

18th Annual Report

01st October 2012 - 31st March 2014



**A NEW DAWN,
A NEW BEGINNING.**

Udaipur Cement Works Ltd.

BOARD OF DIRECTORS

ONKAR NATH RAI

Chairman

VINIT MARWAHA

GANPAT SINGH

S. K. KINRA

R. K. GUPTA

Whole-time Director & Company Secretary

REGISTERED OFFICE: E-2, Transport Nagar, Jaipur-302 003 (Rajasthan)	PLANT: Shripati Nagar, P.O. C.F.A.-312 021, Distt.- Udaipur (Rajasthan)
CORPORATE OFFICE: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi-110 002	BANKERS: IDBI Bank Ltd. ICICI Bank Ltd. State Bank of India
SHARE DEPARTMENT: Gulab Bhawan (Rear Block), 3 rd Floor, 6-A, Bahadur Shah Zafar Marg, New Delhi-110 002	SHARE TRANSFER AGENT: MCS Share Transfer Agent Ltd., F-65, 1 st Floor, Okhla Indl. Area, Phase-I, New Delhi-110 020, Phone: 011-41406149-52, E-mail: admin@mcsdel.com

AUDITORS

M/s OM PRAKASH S. CHAPLOT & Co.

Chartered Accountants

COMPANY WEBSITE

www.udaipurcement.com

UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

Regd. Office :E-2, Transport Nagar, Jaipur-302 003 (Rajasthan)
Secretarial Deptt.: Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg
New Delhi-110 002

Email: bkdaga@jkmil.com, Website : www.udaipurcement.com
Phone : 30179860, Fax : 91-11-23739475

NOTICE

NOTICE is hereby given that the **18th Annual General Meeting** of the Members of **UDAIPUR CEMENT WORKS LIMITED** will be held at Hotel Maharani Palace, Station Road, Jaipur-302 001, Rajasthan on **Monday, the 18th August 2014** at 11:00 A.M to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year 2012-14 ended 31st March 2014(18 months) and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.K. Gupta (DIN: 00086630), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Om Prakash S. Chaplot & Co., Chartered Accountants, Udaipur, (Registration No. 000127C) be and are hereby appointed as Auditors of the Company for a term of three consecutive years, from the conclusion of the 18th Annual General Meeting(AGM) till the conclusion of its 21st AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration of ₹ 1,00,000/- p.a. (Rupees One lac only) for the first year, excluding Service Tax as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to fix remuneration of the said Auditors for the subsequent two years thereafter, based on the recommendations of the Audit Committee of Directors of the Company in consultation with the said Auditors; and to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

As Special Business

4. To consider and if thought fit to pass, with or without modification(s), the following as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. HVMN & Associates, the Cost Auditors, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15 ending 31st March 2015, of ₹ 35,000/- p.a. excluding service tax as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, be and is hereby ratified and confirmed.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

5. To consider and if thought fit to pass, with or without modification(s), the following as an **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri O.N. Rai, Director of the Company (DIN: 00033142), who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 23rd Annual General Meeting of the Company in the year 2019."

6. To consider and if thought fit to pass, with or without modification(s) the following as **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Authorised Capital of the Company be and is hereby increased from ₹ 125,00,00,000 (Rupees One Hundred Twenty Five Crores) to ₹ 200,00,00,000 (Rupees Two Hundred Crores).

RESOLVED FURTHER that the Memorandum of Association of the Company, be and is hereby amended by substituting the existing Clause V thereof by the following new Clause V:

- V The Authorised Share Capital of the Company is ₹ 200,00,00,000 (Rupees Two Hundred Crores) divided into Equity Capital of ₹ 125,00,00,000 (Rupees One Hundred Twenty Five Crores) comprising 31,25,00,000 (Thirty One Crores Twenty Five Lacs) Equity Shares of ₹ 4 each and Preference Capital of ₹ 75,00,00,000 (Rupees Seventy Five Crores) comprising 60,00,000 (Sixty Lac) Preference Shares of ₹ 10 each and 6,900 (Six Thousand Nine
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Hundred) Preference Shares of ₹ 1,00,000 each; with power to the Board of Directors of the Company to increase, reduce, vary, alter or modify and divide, sub-divide or consolidate the nominal value of the Shares in the Capital for the time being and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions and to vary, modify or abrogate any such rights, privileges and conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise and in such manner as may be permitted by the Companies Act, 2013 or any statutory modifications or re-enactment thereof or as provided by the Articles of Association of the Company."

7. To consider and if thought fit to pass, with or without modification(s), the following as **Special Resolution:**

"RESOLVED that in supersession of the resolution passed by the Company with respect to the borrowing powers of the Board of Directors at the Extra-ordinary General Meeting held on 12th November 1993, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as "the Board") for borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary and/or expedient for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate ₹ 600 Crores (Rupees Six Hundred Crores only).

8. To consider and if thought fit to pass, with or without modification(s), the following as **Special Resolution:**

"RESOLVED that in supersession of the resolution passed by the Company with respect to mortgaging and/or charging by the Board of Directors at the Extra-ordinary General Meeting held on 12th November 1993, consent of the Company be and is hereby accorded pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as "the Board") to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, wheresoever situate and the whole or substantially the whole of any one or more of the undertakings of the Company, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions / Banks / Funds, or any other persons, of such amount or amounts not exceeding ₹ 600 Crores (Rupees Six Hundred Crores only) in the aggregate on account of principal, together with interest thereon at the

respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other financial instruments or assistance.

RESOLVED FURTHER that the Board be and is hereby authorized to finalise the terms and conditions with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees and the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things as they deem necessary and/or expedient in connection therewith and incidental thereto."

9. To consider and if thought fit to pass, with or without modification(s), the following as **Special Resolution:**

"RESOLVED that pursuant to the Scheme of Rehabilitation of the Company sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction ("BIFR Scheme") and in accordance with the provisions of Sections 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum & Articles of Association of the Company and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 6,500 Preference Shares of the Company of the face value of ₹ 1,00,000 each, for an aggregate value not exceeding ₹ 65 Crores, as Cumulative Redeemable Preference Shares ('CRPS'), at par, to JK Lakshmi Cement Ltd., a constituent of Promoter Group, and/or to such other person(s) including financial institution(s) /bank(s)/mutual fund(s)/ body corporate(s)/ any other entities whether he/they be a member(s) of the Company or not as the Board may deem fit, in one or more tranches and on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER that in accordance with provisions of Section 43 of the Act, the CRPS shall be non participating, carry a preferential right, vis-à-vis Equity Shares of the Company, with respect to payment of dividend and repayment in case of a winding up or repayment of capital and shall carry voting rights as per the provisions of Section 47(2) of the Act.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to settle any question or difficulties that may arise in the matter of the said issue of CRPS as may be considered necessary or expedient in the best interest of the Company, without requiring any further approval of the members and to do all acts, deeds and things as may be deemed

necessary or expedient in connection therewith and incidental thereto including any modification in the terms and conditions of the aforesaid issue.

10. To consider and if thought fit to pass, with or without modification(s) the following as **Special Resolution:**

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the re-appointment of Shri R.K. Gupta (DIN: 00086630), as Whole-time Director of the Company for a period of two years w.e.f. 1st April 2014, be and is hereby approved on the terms and conditions including remuneration as set out in the Explanatory Statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Section 198 of the Act in any financial year or years, the remuneration comprising salary, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for the aforesaid period subject to requisite approvals under the Act.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to vary and/ or revise the terms and conditions of re-appointment of the said Whole-time Director including remuneration, as it may deem fit, subject to the same not exceeding the limits specified under Schedule V of the Act and to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto."

By Order of the Board

Regd. Office:

E-2, Transport Nagar,
Jaipur-302003 (Rajasthan)
15th May 2014

O.N. Rai
Chairman

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 14th August 2014 to 18th August 2014 (both days inclusive)
- In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2012-14 (18 months) is being sent to all the members whose email IDs are registered with the Company/Depository Participants. Physical copy of the Annual Report for 2012-14 (18 months) may be sent on request by any Member.
- Electronic copy of the Notice of the 18th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants.
- Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- Appointment of Director

Brief resume of the Director proposed to be re-appointed (item No. 10) are given hereunder:

Name	Shri R.K. Gupta
Age	63 Years
Qualification	CS, CWA & MBA
Expertise in Specific Functional Areas	Financial Management
Date of Appointment on the Board	28 th July 1994
Name(s) of other Companies in which Directorships held (as per Section 165 of the Companies Act, 2013)	NIL
Name (s) of Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	NIL

Voting through electronic means

- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the Members, facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under :-

- Log on to the e-voting *website* : www.evotingindia.com
 - Click on "Shareholders" tab.
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- (iii) Now, select the Company Name "UDAIPUR CEMENT WORKS LIMITED" from the drop down menu and click on "SUBMIT".
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 1 Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field 1 Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client ID. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.
DOB or Bank Details	<p>Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or the Company, please enter the number of shares held by you as on 18th July 2014 in the Bank details field.</p>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Company Name "UDAIPUR CEMENT WORKS LIMITED".
- (xii) 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.

- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - | Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - | They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - | After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - | The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - | They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The voting period begins on 11th August 2014 at 10.00 A.M. and ends on 13th August 2014 at 5.30 P.M. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th July 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- (xx) The Company has appointed Mr. Manoj Maheshwari, Practicing Company Secretary, as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. The Scrutiniser will submit his Report to the Chairman of the Company within three working days after the conclusion of e-voting period.
- (xxi) The results of AGM shall be declared on or after the AGM of the Company. The results declared along with the Scrutiniser's Report shall be available on the Company's website within two days of passing of the resolutions at the AGM.

STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Board, on the recommendations of the Audit Committee, has approved the re-appointment and remuneration of the existing Cost Auditors, M/s. HVMN & Associates, Cost Accountants, to conduct

the audit of the cost records of the Company for the financial year ending 31st March 2015 on a remuneration of ₹ 35,000/- p.a. (Rupees Thirty Five Thousand Only).

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors by the Company has to be ratified by the Members of the Company.

The resolution is accordingly recommended for approval of the Members as an Ordinary Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 5

Shri Onkar Nath Rai was appointed by the Members as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 23rd September 2011. Shri O.N. Rai retires by rotation at this AGM. The Board of Directors of the Company has recommended appointment of Shri O.N. Rai as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 ("the Act"), as mentioned in the Resolution.

Shri O.N. Rai, (aged 73 years) who holds an Engineering Degree, joined the Board on 14th November 1996. He has an experience of over 47 years in the industry in various management capacities. He does not have any other Directorships.

Shri O.N. Rai has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri O.N. Rai is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri O.N. Rai fulfills the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri O.N. Rai as an Independent Director setting out the terms and conditions shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Shri O.N. Rai, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

The existing Authorised Share Capital of the Company of ₹ 125 Crores comprises of 29,75,00,000 Equity Shares of ₹ 4 each aggregating ₹ 119 Crores and 60,00,000 Preference Shares of ₹ 10 each aggregating ₹ 6 Crores.

