

**Book-Post**

**Udaipur Cement Works Limited**  
Regd. Office : E-2 Transport Nagar,  
Jaipur - 302 003, Rajasthan

**SEVENTEENTH**

**Annual**

**REPORT**

**2011-12**

**UDAIPUR CEMENT WORKS LIMITED**

## **BOARD OF DIRECTORS**

**ONKAR NATH RAI   R. K. GUPTA   VINIT MARWAHA**

**GANPAT SINGH   S. K. KINRA**

### **REGISTERED OFFICE**

E-2, Transport Nagar,  
Jaipur-302 003,  
Rajasthan

### **PLANT**

Shripati Nagar,  
P.O. C.F.A. - 313 021,  
Distt.-Udaipur,  
Rajasthan

### **CORPORATE OFFICE**

Nehru House,  
4, Bahadur Shah Zafar Marg,  
New Delhi - 110 002

### **BANKERS**

The Hongkong & Shanghai  
Banking Corporation Ltd.  
ICICI Bank Ltd.

### **SHARE DEPARTMENT**

Gulab Bhawan (Rear Block)  
3rd Floor,  
6-A, Bahadur Shah Zafar Marg,  
New Delhi - 110 002

### **SHARE TRANSFER AGENT**

MCS LTD.,  
Shri Venkatesh Bhawan,  
F-65, First Floor,  
Okhala Industrial Area,  
Phase-I,  
New Delhi - 110 020

### **AUDITORS**

M/S. OM PRAKASH S CHAPLOT & CO.  
Chartered Accountants

## UDAIPUR CEMENT WORKS LIMITED

### UDAIPUR CEMENT WORKS LIMITED

Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg  
New Delhi-110 002

## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **Udaipur Cement Works Limited** will be held at Hotel Maharani Palace, Station Road, Jaipur-302 001, Rajasthan, on Thursday, the 21<sup>st</sup> February 2013 at 11.30A. M. to transact the following business:

1. To receive, consider and adopt the Audited Accounts of the Company for the financial year 2011-12 (18 months) ended 30<sup>th</sup> September 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vinit Marwaha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act 1956, M/s. Om Prakash S. Chaplot & Company, Chartered Accountants, Udaipur, (Registration No.000127C) be and are hereby appointed as Auditors of the Company from the conclusion of the 17<sup>th</sup> Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration of Rs.35,000/- p.a. (Rupees Thirty Five Thousand only), excluding Service Tax as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit."

#### AS SPECIAL BUSINESS

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

"RESOLVED that Shri Ganpat Singh, whose appointment as Additional Director on the Board determines on the date of the present Annual General Meeting, be and hereby appointed as a Director liable to retire by rotation on the Board."

By Order of the Board

#### Regd. Office:

E-2, Transport Nagar  
Jaipur-302 003, Rajasthan  
28th December 2012

R. K. Gupta  
Whole-time Director &  
Company Secretary

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956 is annexed.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 18.02.2013 to 21.02.2013 (both days inclusive).
4. Appointment of Directors: Brief Resume of Shri Vinit Marwaha proposed to be re-appointed as Director liable to retire by rotation (Item no 2) is given hereunder:  
Shri Vinit Marwaha, (aged 61 years) a Commerce Graduate and a Director since 2004, has an experience of over 35 years in industry in various management capacities. He is an expert in Taxation matters. He is also a Director in Rouncy Trading Pvt. Ltd. & Manager in Juggilal Kamlapat (Agency) Ltd.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 4

Shri Ganpat Singh was appointed as Additional Director on the Board w.e.f. 1<sup>st</sup> November 2012 and holds office upto the date of the present Annual General Meeting. Requisite Notice under Section 257 of the Act. has been received from a member of the Company, signifying his intention to propose the name of Shri Ganpat Singh for appointment as Director liable to retire by rotation.

### Information about the Appointee Director

Shri Ganpat Singh, aged 66 years, is a Mechanical Engineer from Birla Institute of Technology & Science, Pilani. He has over 43 years of experience in large cement industries including 20 years as Plant Head of JK Lakshmi Cement Ltd.

Appointment of Shri Ganpat Singh would be in the best interest of the Company undergoing Rehabilitation. The Board commends his appointment on the Board.

None of the Directors other than Shri Ganpat Singh for himself may be deemed to be concerned or interested in the aforesaid resolution.

5. Requests for transfer of Equity Shares and related correspondence should be addressed to the Company's Secretarial Department at the New Delhi address mentioned above.

By Order of the Board

### Regd. Office:

E-2, Transport Nagar  
Jaipur-302 003, Rajasthan  
28th December 2012

R. K. Gupta  
Whole-time Director &  
Company Secretary

## UDAIPUR CEMENT WORKS LIMITED

### **DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS**

**To the Members,**

Your Directors present their 17<sup>th</sup> Annual Report and audited accounts of the Company for the 18 months period ended 30<sup>th</sup> September 2012.

#### **SCHEME OF REHABILITATION**

As you are aware, the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated 13<sup>th</sup> January 2012 has finally sanctioned the Scheme of Rehabilitation of the Company (Scheme). In terms of the said Scheme, the entire principal amount of outstanding Secured Loans of the Company including 13.5% Debentures held by the Public Debenture holders, Financial Institutions and Banks were settled in full on One Time Settlement basis. The Company has also taken other necessary steps towards implementation of the said Scheme including payments to the Employees, Government Dues, Unsecured Creditors, allotment of Equity Shares etc. apart from settlement with the Secured lenders. After taking the possession of the plant and mines w.e.f. 23<sup>rd</sup> July 2012, the Company now undertaken the work towards upgradation and modernization of the Plant to make it cost effective, efficient and more viable.

During the period under review the Company posted a net loss of Rs. 1,262.32 lacs.

#### **SHARE CAPITAL**

Pursuant to the Scheme, the paid up Equity Share Capital of Rs. 6,337 lacs stood reduced to Rs. 2,534.80 Lacs and accordingly the Company issued 6,31,03,243 new Equity Shares of Rs. 4 each consequent to reduction of Capital. Further, 3,71,02,037 Equity Shares of Rs. 4 each were allotted as per the Scheme. With this, the paid up Equity Share Capital of the

Company stood increased to Rs. 4008.21 lacs.

#### **ECONOMY AND BUSINESS ENVIRONMENT**

During the fiscal year 2011-12 the country recorded a GDP growth of 6.9%, a sharp drop from 8.5% achieved in the previous fiscal year. The fall in the GDP was primarily attributable to the recessionary conditions prevailing in the global market as also the high inflation, weakening rupees and uncondusive investment environment in the country.

Going forward the Indian economy is expected to be back on the revival path and with several new reforms announced / likely to be announced by the government. This shall result in increased spending on the infrastructure sector. Further, with the likely softening of the interest rates, the Housing sector is also expected to show signs of revival in the coming years. Cement being a derived commodity would stand to gain with additional spending in Infrastructure and Housing sector.

#### **INDIAN CEMENT INDUSTRY**

India is second largest producer of cement in the world. The cement capacity of large cement producers in India was 327 million tonnes at the end of March 2012 and this is likely to be increased to 350 million tonnes by the end of financial year 2012-13.

Cement Industry which has been growing at a CAGR of over 8.5% had recorded a slightly lower growth of about 7% in the financial year 2011-12 and the growth in the current financial year, so far, has not shown much revival. However, notwithstanding these intermittent years of lower growth, long term portends of the Indian cement industry are good and is expected to growth at 8 to 9% for the next one to two decades to meet the construction requirement of growing Indian economy, both in the housing as well as infrastructure sectors.

