

21st Annual Report
FY 2016-2017

UDAIPUR CEMENT WORKS LIMITED



MADE IN RAJASTHAN ♦ MADE FOR RAJASTHAN

BOARD OF DIRECTORS

ONKAR NATH RAI

Chairman

VINIT MARWAHA

GANPAT SINGH

POONAM SINGH

R. K. GUPTA

Whole-time Director, CFO & Company Secretary

REGISTERED OFFICE & WORKS:

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

SHARE DEPARTMENT:

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

BANKERS:

Axis Bank Limited
ICICI Bank Limited
IDBI Bank Limited
State Bank of India
Yes Bank Limited

SHARE TRANSFER AGENT:

MCS Share Transfer Agent Ltd.,
F-65, 1st Floor, Okhla Indl. Area,
Phase-I, New Delhi-110 020,
Phone: 011-41406149-52,
E-mail: admin@mcsregistrars.com

AUDITORS:

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

COMPANY WEBSITE

www.udaipurcement.com

UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

Regd. Office: Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan)

Secretarial Office: Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg

New Delhi-110 002

Email: ucwl.investors@jkm.com, Website: www.udaipurcement.com

Tele/Fax: 91-294-2655076/77

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of UDAIPUR CEMENT WORKS LIMITED will be held at the Registered Office of the Company at Shripati Nagar, P.O. CFA, Udaipur-313021 (Rajasthan) on Thursday, the 10th August 2017 at 11:00 A.M. to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the Financial Year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rohni Kumar Gupta (DIN: 00086630), who retires by rotation and being eligible, has offered himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration and in connection therewith to consider and if thought fit to pass, the following as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Bansilal Shah & Co., Chartered Accountants, Udaipur (Firm Registration No. 000384W) be and are hereby appointed as Auditors of the Company for a term of two consecutive years to hold office from the conclusion of the 21st Annual General Meeting (AGM) till the conclusion of the 23rd AGM to be held in the year 2019, subject to ratification of the appointment by the Members at the AGM to be held in the year 2018, on a remuneration of ` 1,50,000 (Rupees One Lacs Fifty Thousand Only) per annum, excluding Service Tax/GST, as applicable, and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and the Board of Directors of the Company be and is hereby authorized to fix the remuneration for the remaining tenure of the Auditors.”

As Special Business

4. To consider and if thought fit to pass, the following as an Ordinary Resolution :
“RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. HMVN & Associates, Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors, to conduct the audit of the cost records of the Company for the Financial Year 2017-18 ending 31st March 2018, of ` 50,000 (Rupees Fifty Thousand Only) per annum, excluding Service Tax/GST, as applicable, and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit, be and is hereby ratified and confirmed.

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

5. To consider and if thought fit to pass, the following as an Ordinary Resolution :
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (Act), and the Rules made thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Poonam Singh (DIN:07122781) whose appointment on the Board as Additional Director determines on the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years with effect from 14th February 2017."

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

"RESOLVED that pursuant to Sections 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, the Authorised Capital of the Company be and is hereby increased and reclassified from the existing ` 200,00,00,000 (Rupees Two Hundred Crores) divided into Equity Capital of ` 125,00,00,000 (Rupees One Hundred Twenty-five Crores) comprising 31,25,00,000 (Thirty-one Crores Twenty-five Lacs) Equity Shares of ` 4 each and Preference Capital of ` 75,00,00,000 (Rupees Seventy-five Crores) comprising 60,00,000 (Sixty Lacs) Preference Shares of ` 10 each and 6,900 (Six Thousand Nine Hundred) Preference Shares of ` 1,00,000 each to ` 250,00,00,000 (Rupees Two Hundred Fifty Crores) divided into Equity Capital of ` 134,00,00,000 (Rupees One Hundred Thirty-four Crores) comprising 33,50,00,000 (Thirty-three Crores Fifty Lacs) Equity Shares of ` 4 each and Preference Capital of ` 116,00,00,000 (Rupees One Hundred Sixteen Crores) comprising 6,600 (Six Thousand Six Hundred) Preference Shares of ` 1,00,000 each and 50,00,000 (Fifty Lacs) Preference Shares of ` 100 each by

- (1) creating additional 2,25,00,000 (Two Crores Twenty-five Lacs) Equity Shares of ` 4 each aggregating to ` 9,00,00,000 (Rupees Nine Crores);
- (2) creating additional 50,00,000 (Fifty Lacs) Preference Shares of ` 100 each aggregating to ` 50,00,00,000 (Rupees Fifty Crores);
- (3) Reclassifying the unutilized 300 (Three Hundred) Preference Shares of ` 1,00,000 each aggregating to ` 3,00,00,000 (Rupees Three Crores) and 60,00,000 (Sixty Lacs) Preference Shares of ` 10 each aggregating to ` 6,00,00,000 (Rupees Six Crores) into 9,00,000 (Nine Lacs) Preference Shares of ` 100 each aggregating to ` 9,00,00,000 (Rupees Nine Crores).

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

V The Authorised Share Capital of the Company is ` 250,00,00,000 (Rupees Two Hundred Fifty Crores) divided into Equity Capital of ` 134,00,00,000 (Rupees One Hundred Thirty-four Crores) comprising 33,50,00,000 (Thirty-three Crores Fifty Lacs) Equity Shares of ` 4 each and Preference Capital of ` 116,00,00,000 (Rupees One Hundred Sixteen Crores) comprising 6,600 (Six Thousand Six Hundred) Preference Shares of ` 1,00,000 each and 50,00,000 (Fifty Lacs) Preference Shares of ` 100 each with power to the Board of Directors of the Company to increase, reduce, vary, alter or modify and divide, sub-divide or consolidate the nominal value of the Shares in the Capital for the time being and to classify or reclassify existing shares into one or more classes and/or denominations and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions and to vary, modify or abrogate any such rights, privileges and conditions or restrictions attached thereto, whether in regard to dividend, voting, return of capital or otherwise and in such manner as may be permitted by the Companies Act, 2013 or any statutory modifications(s) or re-enactment thereof for the time being in force or as provided by the Articles of Association of the Company.

RESOLVED FURTHER that the Board of Directors of the Company ("the Board" which term shall be deemed to include any Committee thereof) be and is hereby authorized to do all such acts, deeds,

matters and things as may be necessary and expedient to give effect to this Resolution.”

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

“RESOLVED that pursuant to Sections 23, 42, 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI Takeover Regulations), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued thereunder, or prescribed by any Authorities from time to time, to the extent applicable, the provisions of the Memorandum and Articles of Association of the Company, and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, as may be required in this regard and further subject to such term(s), condition(s), alteration(s), correction(s), change(s) and/or modification(s), as may be prescribed or imposed by such authorities while according such approval(s), consent(s), permission(s) and/or sanction(s), if any, and agreed to by the Board of Directors of the Company (Board which term shall be deemed to include any Committee thereof), the consent of the Company be and is hereby accorded to the Board to create, offer and/or invite to subscribe, issue and allot, from time to time in one or more tranches, upto 50,00,000 (Fifty Lacs) 6% Optionally Convertible Cumulative Redeemable Preference Shares of face value of ` 100 each, fully paid up, aggregating upto ` 50,00,00,000/- (Rupees Fifty Crores) at par (OCCRPS), to JK Lakshmi Cement Limited, Holding Company/Promoter of the Company (JKLC/Holder) on preferential basis with an option to the Holder(s) of OCCRPS to convert, subject to approval of the SEBI under the SEBI Takeover Regulations, if required, either partially or entire OCCRPS, in one or more tranches, in one or more Financial Year, into Equity Shares of the Company at such price as may be determined in accordance with Regulation 76(1) of SEBI ICDR Regulations with respect to the Relevant Date i.e. a date thirty days prior to the date on which the Holder(s) of OCCRPS becomes entitled to apply for and obtain allotment of Equity Shares against such OCCRPS on conversion thereof, on the terms of Issue contained in the Statement annexed hereto, which shall be deemed to form an integral part hereof.

RESOLVED FURTHER that each OCCRPS shall:

- i. carry a preferential right vis-à-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital;
- ii. be non-participating, cumulative, optionally convertible, redeemable; and
- iii. carry voting rights as per the provisions of Section 47(2) of the Act.

RESOLVED FURTHER that the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon exercise of conversion option by Holder(s) of OCCRPS or as may be necessary in accordance with the terms of the Issue.

RESOLVED FURTHER that the Equity Shares to be allotted upon exercise of conversion option by Holder(s) of OCCRPS shall, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company, rank *pari passu* in all respects including as to dividend, with the then existing Equity Shares of the Company except that the Equity Shares so allotted shall be subject to lock-in as prescribed in the SEBI ICDR Regulations.

RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to take all necessary actions as it may in its absolute discretion deem necessary, desirable or expedient for the purpose of the issue and allotment of the aforesaid OCCRPS and Equity Shares arising on conversion thereof, admission of aforesaid OCCRPS/Equity Shares with Depositories, listing of the Equity Shares with the Stock Exchange and to resolve and settle any questions or difficulties that

may arise in the proposed offer, issue and allotment of the aforesaid securities, utilization of issue proceeds etc., and to do all such acts, deeds and things in connection therewith and incidental thereto."

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

"RESOLVED that pursuant to the provisions of Sections 188, 179 and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the consent of the Company be and is hereby accorded to purchase of 18 MW Thermal Power Plant (Power Plant) from JK Lakshmi Cement Limited, Holding Company/Promoter of the Company (JKLC) and a Related Party under Section 2(76) of the Act and Regulation 2(1)(zb) of Listing Regulations, in the ordinary course of business and on arm's length basis, at a total consideration of ` 50,00,00,000 (Rupees Fifty Crores Only) and in connection therewith to avail a Deferred Payment Credit Facility of ` 50,00,00,000 (Rupees Fifty Crores Only) from JKLC for purchase of the said Power Plant from JKLC, on the terms and conditions set out in the Statement annexed hereto which shall be deemed to form part hereof.