To meet the increasing requirements of funds for the purpose of implementation of the Scheme of Rehabilitation of the Company sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction vide its Order dtd. 13th January 2012 (BIFR Scheme), the Company is required to raise additional funds by means of issue of further shares. It is therefore proposed to increase the Authorised Share Capital from ₹ 125,00,00,000 Crores to ₹ 200,00,00,000 (Rupees Two Hundred Crores only). Consequent upon increase in the Authorised Share Capital as aforesaid, the Capital Clause of the Memorandum of Association of the Company shall be suitably amended.

Pursuant to Section 61 of the Companies Act, 2013 ("the Act"), approval of the Members by way of Ordinary Resolution is required for increase in Authorised Share Capital and consequent alteration in Capital Clause of the Memorandum of Association of the Company.

The resolution is accordingly recommended for approval as an Ordinary Resolution under the Act.

None of the Directors, key management personnel of the Company or their relatives is concerned or interested in the Resolution.

Item No. 7

The Company at its Extra-ordinary General Meeting held on 12th November 1993, authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purposes of the Company, moneys in excess of paid-up capital of the Company and its free reserves provided that the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed ₹ 250 Crores.

To meet the increasing requirements of funds for the purpose of implementation of the Scheme of Rehabilitation of the Company sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction vide its Order dtd. 13th January 2012, it is proposed to increase the said borrowing limits to ₹ 600 Crores.

Pursuant to Section 180(1)(c) of the Companies Act, 2013 ("the Act"), the Board can exercise borrowing powers in excess of the paid-up capital and free reserves of the Company with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 8

The Company at its Extra-ordinary General Meeting held on 12th November 1993, authorised the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding ₹ 250 Crores, in the aggregate on account of principal, together with interest thereon pursuant to Section 293(1)(a) of the Companies Act, 1956.

To meet the increasing requirements of funds for the purpose of implementation of the Scheme of Rehabilitation of the Company sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction vide its Order dtd. 13th January 2012, the Company will have to resort to further borrowings from Financial and other lending institutions upto a limit of ₹ 600 Crores, sanctioned by the Board. As security for such borrowings, the immovable and movable properties of the Company will have to be mortgaged/charged in favour of Financial and other lending institutions.

Pursuant to Section 180(1)(a) of the Companies Act, 2013, the Board can exercise power to create mortgage and/or charge on the immovable and movable properties of the Company, with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item Nos. 9

To meet the increasing requirements of funds for the purpose of implementation of the Scheme of Rehabilitation of the Company sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction vide its Order dtd. 13th January 2012 (BIFR Scheme), the Company is required to raise funds by issue of further shares by way of Cumulative Redeemable Preference Shares (CRPS) to JK Lakshmi Cement Ltd. (JKLC), a constituent of Promoter Group, or to such other persons including financial institution(s)/bank(s)/mutual fund(s)/ body corporate(s)/ any other entities as the Board may deem fit.

Pursuant to Section 62 of the Companies Act, 2013 ("the Act") read with the Companies (Share Capital & Debentures) Rules, 2014, the Board may increase the subscribed capital of a company by issue of further shares, by offering such shares to any persons, whether or not those persons are existing Shareholders or employees of the company, with the approval of the Members by way of Special Resolution.

Further, as per Section 42 of the Act read with the Rules made thereunder, a company offering or making an invitation to subscribe to securities, including redeemable Preference Shares on a private placement basis, is required to obtain prior approval of the Shareholders by way of Special Resolution.

The resolution is accordingly recommended for approval as a Special Resolution under the Act for the issue of CRPS upto an amount not exceeding ₹ 65 Crores on the terms and conditions set out hereunder.

Given below is a statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of CRPS

1. The CRPS shall be cumulative, non participating and non-convertible.
2. The objective of the issue is to raise funds for implementation of the Sanctioned BIFR Scheme.
3. The CRPS will be issued and offered on a private placement basis in accordance with the provisions of Section 42 of the Act and the Rules made thereunder.
4. Other terms :

Particulars	Terms of Issue
Issue size	Upto 6,500 5% CRPS of ₹ 1,00,000 each for an amount not exceeding ₹ 65 Crores.
Issue Price	CRPS will be issued at par.
Offer Period	To be determined by the Board
Coupon rate	5%
Conversion Rights	No
Tenure of CRPS	Not exceeding 20 years with or without a put/call option as may be determined by the Board.
Redemption	Preference Shares shall be redeemed in 3 annual instalments of 30%, 30% & 40% of face value at the end of 18 th , 19 th & 20 th year from the date of allotment respectively in accordance with Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of a fresh issue of shares made for the purpose of redemption.
Expected dilution in equity capital upon conversion of preference shares	Nil, since the CRPS are non-convertible.

5. Justification for price: The proposed issue of CRPS is in terms of implementation of the Sanctioned BIFR Scheme.
6. The current Equity Shareholding Pattern of the Company is as under:

S.No.	Category of Shareholders	No. of Shares	%
1.	Promoters	26,32,61,242	89.18
2.	FIs/Mutual funds/ Insurance Companies	1,34,47,859	4.56
3.	Other Public	1,84,96,179	6.26
	Total	29,52,05,280	100.00

7. The issue of CRPS is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company.

None of the Directors, key management personnel of the Company or their relatives is concerned or interested in the Resolution.

Item Nos.10

Shri Rohni Kumar Gupta was re-appointed as Whole-time Director of the Company for a period of three years each w.e.f. 26th May 2011 with due approval of the Members at the Annual General Meeting held on 23rd September 2011. The Board of Directors of the Company at its meeting held on 15th May 2014 has re-appointed Shri Rohni Kumar Gupta as Whole-time Director of the Company for a period of two years each w.e.f. 1st April 2014, on the terms of remuneration determined by the Nomination and Remuneration Committee of Directors, as set out herein, subject to requisite approvals.

Information pursuant to para (A) of Section II of Part II of the Schedule V to the Companies Act, 2013 ("the Act"):

I. General Information:

- Nature of Industry: Cement.
- Date or expected date of Commencement of Commercial Production: January 1994.
- In case of new companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- Financial Performance based on given indicators:

₹/Lacs

Particulars	Financial Year ended		
	31 st March 2014 (18 months)	30 th Sept. 2012 (18 months)	31 st March 2011 (12 months)
Gross Sales and Other Income	3192.54	4.83	0.06
Operating Profit (PBIDT)	(68.89)	(486.79)	(36.78)
Profit Before Depreciation	(103.90)	(486.79)	(36.86)
Profit After Tax (PAT)	234.76	(1262.32)	(36.86)

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

II. Information about the Appointee

- 1 Shri R.K.Gupta holds an Honours Degree in Commerce and also a post graduate Masters degree in Business Administration. He is also a member of the Institute of Companies Secretaries of India and of the Institute of Cost and Works Accountants of India. Shri Gupta has more than 40 years of experience in various companies in executive positions and has served the Company for about 21 years in various capacities.
- 2 Past Remuneration of Shri R.K.Gupta was approved by the Members at the Annual General Meeting of the Company held on 23rd September 2011.
- 3 Job Profile and his suitability: Shri R.K.Gupta as Whole-time Director of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision and strategy and long term developmental activities of the Company, besides Corporate Governance and Board coordination. He is also the Occupier of the Company's Cement Plant.
- 4 Remuneration proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 15th May 2014 have approved the following terms of remuneration of Shri R.K.Gupta for a tenure of 2 years w.e.f. 1st April 2014, as under:
 - A. Consolidated Salary: ₹ 6.99 lac 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.
 - B. 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.
 - C. Contribution to Provident Fund and Superannuation Fund or Annuity Fund 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, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act, 2013.

In the event of inadequacy or absence of profits under Section 198 of the Companies Act, 2013 in any financial year or years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A and B above, as minimum remuneration and be also entitled to perquisites mentioned in paras C, D and E above.

-
- 5 Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The executive remuneration in the Industry has increased manifold. The 'Nomination and Remuneration Committee' constituted by the Board in terms of the said Schedule, perused the remuneration of managerial persons in the cement industry and other companies comparable with the size of the Company, financial position of the Company and the trends in industry, qualification, experience, responsibilities, past performance, past remuneration etc. of the aforesaid Whole-time Director of the Company before approving his proposed remuneration.
- (6) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri R.K. Gupta does not have any pecuniary relationship with the Company.

III. Other Information:

The Company is pursuing implementation of the Scheme of Rehabilitation sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction vide its Order dtd. 13th January 2012.

By Order of the Board

Regd. Office:

E-2, Transport Nagar,
Jaipur-302 003 (Rajasthan)
15th May 2014

O.N. Rai
Chairman

FOR ATTENTION OF THE SHAREHOLDERS

1. Members/ Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip and advise correction, if any, therein. Also, please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Requests for transfer of Equity Shares and related correspondence should be addressed to the **Company's Registrar and Share Transfer Agents : MCS Share Transfer Agent Limited**, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA). The Shareholders may approach their Depository Participant for getting their shares dematerialised and in respect of shares already held in dematerialised form for registration of change in their addresses, bank mandates, nominations, etc.
4. Transferee(s) seeking transfer of shares in physical form should furnish copy of their PAN card to the Company / RTA for registration of transfer of shares.
5. Shareholders having multiple folios are requested to write to the RTA for consolidation of the Folios to save the administrative or servicing cost.
6. Investor Grievances can be lodged electronically online with the RTA. Please log on to www.mcsdel.com and click on Investors Services to register your queries/ grievances which will be promptly responded by the RTA. Please write to the Secretarial Department at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: bkdaga@jkm.com in case their response is not received within a week's time. Shareholder can also write to the Company in this regard.
7. **Nomination:** Pursuant to Section 72 of the Companies Act, 2013, Shareholders holding shares in the Company, singly or jointly, may nominate a person to whom all the rights in the shares of the Company shall vest in the event of death of the sole/ all joint Shareholders. Shareholders holding shares in physical form, may send their nomination in the prescribed Form SH 13, duly filled in, to the Secretarial Department at the address mentioned above. Shareholders holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.
8. **Dematerialisation of Shares and Liquidity:** Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is *INE225C01029*.
9. Shareholders are requested to quote their Folio No./ DPID- Client ID and details of shares held in physical/dematerialised forms, e-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.

Green Initiative in Corporate Governance: Register E-mail Address

The Ministry of Corporate Affairs has permitted companies to send various notices/ documents under the Companies Act 1956, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised form, with their Depository Participants; and (2) physical mode with MCS Share Transfer Agent Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request : Folio No./ DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).

Further, pursuant to Section 101 of the Companies Act, 2013 and the Rules made thereunder also, the Company may follow above mode.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Accounts of the Company for the 18 months period ended 31st March 2014.