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## **DIRECTORS**

The Board has appointed Shri Ganpat Singh as Additional Director of the Company w.e.f. 1<sup>st</sup> November 2012. He shall hold office upto the date of the ensuing Annual General Meeting (AGM). The Company has received requisite Notice from a Member proposing the name of Shri Ganpat Singh for appointment as Director liable to retire by rotation at the AGM. The Board of Directors commends his appointment as aforesaid.

Shri Vinit Marwaha retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer himself for re-appointment.

## **AUDITORS**

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

## **COST AUDIT**

M/s S.P.Gupta, who was appointed as Cost Auditor by the Board for the Financial Year 2011-12(18months), commencing from 1<sup>st</sup> April 2011, would submit his report for that Financial Year, within the permissible time. The Cost Audit Report for the previous financial year 2010-11 ended 31<sup>st</sup> March 2011 was filed by the Cost Auditor with the Ministry of Corporate Affairs, Government of India on 13.09.2011 (Due date 30.09.2011).

Shri SP Gupta has, however, expressed his inability for his further re-appointment as Cost Auditor to conduct Cost Audit for the financial year 2012-13, on the health grounds.

M/s HMNV & Associates, Cost Accountants, New Delhi has been appointed as Cost Auditors of the Company for the Financial Year 2012-13 commencing 1<sup>st</sup> October 2012, subject to approval of the Central Government.

## **PARTICULARS OF EMPLOYEES**

During the period under review, there were no employees getting covered under the provisions of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) of the Companies Act 1956, your Directors state that:

- in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis, Corporate Governance Report and Auditor's Certificate confirming compliance of the conditions of Corporate Governance form a part of this Annual Report.

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

Details as required under section 217(1)(e) of the Companies Act 1956 read

## UDAIPUR CEMENT WORKS LIMITED

with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988, are annexed.

### ACKNOWLEDGEMENTS

The Directors wish to acknowledge their appreciation for the continued and valuable co-operation received from Hon'ble BIFR, Financial Institutions, Banks, Government Authorities, Share holders,

Debenture holders and the Employees of the Company.

On behalf of the Board of Directors

(R.K. GUPTA) (GANPAT SINGH)  
DIRECTORS

New Delhi

Date : 28.12.2012

### ANNEXURES TO THE DIRECTORS' REPORT FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2012

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

#### (a) Conservation of Energy and Technology Absorption etc.

Since the plant operations continued to be suspended since 26.03.2002 no significant steps could be taken on energy conservation and technology absorption during the period under review.

#### (b) Foreign Exchange Earnings and Outgo.

During the period ended 30<sup>th</sup> September 2012 there is no Foreign Exchange earning. The Foreign exchange outgo was also Nil.

### PARTICULARS OF CONSERVATION OF ENERGY

Due to suspension of the plant operations throughout the year, there was no consumption of electricity and coal during the year.



## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The Company's philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standards of business ethics.

### 2. BOARD OF DIRECTORS

The Board of Directors presently consists of five Directors comprising of four Non-Executive Directors (NED) of which three are Independent Directors (INDs). Seven Board Meetings were held during the Financial Year 2011-12 ended 30<sup>th</sup> September 2012 (18 months), on 22<sup>nd</sup> April 2011, 14<sup>th</sup> May 2011, 5<sup>th</sup> August 2011, 12<sup>th</sup> November 2011, 11<sup>th</sup> February 2012, 11<sup>th</sup> May 2012 and 9<sup>th</sup> August 2012. Attendance and other details of the Directors are as under:

Director	Category	No. of Board Meetings attended	Whether last AGM attended (23.09.11)	Outside Directorships and Committee positions		
				Director-ships@	Committee Memberships#	Committee Chairmanships#
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Onkar Nath Rai	IND	5	Yes	-	-	-
Shri Vinit Marwaha	IND	7	No	1	-	-
Shri Rohni Kumar Gupta	Executive	7	Yes	-	-	-
Shri Suresh Kumar Kinra	IND(BIFR Nominee)	7	No	2	-	-
Shri Ganpat Singh*	Non-Executive	N.A.	N.A.	N.A.	N.A.	N.A.

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

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

\* Shri Ganpat Singh was appointed as Additional Director w.e.f. 1<sup>st</sup> November 2012.

### 3. AUDIT COMMITTEE

The Company has an Audit Committee of Directors. The "Terms of Reference" of the Committee are in conformity with the provisions of Section 292A of the Companies Act 1956 and Clause 49 of the Listing Agreement with Stock Exchanges.

The Committee consists of four Directors namely Shri Onkar Nath Rai (Chairman), Shri Vinit Marwaha, Shri R.K. Gupta and Shri Suresh Kumar Kinra, majority being Non-Executive.

Dates of the meetings and the number of Members attended:

Date of meetings	Number of members attended
22 <sup>nd</sup> April 2011	4
14 <sup>th</sup> May 2011	4
5 <sup>th</sup> August 2011	4
12 <sup>th</sup> November 2011	3
11 <sup>th</sup> February 2012	3
11 <sup>th</sup> May 2012	4
9 <sup>th</sup> August 2012	4

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

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

### 4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Company has Shareholders/Investors Grievance Committee at the Board level. It consists of four Directors, namely, Shri Onkar Nath Rai (Chairman of the Committee), Shri Rohni Kumar Gupta, Shri Vinit Marwaha and Shri Suresh Kumar Kinra.

Dates of the meetings and the number of Members attended:

## UDAIPUR CEMENT WORKS LIMITED

Date of meetings	Number of members attended
14 <sup>th</sup> May 2011	4
5 <sup>th</sup> August 2011	4
12 <sup>th</sup> November 2011	3
11 <sup>th</sup> February 2012	3
11 <sup>th</sup> May 2012	4
9 <sup>th</sup> August 2012	4

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

Name	Status	No. of Meetings attended
Shri Onkar Nath Rai	Chairman	4
Shri Vinit Marwaha	Member	6
Shri Rohni Kumar Gupta	Member	6
Shri Suresh Kumar Kinra	Member (BIFR Nominee)	6

Shri Rohni Kumar Gupta, Whole-time Director & Company Secretary, is the *Compliance Officer* who oversees the investor's grievances including related to Transfer/Transmission of shares, Non-receipt of Annual Reports, dividend, interest and redemption proceeds on Debentures etc. During the year ended 30<sup>th</sup> September 2012 (18 months) ten complaints were received which stands resolved and no complaint is pending as on 30<sup>th</sup> September 2012.

The Company has also a Committee of Directors (COD), which approves registration of transfer and transmission of shares in physical mode. During the period, 11 meetings of the COD were held. All the valid requests for transfer of shares were processed in time and there are no pending transfers of shares.

### 5.1 REMUNERATION COMMITTEE (non-mandatory)

The Company does not have any permanent Remuneration Committee.

### 5.2 REMUNERATION PAID TO DIRECTORS

(a) **Non executive Directors (NEDs):** No sitting fee was paid to the Directors during the year. The NEDs did not have any other material pecuniary relationship or transaction vis-à-vis the Company during the year. The number of Equity Shares held by NEDs: Shri Onkar Nath Rai - 1 share; Shri

Vinit Marwaha, Shri Suresh Kumar Kinra (Special Director appointed by BIFR) and Shri Ganpat Singh do not hold any shares.