RESOLVED FURTHER that the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include any Committee thereof), be and is hereby authorised to do or cause to be done all acts, deeds, matters, and things and to settle any queries, difficulties, doubts that may arise with regard to aforesaid transaction(s) and execute such agreements, documents and writings, as may be deemed necessary or expedient to give effect to this resolution, in the best interest of the Company."

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

"RESOLVED that pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors and subject to such other approval(s) as may be required and pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Schedule V thereto and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, the re-appointment of Shri Rohni Kumar Gupta (DIN : 00086630) as Whole-time Director of the Company for a period of one year with effect from 1st April 2017, be and is hereby approved on the terms of remuneration set out in the Statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act during the Financial Year 2017-18, the remuneration comprising salary, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director subject to requisite approvals under the said Act.

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

Regd. Office:
Shripati Nagar, PO CFA
Udaipur-313 021 (Rajasthan)
30th May 2017

By Order of the Board

Rohni Kumar Gupta
Whole-time Director
CFO & Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act) setting out the material facts concerning Item Nos. 4 to 9 of the Notice, is annexed hereto.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
4. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection at the Registered Office of the Company during normal business hours (between 11.00 A.M. to 1:00 P.M.) on all working days upto and including the date of the AGM and also at the venue of the Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 4th August 2017 to 10th August 2017 (both days inclusive).
6. In furtherance of the *Go Green Initiative* of the Government, electronic copy of the Annual Report for the Financial Year 2016-17, the Notice of the 21st AGM of the Company along with Admission Slip and Proxy Form are being sent to all the Members whose email addresses are registered/available with the Company/Depository Participants. These documents will also be available on the Company's website at www.udaipurcement.com. Physical copies of the aforesaid documents will be sent on request by any such Member.
7. Physical copy of the Annual Report for the Financial Year 2016-17, the Notice of the 21st AGM of the Company along with Admission Slip and Proxy Form are being sent to those Members who have not registered their email addresses with the Company/Depository Participants. We request such Members to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. Appointment of Director
For relevant details of the Directors seeking re-appointment/appointment i.e. Shri Rohni Kumar Gupta (Resolution Nos. 2 & 9) and Ms. Poonam Singh (Resolution No. 5), as required under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, please refer Item No. 5 & 9 of the Statement under Section 102 of the Act annexed hereto.
9. Remote e-voting procedure

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administrative) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, the Company is pleased to provide Members, facility to exercise their right to vote at the 21st AGM by electronic means and the business may be transacted through remote e-voting services (e-voting) provided by the Central Depository Services (India) Limited (CDSL).

E-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and Members attending the AGM who have not already cast their vote by e-voting shall be able to exercise their right to cast vote at the AGM.

The instructions for Members for e-voting are as under

- (i) The e-voting period begins on Monday, 7th August, 2017 (10:00 A.M.) and ends on Wednesday, 9th August, 2017 (5:00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 3rd August 2017 i.e cut- off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the AGM date may attend the AGM but would not be entitled to vote at the AGM.
- (iii) The Members should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders/Members".
- (v) Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the character displayed on the image verification and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in Capital Letters and the 8 digits of the sequence number in the PAN field. The sequence number is printed on the Address Slip on the envelope. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the sequence number and after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant for Udaipur Cement Works Limited.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Members and Custodians.
 - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow the same instruction as mentioned above for e-voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section. The contact details of official responsible to address grievances connected with e-voting are Shri Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Limited, 16th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001; Phone No. 18002005533 or write an email to helpdesk.evoting@cdslindia.com.
- (xxiii) The voting rights of Members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat the Notice for information purpose only.
- (xxiv) The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No.-12094) of M/s. Ronak Jhuthawat & Co., Company Secretary in practice as Scrutinizer to scrutinize the voting (at AGM venue) and e-voting process in a fair and transparent manner.
- (xxv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
10. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date and who has not cast vote by e-voting, and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.
11. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.udaipurcement.com and on the website of CDSL i.e. www.evotingindia.com and shall simultaneously be forwarded to the Stock Exchange.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

The Board at its meeting held on 10th May 2017, appointed M/s. HVMN & Associates, Cost Accountants as the Cost Auditors of the Company, as recommended by the Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year 2017-18 commencing 1st April 2017 at a remuneration as mentioned in Resolution.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. The Resolution is accordingly recommended for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Item No. 5

Based on the recommendation of the Nomination & Remuneration Committee of Directors, the Board of Directors of the Company has appointed Ms. Poonam Singh as an Additional Director of the Company w.e.f. 14th February 2017 in the category of Independent Director, to hold office for a period of five consecutive years from the said date, subject to approval of the Members at the forthcoming Annual General Meeting (AGM).

Pursuant to Section 161 of the Companies Act, 2013 (Act), Ms. Poonam Singh shall hold office of the Director upto the date of forthcoming AGM. The Company has received a notice under Section 160 of the said Act together with requisite deposit from a Member of the Company proposing candidature of Ms. Poonam Singh for appointment as a Director of the Company at the forthcoming AGM of the Company.

The Company has also received requisite declaration from Ms. Poonam Singh confirming that she meets the criteria of independence as prescribed both under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Ms. Poonam Singh is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the Board, Ms. Poonam Singh fulfills the conditions specified in the Act and Rules made thereunder and the Listing Regulations in respect of her appointment as an Independent Director of the Company and she is independent of the Management. Copy of the draft letter of appointment of Ms. Poonam Singh as an Independent Director setting out the terms and conditions of her appointment shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto and including the date of Annual General Meeting, and also at the venue of the Meeting.

Ms. Poonam Singh (aged 39 years), is an Associate Member of the Institute of Company Secretaries of India. She has sound knowledge of Corporate Laws and SEBI Regulations and experience of more than nine years in the same field. Ms. Singh does not hold any shares of the Company and is not related to any other Director/Key Managerial Personnel of the Company. Other details such as

number of meetings of the Board attended during the year, directorship(s) and membership(s)/ chairmanship(s) of any Committees in other Public Companies are provided in the Report on Corporate Governance.

Keeping in view her expertise and knowledge, it will be in the interest of the Company that Ms. Poonam Singh is appointed as an Independent Director of the Company. The Board recommends the aforesaid Resolution for approval by the Members.

Except Ms. Poonam Singh for herself and through her relatives to the extent of their shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested financially or otherwise in the aforesaid Resolution.

Item No. 6

To part finance the augmented project cost of Revival and Rehabilitation of the Company, it is proposed to issue 6% Optionally Convertible Cumulative Redeemable Preference Shares aggregating upto ₹ 50 Crores on preferential basis (OCCRPS) to JK Lakshmi Cement Ltd., Holding Company/Promoter of the Company (JKLC) as mentioned in Item No. 7 hereof. The Company would therefore be required to suitably increase its existing Authorized Share Capital. The Company has unutilized Authorised Preference Share Capital of ₹ 9 Crores which can also be utilized for the proposed issue of OCCRPS.

Accordingly, it is proposed to increase and reclassify the Authorized Share Capital of the Company and further to carry on consequential changes in Clause V of the Memorandum of Association (MOA) of the Company as mentioned in the Resolution.

Pursuant to the provisions of Sections 13 and 61 of the Companies Act, 2013, the Company is required to obtain the approval of the Members of the Company for effecting said changes in the Authorized Share Capital and for alteration of Capital Clause of the MOA of the Company. The Resolution is accordingly recommended for approval of the Members, in the best interest of the Company.

The draft of the MOA of the Company, after incorporating the proposed changes shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto and including the date of Annual General Meeting, and also at the venue of the meeting.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested financially or otherwise in the aforesaid Resolution.

Item No. 7

The Board of Directors of the Company, at its meeting held on 10th May 2017, has approved the issue of 50 Lacs, 6% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 100 each aggregating upto ₹ 50 Crores on preferential basis (OCCRPS) to JK Lakshmi Cement Ltd., Holding Company/Promoter of the Company (JKLC/Holder), to part finance the augmented project cost of Revival and Rehabilitation of the Company, on the terms mentioned hereinafter, subject to necessary approval(s).

As per the provisions of Sections 23, 42, 55 and 62 of the Companies Act, 2013 (Act) read with Rules made thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of Members of the Company by way of Special Resolution is required for issue and allotment of Preference Shares on preferential basis to Promoter of the Company entitling the Holder(s) of each such Preference Shares to apply for and obtain allotment of Equity Shares against such Preference Shares on conversion thereof.

Additional Relevant disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 73 of the SEBI ICDR Regulations and the terms of issue of the OCCRPS are as under:

1. The OCCRPS shall be cumulative, non-participating and optionally convertible at the option of the Holder(s) at any time after nine months but not later than eighteen months from the date of allotment, in one or more tranches. Upon exercise of conversion option by the Holder(s) of OCCRPS, OCCRPS shall *pro tanto* stand redeemed and converted into Equity Shares of the Company.
2. The Board at its discretion may vary the aforesaid period of nine months for exercise of conversion option by Holder(s) of OCCRPS.
3. The objective of the issue is to part finance the augmented project cost of Revival and Rehabilitation of the Company.
4. Each OCCRPS would be converted into three or such lower/higher number of Equity Shares, based on the price as may be determined in accordance with Regulation 76(1) of SEBI ICDR Regulations, with respect to the Relevant Date i.e. a date thirty days prior to the date on which the Holder(s) of OCCRPS becomes entitled to apply for and obtain allotment of Equity Shares against such OCCRPS on conversion thereof.
5. The OCCRPS by itself, until converted into Equity Shares, shall not give to the Holder (s) thereof, any rights with respect to that of Equity Shareholders of the Company except as specified herein.
6. Equity Shares allotted pursuant to exercise of conversion option shall subject to receipt of necessary approvals, be listed and traded on the BSE Ltd. where the existing Equity Shares of the Company are listed.
7. JKLC shall pay the full consideration of OCCRPS, on or before the date of allotment of OCCRPS. The amount so paid on the OCCRPS shall be adjusted/set-off against the issue price of the resultant Equity Shares arising out of conversion of the OCCRPS by appropriating ` 4 towards Equity Share Capital of the Company and the balance amount towards Securities Premium.
8. In the event of exercise of conversion option, Holder(s) of OCCRPS shall adhere to compliances under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI Takeover Regulations), in case the percentage increase in shareholding exceeds the threshold limits as prescribed under SEBI Takeover Regulations.