SCHEME OF REHABILITATION

As you are aware, the Company has been moving progressively towards implementation of its Scheme of Rehabilitation sanctioned by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 13th January 2012. The Company has commissioned the Cement Mill and Packing Plant as part of the first phase of upgradation and modernization of the plant. After getting necessary approval from Airport Authority of India for increase in desired height of Preheater for Kiln, the Company has now placed order for a modern Kiln (Pyro System) in the second phase of its modernization and upgradation. The project is progressing satisfactorily.

FINANCIAL RESULTS

Amount in ₹ Lacs

Particulars	31 st Mar.2014 (18 months)	30 th Sep.2012 (18 months)
Sales & Other Income	3192.54	4.83
Profit / (Loss) before Interest & Depreciation	(68.89)	(486.79)
Profit / (Loss) before Depreciation	(103.90)	(486.79)
Depreciation	(397.90)	(1100.46)
Profit / (Loss) before Exceptional Items & Tax	(501.80)	(1587.25)
Exceptional Items (Net Income)	736.56	324.93
Profit / (Loss) after Tax	234.76	(1262.32)

OPERATIONS

During the period under review, the Company has restarted its operations by commissioning Cement Mill in the month of July 2013, after a long period of complete suspension of operations and has started dispatch of cement in the market under the brand name "JK Lakshmi Cement". During the period, the Company's cement production stood at 0.95 Lac tonnes & the sales at 0.88 Lac

tonnes. During the period under review, the Company posted a net profit of ₹ 234.76 Lacs. Actions regarding Pyro-processing Project have been taken up by the management and the work is under progress.

ECONOMY AND BUSINESS ENVIRONMENT

Indian economy has been suffering for last 2-3 years primarily on account of global recessionary conditions, high domestic inflation and weakening of Indian currency. These factors contributed to the fall in Country's GDP growth which stood at 4.7% in 2013-14, slightly above the 4.5% growth in 2012-13. Similarly, the growth of the Indian Cement Industry has come down to about 3% in 2013-14, which is the lowest in the last four years. Drop in cement demand was caused by general economic slowdown, low government spending on infrastructure projects, fall in construction activities, high inflation and interest rates, land acquisition and clearance issues.

OUTLOOK FOR CEMENT INDUSTRY & STRATEGIC IMPERATIVES

The Indian economy is expected to be back on the revival path with several new reforms expected to be executed by the new Government at the Centre. The recent presidential address in the joint session of the parliament has spread the news of ruling party's intension to fast track growth of the country with GDP growth rate in double digit. Major demand drivers for cement industry are Dedicated Freight Corridor (DFC) of 3300 KMs with an estimated project cost of ₹ 800 billion, building of 100 Smart Cities, a far bigger expansion of National Highway Projects and Rural Housing Schemes of Government to construct approximately 20 million rural houses. This shall result in increased spending on the infrastructure sector which is expected to grow from 20% to 40% of the total Cement demand in next decade. Further, the Housing sector is also expected to show signs of revival in the coming years. Cement being a derived commodity would stand to gain with additional spending in Infrastructure and Housing sector. It is hoped that the Company shall achieve higher volumes with increased sales realization during the year because of bouncing back of cement demand.

INDIAN CEMENT INDUSTRY

Cement Industry which has been growing at a CAGR of over 8.5% till F.Y. 2010 had recorded a lower growth of about 3% in the financial year 2013-14. However, notwithstanding these intermittent years of lower growth, long term portends of the Indian cement industry are good and is expected to grow at 8 to 9% for the next one to two decades to meet the construction requirement of the growing Indian economy, both in the housing as well as infrastructure sectors.

SHARE CAPITAL

Pursuant to the Scheme of Rehabilitation sanctioned by the Hon'ble BIFR, 19,50,00,000 Equity Shares of ₹ 4 each were allotted in par to JK Lakshmi Cement Limited (JKLC) on 28th March 2014, whereby the paid up Capital of the Company has been increased from ₹ 40.08 Crores to ₹ 118.08 Crores. Consequently, the Company has become a subsidiary of JKLC with effect from the said date.

INTERNAL CONTROL SYSTEM

The Company has an adequate system of internal controls covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The internal control system is supplemented by extensive programme of internal audits covering all areas of Company's significant operations.

The Audit Committee of Directors of the Company regularly reviews adequacy and effectiveness of the Company's internal control systems and the Internal Audit Reports and compliance thereof and monitors implementation of audit recommendations.

HUMAN RESOURCES

After resuming the operations, the Company started rehabilitation activities deploying the workforces on the rolls of the Company. With the introduction of various HR interventions we had been able to gradually establish new HR culture in the organisation

and start our operations effectively.

To name a few, we have been able to initiate HR initiatives afresh for developing learning culture and starting programmes on Emerging Leadership, Strengthening PMS system through SMART based KRAs, 360° Assessment, Launching of Quality Circles, 5S Activities and introducing Cross Functional and Self Directed teams. Besides suggestion scheme and structured communication process, various training programmes for employee development, both on functional and behavioural aspects are being organised in a structured way befitting benchmark practices.

With a view to develop belongingness amongst the employees and considering need of social, cultural and spiritual developments, planned welfare activities are being started in the plant. In this series "Sneh Bhoj"- Community Feast - involving all employees and their family members, is being organised on the first day of every year including other stakeholders which has developed a very cordial atmosphere in and around our company.

DIRECTORS

Shri O.N. Rai, retires by rotation at the ensuing AGM and being eligible, is proposed to be appointed as Independent Director of the Company to hold office for a term upto five consecutive years from his appointment at the ensuing AGM.

Shri R.K. Gupta retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for re-appointment at the ensuing AGM. Shri Gupta has been reappointed by the Board as Whole time Director of the Company for a period of two years w.e.f. 1st April 2014 subject to requisite approvals.

The Board recommends the appointments as aforesaid.

AUDITORS

M/s. Om Prakash S. Chaplot & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment. The observations of the Auditors in their Report on Accounts read with relevant notes are self explanatory.

COST AUDIT

The Cost Audit for the financial year 2011-12 ended 30th September 2012 (18 months) was conducted by M/s S.P. Gupta, Cost Auditor and as required, Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India.

The Audit of the Cost Accounts of the Company for the financial year 2012-14 ended 31st March 2014 (18 months) is being conducted by M/s. HVMN & Associates, Cost Accountants, New Delhi and the Report will also be filed.

PARTICULARS OF EMPLOYEES

During the period under review, the Company had no employee in the category under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act 1956, the Directors state that:

- | in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- | the 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 (18 months) and of the profit or loss of the Company for that period;
- | proper and sufficient care has been taken for 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; and

- | the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The Company believes in maintaining the highest standards of Corporate Governance. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report and Auditors' Certificate regarding due compliance of the conditions of Corporate Governance are made a part of this Annual Report.

CONSERVATION OF ENERGY, ETC.

Pursuant to Section 217 (1) (e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars of energy conservation, technology absorption, foreign exchange earnings and outgo are annexed and forms part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation received from the financial institutions, banks, various Central and State government agencies, employees and esteemed shareholders of the Company.

On behalf of the Board of Directors

New Delhi
Date : 15th May, 2014

O.N. Rai
Chairman

ANNEXURE TO THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH 2014

Information in accordance with Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

(a) Conservation of Energy

Udaipur Cement Works Ltd. took following major initiatives with an intention to conserve energy and reduce fuel.

- Conversion of existing pneumatic conveying system into mechanical conveying system for reducing power.
- Conversion of existing Electro Static Precipitator (ESP) to state-of-the-art Pulse-Jet Bag Filter with Variable Frequency Drive in Bag Filter Fan for the venting of mill.
- Installation of new separator vent bag filter with Variable Frequency Drive in Bag Filter Fan.
- Replacement of existing low efficiency separator by new high efficiency dynamic separator.
- Mechanized clinker and gypsum feeding system instead of high power consuming & unsafe overhead crane operation.
- Installation of mechanized & pollution free fly ash unloading & Storage system.
- Installation of New State-of-Art SKADA PLC for plant automation control.
- Elimination of rotary feeder & conveyor with gravity chutes wherever possible to reduce power consumption.
- Optimal use of compressed air at various locations by replacing high capacity compressors with optimum capacity.
- Increase in fly ash absorption in blended cement by optimizing cement mill operations.
- Installation of digital energy meter for monitoring of energy consumption & analysis.
- Retrofitting of Mill Outlet bucket elevator for reduction in power consumption.
- Two numbers of Chain type bucket elevators converted into belt type bucket elevator to reduce power consumption at Packing plant.

- Installation of new highly efficient motors (IE2 type) for reduction in power consumption.
- Elimination of one bag filter fan by providing natural suction at Fly ash Silo top.
- Motorised bag diverter replaced by powerless diverter at packing plant.
- Optimisation of Water pump motor for power saving.
- Installation of Timer in plant & colony Lighting.

(b) Technology absorption, adaptation and innovation by technology adaptation

All the above improvements have been completed and the technologies have been fully absorbed and the plant is performing at its optimum capacity

(c) Research and Development

During the period ended 31st March 2014 there was no expenditure on research and development.

(d) Exports, Foreign Exchange Earnings and Outgo

During the period ended 31st March 2014 there was no Export and Foreign Exchange earning. The Foreign exchange outgo was also Nil.

PARTICULARS OF CONSERVATION OF ENERGY

S. No.	Particulars	Unit	Oct'12-Mar'14 (18 Months)	Apr'11- Sep'12 (18 Months)
A.	POWER AND FUEL CONSUMPTION			
1.	Electricity			
(a)	Purchased:			
	Units	(Kwh in Lacs)	35.74	-
	Total amount	(₹ in lacs)	207.31	-
	Rate/Unit	(₹)	5.80	-
(b)	Own Generation:	-	-	-
2.	Fuel (Pet Coke / Coal)	-	-	-
3	Other Internal Generation	-	-	-
B.	CONSUMPTION PER UNIT OF PRODUCTION			
	Electricity	Kwh/MT	37.58	-

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 Company's philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standards of business ethics.

2. BOARD OF DIRECTORS :

As at 31st March 2014, the Board of Directors of the Company, consists of five Directors comprising of four Non-executive Directors (NED) of which two are independent (IND). Eight Board Meetings were held during the financial year 2012-2014 ended 31st March 2014 (18 Months), on 1st November 2012, 28th December 2012, 31st January 2013, 15th May 2013, 7th August 2013, 11th November 2013, 8th February 2014 and 28th March 2014. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings Attended	Whether last AGM attended (21.2.2013)	Outside directorships and Committee positions		
				Director - ships \$	Committee Memberships@	Committee Chairmanships@
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Onkar Nath Rai	IND	5	Yes	-	-	-
Shri Vinit Marwaha	NED	7	Yes	1	-	-
Shri Rohini Kumar Gupta	Executive	8	Yes	-	-	-
Shri Suresh Kumar Kinra #	IND	7	No	4	-	-
Shri Ganpat Singh	NED	6	Yes	-	-	-

\$ As per Section 275 read with Section 278 of the Companies Act 1956.

@ Only covers Memberships / Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.