### (b) Executive Directors:

Name	Service Contract years w.e.f.	Remuneration	
		Period	Amount
Shri R.K.Gupta	3 years w.e.f. 26.5.2011	01.04.2011-30.09.2012	Rs.4.31 lac.p.a.

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

## 6. GENERAL BODY MEETINGS

Location and time for the last three Annual General Meetings (AGM):

Year	Location	Date	Time
2007-2008	Maharani Palace, Station Road, Jaipur (Rajasthan)	20.06.2009	11.00 A.M.
2009-2010	Same as above	17.09.2010	11.00 A.M.
2010-2011	Same as above	23.09.2011	11.00 A.M.

Special Resolution regarding re-appointment of Shri Rohni Kumar Gupta, Whole-time Director of the Company for a period of three years w.e.f. 26<sup>th</sup> May 2011 was passed at the Annual General Meeting held on 23<sup>rd</sup> September 2011.

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

## 7. DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large: *None. Suitable disclosure as required by Accounting Standard (AS-18) - Related party transactions, has been made in the Annual Report. There were no materially significant transactions with related parties, which were in conflict with the interests of the Company.*

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

Trading in the equity shares of the

Company was suspended by BSE Ltd. w.e.f. 03.02.2003. The Company has submitted requisite disclosures/ compliances under the Listing Agreement to BSE Ltd. for revocation of suspension. The Company has also made entire outstanding payments of listing fees to BSE and custodial fees to NSDL and CDSL.

## 8. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are normally published in the leading English newspaper "Financial Express" and one regional daily "Dainik Lokmat" (Jaipur), having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial results are also displayed on the Company's website :

[www.udapurcement.com](http://www.udapurcement.com)

"Management Discussion & Analysis" forms part of the Directors' Report.

## 9. GENERAL SHAREHOLDERS' INFORMATION

### (i) ANNUAL GENERAL MEETING

(a) Date and Time : 21<sup>st</sup> February 2013 at 11.30 A.M.

Venue : Hotel Maharani Palace, Station Road, Jaipur (Rajasthan).

(b) As required under Clause 49 (IV)(G)(i), a brief resume and other particulars of the appointment and re-appointment of the Directors retiring by rotation at the aforesaid Annual General Meeting and seeking re-appointment are being given in the notes to the Notice convening the said Meeting.

### (ii) FINANCIAL CALENDER (TENTATIVE) Financial Reporting

• for the quarter ending 31.12.2012	Within 45 days of the end of the quarter
• for the half year ending 31.03.2013	
• for the quarter ending 30.06.2013	Within 60 days of the end of the financial year
• for the year ending 30.09.2013 (Audited)	
• Annual General Meeting for the Financial Year ending 2012-13	between January and March 2014

(iii) **DATE OF BOOK CLOSURE:** 18.02.2013 to 21.02.2013 (both days inclusive)

(iv) **DIVIDEND:** No dividend was declared for the year.

## (v) LISTING ON STOCK EXCHANGES (INCLUDING SECURITY CODE)

The Company has made requisite applications to BSE Ltd. and pursuing with them for revocation of suspension and grant of approvals to listing and trading permission in respect of the new Equity Shares of Rs. 4 each (BSE Security Code : 530131), issued pursuant to the Scheme of Rehabilitation Sanctioned by Hon'ble BIFR (Scheme). Annual Listing Fee for the financial year 2012-13 has been paid to BSE.

The Scheme provides that the Company will automatically get delisted from Jaipur Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. While, Jaipur Stock Exchange has delisted the Company's securities w.e.f. 5<sup>th</sup> December 2012, the Company is pursuing with Ahmedabad Stock Exchange and Delhi Stock Exchange for the delisting.

## (vi) STOCK MARKET PRICE DATA & COMPANY'S SHARE PERFORMANCE V/S. BSE SENSEX

Trading in the scrips of the Company was suspended by BSE Ltd. w.e.f. 03.02.2003.

## (vii) DISTRIBUTION OF SHARE HOLDINGS AS ON 30<sup>th</sup> Sept. 2012

Category (No. of Shares)	No. of Equity Shares of Rs. 4 each	%	No. of shareholders	%
1- 500	3106378	3.18	14852	87.69
501 -1000	975631	0.97	1173	6.92
1001 -5000	1683338	1.68	748	4.41
5001 -10000	762985	0.76	99	0.58
10001 & above	93596798	93.41	84	0.50
TOTAL	100205290	100.00	16956	100.00

## (viii) SHARE TRANSFER SYSTEM

All valid requests for transfer/ transmission of Shares held in physical form are processed within a period of 10-15 days from the date of receipt thereof and the Share Certificates duly transferred are immediately returned to the transferee/ lodger. Transactions in the demated shares are processed by NSDL/CDSL through the Depository Participant with whom the Shareholders have opened their demat accounts.

## UDAIPUR CEMENT WORKS LIMITED

**(ix) DEMATERIALISATION OF SHARES AND LIQUIDITY**

Shareholders may dematerialize their holdings in physical form with any one of the Depositories namely NSDL and CDSL. The temporarily ISIN No. for Equity Shares of the Company for both the depositories is **IN225C01010**. As on 30<sup>th</sup> September 2012, **58.75%** of the Equity Shares stand dematerialised. It may be noted that in respect of Shares held in demat form,

all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholders.

- (x) **OUTSTANDING GDRs AND LIKELY IMPACT ON EQUITY:** Not Applicable
- (xi) **PLANT LOCATION:** Shripati Nagar, P.O. C.F.A., Distt. Udaipur - 313 021, Rajasthan.
- (xii) **ADDRESS FOR CORRESPONDENCE**

1	<p><b>Udaipur Cement Works Limited</b>                  Secretarial Department                  Gulab Bhawan, 3rd Floor (Rear Block)                  6A, Bahadur Shah Zafar Marg                  New Delhi - 110 002                  Tel.Nos. : (011) 30179861 &amp;                                    30179862                  Fax No. : 91-11-23739475                  Email: dswain@jkm.com &amp;                         rgupta@jkm.com</p>	2	<p>Registrar &amp; Share Transfer                  Agents (RTA) :  <b>MCS Ltd.</b>                  Venkatesh Bhawan                  F-65, First Floor, Okhla                  Industrial Area, Phase - I,                  New Delhi - 110 020                  Tel. Nos. : (011) 41406149,                                    41406151-52                  Fax No. : 91-11-41709881                  Email: admin@mcsdel.com                  Contact Person: Mr. Ajay Dalal                  Director                  (E-mail: ajay@mcsdel.com)</p>
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**Shareholders are requested to quote their Folio No./ DP ID- Client ID and details of shares held in physical / demat mode, E-mail Ids and Telephone / Fax No. for prompt reply to their communications.**

**10. DECLARATION**

This is to confirm that for the financial year ended 30<sup>th</sup> September 2012, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

R. K. Gupta  
 Whole-time Director

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**Auditor's Compliance Certificate  
on  
Corporate Governance**

**To the Members of UDAIPUR  
CEMENT WORKS LIMITED.**

We have examined the compliance of conditions of Corporate Governance by UDAIPUR CEMENT WORKS LIMITED for the financial year ended 30<sup>th</sup> September 2012 (18 months), as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