9. Preferential allotment of OCCRPS shall be completed within a period of fifteen days from the date of passing of this Resolution, provided that if any approval or permission for allotment is pending from any Regulatory Authority or the Central Government, the said period of fifteen days shall be counted from the last date of receipt of such approval(s) or permission(s) by the Company.
10. The proposal of the Promoters, Directors or Key Management Personnel of the Company to subscribe to the offer: The preferential issue is being made exclusively to the Holding Company/Promoter of the Company. None of the Directors or Key Management Personnel of the Company shall subscribe to the proposed preferential issue.
11. Tenure of OCCRPS: Not exceeding 20 years (if not converted earlier by the Holder(s) of OCCRPS) with call option as given hereinafter.
12. Redemption: OCCRPS shall be redeemed in three installments of ₹ 33.33 each at the end of 18th, 19th & 20th year, from the date of allotment (if not converted earlier by the Holder(s) of OCCRPS), in accordance with the provisions of Section 55 of the Act, out of profits available for distribution as dividend or out of proceeds of a fresh issue of shares made for the purpose of redemption.
13. Call Option: The Company shall have the option to redeem the OCCRPS, if not converted earlier, at any time after 5 years by giving 3 months notice.
14. Notice of conversion: The Holder(s) of OCCRPS may any time after nine months but not later than expiry of eighteen months from the date of allotment, opt, by giving in writing 7 days advance notice to the Company, to convert OCCRPS, partially or fully, into Equity Shares of the Company, in one or more tranches, in one or more Financial Year, at a price determined in accordance with Regulation 76 (1) of the SEBI ICDR Regulations.
15. The basis on which and price at which such shares are proposed to be issued: Equity Shares arising out of conversion of OCCRPS shall be issued at a price not less than the higher of the following:
 - (a) The average of the weekly high and low of the volume weighted average price of the Equity Shares of the Company quoted on the recognized Stock Exchange during the twenty six weeks preceding the Relevant Date; or
 - (b) The average of the weekly high and low of the volume weighted average price of the Equity Shares of the Company quoted on the recognized Stock Exchange during the two weeks preceding the Relevant Date.

The price determined for preferential issue in accordance with Regulation 76(1) of SEBI ICDR Regulations, shall be subject to appropriate adjustments, on the happening of any events or circumstances as mentioned in Regulation 76B of these Regulations.
16. Lock - in period and Transfer restrictions: The entire pre-preferential allotment shareholding of JKLC, OCCRPS and Equity Shares (arising out of conversion of said OCCRPS) shall be subject to lock-in and transfer restrictions in terms of the SEBI ICDR Regulations.

17. Auditors Certificate: The Auditors' Certificate certifying that the issue is being made in accordance with the requirements of SEBI ICDR Regulations will be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto and including the date of AGM, and also at the venue of the meeting.
18. Expected Dilution in Equity Share Capital upon conversion of Preference Shares: As per Shareholding Pattern given hereinafter.
19. OCCRPS/Equity Shares [to be allotted on exercise of conversion option by Holder(s) of OCCRPS] shall be in dematerialized form.
20. Identity of the Proposed Allottee/Promoter and post preferential issue Equity Share Capital that may be held by it:

Name of the proposed allottee and [the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottee]	Present Shareholding		Post conversion Shareholding		Change in control, if any, in the Company consequent to the preferential issue
	No. of Shares	%	No. of Shares	%	
JK Lakshmi Cement Limited [Listed on BSE & NSE]	20,96,88,244	71.03	22,46,88,244*	72.43	The proposed preferential allotment shall not result in any change in control in the Company.

* Illustrative purposes only - Shareholding on the assumption that the price per Equity Share issued on conversion being ` 33.33 since the Relevant Date for the purpose of Regulation 76(1) of SEBI ICDR Regulations will be a date thirty days prior to the date when the Holder(s) of OCCRPS becomes entitled to apply for conversion of OCCRPS to Equity Shares and accordingly, the conversion price cannot be determined as on the date of this Notice to the Members.

21. The Shareholding Pattern of the Company before and after the preferential issue:

Category of shareholder		Before preferential issue		After preferential issue	
		No. of Shares	%	No. of Shares	%
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP				
	JK Lakshmi Cement Limited	20,96,88,244	71.03	22,46,88,244	72.43
	Florence Investech Limited	75,11,756	2.55	75,11,756	2.42
	Sub Total (A)	21,72,00,000	73.58	23,22,00,000	74.85
(B)	PUBLIC SHAREHOLDING				
	Mutual Funds	4,48,699	0.15	4,48,699	0.14
	Financial Institutions/ Banks	13,83,828	0.47	13,83,828	0.45
	Insurance Companies	35,084	0.01	35,084	0.01
	NBFCs registered with RBI	20,800	0.01	20,800	0.01
	Individuals	5,07,49,323	17.19	5,07,49,323	16.36
	Others	2,53,67,546	8.59	2,53,67,546	8.18
	Sub Total (B)	7,80,05,280	26.42	7,80,05,280	25.15
	Grand Total (A)+(B)	29,52,05,280	100.00	31,02,05,280	100.00

Notes:

1. The pre issue Shareholding Pattern is based on the details as on 31st March 2017 and the post issue Shareholding Pattern on the assumption that:
 - a. All OCCRPS would be converted into Equity Shares of the Company.
 - b. Shareholdings of all other Members shall remain the same post-issue.
 2. The voting rights will change *in tandem* with the change in Shareholding Pattern of the Company.
22. The issue of OCCRPS is in accordance with the provisions of the Articles of Association of the Company. There is no subsisting default in the redemption of preference shares issued by the Company or in payment of dividend due on any preference shares issued by the Company.
23. Undertakings:
- In terms of SEBI ICDR Regulations, the Company hereby undertakes that:
- a. it shall re-compute the price of the Equity Shares arising out of conversion of OCCRPS in terms of the provision of these Regulations where it is required to do so;
 - b. if the amount payable on account of the re-computation of price is not paid within the time stipulated in these Regulations, the Equity Shares specified above shall continue to be locked-in till the time such amount is paid by JKLC.

The resolution is accordingly recommended for approval of the Members by way of a Special Resolution, in the best interest of the Company.

Related Parties of the Company including Shri Rohni Kumar Gupta, Whole-time Director, CFO & Secretary (DIN: 00086630) and Shri Onkar Nath Rai, Director (DIN: 00033142), of the Company, to the extent of their shareholding in the Company and JKLC holding 20,96,88,244 (71.03%) Equity Shares of the Company may be deemed to be concerned or interested and shall abstain from voting on the Resolution.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested financially or otherwise in the Resolution.

Item No. 8

With the commissioning of the commercial production of the Company on 31st March, 2017, its total power requirement is estimated to be 20 MW, out of which 4 MW would be met through Company's own Waste Heat Recovery Plant and for the balance of 16 MW, the Company is dependent on the Grid Power. The cost of Grid Power is ₹ 7.50 per unit in the State of Rajasthan and is continuously on the increase. The total cost per MW of old Thermal Power Plant works out to be less than ₹ 3 Crores per MW as against ₹ 5.50 Crores per MW to ₹ 6 Crores per MW for a new Thermal Power Plant.

In order to curtail Company's power cost, it is proposed to purchase 18 MW Thermal Power Plant (Power Plant) from JK Lakshmi Cement Ltd. Holding Company/Promoter of the Company (JKLC) which is 10 years old and has a residual useful life of over 30 years. Total purchase consideration is ₹ 50 Crores being the price determined, based on the Valuation Report of an Independent Valuer, copy whereof shall be available for inspection by the Members at the Registered Office of the Company during normal business hours on all working days upto and including the date of Annual General Meeting (AGM), and also at the venue of the Meeting.

Further, it is also proposed to obtain a Deferred Payment Credit Facility of ₹ 50 Crores from JKLC for purchase of said Power Plant at the rate of interest of 9.50 % per annum for a period of 7 years, repayable after a moratorium of 5 years from 30th June, 2022 in five semi-annual installments of ₹ 10 Crores each commencing from June, 2022, ending June, 2024.

JKLC is a Related Party within the meaning of provisions of the Companies Act, 2013 (Act) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The proposed transactions with JKLC would require necessary approval of the Members of the Company, pursuant to Section 188 of the Act and Regulation 23 of the Listing Regulations, since they are of material nature i.e. exceeding ten percent of net worth and annual turnover of the Company as per its audited Financial Statement of the preceding Financial Year, in terms of the provisions of the Act and Listing Regulations respectively.

The Members at AGM of the Company held on 17th September 2016 approved entering into Related Party Transactions with JKLC, upto an amount of ₹ 750 Crores from the Financial Year 2016-17 and onwards subject to requisite approval of the Audit Committee of the Company in each relevant Financial Year. However, the said approval may not cover aforesaid transactions since the same were not specifically mentioned. It is therefore considered necessary/expedient, in the interest of the Company, to obtain fresh approval of the Members, for entering into aforesaid Related Party Transactions with JKLC, by way of abundant caution. The Company has taken requisite approval of

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the Audit Committee. The resolution is accordingly recommended for approval of the Members, in the best interest of the Company.