Shri Suresh Kumar Kinra, BIFR Nominee has been an Independent Director.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Directors), which is strictly adhered to. In terms of Clause 49 of the Listing Agreement 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 Company's website (www.udaircement.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 the Whole-time Director.

3. AUDIT COMMITTEE:

The Company has an Audit Committee of Directors since 2001. As on 31st March 2014, the "Terms of Reference" of the Committee and its composition were in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange. The Board of Directors at its Meeting held on 15th May 2014, has revised the "Terms of Reference" of the Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and read with the revised Clause 49 of the Listing Agreement applicable w.e.f. 1st October 2014. Seven meetings of the Audit Committee were held during the year 2012-2014 ended 31st March 2014 (18 months).

Dates of the meetings and the number of Members attended:

Dates of meetings	Number of members attended
1 st November 2012	3
28 th December 2012	4
31 st January 2013	4
15 th May 2013	3
7 th August 2013	4
11 th November 2013	3
8 th February 2014	4

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

Name	Status	No. of Meetings attended
Shri Onkar Nath Rai	Chairman	5
Shri Vinit Marwaha	Member	6
Shri Rohni Kumar Gupta	Member	7
Shri Suresh Kumar Kinra (BIFR Nominee)	Member	7

4. STAKEHOLDERS RELATIONSHIP COMMITTEE :

As at 31st March 2014, the Company had a Shareholders/Investors Grievance Committee consisting of four Directors out of which three are Non-executive Directors of which two are Independent. The composition of the Committee was in conformity with Clause 49 of the Listing Agreement.

The Board of Directors at its meeting held on 15th May 2014 has rechristened the Committee as 'Stakeholders Relationship Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement applicable w.e.f. 1st October 2014.

The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement. Dates of the meetings and the number of Members attended :

Dates of meetings	Number of members attended
1 st November 2012	3
28 th December 2012	4
31 st January 2013	4
15 th May 2013	3
7 th August 2013	4
11 th November 2013	3
8 th February 2014	4

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

Name	Status	No. of Meetings attended
Shri Onkar Nath Rai	Chairman	5
Shri Vinit Marwaha	Member	6
Shri Suresh Kumar Kinra (BIFR Nominee)	Member	7
Shri Rohni Kumar Gupta	Member	7

Shri Rohni Kumar Gupta, Whole-time Director & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to Transfer of shares, Non-receipt of balance sheet and dividends etc. During the year, only 2 complaints were received which stand resolved and no complaint is pending as on 31st March 2014.

The Company also has a Committee of Directors (COD), which approves registration of transfer and transmission of shares in physical mode on fortnightly basis. During this period, 24 meetings of COD were held. All the valid requests for transfers of shares were processed in time and there are no pending transfers of shares.

5. NOMINATION AND REMUNERATION COMMITTEE:

As at 31st March 2014 the Company does not have Nomination and Remuneration Committee. The Board at its held on 15th May 2014 had constituted 'Nomination and Remuneration Committee' comprising of Shri O.N. Rai, Chairman of the Committee, Shri Vinit Marwaha, and Shri S.K. Kinra (BIFR Nominee), all being Non-executive Directors and two of which are Independent Directors to consider, determine and recommend remuneration of the Executive Director to the Board. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the Listing Agreement.

5.1. REMUNERATION PAID TO DIRECTORS:

(i) **Executive Directors:** The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Funds for the financial year 2012- 2014 ended 31st March 2014 (18 months) to Shri R.K. Gupta, Whole-time Director ₹ 4.14 lacs

(ii) **Non Executive Directors (NEDs) :** During the financial year 2012-14, the Company paid sitting fees aggregating ₹ 30,000 to all the Non-executive Directors (NEDs) for attending the meetings of the Board of the Company. The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above. The number of Equity Shares held by Non-executive Directors : Shri O.N. Rai - 1 share, Shri Vinit Marwaha, Shri Suresh Kumar

Kinra (BIFR Nominee) and Shri Ganpat Singh do not hold any shares.

The Company does not have any Stock Option Scheme or outstanding convertible instrument.

6. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2009-10	Hotel Maharani Palace, Station Road, Jaipur-302001	17.09.2010	11:00 A.M.
2010-11	Same as above	23.09.2011	11.00 A.M.
2011-12	Same as above	21.02.2013	11:30 A.M.

Special Resolution regarding re-appointment of Shri R.K. Gupta as Whole-time Director of the Company for a period of three years w.e.f. 26th May 2011 was passed at the Annual General Meeting held on 23rd September 2011.

No Special Resolutions were required to be put through postal ballot last year.

7. DISCLOSURES:

(a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large : None. Suitable disclosure as required by Accounting Standard (AS-18) on Related Party Transactions has been made in the Annual Report.

(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 market, during the last three years. There were no cases of non-compliance of any matter related to capital markets during the last three years.

8. MEANS OF COMMUNICATION :

Quarterly, half-yearly and annual results are normally published in the leading English newspapers, namely, The "Financial Express"

and one regional daily "Dainik Lokmat" (Jaipur), 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. Official news releases are also available on the Company's website.

"Management Discussion & Analysis" forms part of the Annual Report.

9. GENERAL SHAREHOLDERS' INFORMATION:

(i) Annual General Meeting (AGM) :

(a) Date and Time : 18th Aug, 2014 at 11:00A.M.

Venue : Hotel Maharani Palace, Station Road, Jaipur - 302 001, Rajasthan

(b) As required under Clause 49(IV)(G)(i), a brief resume and other particulars of Directors seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said AGM.

(ii) Financial Calendar (Tentative)

Financial Reporting

• for the quarter ending 30.06.2014	} Within 45 days of the end of the quarter
• for the half-year ending 30.09.2014	
• for the quarter ending 31.12.2014	
• for the year ending 31.03.2015 (Audited)	Within 60 days of the end of the financial year
• Annual General Meeting for Financial Year ending 2014-15	between July and the September 2015

(iii) **Date of Book Closure** : 14th Aug 2014 to 18th Aug 2014 (both days inclusive)

(iv) **Dividend Payment Date** : No dividend was declared for the year.

(v) **Listing on Stock Exchanges** : The Equity Shares of the Company (Face Value: ₹ 4/- each) are listed on BSE Ltd. Annual listing fee for the financial year 2014-15 has been paid to the said Stock Exchange.

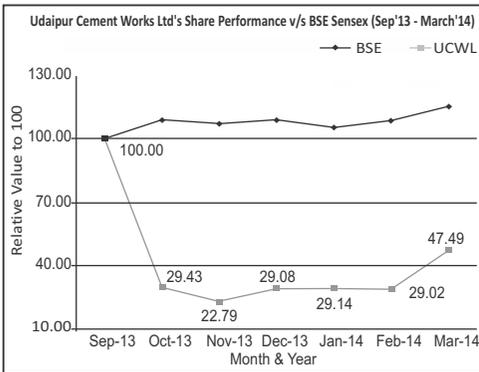
(vi) **Security Code for Company's Equity Shares on Stock Exchanges and ISIN No.:**

BSE – 530131, ISIN No. INE225C01029

(vii) Stock Market Price Data

Months (2013-2014)	BSE Ltd. (in ₹)	
	HIGH	LOW
September 2013	20.00	17.16
October 2013	13.75	5.05
November 2013	4.87	3.77
December 2013	5.74	3.75
January 2014	5.50	4.16
February 2014	5.43	4.46
March 2014	10.47	4.63

(viii) Udaipur Cement Works Ltd.'s Share Performance v/s BSE Sensex (September'13 - March'14)



(ix) Distribution of Shareholdings as on 31st March, 2014

Category (No. of Shares)	No. of Equity Shares of ₹ 4/- each	%	No. of Shareholders	%
1-500	3154075	1.07	14708	87.40
501-1000	972745	0.33	1164	6.92
1001-5000	1723150	0.58	765	4.54
5001-10000	766535	0.26	101	0.60
10001 & above	288588775	97.76	91	0.54
TOTAL	29,52,05,280	100.00	16,829	100.00

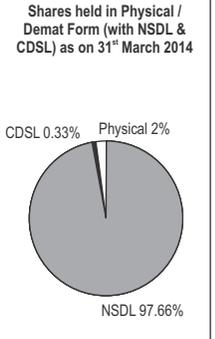
(x) Share Transfer System:

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 and the Share Certificates duly transferred are immediately returned to the transferee/lodger. Transaction in the dematerialized Shares are processed by NSDL / CDSL through the Depository

Participants with whom the shareholders have opened their demat account.

(xi) Dematerialisation of Shares and Liquidity:

The Equity Shares of the Company are actively traded on BSE. Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The *ISIN* No. for Equity Shares of the Company for both the depositories is *INE225C01029*. As on 31st March 2014, 97.99% 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 Mandate and rematerialisation etc. shall be made only to the Depository Participant (DP) of the Shareholders.



(xii) Outstanding GDRs and likely impact on Equity : Not applicable

(xiii) Plant Location :

(1) Udaipur Cement Works Limited
Shripati Nagar P.O. C.F.A.,
Distt. Udaipur-313021, Rajasthan.

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

1. **Udaipur Cement Works Limited**
Secretarial Department,
Gulab Bhawan (Rear Block)
6A, Bahadur Shah Zafar Marg, New Delhi - 110 020
Ph:(011) 30179860 Fax Nos. 91-11-2373 9475
Contact Person: Mr. B.K.Daga
(E-mail: bkdaga@jkmmail.com)

2. **Registrar & Share Transfer Agents – MCS Share Transfer Agent Limited**

F-65, First Floor, Okhla Indl. Area, Phase – I,
New Delhi – 110 020
Ph. 011 41406149-52, Fax No. 91-11-41709881
(E-mail: admin@mcsdel.com)
Contact Person: MrAjay Dalal
(E-mail: ajay@mcsdel.com)

10. DECLARATION :

This is to confirm that for the financial year 2012-14 ended 31st March 2014 (18 months), 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.

O.N. Rai
Chairman

**AUDITORS' COMPLIANCE CERTIFICATE
ON CORPORATE GOVERNANCE**

**To the Members of Udaipur Cement Works
Limited**

We have examined the compliance of conditions of Corporate Governance by Udaipur Cement Works Limited for the year 2012-2014 ended 31st March 2014 (18 months), as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with, in all material respect, with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For OM PRAKASH S. CHAPLOT & CO.

Chartered Accountants

FRN 000127C

O. P. CHAPLOT

Partner

M.No. 010184

Place : Udaipur

Dated : 15th May 2014

Independent Auditor's Report

To the Members of Udaipur Cement Works Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Udaipur Cement Works Limited ('the Company') which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the period ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts

and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements."

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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

-
- (ii) in the case of the Statement of Profit and Loss, of the profit / loss for the period ended on that date; and
- (iii) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated

13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. However, all the directors of the company except Mr. S.K. Kinra, special director appointed by Hon'ble BIFR & Mr. Ganpat Singh, appointed as Additional Director on November 1, 2012 are disqualified to be appointed/ re-appointed as directors in any other public company;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For OM PRAKASH S. CHAPLOT & CO.