**For OM PRAKASH S. CHAPLOT & CO.  
Chartered Accountants  
FRN: 000127C**

Place: Udaipur  
Date : 28.12.2012

**(O.P.CHAPLOT)**  
Partner  
M.No. 10184

## UDAIPUR CEMENT WORKS LIMITED

### AUDITORS' REPORT

To the members of Udaipur Cement Works Limited

We have audited the attached Balance Sheet of Udaipur Cement Works Limited as at 30<sup>th</sup> September 2012, Statement of Profit and Loss and also the cash flow statement for the period ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure, a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - a) We have obtained all the

information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion and to the best of our information, Statement of Profit and Loss, Balance Sheet and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable.
- e) On the basis of written representations received from the directors, as on 30<sup>th</sup> September, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30<sup>th</sup> September, 2012 from being re-appointed as a director of the company in terms of the clause (g) of sub- (1) of section 274 of the Companies Act, 1956. **However all the directors of the company except Mr. S.K.Kinra, special director appointed by Hon'ble BIFR & Mr. Ganpat Singh, appointed as Additional Director on November 1, 2012 are disqualified to be appointed/ re-appointed as directors in any other public company;**
- f) **Attention is invited to:**
  - (i) Note No. 26 of Notes to Accounts regarding non-provision against loans and advances amounting to Rs. 471.84 lacs.

- (ii) Note No. 26 of Notes to Accounts regarding pending reconciliation/ confirmation of balances of debtors and loans and advances considered to the extent identified by the management and our inability to comment thereon.

**We further report that the loss for the period, balance in profit & loss account, assets and liabilities as stated are without considering the impact of items mentioned in para (f) (i) to (ii) above. Had the observation made in para (f) (i) above been considered, loss for the period would have been Rs. 1,734.16 lacs (as against reported figure of loss for the period of Rs 1262.32 lacs), loans & advances would have been Rs. 128.62 lacs (as against reported figure of Rs. 600.46 lacs).**

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement read together with the notes

thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance sheet, of the state of affairs of the Company as at 30<sup>th</sup> September, 2012;
- b) In the case of Statement of Profit and Loss, of the loss for the period ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For OM PRAKASH S CHAPLOT & CO.  
Chartered Accountants  
FRN: 000127C

Place: Udaipur  
Date : 28.12.2012

(O.P.CHAPLOT)  
Partner  
M.No. 10184

## UDAIPUR CEMENT WORKS LIMITED

### ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in Paragraph (1) of the Auditors' Report of even date to the members of Udaipur Cement Works Limited for the year ended 30.09.2012]

- i)
  - a) Records showing full particulars including quantitative details and situation of fixed assets have been maintained by the company.
  - b) Physical verification of fixed assets has been conducted by the management according to the programme of physical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and nature of Fixed Assets during the period. The discrepancies noticed on such physical verification were not material.
  - c) As per information and explanations provided by the management and records made available to us, fixed assets disposed off during the period were not substantial.
- ii)
  - a) **Physical verification of Inventories has not been conducted by the Management during the period as stated in note no. 19 of Notes to Accounts.**
  - b) **In our opinion and having regard to our comments in Para (ii)(a) above, the procedures of physical verification of inventory needs to be made adequate in relation to the size of the company and nature of its business.**
  - c) **On the basis of information and records made available, inventory records are maintained (subject to note no. 19 of Notes to Accounts) but in the absence of physical verification report, it is not possible to ascertain and comment on discrepancy between book records and physical inventory and adjustments, if any and ascertainment of amount thereof read together with note no. 19 of Notes to Accounts.**
- iii) The company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii) (b) to (d), (f) & (g) of the order are not applicable.
- iv) **Internal control system require to be strengthened to be made commensurate with the size of the company and the nature of its business for the sale of fixed assets and services and read with our comments elsewhere and note no 19 & 26 of Notes to Accounts.**
- v) According to the information and explanations provided by the management and based upon audit procedure performed, we are of the opinion that there are no particulars of contracts or arrangements referred to in section 301 of the Act to be entered in the register required to be maintained under that section, accordingly, the provisions of clause 4 (v) (b) of the order are not applicable.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of the directives issued by Reserve Bank of India and the provision of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vii) **No Internal Audit has been carried out during the period as stated in note no. 28 of Notes to Accounts.**
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records



have been made and maintained read with Note no. 1.3. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate.

- ix) a) According to the records of the Company and information and explanations given to us, the company is generally regular in depositing undisputed statutory dues, Wealth Tax, Service Tax, Custom Duty, Cess and other material Statutory dues with the appropriate authorities to the extent applicable. There are no material statutory dues payable for a period of

more than six months from the date they became payable as at 30<sup>th</sup> September, 2012.

- b) According to the records and information and explanations given to us, there are no dues in respect of Wealth Tax, Custom Duty and Cess that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Income Tax, Excise Duty, Service Tax and Sales Tax that have not been deposited on account of dispute and the forum where the dispute is pending are given below: -

Name of the Statute	Nature of The Dues	Period	Forum where dispute is pending	Amount (In Rs.)
Central Excise Act	Excise Duty	1995-96	High Court	4,40,017
	Excise Duty (Interest)	2000-01	Assistant Commissioner Central Excise, Udaipur	2,81,325
Service Tax Act	Service Tax	1997-98	Assistant Commissioner of Excise (S.T.)	66,05,892
Sales Tax Act	Sales Tax	1999-2000	Assistant Commissioner (Comm. Tax)	8,14,000
	Sales Tax (Interest)	1996-97, 1997-98 & 1998-99	Assistant Commissioner (Comm. Tax)	9,11,000
	Sales Tax	1996-97	Assistant Commissioner (Comm. Tax) Circle 'B' Jammu	25,04,900
Land Tax Act	Land Tax	2005-07 to 2011-12	Sub-Registrar, Mavil & Vallabh Nagar	23,88,69,766

Above is to be read with note no. 20 of Notes to accounts.

- x) **The company's accumulated losses at the end of the period are more than fifty percent of its net worth and it has also incurred cash losses in the current period and also in the immediately preceding financial year.**
- xi) On the basis of records made available and information and explanations given to us, the company has not defaulted in repayment of dues, considering the sanction of scheme, to financial institutions, banks and debenture holders.

- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society; therefore the provisions of clause 4 (xiii) of the Order are not applicable to the company.
- xiv) According to the information and explanations provided by the

## UDAIPUR CEMENT WORKS LIMITED

management, the company is not dealing in or trading in shares, securities, debentures and other investments.

- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the records, information and explanations given to us, the Company has not availed any fresh term loan during the period.
- xvii) Based on the examination of the documents and records made available and on the basis of information and explanations given to us and on an overall examination of financial statements, we are of the opinion that the company has not used funds raised on short-term basis for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the period to any parties or companies covered in the register maintained under section

301 of the Companies Act, 1956.

- xix) According to information & explanations provided by the management no debentures have been issued during the period.
- xx) The company has not raised any money through a public issue during the period.
- xxi) Based on the audit procedures performed and on the basis of information and explanations provided by the management which have been relied upon by us, no fraud on or by the company has been noticed or reported during the course of our audit or have been informed by the management.

