.97)	-	-
	JKLC	(12.28)	-	-	-	(16.61)	-	-	-
	RKPPL	-	-	0.11	-	-	-	-	-
	Trusts	-	-	-	(0.22)	-	-	-	(1.53)
	Corporate Guarantee Outstanding	(572.15)	(10.00)	-	-	(316.27)	(256.28)	-	-

**(II) Remuneration paid to KMPs:**

₹ In Crore (10 Million)

Sl. No.	Particulars	2020-21	2019-20
(i)	Short Term Employee Benefit	3.57	1.60
(ii)	Post Employee Benefit*	-	-
(iii)	Other Payments	0.09	0.11
(iv)	Receivable / (Payable)	(0.001)	(0.001)

\*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.

**59.** The operations & the financial results of the Company during the year ended March 31, 2021 were impacted due to the shutdown of the Company's Plant under the lockdown announced by the State/Central government after the outbreak of COVID-19 pandemic in March 2020. The Company had resumed its operations in a phased manner since April, 2020 conforming to the guidelines of the government. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection of the employees are being continuously followed.

The Management has continuously been taking all the possible steps to mitigate the impact of Covid-19 on its Business & operations to the extent possible. The Company has considered all possible impact of Pandemic in preparation of the above Financial Results. Based on its assessment of the current indicators of the future economic conditions, the Management expects to recover the carrying amounts of its Assets & does not foresee any risk to service its financial obligations. The impact of any future events & developments emerging out of Pandemic, occurring after the approval of the above Financial Results will be recognized prospectively.

**60.** Previous year's figures have been regrouped / re-classified wherever necessary.

Significant Accounting Policies  
The accompanying notes form an integral part of these financial statement.

1  
2-60

As per our report of even date

For BANSILAL SHAH & COMPANY  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**  
Partner  
Membership No.: 071690  
Place: Udaipur  
Date: 15<sup>th</sup> May 2021

**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 2021

₹ In Crore (10 Million)

Particulars	2020-21	2019-20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and Exceptional Items	64.07	27.31
Adjustments for:		
Depreciation and Amortisation (net)	33.43	33.78
Interest Income	(0.80)	(0.46)
Profit on sale of Assets (net)	(0.04)	(0.03)
Profit on sale of Current Investment (net)	(1.05)	(0.13)
(Gain) / Loss on fair value of Current Investments	(0.30)	(0.09)
Finance Costs	53.78	64.95
Foreign Exchange Difference (net)	0.08	0.19
Exceptional Items	(6.93)	-
Operating Profit before Working Capital changes	142.24	125.52
<b>Adjustments for :</b>		
Trade & Other Receivables	17.48	(18.16)
Inventories	17.02	(27.21)
Trade & Other Payables	10.36	32.48
<b>Net Cash from Operating Activities</b>	<b>187.10</b>	<b>112.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(48.53)	(9.69)
Sale of Property, Plant & Equipment	0.11	0.23
Interest received	0.59	0.41
(Purchase) / Sale of Investments (net)	(66.30)	(24.87)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(114.13)</b>	<b>(33.92)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	274.51	198.72
Repayment of Long-Term Borrowings	(265.11)	(200.97)
Short term Borrowings (net)	(0.10)	(3.18)
Interest Paid	(70.82)	(73.04)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(61.52)</b>	<b>(78.47)</b>
<b>D. Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>11.45</b>	<b>0.24</b>
<b>E. Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>1.26</b>	<b>1.02</b>
<b>F. Cash &amp; Cash Equivalents as at the close of the year</b>	<b>12.71</b>	<b>1.26</b>

## Notes :

1 Cash and Cash Equivalents include :

- Cash, Cheques in hand and remittance in transit
- Balance with Scheduled Banks

0.02	0.02
12.69	1.24
<u>12.71</u>	<u>1.26</u>

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 & COMPANY  
Chartered Accountants  
Firm Registration No.: 000384W

**ARVIND SHAH**  
Partner  
Membership No.: 071690  
Place : Udaipur  
Date : 15<sup>th</sup> May 2021

**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



# UCWL 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, 6A, Bahadur Shah Zafar Marg, New Delhi-110 002

**Email:** ucwl.investors@jkm.com, **Website:** www.udaipurcement.com, **Tele/Fax:** 91-294-2655076-77

## NOTICE

NOTICE is hereby given that the **25<sup>th</sup> Annual General Meeting** of the Members of **UDAIPUR CEMENT WORKS LIMITED** will be held on Thursday, the 19<sup>th</sup> August 2021 at 12:00 Noon 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 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Vinita Singhania (DIN: 00042983), who retires by rotation and being eligible, offers herself 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 or re-enactment 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 2021-22 commencing 1<sup>st</sup> April 2021, of ₹ 1.00 Lakh (Rupees One Lakh only) per annum, excluding GST as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the Cost 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 a **Special Resolution:**

