



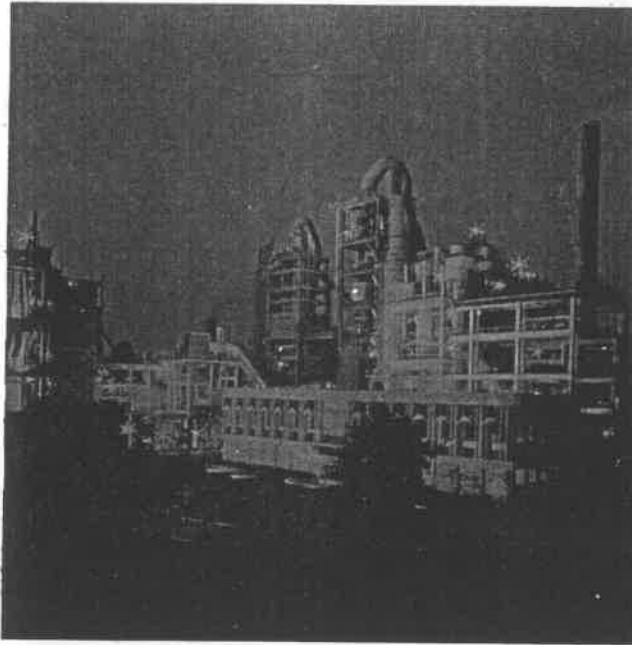
J.K. UDAIPUR UDYOG LIMITED

Regd. Office: Near Dabok, Udaipur-313 024, Rajasthan.

Corporate Office: Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110 002.

PROJECT HIGHLIGHTS

- Project promoted by JK Corp Limited (formerly Straw Products Limited) with diverse business interests in paper, cement, polyester fibres & yarn and magnetic tapes alongwith J.K. Industries Ltd.
- The Company acquired Udaipur Cement Works from Bajaj Hindustan Limited as a going concern with effect from December 2, 1993. The plant has an installed capacity of 0.8 million tonnes per annum (tpa) of cement with the "Dry Process" Technology. The capacity is now being increased to 1 million tpa.
- NO GESTATION PERIOD. Successfully achieved capacity utilisation of 90% since March 1994.
- Large distribution network in place, comprising of over 1200 Stockists.
- Unit located in Rajasthan which is in the cement deficit zone of North India (Source: Cement Manufacturers' Association)
- Project appraised by the Industrial Credit & Investment Corporation of India Ltd. which is also participating in the entire private placement of Non Convertible Debentures of Rs. 38.85 crores, and extending underwriting support to the PCD issue to the extent of Rs. 5 crores.
- JK Corp Limited has wide experience in cement industry and is successfully managing its cement unit - "Lakshmi Cement" in district Sirohi, Rajasthan. The existing capacity of 0.6 million tpa of this plant is being increased to 1.5 million tpa which is planned to be commissioned in the first quarter of 1995. The company has taken on hand further capacity expansion of 0.5 million tpa which will take the total capacity to 2.0 million tpa by end of 1995.



Two simultaneous but unlinked Public Issues of 82,57,000 Equity Shares of Rs. 10/- each at a premium of Rs. 20/- per share aggregating to Rs. 24,77,10,000

AND

27,50,000 - 13.5% Secured Redeemable Partly Convertible Debentures (PCDs) of Rs. 150/- each for cash at par aggregating to Rs. 41,25,00,000

PCDs are assigned "A" (pronounced "A") rating by CRISIL. The rating indicates adequate safety with regard to timely payment of interest and principal.

ISSUE HIGHLIGHTS

- Equity Shares of face value of Rs. 10/- being issued at a premium of Rs.20/- each.
- Part A (Convertible portion of Rs. 60/-) of Partly Convertible Debentures (PCDs) of face value of Rs. 150/- to be converted into two Equity Shares on allotment at a premium of Rs.20/- per Share.
- Facility for sale of khokha portion of PCD arranged. The effective cost per Equity Share to an allottee of PCD opting for khokha buy-back facility would be Rs. 36/- per Share.
- Equity Shares to the extent of Rs. 2 crores and PCDs to the extent of Rs. 9.26 crores are being subscribed on a firm allotment basis by Indian Mutual Funds, Indian Financial Institutions and Banks.
- Easy liquidity - Listing proposed on Bombay, Delhi, Jaipur and Ahmedabad Stock Exchanges.

RISK FACTORS

EXTERNAL

- Profitability may be affected due to changes in the Government's policy towards cement industry and various statutory levies.
- Competition from the existing and proposed manufacturers may affect profitability and projections of the Company.

INTERNAL

- Any cost or time overrun in the implementation of the modernisation and debottlenecking programme might affect the performance of the Company.
- The Company has registered the immovable properties taken over from Bajaj Hindustan Ltd. (BHL) with the concerned authorities. The additional stamp duty, if any, on the land and buildings registered is subject to the decision of the Hon'ble High Court of Jodhpur.

ISSUE OPENS ON 21ST FEBRUARY, 1995

LEAD MANAGERS TO THE ISSUE

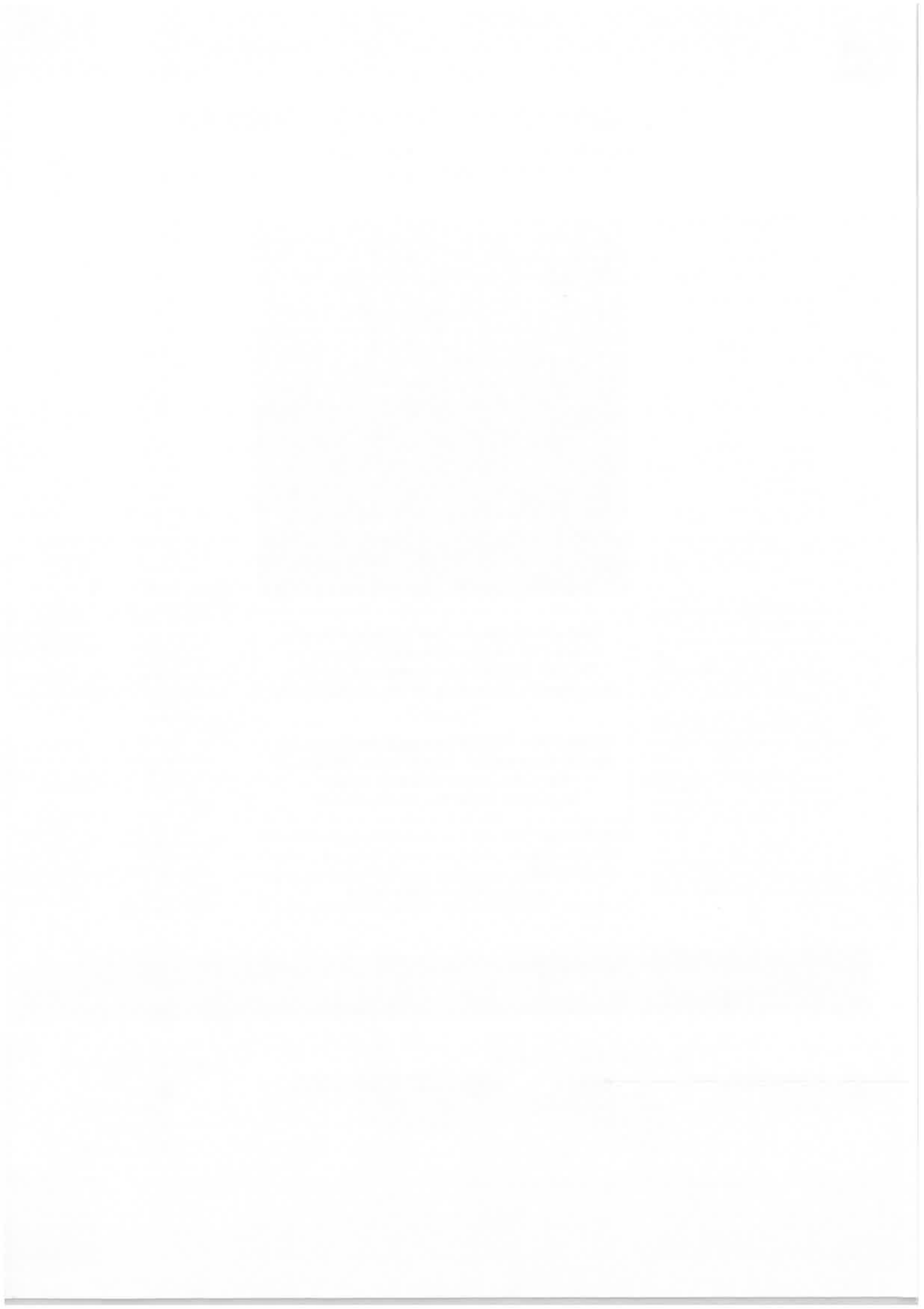
 **ICICI SECURITIES AND FINANCE COMPANY LTD.**
169, Backbay Reclamation,
Bombay 400 020

 **INFRASTRUCTURE LEASING & FINANCIAL SERVICES LTD.,**
India Habitat Centre
East Court, Zone VI
Lodhi Road
New Delhi-110 003

 **THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED**
Merchant Banking Division
Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi-110 001.

REGISTRARS TO THE ISSUE

 **MAS SERVICES PRIVATE LIMITED**
AB-4, Safdarjung Enclave,
New Delhi-110 029.
Ph.: 604142, 604326
Fax: 011-600128
Telex: 031-82084 MASD IN



J.K. UDAIPUR UDYOG LIMITED

(Registered office: near Dabok, Udaipur-313024, Rajasthan)
(Incorporated on March 15, 1993 as a Public Limited Company under the Companies Act 1956
and obtained the Certificate of Commencement of Business on 24th March 1993)

I. GENERAL INFORMATION

INDUSTRIAL LICENCE

Cement industry has been de-licensed w.e.f March 1, 1989. Bajaj Hindusthan Limited (BHL), from whom the undertaking of Udaipur Cement Works (UCW) has been acquired, had obtained an Industrial Licence for manufacture of 8 lacs tpa of Portland cement from the Secretariat of Industrial Approvals, Department of Industrial Development, Ministry of Industry, Government of India (vide its letter No. CIL:68 (86)/Regn. No. 566 (80)-IL/SCS dated February 19, 1986)

DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the offer document by Securities and Exchange Board of India (SEBI) should not in any way be deemed or construed that the same has been cleared or approved by SEBI.

SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the offer document. SEBI has vetted the offer document filed with it for a limited purpose of overseeing, whether the disclosures contained therein are generally adequate and are in conformity with SEBI Guidelines for Disclosure and Investor Protection for the time being in force. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue. It should also be clearly understood that, while the issuer company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Lead Managers are expected to exercise due diligence to ensure that the company discharges its responsibility adequately in this behalf and towards this purpose, the Lead manager Infrastructure Leasing & Financial Services Limited (IL&FS), has furnished to SEBI a Due Diligence Certificate dated December 16, 1994 in accordance with SEBI (Merchant Bankers) Regulation 1992 which reads as follows :

- (1) We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc. and other materials in connection with the finalisation of the draft Prospectus pertaining to the said Issue;
- (2) On the basis of such examination and the discussions with the Company, its directors and other officers, other agencies, independent verification of the statements concerning the objects of the issue, projected profitability, price justification and the contents of the documents mentioned in the Annexure and other material furnished by the company

WE CONFIRM that :

- (a) the draft Prospectus forwarded to SEBI is in conformity with the documents, materials and papers relevant to the Issue;
- (b) all the legal requirements connected with the said Issue as also the guidelines, instructions, etc. issued by SEBI, the Government and any other Competent Authority in this behalf have been duly complied with;
- (c) the disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Issue
- (3) We confirm that besides ourselves, all the intermediaries named in the Prospectus are registered with SEBI and that till date such registration is valid
- (4) We have satisfied ourselves about the worth of the underwriters to fulfill their underwriting commitments.

LISTING

Applications have been made to the Stock Exchanges at Bombay, Delhi, Jaipur and Ahmedabad for permission to deal in, and for official quotation of the existing Equity Shares, Equity Shares and 13.5% Secured Redeemable Partly Convertible Debentures (hereinafter referred to as PCDs) of the Company now being offered in terms of this Prospectus and also the Equity Shares and Non Convertible Debentures that will arise upon conversion of the PCDs

FILING

A copy of this Prospectus, having attached thereto the documents required to be filed under Section 60 of the Companies Act, 1956 (hereinafter referred to as "the Act"), has been delivered for Registration to the Registrar of Companies, Rajasthan at Jaipur

MINIMUM SUBSCRIPTION

If the Company does not receive the minimum subscription of 90% of the issued amount for both the Equity Shares and PCDs, including devolvement of underwriters, within 60 days from the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days, if any, in refund of such subscription, the Company shall pay interest as per Section 73 of the Companies Act, 1956

ALLOTMENT/REFUNDS

Allotment Letters/Debenture/Share Certificates and/or Refund Orders will be sent by registered post as per the extant postal rules within ten weeks from the date of closure of the subscription list. In accordance with the extant postal rules, the Company will ensure despatch of Refund Orders of value upto Rs 1,500/- Under Postal Certificate and Refund Orders of value above Rs 1,500/- and Allotment Letters/Debenture/Share Certificates by registered post only and adequate funds will be made available to the Registrars to the issue. If such money is not repaid within 8 days, from the day the Company becomes liable to pay it, the Company and every director of the Company who is "an officer in default" shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest @ 15% per annum under the provisions of section 73 of the Companies Act 1956 in respect of the delayed period.

Refund will be made by Account Payee cheque or pay order, drawn on the Company's bankers and bank charges, if any, for encashing such cheque or pay order will be borne by the applicant. Such cheque or pay order will however, be payable at par at the places where applications are received

NOTE

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68-A of the Act, which is reproduced below:-

"Any person who -

- (a) makes in a fictitious name an application to a Company for acquiring or subscribing for, any shares therein, Or**
- (b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS AS MENTIONED BELOW OR WILL CLOSE EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (hereinafter referred to as "the Board") BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE DAY MENTIONED UNDER THE CAPTION "EARLIEST CLOSING".

ISSUE OPENS ON	: TUESDAY, 21ST FEBRUARY, 1995
CLOSING NOT LATER THAN	: MONDAY, 6TH MARCH, 1995
EARLIEST CLOSING	: SATURDAY, 25TH FEBRUARY, 1995

LEAD MANAGERS TO THE ISSUE

**ICICI Securities and Finance
Company Ltd**
169, Backbay Reclamation
Bombay 400 020

**Infrastructure Leasing &
Financial Services Ltd.,**
India Habitat Centre
East Court, Zone VI
Lodhi Road, New Delhi 110 003

**The Hongkong & Shanghai
Banking Corporation Limited**
Merchant Banking Division
Mercantile House,
15, Kasturba Gandhi Marg
New Delhi 110 001

CO-MANAGERS TO THE ISSUE

HMG Financial Services Company (P) Ltd
Mehra House, 79-A, Bombay Samachar Marg
Bombay 400 023

REGISTRARS TO THE ISSUE

MAS Services Pvt. Ltd
AB-4, Safdarjung Enclave
New Delhi 110 029
Telephone : 604142/604326

TRUSTEES FOR THE DEBENTUREHOLDERS

**The Industrial Credit & Investment
Corporation of India Limited**
163, Backbay Reclamation
Bombay 400 020

SOLICITORS TO THE ISSUE

OP Khaitan & Company
Tolstoy House, Flats 1102 - 1103
15-17, Tolstoy Marg
New Delhi 110 001

AUDITORS

Lodha & Company
12, Bhagat Singh Marg
New Delhi 110 001

RATING

The Credit Rating Information Services of India Ltd (CRISIL) has rated the present issue of PCDs as "A" (pronounced as "A") vide their letter number "RU/JKUUL/BR/559-94 dated 05/12/94". This rating indicates adequate safety with regard to timely payment of interest and principal

UNDERWRITERS TO THE ISSUE

The net offer of 75,90,300 Equity Shares of Rs 10/- each at a premium of Rs 20/- per Share aggregating to Rs 22,77,09,000/- offered to the Public in terms of this Prospectus has not been underwritten

The net offer of 18,57,450 PCDs of Rs 150/- each for cash at par aggregating to Rs 27,86,17,500/- in terms of this prospectus (excluding 2,75,000 PCDs of Rs 150/- each aggregating to Rs 412.50 lacs reserved for employees of the Company and Promoter Companies which has been Underwritten on a Contingent basis) has been fully underwritten as follows :

Name & Address of the Underwriters	Letter dated	Amount Underwritten
A. FINANCIAL INSTITUTIONS		
The Industrial Credit & Investment Corporation of India Ltd 163 Backbay Reclamation Bombay 400 020	12.01.95	Rs 4,99,99,950
Total (A)		Rs 4,99,99,950
B. LEAD MANAGERS		
ICICI Securities and Finance Company Ltd 169 Backbay Reclamation Bombay 400 020	17.01.95	Rs 3,00,00,000
Infrastructure Leasing & Financial Services Limited India Habitat Centre 4th Floor Eastern Court, Zone VI Lodhi Road, New Delhi 110 003	17.01.95	Rs 3,00,00,000
The Hongkong & Shanghai Banking Corporation Limited Merchant Banking Division Mercantile House, 4th Floor 15, Kasturba Gandhi Marg New Delhi 110 001	16.01.95	Rs 2,95,33,050
Total (B)		Rs 8,95,33,050
C. MERCHANT BANKERS		
PN Vijay Financial Services (P) Ltd 7 Community Centre New Friends Colony New Delhi 110 065	03.01.95	Rs 1,49,99,850
Apple Industries Limited 811 Indra Prakash Building 21 Barakhamba Road New Delhi 110 001	5.01.95	Rs 75,00,000
HMG Financial Services Co Pvt Ltd Mehta House, Ground Floor, 79 A, Bombay Samachar Marg Bombay 400 023	07.01.95	Rs 3,00,00,000
Pressman Limited 126/129 Jolly Maker Chamber II Nariman Point, Bombay 400 021	10.01.95	Rs 49,99,950
PNR Capital Services Ltd., Investment Banking Division 525, Somdatt Chambers (II) Bhikaji Cama Place, New Delhi 110 066	16.01.95	Rs 49,99,950
First Capital India Ltd 4, Scindia House 2nd Floor Connaught Place New Delhi 110 001	16.01.95	Rs 49,99,950

Name & Address of the Underwriters	Letter dated	Amount Underwritten
DSP Financial Consultants Ltd Tulsiani Chambers West Wing, 212 Backbay Reclamation Bombay 400 021	17.01.95	Rs 99,99,900
Credit Capital Finance Corporation Ltd 62 Basant Lok, Vasant Vihar New Delhi 110 057	17.01.95	Rs 99,99,900
Kotak Mahindra Finance Ltd 502 Antriksh Bhawan 22 KG Marg, New Delhi 110 001	16.01.95	Rs 49,99,950
20th Century Finance Corporation Ltd 905 Madam Bhikaji Cama Bhawan 11, Bhikaji Cama Place New Delhi 110 066	11.01.95	Rs 24,99,900
Enam Financial Consultant Pvt Ltd 24 BD Raja Bahadur Compound Ambala Doshi Marg Fort, Bombay 400 001	17.01.95	Rs 24,99,900
Kaporia Securities & Financial Services Ltd Air India Building 14th Floor Nariman Point Bombay 400 021	03.01.95	Rs 75,00,000
Total (C)		Rs 10,49,99,250

D. BROKERS/UNDERWRITERS (also brokers to the issue) All letters dated 09.01.95 and 13.01.95

Name & Address of the Brokers/Underwriters	Amount Underwritten
Ahmedabad Ashok Manilal Thakkar 2256 Mahurat Pole, Mangal chowk, Ahmedabad 380 001	Rs 7,99,950
Atara Kampani 202 Chiruhai Centre Nehru Bridge, Ashram Road Ahmedabad 380 009	Rs 7,95,000
Gautam Jhaveri Opp Bank of India Mangal Chowk Ahmedabad 380 001	Rs 7,99,950
Interface Capital Markets (P) Ltd 603 Samrudhi Opp Gujarat High Court Ahmedabad 380 014	Rs 7,99,950
Jyotish Bhogilal Shah 707 "Sakar" 7th Floor Opp Gandhigram Railway Station Ashram Road Ahmedabad 380 009	Rs 3,99,900
Bangalore Agrahar & Company Manish Towers JC Road, Bangalore 560 002	Rs 3,99,900
Sivan & Company 48 Church Street KFC Complex Ground Floor Bangalore 560 001	Rs 3,99,900

Name & Address of the Brokers/Underwriters	Amount Underwritten
Bombay	
Enam Securities Pvt Ltd 113 & 202 Stock Exchange Towers 1st Floor, Dalal Street Bombay 400 001	Rs 7,99,950
Uday S. Kotak Raja Bahadur Compound Ground Floor 32, BS Marg, Fort Bombay 400 023	Rs 7,99,950
Bhagwandas Gordhandas Cama Building, 4th Floor Dalal Street Bombay 400 023	Rs 7,99,950
Sushil N Shah 12 Homji Street, Bombay 400 001	Rs 7,95,000
Vinay M Shah 59 Bazar Gate Street 1st Floor, Fort Bombay 400 001	Rs 7,99,950
DS Purbhoodas & Company East & West Building, 1st Floor 55 Bombay Samachar Marg Fort, Bombay 400 023	Rs 7,99,950
El'Dorado Guarantee Pvt Ltd 2 B Hamam House, Ground Floor Hamam Street, Fort, Bombay 400 023	Rs 3,99,900
M/s Amit Nalinkant 20 Raja Bahadur Mansion 3rd Floor, Hamam Street Bombay 400 023	Rs 24,99,900
Dalal & Broacha Primary Market Division 21/22 Olympus, 2nd Floor 179/81 Perin Nariman Street Fort, Bombay 400 001	Rs 3,99,900
Prabhudas Lilladher (P) Ltd 157 Bazar Gate Street 2nd Floor, Fort Bombay 400 001	Rs 3,99,900
PR Subramaniyan & Son 31 Temrind Lane, Fort Bombay 400 023	Rs 3,99,900
Subhash V Shah 32 B 2nd Floor, Khatau Building 8/10 Marine Street Bombay 400 023	Rs 3,99,900
KG Vora 40 Khatau Building 2nd Floor 8/10 Marine Street, Fort Bombay 400 023	Rs 3,99,900
JSB Securities Ltd Kamanwala Chambers Ground Floor, Sir PM Road, Fort, Bombay 400 001	Rs 3,99,900
Mansukhlal Bhaidas Dalal 201 Dhun Building 23/25 Janmabhoomi Marg Bombay 400 001	Rs 3,99,900
JM Share & Stock Brokers Ltd Kamanwala Chambers Ground Floor Sir PM Road, Fort Bombay 400 001	Rs 3,99,900

Name & Address of the Brokers/Underwriters	Amount Underwritten
V Jethalal Ramji 1019 Stock Exchange Tower Dalal Street Fort, Bombay 400 023	Rs 3,99,900
LKP Shares & Securities Ltd Bank of Maharashtra Building 4th Floor 45/47 DS Marg Bombay 400 023	Rs 7,99,950
Pankaj Karani 21-B Khatau Building 1st Floor Alkesh Dinesh Mody Marg Fort, Bombay 400 001	Rs 3,99,900
Calcutta	
Keshav Kumar Saraf & Company 63 Radha Bazar Street 3rd Floor, Room No. 34 Calcutta 700 001	Rs 3,99,900
Tarun Sethia 9, India Exchange Place 3rd Floor, Room No. 5 Calcutta 700 001	Rs 3,99,900
MB Nahar 12 India Exchange Place 3rd Floor Calcutta 700 001	Rs 3,99,900
VCK Shares & Stock Broking Services Pvt Ltd 16 India Exchange Place Calcutta 700 001	Rs 3,99,900
Delhi	
Bharat Bhushan & Company 304 Rohit House 3 Tolstoy Marg New Delhi 110 001	Rs 7,99,950
NDA Share Brokers Ltd UB-12A, Indra Prakash Building 21 Barakhamba Road New Delhi 110 001	Rs 7,99,950
BD Agarwal & Co G-12 Ground Floor "Arunachal", 19 Barakhamba Road New Delhi 110 001	Rs 7,99,950
Bajaj Capital Financial Services United India Life Building F Block, Connaught Place New Delhi 110 001	Rs 7,99,950
Emerging Securities Pvt Ltd 803-804 Arunachal Building 19, Barakhamba Road New Delhi 110 001	Rs 3,99,900
Amritlal Bajaj & Company 606 Kailash Building 26 Kasturba Gandhi Marg New Delhi 110 001	Rs 3,99,900
Subhash Chugh & Company 1110 Prakash Deep 7 Tolstoy Marg, New Delhi 110 001	Rs 3,99,900
VJ Mehta & Co 12/3 Asaf Ali Road, New Delhi 110 002	Rs 3,99,900
M Agarwal & Company 22 Ashoka Chamber B-5 Rajendra Park Pusa Road, New Delhi 110 060	Rs 3,99,900