Chartered Accountants

FRN 000127C

O. P. CHAPLOT

Partner

M.No. 010184

Place : Udaipur

Dated : 15th May 2014

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in Paragraph (1) of the Auditors' Report of even date to the members of Udaipur Cement Works Limited for the period ended 31st March 2014]

- i)
- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) Physical verification of fixed assets has been carried out by the management according to the program of physical verification in phased manner and no material discrepancies were noticed from such verification.
 - c) As per information and explanations provided by the management and records made available to us, fixed assets disposed off during the period, were not substantial and as such it has not affected the going concern status of the Company.
- ii)
- a) Physical verification of inventories has been conducted by the management during the period under audit and at the end of the year.
 - b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of accounts. Further, a sum of Rs 333.79 lacs has been written-off during the period relating to inventory becoming unusable on account of obsolesce, corrosion, weathering, etc. due to suspension of the plant operations since 2002.
- (iii)
- a) The Company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the registered maintained u/s 301 of the Act and accordingly the provisions of paragraph 4(iii)(b) to (d) are not applicable.
 - b) The Company has not taken any loans secured or unsecured from Companies, firms or other parties covered under the registered maintained u/s 301 of the Act and accordingly the provisions of paragraph 4(iii)(e) to (g) are not applicable.
 - iv) The Company has an adequate internal control system commensurate to the size of the Company and nature of its business for the purchase of inventory and fixed assets and for sale of goods & services and no major weaknesses in internal control system has been noticed.
 - v) According to the information and explanations given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Act and transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi) The Company has not accepted any deposits from public within the meaning of the directives issued by the Reserve Bank of India and under the provisions of section 58A, 58AA or any other relevant provisions of the Act and the Rules framed there under. As informed to us no order has been passed by the Company Law Board or National Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
 - vii) Internal Audit has been carried out by the own Internal Audit Department formed within the organization and the audit system is commensurate with a size and a nature of business of the Company

- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate.
- ix) d) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues, Wealth Tax, Service Tax, Custom Duty, Cess and other material Statutory dues with the appropriate authorities to the extent applicable. There are no material statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2014.
- e) According to the records and information and explanations given to us there are following dues under various taxes which has not been deposited on account of any dispute and the amounts involved and the forum where dispute is pending are given below: -
- x) The Company's accumulated losses at the end of the period are more than fifty percent of its net worth and it has not incurred cash losses in the current period but Company has incurred cash losses in the immediately preceding period.
- xi) On the basis of records made available and information and explanations given to us, the Company has not defaulted in repayment of dues, considering the sanction of BIFR scheme, to financial institutions, banks and debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society; therefore the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations provided by the management, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

Name of the Statute	Nature of The Dues	Period	Forum where dispute is pending	Amount (In ₹)
Central Excise Act	Excise Duty	1995-96	High Court	4,40,017
	Excise Duty (Interest)	2000-01	Assistant Commissioner Central Excise, Udaipur	2,81,325
Service Tax Act	Service Tax	1997-98	Assistant Commissioner of Excise (S.T.)	66,05,892
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

- xvi) The Company has obtained a term loan from a Bank. Pending its utilization for the purpose it has been sanctioned, the amount is temporarily held in Current Account of the Company.
- xvii) Based on the examination of the documents and records made available and on the basis of information and explanations given to us, we are of the opinion that the Company has not raised any short-term funds. Accordingly, the provisions of clause 4(xvii) are not applicable to the Company.
- xviii) According to the information and explanations given to us, the Company has made preferential allotment of equity shares during the period to the Holding Company amounting to ₹ 7800 Lacs in pursuance to BIFR scheme.
- xix) According to information & explanations provided by the management, no debentures have been issued during the period.
- Accordingly, the provisions of clause 4 (xix) are not applicable to the Company.
- xx) The Company has not raised any money through a public issue during the period. Accordingly, the provisions of clause 4(xx) are not applicable to the Company.
- xxi) Based on the audit procedures performed and on the basis of information and explanations provided by the management which have been relied upon by us, no fraud on or by the Company has been noticed or reported during the course of our audit or have been informed by the management.

For OM PRAKASH S. CHAPLOT & CO.

Chartered Accountants

FRN 000127C

O. P. CHAPLOT

Partner

M.No. 010184

Place : Udaipur

Dated : 15th May 2014

BALANCE SHEET

As at 31st March 2014

(Amount in ₹ Lacs)

Particulars	Note	31 st Mar. 2014	30 th Sep. 2012
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	2	12,317.73	4,517.73
(b) Reserves and Surplus	3	(9,887.06)	(10,121.82)
(c) Advance against Shares	4	3,378.53	7,002.83
		<u>5,809.20</u>	<u>1,398.74</u>
(2) NON-CURRENT LIABILITIES			
(a) Long-Term Borrowings	5	5,000.00	-
(b) Other Long-Term Liabilities	6	637.69	849.45
(c) Long-Term Provisions	7	35.31	26.49
		<u>5,673.00</u>	<u>875.94</u>
(3) CURRENT LIABILITIES			
(a) Trade Payables		574.77	584.06
(b) Other Current Liabilities	8	1,375.72	1,214.90
(c) Short-Term Provisions	9	46.10	47.62
		<u>1,996.59</u>	<u>1,846.58</u>
Total		<u>13,478.79</u>	<u>4,121.26</u>
II. ASSETS			
(1) NON - CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10	5,318.81	2,096.84
(ii) Intangible Assets	10	21.84	-
(iii) Capital Work-in-Progress		1,681.91	382.36
(b) Long-Term Loans and Advances	11	151.78	-
(c) Other Non-Current Assets	12	35.43	-
		<u>7,209.77</u>	<u>2,479.20</u>
(2) CURRENT ASSETS			
(a) Inventories	13	571.43	421.62
(b) Trade Receivables	14	121.46	98.90
(c) Cash and Bank Balances	15	5,235.40	562.03
(d) Short-Term Loans and Advances	16	284.17	559.51
(e) Other Current Assets	17	56.56	-
		<u>6,269.02</u>	<u>1,642.06</u>
Total		<u>13,478.79</u>	<u>4,121.26</u>

Significant Accounting Policies

Notes on the Financial Statements

1

2-45

The accompanying notes form an integral part of the Financial Statements

As per our report of even date
For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN : 000127C

O.P. Chaplot
Partner
M. No. : 010184

Place: Udaipur
Date : 15th May, 2014

R.K. GUPTA
Whole Time Director &
Company Secretary

For and on behalf of the Board

Onkar Nath Rai

Vinit Marwaha

S.K. Kinra

Ganpat Singh

Directors

STATEMENT OF PROFIT AND LOSS

For the Period Ended 31st March 2014

Particulars	Note	(Amount in ₹ Lacs)	
		31 st Mar. 2014 (18 Month)	30 th Sep. 2012 (18 Month)
I. Revenue from Operations	18	3,153.99	-
Less : Excise Duty		466.58	-
Revenue from Operations (Net)		2,687.41	-
II. Other Income	19	38.55	4.83
III. Total Revenue (I + II)		2,725.96	4.83
IV. Expenses			
(a) Cost of Materials consumed	20	2,141.83	-
(b) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	21	(206.25)	-
(c) Employee benefit expense	22	138.22	17.66
(d) Other expenses	23	721.05	473.96
Total Expenses		2,794.85	491.62
V. Profit / (Loss) before Interest, Depreciation & Tax (PBITD) (III-IV)		(68.89)	(486.79)
Finance Costs	24	35.01	-
Depreciation and Amortization Expense	25	397.90	1,100.46
VI. Profit / (Loss) before Exceptional Items & Tax		(501.80)	(1,587.25)
VII. Exceptional Items	33	736.56	324.93
VIII. Profit / (Loss) before Tax (VI+VII)		234.76	(1,262.32)
IX. Tax Expenses		-	-
X. Profit / (Loss) for the period		234.76	(1,262.32)
XI. Earning per Equity Share (₹) :	26		
Cash		0.62	(0.24)
Basic & Diluted		0.23	(1.89)
Notes on Financial Statements	2-45		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date
For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN : 000127C

O.P. Chaplot
Partner
M. No. : 010184

Place: Udaipur
Date : 15th May, 2014

R.K. GUPTA
Whole Time Director &
Company Secretary

For and on behalf of the Board

Onkar Nath Rai

Vinit Marwaha

S.K. Kinra

Ganpat Singh

Directors

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The financial statements have been prepared under historical cost convention on accrual basis in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956, read with General Circular No.15/2013 dated 13th September 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. Accounting Policies are consistent with the Generally Accepted Accounting Principles.
 - 1.2 Fixed Assets are stated at cost of acquisition / purchase subject to impairment.
 - 1.3 Expenditure during construction / erection period is included under Capital Work-in-Progress and is allocated to the respective fixed assets on completion of construction / erection.
 - 1.4 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 charged to Statement of Profit & Loss. Premium in respect of forward contracts is recognized over the life of the contract.
 - 1.5 Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost and quoted / fair value computed category wise.
 - 1.6 Inventories are valued at lower of cost and net realisable value (except scrap / waste which is valued at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process stock include cost of conversion and other charges incurred in bringing the Inventories to their present location and condition.
 - 1.7 Revenue is recognized when significant risk and reward of ownership have been passed on to the Customer. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss and other revenue incentives are netted from respective head. Project subsidy is credited to Capital Reserve.
 - 1.8 Revenue expenditure on research and development is charged to Statement of profit and loss and capital expenditure is added to the fixed assets.
 - 1.9 Borrowing cost is charged to Statement of Profit and Loss except cost of borrowing for acquisition of qualifying assets, which is capitalised till the date of commercial use of the assets.
 - 1.10 (i) Depreciation on Buildings, Plant & Machinery and Railway Siding is provided as per straight line method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as amended. Depreciation on Furniture & Fixtures, Office Equipments, Vehicles and Locomotives is provided on written down value method as per the said Schedule. Continuous Process Plants as defined in Schedule XIV have been considered on technical evaluation. Depreciation on impaired assets is provided on the basis of their residual useful life.

(ii) Leasehold land is being amortised over the lease period.
 - 1.11 The carrying amounts of Assets 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 exceeds its recoverable amount. Previously recognised impairment loss is further provided or reversed depending on change in its estimated recoverable amount in subsequent years.
-

- 1.12 Intangible Assets are being recognized if the future economic benefits attributable to the Assets expected to flow to the Company and cost of the Asset can be measured reliably. The same are being amortised over the expected duration of benefits.
- 1.13 Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognised in respect of current year and prospective years. Deferred Tax Assets is recognized on the basis of reasonable / virtual certainty that sufficient future taxable income will be available against which the same can be realised.
- 1.14 Employee Benefits:
- (i) Defined Contribution Plan
- Employees benefits in the form of Superannuation Fund and Provident Fund (PF) considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year when the contribution to the respective funds are due.
- (ii) Defined Benefit Plan
- Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit method, as at the date of the Balance Sheet. Actuarial gain / losses, if any, are immediately recognized in the Statement of Profit and Loss.
- (iii) Short Term Employee Benefits
- Short term compensated absences are provided based on past experience of the leave availed.
- 1.15 Provisions in respect of present obligation arising out of past events are made in accounts when reliable estimates can be made of the amount of the obligation. Contingent Liabilities (if material) are disclosed by way of Notes to Accounts. Contingent Assets are not recognised or disclosed in Financial Statements.