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 of the Companies Act, 2013 (the Act) and Schedule V thereto and the Rules made thereunder and all other applicable provisions of the Act, including any statutory modification or re-enactment thereof for the time being in force, and as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company and subject to such other approval(s) as may be required, re-appointment of Shri Naveen Kumar Sharma (DIN No: 08152305) as Whole-time Director of the Company for a period of three years w.e.f. 1<sup>st</sup> October 2021, be and is hereby approved on the terms of remuneration as 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 Section 197 and other applicable provisions of the said Act in any financial year or years, the remuneration comprising salary, perquisites, allowances and benefits, as approved herein be paid to him as minimum remuneration in accordance with the provisions of Schedule V to the Act for a period not exceeding three years in the aggregate.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Whole-time Director from time to time within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto"

5. To consider and if thought fit to pass, the following Resolution as a **Special Resolution:**

"RESOLVED that pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force and subject to necessary approval(s), if any, from the competent authorities and as approved and

recommended by the Board of Directors, the new set of Articles of Association of the Company as uploaded on the website of the Company, be and is hereby approved and adopted in total exclusion, substitution and supersession of the existing Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient and to settle any question, difficulty or doubt that may arise in regard thereto, without requiring to seek any further approval of the Members of the Company, including acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, for the purpose of giving effect to this Resolution."

6. To consider and if thought fit to pass, the following Resolution as an **Ordinary Resolution**:

"RESOLVED that without prejudice to and further to the Ordinary Resolution passed by the Members at the Annual General Meeting (AGM) of the Company held on 17<sup>th</sup> August 2019 giving their approval with respect to the Related Party Transactions to be entered into with JK Lakshmi Cement Limited, the Holding Company (JKLC) upto a limit of ₹ 1,500 Crore, in the aggregate, on an annual basis, in each financial year, from the Financial Year 2019-20 and onwards, in the ordinary course of the Company's business and on an arm's length basis, etc. and pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification or re-enactment thereof for the time being in force, and subject to the Company's Policy on Related Party Transactions, consent of the Members be and is

hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to enter into contract(s)/ arrangement(s)/ transaction(s) with JKLC, a Related Party within the meaning of the aforesaid provisions of law, in connection with the New Expansion Project being implemented by the Company, upto an amount not exceeding ₹ 1,400 Crore in the aggregate, during the four Financial Years commencing from 1<sup>st</sup> April 2021 and ending on 31<sup>st</sup> March 2025, on such terms and conditions as may be decided by the Board from time to time and mutually agreed to between JKLC and the Company, including in respect of any individual transaction(s), as may be deemed necessary and/or expedient, from time to time and the approval so accorded herein shall be independent of, in addition to and over and above the limit for entering into Related Party Transactions with JKLC of upto ₹ 1,500 Crore, in each financial year, in the ordinary course of the business of the Company, as approved by the Members at the AGM held on 17<sup>th</sup> August 2019, subject to requisite approval of the Audit Committee of Directors of the Company in each relevant financial year(s).

RESOLVED FURTHER that the Board be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution, without requiring to seek any further approval of the Members; and to do all such acts, deeds and things as may be deemed necessary and expedient in this regard including to sign and execute necessary documents and papers on an ongoing basis."

**By Order of the Board**

Poonam Singh  
Company Secretary

Date: 31<sup>st</sup> May 2021



## NOTES:

- (1) The Statement pursuant to Section 102 of the Companies Act, 2013 (the Act) in respect of Item Nos. 3 to 6 of the Notice set out above, is annexed hereto.
- (2) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') issued 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 and by General Circular No. 02/2021 dated 13<sup>th</sup> January 2021, allowed the companies whose Annual General Meetings (AGM) were due to be held in the year 2020 or become due in the year 2021, to conduct their Meetings on or before 31<sup>st</sup> December 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 ("MCA Circulars"). The Securities and Exchange Board of India ('SEBI') also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020, the validity of which has been extended till 31<sup>st</sup> December 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated 15<sup>th</sup> January 2021 ("SEBI Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 25<sup>th</sup> AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 25<sup>th</sup> AGM shall be the Registered Office of the Company.
- (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) Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through E-Voting. The said Resolution / Authorization shall be sent at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com).
- (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 this 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 (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 this Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice upto 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).  
  
Further, 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 12<sup>th</sup> August 2021 through email at [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com). The same will be replied by the Company suitably.
- (7) **Dispatch of Annual Report through electronic mode:** In compliance with the MCA Circulars and



SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants (DP). Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website at [www.udaipurcement.com](http://www.udaipurcement.com); website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). Notice is also available 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:**

- (i) 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);
- (ii) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant DP.

**(8) INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM THROUGH VC/ OVAM ARE AS FOLLOWS:**

- (A) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, and SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December 2020 in relation to E-Voting Facility provided by Listed Entities, the Company is pleased to provide Members, facility to exercise their right to vote at the 25<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.