Name & Address of the Brokers/Underwriters	Amount Underwritten	Name & Address of the Brokers/Underwriters	Amount Underwritten
Hyderabad		Jagdish N Master	Rs 3,99,900
MS Ramakrishna 6-1-68/3/A Saifabad Hyderabad 500 004	Rs 7,99,950	C/o Sylvester Lobo Kaprigudda, Near Falnir Post Office Mangalore 575001	
Indore		Pune	
DS Sancheti Sec & Fin Services Ltd Sancheti Building 20/11 Yeshwant Niwas Road Indore 452 003 (M P)	Rs 3,99,900	Arwind M Shah 1232 Apte Road Success Chambers Deccan Gymkhana Pune 411 004	Rs 3,99,900
Kallash Mehta C/o M/s Hamarayan Motilal 2/4 Jawahar Marg Rathore Chamber, Siyajani Indore 452 007	Rs 3,99,900	Rajkot	
Jaipur		Anil Dhulla 241, 2nd Floor Shree Jaykhodiyar Comm. Centre Rajputpara Main road Rajkot 360 001	Rs 3,99,900
HC Jain & Company 204 Jaipur Tower Opp All India Radio MI Road, Jaipur 302 001	Rs 3,99,900	Vadodara	
Prem Somani & Associates 17 Purohiti Ka Bagh MI Road, Jaipur 302 001	Rs 3,99,900	Dr NM Shah 103 Payal Co-op Housing Society Opp. Vakal Seva Kendra Sayaji Ganj, Vadodara 390 005	Rs 3,99,900
Sunita Gupta & Company C/o Anil Jain Trident Express Opp Indian Coffee House MI Road, Jaipur 302 001	Rs 7,99,950	Manoj B Ghlya 22/226/227 Paradise Complex Tilak Road, Sayaji Ganj Baroda 390 005	Rs 3,99,900
Upendra A Gandhi & Co D-51 Piyush Path Bapu Nagar Jaipur 302 015	Rs 3,99,900	OTCEI	
KL Jain & Associates S-P-5 Bhabha Marg Triak Nagar Jaipur 302 004	Rs 3,99,900	Madhukar Khosla 225/70-III Vasant Kunj New Delhi 110 070	Rs 3,99,900
Kanpur		NATIONAL STOCK EXCHANGE	
Uday Merchant Padam Towers 14/113 Civil Lines Kanpur 208 001	Rs 7,99,950	Hemdev Securities (India) Pvt Ltd A-Block, 25/14 Connaught Place New delhi 110 001	Rs 7,99,950
RN Mittal & Company 417 Padam Tower II Civil Lines, Kanpur 208 001	Rs 7,99,950	Total (D)	Rs 3,40,85,250
Madras		TOTAL (A+B+C+D)	Rs 27,86,17,500
Madan & Company Ltd Share House 61 Moore Street Madras 600 001	Rs 7,99,950	CONTINGENT UNDERWRITING	
Akshaya & Company "Swathi Court" GF-3 22 Vijaya Raghava Road T Nagar, Madras 600 017	Rs 3,99,900	2.75,000 Partly Convertible Debentures of Rs 150/- each for cash at par aggregating to Rs 412.50 lacs, reserved for Preferential allotment to employees of the Company and Promoter Companies have been underwritten on a contingent basis as under:	
Mangalore		Name & Address of the Underwriters	Letter dated
Navin & Associates C/o Mamatha Printers Kulshekar Post Mangalore 575 005	Rs 3,99,900	HMG Financial Services Company (P) Ltd Mehta House 79 A Bombay Sattachar Marg Bombay 400 023	12.12.94
		Total	412.50

The underwriting commission on the amount underwritten on a contingent basis shall be payable only on those PCDS to the extent unsubscribed and added back to the Public offer.

In the opinion of the Board and the Lead Managers to the Issue, the resources of the aforesaid Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

The respective letters of Underwriting have been accepted by the Directors of the Company at the Board meeting held on 17th January, 1995

II. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL	NOMINAL VALUE Rupees	ISSUE PRICE Rupees
A. AUTHORISED CAPITAL		
8,00,00,000 Equity Shares of Rs.10/- each	80,00,00,000	—
B. ISSUED, SUBSCRIBED AND FULLY PAID UP		
40,00,700 Equity Shares of Rs.10/- each	4,00,07,000	4,00,07,000
C. PRESENT ISSUE		
2,63,00,000 Fully paid up Equity shares of Rs 10/- each for cash at a premium of Rs. 20/- per share	26,30,00,000	78,90,00,000
27,50,000 13.5% Secured Redeemable Partly Convertible Debentures of 150/- each for cash at par	41,25,00,000	41,25,00,000
D. OUT OF THE PRESENT ISSUE RESERVED ON FIRM ALLOTMENT BASIS TO THE PROMOTERS EQUITY		
1,80,43,000 Equity Shares of Rs 10/- each for cash at a premium of Rs 20/- per share are reserved for firm allotment to Promoter Companies, Associate Companies, Indian Directors, Friends, Relatives & Associates	18,04,30,000	54,12,90,000
E. NOW OFFERED FOR SUBSCRIPTION IN TERMS OF THIS PROSPECTUS		
(I) EQUITY		
82,57,000 Equity Shares for Rs 10/- each for cash at a premium of Rs 20/- per share	8,25,70,000	24,77,10,000
(II) PCDs		
(a) 27,50,000 13.5% Secured Redeemable Partly Convertible Debentures of Rs 150/- each for cash at par	41,25,00,000	41,25,00,000
F. RESERVED FOR FIRM ALLOTMENT OUT OF (E) ABOVE		
(I) EQUITY		
(a) 5,69,300 Equity Shares for Rs 10/- each for cash at a premium of Rs 20/- per share are reserved for firm allotment to Indian Financial Institutions and Banks	56,93,000	1,70,79,000
(b) 97,400 Equity Shares for Rs 10/- each for cash at a premium of Rs 20/- per share are reserved for firm allotment to Indian Mutual Funds	9,74,000	29,22,000
(II) PCDs		
(a) 2,84,650 13.5% Secured Redeemable Partly Convertible Debentures of Rs 150/- each for cash at par are reserved for firm allotment to Indian Financial Institutions and Banks	4,26,97,500	4,26,97,500
(b) 3,32,900 13.5% Secured Redeemable Partly Convertible Debentures of Rs. 150/- each for cash at par are reserved for firm allotment to Indian Mutual Funds	4,99,35,000	4,99,35,000
G. RESERVED FOR PREFERENTIAL ALLOTMENT TO EMPLOYEES OF COMPANY/PROMOTER COMPANIES		
2,75,000 13.5% Secured Redeemable Partly Convertible Debentures of Rs 150/- each for cash at par are reserved for allotment to the employees of the Company and of Promoter Companies	4,12,50,000	4,12,50,000
H. NET OFFER TO PUBLIC		
(i) 75,90,300 Equity Shares of Rs 10/- each for cash at a premium of Rs 20/- per share	7,59,30,000	22,77,09,000
(ii) 18,57,450 13.5% Secured Redeemable Partly Convertible Debentures of Rs 150/- each for cash at par	27,86,17,500	27,86,17,500
PAID UP CAPITAL AFTER THE PRESENT ISSUE AND CONVERSION OF PCDs INTO EQUITY SHARES:		
(i) 40,00,700 Existing Equity Shares	4,00,07,000	
(ii) 3,18,00,000 Equity shares after present Equity issue and conversion of PCD's on allotment	<u>31,80,00,000</u>	
Total		<u>35,80,07,000</u>

NOTES:

(a) Details of Indian Financial Institutions and Banks subscribing to the Equity Shares and PCDs on a firm allotment basis at F(i)(a) and F(ii)(a) above are as under:-

Name	No. of Equity Shares	Issue Value (Rs)	No. of PCDs	Issue Value (Rs)
The Industrial Credit and Investment Corporation of India Ltd.	58,000	17,40,000	29,000	43,50,000
Industrial Finance Corporation of India Ltd.	35,300	10,59,000	17,650	26,47,500
Industrial Development Bank of India	65,100	19,53,000	32,550	48,82,500
Life Insurance Corporation of India.	1,34,800	40,44,000	67,400	101,10,000
Unit Trust of India	1,42,800	42,84,000	71,400	107,10,000
Industrial Reconstruction Bank of India	22,600	6,78,000	11,300	16,95,000
National Insurance Co. Ltd	2,700	81,000	1,350	2,02,500
Oriental Insurance Co. Ltd	2,700	81,000	1,350	2,02,500
United India Insurance Co Ltd	3,600	1,08,000	1,800	2,70,000
New India Assurance Co Ltd	4,500	1,35,000	2,250	3,37,500
Bank of Baroda	49,800	14,94,000	24,900	37,35,000
Central Bank of India	31,600	9,48,000	15,800	23,70,000
State Bank of Bikaner & Jaipur	15,800	4,74,000	7,900	11,85,000
Total	5,69,300	1,70,79,000	2,84,650	4,26,97,500

(b) Details of Indian Mutual Funds subscribing to the Equity shares and PCDs on a firm allotment basis at F(i)(b) and F(ii)(b) above are as under:-

Name	No. of Equity Shares	Issue Value (Rs)	No. of PCDs	Issue Value (Rs)
GIC Mutual Fund	4,500	1,35,000	2,250	3,37,500
SBI Mutual Fund	61,300	18,39,000	30,650	45,97,500
Ind Bank Mutual Fund	31,600	9,48,000	2,00,000	3,00,00,000
Taurus Mutual Fund			1,00,000	1,50,00,000
Total	97,400	29,22,000	3,32,900	4,99,35,000

(c) In view of the proportionate basis of allotment, in the case of oversubscription, to enable the Company to allot the allottees Shares in nearest multiples of 100 upon allotment of Equity Shares and/or upon conversion of PCDs, the Company shall allot additional Equity Shares/PCDs upto a maximum of 10% of the size of the Issue

(d) The Equity Shares allotted to permanent employees of the Company and Promoter Companies at G above on conversion of the PCDs shall not exceed 200 Shares each. The Equity Shares thus allotted shall not be subject to any lock-in period. At present the Company and the Promoter Companies have 9011 permanent employees on their rolls

(e) The Equity Shares being offered to the Indian Financial Institutions and Indian Mutual Funds at F(i)(a) and F(ii)(b) above respectively and the PCDs being offered to Indian Financial Institutions and Indian Mutual Funds at F(ii)(a) and F(ii)(b) above respectively shall not be subject to any lock-in period

(f) The amount in respect of firm allotment proposed in the issue of Equity Shares & PCDs in favour of the Firm Allottees shall be brought in before the opening of the Public Issue.

(g) In connection with the transfer of institutional loans and debentures from BHL to JKUJL, the Company had agreed to make firm allotment of Equity Shares of the aggregate value of Rs. 2 crores and PCDs of the aggregate value of Rs. 5 crores to Financial Institutions/Mutual Funds/Banks (included in (a) and (b) above). Confirmation from some of the above referred Institutions/Mutual Funds/Banks are awaited.

(h) In the event of failure of the firm allottees to bring in the subscription money before the opening of the Issue, the promoters undertake to subscribe to the same. The instruments so allotted to Promoters will be locked in for a period of 3 years from the date of allotment.

(g) After the issue of Equity Shares & conversion of PCDs, the Promoters' holding in the Equity Capital of the Company would be Rs 22.04 crores which constitutes 61.57% of the enhanced Equity Capital. The entire Promoters' contribution as per D above shall be brought in before the opening of the Public Issue

(h) Each application forming part of Promoters' Contribution, from the corporate bodies will be for Rs 1,00,000 and above and from the individuals for Rs 25,000 and above

(i) The Directors' Resolution dated September 21, 1994 has reserved a right to restrict the number of Equity Shares & PCDs per application in category H above to a maximum of 3,00,000 Equity Shares and 2,00,000 PCDs (excluding Indian Mutual Funds, Indian Financial Institutions and Banks)

(j) The promoters have brought in Rs 400.07 lacs and shall bring in the balance contribution before the opening of the subscription list

The details of the Promoter Holdings are as under:

Particulars	No of Shares (1)	Face Value (Rs) (2)	% of final Issued Capital (3)	Date of Allotment (4)	Lock-In Period (5)	Capital Build Up (6)
Existing Shares						
i. Associates of JK Corp Ltd	700	7,000		15/03/93	5 Years	700
ii. JK Corp Ltd and its wholly owned subsidiaries	20,00,000	2,00,00,000	5.59%	21/09/94	5 Years	20,00,000
iii. J.K. Industries Ltd and its subsidiaries	20,00,000	2,00,00,000	5.59%	21/09/94	5 Years	20,00,000
Total						40,00,700
Shares out of Present Issue						
i. JK Corp Ltd and its wholly owned subsidiaries	1,35,00,000	13,50,00,000	37.70%		5 Years	
ii. J.K. Industries Ltd and its subsidiaries	4,00,350	4,00,03,500	1.12%		5 Years	
iii. J.K. Industries Ltd and its subsidiaries	37,92,650	3,79,26,500	10.59%		3 Years	
iv. Other Directors, Relatives, Friends & Associates	3,50,000	35,00,000	0.98%		3 Years	
Grand Total	2,20,43,700	22,04,37,000	61.57%			3,58,00,700

Note:
 (1) The final issued Capital comprises of existing Equity Shares, fresh issue of Equity and Equity Shares arising from the conversion of the PCDs
 (2) The Promoter holding of 61.57% arises out of pure Equity participation. The Promoters are not subscribing to the PCD Issue

III TERMS OF THE PRESENT ISSUE

1. Authority for the Present Issue

The issue is being made pursuant to section 81(1A) of the Companies Act 1956 by a Special Resolution passed by the shareholders of the Company at the Extra Ordinary General Meeting held on December 3, 1994. The issue of Equity Shares and PCDs has been authorised by a Directors' Resolution passed on September 21, 1994

2. Terms of the Present Issue

The Equity Shares and PCDs now being issued and the Equity Shares and the Non Convertible Debentures arising out of conversion of PCDs are subject to the terms of this Prospectus, the Application Form, Memorandum and Articles of Association of the Company (hereinafter referred to as "the articles"), Debenture Trust Deed to be executed, Debenture Certificates, the Agreement with the Trustees to be entered into or such other documents, the guidelines for allotment and listing of securities from time to time issued by the Government of India and Stock Exchanges, the provisions of the Companies Act 1956 (hereinafter referred to as the "Act") and any other stipulations made by the appropriate Authorities

3. Principal terms of Equity Shares & PCDs

Value

Equity Shares

Each Equity Share of a face value of Rs. 10/- is being offered to the public at a premium of Rs 20/- per share

PCDs

Each PCD of a face value of Rs 150/- is being offered for cash at par and shall consist of two parts:

Part A : Convertible Portion of Rs 60/- with conversion into two Equity Shares of Rs 10/- each at a premium of Rs 20/- per Share on allotment

Part B : Non-Convertible Portion of Rs 90/- carrying an interest rate of 13.5% per annum payable half yearly

Terms of Payment

A. Equity Shares

By All Applicants on application : Rs 30.00 per share

B. PCDs

a. By Indian Public & Employees of the Company and Promoter Companies

- (i) On application : Rs 42.00 per PCD
(ii) On allotment : Rs 108.00 per PCD

b. By All Other categories of applicants

On application : Rs 150.00 per PCD

Appropriation of Application/Allotment Money on PCDs

The amount called on the PCDs shall be appropriated towards Share Capital, Share Premium account and the Non-Convertible Portion of the PCDs as shown under:

(a) For applications by Indian Public and Employees of the Company and Promoter Companies

Amount payable on	Part 'A' (convertible portion)		Part 'B' (Non-Convertible portion) (Rs)	Total (Rs)
	Equity (Rs)	Premium (Rs)		
Application	10.00	20.00	12.00	42.00
Allotment	10.00	20.00	78.00	108.00
Total	20.00	40.00	90.00	150.00

(b) For Indian Financial Institutions/Indian Mutual Funds on a firm allotment basis

Amount payable on	Part 'A' (convertible portion)		Part 'B' (Non-Convertible portion) (Rs)	Total (Rs)
	Equity (Rs)	Premium (Rs)		
Application	20.00	40.00	90.00	150.00

Note : Applicants opting for sale of Part 'B' of the PCDs which is a Non-Convertible Portion (hereinafter referred to as "Khokha") may refer the para on 'Disposal of Non-Convertible Portion' mentioned elsewhere in the Prospectus

4. Spill over Option of Application Money/ Excess Application Money from Equity Shares to PCDs

An applicant for Equity Shares has an option to have the application money paid towards the Equity Shares to be treated as application money towards PCDs provided the applicant has made a specific request to the Board by indicating so in the appropriate place in the application form. In the case of joint applicants all applicants will be required to sign such request. The application money/excess application money after allotment of Equity Shares, as the case may be, shall be dealt with as per the terms of appropriation for PCDs covered elsewhere in this Prospectus, subject to a minimum of 50 PCDs & in multiples of 50 PCDs thereafter

The application for Equity Shares so treated as an application for PCDs shall be considered pari passu with other applications for PCDs

An applicant who has exercised this option can also make an application for PCDs only in the same application form. The number of PCDs to be considered for allotment in such case will be the consolidated sum of PCDs applied for in the net offer of PCDs and the PCDs applied for as a result of the spill over option. However, such applicants may note that they should NOT MAKE a separate application in the same sole/ first name in the net offer of PCDs to the Indian Public. If such applicants also make an application separately under the net offer of PCDs in the same sole/first name, the applications will be treated as multiple applications and are liable to be rejected

NOTE: IN THE EVENT AN INVESTOR DOES NOT WANT TO AVAIL OF THE AFORESAID OPTION HE SHOULD ENSURE NOT TO SIGN AT THE DESIGNATED PLACE IN THE APPLICATION FORM WHICH PROVIDES THE AFORESAID AUTHORITY

5. Adjustment of application money

Equity

Application to the Public Issue of Equity Shares should be made for a minimum of 200 Shares and in multiples of 100 thereafter. Where an applicant is not allotted any Equity Shares or is allotted less than the number of Shares applied for, such application money or the balance remaining out of the amount paid on application as the case may be, shall be refunded to the applicant and/or treated as application money towards PCDs as described under section "Spill over option of application money/ excess application money from Equity Shares to PCDs"

Partly Convertible Debentures (PCDs)

Application to the Public Issue of PCDs should be made for a minimum of 50 PCDs and multiples of 50 PCDs thereafter. Any amount paid on application for PCDs in excess of what becomes payable thereon shall be adjusted as under:

- a) for applicants opting for khokha buy-back
Towards Equity and Share Premium payable on conversion of PCDs actually allotted and balance, if any, will be refunded to the applicant
- b) for applicants not opting for khokha buy-back
Towards the amount payable on allotment of PCDs actually allotted and balance, if any, will be refunded to the applicant.

6. Conversion of PCDs

On allotment, Part A of each PCD will be automatically and compulsorily converted into two partly paid up Equity Shares of the face value of Rs 10/- each (Rs 5/- per share paid up). Upon such conversion, there will be a constructive receipt by the Company of the amount appropriated towards Part A and a constructive payment of the same by the Debentureholder towards the price of two fully paid up Equity Shares

Upon conversion of Part A of the PCDs as aforesaid, the face value of the PCDs will stand reduced proportionately and the Convertible Portion of the PCDs shall be deemed to have been redeemed to the extent of the paid up value of Part A on the date of conversion. The Debentureholder shall be deemed, by the terms of the issue of PCDs, to have authorised the Company to enter his/her name in the Register of Members for the Shares allotted on conversion. The Shares so allotted shall be subject to the provisions of the Articles

7. Interest

Part B of the PCDs shall carry interest @ 13.5% per annum payable half yearly only on the paid-up value outstanding thereon (subject to deduction of Income-tax at source, at the rates for the time being prescribed under the Income-tax Act, 1961 and Rules made thereunder or any statutory modification or enactment thereof for the time being in force)

Interest on the outstanding amount of Part B of the PCDs shall accrue from the date of allotment. The first payment of such interest shall be made on April 1, 1996 for the period from the date of allotment upto March 31, 1996 to the registered holders of Part B of the PCD. Subsequently, interest shall be payable half yearly on October 1st and April 1st of each year in respect of the half year ending September 30th and March 31st respectively, of that year upto the date of redemption, to the registered holders of Part B of the PCDs. Similarly, the last payment of the interest shall be made proportionately upto the date of redemption. No interest whatsoever will be payable on application monies received for PCDs whether PCDs are allotted or not, except as provided in the guidelines issued by the Ministry of Finance, Government of India. No interest will be payable on Part A of the PCD. Interest on the Debentures will be paid to the registered holders of Debentures only and in case of joint holders to the one whose name appears first in the Register of Debentureholders on the record date to be fixed by the Board

In case the allotment money remains due and unpaid, interest warrants relating to such PCDs shall not be despatched until the arrears of allotment money are paid in full together with overdue interest. No interest will be paid on any PCDs forfeited under terms thereof

Interest on the paid up value of PCDs allotted (including excess application money, if any, adjusted against the allotment money) shall accrue from the date of allotment and the interest on the balance amount payable by way of allotment money from the date immediately following the last date on which the allotment money is paid or the actual date of receipt of allotment money, whichever is later

8. Redemption

The Non-Convertible Portion of the PCDs i.e. Part B of Rs 90/- will be redeemed at par in three annual instalments of Rs 30/- each on expiry of the 7th, 8th and 9th year respectively from the date of allotment. On payment of first and second instalment, the face value of PCDs shall stand reduced prorata and on payment of third instalment the debentures shall be deemed to have been fully extinguished.