The relevant information as per the Rule 15(3) of the Companies (Meetings of the Board and its Powers) Rules, 2014, is given under:

1	Name of Related Party	JK Lakshmi Cement Limited (JKLC)
2	Name of Director or KMP who is related	None
3	Nature of relationship	JKLC is a Holding Company/ Promoter of the Company.
4	Monetary value, nature, material terms, duration, and particulars of contract/ arrangement	Purchase of 18 MW Thermal Power Plant for ` 50 Crores from JKLC and availment of a Deferred Payment Credit Facility of ` 50 Crores from JKLC for purchase of said Power Plant on the terms mentioned herein above. Aforesaid transaction (s) are in the ordinary course of the Company's business and on arm's length basis.
5	Any advance paid or received for the arrangement, if any.	As per industry norms, custom and usage.

Related Parties of the Company including Shri Rohni Kumar Gupta, Whole-time Director, CFO & Secretary (DIN: 00086630) and Shri Onkar Nath Rai, Director (DIN: 00033142), of the Company, to the extent of their shareholding in the Company and JKLC holding 20,96,88,244 (71.03%) Equity Shares of the Company may be deemed to be concerned or interested and shall abstain from voting on the Resolution.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested financially or otherwise in the Resolution

Item No. 9

The Board of Directors of the Company has re-appointed Shri Rohni Kumar Gupta (DIN No.: 00086630) as Whole-time Director of the Company for a period of one year w.e.f 1st April 2017, pursuant to Sections 196, 197, 198, 203 of the Companies Act, 2013 (the Act) or any statutory modification(s) or re-enactment thereof and schedule V thereto, on the terms and remuneration determined by the Nomination & Remuneration Committee of Directors, as set out hereinafter, subject to the approval of Members and such other approval(s), as may be required.

In terms of Schedule V to the Act, the relevant details are as under:

I. General Information:

1. Nature of Industry: Cement.
2. Date or expected date of commencement of commercial production: The Udaipur Cement Plant of the Company was commissioned in January 1994.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance based on given indicators:

Particulars for the Financial Year ended 31 st March 2017	₹ in Lacs
Net Sales and Other Income	9770.95
Profit /(Loss) before Exceptional Items and Tax	(119.30)
Profit Before Tax	284.82
Profit After Tax	284.82
Total Comprehensive Income for the year	274.00

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

II. Information about the Appointee:

1. Shri Rohni Kumar Gupta, aged 65 years, holds an Honours Degree in Commerce and also a post graduate Master's degree in Business Administration. He is also a Member of the Institute of Companies Secretaries of India and of the Institute of Cost Accountants of India. Shri Gupta has more than 43 years of experience in various companies in executive positions and has served the Company for about 23 years in various capacities.

Shri Gupta, has been Whole-time Director of the Company since 26th May 2003. He attended all the four Board Meetings of the Company held during the Financial Year ended 31st March 2017. He holds 101 Equity Shares of ₹ 4 each of the Company.

Shri Gupta is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors of the Company.

Shri Rohni Kumar Gupta does not hold Directorship and Committee position in any other companies in terms of Regulation 26 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).

2. Past Remuneration: The past remuneration of Shri Rohni Kumar Gupta was approved by the Members of the Company at their Annual General Meeting held on 17th September 2016. Copy of agreement entered into with Shri Gupta is available for inspection at the Regd. Office of the Company.

3. Job Profile and his suitability: Shri Rohni Kumar Gupta as Whole-time Director of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Director of the Company. He is also involved in policy planning, vision and strategy and long term developmental activities of the Company, besides Corporate Governance and Board coordination. Shri Gupta is also the Occupier in respect of the Company's Cement Plant and is responsible for financial management and other various corporate, secretarial and legal matters. He is also the Member of the Company's Audit and Stakeholders Relationship Committee.

4. Remuneration Proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 14th February 2017 have approved the following terms of remuneration of Shri Rohni Kumar Gupta for a tenure of 1 year w.e.f. 1st April, 2017:

- A. Salary : ` 2.60 lacs per month with such increments as may be decided by the Board/Nomination and Remuneration Committee of the Directors of the Company from time to time.
 - B. Perquisites, allowances and benefits : Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, premium on personal accident insurance, car(s) with driver, telephone etc., and other perquisites, allowances and benefits as per the schemes, policies and the rules of the Company as applicable from time to time subject to any change as may be decided by the Board/Nomination and Remuneration Committee of the Directors of the Company. The perquisites shall be evaluated as per the actual cost or Income tax Rules, as applicable.
 - C. Contribution to Provident Fund or any other Funds as per rules of the Company.
 - D. Gratuity at the rate of 15 days Salary for each completed year of service.
 - E. Encashment of unavailed leave as per rules of the Company.
 - F. The Board or the Nomination and Remuneration Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act, 2013.
 - G. In the event of inadequacy or absence of profits under Section 198 of the Companies Act, 2013 in the Financial Year, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A and B above, as minimum remuneration and be also entitled to perquisites mentioned in paras C, D and E above.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry has increased manifold. The Nomination and Remuneration Committee constituted by the Board in terms of the Act and Listing Regulations perused the remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general profile and responsibilities of the aforesaid Whole-time Director of the Company and other relevant factors while determining his remuneration as proposed.
6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any. Besides the remuneration proposed herein, Shri Rohni Kumar Gupta does not have any pecuniary relationship with the Company. Shri Rohni Kumar Gupta is not related to any other Director of the Company, within the meaning of the Act.

III. Other Information:

Reasons of loss or inadequate profits and steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

- (1) Based on the Net Worth of the Company becoming positive as on 31st March 2015, the Company has been discharged from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 vide order of Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) dated 22nd January 2016.

- (2) The Company has successfully completed its Revival & Rehabilitation Scheme. The Company has commissioned its 1.24 MTPA clinkerisation facility in March 2017 making the unit an integrated cement plant with cement grinding capacity of 1.60 MTPA. The Company has so far spent ` 763 Crores towards revival and rehabilitation of the Company with modernization and upgradation of its Cement Plant.
- (3) The Company has not made any default in repayment of any of its debts or interest payable thereon in the preceding Financial Year.

Copies of the draft Contract/Memorandum setting out the terms and conditions of the re-appointment of the Whole-time Director, would be available for inspection by the Members at the Registered office of the Company during normal business hours on any working day upto and including the date of the AGM and also at the venue of the Meeting.

Except Shri Rohni Kumar Gupta for himself and through his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested financially or otherwise in the aforesaid Resolution. The Board recommends aforesaid resolution for approval of the Members by means of Special Resolution.

Regd. Office:
Shripati Nagar, PO CFA
Udaipur-313 021(Rajasthan)
30th May 2017

By Order of the Board

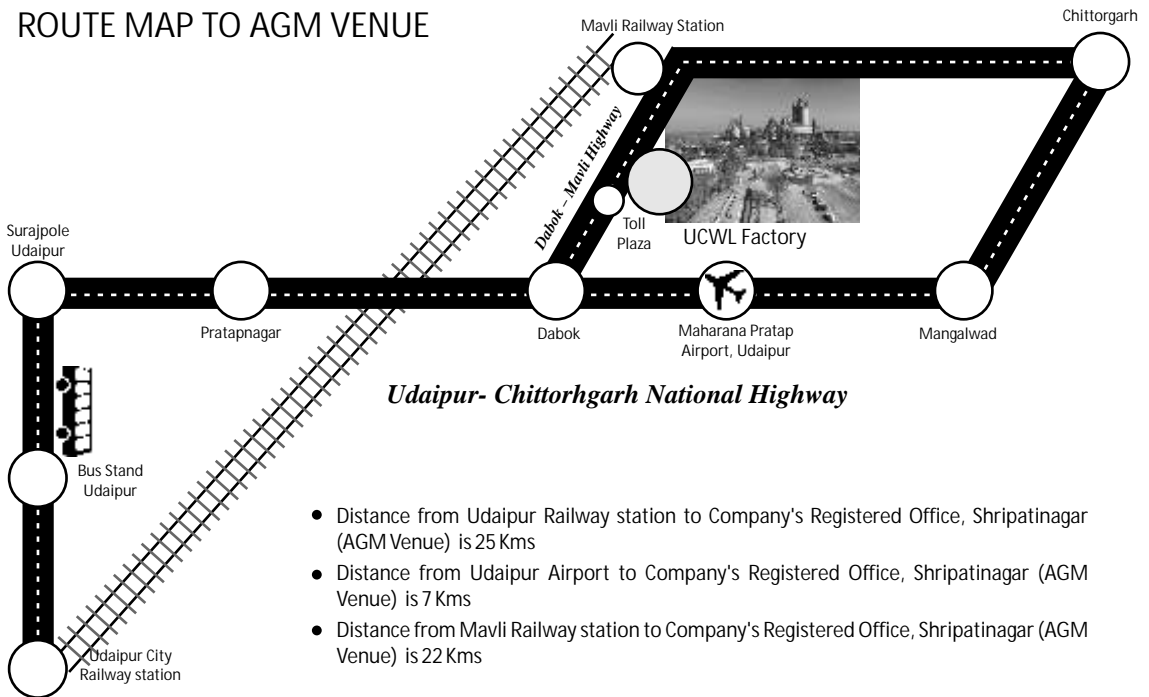
Rohni Kumar Gupta
Whole-time Director
CFO & Company Secretary

FOR ATTENTION OF THE MEMBERS

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip and advise correction, if any, therein. Also, please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form.
3. Requests for transfer of Equity Shares and related correspondence should be addressed to the Company's Registrar and Share Transfer Agents : MCS Share Transfer Agent Limited, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 (RTA). The Members holding shares in physical form may approach Depository Participant for getting their shares dematerialised and in respect of shares already held in dematerialised mode for registration of change in their addresses, bank mandates, nominations, etc.
4. Any Person seeking transfer of shares in physical form should furnish copy of the PAN card of the Transferor and Transferee to the Company/RTA for registration of transfer of shares.
5. Members having multiple folios are requested to write to the Company/RTA for consolidation of the Folios to save the administrative or servicing cost.
6. Investor Grievances can be lodged electronically online with the RTA. Please log on to www.mcsregistrars.com and click on Investors Services to register your queries/grievances which will be promptly responded by the RTA. Please write to the Secretarial Department at Gulab Bhawan (Rear Block), 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110002 or E-mail: rohni_gupta@jkm.com in case their response is not received within a week's time. Members can also write to the Company in this regard.
7. Nomination: Pursuant to Section 72 of the Companies Act, 2013, Individual Members holding shares in the Company, in single name or joint names, may nominate an Individual to whom all the rights in the shares of the Company shall vest in the event of death of the sole/all joint Holders. Members holding shares in physical form, may send their nomination in the prescribed Form SH-13, duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.
8. Dematerialisation of Shares and Liquidity: Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is INE225C01029.
9. Members are requested to quote their Folio No./DPID- Client ID and details of shares held in physical/dematerialised forms, e-mail IDs and Telephone/Fax Nos. for prompt reply to their communications.