(Amount in ₹ Lacs)

Particulars	31 st Mar. 2014	30 th Sep. 2012
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Note 2**SHARE CAPITAL****Authorised :**

Equity Shares	- 29,75,00,000 of ₹ 4 each (Previous period 18,50,00,000 of ₹ 4 each)	11,900.00	7,400.00
Preference Shares	- 60,00,000 of ₹ 10 each (Previous period 5,10,00,000 of ₹ 10 each)	600.00	5,100.00
		<u>12,500.00</u>	<u>12,500.00</u>

Issued, Subscribed & Paid up:**Equity Shares**

- 29,52,05,280 of ₹ 4 each (Previous period 10,02,05,280 of ₹ 4 each) fully paid up	11,808.21	4,008.21
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Zero Coupon Preference Shares

- 45,31,948 Shares of ₹ 10 each (Previous period 45,31,948 of ₹ 10 each) fully paid up (series-I) (Issued in consideration other than cash)	453.19	453.19
- 563,282 Shares of ₹ 10 each (Previous period 563,282 of ₹ 10 each) fully paid up (series-II) (Issued in consideration other than cash)	56.33	56.33
	<u>12,317.73</u>	<u>4,517.73</u>

a. Reconciliation of number of Share Outstanding :**Equity Shares**

	Number	Number
Opening Balance	100,205,280	63,103,243
Shares Issued during the period	195,000,000	37,102,037
Shares Bought back during the period	-	-
Shares Outstanding at the end of the period	<u>295,205,280</u>	<u>100,205,280</u>

Zero Coupon Preference Shares**Series - I**

Opening Balance	4,531,948	4,531,948
Shares Issued during the period	-	-
Shares Bought back during the period	-	-
Shares Outstanding at the end of the period	<u>4,531,948</u>	<u>4,531,948</u>

Series - II

Opening Balance	563,282	563,282
Shares Issued during the period	-	-
Shares Bought back during the period	-	-
Shares Outstanding at the end of the period	<u>563,282</u>	<u>563,282</u>

b. Shares held by Holding Company

22,27,75,000 Shares (Previous period 2,77,75,000 Shares) held by JK Lakshmi Cement Ltd.	8,911.00	1,111.00
--	----------	----------

During the period the equity shareholding of JK Lakshmi Cement Ltd. increased from 27.72% to 75.46%.

Consequently, the Company has become a subsidiary of JK Lakshmi Cement Ltd w.e.f. 28th March 2014.

(Amount in ₹ Lacs)

31st Mar. 2014 30th Sep. 2012

c. List of Shareholders holding more than 5% of the aggregate shares of the Company:

Shareholders Name	Number	Number
Equity Shares		
JK Lakshmi Cement Ltd.	222,775,000	27,775,000
Florence Investech Ltd.	35,486,242	-
Bengal & Assam Company Ltd.	-	31,153,242
Sunflag Commercial Enterprises Ltd.	-	7,075,000
Asset Reconstruction Co. India Ltd.	-	6,454,147
Zero Coupon Preference Shares		
ICICI Bank Ltd.	2,215,670	2,215,670
Unit Trust of India	1,481,560	1,481,560
Life Insurance Corporation of India	362,550	362,550

d. 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.
- e. During the period, the Company has reclassified its Authorised Share Capital pursuant to BIFR Sanctioned Rehabilitation Scheme. Accordingly, authorised Share Capital of ₹ 12,500 lacs stands reclassified i.e. 29,75,00,000 Equity Shares of ₹ 4 each & 60,00,000 Preference Shares of ₹ 10 each.
- f. During the period, the Company has allotted Equity Shares of ₹ 7,800 lacs on preferential basis against Cash to the Holding Company.
- g. The Company has initiated the process of seeking requisite steps/approval for enhancement of Authorised Share Capital from ₹ 12,500 lacs to ₹ 20,000 lacs. The amount contributed by the holding Company has been shown as advance against shares (Refer note 4), which will be converted into share capital in due course.
- h. The Zero Coupon Redeemable Preference Shares (ZCPS) aggregating to ₹ 509.52 lacs are redeemable on 31st March 2017 i.e. at the end of 7 years from the cut off date as per the Scheme.

(Amount in ₹ Lacs)

31st Mar. 2014

30th Sep. 2012

Note 3

RESERVES AND SURPLUS

Capital Reserve

Balance as per last Financial Statement	-	1.31
Add : Amount credited on write off of Secured Lenders and transfer of forfeited shares to reserve.	-	5,123.30
Less: Amount utilized against the accumulated losses as per the Scheme.	-	5,124.61
	-	-

Securities Premium Reserve

Balance as per last Financial Statement	-	6,088.62
Add : Share Premium credited on issue of Equity to Secured Lenders as per the Scheme.	-	622.77
Less: Amount utilized against the accumulated losses as per the Scheme.	-	6,711.39
	-	-

Capital Reduction Reserve

Balance as per last Financial Statement	-	-
Add : Amount credited for reduction in Equity & ZeroCoupon Preference Shares as per the Scheme.	-	8,387.91
Less: Amount utilized against the accumulated losses as per the Scheme.	-	8,387.91
	-	-

Surplus/ (Deficit) in the Statement of Profit and Loss

Balance as per last financial statements	(10,121.82)	(29,083.41)
Add: Transferred from Statement of Profit & Loss	234.76	(1,262.32)
Add: Transferred from Capital Reserve	-	5,124.61
Add: Transferred from Securities Premium Reserve	-	6,711.39
Add: Transferred from Capital Reduction Reserve	-	8,387.91
	(9,887.06)	(10,121.82)
	(9,887.06)	(10,121.82)

Note 4

ADVANCE AGAINST SHARES

Advance against Shares { Refer Note 2 (g) }	3,378.53	7,002.83
	3,378.53	7,002.83

(Amount in ₹ Lacs)

	Non - Current		Current*	
	31 st Mar. 2014	30 th Sep. 2012	31 st Mar. 2014	30 th Sep. 2012

Note 5

LONG-TERM BORROWINGS

SECURED LOANS

Term Loans:

From Banks	5,000	-	-	-
Amount disclosed under the head "Other Current Liabilities"	-	-	-	-
(Refer Note 8)	5,000	-	-	-

* Due & payable within one year

Term Loan from a Bank of ₹ 5,000 lacs is secured / to be secured by way of first pari passu charge on all the immovable and movable fixed assets of the Company situated at Shripati Nagar, Distt. Udaipur, Rajasthan. This Term Loan shall be repayable in 28 equal quarterly installments commencing from 1st October 2015. This Term Loan is also secured by a Corporate Guarantee of the Holding Company.

(Amount in ₹ Lacs)

31st Mar. 2014 30th Sep. 2012

NOTE 6

OTHER LONG-TERM LIABILITIES

Payable towards Govt. & other dues	625.66	849.45
Trade Deposits	12.03	-
	<u>637.69</u>	<u>849.45</u>

NOTE 7

LONG-TERM PROVISIONS

Provision for Employees' Benefits	35.31	26.49
	<u>35.31</u>	<u>26.49</u>

(Amount in ₹ Lacs)

31st Mar. 2014 30th Sep. 2012

Note 8

OTHER CURRENT LIABILITIES

Current maturities of Long-term debts (Refer Note 5)	-	-
Advance from Customers	530.44	284.15
Govt. and other dues	595.84	812.42
Capital Creditors	104.50	-
Other Liabilities	144.94	118.33
	<hr/>	<hr/>
	1,375.72	1,214.90
	<hr/>	<hr/>

NOTE 9

SHORT TERM PROVISIONS

Provision for Employees' Benefits	46.10	47.62
	<hr/>	<hr/>
	46.10	47.62
	<hr/>	<hr/>

**NOTE 10
TANGIBLE ASSETS**

(Amount in ₹ Lacs)

PARTICULARS	Gross Block (At Cost)		Depreciation / Amortization		Net Block					
	As at 1-Oct-12	Additions/ Adjustments	Sales/ Adjustments	As at 31-Mar-14	Upto 1-Oct-12	During the Period	On Sales/ Adjustments	Upto 31-Mar-14	As at 31-Mar-14	As at 30-Sep-12
Land	115.87	-	-	115.87	-	-	-	-	115.87	115.87
Leasehold Land	85.03	-	-	85.03	64.96	0.22	-	65.18	19.85	20.07
Building	1,587.80	49.37	6.46	1,630.71	622.48	64.84	1.36	685.96	944.75	965.32
Plant & Machinery	15,077.52	3,755.93	5,442.29	13,391.16	14,115.03	306.42	5,170.14	9,251.31	4,139.85	962.49
Railway Siding & Locomotives	207.28	-	105.35	101.93	182.62	19.69	107.86	94.45	7.48	24.66
Furniture & Fixtures	103.60	57.97	-	161.57	98.85	9.91	-	108.76	52.81	4.75
Office Equipments	15.73	40.08	-	55.81	12.94	5.98	-	18.92	36.89	2.79
Vehicles	15.22	1.50	2.66	14.06	14.33	1.31	2.89	12.75	1.31	0.89
Total	17,208.05	3,904.85	5,556.76	15,556.14	15,111.21	408.37	5,282.25	10,237.33	5,318.81	2,096.84
Previous Year	16,789.60	418.45	-	17,208.05	12,387.74	2,720.47	3.00	15,111.21	2,096.84	-

INTANGIBLE ASSETS

Computer Software*	-	27.30	-	27.30	-	5.46	-	5.46	21.84	-
Previous Year	-	-	-	-	-	-	-	-	-	-

*Being amortized over a period of 5 years.