9. Disposal of the Non-Convertible Portion (Khokha) of the PCDs

For the benefit of the prospective investors in this Issue, the Company has finalised arrangements with HMG Financial Services Company Pvt Ltd (hereinafter referred to as HMG) for sale by the successful allottees, if they so wish, of part B (the Non-Convertible Portion/Khokha) of the PCDs. HMG will purchase Part B at a price of Rs 78/- per Debenture

This facility is available to all categories of Applicants including the Employees of the Company and Employees of the Promoter Companies

The terms and conditions of the scheme are :

- (i) An applicant who is a successful allottee is eligible to offer for sale

the khokhas i.e., Part B of the PCDs allotted to him. A successful allottee shall have to exercise this option of offer for sale with respect to the khokhas of all PCDs allotted to him. IN NO EVENT CAN THE ALLOTTEE EXERCISE HIS OPTION WITH RESPECT TO KHOKHAS OF ONLY PART OF THE DEBENTURES ALLOTTED TO HIM

- (ii) Part 'B' of the PCD of the face value of Rs 90/- can be offered for sale to HMG at a price of Rs 78/- (inclusive of interest, if any.) The above purchase price of Rs 78/- is no indication of the price at which the Part B of the PCD will be quoted and traded on the floor of the Stock Exchanges

- (iii) The persons who will be exercising the option to sell Part B of the PCD will be doing so at an upfront discount of 13.33% of the issue price. The interest yield on buying this portion of the PCD works out to 15.58% per annum (current yield) and 16.58% per annum (yield to maturity). It would also imply that the investor will get 1 Equity Share of the Company at Rs 36/- each considering the amount of Rs 30/- payable per Share on Part A of the PCD

- (iv) Under the terms of the Issue, amount payable on application is Rs 42/- per PCD of which Rs 12/- is adjusted as application money against Part B of the PCD. On exercising the option to sell the said portion of the debentures to HMG, the allottee will not have to pay any further amounts on allotment in respect of Part B of PCD. The net amount of Rs 78/- on sale of Part B of the PCD would be received by the company on behalf of the debentureholder from HMG

- (v) The transaction for sale of Part B of the PCD shall be executed on the basis of a spot delivery transaction in accordance with, and subject to, the provisions of Securities Contracts (Regulation) Act, 1956 and Rules made thereunder

- (vi) Sale of Part B of the PCD should be indicated by the applicant by signing the specific clause in the Application Form. On such signing, each allottee shall be deemed to have authorised designated official(s) of the Company as notified to deliver to HMG, Letter(s) of Allotment/Debenture Certificates pertaining to this Part B or its nominee(s) or assignee(s) and to execute the transfer deed for the same to HMG or its nominee(s) or assignee(s) and the allottee shall be deemed to have exercised this option for the entire holding of this Part B of the PCDs

- (vii) Upon receiving the documents mentioned above, HMG shall peruse the same and shall accept the offer for sale of khokhas if it is found to be in order

- (viii) HMG will have a warranty of title in respect of Part B of the PCDs comprised in such sale and the same shall be free from claims, lien, charges, encumbrances of whatsoever nature (except to the extent provided in respect of partly paid up PCDs under the terms of the issue) and if any defect is subsequently found, HMG or its nominee(s) shall have a right to be indemnified by the allottee for any loss or damage arising on account thereof

NOTE : This scheme may be availed of by the applicants at their option. Except as mentioned above, the company is not concerned or interested in this scheme of buying of khokhas by HMG. It is entirely at the discretion of the applicants to opt for this offer or to opt to retain part B of their debentures or disinvest in any other manner

10. Security

The amount outstanding on PCDs from time to time together with interest and other monies in respect thereof and all other costs, charges, expenses, fees, (including the fees payable to the Trustees) will be secured by a mortgage and charge as and by way of a second and subservient charge, on all present and future immovable assets of the Company, upon such terms and conditions and in such form that the Board, may determine in consultation with the Trustees

The Company would be entitled to create mortgage(s) and/or charge in favour of the Trustees in one or more forms and in one or more tranches and through one or more security documents as may be decided by the Board in consultation with the Trustees who are empowered to agree to and to accept such security at their discretion without any confirmation from the holders of part B of the PCDs

The Security will be created by the Company as aforesaid in favour of the Trustees within 3 months or such extended period as may be permitted by the Company Law Board but not exceeding 12 months from the date of allotment of the PCDs on such of the assets for which the Company obtains, after all due diligence and effort, requisite consents and permissions applicable under law or in accordance with conditions of holding of such assets to create the above mentioned mortgage/charge. The implementation by the Company of this provision shall be sufficient compliance of the Company's obligation to create security. For the remaining assets mortgage/ charge will be created within such extended period as may be agreed upon by the Trustees and pending such creation of mortgage/charge the Company shall not without the prior approval of the Trustees create any further mortgage/charge thereon. In the event the Company is not able to create Security within 12 months as aforesaid, the Company shall be liable to pay penal interest at the rate of 2% per annum as prescribed by SEBI/Government authorities. If the security is not created even within 18 months from the date of allotment of the PCDs, a meeting of the debenture holders would be called within 21 days after expiry of 18 months to explain the reasons thereof and the date by which security would be created

At the Extra Ordinary General Meeting of the Company held on November 12, 1993, the members of the Company have passed an Ordinary Resolution under Section 293(1)(a) of the Act authorising the Board to create the aforesaid security

11. Forfeiture

Failure to pay the amount due on allotment on or before the last date appointed for payment thereof or such extended time as the Board of Directors may in its sole and absolute discretion determine, shall render the allottee(s) liable to pay interest thereon at the rate of 18% per annum or such lower rate as the Board may in its sole and absolute discretion determine from the last date appointed for payment thereof to the date of actual payment. It is a condition of the issue of the Debentures that such failure to pay the amount aforesaid shall also render the Shares/Debentures allotted and the amount already paid thereon liable to forfeiture, in terms of the Articles and the provisions of the Act. The provisions regarding forfeiture of Shares contained in the Articles shall apply mutatis mutandis to the forfeiture of Debentures. No interest shall be payable on the Debentures so forfeited. The Board shall be at liberty to reissue/sell/ dispose of the Shares/ Debentures so forfeited to any other person(s) as it may in its absolute discretion think fit

In case of Debentures in respect of which any amount is overdue the Board will have the discretion not to consider them while deciding to confer any benefits (including payment of interest) to the holders of Debentures which are fully paid or on which allotment money(s) is/are not overdue

12. Trustees for the Debentureholders

The Industrial Credit & Investment Corporation of India Ltd having its office at 163, Backbay Reclamation, Bombay 400 020 have agreed to act as Trustees for the holders of the Debentures to be issued in terms of this Prospectus. Debentureholders shall without further act or deed be deemed to have irrevocably given their consent to and authorised the Trustees or any of its agents or authorised officials to do inter alia all acts, deeds, matters and things in respect of or relating to the security to be created, for securing debentures being offered in terms of this Prospectus including right to substitute or release any property charged in its favour and to finalise and agree to other terms and conditions of the Debentures. All the rights and remedies of the Debenture holders shall vest in and shall be exercisable, by the Trustees without reference to the Debenture holders. The Company will enter into/execute appropriate agreements/documents with the Trustees for setting out the terms & conditions for securing Part B of the PCDs

13. Debenture Redemption Reserve

The Company shall create a Debenture Redemption Reserve (DRR) to the extent and in the manner required under the guidelines issued by the Government of India/SEBI and prevailing from time to time in this regard.

In terms of the guidelines, the company would create DRR equivalent to 50% of the amount of the Non-Convertible portion of PCDs before Debenture Redemption commences. The creation of DRR will commence from the year the company earns profits and may be created either in equal instalments or higher amounts depending on the availability of the profits

The company may distribute dividend out of the general reserve in certain years if the residual profit after transfer to DRR is inadequate to distribute reasonable dividend. The distribution of dividend by the company shall require the approval of the Trustees for the Debenture holders

14. Repurchase and Re-issue

Subject to the provisions of Section 121 of the Act, the Board of Directors shall have the power exercisable at its absolute discretion from time to time to re-purchase the non-convertible part of some or all of the PCDs at any time prior to the specified dates of redemption and may re-issue or cancel the same. Where the Company has redeemed or re-purchased any of the PCDs, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures either by re-issuing the same Debentures or by issuing other Debentures in their place

15. Further Issues/Borrowings

The Company shall be entitled to make further issue(s) of Debentures/Bonds or any other debt instruments and/or raise further term loans and/or avail of further deferred payment(s)/guarantee(s) and/or other financial facilities from time to time from Indian/International Financial Institutions, Banks and/or any other person(s) on the security of the said properties or any part thereof and/or such other assets and properties and having such ranking including ranking in priority to the security to be created in favour of the Trustees as may be decided by the Company from time to time and on such terms as to security or otherwise as may be mutually acceptable to the Company and the Trustees and the participating Financial Institutions and Banks without the Company being required to obtain any further approval/sanction of the Debentureholders

16. Ranking

The Equity Shares now being issued and to be allotted on conversion of Part A of the PCDs as stated elsewhere in this Prospectus shall rank pari-passu with the existing Equity Shares of the Company in all respects save and except that the holders of Equity Shares to be allotted in terms of this prospectus including on conversion of Part A of the PCDs will be entitled to dividend, if any, for the year in which allotment is made, from the date of allotment and in proportion to the amount paid up thereon and on prorata basis for the period during which such capital is paid up

17. Rights of Debentureholders

- (a) The Non Convertible Portion (Part B) of the PCDs shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing Equity Shares of the Company. The provisions relating to transfer and transmission and other related matters in respect of Equity Shares of the Company as contained in the Articles and the Act, shall also apply mutatis mutandis to the Debentures as well
- (b) The Debentureholders will not be entitled to any of the rights and/or privileges available to the members of the Company,

except to the extent of the Shares that will be allotted to the Debenture holders on conversion as aforesaid

- (c) The rights and privileges of Debentureholders may be modified or varied or abrogated with the consent in writing of the Debenture holders of at least three fourths of the amount outstanding on the Debentures of that class or by a Special Resolution passed at a meeting of the holders of Debentures now offered and then outstanding, provided that nothing in such resolution shall be operative against the Company where such resolution modifies or varies the terms and conditions governing the PCDs, if the same are not acceptable to the Company
- (d) The Debentures shall not confer upon the holders the right to receive notice of or to attend and vote at General Meetings of the Company or to receive Annual Reports of the Company except as provided in the Act. If, however, any resolution affecting the rights attached to the Debentures is placed before the meeting of the Equity Shareholders such a resolution will first be placed before the meeting of Debentureholders for their consideration
- (e) The registered holder of Debentures and in the case of joint holders, the one whose name stands first in the Register of Debentureholders shall be entitled to vote in respect of such Debentures either in person or by proxy at any meeting of the Debentureholders at which they are entitled to vote
- (f) A Register of Debentureholders will be maintained in accordance with Section 152 of the Act. The Principal amount and all interest payable on Debentures will be paid to the registered Debentureholders for the time being only or in the case of joint holders to the person whose name stands first in the Register of Debenture holders
- (g) The provisions contained in Annexure 'C' and/or Annexure 'D' to the Companies (Central Government's) General Rules and Forms, 1956, in force for the time being, shall apply to meetings of Debentureholders. Each Debentureholder shall on voting by a show of hands, be entitled to one vote only and on a poll, shall be entitled to one vote per debenture held by him. A Debentureholder shall not have voting rights in respect of any debenture registered in his name on which any calls or other sums presently payable by him have not been paid. The quorum for such meeting shall be at least 5 Debentureholders personally present
- (h) The Debentures shall rank pari passu inter-se without any preference or priority of one over the other or others of them as soon as they become fully paid
- (i) The Debentureholders will be entitled to their Debentures free from equities and/or cross claims, by the Company against the original or any intermediate holders thereof, save and except the right of lien of the Company over the partly paid Debentures for non-payment of allotment money/call money(ies) and interest thereon
- (j) Over and above the aforementioned terms and conditions, the Debentures shall be subject to such other terms and conditions to be incorporated in the Agreement/Debenture Trust Deed to be entered into by the Company with the Trustees for the Debentureholders and the terms and conditions as may be incorporated in the Allotment Letter/Debenture Certificate that will be issued to the allottees thereof
- (k) The Debenture Trustees shall be entitled to appoint a Nominnee Director on the Board of the Company only if the Company has committed a default of the terms of the Issue and not otherwise. Such Director shall hold office till such time the Debentures are fully redeemed

18. Events of Default

The Debenture Trustees will protect the interest of Debentureholders in events of default by the Company which shall be set out in detail in the Trust Deed to be executed between the Company and the Debenture Trustees. The Trustees will take necessary action including enforcement of security on the happening of any events of default as set out in the Trust Deed. A meeting can be requisitioned by two or more Debenture holders for enforcement of security, removal and/or replacement of Agents and Trustees for reason(s) of failure of due performance of their duties and/or

on the Agents & Trustee not acting reasonable on their own in terms of their duties and obligations to the Debentureholder in an event of default by the Company

IV HOW TO APPLY - AVAILABILITY OF FORMS, PROSPECTUS AND MODE OF PAYMENT

Application Forms with copies of the Prospectus may be obtained from the Lead Managers, Co-Managers, Underwriters, Bankers to the Issue and Brokers to the Issue named hereinbefore or from the branches of the Bankers to the Issue mentioned in the Application Form or the Company at its Registered Office

OPTIONS AVAILABLE TO APPLICANTS

The following options are available to the applicants for subscription to this issue:

- a) Apply for only Equity Shares of the Company
- b) Apply for Equity Shares of the Company with spill over option of PCDs without khokha sale option
- c) Apply for Equity Shares of the Company with spill over option of PCDs with the khokha sale option
- d) Apply for only PCDs without khokha option
- e) Apply for only PCDs with khokha option
- f) Apply for both Equity Shares and PCDs without khokha option
- g) Apply for both Equity Shares and PCDs with khokha option

PROCEDURE FOR APPLICATION

Applications must be:

- (1) Made only in the prescribed application form
- (2) Completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained herein and in the Application Form and are liable to be rejected if not so made
- (3) In a single name or in joint names (not more than three)
- (4) For a minimum of 200 Equity shares and in multiples of 100 Shares thereafter and 50 PCDs and in multiples of 50 PCDs thereafter
- (5) Application by Indian Public (excluding Indian Mutual Funds, Indian Financial Institutions and Banks) shall be for a maximum of 3,00,000 Equity shares and 2,00,000 PCDs

Application by Indian Public/ Indian Mutual Funds

Application can be made in the name of Resident Indian Individuals, limited Companies, Statutory Corporations/Institutions, Indian Mutual Funds and NOT in the names of foreign nationals, foreign body corporate, non-residents, Trusts (unless the Trust is registered under Societies Registration Act, 1860 and is authorised under the constitution to hold Shares and Debentures in a Company), minors, Hindu Undivided Families, partnership firms or their nominee(s)

Application by Employees of the Company and Promoter Companies

- (1) Application can be made for a maximum of 100 PCDs by each employee under the categories reserved for Employees of the Company and Promoter Companies
- (2) Allotment of shares to Employees of the Company and Promoter Companies shall not exceed 200 in aggregate per individual on applications made under the preferential reservation category
- (3) Employees of the Company and the Promoter Companies are eligible for making separate applications in the "General Category" in addition to the applications under the respective categories reserved for Employees of the Company and Promoter Companies. Other terms and conditions as mentioned under "Procedure for Application" shall apply mutatis mutandis to the application by Employees of the Company and Promoter Companies

HOW TO MAKE PAYMENTS

Payment should be made by Cheque or Bank Draft or Stockinvest drawn on any bank (including Co-operative bank) which is situated at and is member or sub-member of Bankers' Clearing House located at the centre where the Application Form is submitted and should be made payable to any of the Bankers to the Issue with whom the Application Form is lodged

Applicants should mention the particulars relating to savings bank/ current account number and the name of the bank with whom such account is held in the respective space in the Application Forms to enable the Registrars to print the said details in the refund orders after the name of the payee

The applicant should also mention the number of Application Form on the reverse of the instrument for payment of application money to avoid misuse of instruments submitted along with the application of shares and/ or PCDs

Outstation Cheque or Bank Draft will not be accepted and applications accompanied by such Cheque or Bank Draft are liable to be rejected. A separate Cheque or Bank Draft must accompany each Application Form

All cheques or bank drafts must be crossed A/C PAYEE ONLY and drawn in favour of the Bankers to the Issue with whom the application is lodged and marked as under :-

Category of Applicant/Cheque /Bank Draft favouring

Resident Indian Public

Equity Shares & PCDs " _____ - A/c JKUUL Public Issue"

Reservations

PCDs

Employees " _____ - A/c JKUUL PCD Issue - Employees"

Firm Allotees

Equity & PCDs

Indian Mutual Funds,

Indian Financial Institutions

and Banks

" _____ - A/c JKUUL Issue - MFs/FIs/Banks"

* e.g. "Punjab National Bank - A/C JKUUL Public Issue"

All Stockinvests accompanying the application forms for Equity Shares and/or PCDs must be made payable to the Company and not to the bankers to the Issue.

A separate Cheque/Bank draft/Stockinvest must accompany each application. No receipt will be issued for the application money. However, the Banker to the Issue receiving the application will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgment slip at the bottom of each Application Form. Application forms duly completed together with Cash (Cheques/Bank Drafts/Stockinvest (Money Orders/Postal orders will not be accepted) for the amount payable on application at the rates prescribed earlier in this Prospectus must be delivered before the closure of subscription list to any of the Bankers to the Issue named herein or to any of their nominated branches mentioned on the reverse of the Application Form and NOT to the Company or to the Lead Managers or Co-Managers to the Issue or to the Registrars to the Issue. For further instructions, please read the Application Form carefully

Note: In respect of all the above categories, having regard to the provisions of Section 269 SS of the Income Tax Act, 1961, the applications against Equity Shares/PCDs should not be effected in cash and must be effected only by an Account Payee Cheque or an Account Payee Bank Draft or Stockinvest if the amount payable is Rs 20,000 or more. In case payment is effected in contravention of this provision, the application money will be refunded and no interest will be paid

STOCKINVEST

The applicant has the option to use Stockinvest for applying for the Equity Shares and PCDs now offered in terms of this Prospectus. Stockinvest can be obtained from any Bank issuing such instruments in various denominations by making necessary application. The applicant using the Stockinvest should submit the application form to any of the Bankers to the Issue before closing of the subscription list along with the Stockinvest after filling in the appropriate amount

- (1) The Stockinvest should bear 'A/c Payee' and 'Non Negotiable' crossing and will be payable to the account of the payee and/or to the purchaser/investor on cancellation
- (2) The validity of the Stockinvest shall be four months
- (3) The Stockinvest should be used within 10 days from the date of Issue of the instrument failing which such applications are liable to be rejected

- (4) The Stockinvest will be issued to the investor in the blank format after authentication of the date of the issue by the designated branch of the Bank. The Stockinvest duly completed should be submitted along with the application form for Equity Shares/PCDs to the Bankers to the Issue
- (5) The stockinvest should be made payable to the issuer Company and not to the bankers to the issue
- (6) No refund will be made to those applicants using Stockinvest for payment of application money
- (7) In case of non-allotment of Equity Shares/PCDs, the cancelled Stockinvest instrument will be returned to the applicant who will have to approach the issuing branch of the Bank for lifting of lien

The applicant using Stockinvest should submit the application form along with the instrument to any of the Bankers to the Issue or their Branches mentioned in the Application Form. Stockinvest instruments are payable at par in all the branches of the issuing Bank and as such outstation Stockinvest instruments can also be attached to the Application Form if the issuing Bank has a branch at the place of submitting the application

The applicant has to fill in the following particulars in the Stockinvest instrument:

- (1) Title of the account as mentioned earlier;
- (2) The number of Equity Shares and/or PCDs applied for;
- (3) The amount payable on the Equity shares and/or PCDs applied for (calculated at the rate of Rs 30/- per Equity Share and Rs 42/- per PCD) and
- (4) The name and address where the Stockinvest should be returned in case of non-allotment.

The instrument should thereafter be signed by the applicant. It should also bear the stamp of the Bank issuing the instrument and should be crossed 'A/c Payee'. Service charges for issuing stockinvest must be borne by the applicant

The applicant should not fill the portion reserved to be filled in by the Registrars to the Issue (right hand portion of the instrument). The Registrars to the Issue will fill in the right hand portion of the Stockinvest indicating the Equity Shares and /or PCDs allotted to the applicant and also the amount calculated as follows:

- (a) In case of full allotment, the number of Equity Shares and/or PCDs and the amount on the right hand side will be the same as in the left hand side of the instrument
 - (b) In case of partial allotment, the amount after adjusting allotment money payable in respect of Equity Shares and/or PCDs so allotted, filled in by the Registrars (on the right hand side of the instrument) will be less than or equal to the amount filled up by the applicant (on the left hand side of the instrument)
 - (c) In case the allotment is nil, the number and the amount filled in by the Registrars on the right hand side of the instrument will be nil
- Registrars to the Issue have been authorised vide a Directors' Resolution dated September 21, 1994 for realising the proceeds of the Stockinvest on behalf of successful allottees or to affix non allotment advice on the Stockinvest or to cancel the Stockinvest of the non allottees or partially successful allottees with more than one stockinvest. The cancelled instrument shall be sent back by the Registrars to the Investor directly, by registered post within ten weeks of the date of closing of the Issue

Corporate Bodies, Financial Institutions and Share Brokers are not eligible to apply through Stockinvest

The Stockinvest should be made against Term Deposits, Credit balances available in Savings bank or Current Accounts of the applicant

The name of the Capital issuing company should be filled in by the bank before the Stockinvests are delivered to the applicant

GENERAL INSTRUCTIONS

(a) JOINT APPLICATIONS

An application may be made in single or joint names (not more than three). In case of a joint application, refund pay orders, if any, dividend/ interest warrants, etc. will be made out in favour of and all communications will be addressed to the first applicant whose name appears first at his/her address as stated in the Application Form

(b) MULTIPLE APPLICATIONS

An applicant should submit only one application (and not more than one) for the total number of Equity Shares and/or PCDs. Applications may be made in single and/or joint names (not more than three) but two or more applications in single and/or joint names will be deemed to be multiple applications if the sole and/or first applicant is one and the same. The Board reserves the right to reject in its absolute discretion all or any such multiple applications.

An applicant who has applied under the firm allotment category cannot apply in the category of 'Net Offer to Public' and such applications will be treated as multiple applications.

However, an applicant who is an Employee of the Company or the Promoter Companies and has applied under the Reserved Category can apply under the 'Net Offer to Public' category and such applications will not be treated as multiple applications.

(c) APPLICATIONS UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES

In case of applications under Power of Attorney or by Limited Companies or Corporate Bodies, the relevant Power of Attorney or the relevant Authority, as the case may be or duly certified copy thereof must be attached to the Application Form or lodged separately with the Registrars to the Issue quoting the serial number of the Application Form and the name of the Bank and Branch where the application has been lodged simultaneously with the submission of the Application Form.

(d) UTILISATION OF APPLICATION MONEY

The sums received in respect of this Issue will be kept in separate Bank Accounts and the Company will not appropriate these funds unless approval of the concerned Regional Stock Exchange at Jaipur is obtained for allotment.

(e) REJECTION OF APPLICATIONS

The Board reserves its full, unqualified and absolute right to accept or to reject any application in whole or in part and in either case without assigning any reason thereof.

In case an application is rejected in full, the whole of the application money received will be refunded to the applicant. If an application is rejected in part, the excess application money received will first be adjusted against allotment money due if any, and the balance will be refunded to the applicant within 10 weeks of the date of closing of the Subscription List or, in the event of unforeseen circumstances, within such further time as may be allowed by the Regional Stock Exchange. The unused Stock Invest will be cancelled and returned to the applicant.

V TAX BENEFITS

The Company has been advised by its Auditors, Lodha & Co. Chartered Accountants, that under the provisions of current laws for the time being in force, the following tax benefits, inter alia, will be available to the Company and its members:

A. To the Company

1. In accordance with and subject to the provisions of Section 35(1) (iv) of the Income Tax Act, 1961 the company will be eligible for deduction of entire capital expenditure (other than on acquisition of land) incurred in connection with scientific research related to business carried on by the Company in the year in which such expenditure is incurred. The company shall be eligible for deduction of any sum paid to a scientific research association which has as its object the undertaking of scientific research under the provisions of Section 35(1) (ii) of the Income Tax Act.
2. After the issue to the public of Equity and Debentures in terms of the Prospectus, the Equity and Equity shares of the company allotted on conversion of the Debentures will be listed on recognised Stock Exchange in accordance with the provisions of the Securities Contract (Regulation) Act, 1956. The Company will be treated as one in which the public are substantially interested as defined under section 2(18) of the Income Tax Act, 1961 and will accordingly be entitled to lower corporate tax.