**(B) The instructions for Members for remote E-Voting are as under:**

- (i) The remote E-Voting period begins on Monday, 16<sup>th</sup> August 2021 (10:00 A.M.) and ends on Wednesday, 18<sup>th</sup> August 2021 (5:00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 12<sup>th</sup> August 2021 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.

**(C) Login method for E-Voting and joining virtual meeting for Individual Members holding shares in demat mode.**

In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December 2020 on E-Voting facility provided by Listed Entities, E-Voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants (DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting service provider (ESP), thereby, not only facilitating seamless authentication but also ease and convenience of participating in E-Voting process. Members are advised to register/update their mobile number and e-mail ID with their DPs in order to access E-Voting facility and/or attend the AGM.

Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs.

Login method for E-Voting and joining virtual meetings for Individual Members holding shares in Demat mode is given below:



Type of Members	Login Method
<p><b>Individual Members holding shares in Demat mode with CDSL</b></p>	<p>(1) Users who have opted for Easi/Easiest:</p> <ul style="list-style-type: none"> <li>(i) Members can login through their existing user id and password. Option will be made available to reach E-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>(ii) After successful login the Easi / Easiest user will be able to see the E-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see E-Voting page of the E-Voting service provider for casting his vote during the remote E-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, links are also provided to access the system of all E-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the E-Voting service providers' website directly.</li> </ul> <p>(2) Users who have not opted for Easi/Easiest: Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>(3) Alternatively, the user can directly access E-Voting page by providing his Demat Account Number and PAN from E-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the E-Voting option where the evoting is in progress and also able to directly access the system of all other E-Voting Service Providers.</p>
<p><b>Individual Members holding shares in demat mode with NSDL</b></p>	<p>(1) Users registered for NSDL IDeAS facility:</p> <ul style="list-style-type: none"> <li>(i) Open web browser by typing the URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section.</li> <li>(ii) A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see E-Voting services.</li> </ul>

Type of Members	Login Method
	<p>(iii) Click on “Access to E-Voting” under E-Voting services and you will be able to see E-Voting page. Click on company name or E-Voting service provider name and you will be re-directed to E-Voting service provider website for casting your vote during the remote E-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>(2) Users not registered for IDeAS e-Services: If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>(3) Visit the E-Voting website of NSDL.</p> <p>(i) After successfully registering on IDeAS, Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of E-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>(ii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see E-Voting page.</p> <p>(iii) Click on company name or E-Voting service provider name and you will be redirected to E-Voting service provider website for casting your vote during the remote E-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p><b>Individual Members (holding Shares in demat mode) login through their Depository Participants</b></p>	<p>(i) You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for E-Voting facility. After successful login, you will be able to see E-Voting option.</p> <p>(ii) Once you click on E-Voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see E-Voting feature.</p> <p>(iii) Click on company name or E-Voting service provider name and you will be redirected to E-Voting service provider website for casting your vote during the remote E-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



**Important note:** Members who are unable to retrieve Password are advised to click forget Password option available at abovementioned website(s).

Individual Members holding shares in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL may reach out to below helpdesk:

Login type	Helpdesk details
Individual Members holding shares in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at 022- 23058738 and 022-23058542-43.
Individual Members holding shares in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800 1020 990 and 1800 22 44 30.

**(D) Login method for E-Voting and joining virtual meeting by Members (other than Individual Members) holding shares in Demat mode & all Members holding shares in Physical mode**

- (i) The Members should log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on "Shareholders/Members" module.
- (iii) 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-New system 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.

- (vi) If you are a first time user follow the steps given below:

**For Members (other than Individual Members) holding shares in Demat mode and all members holding shares in Physical mode**

PAN	<ul style="list-style-type: none"> <li>• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat Members as well as Physical Members)</li> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/MCS Share Transfer Agent Ltd., Registrar and Share Transfer Agent (RTA) or contact Company/ RTA.</li> </ul>
Dividend Bank Details OR 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 (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
  - (viii) 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.
  - (ix) For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
  - (x) Click on the EVSN relevant for Udaipur Cement Works Limited.
  - (xi) 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.
  - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details. 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.
  - (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - (xv) If a demat account holder has forgotten the login password, enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (9) Procedure for Members whose email address/Mobile number are not registered with the Company or DP, as the case may be:**
- (i) Shares held in Physical Mode:** Please provide necessary details like e-mail, mobile no., Folio No., Name of Member, scanned copy of the share certificate (front and back) and self-attested copy of PAN or AADHAR by email to Company at ucwl.investors@jkm.com/RTA at admin@mcsregistrars.com.
  - (ii) Shares held in Demat Mode:**  
For Demat Members (other than Individuals)- Please update your email id & mobile no. with your respective Depository Participant (DP)  
For Individual Demat Members – Please update your email id and mobile no. with your respective DP which is mandatory for E-Voting & joining virtual meetings through Depository.
- (10) 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. 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 12<sup>th</sup> August 2021 mentioning their name, demat account number/folio number, email id and mobile number at 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 12<sup>th</sup> August 2021 mentioning their name, demat account number/folio number, email id and mobile number at ucwl.investors@jkm.com. These queries will be replied by the Company suitably.
  - (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.
- (11) Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
- (12) **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 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.