10. This Notice contains Route Map of the AGM Venue which is given here under.

ROUTE MAP TO AGM VENUE



Green Initiative in Corporate Governance: Register E-mail Address

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

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Members,

Your Directors are pleased to present the 21st Annual Report together with the Audited financial statements of the Company for the Financial Year ended 31st March 2017.

PERFORMANCE

During the year, the Company's overall performance has been satisfactory. It has achieved cement production of 2.71 Lac tonnes and sales of 2.75 Lac tonnes. The Company continues to lay emphasis on cost optimization at all levels. The Company has successfully completed its Revival and Rehabilitation Scheme with start of its commercial production from 31st March 2017 at its integrated Cement plant at Udaipur. The dispatches of cement & clinker have since begun.

FINANCIAL RESULTS

Amount ` in Lacs

Particulars	2016-17	2015-16
Sales & Other Income	9770.95	10056.03
Profit / (Loss) before Interest & Depreciation	385.23	133.21
Profit / (Loss) before Depreciation	369.90	(94.52)
Depreciation	489.20	554.22
Profit / (Loss) before Exceptional Items & Tax	(119.30)	(648.74)
Exceptional Items - Net Income	404.12	244.27
Deferred Tax	-	(1186.85)
Other comprehensive Income	(10.82)	(1.54)
Total Comprehensive Income	274.00	780.84

PROGRESS OF THE PROJECT

The Company has commissioned its 1.24 MTPA clinkerisation facility in March 2017 making the unit an integrated cement plant with cement grinding capacity of 1.60 MTPA. The Company has so far spent ` 763 Crores towards revival and rehabilitation of the Company with modernization and upgradation of its Cement Plant.

INDIAN ECONOMIC SCENARIO

During the year though India has been able to retain its place amongst the fastest growing major economy in the world, the pace of growth slowed down a bit in the last two quarters of the year, owing to major disruption caused by sudden demonetization of high value currency in circulation by the government on 8th Nov. 2016. This move; at a single stroke sucked nearly about 86% of money in circulation and greatly impacted the cash dependent sectors of the economy.

The current year too is also going to see yet another major disruption; though also a much awaited tax reform in form of rolling out of unified Goods & Services Tax effective 1st July 2017. We can expect some turbulences on account of this transition as the transition to such a magnitude is bound to create some issues related to compliances, especially in small businesses and informal sectors of the economy.

On other fronts the government seems to be committed in its resolve to improving the ranking of the country in terms of ease of doing business. E-governance is transforming the way business and industry was dealing with the government departments and agencies. More and more systems and processes are being brought online which do not require any face to face interactions and

involvement of any intermediaries. Transparent allocation of natural resources through public auctions is one such step. One can see a vast improvement in availability of information related to government sponsored schemes & programs in public domain.

Overall we may see the positive results of all the efforts and disruptions either towards the end of the current financial year or from the next financial year. Till such time though as a country we may remain among the top growing economies in the world but would fall short of much anticipated and talked about double digit growth.

INDUSTRY SCENARIO & OUTLOOK

After the amendment of the Mines and Minerals (Development and Regulation) Act, 1957, which allows transfer of captive mining leases not granted through auction, consolidation gathered speed in Indian cement sector and number of such deals were seen in the last couple of years. The Cement sector posted decent earnings till second quarter of the Financial Year 2016-17 and post monsoon it was expected that the cement demand will bounce back. Announcement of Demonetization Scheme by the Union Government however, led to demand destruction and deferment in the near term. Primary drivers: Real Estate and Infrastructure segment which accounts for about 80% of total cement demand in India also got impacted by demonetization.

The Union Government in the Budget for the current fiscal year has paved growth path for the industry with increased allocation for Infrastructure sector specially development of roads & highways including those in rural areas and by granting Infrastructure status for 'Affordable Housing'. Accordingly, it is expected that cement demand will witness satisfactorily growth in the coming years on account of pickup in construction activities from new infrastructure projects like smart cities and dedicated freight corridors, development of metro rail projects, modernization and expansion of airports, rapid urbanization and improvement in rural demand on backdrop of possible favourable monsoon as predicted by India Meteorological Department.

Further, implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA) and relaxation in rules for listing of Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts (IIT) by SEBI, making their listing easier, will bring much needed transparency in a Real Estate (which is largely unregulated) and open more avenues for cement demand in future.

SHARE CAPITAL

During the year under review, the Company allotted 600, 5% Cumulative Redeemable Preference Shares of ₹ 1 Lac each (CRPS Series B) aggregating to ₹ 6 Crores to JK Lakshmi Cement Ltd., Holding Company/Promoter of the Company on Private Placement basis, proceeds whereof were *inter alia* utilized for redemption of 50,95,230 Zero Coupon Preference Shares of ₹ 10 each (ZCPS) aggregating to ₹ 5.10 Crores. The said ZCPS were redeemed at par on 31st March 2017 pursuant to the Rehabilitation Scheme of the Company sanctioned by the Hon'ble BIFR vide its Order dated 13th January 2012.

HUMAN CAPITAL MANAGEMENT

Your Company is focused on developing competencies of its employees and maximizing its productivity through great Workplace Practices and improving the quality of life of its employees. HR interventions including Suggestion Scheme, Quality Circles (QC), Cross Functional Teams (CFT), People Management Award Scheme (PMAS) etc. have been introduced.

Giving emphasis on Lean organization, planning is done from beginning to achieve high productivity with least manpower cost. Corporate Social Responsibility activities undertaken in and

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around the Plant include blood donation camps, medical check-up and examination of employees, extending support to nearby villages for enhancing their employability and awareness on health hygienic linked with Swachh Bharat Abhiyaan in nearby area.

SAFETY AND ENVIRONMENT

Occupational health, safety and environment has attracted special attention of higher management right from the beginning. It is worth highlighting that ever since plant revival, your Company has maintained Zero accident scenario; applying bench mark safety practices.

INDUSTRIAL RELATIONS

The industrial relations at our plant continued to remain peaceful throughout the year. Our engagement with the workforce has improved the work environment, quality of life, productivity and skill.

INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate budgetary control system and internal financial controls with reference to financial statements. No reportable material weaknesses were observed in the system during the year. Further, the Company has laid down internal financial control policies and procedures which ensures accuracy and completeness of the accounting records and the same are adequate for safeguarding of its assets and for prevention and detection of errors and frauds, commensurate with the size and nature of operations of the Company. The policies and procedures are also adequate for orderly and efficient conduct of business of the Company. The Company also has a robust Management Information System for the timely preparation of correct and accurate financial information.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2017 in the prescribed form MGT-9 is attached as Annexure 'A' to this Report and forms part of it.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or securities and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the financial statements.

RELATED PARTY TRANSACTIONS

As the Members are aware, the Company has been receiving technical and financial support from both JK Lakshmi Cement Ltd., the Holding Company (JKLC) and Hansdeep Industries & Trading Company Ltd., the Fellow Subsidiary (HITCL). The Company also does sourcing of its requirements of clinker & sale of cement/clinker etc. from the above companies. All the contracts or arrangements or transactions entered into by the Company with the said Related Parties were in the ordinary course of business and on arms' length basis and were in compliance with the applicable provisions of the Companies Act, 2013 (Act) and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A statement showing particulars of contracts or arrangements entered into with JKLC & HITCL in the prescribed Form AOC-2, pursuant to Section 134(3)(h) of the Act, is attached as Annexure 'B'.

The Board has recommended resolutions for approval of the Members at the forthcoming Annual General Meeting in respect of Material Related Party Transactions to be entered into with JKLC in the ordinary course of business and on arm's length basis.

The Related Party Transaction Policy approved by the Board is available on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 of the Companies Act, 2013 (Act), Shri Rohni Kumar Gupta retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting (AGM). The Board of Directors of the Company has also re-appointed Shri Gupta as Whole-time Director of the Company, for a term of one year w.e.f. 1st April 2017, subject to requisite approval of Members of the Company at the forthcoming AGM. The Board recommends his re-appointment(s) as stated above.

Ms. Kumud Pahuja, Independent Director, resigned from the Directorship of the Company with effect from 18th March 2017 owing to personal reasons. The Board places on record its appreciation for the valuable services rendered by Ms. Pahuja during her tenure as the Independent Director of the Company.

The Board has appointed Ms. Poonam Singh as an Additional (Independent) Director of the Company for a term of five consecutive years with effect from 14th February 2017, subject to the approval of Members of the Company at the forthcoming AGM. In terms of Section 161 of the Act, Ms. Poonam Singh shall hold office as Director up to the date of the forthcoming AGM. The Company has received a notice in writing together with requisite deposit from a Member of the Company proposing her candidature as a Director. The Board recommends the appointment of Ms. Poonam Singh as an Independent Director of the Company.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

CONSERVATION OF ENERGY ETC.

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

DEPOSITS

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

AUDITORS**(a) Statutory Auditors and their Report**

M/s Om Prakash S. Chaplot & Co., Chartered Accountants, were appointed as Auditors of the Company for a term of three consecutive years to hold the office from conclusion of the 18th Annual General Meeting (AGM) held in the year 2014 till the conclusion of its 21st AGM to be held in the year 2017, being the maximum permissible term. Accordingly, pursuant to Section 139 (2) of the Companies Act 2013, (Act) they will not be eligible for re-appointment as the Auditors of the Company at the forthcoming AGM.