3. Under Section 35D of the Income Tax Act, 1961 the Company will be entitled to a deduction equal to one tenth of the expenditure of the nature specified in the said section including expenditure in connection with the public issue in terms of this Prospectus such as underwriting commission, brokerage, other charges etc for each of the 10 successive years beginning with the previous year in which the industrial unit commences production or operation subject to over all limits prescribed under the said section.
4. Under Section 80M of the Income Tax Act, the Company is entitled to a deduction in respect of the dividends received from domestic companies not exceeding the amount of dividend distributed by the company to its members before the due date of filing the Return of Income as provided under the said section except if Company receives any dividend by way of dividends from the units of the Unit Trust of India, the company shall be eligible for deduction to the extent of:

a) two-fifth of such income in respect of Assessment Year 1995-96

b) Nil - for Assessment Year 1996-97 and onwards

5. In accordance with and subject to the conditions specified in Section 80HHC of Income Tax Act, 1961 the company will be entitled to deduction in respect of profits as determined under the said section, attributable to the export of goods & merchandise to which the section applies.
6. In accordance with and subject to the conditions specified in section 80 IA of the Income Tax Act, 1961 the company will be entitled to a deduction of 30% of the profits and gains derived from the New Industrial undertaking for a period of 10 Assessment years, beginning with the assessment year relevant to the previous year in which the said undertaking commences production.

B. To the Debenture Holders/Members of the Company (Indian Residents)

1. Members being Individuals, Hindu Undivided Families, Association of Persons or Body of Individual of specified categories will be entitled to deduction under Section 80L of the Income Tax Act, 1961 from the Gross total Income of an amount upto a maximum of Rs. 10,000/- in the aggregate per year in respect of specified income including dividends received from the Company, subject to the provisions of the said section.
2. A domestic company which is a member of the company will be entitled to a deduction under Section 80M of the Income Tax Act, of an amount equal to:
 - i) In case of scheduled banks, public financial institutions, state financial corporations or state industrial investment corporations or companies registered u/s 25 of the Companies Act, 60% of the dividend income from the company.
 - ii) In case of any other domestic company, to the extent that the net income by way of dividends received by it from the company does not exceed the dividend distributed by it before the date of furnishing its return.
3. All mutual funds set up by public sector banks or public financial institutions authorised by the Securities and Exchange Board of India or the Reserve Bank of India will be exempt from the Income Tax u/s 10 (23D) on all their income, including income from investment in debentures/shares of the company.
4. The Debentureholder/Members of the company being individuals will be entitled to receive interest/dividends without deduction of income tax at source, provided:
 - i) Pursuant to Section 193/194 of the Income Tax Act, the amount of such interest/dividend paid during any financial year by the company to the Debentureholder/Members does not exceed Rs 2500/- or
 - ii) Pursuant to section 197 A of the Income Tax Act, the Debentureholder/Member furnishes a declaration in writing in duplicate to the Company in the prescribed form and verified in the prescribed manner to the effect that his estimated total income of the previous year will be less than the minimum liable to the income tax.
5. In terms of provision of Section 112 of Income Tax Act, 1961 a

member of the company shall be liable to pay income tax at a flat rate of 20% to 30% as the case may be on long term capital gain earned on sale of shares if held for a period of more than 12 months after adjusting indexation of cost of acquisition of shares

6. The Members/Debentureholders of the company will not be liable to Wealth Tax on the value of shares/debentures in the Company held by them

VI. PARTICULARS OF THE ISSUE

A) Objects of the Issue

The objects of the Issue are:

- To repay the Short Term Loans availed by the Company to discharge part of the Purchase Consideration to M/s Bajaj Hindusthan Limited (BHL) for acquisition of Udaipur Cement Works (UCW)
- To make payment of balance amount of Purchase Consideration to BHL for acquisition of UCW
- To meet capital expenditure requirements for modernisation and debottlenecking through installation of balancing equipments
- To meet a part of the Working Capital margin
- To meet the expenses of the issue and other incidental expenses
- To get the Equity Shares and PCDs of the Company listed at various Stock Exchanges

B) Cost of Acquisition of Udaipur Cement Works

UCW was acquired by the Company (JKUUL) from BHL as a going concern w.e.f. December 2, 1993 at a total Purchase Consideration of Rs 137.50 crores. The Purchase Consideration includes Term Loans and Debentures of Rs. 42.60 crores transferred from Financial Institutions, Banks and Debentureholders as under : (hereinafter referred to as "Institutional Loans and Debentures")

Summary of Institutional Loans & Debentures

	(Rs crores)	
1. Term Loans		
a) From Financial Institutions:		
i) In Foreign Currency	1.13	
ii) In Indian Rupees	17.05	
b) From Rajasthan State Industrial Development & Investment Corporation Ltd (Interest free sales - tax loan)	1.89	
c) From Housing Development Finance Corporation Limited	0.73	
d) From State Bank of India for Diesel Generator Set	1.80	
2. Non Convertible Debentures		
a) 1,00,000 14% NCDs of Rs. 100/- each	10.00	
b) 10,00,000 14% NCDs of Rs. 100/- each	10.00	
Total		<u>42.60</u>

C) Total Project Cost

The total project cost as appraised by The Industrial Credit & Investment Corporation of India Ltd (ICICI) for modernisation and further balancing equipment including the purchase consideration has been estimated at Rs 220 crores. Break-up of the total project cost is as described below:

	(Rs. crores)	
(1) Total Purchase Consideration		
Payment to BHL	94.90	
Transfer of Institutional Loans and Debentures	42.60	137.50
(2) Transfer Charges and other miscellaneous Expenses		4.50
(3) Capital Expenditure on Modernisation		
Buildings	3.07	
Plant & Machinery (indigenous)	29.60	
Miscellaneous Fixed Assets	17.30	49.97
(4) Preliminary Expenses and Pre-operative Expenses		14.29
(5) Margin money for Working Capital		6.24
(6) Contingency Margins		7.50
Total		<u>220.00</u>

D) Means of Financing

The cost of the project estimated at Rs. 220 crores is proposed to be financed as under:

	(Rs. crores)	
(1) Promoters' Contribution		
Equity Shares		58.13
(2) Public Issue		
Equity Shares	24.77	
PCDs	41.25	66.02
(3) Non Convertible Debentures (Placed Privately)		38.85
(4) Transfer of Institutional Loans and Debentures		42.60
(5) Internal accruals		14.40
Total		<u>220.00</u>

Note:

- The Non Convertible Debentures aggregating to Rs 38.85 crores being privately placed are being subscribed to by The Industrial Credit & Investment Corporation of India Ltd. (ICICI)
- The terms and conditions of the above mentioned subscription to the NCDs and transfer of Institutional Loans and Debentures of Rs 42.60 crores are mentioned elsewhere in the Prospectus

VII COMPANY, MANAGEMENT & PROJECT

BRIEF HISTORY AND BUSINESS OF THE COMPANY

J.K. Udaipur Udyog Limited (JKUUL) was incorporated on March 15, 1993 and obtained Certificate of Commencement of Business on March 24, 1993 from the Registrar of Companies, Rajasthan at Jaipur. The Company does not have any subsidiary

JKUUL acquired UCW, as a going concern from BHL w.e.f. December 2, 1993, with an installed capacity to manufacture 8 lac tonnes per annum (tpa) of portland cement

The assets of UCW consisted of land (freehold land and leasehold land), buildings, plant and machinery, equipments, furniture and fixtures and vehicles which have been detailed elsewhere in the prospectus. The total purchase consideration paid for the acquisition of UCW was Rs 137.50 crores. The acquisition was made on the basis of a bid process on evaluation of the business. The land and building acquired have been valued by the Government approved Chartered Engineers. The balance purchase consideration has been allocated to other assets of the Company which include plant and machinery

According to the management estimates, the present value of the assets acquired are much higher than the purchase consideration paid. The purchase consideration (net of loans of Rs 42.60 crores) amounting to Rs 94.90 crores is being paid as agreed between the company and BHL. As on date, JKUUL has paid Rs 50 crores to BHL. Of the balance of Rs 44.90 crores, Rs 19.90 crores would be payable on March 1, 1995 and the balance as is agreed between the Company, BHL and the Promoter (JKCL)

The sale of UCW to the Company has been approved by the shareholders of BHL vide resolution passed at the Annual General Meeting of the company held on 24.09.92. The details of the execution of sale, registration of the properties etc. has been discussed elsewhere in the prospectus

The land admeasuring 400 acres situated at Village Nagarmahra, Tehsil Mavli, District Udaipur on which UCW is located was assigned in favour of the Company on December 1, 1993 by way of an endorsement on the existing Lease Deed in accordance with the Orders of the State Government of Rajasthan and the same was lodged for registration on December 1, 1993

The Indenture of Conveyance in respect of the factory, office, colony and other buildings standing on the said land was executed between BHL and JKUUL and lodged for registration on December 1, 1993. The two Limestone Mining Lease Deeds (Lease I covering Daroli and a part of Manderiya block and Lease II covering the other part of Manderiya block) admeasuring approximately 704.944 hectares and 213.330 hectares respectively in Vallabh Nagar, District Udaipur, assigning the said mining leases in favour of JKUUL, were executed between Mining Engineer, Mines & Geology Department State Government of Rajasthan, Udaipur, BHL and JKUUL and lodged for registration on December 3, 1993

Plant & Machinery of the value of Rs 10 crores has been acquired on Lease from BHL. All other moveables i.e. the plant and machinery, furniture, fixtures, office equipments and vehicles were acquired on December 1, 1993 by simple delivery under receipts passed by the Company in favour of BHL.

JKUUL has drawn up a modernisation and debottlenecking programme at a total outlay of Rs 49.97 crores as described elsewhere in this Prospectus. As per the ICICI appraisal, the capacity for the year ending March 31, 1995 will reach a level of 10 lac tpa.

MAIN OBJECTS OF THE COMPANY:

The main objects of the Company are set out in the Memorandum of Association of the Company and include, inter-alia, the following:

- (1) To produce, manufacture, treat, process, prepare, refine, import, export, purchase, sell and generally to deal in and to act as brokers, agents, stockists, distributors and suppliers of all types and kinds of cement whether ordinary, white, coloured, portland, pozzolana, alumina blast furnace, silica or otherwise and all other varieties of cement, lying as limestone, clinker and/or by-products thereof, as also cement products of any or all description, such as pipes, poles, slabs, asbestos sheets, blocks, tiles, garden-wares, plaster of paris, lime pipes, building materials and otherwise, and articles, things, compounds and preparations connected with the aforesaid products.
- (2) To work mines or quarries and to prospect for, search for, find, win, get, work, crush, smelt manufacture or otherwise deal with, limestone, chalkclay, ores, metals, minerals, deposits of products and to carry on business of mining in all its branches.
- (3) To carry on all or any of the business as manufacturers and sellers of, and dealers and workers in lime, plasters, whiting, clay, gravel, sand minerals, earth, coke, fuel, gypsum, coal, jute, hessian cloth, gunny bags, paper bags, artificial stone and all builders requisite made out of cement products and convenience of all kinds.
- (4) To search for ores and minerals mine and grant licenses for mining in or over any lands which may be acquired or held by the company and to lease out any such lands and building and other use.

PROMOTERS AND THEIR BACKGROUND

JKUUL has been promoted by JK Corp Limited (formerly Straw Products Limited) and J.K. Industries Limited, both existing, profit making and dividend paying companies.

(1) JK Corp Limited (JKCL)

JKCL was incorporated in the year 1938, is a well diversified company engaged in manufacture of Paper, Cement, Audio Magnetic Tape and Synthetic Fibres. It has an integrated Pulp & Paper Plant by the name of J.K. Paper Mills with a capacity of 60,000 tpa at Rayagada, Orissa. This has been further expanded to 75,500 tpa by installation of a new paper machine. The Company is implementing a project to build a new Pulp mill and increase the installed capacity of paper by another 50,000 tonnes at an estimated cost of Rs 275 crores. The various varieties of writing and printing papers, like JK Maplitho, JK Bond, JK Copier and other speciality papers, produced by the company enjoy an excellent market reputation. The company has also promoted an independent R&D Centre called Pulp and Paper Research Institute at Rayagada, Orissa.

In 1982, the company set up a Cement plant known as 'Lakshmi Cement' in district Sirohi of Rajasthan. The plant has an installed capacity of 5.8 lac tpa. JKCL is presently implementing a modernisation - cum - expansion scheme to expand the capacity of cement from 5.8 lac tpa to 14.60 lac tpa at an estimated cost of Rs 395 crores. This expansion is expected to be completed by first quarter of 1995. A scheme to further expand the capacity of cement by another 5 lac tonnes at an estimated cost of Rs 210 crore is also under implementation. This proposed capacity expansion alongwith JKUUL's output will give the group a wide production base for the supply of cement in the North and West of India.

In 1989, the company set up JK Magnetics division for manufacture of cobalt coated Audio Magnetic Tapes with an installed capacity of 1500

Million Running Meters (MRM) at Surajpur, Distt. Ghaziabad in UP. The present capacity of the Audio Tape Plant is 2592 MRM and it is supplying audio tapes to the leading music recording companies in the country.

Orissa Synthetics another division of JKCL presently has a manufacturing facility of 22000 tpa of Polyester Staple Fibre (PSF) and 6000 tpa of Polyester Filament Yarn (PFY). It uses the world-renowned DuPont technology and has obtained technical knowhow from M/s Cheil Synthetics Ltd, a company of M/s Samsung Group of South Korea, a large producer of Polyester Yarn. The company is in the process of increasing the capacity of PSF and PFY to 38,000 tpa.

Financial Highlights

The financial highlights of JKCL for the past 5 years are given below:

Financial year ended March 31,	1994	1993	1992	1991	1990
Gross Sales and other Income	509.82	283.48	282.90	219.01	182.89
Profit before Depreciation, Interest & Tax (PBIIDT)	83.32	44.14	58.94	41.35	31.50
Profit Before Tax (PBT)	32.72	12.72	31.03	15.06	9.05
Profit After Tax (PAT)	32.72	10.67	17.78	15.06	7.94
Equity Capital	33.14	14.40	10.14	10.14	10.14
EPS (Rs)	10.14*	5.60	17.47	14.78	7.76
Cash EPS	15.22	14.56	43.90	27.20	18.30
Book Value per share (Rs)**	88.36	61.94	67.82	53.84	50.48

* Calculated on pro-rata basis on expanded capital

** Excluding revaluation reserve

JKCL has a track record of uninterrupted dividend payments for the past 28 years

Stock market data for JKCL

For the year ended 31st March	1994	1993	1992	1991	1990
Market Price High (Rs)	235.00	190.00	600.00	285.00	155.00
Low (Rs)	105.00	105.00	108.00	105.00	73.00
Dividend	30%	30%	35%	35%	30%

Monthly Market Highs and Lows for the previous six months in 1994

	High Rs	Low Rs	Average Rs
June	270.00	215.00	242.50
July	280.00	262.50	271.25
August	332.50	272.00	302.25
September	342.50	307.50	325.00
October	360.00	300.00	330.00
November	305.00	262.50	283.75
December	270.00	255.00	262.50

(2) J.K. Industries Limited (JKI)

JKI was incorporated in the year 1951 as a Private Limited Company and was converted into a Public Limited Company in 1974. In 1977, JKI set up a tyre plant in Kankrol in Rajasthan in technical collaboration with General Tyre of USA. The plant had an installed capacity of 5 lac tyres and tubes each per annum in 1977 and by gradually increasing its capacity it has reached its present level of 13.92 lac tyres and 11.05 lac tubes per annum. In 1991, JKI set up its second Tyre Plant in Banmore in Madhya Pradesh with an installed capacity of 5.69 lac tyres per annum. The tyres marketed under the brand name of "JK Tyres" cater to all the market segments including Government supplies, OEMs, replacement markets etc and it is the only Company producing Steel Belted Radial Tyres for the entire range of vehicles. In the year 1977 JKI pioneered Steel belted Radial technology in the country and till date continues to be the market leader in the segment with a market share of about 35%.

JKI has also set up JK Agri-Genetics division in Andhra Pradesh for production, processing and distribution of Hybrid and High Yielding seeds of cereals, oilseeds, pulses etc. JKI sells Hybrid and High Yielding seeds under the brand name of "JK SEEDS".

JKI set up J.K. INTERNATIONAL a division to pursue its International Trading activities in the year 1992. This division was able to notch a business of about Rs 15 crores in the first few months of its operation, the current turnover is about Rs 50 crores.

JKI has drawn up major expansion plans in tyre business for improving its existing market position in the industry. The capacity for the manu-

factory of radial tyres for passenger cars and LCVs is being doubled from 3 lac tyres p.a. to 6 lac tyres p.a. A separate facility for steel radials for all trucks and buses is being set up. The existing capacity is also being substantially increased

JKI has recently received an industrial licence for setting up a sugar factory at Mirganj in Uttar Pradesh with a capacity of 2,500 tonnes crushing per day. This plant is expected to go on stream in early 1996. JKI is setting up a project for manufacturing 7ADCA and semi-synthetic cephalosporins at Gajraula in Moradabad district of Uttar Pradesh. The plant is being set up with a capital outlay of Rs 48 crores and is likely to go on stream shortly

Financial Highlights

The financial highlights of JKI for the last five years are as under :

Particulars	Financial year ended June 30th				
	1994	1993	1992	1991	1990
Gross Sales and other Income	673.76	547.81	421.91	378.79	332.11
Profit before Depreciation, Interest & Tax (PBIDT)	67.80	74.18	63.47	46.26	35.90
Profit Before Tax (PBT)	18.06	17.68	25.09	26.17	17.53
Profit After Tax (PAT)	18.06	17.68	25.09	18.92	16.63
Equity capital	29.87	18.56	14.04	14.04	14.04
EPS (Rs)	## 6.69	11.51#	17.65	13.25	11.77
Cash EPS (Rs)	## 10.79	21.09#	26.93	20.97	19.36
Book Value per share (Rs)###	86.70	76.38	64.99	50.23	39.98

EPS calculated on an annualised prorata basis on the expanded capital after conversion of the PCDs allotted through the Rights Issue
EPS during 1993-94 has been calculated on an annualised prorata basis on the Equity Capital as increased by issue of additional Equity Share Capital to the extent of Rs 1131.45 lacs
Without considering Revaluation Reserve

Stock market data for JKI

For the year ended 30th June	1994	1993	1992	1991	1990
Market price					
High (Rs)	185.00	262.05	375.00	182.50	113.75
Low (Rs)	122.50	102.50	153.75	142.50	41.00
Dividend	30%	30%	30%	30%	30%

Monthly Market Highs and Lows for the previous six months in 1994

	High Rs	Low Rs	Average Rs
June	180.00	157.50	168.75
July	190.00	170.00	180.00
August	195.00	185.00	190.00
September	202.50	190.00	196.25
October	200.00	185.00	192.50
November	197.50	190.00	193.75
December	195.00	180.00	185.00

(3) Jointly Promoted Companies

(i) The Central Pulp Mills Limited (CPML)

JKCL alongwith JK Industries Ltd, another group company had taken over the management and rehabilitation of CPML vide BIFR order dated May 13, 1992. After necessary repairs and renovation Paper Machine I was commissioned in November 1993 and with the recent commissioning of Paper Machine II after major rebuild, the implementation of rehabilitation scheme is nearing completion. This paper unit, when fully operational will have a rated capacity of 45,000 tpa thus increasing the overall capacity to 120,500 tpa (including 75,500 tpa at its Orissa plant).

This will consolidate JKCL's market share in the paper industry. The scheme of rehabilitation as approved by BIFR is estimated to cost Rs 133.50 crores out of which the new promoters i.e JKCL and JKI have brought in Rs 90 crores by way of Equity capital/ Unsecured loans

Financial highlights of CPML

Particulars	Rs Crores	
	1994	1993
Total turnover	12.60	(0.25)
Profit/Loss before Depreciation and Tax	(0.84)	(0.79)
Profit/Loss Before Tax	(1.48)	(0.83)
Profit/Loss after Tax	(1.48)	(0.83)
Equity capital	23.80	13.80
Advance against Share Application	47.00	5.00
Revaluation Reserves	42.27	-
Investment Allw. Reserves	0.60	0.60

Stock Market data for CPML

Although the company is listed on the Stock Exchanges at Bombay and Ahmedabad, there has been no trading in the scrip since the Company was taken over by JKCL and JKI in May, 1992.

(ii) J.K. Dairy & Foods Limited (JKDF)

JKDF co-promoted by JKCL alongwith JKI was set up as a greenfield dairy project in the state of Uttar Pradesh for the manufacture of Dairy Whitener, Whey Powder and Ghee. The project with a capital outlay of Rs 30 crores commenced commercial production in October 1994. To part finance the aforesaid project, JKDF had successfully tapped the Capital market in the month of July 1994 with a simultaneous and unlinked issue of Equity Shares and PCDs

Financial highlights of the JKDF

Since the company has not completed a full operational year since commencement of commercial production in October 1994, it does not have any audited financial results

Stock Market data for JKDF

The Company was listed on the Stock Exchange on October 07, 1994. Since then, the Stock Market details are as under :

Monthly Market Highs & Lows since the month of Listing

	High Rs	Low Rs	Average Rs
October	45.00	28.75	36.90
November	37.50	27.50	32.50
December	32.50	25.00	28.75

(iii) J.K. Pharmachem Limited (JKPL)

The company has been promoted by JKI and JKCL jointly with Tamil Nadu Industrial Development Corporation Limited (TIDCO) as a Joint Sector company. The company has since been converted into an Associate Sector company. JKPL is implementing a project for the manufacture of Penicillin-G, a basic antibiotic required for the manufacture of essential life saving medicines

The project is being set up in technical collaboration with IGC Ltd, Cyprus, a part of the ICN pharmaceutical group, USA. To part finance the project cost of Rs 195 crores, JKPL successfully tapped the Capital markets in October 1994, with an issue of Secured Redeemable Partly Convertible Debentures aggregating to Rs 165.00 crores with Detachable Warrants

Financial highlights of the JKPL

The company has not started commercial production as yet and has not completed a full financial year. Hence it does not have any audited financial results

Stock Market data for JKPL

The Company made a Public Offering of Secured Redeemable Partly Convertible Debentures with Detachable Warrants in the month of

October 1994. The company was listed on the Stock Exchange on 09.01.95. The opening quotation on the Stock Exchange was Rs 30/-

None of the aforesaid three companies come under the purview of Section 370(IB) of the Companies Act, 1956

PREVIOUS ISSUE BY PROMOTER COMPANIES

JKCL

JKCL, in the last three years, has made a Rights Offer during 1992-93 and GDR Issue in 1994-95 as detailed hereunder

Type of Issue	Closing Date	Date of allotment	Amount	Date of Refund	Date of listing on the Stock Exchange	Date of completion of delivery of share/debenture certificates	Date of completion of projects	Dividend
Rights Issue	6.1.93	9.2.93	Rs 269 crores	16.2.93	28.4.93	31.03.93 (Ext'n recd)	Under Implementation as per project schedule	30% (93-94)
GDR	14.10.94*	25.10.94	USD 55 million	NA	26.10.94	25.10.94	For modernisation of its paper divn. and expansion of its cement division	NA

* Pricing Date

The company has suitably replied/resolved the complaints received from the Shareholders/Debentureholders/Fixed Deposit holders as on 31.12.94

The company is not on SEBI's defaulters' list as on 31.12.94

Promises Vs Performance

Comparison of Projections (as per letter of offer dated 12/11/92) and Actual Performance

	1993-94 Projections	1993-94 Actuals *
Sales & Other Income	332.53	509.82
Profit Before Interest & Depreciation	72.80	83.32
Profit After Tax	27.10	32.72
Equity Share Capital	23.62	33.14
EPS (Rs)	11.44	10.14
Book Value (Rs)	88.22	88.36

* Includes working results of erstwhile Orissa Synthetics Limited merged with JK Corp Limited

JKI

JKI made a Rights Offer during the last 3 years as detailed hereunder:

Type of Issue	Closing Date	Date of allotment	Amount	Date of Refund	Date of listing on the Stock Exchange	Date of completion of delivery of share/debenture certificates	Date of completion of projects	Dividend
Rights Issue	16.02.93	17.3.93	Rs 257.66 crores	31.3.93	28.5.93 - Calcutta 19.5.93 - Bombay 22.5.93 - Delhi 07.6.93 - Jaipur	17.4.93 (Equity) 07.5.93 (PCDS)	Under Implementation as per project schedule	30% (93-94)

The company has suitably replied/resolved the complaints received from the Shareholders/Debentureholders/Fixed Deposit holders as on 31.12.94

The company is not on SEBI's defaulters' list as on 31.12.94

Promises Vs Performance

Comparison of Projections (as per letter of offer dated 04/01/93) and Actual Performance

	(Rs crores)	
	1993-94 Projections	1993-94 Actuals*
Sales & Other Income	694.07	673.76
Profit Before Interest & Depreciation	122.91	67.80
Profit After Tax	36.11	18.06
Equity Share Capital	28.04	29.87
EPS (Rs)	12.78	6.69*
Book Value (Rs)**	91.00	87.30

* EPS during 1993-94 has been calculated on an annualised prorata basis on the Equity Capital as increased by issue of additional Equity Share Capital to the extent of Rs 1131.45 lacs

** Without considering Revaluation Reserve

Note: The financial results for the year 1993-94 were lower than the Projections due to severe competitive market conditions and a steep increase in the cost of inputs and raw materials

OUTSTANDING LITIGATION/CRIMINAL PROSECUTION AGAINST THE PROMOTERS/DIRECTORS OF THE PROMOTER COMPANIES AND OTHER VENTURES OF THE PROMOTER COMPANIES

Promoter Companies

The Promoters JKCL and JKI have no outstanding litigation pertaining to criminal prosecution launched or economic offences against the Companies or their Directors for alleged offences under the enactments specified in paragraph 1 of Part I of Schedule XIII of the Companies Act 1956

There are no statutory/institutional overdues from the companies as on 31.12.94

Both JKCL and JKI have paid full income tax due as per returns filed. However, in respect of certain disallowances and additions made by the Income tax authority, appeals/representations are pending before concerned judicial authorities and tax liability, if any, in respect thereof shall be provided after disposal of the same

Outstanding Litigation/Criminal prosecution against the other companies promoted by JKCL and JKI

CPML and JKPL have no outstanding litigation pertaining to criminal

prosecution or economic offences against the Companies or their Directors for alleged offences under the enactments specified in paragraph 1 of Part I of Schedule XIII of the Companies Act 1956

JKDF has no outstanding litigation pertaining to criminal prosecution or economic offences against the Company and none of the Directors have any litigation for alleged offences under the enactments specified in paragraph 1 of Part I of Schedule XIII of the Companies Act 1956 except Shri K.S Mehta against whom a case has been filed in his capacity as erstwhile Director of Indana Spices & Foods Ltd, a company in which Shri Mehta has no financial stake. The company had accepted deposits but failed to repay the same. A depositor had lodged claim against the Company and its Directors

These companies have no statutory/institutional overdues as on 31.12.94

COMPANIES UNDER THE SAME MANAGEMENT

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.