**(13) Other Common Instructions:**

**(i) Facility for Non-Individual Members and Custodians – Remote E-Voting**

- 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 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, 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 at ucwl.investors@jksmail.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 or contact Shri. Nitin Kunder (022- 23058738 ) or Shri. Mehboob Lakhani (022-23058543) or Shri. Rakesh Dalvi (022-23058542).
- All grievances connected with the facility for voting by electronic means may be addressed to Shri. Rakesh Dalvi, Manager, 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 or call on 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 Scrutiniser will, after the conclusion of E-Voting at the Meeting, scrutinise the votes cast at the Meeting and votes cast through remote E-Voting, make a consolidated Scrutiniser’s Report and submit the same to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. 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 results of the



voting will also be displayed at the Notice Board at the Registered and the Administrative Office of the Company.

- (viii) 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.

- (14) The Register of Members and the Share Transfer Books of the Company shall remain closed from

13<sup>th</sup> August 2021 to 19<sup>th</sup> August 2021 (both days inclusive).

#### 15. Appointment of Directors

The relevant details of the Directors seeking re-appointment i.e Smt. Vinita Singhania (Resolution No. 2) and Shri Naveen Kumar Sharma (Resolution No. 4) as required under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, are given hereunder:

Name	Smt. Vinita Singhania	Shri Naveen Kumar Sharma
DIN	00042983	08152305
Age	69 Years	54 Years
Qualification	Graduate	Master's Degree in Manufacturing Management and in Mathematics in addition to Post Graduate Diploma in Environmental Studies and Post Graduate Diploma in Industrial Safety
Experience (including expertise in specific functional areas) - Please refer to Company's Website <a href="http://www.udaipurcement.com">www.udaipurcement.com</a> for detailed resume.	Rich business experience including managing cement business	Rich experience of Cement, Steel and Power Industry in the areas of Developing Green Field Projects, Operations, Process Optimization, CSR, Environmental and Safety Management.
Date of Appointment on the Board	30 <sup>th</sup> June 2018	30 <sup>th</sup> June 2018
Directorships held in other public companies (as per Section 165 of the Companies Act, 2013, excluding private and other companies)	(a) JK Lakshmi Cement Ltd.* (b) JK Paper Ltd.* (c) Bengal & Assam Co. Ltd.* (d) HEG Ltd.* (e) JKLC Employees Welfare Association Limited (* Listed Entities)	NIL
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 Regulations	NIL	NIL



Name	Smt. Vinita Singhania	Shri Naveen Kumar Sharma
Number of Equity Shares held in the Company	19,08,100	NIL
No. of Board Meetings attended during the Financial Year 2020-21	Three	Four
Terms & conditions of re-appointment	As per Item No.2 of this Notice	Please refer details given at Item No. 4 in the Statement pursuant to Section 102 of the Act.
Details of remuneration last drawn	₹ 1.53 Lakh drawn as Sitting Fees during the Financial Year 2020-21 for attending the Board and Committee Meetings of the Company.	Please refer Corporate Governance Report in Annual Report for the Financial Year 2020-21
Remuneration proposed to be paid	Sitting Fees for attending the Board and Committee Meetings and Commission on Net Profit, if any.	Please refer details given at Item No. 4 in the Statement pursuant to Section 102 of the Act.
Relationships with other Directors/Key Managerial Personnel (KMP)	Mother of Shri Shrivats Singhania, Director of the Company. Not related to any other Director/KMP	Not related to any Director or KMP

## STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

The Board at its Meeting held on 15<sup>th</sup> May 2021, appointed M/s HMVN & Associates, Cost Accountants as the Cost Auditors of the Company, as recommended by the Audit Committee, to conduct the Cost Audit of the cost records of the Company for the Financial Year 2021-22 commencing 1<sup>st</sup> April 2021 at remuneration as mentioned in the Resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 ('Act') read with the Rules made thereunder, 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

As the Members are aware, Shri Naveen Kumar Sharma (DIN: 08152305) was appointed as Whole-time Director

of the Company for a period of three years with effect from 1<sup>st</sup> October 2018, by means of Special Resolution passed by the Members at the Annual General Meeting held on 9<sup>th</sup> August 2018. Accordingly, his present tenure will determine on 30<sup>th</sup> September 2021.

The Board of Directors of the Company, has re-appointed Shri Naveen Kumar Sharma as Whole-time Director of the Company for a further period of three years w.e.f. 1<sup>st</sup> October 2021 on the terms and remuneration determined by the Nomination and Remuneration Committee of the Directors, set out hereinafter, subject to the Members and such other approval(s), as may be required.