The Board of Directors places on record its appreciation of the valuable services rendered by M/s Om Prakash S. Chaplot & Co., as the Auditors of the Company. The observations of the Auditors in their report on Accounts and the financial statements, read with the relevant notes are self-explanatory.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s Bansilal Shah & Co., Chartered Accountants (Firm Registration Number: 000384W) as the Auditors of the Company for a period of two years commencing from the conclusion of 21st AGM till the conclusion of 23rd AGM pursuant to Section

139 of the Act. Requisite Resolution regarding their appointment is included in the Notice of forthcoming AGM for approval by the Members.

(b) Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors appointed Shri Namu Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the Financial Year 2016-17. The Report given by him for the said financial year in the prescribed format is annexed to this Report as Annexure 'D'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(c) Cost Auditor and Cost Audit Report

M/s. HMVN & Associates, Cost Accountants, Delhi conducted the audit of cost records of the Company for the Financial Year ended 31st March 2016 and as required, Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India.

The Audit of the cost accounts of the Company for the Financial Year ended 31st March 2017 is being conducted by the said firm and their Report will also be filed.

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Companies Act, 2013 (Act) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is annexed to this Report as Annexure 'E'. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report. However, in terms of provisions of Section 136 of the said Act, the Report and Accounts are being sent to all the Members of the Company and others entitled thereto, excluding the said particulars of employees. The said information is available for inspection at the Registered Office of the Company during business hours on working days of the Company upto the forthcoming AGM. Any Member interested in obtaining such particulars may write to the Company Secretary.

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

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

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report. The Corporate Governance Report also covers the following:

- a) Particulars of the four Board Meetings held during the Financial Year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, *inter alia*, the criteria for performance evaluation of Directors.
- c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.

e) Details regarding Risk Management.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care 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;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and cooperation received from various Government Authorities, Lending Institutions and Business Associates. Your Directors also thank our valued customers and the esteemed Members for their trust and patronage.

Your Directors also wish to place on record their appreciation of the contribution made by the Company's employees at all levels whose hard work, solidarity and indomitable spirit have made the Company's revival possible. A special thanks to JK Lakshmi Cement Limited, our Holding company and Hansdeep Industries & Trading Company Limited, a Fellow subsidiary, to whom the Company owe a great deal of gratitude without whose support financial turnaround and revival of the Company would not have been possible.

CAUTIONARY STATEMENT

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

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

On behalf of the Board of Directors

New Delhi
Date: 10th May 2017

(Onkar Nath Rai)
Chairman

ANNEXURE 'A' TO BOARD'S REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- (i) CIN : L26943RJ1993PLC007267
- (ii) Registration Date : 15th March 1993
- (iii) Name of the Company : Udaipur Cement Works Limited
- (iv) Category/Sub-Category of the Company : Public Company Limited by Shares/
Non-Government Company
- (v) Address of the Registered Office and Contact Details : Shripati Nagar, P.O. CFA,
Udaipur -313 021(Rajasthan)
Ph. No. - 0294 - 2655077
Email id:ucwl.investors@jkmil.com
Website: www.udaipurcement.com
- (vi) Whether Listed Company (Yes/ No) : Yes
- (vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any : MCS Share Transfer Agent Ltd.
F-65, First Floor
Okhla Industrial Area, Phase -I
New Delhi- 110 020
Ph. No. : 91-11-41406149-52
Fax No : 91-11-41709881
Email id : admin@mcsregistrars.com
Website : www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company :-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/Service *	% to total turnover of the Company
1	Cement	2394	100%

* As per National Industrial Classification (2008)- Ministry of Statistics and Programme Implementation.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN/GNL	Holding/subsidiary/ Associate	% of Shares Held	Applicable Section
1.	JK Lakshmi Cement Limited	L74999RJ1938PLC019511	Holding	71.03	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

(Equity Share of ₹ 4 each)

Sl. No	Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 st April, 2016)				No. of Shares held at the end of the year (as on 31 st March, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters **									
(1)	Indian									
a)	Individual/HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	22,14,00,000	-	22,14,00,000	75.00	21,72,00,000	-	21,72,00,000	73.58	(1.42)
e)	Banks/ FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1):-	22,14,00,000	-	22,14,00,000	75.00	21,72,00,000	-	21,72,00,000	73.58	(1.42)
(2)	Foreign									
a)	NRIs -Individuals	-	-	-	-	-	-	-	-	-
b)	Other -Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks/ FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (2):-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)=(A)(1)+(A)(2)**	22,14,00,000	-	22,14,00,000	75.00	21,72,00,000	-	21,72,00,000	73.58	(1.42)

** The total shareholding of Promoters at (A) above includes 75,11,756 Equity Shares (2.55%) as on 1st April, 2016 & 31st March, 2017, pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoter as defined in the Companies Act, 2013

B.	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	3,15,048	1,33,651	4,48,699	0.15	3,15,048	1,33,651	4,48,699	0.15	-
b)	Banks/ FI	15,17,633	86,541	16,04,174	0.55	12,97,287	86,541	13,83,828	0.47	(0.08)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	30,852	11,520	42,372	0.01	23,564	11,520	35,084	0.01	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1):-	18,63,533	2,31,712	20,95,245	0.71	16,35,899	2,31,712	18,67,611	0.63	(0.08)
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	2,42,73,598	17,41,445	2,60,15,043	8.81	2,30,77,497	17,41,445	2,48,18,942	8.41	(0.40)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,36,85,051	22,69,115	2,59,54,166	8.79	2,39,20,624	21,54,249	2,60,74,873	8.83	0.04
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lac	1,92,18,297	26,300	1,92,44,597	6.52	2,46,48,150	26,300	2,46,74,450	8.36	1.84
c)	Others (Specify)									
i)	NRI	4,91,229	-	4,91,229	0.17	5,48,604	-	5,48,604	0.18	0.01
ii)	Co-operative Society	5,000	-	5,000	0.00	-	-	-	0.00	0.00
iii)	NBFCs registered with RBI	-	-	-	0.00	20,800	-	20,800	0.01	0.01
	Sub-Total (B)(2):-	6,76,73,175	40,36,860	7,17,10,035	24.29	7,22,15,675	39,21,994	7,61,37,669	25.79	1.50
	Total Public shareholding (B)=(B)(1)+(B)(2)	6,95,36,708	42,68,572	7,38,05,280	25.00	7,38,51,574	41,53,706	7,80,05,280	26.42	1.42
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	29,09,36,708	42,68,572	29,52,05,280	100	29,10,51,574	41,53,706	29,52,05,280	100	-

(ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 st April 2016)			Shareholding at the end of the year (as on 31 st March 2017)			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	JK Lakshmi Cement Limited	21,38,88,244	72.45	-	20,96,88,244	71.03	-	(1.42)
	Total	21,38,88,244	72.45	-	20,96,88,244	71.03	-	(1.42)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (as on 1 st April 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	JK Lakshmi Cement Limited				
	At the beginning of the year	21,38,88,244	72.45	21,38,88,244	72.45
	Date wise decrease in Promoter's Shareholding during the year (sale of 42,00,000 shares on 16.03.2017 by market sale)			(42,00,000)	(1.42)
	At the end of the year i.e 31 st March 2017			20,96,88,244	71.03

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (as on 1 st April 2016)		Shareholding at the end of the year (as on 31 st March 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Florence Investech Ltd.^	75,11,756	2.55	75,11,756	2.55
2	Sunflag Commercial Enterprises Limited^^	70,75,000	2.40	70,75,000	2.40
3	Jai Bhikshu Credit and Holdings Limited^^	29,25,000	0.99	29,25,000	0.99
4	Sanjay Jain^^	19,88,474	0.67	24,43,094	0.83
5	Karvy Stock Broking Limited@	-	-	20,92,893	0.71
6	A And J Industrial And Financial Consultancy Private Limited ^^	16,90,922	0.57	16,90,922	0.57
7	Sharda Goyal@	-	-	14,00,000	0.47
8	Amit Goel@	-	-	14,00,000	0.47
9	Atul Goel@	-	-	14,00,000	0.47
10	Krishna Das Agarwal^^	13,23,531	0.45	10,10,000	0.34
11	Manisha Jain**	10,00,000	0.34	10,00,000	0.34
12	Asha Agrawal**	10,00,000	0.34	10,00,000	0.34
13	Globe Capital Market Limited**	10,75,000	0.36	5,90,867	0.20
14	HEM Securities Limited**	13,46,138	0.46	45,551	0.02

Note : More than 98.59% of the Shares of the Company are held in dematerialised form, and are widely traded on daily basis . Therefore, the date wise increase/decrease in shareholding is not indicated.

^^ Common Top ten Shareholders as on 1st April 2016 and 31st March 2017.

** Top Ten Shareholders only as on 1st April 2016.

@ Top ten Shareholders only as on 31st March 2017.