MANAGEMENT

The company is managed by a Board of Directors comprising of eminent Industrialists and Professionals assisted by an able team of Professionals headed by the Chief Executive, Mr O. N. Rai. The Board is headed by well known industrialist Shri Hari Shankar Singhania. Other members of the Board are Shri Bharat Hari Singhania, Smt Vinita Singhania, Dr Vinay Bharat Ram, Shri Nirmal Kumar Ruia, Shri Ravindra Narain, Shri Surendra Malhotra, Shri Swaroop Chand Sethi and Shri Sitab Chand Jain

Shri Hari Shankar Singhania, B.Sc., F.Inst.D(London), MBIM (London), Chairman, has been on the Board of JK Corp Limited (JKCL) since 1951 and became its Managing Director in the year 1970. Under his stewardship, a sophisticated Paper Mill was established in a backward region in Orissa with an installed capacity of 18,000 tpa which has since been increased to 75,500 tpa through expansions. JKCL has also diversified into various other areas including Cement, Polyester Fibres & Yarns and Magnetic Tapes. Shri Hari Shankar Singhania who is presently the Chairman cum Managing Director of JKCL is also the Chairman of J.K. Industries Limited (JKI) and is a Director in many other companies. He was the President of International Chamber of Commerce, Paris. Several other eminent positions held by him in Public Bodies in India in the past include the positions of President Federation of Indian Chamber of Commerce and Industry (FICCI), Director of Industrial Development Bank of India (IDBI) and Shipping Corporation of India (SCI)

Shri Bharat Hari Singhania, Director, is an Industrialist with over 35 years of experience in various positions. He is the Managing Director of JKCL and JKI, besides being a Director in a number of other companies. He is also a Member of the Governing Board of the Xavier Institute of Management, Bhubaneswar

Smt Vinita Singhania, Director, has considerable business experience. She looks after the operations of Lakshmi Cement Division of JKCL. She is a member of the Managing Committee of FICCI - Ladies Organisation. She is also actively associated with various social organisations

Dr Vinay Bharat Ram, Director, is a Doctorate in Economics from the University of Delhi. He is a visiting Professor of Economics at the I.I.T. Delhi and has authored numerous papers in Indian and Foreign Journals. He is the Chairman and Managing Director of DCM Ltd, Director in DCM Daewoo Ltd and also holds directorships in many other companies

Shri Nirmal Kumar Ruia, Director, is an Industrialist with over 30 years of experience. He is the Director of The Dawn Mills Ltd and several other companies

Shri Ravindra Narain, B.Sc., LL.B., Director, has wide experience of around 33 years as an advocate with specialisation in excise & taxation matters. He is a Partner in J.B. Dadachandji & Co., Solicitors and is holding Directorships in several other companies

Shri Surendra Malhotra, B.E., PGDBM, Director, has an experience of around 33 years in Industry and has a wide exposure to International Trade. He was Managing Director of erstwhile Orissa Synthetics Ltd., since merged with JKCL and is now a wholetime Director in JKCL. He was President of Association of Polyester Staple Fibre Manufacturers,

Bombay (1991-93). He is a member of the Managing Committee of ASSOCHAM. He is also a member of the Consultative Committee of the Employees Insurance Fund in the Ministry of Labour and Member of the Development Panel on Synthetic Fibres in the Ministry of Industry, Govt. of India, New Delhi

Shri Swaroop Chand Sethi, M.Com., LL.B. GDSCS, Director, is a wholetime Director in J.K. Industries Ltd with more than 35 years experience in Industry. He represents Chamber of Commerce & Industry of PHD, Rajasthan

Shri Sitab Chand Jain, B.Com, MBA, FCS, Director, is a Financial Consultant with over 38 years of experience in various spheres of industry. He is also a Director of several other companies

The day - to - day affairs of the company are managed by Mr O.N Rai, B Sc (Engg) who is the Chief Executive. He has work experience of over 30 years in various managerial and operational positions. Before his appointment to this post, he was with JK Corp Ltd's Lakshmi Cement Division for over ten years. The last position he occupied in Lakshmi Cement was Chief Executive (Works). Mr O.N Rai is assisted by a team of qualified and experienced professionals in the field of Technical, Finance, Marketing and Personnel

BOARD OF DIRECTORS	
Name, Address and occupation	Other Directorships
Shri Hari Shankar Singhania S/O Late Shri Lala Lakshmi Pat Singhania 19 Prithviraj Road New Delhi-110 011 Industrialist	Chairman cum Managing Director JK Corp Ltd Chairman J.K. Industries Ltd Director DCM Limited DCM Daewoo Ltd Mayfair Finance Ltd Crossbow Investments Pvt Ltd Tanvi Commercial Pvt. Ltd UMTC Ltd Niyojit Properties Pvt Ltd
Shri Bharat Hari Singhania S/o Late Shri Lala Lakshmi Pat Singhania 20 Jorbagh New Delhi 110 003 Industrialist	Managing Director JK Corp Ltd J.K. Industries Ltd Director JK Synthetics Ltd Tanvi Commercial Pvt. Ltd Goel Kohli Towers Pvt. Ltd
Smt Vinita Singhania W/o Late Shri Pati Singhania 19, Friends Colony (West) New Delhi 110 065 Industrialist	Director JK Corp Ltd Bengal & Assam Co. Ltd Niyojit Properties Ltd
Dr Vinay Bharat Ram S/o Dr Bharat Ram 25, Sardar Patel Marg New Delhi 110 021 Industrialist	Chairman cum Managing Director DCM Limited Director DCM Daewoo Ltd DCM Automotive Ltd DCM International Ltd DCM Service Ltd SRF Ltd SRF Superior Holding Ltd Development Investment Trustee Co Ltd DCM Tans. World Pvt Ltd DCM Properties Pvt Ltd SRF Transnational Holding Pvt Ltd SRF Calgary Holding Pvt Ltd SRF Promeade Holdings Pvt Ltd Shriram Bearings Ltd Madan Mohan Lall Shriram P Ltd

Name, Address and occupation	Other Directorships
Shri Nirmal Kumar Rula S/o Late Shri Ram Niwas R Rula 417, Samudra Mahal Dr Annie Basant Road Worli Bombay 400 018 Industrialist	Director The Dawn Mills Company Ltd Bajaj Hindustan Ltd Octavious Steel & Co Ltd Rukhrai (Overseas) Ltd Sigma Paints Ltd Palmera Investments & Trading Co Pvt Ltd Dawn Threads Private Ltd
Shri Ravinder Narain S/o Late Shri Rajendra Narain 55, Sunder Nagar New Delhi 110 003 Solicitor	Director Nestle India Ltd Shriram Industrial Enterprises Ltd Shriram Pistons & Rings Ltd Modi Spinning & Weaving Mills Ltd Fomento Resorts & Hotels Ltd Pratap Rajasthan Copper Foils & Laminates Ltd Apollo Tubes Ltd Rexor India Ltd Delton Cables Ltd Continental Pumps & Motors Ltd Modi Carpets Ltd Allied Nippon Limited
Shri Surendra Malhotra S/o Late Rai Lala Mulk Raj A-1, Girdhar Apartments 28, Feroz Shah Road New Delhi 110 001 Company Executive	Whole Time Director JK Corp Ltd Director Fenner India Ltd
Shri Swaroop Chand Sethi S/o Late Chhagan Lal Sethi 58, New Rajdhani Enclave Vikas Marg New Delhi 110 092 Company Executive	Whole Time Director J.K. Industries Limited Director Mayfair Finance Ltd Bhopal Udyog Ltd Nav Bharat Vanijya Ltd Hansdeep Investments Ltd Radial Finance Ltd Juggilal Kamlapat Udyog Ltd J.K. Pharmachem Ltd
Shri Sitab Chand Jain S/o Late Shri Kistur Chand Jain M-62 Greater Kailash Part I New Delhi 110 048 Financial Consultant	Director Bhopal Udyog Ltd J.K. Credit & Finance Ltd Crossbow Investments Pvt. Ltd Sidhi Vinayak Investments Ltd Juggilal Kamlapat Udyog Ltd SPL Employees Welfare Association Ltd Nav Bharat Vanijya Ltd Param Shubham Vanijya Ltd Hidrive Finance Ltd

LAND & LOCATION

The land measuring 400 acres is situated at Village Nagarmahra, Tehsil Mavli, District Udaipur. The land was originally leased under the Industrial Areas Allotment Rules, 1959 to M/s Bajaj Hindustan Ltd (BHL) for a period of 99 years from 24.05.1968 for establishing a cement plant. The Government of Rajasthan has approved the transfer of the said lease of land from BHL to JKUUL. Accordingly, Collector Udaipur has made necessary endorsement on the lease deed whereby the aforesaid leased area is assigned to JKUUL for the remainder of the lease period. This unit is located at a short distance from Udaipur airport and is well connected by road and meter gauge rail link. The plant has a railway

siding with seven lines for unloading of coal and other materials and loading of cement. The siding is off Khemli station and extends for a distance of 5.5 KMs

MINES

JKUUL holds two mining leases over an area of 918.274 hectares (Lease I - 704.944 hectares, Lease II - 213.330 hectares) situated at Vallabh Nagar, District Udaipur, Rajasthan at a distance of 10.5 KM by road and 5.8 KM by ropeway from the plant. Both leases have been transferred by BHL to JKUUL. While Lease I expires in April 1999, Lease II expires in September 2002. Both leases have provisions for further renewal of upto 20 years. Lease I consists of Daroli and a part of Manderiya Block while Lease II consists of Manderiya Block only. The available reserves for mining from the two leased areas are estimated at 31.5 million tonnes of cement grade limestone under the "proven" category and 121 million tonnes of cement grade limestone under the "indicated/inferred" category. The above reserves have been calculated based on a mining depth of 30 metres (3 benches). The assessment of reserves and exploration has been done by the Indian Bureau of Mines. As per their analysis, the deposit can supply limestone with core quality ranging from 46% to 52% Calcium Oxide. The above reserves are sufficient for approximately another 100 years of operation for a 10 lac tpa plant

BUILDING

The building and civil work include factory buildings, central control room (CCR), silos, hoppers, auxiliary and administrative buildings, godowns and warehouses, non factory buildings, mine structures, power plant buildings and colony for essential staff. All the constructions are of first class RCC beams and column structures and RCC roofs with brick walls. The approximate covered area for each type of building is as under:

Factory buildings	3.915 acres
Auxiliary & administrative buildings	1.160 acres
Godowns & warehouses	3.791 acres
Non factory buildings	0.451 acres
Housing complexes	4.455 acres

The civil works in the modernisation and debottlenecking programme relates mainly to the continuous blending silo and cement silos proposed to be constructed and civil work related to coal stockpile. The outlay on civil works has been appraised at Rs 3.07 crores by ICICI.

PLANT & MACHINERY

JKUUL has an existing capacity to produce 8 lac tonnes of Cement per annum. This capacity is being enhanced to 10 lac tpa by installation of balancing equipments through a debottlenecking programme. In addition, the company proposes to modernise the existing facilities.

The existing major equipments comprise of one primary crusher (capacity - 400 tph), one secondary cone crusher (540 tph), 6 KM long monocable ropeway for limestone transportation (300 tph), stacker reclaim for limestone storage (54,000 tonnes), blending and storage silos (8,000 tonnes), vertical roller mill (270 tph), vertical roller mill for coal grinding (300 tph), two rotary kilns with precalcinator (Kiln I - 1,200 tpd, Kiln II - 1,300 tpd), gantry for coal additive and clinker storage (50,000 tonnes), 2 ball mills for cement grinding (100 tph, 40 tph), silos for cement storage (13,000 tonnes) and 2 electronic packers (2x100 tph)

As part of the proposed modernisation and debottlenecking programme, the company proposes to add additional mining equipment, a second bicable ropeway for limestone transportation, repair of an old primary crusher, a continuous blending silos system (15,000 tonnes), hooking up of precalcinator in Kiln I, a circular stockpile for coal blending (15,000 tonnes), close circuiting of cement mill as well as installation of pre-grinding facilities to enhance capacity, additional cement silo (5,000 tonnes) and an additional electronic packer (100 tph). The additional mining equipment proposed to be procured are 4 dumpers (35 tonnes), a hydraulic shovel (3.8 cu.m) and a bulldozer.

The two Kilns of size 3.75 metres dia x 54 metres and 3.75 metres dia x 59 metres are together capable of a throughput of 3,000 tpd of clinker. With the proposed additional balancing equipment, the plant will be able to achieve production of upto 3,000 tpd

The total cost of the plant and equipments under the aforesaid modernisation and debottlenecking programme has been appraised by ICICI at Rs 29.60 crores (excluding miscellaneous fixed assets and contingency provision)

Details of orders of major plant & machinery for modernisation and expansion (other than capital expenditure already incurred aggregating to Rs. 13.81 crores)

Sl. No.	Description	Name of Supplier	Value of Order (Rs lacs)	Date of Order Placement	Schedule of Delivery
1.	Hydraulic Excavator	M/s Larsen & Toubro	88.10	01.10.94	Jan '95
2.	Haulpak Rear Dumper-35	M/s BEML	195.90	05.10.94	Mar '95
3.	Bulldozer	M/s BEML	81.45	05.10.94	Jan '95
4.	Blast Hole Drill	M/s Ingersoll Rand (I) Ltd	38.80	30.09.94	Jan '95
	Total		404.25		

TECHNICAL ARRANGEMENTS

The modernisation and debottlenecking programme is being carried out by the company with the help of its internal team, manufacturers, contractors and consultants. For the purpose of Pre-Heater and Pre-Calculator hook up jobs, the Company is implementing the recommendations made by M/s Mitsubishi Mining & Cement Company Limited to BHL in 1989. In addition, the Company has also consulted M/s Excelon Consultants Pvt Ltd for the purpose of its entire modernisation and debottlenecking programme.

MANUFACTURING PROCESS

The plant works on the dry process technology. Briefly, cement manufacture comprises of the following process:

- Quarrying and transportation of limestone by dumpers to the crushing units**
Each tonne of finished cement requires approximately 1.5 tonnes of limestone which after quarrying are transported to the plant site. Transportation, incidentally is the single most important factor determining plant location.
- Crushing**
Limestone boulders are crushed to pebbles 6 mm to 10 mm in diameter and stacked in pre-blending stock piles.
- Grinding**
The limestone is ground to fine homogeneous powder with a consistent lime content throughout the material. Various additives such as laterite, flyash and china clay are mixed to impart the physical characteristics required in the finished cement and these additives along with limestone are ground in a vertical roller mill for making raw meal which is stored in blending silos.
- Clinkerisation**
The raw meal formed in stage (C) is fed to a clinkerisation system consisting of two streams of six stage Suspension pre-heater with in line calciner, rotary kiln fueled by coal at temperatures going upto 1400°C and clinker coolers for making clinker.
- Final mixing and grinding**
The clinker so obtained is cooled, mixed with gypsum and ground again in a cement ball mill to form cement.
- Packing and Despatch**
The end product is stored in silos for quality testing followed by packing into 50 kg bags and despatch by rail and road.

RAW MATERIAL

The main raw material for cement manufacture is limestone for which the company's leased area has estimated gross reserves of approximately 152 million tonnes (100 years of operation). The other additive raw materials required are laterite, raw china-clay and gypsum, all of which are available within a 200 km radius from the plant.

INFRASTRUCTURE AND UTILITIES

(a) Power

The maximum demand for power, at the enhanced capacity, is

estimated at 20 MVA. The company has been sanctioned a connected load of 22.5 MVA by Rajasthan State Electricity Board (RSEB). The plant, being on the Dabari Grid which supplies to the Hindustan Zinc Limited's plant, presently does not face power problems. The company has 2 DG Sets of 4,000 KVA each and 1 DG set of 5,000 KVA, equivalent to 65% of total power requirement. However, the DG Set utilisation in the past has been of the order of 10%. Thus no problem is envisaged with regard to power.

(b) Coal

The requirement of coal, estimated at about 2.2 lac tonnes per annum at 100% capacity utilisation, on the enhanced capacity is proposed to be met out of coal supplies from South Eastern Coalfields Limited (SECL). The company proposes to utilise coal: lignite on a 80 : 20 basis. The requirement of lignite is proposed to be met out of supplies from Gujarat.

(c) Water

There would be no requirement of water for the manufacturing process. Water would only be required for the colony and the plant and is estimated to be 1,300 cubic metres per day. This demand is presently met out of the Udaisagar Tank and supplemented by existing borewells.

(d) Man Power

The plant employs 828 workers comprising 51 managerial, 109 supervisory staff, 114 operating staff and 554 workmen. The company proposes to retain the existing manpower but no further recruitment is proposed.

ENVIRONMENTAL ASPECTS & POLLUTION CONTROL

The dry process of cement manufacture has dust as the only effluent. The company has obtained consent from the Rajasthan State Pollution Control Board for water and air under the Prevention and Control of Pollution Act, subject to the company adhering to emission standards for suspended particulate matter of 100 mg/Nm³ and standards for ambient air quality (mainly SO_x and NO_x levels).

SCHEDULE OF IMPLEMENTATION

The entire modernisation and debottlenecking programme is likely to be completed by March 31, 1996. After the acquisition of the unit, the Company had shutdown Kiln I in April for replacement of stage one twin cyclones by a bigger cyclone, connecting precalcinator to the kiln system, modification of the grate cooler system to handle the higher throughput and instrumentation hookup to the Central Control Room. The ESP connected to Kiln I has also since been repaired. The Kiln I recommenced operations on June 1, 1994 at an enhanced capacity of 1,200 tpd. The Company has already placed orders for the mining equipment and proposes to immediately place orders for circular stock pile for coal. The other major equipment to be installed is the bi-cable ropeway for limestone transportation for which the company proposes to place order. While the existing monocable ropeway (capacity 300 tph) is not adequate for meeting limestone requirements for the enhanced capacity, the Company proposes to transport limestone by dumpers, if necessary until the ropeway is installed.

The Company has spent Rs 95.69 crores towards the implementation of the project till October 31, 1994 which has been financed by Promoters' to the extent of Rs 20.69 crores and Short Term Loans of Rs 75 crores. The funds have been deployed as under:

Deployment of Funds	Rs crores
1 Payment to BHL	50.00
2 Capital Expenditure (including expenses capitalised)	13.81
3 Re-payment of loans transferred from BHL	0.60
4 Preliminary expenses	0.22
5 Working capital	27.90
6 Cash Loss (till Oct '94)	3.16
Total deployment	95.69

The terms and conditions attendant to the above mentioned Short Term Loans are provided elsewhere in the Prospectus.