In terms of Schedule V to the Companies Act, 2013 ("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 2021	₹ in Crore
Net Sales and Other Income	737.66
Profit /(Loss) before Exceptional Items and Tax	64.70
Profit/(Loss) Before Tax	57.14
Profit /(Loss) After Tax	54.74

5. Foreign investments or collaborations, if any:  
Not Applicable

## II. Information about the Appointee:

- Background details: Requisite details about Shri Naveen Kumar Sharma are provided at Sr. No. 15 to the Notes of the Notice and forms an integral part hereof and not repeated for brevity sake.
- Past remuneration:  
Shri Naveen Kumar Sharma was appointed as Whole-time Director of the Company for a term of three years commencing 1<sup>st</sup> October 2018 by the Members at the Annual General Meeting held on 9<sup>th</sup> August 2018. For details regarding the remuneration paid to him during the Financial Year ended 31<sup>st</sup> March 2021, please refer Corporate Governance Report section of the Annual Report for the Financial Year 2020-21.
- Recognition and Awards: The Company has received various awards and recognition during his tenure with the Company.
- Job Profile and his suitability: Shri Naveen Kumar Sharma as Whole-time Director of the Company is vested with 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 coordination. Shri Sharma is the Occupier in respect of the Company's Cement Plant and is also responsible for plant operations and

other corporate matters.

The Company has grown manifold and the responsibilities of the Whole-time Director have increased substantially. The Board has therefore considered that it will be in the interest of the Company to re-appoint him for a further period of three years.

- Remuneration Proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company ('Board') at their respective Meetings held on 15<sup>th</sup> May 2021 have approved the following terms of remuneration of Shri Naveen Kumar Sharma for a tenure of three years w.e.f. 1<sup>st</sup> October 2021:
  - Salary: ₹ 4.50 Lakh per month in the salary range of ₹ 3.50 Lakh per month to ₹ 8.00 Lakh per month with such increments as may be decided by the Board/Nomination and Remuneration Committee of the Directors of the Company from time to time.
  - Perquisites, allowances and benefits: Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, premium on personal accident insurance, car(s) with driver, telephone etc. and 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/Nomination and Remuneration Committee of the Directors of the Company. The perquisites shall be evaluated as per the actual cost or Income Tax Rules, as applicable.
  - Contribution to Provident Fund or any other Funds as per rules of the Company.

- D. Gratuity at the rate of 15 days salary for each completed year of service.
  - E. Encashment of unavailed leave as per Rules of the Company.
  - F. The Board or the Nomination and Remuneration Committee thereof may, from time to time, increase, modify, vary or alter the salary (including Salary Range), subject to the overall ceiling prescribed under the Companies Act, 2013.
  - G. In the event of inadequacy or absence of profits under Section 197 and other applicable provisions of the Companies Act, 2013 (Act) in any financial year or years, the Whole-time Director shall be entitled to such remuneration as may be permissible under the applicable provisions of the Act, as specified in paras A & B above, as minimum remuneration and be also entitled to perquisites mentioned in paras C, D and E above, which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Section IV of Part II of Schedule V to the Act or any statutory modification or re-enactment 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 is on the rise. The Nomination and Remuneration Committee of Directors of the Company constituted by the Board in terms of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, financial position of the Company; past performance, profile and responsibilities of the aforesaid Whole-time Director and other relevant factors while determining his proposed remuneration.
7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri Naveen Kumar Sharma does not have any pecuniary relationship with the Company. Shri Sharma is not related to any Director or Key Managerial Personnel of the Company, within the meaning of the Act.
- III. Other Information:**
1. Reasons of loss or inadequate profits: At present, the Company is having adequate profits. However, the appointment is for a term of three years commencing 1<sup>st</sup> October 2021. Future trend in Company's profitability will largely depend on state of Economy in general and the Cement Industry in particular, business environment, growth in demand, cost of inputs and other relevant factors.
  2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: The Company is conscious about enhancing productivity in all spheres of its operations and has taken various initiatives towards cost control in all systems and processes and efficiency improvement on one hand and increasing market share through introduction of Better Product Mix and strengthening Brand Building exercise, on the other. The Management has adopted focused business strategies to improve the sales and profitability, resulting in the Company achieving an impressive growth during the Financial Year 2020-21 with a Turnover of ₹ 737.66 Crore and a Net Profit of ₹ 54.74
- Based on the stupendous performance of the Company during the Financial Year 2020-21, the Market Cap of the Company has also jumped from ₹ 234 Crore as of 31<sup>st</sup> March 2020 to over ₹ 800 Crore as on date.
- Capacity Augmentation: During the Financial Year 2020-21, the Board of Directors has approved the Project for Setting-up of an additional Clinker Unit having Capacity of 1.50 Million Tonnes Per Annum with Waste Heat



Recovery System at the Plant in Udaipur, Rajasthan. The Board also approved setting-up of additional Cement Grinding Units with Capacity of 2.50 Million Tonnes Per Annum. With this Expansion Project, the Company's Total Cement Capacity would go up to 4.70 Million Tonnes Per Annum and would enable the Company to strengthen its Market presence. With these measures, the Management is confident to achieve sustained revenue growth in the years to come.