(Amount in ₹ Lacs)

31st Mar. 2014 30th Sep. 2012

NOTE 11
LONG-TERM LOANS AND ADVANCES

Secured	-	-
Unsecured, considered good		
Capital Advances	10.65	-
Deposits with Govt. & others	141.13	-
	<u>151.78</u>	<u>-</u>

NOTE 12
OTHER NON-CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

Non-Current Bank Balances (Refer Note 15)	35.43	-
	<u>35.43</u>	<u>-</u>

NOTE 13
INVENTORIES

(As certified by the Management)

Raw Materials (Includes Stock in Transit of ₹ 13.08 Lacs (Previous period Nil))	220.66	39.13
Work-in-Progress	-	44.47
Finished Goods	251.26	7.08
Stores & Spares	99.51	330.94
	<u>571.43</u>	<u>421.62</u>

NOTE 14
TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Outstanding for period exceeding Six months from the date they are due
for payment

Considered Good	84.94	98.90
Doubtful	374.43	395.61
Less : Provision for doubtful receivables	(374.43)	(395.61)
Others	36.52	-
	<u>121.46</u>	<u>98.90</u>

(Amount in ₹ Lacs)

31st Mar. 2014 30th Sep. 2012

NOTE 15

CASH AND BANK BALANCES

Cash and Cash Equivalents

Balances with Banks		
On Current Accounts	5,121.65	12.24
Deposits with original maturity of less than 3 months	113.11	531.52
Cash on Hand	0.64	1.77
Cheques on Hand	-	16.50
	<u>5,235.40</u>	<u>562.03</u>

Other Bank Balances

Deposits with original maturity of more than 12 months*	35.43	-
	<u>35.43</u>	<u>-</u>
Less : Amount disclosed under Non-Current Assets (Refer Note 12)	(35.43)	-
	<u>5,235.40</u>	<u>562.03</u>

*Under lien with Bank

NOTE 16

SHORT-TERM LOANS & ADVANCES

Secured

Unsecured, considered good

Advance Income Tax (Net of Provision)	4.38	-
Prepaid Expenses	9.69	3.12
Balance with Govt. Authorities and Others	121.54	177.65
Other Advances	148.56	378.74
	<u>284.17</u>	<u>559.51</u>

NOTE 17

OTHER CURRENT ASSETS

Assets held for Sale	56.56	-
	<u>56.56</u>	<u>-</u>

(Amount in ₹ Lacs)

Oct'12-Mar'14
(18 months) Apr'11-Sep'12
(18 months)

NOTE 18

REVENUE FROM OPERATIONS

Sale of Products

Cement (Refer Note 34)	3,153.99	-
Others	-	-
Other Operating Revenues	-	-
Revenue from Operations (Gross)	3,153.99	-
Less : Excise Duty	466.58	-
Revenue from Operations (Net)	2,687.41	-

NOTE 19

OTHER INCOME

Interest Income	38.55	4.83
	38.55	4.83

NOTE 20

COST OF MATERIALS CONSUMED *

Clinker	1,639.47	-
Gypsum	112.14	-
Fly Ash	222.35	-
Packing Material	167.87	-
	2,141.83	-

*

Indigenous	2,141.83	-
Imported	-	-
Total	2,141.83	-

	% of Total	% of Total
Indigenous	100.00%	-
Imported	-	-
Total	100.00%	-

(Amount in ₹ Lacs)

Oct*12-Mar*14
(18 months) Apr*11-Sep*12
(18 months)

NOTE 21

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

Opening Stocks		
Work-in-Progress	44.47	88.93
Finished Goods	7.08	14.16
	<u>51.55</u>	<u>103.09</u>
Less: Inventory Written off (Read with Note 33 a)	(51.55)	(51.54)
	<u>-</u>	<u>51.55</u>
Closing Stocks		
Work-in-Progress	-	44.47
Finished Goods	251.26	7.08
	<u>251.26</u>	<u>51.55</u>
Add / (Less) : Excise Duty Variance on Stock	45.01	-
(Increase) / Decrease in Stocks	<u>(206.25)</u>	<u>-</u>

NOTE 22

EMPLOYEES BENEFIT EXPENSES

Salaries & Wages	97.86	6.60
Contribution to Provident and Other Funds (Refer Note 42)	12.28	9.97
Staff Welfare Expenses	28.08	1.09
	<u>138.22</u>	<u>17.66</u>

NOTE 23

OTHER EXPENSES

Consumption of Stores & Spares* (Refer Note 35 a)	11.59	-
Insurance	3.75	3.26
Transport, Clearing & Forwarding Charges	246.73	-
Power & Fuel	210.59	-
Rent	3.70	3.05
Repairs to Buildings	10.30	2.87
Repairs to Machinery	23.20	10.11
Rates & Taxes	16.93	14.22
Prior Period Expenses	98.12	109.60
Provision for Doubtful Debts	-	268.89
Advertisement, Consultancy, Travelling etc.	96.14	61.96
	<u>721.05</u>	<u>473.96</u>

*

Indigenous	11.59	-
Imported	-	-
Total	<u>11.59</u>	<u>-</u>
	% of Total	% of Total
Indigenous	100.00%	-
Imported	-	-
Total	<u>100.00%</u>	<u>-</u>

(Amount in ₹ Lacs)

Oct'12-Mar'14 **Apr'11-Sep'12**
(18 months) **(18 months)**

NOTE 24
FINANCE COSTS

Other Interest	35.01	-
	<hr/> 35.01	<hr/> -

NOTE 25
DEPRECIATION AND AMORTISATION EXPENSES

Depreciation on Tangible Assets	408.37	2,720.47
Amortisation on Intangible Assets	5.46	-
Less : Shown as Exceptional Item	15.93	1,620.01
	<hr/> 397.90	<hr/> 1,100.46

NOTE 26
EARNING PER SHARE

Profit / (Loss) after tax available for Equity Shareholders	234.76	(1,262.32)
Weighted average number of Equity Shares	1,016.34	667.59
Earning Per Share (₹) (Face Value of ₹ 4 each)		
- Cash	0.62	(0.24)
- Basic and diluted	0.23	(1.89)

NOTES TO ACCOUNTS

27 The Company is registered as a Sick Company with BIFR. Due to nonviability, operations of the plant were under suspension since 26th March, 2002. A Rehabilitation Scheme for the Company (the Scheme) has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR), New Delhi on 13th January 2012 under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. As per the Scheme, JK Lakshmi Cement Ltd. has infused ₹ 12,289.53 lacs out of which the Company has allotted Equity Shares of ₹ 8911.00 lacs on preferential basis in pursuance to the BIFR Sanctioned Scheme. Accordingly, these Accounts have been prepared on "going concern" basis.

28 Estimated amount of contracts remaining to be executed on capital account (Net of Advances) ₹ 7,888.48 lacs (Previous period – ₹ 206.64 lacs)

29 Contingent Liability in respect of claims not accepted by the Company (matters in appeals) and not provided for are as follows:

	(Amount in ₹ Lacs)	
	31 st Mar'14	30 th Sep'12
a) Excise duty in respect of matters in appeal	7.21	7.21
b) Sales Tax in respect of matters in appeal	42.30	42.30
c) Service tax	66.06	66.06
d) Land Tax	1029.29	2,388.70
e) Other matters	115.41	115.41
	<u>1,260.27</u>	<u>2,619.68</u>

30 In view of uncertainty to have taxable profits in near future, Deferred Tax Assets in accordance with the Accounting Standard- 22 issued by the Institute of Chartered Accountants of India has not been recognised as there is no virtual certainty of sufficient future taxable income. The relief from Minimum Alternate Tax (MAT) is available to the Company as provided in explanation (vii) to Section 115 JB(2) of Income Tax Act, 1961.

31 Contingent liability for non-use of Jute bags for Cement packing upto 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 1st July, 1997.

32 During the Current Period, the Company has changed with retrospective effect, the method of providing depreciation on Furniture & Fixtures, Office Equipments, Locomotives & Vehicles from 'Straight Line' to 'Written Down Value' at the rate prescribed in Schedule XIV to the Companies Act, 1956. This shall result in more systematic basis of apportionment of Depreciation Charge over the useful economic life of the respective assets. This change has resulted in an additional depreciation charge of ₹ 15.37 lacs comprising of ₹ (0.56) lacs for the period and ₹ 15.93 lacs for the earlier years, which has been shown as an Exceptional Item. The Profit after tax for the period would have been higher by ₹ 15.37 lacs had the Company continued to follow the earlier method of depreciation.

-
- 33 Exceptional Items of ₹ 736.56 lacs comprises of -
- a) Non-usable inventory written off amounting to ₹ 333.79 lacs due to factors such as obsolescence, corrosion, weathering & others due to the suspension of plant since 2002. In Previous period 50% book value of Inventories were written off aggregating to ₹ 421.62 lacs as provided in the BIFR Sanctioned scheme.
 - b) Certain old recoverable / payable balances amounting to ₹ 78.07 lacs (net) were written back during the Period.
 - c) Profit on Sale of Old & Obsolete Fixed Assets amounting to ₹ 1008.21 lacs which were scrapped due to complete suspension of operation since 2002.
 - d) Depreciation for earlier years due to change in method of depreciation amounting to ₹ 15.93 lacs.
- 34 a) Sales include own consumption at cost ₹ 2.36 lacs (Previous period - Nil)
- b) Sales includes Sales Tax / Value added Tax subsidy of ₹ 29.09 lacs (Previous period - Nil)
- 35 a) Consumption of Stores & Spares is net of Scrap Sale ₹ 33.09 lacs (Previous period – Nil)
- b) Prior Period Expenses aggregates to ₹ 98.12 lacs (Previous period ₹ 106.08 Lacs) includes ₹ 90.57 lacs for Excise Duty & Interest expenses on Inventory written off, BIS Fee of ₹ 3.19 lacs, & Other expenses of ₹ 4.36 lacs.
- 36 The liabilities pertaining to the statutory levies and pending legal cases prior to 1st Dec 1993 (date of take over of the cement undertaking from Bajaj Hindustan Limited) will be borne by Bajaj Hindustan Limited.
- 37 The Company has only one business segment namely Cementitious Materials.
- 38 a) 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 31st March 2014 - Nil (Previous period ₹ 2.39 lacs).
 - ii) Interest paid in terms of section 16 of the MSME Act during the period - Nil (Previous period - 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 period) but without adding the interest specified - Nil (Previous period - Nil).
Payment made beyond the appointed day during the period - Nil (Previous period - Nil).
 - iv) Interest Accrued and unpaid as at 31st March 2014 - Nil (Previous period - Nil).
- b) Some of the Balances of debtors and creditors are in process of confirmation.
-

39 Amount Paid to Auditors

	Oct'12-Mar'14	(Amount in ₹ Lacs) Apr'11-Sep'12
(i) Statutory Auditors		
Audit Fee	0.35	0.25
Tax Audit	0.35	-
Other Services	0.29	0.57
Limited Review Fee	0.38	-
	<u>1.37</u>	<u>0.82</u>
(ii) Cost Auditors		
Cost Audit Fee	0.15	0.14
	<u>0.15</u>	<u>0.14</u>

40 Capital Work-in-Progress includes Machinery in stock, construction / erection materials, advances for construction and Machinery and also includes the following pre-operation expenses pending allocation.