PRODUCTS

The Company manufactures Ordinary Portland Cement, a prime ingredient for construction and building activities

MARKETING AND SELLING ARRANGEMENTS

JKUUL's existing product is well accepted in the regional market of North India. The Company which was hitherto producing only 33 grade cement has recently obtained Certification from the Bureau of Indian Standards for manufacture of 43 grade cement. The company has already commenced production of the 43 grade cement at its plant JKUUL already has a 1200 strong stockist network in place thus effecting a vast distribution system

JKUUL also has 26 supply centres to facilitate timely availability of cement to the customers

The Company proposes to focus its marketing effort in Rajasthan and Gujarat where 50% of its produce will be sold. Another 25% would be marketed in Punjab and Haryana and balance would be sold in the rest of the Northern Region of the Country

BUSINESS PROSPECTS AND DEMAND ESTIMATION

According to the data published by the Cement Manufacturers Association (CMA) in March 1994, the cement capacity in the country (excluding mini cement plants) as on March 31, 1994 was 691.30 lac tonnes. During the year 1993-94 the consumption of cement recorded a growth of 43.05 lac tonnes over 1992-93 levels while additional capacities of only 41.90 lac tonnes were added. As per a recent study carried out by ICICI, the all-India demand for cement is expected to increase to 742.80 and 849.10 lac tonnes by 1997-98 and 1999-2000 respectively

The demand supply gap is however more severe in the Northern region of India. As per the above mentioned CMA report, the Northern region produced 94.08 lac tonnes of cement during 1993-94 and consumed 142.64 lac tonnes of cement. This resulted in a demand supply gap of 48.56 lac tonnes which warranted heavy inter-regional movement of cement, specially from the West and South to the North of India. The capacity and demand projections estimated by CMA for the Northern Region over the next few years show that the North shall continue to be a deficit zone and the deficit is expected to grow to approximately 120 lac tonnes by the year 2001-2002

The present per capita consumption of cement in India at 60 kgs is less than 10% of the per capita consumption in the developed nations. The consumption levels of cement in India are however likely to record major growth over the next few years as a consequence of accelerated industrialisation in the country. It is also expected that cement will be increasingly used in hitherto largely untapped segments like Cement Concrete Roads (CCRs) and Canal Linings etc giving a boost to the overall consumption levels

By virtue of its strategic location in the Cement deficit zone of North India coupled with an existing brand and extensive marketing set-up, JKUUL does not foresee any problem in achieving the capacity utilisation levels as appraised by ICICI

EXPORT POSSIBILITIES & EXPORT OBLIGATION

The company has no export obligations

PROFITABILITY

The summary of the financial projections as appraised by ICICI are:

Year ending March 31,	1995	1996	1997	1998	1999	2000
Capacity (Lac tonnes)	10.00	10.00	10.00	10.00	10.00	10.00
Capacity utilisation (%)	70%	85%	95%	95%	95%	95%
Total Income (Net of Excise)	84.00	106.25	118.75	118.75	118.75	118.75
Cost of production	61.63	72.16	78.24	78.24	78.24	78.24
PBILD	22.37	34.09	40.51	40.51	40.51	40.51
Interest	13.37	18.13	15.64	13.92	12.20	11.77
Lease Rentals	2.52	3.04	3.12	3.24	2.32	0.00
Depreciation	7.94	9.92	10.59	10.70	10.70	10.70
Profit Before Tax (PBT)	(1.46)	5.00	11.16	12.65	15.29	18.04
Tax	Nil	Nil	Nil	Nil	Nil	Nil

Year ending March 31,	1995	1996	1997	1998	1999	2000
Profit After Tax (PAT)	(1.46)	5.00	11.16	12.65	15.29	18.04
Gross Cash Accruals	6.48	14.92	21.75	23.35	25.99	28.74
Proposed Dividend	0.00	0.00	5.37	5.37	5.37	5.37
Dividend rate	0%	0%	15%	15%	15%	15%
Net Cash Accruals	6.48	14.92	16.38	17.98	20.62	23.37
Equity Capital	33.91	35.80	35.80	35.80	35.80	35.80
Reserves & Surplus	51.13	59.91	65.70	72.88	82.89	95.56
EPS (Rs)	—	1.40	3.12	3.53	4.27	5.04

The assumptions underlying the profitability projections by ICICI are as follows:

- The ICICI appraisal assumes that the Equity Capital of the Company shall increase from Rs 33.91 crores as on March 31, 1995 to Rs 35.80 crores as on March 31, 1996 through the final call on PCDs to be made in the financial year 1995-96
- Raw material cost i.e. limestone, coal, laterite, raw china clay and gypsum at Rs 57, Rs 1250, Rs 130, Rs 115 and Rs 350 per ton respectively
- Average selling price of Ordinary Portland Cement has been considered at Rs 2100 per tonne (including excise duty, freight, sales tax levy and dealer's margin)
- Interest rate :
 - NCDs : 15.50 % p.a
 - Working capital : 15.50 % p.a
 - PCDs (non convertible part) : 14.00 % p.a
- Redemption of NCDs/ Part B of the PCDs (Khokha Portion) of PCDs at the end of years 7, 8 and 9 from the date of allotment
- Depreciation : Depreciation on Straight Line Method has been used for the purpose of profitability calculation and Written Down Value for the purpose of tax calculation

JUSTIFICATION OF ISSUE PRICE

The premium of Rs 20/- per share has been fixed in consultation with the Lead Managers who are satisfied with the basis for arriving at the same. The said premium has been found to be reasonable and justifiable and the following points have been considered while justifying the premium:

I. Already in Production

- The unit is a running venture requiring a capital investment of Rs 220 crores for take over and rehabilitation. As against this, a greenfield project of 10 lac tpa capacity, in the opinion of the management, would involve a capital outlay of approximately Rs 400 crores and require a lead time of about 3 years to commence commercial production
- JKUUL has successfully completed trial runs at its plant and has achieved an average capacity utilisation level of 90% since March 1994. This utilisation factor compares favourably with the average capacity utilisation of 78.25% for the large cement plants in India during 1993-94 (source: Cement Manufacturers' Association). As per ICICI appraisal, the capacity utilisation is expected to go upto 95% by the year 1996-97 pursuant to the completion of the modernisation and debottlenecking programme
- JKUUL has an extensive distribution and stockist network in place

II Promoted by JK Corp Ltd & J.K. Industries Ltd

The project has been promoted by JK Corp Limited (formerly Straw Products Limited), a company with wide experience in the cement industry along with J.K. Industries Ltd. JK Corp Ltd has been successfully managing Lakshmi Cement Works which has an installed capacity of 5.8 lac tpa (being increased now to 14.6 lac tpa and ultimately to 19.60 lac tpa) and a capacity utilisation of approximately 97% since 1989-1990. Thus, it is expected that JKUUL will be managed with a similar degree of efficiency

III. Profitability

The operations of the Company have already been turned around. As estimated by ICICI, the Company shall post a Cash Profit of Rs 6.48

crores for the Year 1994-95 and is expected to start generating Net Profits from the Year 1995-96 onwards as follows :

	(Rs Crores)		
Year Ended March 31st	1996	1997	1998
Profit Before Tax (PBT)	5.00	11.16	12.65
Tax	Nil	Nil	Nil
Profit After Tax (PAT)	5.00	11.16	12.65
EPS (Rs/Share)	1.40	3.12	3.53
Cash EPS	4.17	6.07	6.52

As a matter of abundant caution, the attention of the investors is drawn to the fact that the figures mentioned above are only indicative and subject to change

Previous Issues by the Jointly Promoted Companies of JKCL & JKI

J.K. Dairy & Foods Limited (JKDF)

JKDF made an initial Public Offering of a simultaneous but unlinked Issue of Equity Shares and Partly Convertible Debentures in July 1994 as detailed hereunder :

Type of Issue	Closing Date	Date of allotment	Amount	Date of Refund	Date of listing on the Stock Exchange	Date of completion of delivery of share/debenture certificates	Date of completion of project	Dividend
Public Issue	29.07.94	Equity (23.9.94) PCD (1.10.94)	Rs 9.885 crores	7.10.94	7.10.94 - Kanpur 10.10.94 - Bombay 7.10.94 - Delhi 17.11.94 - Calcutta *	7.10.94	** As Scheduled	NA

* The company had submitted the listing application on 6.10.94. However, in view of the puja holidays the listing approval was granted only on 17.11.94

The company has suitably replied/resolved the complaints received from the Shareholders/Debentureholders on 31.12.94

The company is not on SEBI's defaulters' list as on 31.12.94

Promises v/s Performance

** JKDF had implemented the project as per schedule. However, the commercial production commenced in October '94 instead of June '94. This was with a view to avoid the lean period prevalent in the industry. Since JKDF has not completed a full operational year since commencement of commercial production, hence there are no comparable performance figures

J.K. Pharmachem Limited (JKPL)

JKPL made an initial Public Offering of Partly Convertible Debentures with Detachable Warrants in October 1994 as detailed hereunder :

Type of Issue	Closing Date	Date of allotment	Amount	Date of Refund	Date of listing on the Stock Exchange	Date of completion of delivery of share/debenture certificates	Date of completion of projects	Dividend
Public Issue	31.10.94	23.12.94	Rs 47.85 crores	2.1.95	Awaited - Calcutta 11.01.95- Bombay 09.01.95- Delhi 17.01.95- Madras	9.1.95	Under Implementation	NA

The company has suitably replied/resolved the complaints received from the Shareholders/Debentureholders as on 31.12.94

The company is not on SEBI's defaulters' list as on 31.12.94

Promises v/s Performance

Since JKPL has not commenced commercial production as yet hence there are no comparable performance figures

IX OUTSTANDING LITIGATION / CRIMINAL PROSECUTION

There is no outstanding litigation pertaining to matters likely to adversely affect the operations and finances of JKUUL except as mentioned below. No criminal proceedings have been launched against the Company or any of the Directors for any of the offence under the enactments specified in Paragraph 1 of Part I of Schedule XIII to the Companies Act 1956.

The Company has acquired the lands, buildings and other immovable properties under several Deeds of Transfer and Assignment/Conveyance entered into between Company and BHL and Endorsement by Collector, Udaipur in favour of the Company on the Lease Deed in respect of leasehold lands admeasuring approximately 400 acres. Besides, plant and machinery of the value of Rs 10 crores which have

STOCK MARKET DATA:

The existing Equity Shares of the Company are not listed on any Stock Exchange

VIII ISSUE BY GROUP COMPANIES

There are no other listed companies under "the same management" within the meaning of Section 370(1B) of the Act. The details of previous issues made by JK Corp Ltd and JKI, the Promoter Companies, over the last three years have been provided under the para captioned "Previous Issue by Promoters Companies"

been taken on lease from BHL, all other plant and machinery and other movable assets have been acquired by simple delivery of Receipts passed between JKUUL and BHL. Mining leases in respect of two Limestone Mines admeasuring approximately 704.944 hectares and 213.330 hectares respectively at Vallabhnagar, District Udaipur have been acquired by way of Assignment of the said Mining Leases in favour of the Company under Deeds of Assignment executed between Mining Engineer, Mining & Geology Department, State Government of Rajasthan, Udaipur, BHL and the Company. On the Deeds of Transfer and Assignment/Conveyance, Endorsement on the Lease Deed in respect of leasehold lands admeasuring approximately 400 acres in respect of all lands, mines, buildings and other immovable properties acquired by the Company from BHL by transfer and assignment/purchase, the Company paid stamp duty aggregating Rs 1.09 crores approximately on the basis of valuations made by Government approved Chartered Engineer and lodged them for registration with the registering authorities. The concerned Sub-Registrars of Assurances, however, did not register the Deeds of Transfer and Assignment/Conveyances and Mining Leases lodged for registration with them on the plea that the stamp duty paid on the aforesaid documents was on the lower side and they wanted to impose stamp duty even on transfer of the Plant and

Machinery and other movable assets, even though the same were not transferred by or under any of the Deeds of Transfer and Assignment/Conveyance entered into between BHL and the Company. BHL and the Company therefor filed a writ petition in the High Court of Judicature, Rajasthan at Jodhpur and pursuant to the order dated July 27, 1994 passed by the said High Court, the Sub-Registrars concerned have now registered the documents and have delivered the same to the Company. The question of valuation of the properties transferred to the Company and payment of additional Stamp Duty, if any, is pending before the Hon'ble High Court at Jodhpur who have passed the orders that the valuation of the properties will be subject to the decision of the High Court. The Company and BHL have given undertakings to pay additional Stamp Duty, if any, in respect of the aforesaid documents as may be found payable by Hon'ble High Court As per the terms agreed to between BHL and the Company, the Stamp Duty, if any, payable on plant and machinery including foundations and structures and on any other properties and assets, transferred by BHL to the Company is to be borne by BHL. The additional amount, if any, found to be payable in respect of lands and buildings transferred under the aforesaid various Deeds of Transfer and Assignment/Conveyance between BHL and the Company is to be borne by the Company

DEFAULTS

- (1) The Company has not defaulted in meeting any statutory dues or Institutional dues
- (2) The Company does not have Public Fixed Deposits / Cumulative

Preference Shares and hence no dues are outstanding in respect of the same

MATERIAL DEVELOPMENTS

There are no material developments after the date of last Balance Sheet of JKUUL as on 30.09.1994 affecting performance and prospects of the Company save and except as mentioned elsewhere in the prospectus

X RISKS AS PERCEIVED BY THE MANAGEMENT :

RISK FACTORS

EXTERNAL

- Profitability may be affected due to changes in the Government's policy towards cement industry and various statutory levies.
- Competition from the existing and proposed manufacturers may affect profitability and projections of the company.

INTERNAL

- Any cost or time overrun in the implementation of the modernisation and debottlenecking programme might affect the performance of the company
- The Company has registered the immoveable properties taken over from Bajaj Hindustan Ltd (BHL) with the concerned authorities: The additional stamp duty, if any, on the land and buildings registered is subject to the decision of the Hon'ble High Court of Jodhpur

A. GENERAL INFORMATION**CONSENTS**

Consents in writing of the Directors, Auditors, Trustees for the Debenture holders, Legal Advisors to the Issue, Bankers to the Company, Bankers to the Issue, Lead Managers to the Issue, Co- Managers to the Issue, Registrars to the Issue and Brokers to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, Rajasthan at Jaipur, along with a copy of Prospectus as required under Section 60 of the Act and none of them have withdrawn their respective consents upto the time of delivery of a copy of this Prospectus for registration with the said Registrar

The Auditors of the Company M/s Lodha & Co, have also given their written consent as required under Section 60 of the Act, vide their letter dated December 08, 1994, for their report being included herein in the form and content in which it is included in this Prospectus and such consent has not been withdrawn upto the time of filing this Prospectus with the Registrar of Companies, Jaipur. The Auditors have also given their written consent to the inclusion of their statement on Tax Benefits appearing elsewhere in this Prospectus in the form and content in which it appears in this Prospectus and such consent has not been withdrawn upto the time of delivery of a copy of this Prospectus to the Registrar of Companies, Jaipur

EXPERT OPINION

M/s Lodha & Co, Chartered Accountants, Delhi, the Auditors of the Company have expressed their expert opinion on the Tax Benefits available to the Company and its members, which is reproduced elsewhere in the prospectus

CHANGES IN AUDITORS / BOARD OF DIRECTORS

M/s Lodha & Co, Chartered Accountants were appointed Auditors of the Company at the Board Meeting held on 15.03.93

With a view to broad base the Board of Directors, the following persons were inducted on the Company's Board

Name of Directors	With effect from
Shri Bharat Hari Singhania	12.11.93
Smt Vinita Singhania	12.11.93
Dr Vinay Bharat Ram	29.07.94
Shri Nirmal Kumar Ruia	29.07.94
Shri Ravindra Narain	29.07.94
Shri Surendra Malhotra	29.07.94

AUTHORITY FOR THE PRESENT ISSUE

The issue is being made pursuant to section 81(1A) of the Companies Act 1956 by a Special Resolution passed by the shareholders of the Company at the Extra-ordinary General Meeting held on December 3, 1994. The issue of Equity Shares and PCDs has been authorised by a Directors' Resolution passed on September 21, 1994

BASIS OF ALLOTMENT

- (1) In the event of oversubscription, the basis of allotment of Equity Shares will be finalised in consultation with the Stock Exchange at Jaipur. A SEBI nominated public representative shall also be associated in the process of finalisation
- (2) In view of the proportionate basis of allotment, in the case of oversubscription, to enable the Company to allot the allottees Shares in nearest multiples of 100 upon allotment of Equity Shares and/or upon conversion of PCDs, the company shall allot additional Shares/PCDs upto a maximum of 10% of the size of the Issue
- (3) (a) Applicants will be categorised according to the number of Shares/PCDs applied for
- (b) The total number of Shares/PCDs to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares/PCDs applied for in that category (number of applicants in the category x number of Shares/PCDs applied for) multiplied by the inverse of the subscription ratio, each for Equity Shares and PCDs

- (c) Number of Shares/PCDs to be allotted to the successful allottees will be arrived on a proportionate basis i.e. total number of Shares/PCDs applied for by each applicant in that category multiplied by the inverse of the oversubscription ratio, each for Equity Shares and PCDs
- (d) In all the applications where proportionate allotment works out to less than 100 Shares/50 PCDs per applicant, the allotment shall be made as follows :
 - (i) Each successful applicant shall be allotted a minimum of 100 Shares and/or 50 PCDs as the case may be and
 - (ii) The successful applicant out of the total applicants for that category shall be determined by drawal of lots in such a manner that the total number of Shares/PCDs allotted in that category is equal to the number of Shares/PCDs worked out as per (b) above
- (e) If the proportionate allotment to an applicant works out to a number that is more than 100 Shares and/or 50 PCDs but is not a multiple of 100 or 50 as the case may be (which is the marketable lot) the number in excess multiple of 100 or 50 would be rounded off to the higher multiple of 100 or 50 if that number is higher of 50 in case of Equity Shares or 25 in the case of PCDs, as the case may be. If that number is lower than 50 or 25 it will be rounded off to the lower multiple of 100 or 50 as the case may be. All applicants in such categories would be allotted Shares/PCDs arrived at after such rounding off subject however, to the total allotment of Shares/PCDs to the public not exceeding the net offer to the public in terms of this prospectus
- (f) If the Shares/PCDs allocated on a proportionate basis to any category is more than the Shares/PCDs allotted to the applicants in that category, the balance available for allotment shall be first adjusted against any other category where the allocated Shares/PCDs are not sufficient for proportionate allotment to the successful applicants in that category. The balance Shares/PCDs, if any, remaining after such adjustments will be added to the category comprising of applicants applying for minimum number of Shares/PCDs

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

The Board shall consider applications on the basis of Certification received from the Bankers to the Issue whilst making allotment. The Board reserves its full, unqualified and absolute right to accept or reject any application in whole or part and in either case without assigning any reason thereof. In case an application is rejected in full, the whole of the Application money received will be refunded to the applicant.

PROCEDURE AND TIME SCHEDULE FOR ALLOTMENTS

Allotment Letters/Debenture/Share Certificates and/or Refund Orders will be sent by registered post or as per the extant postal rules within ten weeks from the date of closure of the subscription list. In accordance with the extant postal rules, the company will ensure despatch of Refund Orders of value upto Rs 1,500/- Under Postal Certificate and Refund Orders of value above Rs 1,500/- and Allotment Letters/Debenture/Share Certificates by registered post only and adequate funds will be made available to the Registrars to the Issue. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company and every Director of the Company who is "an officer in default" shall, on and from the expiry of the eighth day, be jointly and severally liable to repay the money with interest @ 15% per annum under the provisions of section 73 of the Companies Act 1956 in respect of the delayed period. Refund will be made by Account Payee cheque or pay order, drawn on the Company's bankers and bank charges, if any, for encashing such cheque or pay order will be borne by the applicant. Such cheque or pay order will however, be payable at par at the places where applications are received. In case of joint applications, refund orders, if any will be made out in the applicant's name which appears first on the application forms

DISPOSAL OF APPLICATION MONEY RECEIVED THROUGH STOCKINVEST

Investors who opt for the Stockinvest facility will be treated at par with the other types of payment of application money. Wherever the applicant has paid through Stockinvest, the Company would encash the Stockinvest instrument fully or partially, as the case may be, by filing in the actual amount receivable on the right hand side of the instrument indicating the number of Equity Shares and/ or PCDs for which the payment is appropriated. The amount shown on the right hand side will be equal to or less than the amount indicated on the left depending on the number of Equity Shares / PCDs allotted. In case of non allotment, the Stockinvest instrument will be returned to the investor without encashing the same. The successful/partially successful applicant's instruments would after encashing be deposited in a separate bank account where the cash and other monies received from other investors are deposited.

Registrars to the issue have been authorised by the Company, through a resolution passed by the Directors in the meeting held on September 21, 1994 to sign on behalf of the Company to collect the proceeds of the Stockinvest from the issuing bank or to affix non allotment advice on the instrument or cancel the Stockinvest of the non allottee or partially successful allottee who have enclosed more than one Stockinvest. Such cancelled Stockinvest shall be sent back by the Registrars directly to the investors within 70 days of the closure of subscription list

INTEREST ON APPLICATION MONEY

Payment of interest @ 15% per annum on the excess application money in respect of the delayed period will be made to the applicant as per the guidelines issued by the Ministry of Finance vide their letter No F-8/6/SE/79 dated 21.7.1983 as amended vide their letter No F-14/2/SE/85 dated 27.9.1985

ISSUE OF CERTIFICATE

Equity Share/Debtenture Certificate(s) will be delivered within three months from the date of allotment in exchange of Allotment Letter(s) issued if any, or within such further time as may be allowed by the Company Law Board, as per the provisions of section 113 and other relevant provisions of the Act. The allottee should carefully preserve letter(s) of Allotment, if any, to be exchanged for the Debtenture Certificate(s) or AM.

COMPANY INFORMATION AND PUBLIC ISSUE MANAGEMENT TEAM

REGISTERED OFFICE & WORKS

Near Dabok, Udaipur-313024,
Rajasthan

CORPORATE OFFICE

Nehru House, 4 Bahadurshah Zafar Marg,
New Delhi 110 002

COMPANY SECRETARY

Mr R.K. Gupta
J.K. Udaipur Udyog Limited
Near Dabok, Udaipur-313024,
Rajasthan
Telephone : (029465) 5236

LEAD MANAGERS TO THE ISSUE

ICICI Securities and Finance Company Ltd,
169, Backbay Reclamation
Bombay 400 020
Infrastructure Leasing & Financial Services Ltd.,
India Habitat Centre
East Court, Zone VI
Lodhi Road, New Delhi -110 003

The Hongkong & Shanghai Banking Corporation Limited
Merchant Banking Division
Mercantile House,
15, Kasturba Gandhi Marg, New Delhi 110 001

CO-MANAGERS TO THE ISSUE

HMG Financial Services Company (P) Ltd
Mehta House
79-A, Bombay Samachar Marg
Bombay 400 023

BANKERS TO THE ISSUE

State Bank of Bikaner & Jaipur
Merchant Banking Bureau
P-4/90 Connaught Circus
New Delhi 110 001
Corporation Bank
M - 41 Connaught Circus
Post Box No 162
New Delhi 110 001
Punjab National Bank
ECE House
28 A, K.G Marg
New Delhi 110 001
The Hongkong & Shanghai Banking
Corporation Limited
28, K.G Marg
New Delhi 110 001

BANKERS TO THE COMPANY

Punjab National Bank
Panchsheel Marg
Udaipur, Rajasthan
State Bank of Bikaner & Jaipur
Chetak Circle Branch
Udaipur-313 024, Rajasthan
Hongkong & Shanghai Banking Corporation Ltd.
ECE House, 28 K.G. Marg,
New Delhi, 110 001.

AUDITORS TO THE COMPANY

Lodha & Co
Chartered Accountant
125, Bhagal Singh Marg, New Delhi 110 001

REGISTRARS TO THE ISSUE

MAS Services Pvt. Ltd
ABP, Safdarjung Enclave
New Delhi 110 029
Telephone : (011) 604142/604326

TRUSTEES FOR THE DEBENTUREHOLDERS

The Industrial Credit & Investment
Corporation of India Limited
163, Backbay Reclamation
Bombay 400 020

LEGAL ADVISORS TO THE ISSUE

OP Khaitan and Company
Tolstoy House, 11th Floor
Flats 1102 - 1103
15-17, Tolstoy Marg, New Delhi 110 001

BROKERS TO THE ISSUE

The Brokers, whose names appear under the heading "Underwriting" elsewhere in the Prospectus, will also act as Brokers to the Issue

B. FINANCIAL INFORMATION

AUDITORS REPORT

The Board of Directors, **Lodha & CO**
Chartered Accountants
12, Bhagat Singh Marg
New Delhi 110 001

Dear Sirs,

We have examined the books and accounts of J.K. Udaipur Udyog Limited, for the period year ended 31st March '94 being the last date to which the accounts of the company have been made up and audited by us for presentation to the members. We have also examined and found correct the accounts of the Company for the period from April 1, 1994 to September 30, 1994 prepared by the Company in accordance with the requirements of Clause B of part II of schedule II of the Companies Act, 1956, we report that the profits, assets and liabilities and dividends declared by the Company are as set out below:

A. PROFIT & LOSS ACCOUNT

The profits of the Company for the year ended 31st March, 1994 and period ended 30th September, 1994 are as set out below.

