



UCWL UDAIPUR CEMENT
WORKS LIMITED

PLATINUM
HEAVY DUTY
CEMENT

IMPROVING PERFORMANCE INCREASING EXPECTATIONS

ANNUAL REPORT 2019-20





BOARD OF DIRECTORS



VINITA SINGHANIA
Chairperson



ONKAR NATH RAI
Director



SURENDRA MALHOTRA
Director



AMB. BHASWATI MUKHERJEE
Director



SHRIVATS SINGHANIA
Executive Director



NAVEEN KUMAR SHARMA
Whole Time Director



VINIT MARWAHA
Director

POONAM SINGH
Company Secretary

PRANAV CHITRE
Chief Financial Officer

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

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

SECRETARIAL DEPARTMENT

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

BANKERS

Axis Bank Limited
RBL Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

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

AUDITORS

Bansilal Shah & Co.
Chartered Accountants
Udaipur

COMPANY WEBSITE
www.udaipurcement.com



Udaipur Cement Works Limited (UCWL)

A growing cement manufacturing Company

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

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

FINANCIAL RESULTS AND STATE OF COMPANY AFFAIRS

(₹ in Crores)

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

PERFORMANCE

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

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

PROGRESS OF THE PROJECTS

The Company has taken up for implementation a De-bottlenecking & Balancing Scheme wherein the Per Annum Clinker Production Capacity is being enhanced from 1.20 Million Tonnes to 1.50 Million Tonnes and the Cement Capacity is being enhanced from 1.60 Million Tonnes to 2.20 Million Tonnes. The Project is estimated to cost ₹ 60 Crores and is expected to be commissioned by September, 2021.

OUTLOOK FOR INDIAN ECONOMY AND CEMENT INDUSTRY

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

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

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

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

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

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

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

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

THREAT & OPPORTUNITIES

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

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

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

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

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

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

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

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

RISKS AND CONCERNS

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

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

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

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

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

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

KEY CHANGES IN FINANCIAL INDICATORS

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

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

HUMAN CAPITAL MANAGEMENT

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

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

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

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

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

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

ENVIRONMENT, HEALTH AND SAFETY

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

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

INTERNAL FINANCIAL CONTROLS

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

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

CONSERVATION OF ENERGY ETC.

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

DEPOSITS

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

AUDITORS

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

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

(b) Secretarial Auditor and Secretarial Audit Report

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

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

(c) Cost Auditors and Cost Audit Report

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

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

PARTICULARS OF REMUNERATION

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

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

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

CHANGE IN THE NATURE OF BUSINESS

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

BUSINESS RESPONSIBILITY REPORT

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

CORPORATE GOVERNANCE

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

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

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

COMPLIANCE OF SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

ACKNOWLEDGEMENTS

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

CAUTIONARY STATEMENT

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

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

On behalf of the Board of Directors

Place: New Delhi
Date: 16th May, 2020

Vinita Singhania
Chairperson