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 with respect to remuneration of Managerial Personnel and other connected matters are given in the Corporate Governance Section of the Annual Report for the Financial Year 2020-21.

Copy of the draft Contract/Memorandum setting out the terms and conditions of the re-appointment of the Whole-time Director, would be available for inspection by the Members at the Registered Office of the Company on any working day upto and including the date of the AGM.

Shri Naveen Kumar Sharma for himself and his 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 the Resolution as set out at Item No. 4 of the Notice for approval of the Members by means of Special Resolution.

**Item No. 5**

The existing Articles of Association ("AOA") were adopted by the Company at the time of its incorporation in 1993 and are based on the provisions of the erstwhile Companies Act, 1956. Subsequently, some of the clauses were amended/inserted, from time to time, to cater to specific requirements. Consequent to the enactment of

the Companies Act, 2013 (the Act), the regulatory provisions have undergone comprehensive changes which have necessitated several amendments in AOA of the Company including deletion of certain redundant Articles. Accordingly, the Board of Directors of the Company (the "Board") at its meeting held on 15<sup>th</sup> May 2021, recommended for approval of the Members for adoption of new AOA in substitution of existing AOA to make it consistent and align it with the provisions of the Act and the Rules made thereunder. Copy of the proposed AOA is available on the website of the Company at [www.udaipurcement.com](http://www.udaipurcement.com) and would be available electronically for inspection by the Members from the date of circulation of this Notice upto the date of the AGM.

As per the provisions of Section 14 and other applicable provisions, if any, of the Act read with the Companies (Incorporation) Rules, 2014, approval of the Members of the Company by way of a Special Resolution is required for alteration of AOA by adoption of new AOA in substitution of existing AOA. Accordingly, the Board recommends the Resolution as set out at Item No.5 of this Notice for approval by the Members by means of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives, except to the extent of their shareholding in the Company, if any, is concerned or interested, financially or otherwise, in the said Special Resolution.

**Item No. 6**

It may be recalled that at the Annual General Meeting of the Company held on 17<sup>th</sup> August 2019 (AGM), the Members gave approval for entering into Related Party Transactions (RPTs) with JK Lakshmi Cement Limited ('JKLC/Holding Company') from the Financial Year 2019-20 and onwards, upto a limit of ₹ 1,500 Crore, in each Financial Year, in the ordinary course of the Company's business, subject to requisite approval of the Audit Committee of Directors of the Company, in each relevant financial year.

The Board of Directors of the Company at its Meeting held on 22<sup>nd</sup> October 2020 had approved a New Expansion Project ("Project") of the Company

at a Capital Outlay of approx. ₹ 1,400 Crore for Setting-up of an additional Clinker Unit having Capacity of 1.50 Million Tonnes Per Annum with Waste Heat Recovery System at existing Plant in Udaipur, Rajasthan and for setting-up of additional Cement Grinding Units with Capacity of 2.50 Million Tonnes Per Annum. With this Expansion Project, the Company's Total Cement Capacity would go up to 4.70 Million Tonnes Per Annum and would enable the Company to strengthen its Market presence. The said Project shall be implemented with the requisite financial and other support of JKLC, including by way of providing Corporate Guarantee on behalf of the Company in favour of its lenders for the Term Loans to be obtained by the Company for the said Project and to make Promoters' Contribution, as may be required in connection therewith.

The support by JKLC to the Company for its Expansion Project shall be over and above the transactions being entered into by the Company with JKLC in the ordinary course of business.

Pursuant to Regulation 23 of the SEBI Listing Regulations, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. Accordingly, the proposed transactions with JKLC for the Expansion

Project shall be treated as Material Related Party Transactions. Therefore, approval of the Members will be required, pursuant to Regulation 23 of the SEBI Listing Regulations.

For administrative convenience, it is considered desirable to obtain one time omnibus approval of the Members for RPTs to be entered into with JKLC in connection with said expansion Project being implemented by the Company, over a period of four Financial Years, commencing from 1<sup>st</sup> April 2021 and ending on 31<sup>st</sup> March 2025 as mentioned in the Resolution. It may be mentioned that this will be over and above the RPTs of ₹ 1,500 Crore in the ordinary course of business as already approved by the Members at the AGM held on 17<sup>th</sup> August 2019.

The Board recommends the Resolution as set out at Item No.6 of the Notice for approval of the Members by means of an Ordinary Resolution.