For **OM PRAKASH S CHAPLOT & CO.**  
**Chartered Accountants**  
**FRN: 000127C**

Place: Udaipur  
Date : 28.12.2012

**(O.P.CHAPLOT)**  
Partner  
M.No. 10184

**BALANCE SHEET**

As at 30th September, 2012

(Amount in Rs. Lacs)

Particulars	Note	30th Sept. 2012	31st Mar. 2011
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	4,517.73	11,432.23
(b) Reserves and Surplus	3	(10,121.82)	(22,993.48)
(c) Advance against Securities	4	7,002.83	182.91
		<u>1,398.74</u>	<u>(11,378.34)</u>
<b>(2) NON - CURRENT LIABILITIES</b>			
(a) Long-Term Borrowings	5		
(b) Other Long-Term Liabilities	6	849.45	
		<u>849.45</u>	
<b>(3) CURRENT LIABILITIES</b>			
(a) Trade Payables		618.95	2,969.22
(b) Other Current Liabilities	7	1,295.07	15,557.04
		<u>1,914.02</u>	<u>18,526.26</u>
	<b>Total</b>	<u>4,162.21</u>	<u>7,147.92</u>
<b>II. ASSETS</b>			
<b>(1) NON - CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	2,096.84	4,401.86
(ii) Intangible Assets		382.36	
(iii) Capital Work-in-Progress		<u>2,479.20</u>	<u>4,401.86</u>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	9	421.62	843.23
(b) Trade Receivables	10	98.90	367.80
(c) Cash and Bank Balances	11	562.03	63.19
(d) Short-Term Loans and Advances	12	600.46	1,471.84
		<u>1,683.01</u>	<u>2,746.06</u>
	<b>Total</b>	<u>4,162.21</u>	<u>7,147.92</u>
Significant Accounting Policies	1		
Notes on the Financial Statements	2-36		

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date  
for OM PRAKASH S CHAPLOT & CO.  
Chartered Accountants  
FRN: 000127C

O. P. CHAPLOT  
Partner  
M.No.: 10184

UDAIPUR  
Date: 28.12.2012

R. K. GUPTA  
Whole Time Director &  
Company Secretary

Onkar Nath Rai  
Vinit Marwaha  
S. K. Kinra  
Ganpat Singh

} Directors

## UDAIPUR CEMENT WORKS LIMITED

### STATEMENT OF PROFIT AND LOSS

For the Period Ended 30th September, 2012

(Amount in Rs. Lacs)

Particulars	Note	30th Sept. 2012 (18 Months)	31st Mar. 2011 (12 Months)
<b>I. Revenue from Operations</b>	13	-	-
Less : Excise Duty		-	-
Revenue from Operations (Net)		-	-
<b>II. Other Income</b>	14	4.83	0.06
<b>III. Total Revenue (I + II)</b>		4.83	0.06
<b>IV. Expenses</b>			
(a) Employee Benefit Expense	15	16.89	9.20
(b) Other Expenses	16	895.90	27.64
Total Expenses		912.79	36.84
<b>V. Profit before Interest, Depreciation &amp; Tax (PBIDT) (III-IV)</b>		(907.96)	(36.78)
Finance Costs	17	0.45	0.08
Depreciation and Amortization Expense	8	1,100.46	-
<b>VI. Profit before Exceptional Items &amp; Tax</b>		(2,008.87)	(36.86)
<b>VII. Exceptional Items</b>	18	745.55	-
<b>VIII. Profit before Tax (VI+VII)</b>		(1,262.32)	(36.86)
Tax Expenses		-	-
<b>IX. Profit for the period</b>		(1,262.32)	(36.86)
<b>X. Earning per Equity Share (Rs.) :</b>	34		
Basic & Diluted		(1.89)	(0.06)

Notes on the Financial Statements

2-36

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date  
for OM PRAKASH S CHAPLOT & CO.  
Chartered Accountants  
FRN: 000127C

O. P. CHAPLOT  
Partner  
M.No.: 10184

UDAIPUR  
Date: 28.12.2012

R. K. GUPTA  
Whole Time Director &  
Company Secretary

Onkar Nath Rai

Vinit Marwaha

S. K. Kinra

Ganpat Singh

} Directors

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**NOTE 1**  
**SIGNIFICANT ACCOUNTING POLICIES**

- 1.1 The financial statements are prepared on going concern basis and the accounts are maintained on accrual basis except the claims/refunds/fuel surcharges not ascertainable with reasonable certainty are accounted for on settlement/receipt basis.
  - 1.2 Fixed Assets are stated at cost of acquisition/ purchase subject to impairment.
  - 1.3 Expenditure during construction/erection period is allocated to the respective fixed assets on completion of construction/erection. Interest on borrowings as allocated by the Management for new/expansion project is capitalised/included in Capital Work in Progress.
  - 1.4 Assets and liabilities related to foreign currency transactions are translated at exchange rate prevailing at the end of the period or at contracted rate. Exchange differences in respect of fixed assets are adjusted to the carrying cost of fixed assets and in respect of other are charged to Statement of Profit & Loss.
  - 1.5 Long Term investments are stated at cost.
  - 1.6 Inventories are valued at lower of cost and net realisable value (except scrap/waste which is valued at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process stock include cost of conversion and other charges incurred in bringing the inventories to their present location and condition.
  - 1.7 Borrowing cost is charged to Statement of Profit and Loss except cost of borrowing for acquisition of qualifying assets, which is capitalised till the date of commercial use of the assets.
  - 1.8 Revenue expenditure on research and development is charged to Statement of profit and loss and capital expenditure is added to the fixed assets.
  - 1.9 (a) Depreciation on Fixed Assets is provided as per straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Continuous process plants as defined in Schedule XIV have been considered on technical evaluation.  
(b) Leasehold land is being amortised over the lease period.
  - 1.10 Provision for taxation is made based on the current tax rates in force. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and may be reversed in one or more subsequent periods. Deferred tax assets arising on account of brought forward losses, unabsorbed depreciation and other temporary timing differences are recognised only if there is virtual certainty of realisation.
  - 1.11 Miscellaneous expenditure are amortised as follows :
    - (i) Preliminary expenses charged to Revenue Account over a period of ten years.
    - (ii) Expenses on issue of shares/debentures over ten years and such amortisation are adjusted against Share Premium Account.
  - 1.12 Retirement benefits are accounted on accrual basis.
-

## UDAIPUR CEMENT WORKS LIMITED

(Amount in Rs. Lacs)

30th Sept. 2012

31st Mar. 2011

### NOTE 2 SHARE CAPITAL

#### Authorised:

Equity Shares	- 185,000,000 of Rs. 4 each (Previous year 65,000,000 of Rs. 10 each)	7,400.00	6,500.00
Preference Shares	- 51,000,000 of Rs. 10 each (Previous year 6,000,000 of Rs. 100 each)	5,100.00	6,000.00
		12,500.00	12,500.00

#### Issued, Subscribed & Paid Up:

##### Equity Shares

- 100,205,280 of Rs. 4 each (Previous year 63,103,243 of Rs 10 each) fully paid up		4,008.21	6,310.32
Add : Forfeited Shares			26.68
		4,008.21	6,337.00

##### Zero Coupon Preference Shares

- 4,531,948 Shares of Rs. 10 each (Previous year 4,531,948 of Rs 100 each) fully paid up (series-I) (Issued in consideration other than cash)		453.19	4,531.95
- 563,282 Shares of Rs. 10 each (Previous year 563,282 of Rs 100 each) fully paid up (series-II) (Issued in consideration other than cash)		56.33	563.28
		4,517.73	11,432.23

#### a. Reconciliation of number of Share Outstanding :

##### Equity Shares

	Number	Number
Opening Balance	6,31,03,243	6,31,03,243
Shares issued during the period	3,71,02,037	-
Shares bought back during the period	-	-
Shares outstanding at the end of the period	10,02,05,280	6,31,03,243