(v) Shareholding of Directors and Key Managerial Personnel

(Equity Share of ` 4 each)

Sl. No.	For each of the Director and KMP	Shareholding at the beginning of the year (as on 1 st April 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri Onkar Nath Rai, Director				
	At the beginning of the year	1	0.00	1	0.00
	Increase in Shareholding during the year			100	0.00
	At the end of the year i.e. 31.3.2017			101	0.00
2.	Shri Rohni Kumar Gupta, WTD, CFO & Company Secretary				
	At the beginning of the year	101	0.00	101	0.00
	Increase/Decrease in Shareholding during the year	No Change			
	At the end of the year i.e. 31.3.2017			101	0.00

Note : Shri Vinit Marwaha, Shri Ganpat Singh and Ms Kumud Pahuja (ceased to be Director w.e.f. 18th March, 2017) and Ms. Poonam Singh (appointed as Director w.e.f. 14th Feb, 2017), Directors of the Company were not holding any shares in the Company at the beginning of the year, i.e, as on 1st April 2016 and at the end of the year i.e, as on 31st March 2017. Also, there was no increase/decrease in their shareholding during the Financial Year 2016-17.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ` Crores)

Particulars		Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the Financial Year (as on 1 st April 2016)					
(i)	Principal Amount	345.23	-	-	345.23
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	17.73	-	-	17.73
Total (i+ii+iii)		362.96	-	-	362.96
Change in indebtedness during the Financial Year					
Addition		190.57	-	-	190.57
Reduction		(4.07)	-	-	(4.07)
Net Change		186.50	-	-	186.50
Indebtedness at the end of the Financial Year (as on 31 st March 2017)					
(i)	Principal Amount	525.26	-	-	525.26
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	24.20	-	-	24.20
Total (i+ii+iii)		549.46	-	-	549.46

Note : On transition from Indian GAAP to IND AS as on 01.04.2015, the figures of indebtedness at the beginning of the Financial Year 2016-17 has been regrouped/rearranged, where necessary.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager Shri Rohni Kumar Gupta, Whole-time Director, CFO and Company Secretary	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	93.207	93.207
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.796	2.796
2.	Others (mainly contribution to Provident Fund)	3.348	3.348
	Total (A)	99.351	99.351
	Ceiling as per the Act	190.20*	190.20*

(The Company does not have Sweat Equity/Scheme for stock option.)

 *Based on Effective Capital of the Company as on 31st March, 2016 as per Schedule V to the Companies Act, 2013.

B. Remuneration to other Directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Onkar Nath Rai	Ms. Kumud Pahuja #	Shri Ganpat Singh	Shri Vinit Marwaha	Ms. Poonam Singh@	
1.	Independent Directors						
(a)	Fee for attending Board, Committee Meetings	1.425	1.125	-	-	0.200	2.750
(b)	Commission	-	-	-	-	-	-
	Total (1)	1.425	1.125	-	-	0.200	2.750
2.	Other Non Executive Directors						
(a)	Fee for attending Board, Committee Meetings	-	-	0.725	0.550	-	1.275
(b)	Commission	-	-	-	-	-	-
	Total (2)	-	-	0.725	0.550	-	1.275
	Total (B)= (1+2)						4.025
	Total Managerial Remuneration (A+B)						103.376**
	Overall Ceiling as per the Act	₹ 190.20 lacs (excluding Sitting Fee)					

 @ Appointed as a Director w.e.f. 14th February, 2017

 # Ceased to be a Director w.e.f. 18th March, 2017.

** Total Remuneration to Whole-time Director and other Directors (being the total of A and B), includes sitting fees of ₹ 4.025 lacs

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : Remuneration to Shri Rohni Kumar Gupta, Whole-time Director, CFO & Company Secretary (KMP) is provided at point VI (A).

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : There were no penalties, punishment or compounding of offences during the Financial Year ended 31st March, 2017.

ANNEXURE 'B' TO BOARD'S REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year ended 31st March 2017 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the Contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any (₹ in Crores)
JK Lakshmi Cement Limited - Holding Company	Brand Royalty & other goods	June 2013 ongoing	Brand Royalty @1% using Brand name of JK Lakshmi Cement and other goods at Arms' length price	N.A.*	3.74
JK Lakshmi Cement Limited - Holding Company	Issue of 5% CRPS	-	600 Shares of ₹ 1,00,000 each at par against cash which carries a Put and a Call option	N.A.	6.00
JK Lakshmi Cement Limited - Holding Company	Additional Promoter's contribution/other advances	-	In view of upward revision of Project cost, additional Promoter contribution funded	N.A.	52.24
JK Lakshmi Cement Limited - Holding Company	Sale of Cement & other goods	June 2013 ongoing	Sale of Cement/other goods at Arms' length price	N.A.*	16.42
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Purchase of Clinker	June 2015 ongoing	Purchase of Clinker at Arms' length price	N.A.*	51.19
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Sale of Cement & Clinker	August 2016 ongoing	Sale of Cement & Clinker at Arms' length price	N.A.*	26.14
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Inter-corporate Term Loan	August 2015 ongoing	Inter-corporate Term Loan for modernization & up-gradation of Cement Plant at market rate.	N.A.*	175.00
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Finance Charges on Inter Corporate Term Loan	August 2015 ongoing	Interest charges at Arms' length price and applicable Finance charges at market rate.	N.A.*	54.04

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

Note: All transactions with JKLC & HITCL have been disclosed irrespective of whether they are covered under Section 188 of the Companies Act, 2013 or not.

ANNEXURE 'C' TO BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

Udaipur Cement Works Ltd. took following initiatives with a view to conserve energy and reduce fuel consumption:

- Optimization of water spray systems in VRM to avoid mill vibration and to improve running hours.
- Optimization of VCM main drive power by judicious use of VFD.
- Modified cooler blaster logic to avoid snowmen formation.
- Modified cooler water spray logic for effective operation of ESP.
- Implementation of PID loops in VRM to conserve power.
- Optimization of Cooler stroke length to reduce clinker temperature.
- Optimization of Pyro Compressor uses.

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

- Installation of fresh air damper in PH down comer duct.
- Increase in height of top cyclone dip tube to lower return dust percentage.
- Retrofitted the existing VCM with increased table speed, modified roller and new upgraded classifier.
- Retrofitted existing VRM with increased table speed, modified roller and new upgraded classifier.

(C) Research and Development

During the period ended 31st March 2017 there was no expenditure on research and development in view of ongoing intense project activity.

(D) Exports, Foreign Exchange Earnings and Outgo

During the period ended 31st March 2017 there was no Export and Foreign Exchange earnings. The Foreign Exchange outgo on account of import of capital machinery of ` 654.21 lacs and travelling expenses of ` 1.60 lacs aggregates to ` 655.81 lacs.

ANNEXURE 'D' TO BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Udaipur Cement Works Limited,
Shripati Nagar, P.O. CFA,
Udaipur-313021
(Rajasthan)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Udaipur Cement Works Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-(Not applicable to the Company during the Audit Period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 - (Not applicable to the Company during the Audit Period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period),
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)
- (vi) Management has identified and confirmed the following laws as being specifically applicable to the Company and complied with:-
- Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 and Limestone and Dolomite Mines Labour Welfare Fund Rules, 1973
 - Mines Act, 1952 and Mines Rules, 1955
 - Mines Vocational Training Rules, 1966
 - Metalliferous Mines Regulations, 1961, Mineral Conservation and Development Rules, 1988
 - Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Concession Rules, 1960
 - Bureau of Indian Standards Act, 1986 and Cement (Quality Control) Order, 2003

I have also examined compliance with the applicable clauses of the following:

- (i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate Notice is given to all directors in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were also sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificate issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, the following major events have taken place -

- (i) The Company redeemed Zero Coupon Preference Shares of ₹ 509.52 lacs on due date.
- (ii) The Company issued Cumulative Redeemable Preference Shares (CRPS Series B) of ₹ 600 lacs to the Promoter / Holding company on Private Placement basis with Members approval, by means of Special Resolution dated 17th March, 2017 passed through Postal Ballot process.
- (iii) The Company obtained Members approval, pursuant to Section 188 of the Act and Regulation 23 of LODR, by means of two Resolutions passed at the Annual General Meeting of the Company for related party transactions (in the ordinary course of business and at Arm's length basis) with its Holding company and a fellow-subsiidiary company upto a maximum amount of ₹ 750 Crores each from financial year 2016-17 onwards.

Namo Narain Agarwal

Secretarial Auditor

CP No. 3331, FCS No. 234

Place : New Delhi

Date : 1st May, 2017

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Udaipur Cement Works Limited,
Shripati Nagar, P.O. CFA,
Udaipur-313 021
(Rajasthan)

My report of even date on Secretarial audit for the Financial Year ended 31st March, 2017 is to be read along with this letter stating that -

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Namo Narain Agarwal

Secretarial Auditor

CP No. 3331, FCS No. 234

Place : New Delhi

Date : 1st May, 2017

ANNEXURE 'E' TO BOARD'S REPORT

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended vide MCA Notification dated 30th June 2016, for the Financial Year 2016-17 ended 31st March 2017:

- A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company - (a) Non-executive Directors: Shri Onkar Nath Rai, 0.52; Shri Vinit Marwaha, 0.18 ; Shri Ganpat Singh, 0.19; Ms. Kumud Pahuja*, 0.34 and Ms. Poonam Singh#, 0.07, (b) Executive Director: Shri Rohni Kumar Gupta, WTD, CFO & Company Secretary, 31.68.

Appointed as a Director w.e.f. 14th February 2017.

* Ceased to be a Director w.e.f. 18th March 2017.