Smt. Vinita Singhania, Chairperson of the Company who is also Vice Chairman and Managing Director of JKLC and her relatives, including Shri Shrivats Singhania, Director of the Company, to the extent of their shareholding in the Company, if any, may be deemed to be concerned or interested, financially or otherwise in the said Resolution. None of the other Directors or Key Managerial Personnel of the Company and/or their relatives, are, in any way, concerned or interested, financially or otherwise in the said Resolution.

**By Order of the Board**

Poonam Singh  
Company Secretary

Date: 31<sup>st</sup> May 2021



## FOR ATTENTION OF THE MEMBERS

- (1) Members having multiple folios are requested to write to the Company at its Secretarial Department (Kind Attention: Company Secretary), Gulab Bhawan, 3<sup>rd</sup> Floor (Rear Wing), 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or its Registrar and Share Transfer Agent, MCS Share Transfer Agent Ltd. (Unit : Udaipur Cement Works Limited), F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA) for consolidation of the Folios to save the administrative or servicing cost.
- (2) Please do indicate the Pin Code Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
- (3) 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 address mentioned above or E-mail: [ucwl.investors@jckmail.com](mailto:ucwl.investors@jckmail.com) in case RTA's response is not received within a week's time.
- (4) Nomination: Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in the Company 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 Form SH-13 (available on the website of the Company), duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialized form are requested to contact their Depository Participant for recording their nomination.
- (5) Members are requested to intimate changes, if any, pertaining to their addresses, bank mandates, nominations, etc., and related correspondence to their DP in case the Shares are held in electronic form and to Company's RTA or email at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com), in case the shares are held in physical form.
- (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 1<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its Circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated 2<sup>nd</sup> December 2020 had fixed 31<sup>st</sup> March 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form 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 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/Mobile Nos. for prompt reply to their communications.



# UCWL UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

**Regd. Office:** Shripati Nagar, CFA, P.O: Dabok, Udaipur-313 022 (Rajasthan)

**Email:** ucwl.investors@jkm.com, **Website:** www.udaipurcement.com, **Tele/Fax:** 91-294-2655076-77

## E-COMMUNICATION REGISTRATION FORM

Dear Members,

Pursuant to the provisions of the Companies Act, 2013 read with relevant Rules made thereunder, the Company is permitted to serve various notices/documents under the said Act, through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant.

To support this 'Green Initiative' the Members holding shares in physical form are requested to fill-in the appended form and send back to the Company. Members holding shares in dematerialized form are requested to approach the concerned Depository Participant to record/update in their e-mail address.

**Poonam Singh**  
Company Secretary

### E-COMMUNICATION REGISTRATION FORM (For Members holding Equity Shares in physical mode)

Folio No.: .....

Name of the 1<sup>st</sup> Registered Holder: .....

Name of the Joint holder(s): .....

Registered Address: .....

.....

E-mail Id (to be registered): .....

Mobile Number (to be registered): .....

I/We Member(s) of Udaipur Cement Works Ltd. agree to receive communication from the Company in electronic mode. Please register my/our above e-mail ID and Mobile Number in your records for sending communication in electronic form.

Date:

Signature:

Note: Member(s) are requested to complete this Form and send to the Company Secretary at the above address or send the scanned copy of this Form duly completed at the email id –ucwl.investors@jkm.com







**PLATINUM  
SUPREMO  
CEMENT**

# अब हर रूफ़ बने ज़बरदस्त स्ट्रॉन्ग

एक खिलाड़ी की असली पहचान उसकी मज़बूती से होती है. वैसे ही आपके घर की पहचान उसकी मज़बूती से है और एक मज़बूत रूफ़ (छत), घर का सबसे महत्वपूर्ण हिस्सा होता है. आपके घर की स्ट्रेन्थ बढ़ाने और छत हो ज़बरदस्त स्ट्रॉन्ग बनाने के लिए जे के ऑर्गनाईजेशन और उदयपुर सीमेंट वर्क्स लिमिटेड पेश करते हैं प्रीमियम अल्ट्रा मॉडर्न सीमेंट - 'प्लैटिनम सुप्रीमो'. जो आज की आधुनिक निर्माण की ज़रूरतों को पूरा करता है और आपके घर को और छत को देता है सुप्रीम मज़बूती.