##### Zero Coupon Preference Shares

###### Series - I

Opening Balance	45,31,948	45,31,948
Shares issued during the period		
Shares bought back during the period		
Shares outstanding at the end of the period	45,31,948	45,31,948

###### Series - II

Opening Balance	5,63,282	5,63,282
Shares issued during the period		
Shares bought back during the period		
Shares outstanding at the end of the period	5,63,282	5,63,282

30th Sept. 2012

31st Mar. 2011

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

Shareholders Name	Number	Number
<b>Equity Shares</b>		
Bengal & Assam Company Ltd.	3,11,53,242	3,11,53,242
JK Lakshmi Cement Ltd.	2,77,75,000	
Sunflag Commercial Enterprises Ltd.	70,75,000	70,75,000
Asset Reconstruction Co. India Ltd.	64,54,147	
<b>Zero Coupon Preference Shares</b>		
ICICI Limited	22,15,670	22,15,670
Unit Trust of India	14,81,560	14,81,560
LIC	3,62,550	3,62,550

**c. Terms / right attached to Equity Shareholders:**

The Company has only one class of equity shares having a par value of Rs. 4 per share. Each holder of equity shares is entitled one vote per share.

1. During the period the Company in terms of the rehabilitation scheme has restructured its Share Capital. The existing equity share capital of Rs. 6337 lacs (comprising 633.70 lacs shares – face value of Rs. 10.00 each) is reduced by 60%, i.e. the nominal and paid up value of 633.70 lacs shares is reduced to Rs. 2534.80 lacs. Further, the Company has issued equity shares of Rs. 1111.00 lacs against Unsecured outstanding dues at Rs. 4 each in consideration other than cash as per scheme. The Company has also issued equity shares to Secured Lenders amounting to Rs. 373.08 lacs in consideration other than cash as per the terms of the Scheme.
2. The Zero Coupon Redeemable Preference Shares (ZCPS) of Rs. 5095.23 lacs are written down in compliance with the scheme to 10% of the face value, i.e. from Rs. 5095.23 lacs to Rs. 509.52 lacs. The aforesaid ZCPS at their reduced value are redeemable on March 31, 2017 i.e. at the end of 7<sup>th</sup> year from the cut off date as per the Scheme.

## UDAIPUR CEMENT WORKS LIMITED

(Amount in Rs. Laacs)

30th Sept. 2012      31st Mar. 2011

### NOTE 3

#### RESERVES AND SURPLUS

<b>Capital Reserve</b>		
Balance as per last Financial Statement	1.31	1.31
Add : Amount credited on write off of Secured Lenders and transfer of forfeited shares to reserve.	5,123.30	-
Less: Amount utilized against the accumulated losses as per the Scheme	5,124.61	-
	-	1.31
<b>Share Premium Reserve</b>		
Balance as per last Financial Statement	6,088.62	6,088.62
Add : Share Premium credited on issue of Equity to Secured Lenders as per the Scheme	622.77	-
Less: Amount utilized against the accumulated losses as per the Scheme	6,711.39	-
	-	6,088.62
<b>Capital Reduction Reserve</b>		
Balance as per last Financial Statement	-	-
Add : Amount credited for reduction in Equity & Zero Coupon Preference Shares as per the Scheme	8,387.91	-
Less: Amount utilized against the accumulated losses as per the Scheme	8,387.91	-
	-	-
<b>Surplus/ (Deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	(29,083.41)	(29,046.56)
Add: Transferred from Statement of Profit & Loss	(1,262.32)	(36.85)
Add: Transferred from Capital Reduction Reserve, Share Premium Reserve and Capital Reserve.	20,223.91	-
	(10,121.82)	29,083.41
	(10,121.82)	22,993.48

#### Note :

As per the rehabilitation scheme, the company has utilized its existing Reserves & Surplus and Reserves created during the period, all in nature of capital reserve against the accumulated losses of the company.

### NOTE 4

#### ADVANCE AGAINST SECURITIES

Advance against Securities (Refer Note 18 of Notes to Accounts)	7,002.83	182.91
	7,002.83	182.91



				(Amount in Rs. Lacs)	
		Non - Current		Current*	
		30th Sept. 2012	31st Mar. 2011	30th Sept. 2012	31st Mar. 2011

**NOTE 5**

**LONG-TERM BORROWINGS**

**SECURED LOANS**

**Bonds/Debentures**

13.5% Secured Redeemable Partly Convertible Debentures	-	-	-	75.89
23,48,529 Non Convertible Debentures @ 13.5% of Rs.100 each ( Series - I )	-	-	-	2,348.53
16,17,930 Non Convertible Debentures @ 13.5% of Rs.100 each ( Series- II )	-	-	-	1,617.93

**Term Loans:**

**Loans & Advances from Banks and Financial Institutions**

From Financial Institutions	-	-	-	6,084.71
From Banks	-	-	-	112.50
From Banks - Working Capital Loans	-	-	-	1,780.38
Amount disclosed under the head "other current liabilities"	-	-	-	12,019.94
	-	-	-	-

\*Due & payable within one year.  
 Note :- Refer Note no., 18 of Notes to Accounts.

## UDAIPUR CEMENT WORKS LIMITED

(Amount in Rs. Lacs)

30th Sept. 2012

31st Mar. 2011

### NOTE 6

#### OTHER LONG-TERM LIABILITIES

Payable towards Govt. & Other Dues

849.45

849.45

### NOTE 7

#### OTHER CURRENT LIABILITIES

Current maturities of Long-term debts (Refer Note No. 5)

12,019.94

Deferred Interest payable to Term Lenders & Debenture Holders

1,062.29

Trade Deposits

68.82

439.03

Advance from Customers

284.15

284.15

Govt. and other dues

812.42

1,664.84

Dues of Micro, Medium and Small Enterprises  
(Refer Note 25 of Notes to Accounts)

2.39

22.11

Other Liabilities

127.29

44.68

1,295.07

15,557.04

## NOTE 8

## TANGIBLE ASSETS

(Amount in Rs. Lacs)

PARTICULARS	Gross Block (At Cost)		Depreciation / Amortization			Net Block		
	As at 01-Apr-11	Additions/ Adjustment	As at 30-Sep-12	Upto 01-Apr-11	For the Period	Upto 30-Sep-12	As at 30-Sep-12	As at 31-Mar-11
Land*	41.51	74.36	115.87	-	-	-	115.87	41.51
Leasehold Land*	70.84	14.39	85.03	64.89	0.27	64.96	20.07	5.94
Building*	1,267.76	320.04	1,587.80	484.99	73.56	622.48	965.32	782.77
Plant & Machinery	15,071.77	5.75	15,077.52	11,577.88	1,519.14	14,115.03	962.48	3,493.92
Railway Siding & Locomotives	207.28	-	207.28	145.69	22.12	182.62	24.66	61.59
Furniture & Fixtures	102.08	1.52	103.60	93.20	2.58	98.85	4.75	8.88
Office Equipments	13.34	2.39	15.73	8.56	1.37	12.94	2.79	4.78
Vehicles	15.22	-	15.22	12.75	0.97	14.33	0.89	2.47
<b>TOTAL</b>	<b>16,789.60</b>	<b>418.45</b>	<b>17,208.05</b>	<b>12,387.74</b>	<b>1,629.01</b>	<b>15,111.21</b>	<b>2,096.84</b>	<b>4,401.86</b>
<b>Previous Year</b>	<b>16,789.60</b>	<b>-</b>	<b>16,790.60</b>	<b>12,387.74</b>	<b>-</b>	<b>15,111.21</b>	<b>4,481.83</b>	<b>-</b>

Note: Refer Note No. 19 regarding loss on account of impairment of assets for the period.