	31 st Mar'14	(Amount in ₹ Lacs) 30 th Sep'12
Power & Fuel	154.84	17.97
Salaries and Wages	457.55	48.99
Staff Welfare Expenses	54.86	-
Insurance	2.97	-
Rent	6.79	-
Travelling, Consultancy & Miscellaneous Expenses	220.94	315.40
Finance Costs	286.40	-
	<u>1184.35</u>	<u>382.36</u>
Add : Expenditure upto previous period	382.36	-
Less : Transferred to Fixed Assets	183.17	-
	<u>1383.54</u>	<u>382.36</u>

41 Related Party Disclosure :

List of Related Parties

- a) Holding Company
JK Lakshmi Cement Ltd. (JKLC) w.e.f. 28th March, 2014 (earlier Associate)
- b) Key Management Personnel (KMP):
Shri R. K. Gupta - Whole Time Director
- c) The following transactions were carried out with related parties in the ordinary course of business :

(Amount in ₹ Lacs)

Nature of Transactions	Holding Company	Associate Company	Key Management Personnel	Holding Company	Associate Company	Key Management Personnel
	Oct'12 - Mar'14 (18 months)			Apr'11 - Sep'12 (18 months)		
(i) Remuneration to KMP*	-	-	4.14	-	-	4.14
(ii) Purchase of Clinker / Cement etc.	13.09	1,839.07	-	-	-	-
(iii) Payment of Brand Royalty	0.35	7.88	-	-	-	-
(iv) Sales of Cement	121.06	2,803.65	-	-	-	-
(v) Guarantee given on behalf of the Company for Loan availed	5,000.00	-	-	-	-	-
(vi) Advance against Shares#	4,175.70	-	-	-	6,819.92	-
(vii) Outstanding as at period end						
- Payable	-	-	-	-	-	-
- KMP (Net)	-	-	0.01	-	-	-
- Remuneration to KMP	-	-	0.02	-	-	0.74
- JK Lakshmi Cement Ltd. (JKLC)	3,582.39	-	-	-	7,005.23	-

*Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

During the period, the company has allotted Equity Shares of ₹ 7,800 lacs against such advance.

42 Employee Benefit Expenses*

(a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuation on 31st March, 2014.

(Amount in ₹ Lacs)

		Oct'12 – Mar'14	
		Gratuity Funded	Leave Encashment Non Funded
I	Expenses recognised in the Statement of Profit & Loss for the period ended 31st March, 2014		
1	Current Service Cost	14.92	18.96
2	Interest Cost	21.72	-
3	Expected return on plan assets	(24.83)	-
4	Actuarial (Gains) / Losses	24.35	-
5	Total expense	36.17	18.96
II	Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2014		
1	Present Value of Defined Benefit Obligation as at 31 st March, 2014	175.04	18.96
2	Fair value of plan assets as at 31 st March, 2014	139.08	-
3	Funded status [Surplus/(Deficit)]	(35.96)	-
4	Net Asset / (Liability) as at 31 st March, 2014	(35.96)	(18.96)

III	Change in obligation during the period ended 31st March, 2014		
1	Present Value of Defined Benefit Obligation at the beginning of the period	206.88	18.96
2	Current Service Cost	14.92	-
3	Interest Cost	21.72	-
4	Actuarial (Gains) / Losses	14.37	-
5	Benefits Payments	(82.86)	-
6	Present Value of Defined Benefit Obligation at the end of the period	175.04	18.96
IV	Change in Assets during the period ended 31st March, 2014		
1	Fair value of plan assets at the beginning of the period	206.88	-
2	Expected return on plan assets	24.83	-
3	Contributions by employers	0.21	-
4	Actual benefits paid	(82.86)	-
5	Actuarial gains/ (Loss)	(9.98)	-
6	Fair value of plan assets at the end of the period	139.08	-
7	Actual return on plan assets	14.85	-
V	Actuarial Assumptions :		
1	Discount Rate	7.00%	
2	Expected rate of return on plan assets	8.00%	
3	Mortality	-	
4	Turnover rate	Age up to 30 - 3%, from 31 to 44 - 2%, above 44 - 1%	
5	Salary Escalation	5.00%	

- a) **Defined Benefit Plan**
Amount recognised as expenses in Note 22 and included here in above.
Item "Salaries and Wages" includes ₹ 2.49 lacs (Previous period- Nil) for Leave Encashment.
Item "Contributions to Provident and Other Funds" includes ₹ 4.53 lacs (Previous period ₹ 8.12 lacs) for Gratuity.
- (b) **Defined Contribution Plans**
Amount recognised as an expense and included in Note 22 "Contributions to Provident and other Funds" of Statement of Profit and Loss ₹5.93 lacs (Previous period ₹1.86 lacs)
- (c) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of assets management, historical results of return on plan assets and the policy for plan assets management.
- (d) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(e) Experience Adjustments

(Amount in ₹ Lacs)

Particulars	Oct'12 – Mar'14
Gratuity Funded	
Defined Benefit Obligation	175.04
Fair Value of Plan Assets	139.08
Surplus / (Deficit)	(35.96)
Expected Adjustments on Plan Liabilities	(14.37)
Expected Adjustments on Plan Assets	(9.98)
Leave Encashment	
Defined Benefit Obligation	18.96
Fair Value of Plan Assets	-
Surplus / (Deficit)	(18.96)
Expected Adjustments on Plan Liabilities	-

*Previous period figures are not available as Actuarial valuation was not done in Previous Years.

43. During the period, the Company has received subsidy of ₹ 1.90 lacs (Previous period - Nil) in terms of State Investment Promotion Scheme, of which ₹ 1.90 lacs (Previous period- Nil) has been reduced from Power & Fuel expenses.
44. Expenditure in Foreign Currency, Earning in Foreign Currency, C.I.F. Value of Imports during the period ₹ Nil (Previous period - Nil)
45. Current period Accounts have been prepared in accordance with the Revised Schedule-VI and previous period's figures have been regrouped/re-classified accordingly.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date
For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN : 000127C

O.P. Chaplot
Partner
M. No. : 010184

Place: Udaipur
Date : 15th May, 2014

R.K. GUPTA
Whole Time Director &
Company Secretary

For and on behalf of the Board

Onkar Nath Rai

Vinit Marwaha

S.K. Kinra

Ganpat Singh

Directors

CASH FLOW STATEMENT

For the 18 months period ended 31st March 2014

(Amount in ₹ Lacs)

	31 st Mar. 2014	30 th Sep. 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax and Exceptional Items	(501.80)	(2,008.87)
Adjustments for:		
Depreciation and Amortisation	397.90	1,100.46
Interest & Dividend Income	(38.55)	(4.83)
Provision for doubtful debts	-	268.89
Finance Cost	35.01	-
Operating Loss before Working Capital changes	(107.44)	(644.35)
Adjustments for :		
Trade & Other Receivables	(20.33)	912.34
Inventories	(483.60)	421.61
Trade & Other Payables	89.90	(303.25)
Net Cash from Operating Activities	(521.47)	386.35
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,231.70)	(800.80)
Sales of Fixed Assets	1,282.73	-
Interest received	38.55	4.83
Net Cash from / (used in) Investing Activities	(3,910.42)	(795.97)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long-Term Borrowings	-	(5,911.46)
Proceeds from Long-Term Borrowings	5,000.00	-
Advance against Shares	(3,624.30)	6,819.92
Increase in Equity Share Capital	7,800.00	-
Interest Paid	(35.01)	-
Net Cash from / (used in) Financing Activities	9,140.69	908.46
D. Increase / (Decrease) in Cash & Cash Equivalents	4,708.80	498.84
E. Cash & Cash Equivalents as at the beginning of the year	562.03	63.19
F. Cash & Cash Equivalents as at the close of the year	5,270.83	562.03
Notes :		
Cash and Cash Equivalents include :		
- Cash, Cheques in hand and remittance in transit	0.64	18.27
- Balance with Scheduled Banks	5,270.19	543.76
	5,270.83	562.03

Previous year's figures have been re-arranged and re-casted wherever necessary.

As per our report of even date
For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN : 000127C

O.P. Chaplot
Partner
M. No. : 010184

Place: Udaipur
Date : 15th May, 2014

R.K. GUPTA
Whole Time Director &
Company Secretary

For and on behalf of the Board

Onkar Nath Rai

Vinit Marwaha

S.K. Kinra

Ganpat Singh

Directors

UDAIPUR CEMENT WORKS LIMITED

Regd. Office: E-2, Transport Nagar, Jaipur- 302 003, Rajasthan

ADMISSION SLIP

Folio No. / DP ID / Client ID#	
No. of Equity Shares held	

I hereby record my presence at the 18th Annual General Meeting of the Company being held at Maharani Palace, Station Road, Jaipur-302 001, Rajasthan, on **Monday**, the **18th August 2014** at **11.00 A.M.**

Name of the Shareholder (in block letter)

Name of Proxy / Authorised Representative attending* (in block letter)

*Strike out whichever is not applicable

#Applicable for shareholders holding shares in dematerialised form.

Signature of the attending Shareholder / Proxy / Authorised Representative*

Note: Please produce this Admission Slip duly filled and signed at the entrance of the meeting hall. Shareholders intending to appoint a proxy may use the Proxy Form given on next page.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

UDAIPUR CEMENT WORKS LIMITED

CIN: L26943RJ1993PLC007267

Registered office: E-2, TRANSPORT NAGAR, JAIPUR- 302 003, RAJASTHAN

E-mail: bkdaga@jkm.com, Website: www.udaipurcement.com

Ph. No. 011-30179860, Fax: 91-011-23739475

Name of the member(s) :
Registered Address :
Email:
Folio No./Client ID
DP ID

I / We, being the member(s) of.....Shares of the above named company, hereby appoint

1. Name : Email :

Address :

Signature: _____
or failing him / her

2. Name : Email :

Address :

Signature: _____
or failing him / her

3. Name : Email :

Address :

Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual general meeting of the Company, to be held on the Monday, 18th August 2014 at 11.00 A.M. at Hotel Maharani Palace, Station Road, Jaipur-302 001, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below

(contd. ...)

in respect of such resolutions as are indicated below:

Resolution Number	Resolution(s)
1	Adoption of the financial statements of the Company for the financial year 2012-14 ended 31 st March 2014(18 months) and the Reports of the Board of Directors and Auditors thereon.
2	Re-appointment of Shri R.K. Gupta, who retires by rotation.
3	Appointment of Auditors and fixing their remuneration.
4	Approval of the Remuneration of the Cost Auditors.
5	Appointment of Shri O.N. Rai as an Independent Director.
6	Approval to increase in Authorised Share Capital from ₹ 125 Crores to ₹ 200 Crores.
7	Authorisation to the Board of Directors for borrowings upto an amount not exceeding ₹ 600 Crores.
8	Authorisation to the Board of Directors to create mortgage/charges in favour of lenders upto an amount not exceeding ₹ 600 Crores.
9	Approval to further issue of Cumulative Redeemable Preference Shares upto an amount not exceeding ₹ 65 Crores.
10	Re-appointment of Shri R.K. Gupta as a Whole-time Director.

Signed this _____ day of _____ 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note :

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at E-2, Transport Nagar, Jaipur- 302 003, Rajasthan, not less than 48 hours before the commencement of the Meeting.

Speed Post/Regd. Post/Courier

Udaipur Cement Works Ltd.
Regd. Office: E-2, Transport Nagar,
Jaipur-302003, Rajasthan, India.