These profits have been arrived at after charging all expenses of manufacturing, working and management including depreciation and after making such adjustments (and regrouping) as in our opinion are appropriate and subject to the notes given below:

	Period ended	
	31.03.94	30.09.94
	(Rs lacs)	
I. PROFITS		
A. Income:		
Sales	2142.98	6360.80
Other Income	8.32	14.91
Increase in Stocks	505.06	(450.08)
Total 'A'	2657.36	5925.63
B. Expenditure:		
Employees	105.65	211.87
Consumption of Raw Materials	261.74	497.02
Manufacturing, Selling and Administrative Expenses	1715.36	3634.23
Excise Duty	1743.92	1252.96
Interest	218.95	619.72
Total 'B'	2745.62	6215.80
Profit/(loss) before Depreciation	(88.26)	(290.17)
Depreciation	132.67	292.75
Profit/(Loss) after Depreciation	(220.93)	(582.92)

II. ASSETS & LIABILITIES

The Assets & Liabilities of the Company as at 31st March, 1994 and 30th September 1994, as set out herein below have been arrived at after making such adjustments as are, in our opinion, appropriate and subject to the notes appearing hereinafter as set below:

	(Rs/lacs)	
	As at 31.03.94	As at 30.09.94
PARTICULARS		
FIXED ASSETS		
Gross Block	1155.07	12259.08
Less : Depreciation	154.92	480.78
Net Block	11000.15	11778.30
Capital work in progress	3240.01	2745.39
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Raw Materials	40.56	106.68
Stock in Process	561.10	133.82
Finished Goods	392.70	369.90

Stores & Spares	903.51	1020.46
Sundry Debtors (Unsecured considered good)		
Exceeding six months	-	165.03
Other Debts	1131.08	1854.88
Cash & Bank Balances	252.66	1164.59
Loans & Advances (Unsecured considered good)	349.99	548.51
	3631.60	5363.87
Less: Current Liabilities & Provisions	6353.50	7486.44
	(2721.90)	(2122.57)
Miscellaneous Expenditure (To the extent not written off or adjusted)		
Preliminary Expenses	22.40	22.38
Profit & Loss Account	220.93	803.85
Total Assets	11761.59	13227.30

REPRESENTED BY

Share Capital	0.07	400.07
Secured Loans from Financial Institutions/Banks	2226.19	3654.10
Cash Credit from a Bank	135.33	173.13
Debentures	2000.00	2000.00
Unsecured Loans	7400.00	7000.00
Total	11761.59	13227.30

Notes :

1. Authorised Share Capital of the Company is Rs 80,00,00,000 divided into 8,00,00,000 Equity Shares of Rs 10 each
2. Share Capital is represented by 40,00,700 Equity Shares of Rs 10 each issued, subscribed and fully paid up in cash
3. Capital work-in-progress includes machinery under commissioning and building under construction
4. Stock of Raw Materials, Stores & Spares and Stock in Process are valued at cost. Finished Goods are valued at lower of cost or market value. Inventories are as valued and certified by the management
5. Debentures and term loans from Financial Institutions and Banks are secured/to be secured by mortgage of immovable properties and hypothecation of movable assets. Cash credit advances are secured against hypothecation of Stores, Raw Materials, Finished Goods & Stock in Process
6. Unsecured loans include short term loans of Rs 60 crores which has been guaranteed by another body corporate. It also includes advances of Rs 10 crores from JK Corp Limited to be adjusted against Promoters contribution towards Equity Capital of the Company
7. Depreciation has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956
8. Interest amounting Rs 359.79 lacs (including Rs 141.10 lacs upto 31.03.94) allocated for machinery under installation/building under construction have been capitalised and included in Capital Work-in-Progress
9. The Company has acquired all the assets pertaining to the Cement Division of Bajaj Hindusthan Ltd (BHL) situated at Udaipur in Rajasthan as a going concern for consideration of Rs 137.50 crores. Plant and Machinery of the value of Rs 10 crores have been taken on lease from BHL. The Company may be contingently liable for additional amount of stamp duty, if any, in respect of lands and buildings transferred under various Deeds of Transfer and Assignment between BHL and the Company
10. The contingent liabilities of Udaipur Cement Works prior to the date of take over i.e. 01.12.93 will be borne by Bajaj Hindusthan Limited
11. The balances of Sundry Debtors, Advances, Security Deposits and Creditors as on 30.09.94 are subject to confirmation/reconciliation/subsequent verification
12. a) Claims against the Company not acknowledged as debts Rs 11.34 lacs (Rs 4.16 lacs as on 31.03.94)

- b) No provision for lease rent and development charges in respect of land for Railway Siding has been made (amount unascertained)
13. As per Jute Packing Materials (Compulsory use of Packing Commodities) Act, 1987 the Company may be liable for consequences for non use of jute bags for Cement packing to the extent prescribed therein. Some of the Cement Companies have challenged the provisions of the Act in the Supreme Court. The liability in this respect, if any, is not ascertainable and hence not provided for
14. Claims/refunds and fuel surcharge are being accounted on cash basis since it is not possible to ascertain with reasonable certainty the quantum of provision of the same
15. **DIVIDENDS:**
We further report that the Company has not declared any dividend since its incorporation

Yours faithfully,
For LODHA & CO
Chartered Accountants

S/d

N.K. Lodha
Partner

Place : New Delhi
Date : 16.01.1995

NON CONVERTIBLE DEBENTURES (NCDs)

The company is issuing 38,85,000 NCDs of Rs 100 each aggregating to Rs 38,85,00,000 on a private placement basis. The Industrial Credit & Investment Corporation Of India Ltd (ICICI) has agreed to fully subscribe to these Non Convertible Debentures aggregating to Rs 38.85 crores. The allotment of the NCDs shall be made within 6 months of the drawdown of the subscription amount

PRINCIPAL TERMS AND CONDITIONS OF NCDs TO BE SUBSCRIBED TO BY ICICI

- A. Face value : Rs 100/- each
B. Interest

The Company shall pay to ICICI, interest on the principal amount of the NCDs outstanding from time to time at 1.5% over and above the ICICI Advance Rate per annum as prevailing on the date of signing of the Subscription Agreement. ICICI Advance Rate as on date is 4% per annum.

ICICI Advance Rate will be re-set every three years. The first period of three years will be reckoned from the date of signing of the Subscription Agreement.

Such interest shall be payable semi-annually in each year on April 1 and October 1. Disbursements made pending creation of final security shall carry further interest @ 1.05% per annum till creation of such security.

The first instalment of interest shall be payable for the broken period from the date of allotment/subscription up to the immediately following 31st March i.e. on April 1, 1996 and subsequently on every 1st October and 1st April. The interest for the last broken period shall be payable together with the last instalment of the redemption of the said NCDs.

In the event of any default in the regular payment of interest on the NCDs on the due dates as stated above, compound interest, at quarterly rests, at the aforesaid rate will become due and payable over the monies due for period of default.

C. Redemption of NCDs

The company shall redeem the NCDs at par in three annual instalments commencing from the expiry of seven years from the date of allotment.

D. Security

The NCDs together with interest, costs and all other monies,

expenses, as also fees payable to Debenture Trustee shall be secured by a first mortgage and charge on all the Company's immovable and movable properties, both present and future excluding certain housing quarters/tenements on which a charge has been created in favour of Housing Development Finance Corporation Ltd. This is subject to a prior charge in favour of the Bankers on specified movables, created/to be created for securing borrowings for working capital requirements. Such charge shall rank pari passu with the charges created and/or to be created in favour of the Institutions/Trustees for Debenture holders and Banks.

E. Trustees

The Industrial Credit & Investment Corporation of India Ltd 163, Backbay Reclamation, Bombay 400 020

F. Other Special Conditions

(1) The company shall raise Rs 4125 lacs by issue of Partly Convertible Debentures to public to the satisfaction of ICICI for meeting a part of the cost of the project.

Of these -

Debentures of Rs 500 lacs shall be subscribed by and allotted to the Institutions/Banks;

Debentures of Rs 3625 lacs shall be issued to the public through a prospectus

(2) The company shall make arrangements for underwriting of Partly Convertible Debentures of Rs 3625 lacs to the satisfaction of ICICI. To the extent the Debentures are not underwritten, the unsubscribed portion, if any, shall be taken up by the Promoters

(3) The company shall raise Rs 8290 lacs (including premium) by issue of Equity Shares to public to the satisfaction of ICICI for meeting a part of the cost of the project and/or other requirement of funds. Out of these -

Equity shares of Rs 5800 lacs shall be subscribed by and allotted to the Promoters;

Equity shares of Rs 200 lacs shall be subscribed by and allotted to the Institutions/Banks;

Equity shares of Rs 2290 lacs shall be issued to the public through a prospectus

(4) The appointment of the Trustees for the debentureholders shall be subject to the approval of ICICI

(5) ICICI shall be entitled to appoint one nominee on the Board of Directors of the company during the currency of ICICI assistance

SHORT TERM LOANS AVAILABLE FOR THE TAKEOVER / ISSUE

JKBUL has availed Short Term Loans to the extent of Rs 7500 lacs to meet a part of the Purchase Consideration against the takeover of JGW and to meet other interim fund requirements. The details of Short Term Loans outstanding as on 31.12.94 are as follows:

Lender	Amount (Rs/crs)	Interest rate p.a	Security	Date of Repayment
1. Infrastructure Leasing & Financial Services Ltd	35.00	16.50%	Irrevocable guarantee by JK Corp Ltd	30.06.95
2. The Hongkong and Shanghai Banking Corporation Ltd	25.00	15.50%	Irrevocable guarantee by JK Corp Ltd	30.04.95
3. Housing Development Finance Corporation Ltd	5.00	16.00%	Irrevocable guarantee by JK Corp Ltd	02.03.95
4. The Industrial Credit and Investment Corporation of India Ltd	10.00	16.50%	Hypothecation of all moveable properties	06.09.95
Total	75.00			

Repayment: The Short Term Loans referred above aggregating to Rs 7500 lacs are proposed to be repaid out of the proceeds of the Public Issue through this Prospectus and subscription to the NCDs

TERMS AND CONDITIONS OF INSTITUTIONAL TERM LOANS & DEBENTURES TRANSFERRED FROM BHL TO JKUUL

Name of Lending FI/Statutory Bodies	Amount outstanding (Rs. lacs)	Nature of Facility	Terminal date of Repayment	Rate of Interest
A. Term Loan				
ICICI	116.60	Rupee Loan	15.08.98	12.95%
	10.50	Rupee Loan	15.08.98	14.00%
	78.21	ISRD Loan	01.07.98	14.00%
	113.48	Foreign Currency	Aug & Oct 1995	14.00%
IFCI	116.60	Rupee Loan	15.08.98	12.95%
	29.20	Rupee Loan	15.08.98	14.00%
	48.40	Rupee Loan	15.08.98	14.00%
IDBI	233.20	Rupee Loan	15.08.98	12.95%
	76.40	Rupee Loan	15.08.98	14.00%
	48.40	Rupee Loan		14.00%
LIC	119.60	Rupee Loan	15.08.98	14.00%
	291.70	Rupee Loan	15.08.98	14.00%
UTI	119.60	Rupee Loan	15.08.98	14.00%
	291.70	Rupee Loan	15.08.98	14.00%
IRBI	88.06	Rupee Loan	15.08.98	12.95%
	36.20	Rupee Loan	15.08.98	14.00%
SBI	180.00	Rupee Loan	30.06.99	18.50%
		(For DG sets)		
HDFC	72.57	Rupee Loan		18.50%
		(for dwelling units)		
RIICO	189.55	Sales Tax Loan		Intt. free
Sub Total (A)	2259.97			
B. Debentures				
Private Placement of Non Convertible Debentures	1000.00	1,00,000 NCDs of Rs 1000/- each		14.00%
Non Convertible Debentures	1000.00	10,00,000 NCDs of Rs 100/- each		14.00%
Sub Total (B)	2000.00			
Total (A+B)	4259.97	(Say 4260.00)		

WORKING CAPITAL

JKUUL is availing Working Capital facilities from a consortium of banks led by Punjab National Bank (PNB). PNB has projected the Net Working Capital requirements of JKUUL at Rs 16.97 crores. This requirement has been based on the following norms:

Raw Materials	
- Coal	: 1.25 months
- Other raw materials	: 0.45 months
- Packing materials	: 1.00 months
Works-in-process	: 1.00 months
Finished Goods	: 1.00 months
Receivables	: 1.08 months
Consumable spares	: 6.00 months
Consumable stores	: 6.00 months
Creditors for purchase of raw materials	: 1.00 months

PNB along with State Bank of Bikaner and Jaipur have sanctioned fund based working capital limits of Rs 12.00 crores and non fund based facilities of Rs 6.25 crores

The margin money for working capital is being financed by the Company and is included in the project cost as assessed by ICICI

LEASE FINANCE

In addition to the Project Financing plan of Rs 220 crores, JKUUL has also taken on lease, equipment worth Rs 10 crores from BHL at a rate of Rs 19/- per Rs 1000/- per month for the first year of the lease period, Rs 24/- per Rs 1000/- per month for the second year, Rs 25.25/- per

Rs 1000/- per month for the third and fourth years and Rs 28.50/- per Rs 1000/- per month for the fifth year of the lease period

C. STATUTORY AND OTHER INFORMATION
MINIMUM SUBSCRIPTION CLAUSE

The minimum amount which in the opinion of the Board must be raised by the Issue of Equity Shares & PCDs to provide the sums required in terms of the Act and in terms of the Prospectus is Rs 2229.39 lacs and Rs 3712.50 lacs being 90% of the aggregate issue price of 82,57,000 Equity shares of Rs 10 each for cash at a premium of Rs 20/- per share and 27,50,000 PCDs of Rs. 150/- each for cash at par per PCD proposed to be issued

If the Company does not receive the minimum subscription of 90% of the issued amount for both the Equity Shares and PCDs, including devolvement of underwriters, within 60 days from the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days, if any, in refund of such subscription, the Company shall pay interest as per Section 73 of the Companies Act, 1956

The Board of Directors will proceed to allot the Equity Shares and PCDs on receipt of 90% of the application money on Equity Shares and PCDs being offered for subscription in terms of this Prospectus

EXPENSES OF THE PRESENT ISSUE

The expenses of the present issue payable by the Company, which include underwriting commission, brokerage, fees to the Lead Managers to the Issue, Trustee for the Debenture holders, Registrar to the Issue, Auditors' fees, stamp duty, printing and publication expenses, legal consultancy charges, registration fees, distribution and other miscellaneous expenses are estimated at Rs 350 lacs and will be met by the Company out of the proceeds of the present issue

FEES PAYABLE TO THE LEAD MANAGERS TO THE ISSUE

The Lead Managers viz. I-Sec, IL&FS and HSBC are being paid a fee of Rs 7.5 lacs, Rs 7.5 lacs and Rs 5.0 lacs respectively. This is set out in their letters dated July 04, 1994, July 16, 1994 and July 11, 1994 respectively which form a part of the material contracts and are kept open for inspection at the Registered Office of the Company

FEES PAYABLE TO THE CO-MANAGERS

Fee of Rs. 1.00 lac is payable to the Co-Managers to the Issue. This is set out in their letter dated January 12, 1995.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar shall be Rs 4.00 per allottee, Rs 3.50 per non-allottee and Rs 4.00 as extra processing charges per stockinvest apart from reimbursement of actual expenses such as registered post charges, cost of stamps, stationery etc. The letter from the Registrar giving the above details dated July 25, 1994 form a part of the material contracts and is kept open for public inspection at the Registered Office of the company

FEES PAYABLE TO THE TRUSTEES FOR THE DEBENTUREHOLDERS

The Industrial Credit & Investment Corporation of India Limited has been appointed Trustees for the Debentureholders vide letters No CL/J/39094 dated December 06, 1994 and No.CL/J/39093 dated December 06, 1994 for NCDs and Non-Convertible Portion of PCDs respectively which are open to public for inspection. For the above mandate, the Trustees shall be charging the company a composite fee of Rs 70,000/- towards initial acceptance and annual remuneration of Rs 2,53,400/- till the NCDs are redeemed. The company shall be refunding all out of pocket costs, charges and expenses that the Trustees may incur while discharging its obligations as a Trustee

BROKERAGE

Brokerage will be paid by the Company at the rate of 1.50% on the nominal value of the Equity Shares & PCDs offered to the public on the basis of allotments made against applications bearing the stamp of a

member of any recognised Stock Exchange in India. Brokerage at the same rate will also be payable to the Bankers to the Issue named herein in respect of allotments made against applications procured by them, provided that the relative application form bear their respective stamps in the Broker's Column.

No brokerage will be payable on the PCDs allotted out of the quota offered on a preferential basis to Employees of the Company and Promoter Companies. However brokerage at the aforesaid rates will be payable on the issue price of the Equity Shares added back to the public offer on account of undersubscription in the quota reserved. Brokerage will not be paid to the Financial Institutions/Banks against the underwriting commitments or on the amounts devolving on them as underwriters consequent to under-subscription of the issue.

UNDERWRITING COMMISSION

Underwriting arrangements are being made only to the extent of the net offer of PCDs being made to the public. Underwriting commission is payable as mentioned in the respective underwriting agreements and not exceeding 0.75% to the underwriters on the issue value of PCDs offered to the public for subscription.

The Company has entered into separate contingent underwriting agreements with the parties listed earlier in the Prospectus for 2,75,000 PCDs reserved for preferential allotment to the Employees of the Company and Promoter Companies. As per the terms & conditions of the contingent underwriting agreement no commission will be paid on the amounts subscribed to by the Employees of the Company and Promoter Companies. However underwriting commission on the face value of the PCDs remaining unsubscribed and added back to the public offer will be paid on the same terms as mentioned above.

PREVIOUS ISSUE

Except as stated elsewhere in the Prospectus the Company has not issued any shares or Debentures since the date of its incorporation.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUE

Save and except for the commission and brokerage payable in terms of this Prospectus, no sums have been paid since the incorporation of the Company or are payable as commission or brokerage for subscribing or agreeing to subscribe to or for procuring or agreeing to procure subscription for any Shares.

PREVIOUS ISSUE AT A PREMIUM OR A DISCOUNT

The Company has not made any previous issue of Shares or Debentures or Bonds since its incorporation at a premium or a discount.

ISSUE OF SHARES OTHERWISE THAN FOR CASH

The Company has not issued or agreed to issue any shares of the Company for a consideration other than for cash.

REDEEMABLE PREFERENCE SHARES/DEBENTURES

The Company has not issued any preference shares or debentures since its incorporation.

CAPITALISATION OF RESERVES OR PROFITS

The Company has not capitalised any reserves or profits since its incorporation.

REVALUATION OF ASSETS

The Company has not revalued any of its assets since its incorporation.

CLASSES OF SHARES

The Company has only one class of shares namely Equity Shares of nominal value of Rs 10/- each.

OPTION TO SUBSCRIBE

Except as stated elsewhere in this Prospectus, the Company has not entered into and does not at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any Shares in or Debentures of the Company.

PURCHASE OF PROPERTY

Save in respect of the property purchased or acquired or to be purchased or acquired as mentioned under the heading 'Material Contracts' there is no property which the Company has purchased or acquired or presently proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of issue of this Prospectus, other than property for which

a. The contracts for the purchase or acquisition whereof were entered into in the ordinary course of the Company's business, such contracts not being made in contemplation of the issue nor this issue in consequence of such contracts

b. The amount of the purchase money is not material. The Company does not propose to acquire any other running business (other than UCW) and no part of the proceeds of the present issue is to be applied directly or indirectly for any such purpose.

INTEREST OF PROMOTERS AND DIRECTORS

All the Directors may be deemed to be interested to the extent of sitting fees and other remuneration for the services rendered and the reimbursement of expenses, if any, payable to them under the Articles. All the Directors may also be deemed to be interested to the extent of

(a) The Shares, if any, held by them or by their relatives or by firm or companies of which any of them is a partner and a Director/member respectively

(b) The Shares, if any, out of the present Issue that may be subscribed for and allotted to them or their relatives or any Company in which they are Directors/members or to firms of which they are partners.

PAYMENT OF BENEFIT TO PROMOTERS AND OFFICERS OF THE COMPANY

Except as otherwise stated elsewhere in this Prospectus within the two preceding years from this Prospectus no amount or benefit has been paid or given to any of the Company's Promoters or officers nor is intended to be paid or given to any Promoter or officer of the Company apart from normal remuneration and reimbursement of the expenses incurred for the business of the Company by them as Directors, Officers or Employees of the Company.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

MEMBER'S RIGHT TO CERTIFICATE OF SHARES

Article 25 provides: Every member or allottee of shares shall be entitled, without payment, to receive one certificate for the share of Shares registered in his name, under the common seal of the Company.

CALLS

Article 25 provides: Subject to the provision of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares, held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the date, time and place or at the dates, times and places appointed by the Board of Directors.

CALLS WHEN DEEMED TO BE MADE

Article 25 provides: The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.

NOTICE FOR CALLS

Article 37 provides

Not less than fourteen days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof

Article 38 provides

If by the terms of the issue of any share or otherwise any amount is made payable at any fixed date or instalment at fixed date whether on account of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or amount of instalment accordingly

CALLS TO CARRY INTEREST

Article 39 provides

- (1) If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate fixed by the Board of Directors from the day appointed for the payment thereof to the time of actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part
- (2) The provisions of this Article as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed date, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified

TRANSFER AND TRANSMISSION OF SHARES PROCEDURE AS TO TRANSFER OF SHARES

Article 43 provides

- (1) The instrument of transfer of any shares in the Company shall be executed both, by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect of only one class of shares and should be in the form prescribed under Section 108 of the Act
- (2) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee and the transferee has been delivered to the Company alongwith the certificate relating to the shares and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the Transferor and the transferee has been lost, the Company may, if the Board of Directors think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer register the transfer on such terms as to indemnity, as the Board of Directors may think fit
- (3) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor no registration shall be in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and the Company shall, unless objection is made, by the transferee, within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same condition for registration was made by the transferee
- (4) For the purpose of sub-clause (3) notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post
- (5) Nothing in clause (4) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law

- (6) Nothing in this Article shall prejudice the power of the Board of Directors to refuse the transfer of any shares to a transferee, whether a member or not

FORM OF TRANSFER

Article 44 provides

The shares in the Company shall be transferred by instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of Section 108 of the Act and any modification thereof and the Rules prescribed thereunder

BOARDS RIGHT TO REFUSE TO REGISTER

Article 45 provides

- (1) Subject to the provision of Section 111 of the Act, the Board may at any time in their absolute discretion and decline to register any transfer or transmission by operation of law of the right to a share whether fully paid-up or not and whether the transferee is a member of the Company or not and may also decline to register any transfer of shares on which the Company has a lien. Provided further that the registration of transfer shall not be refused on the ground of the transferor being alone or either jointly with any other person or persons indebted to the Company on any account except a lien on the shares
- (2) If the Board refuses to register any transfer or transmission of right, they shall within 1 month from the date on which the installment of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be
- (3) In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by section 111 of the Act
- (4) The provision of this clause shall apply to transfers of stock also

RIGHT OF DIRECTORS TO REFUSE SUB-DIVISION

Article 46 provides

The Directors of the Company may in their absolute discretion refuse sub-division of shares certificate or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law

ENDORSEMENT OF TRANSFER AND ISSUE OF CERTIFICATE

Article 47 provides

- (1) Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorised by the Managing Director in this behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up to canceled every old or existing certificate which is to be replaced by a new one
- (2) Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following viz:
 - (a) for registration of transfers and debentures, or for transmission of shares and debentures
 - (b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca receipts into denominations corresponding to the market units of trading
 - (c) for sub-division of renounceable Letter of Right
 - (d) for issue of certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised
 - (e) for registration of any power of attorney, probate, letters of administration or similar other documents

REGISTER OF MEMBERS

Article 48 provides

The Company shall keep a book to be called "Register of Members" and therein shall be entered the particulars of every transfer or

transmission of shares and all other particulars required by the Act to be entered in such register

CLOSURE OF REGISTER OF MEMBERS

Article 50 provides

The Board of Directors may after giving not less than 7 days previous notice by advertisement in some newspapers circulating in the district in which the Registered office of the Company is situated close the Register of Members or the Register of Debenture holders for any periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time

TRANSMISSION OF REGISTERED SHARES

Article 51 provides

(1) The executors or administrators of a deceased member (not being one of several joint holders) shall be the only person recognised by the Company, as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be only persons recognised by the Company as having any title to or interest in such shares

Provided that if the member should have been a member of a joint Hindu family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonging to the joint family may recognise the survivors of the Karta thereof as having title to the shares registered in the name of such member.

Provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise as the Board may deem just

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any shares which were jointly held by him with other persons

FORFEITURE AND LIEN

IF CALL OR INSTALLMENT NOT PAID NOTICE MAY BE GIVEN

Article 55 provides

If a member fails to pay any call or installment of a call on the day appointed for the payment thereof, the Board of Directors may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring of so much of the call or installment as unpaid together with any interest, which may have accrued

FORM OF NOTICE OF FORFEITURE

Article 56 provides

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) as on or before which the payment required by the notice is to be made; and shall state that in the event of non-payment on or before the day named, the shares in respect of which the call was made will be liable to be forfeited

BOARDS RIGHT TO FORFEIT IF REQUIREMENTS OF NOTICE ARE NOT COMPLIED WITH

Article 57 provides

If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a Resolution of the board of Directors to that effect, such forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture

SALE OF FORFEITED SHARES

Article 58 provides

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit; and at any time before a sale or disposition, the forfeiture may be canceled on such terms as the Board of Directors may think it

LIABILITY AFTER FORFEITURE

Article 59 provides

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall not withstanding remain liable to pay and shall forthwith pay the Company all moneys which at the date of forfeiture were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of shares whether legal proceeding for the recovery of the same had been barred by limitation or not

DECLARATION OF FORFEITURE

Article 60 provides

A duly verified declaration in writing that the declarant is a Director of the company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming for the consideration, if any given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by way or irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share

NON-PAYMENT OF SUMS PAYABLE AT FIXED TIMES

Article 61 provides

The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified

STATUTORY MEETING

Article 73 provides

(1) The Company shall within a period of not less than one month and not more than six months from the date at which the Company is entitled to commence business hold a General Meeting of the members of the Company which shall be called the Statutory Meeting

(2) The Board of Directors shall, not less than 21 days before the date on which meeting is held, forward a report called the Statutory Report to every member of the Company. Provided that if the Statutory Report is forwarded later than is required above, it shall, notwithstanding all the fact, be deemed to have been duly forwarded if it is so agreed to by all the members entitled to vote at the meeting

(3) The Board of Directors shall comply with the provisions of Section 165 in connection therewith

GENERAL MEETING

ANNUAL GENERAL MEETING

Article 74 provides

The Company shall in addition to other meetings which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions specified below

(1) The first Annual meeting of the Company shall be held within eighteen months of its incorporation

(2) Thereafter an annual general meeting of Company shall be held once in every calendar year within 6 months after the expiry of each financial year, subject, however, to the power of the Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one annual general meeting and that of the next

(3) Every annual general meeting shall be called for at a time during the business hours on a day that is not a public holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered

office of the Company is situated

- (4) Notice calling such meetings shall specify them as the annual general meetings
- (5) All other meetings shall be referred to as Extra ordinary General Meetings

EXTRA-ORDINARY GENERAL MEETINGS

Article 75 provides

The Board of Directors may whenever they think fit, convene an Extra ordinary General Meeting at such time and at such places as they deem fit. Subject to such directions, if any, given by the Board, the Managing Directors or the Secretary may convene an Extra ordinary General Meeting

Article 76 provides

- (1) The Board of Directors shall on the requisition of such number of member of the Company as is specified below proceed duly to call an Extra ordinary General meeting of the Company and comply with the provisions of the Act in relation to meetings on requisition
- (2) The Requisition shall set out matters for consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the registered office of the Company or send to the company by registered post addressed to the Company at its registered office
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitionists
- (4) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held, at the date of the deposit or despatch to the registered office of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at that date carries the right of voting in regard to the matter set out in the requisition
- (5) If the Board of Directors do not, proceed duly within twentyone days from the date of deposit of requisition with regard to any matters, to call meeting for the consideration of these matters on a date not later than forty five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists as represent either majority in value of the paid-up share capital held by all of them or of not less than 1/10th of such paid-up capital of the company as is referred to in sub clause (d) above

LENGTH OF NOTICE FOR CALLING MEETING

Article 77 provides

A general meeting of the Company may be called by giving not less than 21 days notice in writing providing that a general meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the members entitled to vote there at an in the case of any other meeting by members of the company holding not less than 95 percent of that part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting provided that where any members of the Company are entitled to vote only some resolutions to be moved, at a meeting and not on the others, those members shall be taken into account for purpose of this Articles in respect of the former resolution or resolutions and not in respect of the later

ACCIDENTAL TO GIVE NOTICE TO INVALIDATE MEETING SPECIAL BUSINESS

Article 78 provides

The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings

PROCEEDING AT GENERAL MEETINGS

QUORUM

Article 80 provides

Five members personally present shall be quorum for a general meetings and no business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business

VOTE OF MEMBERS

Article 89 provides

- (1) Every member holding any Equity Shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show of hands every such member present in person shall have one vote
On a poll, his voting right in respect on his Equity Shares shall be in proportion to his share of the paid up capital in respect of the equity shares
- (2) In the event of the Company issuing any preference share the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act

VOTING RIGHTS OF JOINT HOLDERS

Article 91 provides

In the case of joint holders the vote of first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders

NO MEMBER ENTITLED TO VOTE WHILE CALLS DUE TO COMPANY

Article 93 provides

No member shall be entitled to vote in any general meeting unless all calls or other sums presently payable by him in respect of his shares in the company have been paid

Article 95 provides

Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on a poll

DIRECTORS

NUMBER OF DIRECTORS

Article 101 provides

The number of Directors shall not be less than three and not more than twelve including nominee Directors

SHARE QUALIFICATION NOT NECESSARY

Article 103 provides

Any person whether a member of the Company or not may be appointed a Director and no qualification by way of holding share shall be required of any Director

DIRECTOR'S POWER TO FILL UP CASUAL VACANCY

Article 104 provides

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office upto the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid

ADDITIONAL DIRECTORS

Article 105 provides

The Board of Directors shall have power at any time, and from time to time, to appoint one or more persons, as additional Directors, provided that the number of Directors and additional Directors together shall not exceed the maximum number fixed. Any additional Director so appointed shall hold office upto the date of next annual general meeting, but he shall be eligible for election by the Company at that meeting

ALTERNATE DIRECTORS

Article 106 provides

The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held. If the term of office of the original Director is

determined before he so returns to the State aforesaid, the provision for the automatic reappointment of retiring director in Default of and their appointment shall apply to the original, and not to the alternative Director

REMUNERATION OF DIRECTORS

Article 107 provides

- (1) Each Director including the Ex-officio nominee-Director, such sums as may be prescribed by the Board towards sitting fee for Board's meeting attended by him subject to the ceiling of the Companies Act, 1956 as amended, from time to time and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with the business of the company to and from any place
- (2) The directors (other than a Managing Director and a Director in the whole time employment of the Company) shall also be paid by way of further remuneration one percent of the annual net profits of the company or 3% of net profits if there is no managing director, such net profits being computed in the manner laid down in section 349 of the Act except that the remuneration of the Directors shall not be deducted from the gross profit. Such remuneration under this sub-para shall be paid to all the Directors for the time being or to any one or more of them in such proportion as the directors may by the resolution of the Board authorising such payments decide, and in default of such decision, equally amongst all the Directors for the time being in office during the year. Such remuneration in respect of each financial year shall be paid in the next subsequent year
- (3) The Directors may allow and pay to any Director, who travels for the purpose of attending and returning from meetings of the Board of Directors of the committee thereof or General Meetings, or otherwise in connection with any business of the company, traveling and hotel and other expenses for himself and his wife as approved by the Board, for the purpose of his attendance, and in connection with the business of the Company in addition to his fees for attending such meetings as above specified and other remuneration payable to him. The directors shall be entitled to all fees for filing documents which they may be required to file under the Act

PROCEEDINGS OF DIRECTORS

MEETING OF DIRECTORS

Article 20 provides

A meeting of the Board of Directors shall be held at least once in every three calendar months and at least four such meetings shall be held in every year. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit

QUORUM OF MEETINGS

Article 122 provides

The quorum for a meeting of the Board of Directors or committee of Directors shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two directors whichever is higher

Provided that where at any time the number of interested Directors exceeds or is equal to two-third of total strength, the number of the Directors who are not less than two shall be the quorum during such time

The expression "total strength" and "interested Director" shall have the meanings given in section 287(1) of the Act

DIRECTORS MAY APPOINT COMMITTEE

Article 128 provides

The Board of Directors may subject to provisions of the Act and of these Articles from time to time delegate any of their powers to Committee of the Board consisting of such member or members of its

body as it thinks fit, and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part, and either as to persons or purposes, but every Committee of the Board, so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee of the Board in conformity with such regulation and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board

ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECT IN APPOINTMENT

Article 131 provides

All acts done by any meeting of the Director or by a Committee of the Directors shall, notwithstanding that it shall afterwards be discovered that there was some defect on the discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, of that they or any of them were disqualified or that the appointment of any of them was deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his been shown to the Company to be, invalid

GENERAL POWERS OF COMPANY VOTED IN DIRECTORS

Article 136 provides

Subject to the provisions of the Act, the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do, and are not hereby or by statute law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of any statute law and of these Articles and to any time to time made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid, if such regulation had not been made

LOCAL MANAGEMENT MANAGEMENT

Article 143 provides

Subject to the provisions of the Act, the following provisions shall have effect

- (1) The Board of Directors may from time to time, provide for management of the affairs of the Company abroad (or in any specific locality in India or any other part of the world in such manner as they shall think fit and the provisions contained in the six next following paragraphs shall be without prejudice to the general powers conferred by this paragraph
- (2) The Directors, from time to time, and at any time establish any local Board or agencies for managing any of the affairs of the company abroad or in any specified locality in India or any other part of the world, and may appoint any persons to be members of such local Board, or any managers, or agents and may fix their remuneration
- (3) Subject to Section 292 of the Act, the Board of Directors from time to time, and at any time, may delegate to any person so appointed, any of the powers, authorities and discretions for the time being vested in the Directors other than the power to make calls or to make loans or borrow moneys and may authorise the members for the time being of any such local Board or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed and may annul or vary any such delegation
- (4) Subject to Section 292 of the Act, the Directors may at any time and from time to time by power of attorney under the Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities, and discretions (not exceeding

those vested in or exercisable by the Directors under these Articles and excluding the powers which may be exercised only by the Board of Directors under the Act or these Articles), and for such period and subject to such conditions, as the Directors may from time to time think fit; and any such appointment may, if the Directors think fit, be made in favour of the members or any of the members of any local Board established as aforesaid, or in favour of any company, or of the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Directors think fit

- (5) The Company may exercise the power conferred by section 50 of the Act and such powers shall accordingly be vested in the Directors, and the Company may cause to be kept in any State or Countries outside India as may be permitted by the Act a Branch Register of Members. Subject to the provisions of Section 157 of the Act, the Directors may from time to time make such provisions as they may think fit respecting the keeping of such Branch Register.

DIVIDEND

RIGHTS TO DIVIDENDS

Article 149 provides

- (1) The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of the present as to the Reserve fund shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid
- (2) Where capital is paid up on any shares in advance of calls, upon the footing that the same shall carry interest, such capital shall not whilst carry interest, confer a right to participate in profits

RESERVE FUNDS

Article 153 provides

- (1) The Board may before recommending any dividends set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied including provision for meeting contingencies or for equalising dividends and pending such application may at the like direction either be employed in the business of the Company, as the Board may, from time to time, think fit
- (2) The Board may also carry forward any profits when it may think not to divide, without setting them aside as Reserve

Article 154 provides

The Board may deduct from any dividend payable to any members all sums of money, if any, presently by him to the company on account of calls or otherwise in relation to the shares of the company

ADJUSTMENT OF DIVIDENDS

Article 155 provides

Any General Meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixed but so that the call on such member shall not exceed the dividend payable to him and so that the call be

DIVIDENDS NOT TO BEAR INTEREST

Article 159 provides

No dividend shall bear interest against the money.

Article 160 provides

- (1) Where dividend has been declared by the company but has not been paid or the warrant in respect thereof has not been posted within fortytwo days from the date of declaration to any share-

holder entitled to the payment of dividend, the company shall within 7 days from the date of expiry of the said period of fortytwo days transfer the total amount of dividend which remain unpaid or in relation to which no dividend warrant has been posted within the said period of forty two days to a special account to be opened by the company in that behalf in any scheduled bank.

- (2) Any money transferred to the unpaid dividend account of the company in pursuance of sub-clause (1) which remains unpaid or unclaimed for a period of 3 years from the date of such transfer will be transferred by the company to the General Revenue Account of the Central Government but a claim to any money so transferred to the General Revenue Account may be preferred to the Central Government by person to whom the money is due and shall be dealt with as if such transfer to the general revenue account had not been made, the order of any for payment of the claim being treated as an order for refund of revenue
- (3) The company shall while making any transfer under clause (2) to the general revenue account of the Central Government any unpaid or unclaimed dividend furnish to such officer as the Central Government may appoint in this behalf a statement in the Prescribed form setting forth in respect of all sums included in such transfer the nature of the sums, the names and last known addresses of the person entitled to reserve the sum, the amount to which such person is entitled to and the nature of this claim thereto and such other particulars as may prescribed
- (4) The Company shall be entitled to a receipt from the Reserve Bank of India for any money transferred by it to the general revenue account of the Central Government Such receipt shall be effectual discharge of the company in respect thereof

WINDING UP

APPLICATION OF ASSETS

Article 189 provides

Subject to the provisions of the Act as to preferential payments the assets of the company shall on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the company

Article 190 provides

If the company shall be wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide among the contributions in specie or kind, any part of the assets of the company in trusts upon trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit. In case any share to be divided as aforesaid involve a liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notices in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable, act accordingly

INDEMNITY AND RESPONSIBILITY

Article 191 provides

- (1) Subject to the provisions of Section 201 of the act, the Managing Director and every Director, Manager, Secretary and other officer or Employee of the Company shall be indemnified by the company against any liability, and it will be the duty of Directors out of funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, officer or employee may incur or become liable to be reason of any contract entered into or act or deed done by him as such Managing Director, Director, officer, or, Employee or in any way in the discharge of his duties
- (2) Subject as aforesaid the Managing Director and every Director Manager, Secretary or other officer or Employee of the Company shall be indemnified against any liability incurred by them or him on defending any proceedings whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the court

NOT RESPONSIBLE FOR ACTS OF OTHERS

Article 192 provides

- (1) Subject to the provisions of Section 201 of the Act no Director or other officer of the Company shall be liable for the act, receipts, neglects or other act for conformity or for any loss or expense happening to the company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or corporation, with whom any money securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own willful act or default.
- (2) Without Prejudice to the generality of foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other officer by reason his holding the said office, shall be paid and borne by the Company

SECRECY

Article 193 provides

No member shall be entitled to inspect the Company's works without the permission of the Director, Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public

Article 194 provides

Every Director, Managing Director, Manager Secretary, Auditor, Trustee, Members of a committee, officer, Servant, agent Accountant or other person employed in the business of the company, shall if so required by the Directors before entering upon his duties or at any time during his terms of office, sign a declaration pledging himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or any meeting or by the Courts of Law or by the Person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Article or laws

MATERIAL CONTRACTS & INSPECTION OF DOCUMENTS

The following contracts mentioned in Para 'A' below (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Prospectus) which are or may be deemed to be material have been entered into by the Company

These Contracts together with copies of the documents referred to in Paragraph 'B' below, which have been delivered to the Registrar of Companies, Rajasthan at Jaipur, for registration, may be inspected at the Registered Office of the Company between 11 am to 1 pm on any working day except Saturdays and Sundays from the date of this Prospectus until the closure of subscription list.

A. MATERIAL CONTRACTS

- (1) Memorandum of Understanding between the Lead Managers viz. ICICI Securities and Finance Company Limited (I-Sec) dated December 05, 1994, Infrastructure Leasing & Financial Services Limited (IL&FS) dated October 19, 1994 and Hongkong

and Shanghai Banking Corporation Limited (HSBC) December 13, 1994, and the Company

- (2) Letter dated July 25, 1994 from Mas Services (P) Limited offering their services to act as Registrars to the Issue.
- (3) Letter dated January 12, 1995 from HMG Financial Services Company (P) Limited, the Co-Managers to the Issue for their fees
- (4) Letters No CL/J/39093 and CL/J/39094 both dated December 06, 1994 from the Industrial Credit & Investment Corporation of India Limited (ICICI) to act as Agents & Trustees for the Partly Convertible Debenture holders and Non-Convertible Debenture holders respectively
- (5) Letters of Underwriting from various Financial Institutions, Banks, Merchant Bankers and Brokers referred to earlier in the prospectus and the Company's acceptance thereof
- (6) Letter No 04/J/3070 dated August 8, 1994 and letter No 04/J/5102 dated December 12, 1994 from ICICI carrying their consent for subscription to the NCDs on a private placement basis aggregating to Rs 38.85 crores
- (7) Details of the khokha sale scheme by HMG Financial Services Company Pvt Ltd vide their letter dated December 16, 1994
- (8) Short-Term Loan availed against the proposed issue vide :
 - (a) Agreement dated 01.09.93 alongwith Supplemental Agreements dated 25.02.94, 24.03.94 and 16.11.94 for Rs 35 crores from IL&FS
 - (b) Agreement dated 30.08.93 as extended on 16.04.94, 12.07.94 and 5.12.94 with HSBC for Rs 25 crores
 - (c) Sanction Letter dated 07.06.94 from Housing Development Finance Corporation Ltd for Rs 5 crores
 - (d) Agreement dated 6.9.94 with ICICI for loan of Rs 10 crores
- (9) letter dated 14.1.95 from Punjab National Bank (PNB) sanctioning 20% share of the total funded and non-funded working capital requirements and letter dated 21.12.94 from State Bank of Bikaner & Jaipur (SBBJ) sanctioning approval for the balance
- (10) indenture of Conveyance dated December 01, 1993 in respect of hereditaments on lands admeasuring 400 acres at Tehsil Maun District Udaipur, executed between J.K. Udaipur Udyog Limited (JKUUL) and BHL Hindusthan Limited (BHL)
- (11) Endorsement made by Collector, Udaipur on the original Lease Deed regarding change of name therein from BHL to JKUUL on December 01, 1993
- (12) Receipt for possession of movable property including plant and machinery, fixtures & furniture, office equipments and vehicles dated December 01, 1993
- (13) Two deeds of transfer of limestone mining lease covering areas of 016.274 hectares at Vellachmagar, District Udaipur, executed between BHL, JKUUL and Mining Engineer, Mines and Geology Department, Udaipur both dated October 25, 1993
- (14) Contracts with M/s. Mitsubishi Mining and Cement Company Limited dated September 06, 1989 with BHL for technical consultancy services
- (15) Contract with M/s. Excelon Consultancy Private Limited dated May 28, 1993 with the company for providing technical consultancy for the modernisation and debottlenecking programme
- (16) Letter No RSEB/DCO/C-1 dated 28.12.93 from R.S.E.B. for transfer of connection from BHL to JKUUL for a connected load of 22.5 MVA
- (17) Letter No S(23)/94-CEM-II dated 21.12.94 issued by the Government of India, Ministry of Industry (Department of Industrial Development) regarding coal linkage upto March 1995
- (18) Application to the Government of Rajasthan dated January 17, 1994 for transfer of the rights to draw water from the Udaisar Tank earlier granted to BHL alongwith their sanction letter
- (19) NOC from Rajasthan Pollution Control Board vide letter No F.12(151)RPCB/AP/10533 dated September 9, 1992

(20) Details of purchase contracts for major equipments are as set out below:

Sl. No.	Description	Name of Supplier	Value of Order (Rs lacs)	Date of Order Placement
1.	Hydraulic Excavator	M/s Larsen & Toubro	88.10	01.10.94
2.	Haulpak Rear Dumper-35	M/s BEML	195.90	05.10.94
3.	Bulldozer	M/s BEML	81.45	05.10.94
4.	Blast Hole Drill	M/s Ingersol Rand (I) Ltd	38.80	30.09.94

B. DOCUMENTS

- (1) Memorandum and Articles of Association of JKUUL
- (2) Certificate of Incorporation of JKUUL dated March 15, 1993
- (3) Certificate of Commencement of Business dated March 24, 1993
- (4) Industrial licence No.CIL/68 (86)/Regn. No.566 (80)/-IL/SCS dated 19.02.86 from the Secretariat for Industrial Approvals, Department of Industrial Development, Ministry of Industry, Government of India for the manufacture of 8 lac tonnes Portland cement per annum
- (5) Consent from Directors, Company Secretary, Bankers to the Company, Bankers to the Issue, Lead Managers to the Issue, Co-Managers to the Issue, Auditors, Registrars to the Issue, Brokers to the Issue, Underwriters to the Issue, Solicitors to the Issue, Trustees for Debenture Holders to act in their respective capacities and companies acceptance thereof.
- (6) Report of the Auditors of the Company mentioned in the prospectus and Audited Accounts of JKUUL for the period ended September 30, 1994
- (7) Certificate of the Auditors of the Company dated July 18, 1994 on the tax benefits to the Company and to the Members/ Debenture Holders
- (8) Copies of Power of Attorney executed by the Directors of JKUUL in favour of person(s) for signing and making necessary changes in the Prospectus
- (9) Copies of Resolutions:
 - (a) Board Resolution dated March 15, 1993 approving takeover of UCW as a running concern from BHL
 - (b) Board Resolution dated March 15, 1993 appointing M/S Lodha & Co, Chartered Accountants as Auditors of JKUUL
 - (c) Ordinary Resolution Under section 293(1)(a) and 293 (1)(d) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of JKUUL held on November 12, 1993
 - (d) Resolution u/s 81(1A) of the Companies Act, 1956 passed by the shareholders of the Company at the Extra-ordinary General meeting held on December 3, 1994
 - (e) Directors' Resolution dated December 30, 1994 authorising the issuance of the present Public Issue and issuance of NCDs on a private placement basis
 - (f) Directors' Resolution dated September 21, 1994 authorising Registrars to the Issue to encash the Stockinvest instruments
 - (g) Board Resolution dated July 29, 1994 appointing Mr R.K. Gupta as Company Secretary of JKUUL
- (10) Copies of listing applications made to the Stock Exchanges at Bombay, Delhi, Jaipur and Ahmedabad for listing of Equity Shares and Debentures dated December 9, 1994
- (11) Letter No.RU/JKUUL/BR/559-94 dated December 05, 1994 from CRISIL advising a rating "A" to the PCDs of JKUUL

- (12) Relevent extracts of the Appraisal Report prepared by ICICI as referred in the prospectus
- (13) High Court Order No 3359/94 dated 27.7.1994 directing the Sub-Registrars to register the documents lodged by JKUUL for registration with them
- (14) Agreements with Commercial Banks and Financial Institutions for transferring the Institutional Loans & Debentures of UCW to JKUUL as under :
 - (i) Multipartite agreement dated December 01, 1993 between BHL, JKUUL and the financial institutions for transfer of loans
 - (ii) Multipartite agreement dated December 01, 1993 between BHL, JKUUL and ICICI as trustees for the debentureholders to the three series of debentures aggregating to Rs 20 crores
 - (iii) Tripartite agreement dated December 01, 1993 between BHL, JKUUL and Rajasthan State Industrial Development and Investment Corporation Limited for transfer of Interest free Sales Tax Loans
 - (iv) Tripartite agreement dated December 01, 1993 between BHL, JKUUL and HDFC for transfer of loans
- (15) Extracts from the Report prepared by the Indian Bureau of Mines referred to earlier in the prospectus
- (16) Audited Reports of JK Corp Ltd and J.K. Industries Ltd, Promoter Companies for the last 5 years and Audited Report of The Central Pulp Mills for the last 2 years as referred to earlier in the prospectus
- (17) Acknowledgement Card No.IMID/RM/1308/7464/95 from SEBI dated January 03, 1995 for the Issue

Declaration

We declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in Prospectus is contrary to the provisions of the Companies Act, 1956 and Rules thereunder.

Signed by the Directors

Shri Hari Shankar Singhania

Shri Bharat Hari Singhania
(By his constituted attorney Shri K K Gupta)

Smt Vinita Singhania
(By his constituted attorney Shri K K Gupta)

Dr Vinay Bharat Ram
(By his constituted attorney Shri K K Gupta)

Shri Nirmal Kumar Ruia
(By his constituted attorney Shri K K Gupta)

Shri Ravindra Narain

Shri Surendra Malhotra

Shri S.C.Sethi
(By his constituted attorney Shri K K Gupta)

Shri Sitab Chand Jain

Place : Delhi
Date : January 17, 1995