\*Includes Stamp Duty of Rs. 402.14 lacs paid and capitalized during the period including Land - Rs. 37.71 lacs, Leasehold Land - Rs. 14.39 lacs &amp; Buildings - Rs. 320.04 lacs.

# UDAIPUR CEMENT WORKS LIMITED

(Amount in Rs. Lacs)

30th Sept. 2012

31st Mar. 2011

## NOTE 9

### INVENTORIES

(As certified by the Management)

Raw Materials	39.13	78.26
Work in Progress	44.47	88.93
Finished Goods	7.08	14.16
Stores & Spares	329.82	659.64
Scrap	1.12	2.24
	<b>421.62</b>	<b>843.23</b>

(Refer Note No. 19 - Notes to Accounts)

## NOTE 10

### TRADE RECEIVABLES

(Unsecured)

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

Considered Good	98.90	367.80
Considered Doubtful	395.61	126.72
Less Provision for Doubtful debts	395.61	126.72
	<b>98.90</b>	<b>367.80</b>

(Refer Note No. 26 - Notes to Accounts)

## NOTE 11

### CASH AND BANK BALANCES

Cash and Cash Equivalents

Balance with Banks		
On Current Accounts	12.24	7.74
Deposits with original maturity of less than 3 months	531.52	54.77
Cash on Hand	1.77	0.68
Cheques on Hand	16.50	-
	<b>562.03</b>	<b>63.19</b>

## NOTE 12

### SHORT-TERM LOANS AND ADVANCES

Unsecured / Considered good

Advance Income Tax (Net of Provisions)		1.35
Prepaid Expenses	3.12	1.57
Balance with Govt. Authorities	177.65	177.63
Other Advances	419.69	291.29
Loans & Advances to Related Parties	-	1,000.00
	<b>600.46</b>	<b>1,471.84</b>

(Refer Note No. 26 & 27 - Notes to Accounts)



## UDAIPUR CEMENT WORKS LIMITED

(Amount in Rs. Lacs)

	30th Sept. 2012 (10 Months)	31st Mar. 2011 (12 Months)
<b>NOTE 16</b>		
<b>OTHER EXPENSES</b>		
Insurance	3.26	2.12
Rent	3.06	0.09
Watch & Ward Expenses	5.43	3.36
Repairs to Others	12.97	0.53
Postage, Telegrams, Telephones & Telex	1.76	0.70
Travelling, Conveyance & Motor Car Expenses	13.96	0.17
Legal and Professional Fee & Expenses	4.82	5.50
Payment to Auditors	0.25	0.42
Prior Period Expenses (Refer Note - 29 of Notes to Accounts)	109.60	1.58
Debit Balances written-off	7.89	0.06
Inventory written-off	421.62	-
Provision for Doubtful Debts	268.89	-
Electricity, Gas & Water Charges	0.15	3.06
Fees & Subscription (Stock Exchange/Trustee Fees)	7.63	8.37
Printing & Stationery	2.57	0.26
License Fee & Expenses	0.44	0.09
Office & general Expenses	17.57	1.33
Royalty / Dead Rent	13.77	-
Recruitment Expense	0.26	-
	<u>895.90</u>	<u>27.64</u>

### NOTE 17 FINANCE COSTS

Bank Charges	0.45	0.08
	<u>0.45</u>	<u>0.08</u>

## NOTES TO ACCOUNTS

18. The Company is registered as a Sick Company with BIFR. Due to nonviability, operations of the plant were under suspension since 26<sup>th</sup> March, 2002. A Rehabilitation Scheme for the Company (the Scheme) has been sanctioned by the Board for Industrial and Financial Reconstruction (BIFR), New Delhi on 13<sup>th</sup> January 2012 under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. The Scheme provides for various reliefs & concessions in respect of Share Capital, Secured Lenders, Unsecured Creditors, Employees Dues, State & Central Government dues and other statutory bodies dues. In view of the above the necessary entries in the books have been passed by the Company for giving effect of the Scheme. . Exceptional Items of Rs. 746.55 Lacs appearing in the Statement of Profit & Loss Account comprises of write back of Deferred interest amounting to Rs. 1,082.29 lacs, unsecured creditors amounting to Rs. 1,287.27 lacs; loss on account of impairment amounting to Rs. 3.00 lacs and depreciation provided for earlier years amounting Rs. 1,620.01 lacs. The expenses relating to the project have been capitalized under the head Capital Work-in-Progress. After taking the possession of the plant & mines w.e.f from 23<sup>rd</sup> July 2012, the Company has now undertaken the work towards upgradation and modernization of the plant. As per the Scheme, JKLC has invested Rs. 7002.83 lacs which are reflected under the head Advance against Securities (Refer Note 4). Accordingly, these Accounts have been prepared on "going concern" basis.
19. After taking possession of the plant, physical verification of the Fixed Assets was carried out to ascertain impairment in the value of assets during the period the plant operations remained suspended. The impairment exercise was carried out in detail by a high level technical task force constituted by the management. For the reasons stated in Note no.18 above, physical verification of Inventories of raw materials, process stocks, stores & spares, scrap and finished goods could not be carried out during the period. However, Inventories have been valued at 50% of book value as provided in the Scheme.
20. Claims made against the Company, to the extent could be identified from available information, at Rs. 2,619.68 lacs (Previous year Rs. 2,245.61 lacs) disputed/not accepted by the Company, hence not provided.

(Amount in Rs. Lacs)

	30 <sup>th</sup> Sept'12	31 <sup>st</sup> Mar'11
a) Excise duty in respect of matters in appeal	7.21	7.21
b) Sales Tax in respect of matters in appeal	42.30	42.30
c) Service tax in respect of matters with Asstt. Commissioner	66.06	66.06
d) Land Tax (disputed)	2,388.70	1,859.79
e) Other matters	115.41	270.25
	<u>2,619.68</u>	<u>2,245.61</u>

21. The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of take over of the cement undertaking from Bajaj Hindustan Limited) will be borne by Bajaj Hindustan Limited.
22. The Company has only one business segment, i.e. manufacturing and selling of cement.
23. In view of uncertainty to have taxable profits in near future, Deferred Tax Assets in accordance with the Accounting Standard- 22 issued by the Institute of Chartered Accountants of India has not been recognised. The relief from Minimum Alternate Tax (MAT) is available to the Company as provided in explanation (iii) & (vii) to Section 115 JB of Income Tax Act, 1961.