सुप्रीम स्ट्रेन्थ



सुप्रीम फ़ाईननेस



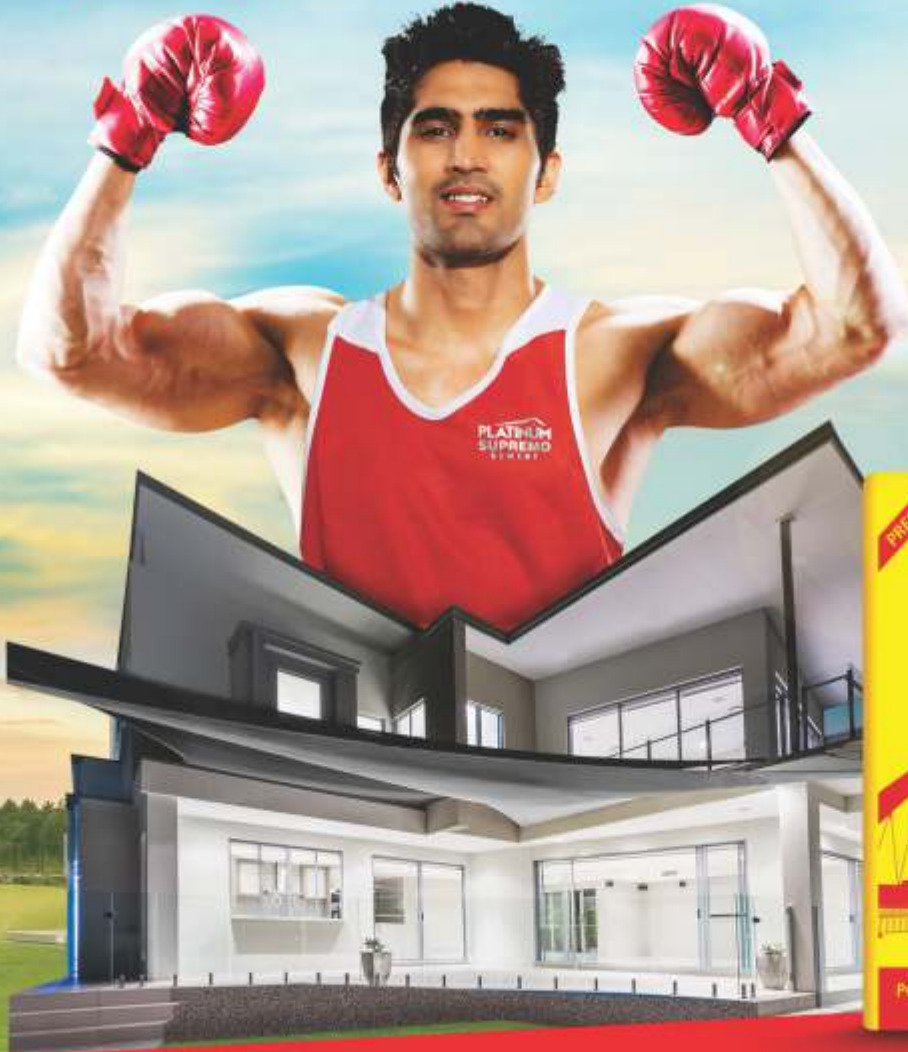
सुप्रीम बॉन्डिंग



सुप्रीम सर्विस



सुप्रीम पैकेजिंग



हेल्पलाइन नं.: 1800 102 2407 [www.udaipurcement.com](http://www.udaipurcement.com)



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[instagram.com/platinumhdcement](https://instagram.com/platinumhdcement)

## WE RISE BY LIFTING OTHERS.

For Udaipur Cement Works Limited (UCWL), business priorities co-exist with social responsibility and commitments to help needy and marginalized people in the society. The Company formed a “Quick Response Team” that monitored, supported and ensured prompt response towards continuous precautionary & preventive measures with respect to Covid-19.

In its fight against the pandemic the company collaborated with local panchayats and Udaipur district administration in Rajasthan, by supporting the local communities around its plant: helping migrants and contractual labourers.

The company has also responded to “Mask shortage” in a unique way through cotton masks production by local women and distribution in the villages/Panchayats, maintaining hygiene and social distancing norms. These women had been trained in tailoring and stitching as a part of its CSR initiatives towards women empowerment.

The company distributed Food Kits to the most needy families in the villages around its plant. Medical Camps were organized for contractual workers as well as at nearby villages, where free of cost medicines were provided to the patients.

Sanitizer bottles were distributed with the help of local Panchayats. Cotton masks and sanitizers were provided to truck drivers and other vendors as well.

The company has quickly and strongly responded to this unprecedented humanitarian crisis.







## UCWL UDAIPUR CEMENT WORKS LIMITED

### Works

Shripati Nagar, CFA, P.O. Dabok, Udaipur-313 022, Rajasthan.

### Marketing Offices

**Jaipur:** 601-603, Apex Mall, 5th Floor, Lal Kothi Scheme,  
Tonk Road, Jaipur-302 015, Rajasthan.

**Jodhpur:** 1st Floor, Near Max Life Insurance, L. M. Tower, Opp.  
Dainik Bhaskar, ITI Circle, Jodhpur-342 001, Rajasthan

**Udaipur:** 304, 3rd Floor, Mangalam Fun Square,  
Durga Nursery Road, Udaipur- 313001, Rajasthan.

**Ahmedabad:** 653, Iscon Emporio, Near Star Bazar,  
Jodhpur Cross Road, Satellite, Ahmedabad, Gujarat

Customer Care Number : **1800 102 2407** | [www.udaipurcement.com](http://www.udaipurcement.com)

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 [instagram.com/platinumhdcement](https://instagram.com/platinumhdcement)