## UDAIPUR CEMENT WORKS LIMITED

24. Contingent liability for non-use of Jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained. The Government has excluded Cement Industry from application of the said Order from 1<sup>st</sup> July, 1997.
25. Disclosure of Trade Payable under Current Liabilities & Provisions is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". Principal amount overdue as on 30th September 2012, to "Micro Small & Medium Enterprises aggregates to Rs. 2,39,446 (Previous Year Rs. 22,11,239). The necessary entries for write back of the unsecured creditors have been passed as per the Scheme.
26. Debts over six months and Loans and Advances includes Rs. 98,90,249/- (Previous year Rs. 3,67,79,578/-) and Rs. 4,71,84,621/- (Previous year Rs. 4,71,84,621/-) respectively, for which legal and other necessary action has been taken for recovery. Provision for Doubtful Debts amounting to Rs. 2,68,89,329/- has been made during the period (Previous Year - NIL) as per the Scheme.
27. Loans and Advances includes interest free loan to employees of Rs. 7,65,868 (Previous year Rs. 7,65,868) and interest free advances to employees of Rs. 2,84,75,225 (Previous year Rs. 1,41,60,915). Maximum balance outstanding during the period Rs. 765,868 and Rs. 2,84,75,225 respectively.
28. Internal audit has not been conducted during the period since operations of the plant continue to remain suspended as stated in note no. 18 above.
29. Prior Period Expenses aggregates to Rs. 106.08 Lacs includes Insurance Premium of Rs. 31.50 lacs, plant Valuation fee of Rs. 4.64 lacs, royalty & dead rent of Rs. 31.90 lacs, dues of ESIC of Rs. 34.64 lacs, CSDL dues of Rs. 1.66 lacs & NSDL dues of Rs. 1.74 lacs.
30. Estimated amount of contracts remaining to be executed on capital account (Net of Advances) Rs. 206.64 Lacs (Previous year - Nil).
31. Particulars of raw materials consumed, stores and spares consumed, Earning/expenditure on foreign currency Nil. (Previous year - Nil).
32. Capital Work-in-Progress includes the following Pre-operative Expenses :-

Nature of transaction	Amount in Rs. Lacs
Expenses including Provision for Employee Benefits	48.99
Watch & Ward (Security) Expenses	31.54
Postage, Telegrams & Telephones	2.60
Electricity, Gas & Water Charges	17.97
Lenders and other fees	266.25
Legal, Professional & Consultation Expenses	15.01
	<b>382.36</b>

33. Related Party Disclosure :

List of Related Parties

- a) Key Management Personnel (KMP):  
Shri R. K. Gupta - Whole Time Director
- b) Enterprise which has significant influence over the reporting enterprise :  
JK Lakshmi Cement Ltd (JKLC).
- c) The following transactions were carried out with related parties in the ordinary course of business :



Nature of transaction	Amount (in Rs.)
i) Remuneration	4,31,307
	(2,87,538)
ii) Purchase of Cement	2,40,002
iii) Outstanding as at period end	
- Payable to KMP (Net)	(11,675)
- Remuneration Payable to KMP (comprises of Salary & Contribution to Superannuation fund)	74,000 (1,38,600)
- Payable to JKLC	2,40,002 (-)
- Advance against Securities	70,02,82,595 (1,82,91,322)

(Figure in bracket are of Previous Year)

34. Basic and Diluted Earning Per Share (Pursuant to Accounting Standard - 20):

	2011-12 (18 Months)	2010-11 (12 Months)
--	------------------------	------------------------

a) Net Profit (Loss) for the period (Rs.)	(12,62,30,709)	(36,85,490)
b) Weighted Number of Equity Shares of Rs. 4 (PY - Rs. 10) each outstanding during the period (Nos.)	6,67,59,283	6,31,03,243
c) Basic / Diluted Earning per share (a/b)	(1.89)	(0.06)

35. The current period figures are for 18 months period from 1<sup>st</sup> April 2011 to 30<sup>th</sup> September 2012 and accordingly, these are not comparable with the previous year figures of 12 months.

36. Current period Accounts have been prepared in accordance with the Revised Schedule-VI and previous year's figures have been regrouped/re-classified accordingly.

As per our report of even date  
for OM PRAKASH S CHAPLOT & CO.  
Chartered Accountants  
FRN: 000127C

O. P. CHAPLOT  
Partner  
M.No.: 10184

UDAIPUR  
Date: 28.12.2012

R. K. GUPTA  
Whole Time Director &  
Company Secretary

Onkar Nath Rai	}	Directors
Vinit Marwaha		
S. K. Kinra		
Ganpat Singh		

## UDAIPUR CEMENT WORKS LIMITED

### CASH FLOW STATEMENT

For the 18 months period ended September 30, 2012

(Amount in Rs. Lacs)

PARTICULARS	30th Sept. 2012 (18 Months)	31st Mar. 2011 (12 Months)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Loss before Tax and Extraordinary Items	(2,008.87)	(36.85)
Adjustments for :		
Depreciation and Amortisation	1,100.46	-
Interest & Dividend Income	(4.83)	-
Provision for doubtful debts	268.89	-
Operating Loss before Working Capital Changes	<u>(644.35)</u>	<u>(36.85)</u>
Adjustments for :		
Trade and Other Receivables	871.39	(1.56)
Inventories	421.61	-
Trade and Other Payables	<u>(262.30)</u>	<u>6.31</u>
<b>Net Cash from Operating Activities</b>	<b>386.35</b>	<b>(32.10)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(800.80)	-
Interest received	<u>4.93</u>	-
<b>Net Cash from / (used in) Investing Activities</b>	<b>(795.97)</b>	<b>-</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Long-Term Borrowings	(5,911.46)	(5.75)
Advance against Securities	<u>6,819.92</u>	<u>38.42</u>
<b>Net Cash from / (used in) Investing Activities</b>	<b>908.46</b>	<b>32.67</b>
<b>D. Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>498.84</b>	<b>0.57</b>
<b>E. Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>63.19</b>	<b>62.62</b>
<b>F. Cash &amp; Cash Equivalents at the close of the year</b>	<b><u>562.03</u></b>	<b><u>63.19</u></b>
<b>Notes :</b>		
Cash and Cash Equivalents include :		
- Cash, Cheques in hand and remittance in transit	18.27	0.68
- Balance with Scheduled Banks	<u>543.76</u>	<u>62.51</u>
	<b><u>562.03</u></b>	<b><u>63.19</u></b>

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

As per our report of even date  
for OM PRAKASH S CHAPLOT & CO.  
Chartered Accountants  
FRN: 000127C

O. P. CHAPLOT  
Partner  
M.No.: 10184

UDAIPUR  
Date: 28.12.2012

R. K. GUPTA  
Whole Time Director &  
Company Secretary

Onkar Nath Rai

Vinit Marwaha

S. K. Kinra

Ganpat Singh

} Directors

# Udaipur Cement Works Limited

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

ADMISSION SLIP

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

I hereby record my presence at the 17th Annual General Meeting of the Company being held at Maharani Palace, Station Road, Jaipur - 302 001, Rajasthan, on Thursday, the 21st February 2013 at 11.30 A.M.

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

\*Strike out whichever is not applicable.

#Applicable for shareholders holding shares in dematerialised form

Signature of the attending Shareholder/Proxy/Authorised Representative\*

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

# Udaipur Cement Works Limited

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

PROXY FORM

I/We ..... of .....

being a member / members of UDAIPUR CEMENT WORKS LIMITED hereby appoint Shri/Smt./Km. .... of ..... or failing him Shri/Smt./Km./ .....

..... of ..... as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 17<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 21<sup>st</sup> February 2013 at 11.30 A.M. and at any adjournment thereof.

Signed this ..... day of ..... 2013.

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

Signature(s) .....

Affix Revenue Stamp
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=Applicable for Shareholders holding shares in dematerialised form

Notes : The proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company at E-2, Transport Nagar, Jaipur 302 003, Rajasthan, at least 48 hours before the scheduled time.