- B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary - Due to inadequacy of profits for the Financial Year 2016-17, no commission was paid to the Directors. However, the KMP received normal annual increment in the Salary. Executive Director & KMP - Shri Rohni Kumar Gupta, WTD, CFO & Company Secretary 11 %. Non-executive Directors – Shri Onkar Nath Rai, 32%; Shri Vinit Marwaha, (35%); Shri Ganpat Singh, 91%; Ms. Kumud Pahuja, 105% and Ms. Poonam Singh, Not Applicable.
- C. The percentage increase in the median remuneration of employees is 34.18 %. The number of permanent employees on the rolls of Company - 281.
- D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - On an average employee received an annual increment of 23.39% with individual increment varying from 0 to 64%. There was an increase of 11% in managerial remuneration during the current Financial Year.
- E. We affirm that the remuneration paid during the Financial Year 2016-17 is as per the Remuneration Policy of the Company.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is an integral part of values, ethics and best business practices followed by the Company. The core values of the Company are:

- commitment to excellence and customer satisfaction
- maximizing long term shareholders' value
- socially valued enterprise and
- caring for people and environment

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long term shareholders' value and commitment to high standard of business ethics by following best corporate governance norms in true letter and spirit. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. BOARD OF DIRECTORS

As on 31st March 2017, the Board of Directors of the Company, consists of Five Directors comprising of one Executive Director and four Non-executive Directors (NED) out of four NED two are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2016-17 ended 31st March 2017, on 13th May 2016, 12th August 2016, 9th November 2016 and 14th February 2017. Attendance and other details of the Directors are given below:

Name of the Directors	Category	No. of Board Meetings Attended	Whether last AGM attended (17.09.2016)	No. of other Directorships and Committee Memberships/Chairmanships		
				Directorships \$	Committee Memberships @	Committee Chairmanships @
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Shri Onkar Nath Rai*	IND	4	Yes	-	-	-
Shri Vinit Marwaha	NED	3	No	3	-	-
Shri Rohni Kumar Gupta	Executive	4	Yes	-	-	-
Shri Ganpat Singh	NED	4	Yes	-	-	-
Ms. Kumud Pahuja*^	IND	4	No	-	-	-
Ms. Poonam Singh*#	IND	1	N.A.	1	-	-

* The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

\$ Excluding private companies and companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

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

Ms. Poonam Singh was appointed as an Additional Director in the category of Independent Director for tenure of five consecutive years w.e.f. 14th February 2017, subject to approval of the Members.

^ Ms. Kumud Pahuja resigned from the Directorship of the Company w.e.f. 18th March, 2017.

The Board periodically reviews Compliance reports of all laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances, if any. With a view to foster an improved compliance reporting and monitoring in the Company, the Company implemented a web based legal compliance tool called "Compliance Manager" developed by Ernst & Young (EY), which is working effectively. Further, legal risks are monitored and mitigated through regular review of changes in the regulatory framework. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to senior management.

The Company has a Code of Conduct for Management Cadre Staff (including Executive Director), which is strictly adhered to. In terms of the provisions of Regulation 17(5) of Listing Regulations and contemporary practices of good Corporate Governance, a Code of Conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said code is available on the website of the Company www.udaipurcement.com. All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by Shri Rohni Kumar Gupta, Whole-time Director, CFO & Company Secretary.

None of the Directors are related to each other within the meaning of the Companies Act, 2013.

The number of Equity Shares of ₹ 4 each held by the Non-executive Directors as on 31st March 2017 are: Shri Onkar Nath Rai - 101 shares, Shri Vinit Marwaha, Shri Ganpat Singh and Ms. Poonam Singh do not hold any shares in the Company. The Company does not have any outstanding convertible instruments.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 14th February, 2017. Shri Onkar Nath Rai was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

4. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is www.udaipurcement.com./familiarisation%20Programme.pdf

5. PERFORMANCE EVALUATION

The Board of Directors has made formal annual evaluation of its own performance and that of its committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed under Listing Regulations.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as composition of committees, terms of reference

of committees, effectiveness of the committee meetings, participation of the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual Directors on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of Non-independent Directors, performance of Board as a whole and performance of Chairman were evaluated, taking into account the views of Executive Director and Non-executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were fully satisfied in this regard.

6. AUDIT COMMITTEE

The Company has an Audit Committee of Directors since 2001. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee consists of three Directors, out of which two are Independent Directors and one is Executive Director. Four meetings of the Audit Committee were held during the Financial Year ended 31st March 2017.

Dates of the Meetings and the number of Members attended:

Date of Meeting	Number of Members attended
13 th May 2016	3
12 th August 2016	3
9 th November 2016	3
14 th February 2017	3

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
Ms. Kumud Pahuja*	Member	4
Shri Rohni Kumar Gupta	Member	4
Ms. Poonam Singh**	Member	-

** Appointed as a Member of the Audit Committee w.e.f. 14th February, 2017.

* Ceased to be a Member of the Audit Committee w.e.f. 18th March 2017.

The Chief Financial Officer who is also Company Secretary of the Company regularly attends the Committee meetings and acts as the Secretary of the Committee.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders' Relationship Committee at the Board Level which consists of three Directors out of which one is Executive Director and two are Non-executive Directors including one Independent Director. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Dates of the Meetings and the number of Members attended:

Date of Meeting	Number of Members attended
13 th May 2016	3
12 th August 2016	3
9 th November 2016	3
14 th February 2017	2

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	3
Shri Rohni Kumar Gupta	Member	4

Shri Rohni Kumar Gupta, Whole-time Director, CFO & Company Secretary, is the Compliance Officer who oversees the investors' grievances including related to transfer of shares, non-receipt of balance sheet etc. During the Financial Year ended 31st March 2017, the Company received only 2 complaints from the investors and the same have since been resolved to the satisfaction of shareholders. Also, there are no complaints pending in respect of previous period.

The share transfer formalities are attended as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the Financial Year ended 31st March 2017, 19 Meetings of the Share Transfer Committee were held.

8. NOMINATION AND REMUNERATION COMMITTEE

The Company has a 'Nomination and Remuneration Committee' comprising of three Directors, all being Non-executive Directors out of which two are Independent Directors. The composition and the 'Terms of Reference' of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Dates of the Meeting and the number of Members attended:

Date of Meeting	Number of Members attended
14 th February 2017	2

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

Name	Status	No. of Meetings attended
Ms. Kumud Pahuja*	Chairperson	1
Shri Onkar Nath Rai	Member	1
Shri Vinit Marwaha	Member	0
Ms. Poonam Singh**	Member	-

** Appointed as a Member of the Committee w.e.f. 14th February, 2017.

* Ceased to be a Chairperson/Member of the Committee w.e.f 18th March 2017.

9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act, 2013 and Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes and independence of a Director as well as a policy on Board Diversity. The policy provides as follows:

(i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment as a Director of the Company: (a) Qualifications & experience. (b) Positive attributes like - respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent Director as per the applicable laws & regulations. (d) The incumbent should not be disqualified for appointment as a Director pursuant to the provisions of the Act or other applicable laws & regulations.

(ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iii) The Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Director.

(iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.

(v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by senior personnel having

relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

10. REMUNERATION PAID TO DIRECTORS

(i) Executive Director: The aggregate value of salary, perquisites and contribution to Provident Fund for the Financial Year ended 31st March 2017 to Shri Rohni Kumar Gupta, Whole-time Director, CFO & Company Secretary is ` 99.35 lacs. The Company does not have any Stock option Scheme. For more details about components of remuneration, please refer to Form MGT- 9, which forms part of the Directors' Report.

The tenure of office of the Whole- time Director is one year from the date of his re-appointment i.e. 1st April 2017. In the case of Whole-time Director, notice period is six months.

(ii) Non Executive Directors (NEDs): During the Financial Year 2016-17, the Company paid sitting fees aggregating to ` 4,02,500 to all the Non-executive Directors (NEDs) for attending the meetings of the Board and Committees of Directors of the Company. The Non-executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the year except as stated above.

11. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2012-14	Hotel Maharani Palace, Station Road, Jaipur-302 001	18.08.2014	11.00 A.M.
2014-15	Shripati Nagar, P.O. CFA, Udaipur -313 021 (Rajasthan)	19.09.2015	11.00 A.M.
2015-16	Shripati Nagar, P.O. CFA, Udaipur -313 021 (Rajasthan)	17.09.2016	11.00 A.M.

Special Resolutions regarding appointment of Shri Onkar Nath Rai as Independent Director, borrowing monies and creation of security upto ` 600 Crores pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, issue of Cumulative Redeemable Preference Shares and re-appointment of Shri Rohni Kumar Gupta as the Whole- time Director of the Company were passed at the AGM held on 18th August 2014, for the Financial Year 2012-14, Special Resolutions regarding approval of Related Party Transactions with JK Lakshmi Cement Limited and Hansdeep Industries & Trading Company Limited, borrowing monies upto ` 750 Crores pursuant to Section 180(1)(c) of the Companies Act, 2013 and revision/increase in the remuneration of Shri Rohni Kumar Gupta, Whole-time Director were passed at the AGM held on 19th September 2015, for the Financial Year 2014-15 and a Special Resolution regarding re-appointment of Shri Rohni Kumar Gupta as the Whole- time Director of the Company was passed at the last AGM held on 17th September 2016 for the Financial Year 2015-16.

A Special Resolution for issuance of 600, 5% Cumulative Redeemable Preference Shares of ₹ 1 Lac each (CRPS Series B) aggregating to ₹ 6 Crores on Private Placement basis was passed by way of Postal Ballot during the Financial Year ended 31st March 2017. The Company extended e-voting facility through Central Depository Services (India) Ltd. (CDSL), as an alternate to its Members to enable them to cast their vote electronically instead of dispatching physical postal ballot forms. Shri Namu Narain Agarwal, Company Secretary in Whole-time Practice was appointed as the Scrutinizer for conducting the postal ballot/e-voting process. After receiving the Scrutinizer's Report, it was announced that the Special Resolution was passed with requisite majority on 17th March 2017. The voting pattern on the said resolution: % of total valid votes cast in favour of the Resolution are 99.96% and cast against the resolution are 0.04%

There is no immediate proposal for passing any resolution through Postal Ballot.

12. DISCLOSURES

(a) Related Party Transactions: Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large: None.

During the Financial Year 2016-17 ended 31st March 2017, the Company has entered into material Related Party Transactions in the ordinary course of business and on arm's length basis, requisite disclosures have been made in Board's Report and in the financial statements.

Suitable disclosures as required by IND AS 24-Related Party Transactions have been made in the Annual Report. All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has formulated a policy on the materiality of Related Party Transactions and also on dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is www.udaipurcement.com/Related%20Party%20Policy.pdf

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years: *There were no cases of non-compliance of any matter related to capital markets during the last three years.*

(c) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 13th August 2014 has established a Policy on Vigil Mechanism for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

(d) Prevention of Sexual Harassment of Women at Workplace: Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up Internal Complaints

Committee (ICC) at its work place to redress the complaints of women employees.

During the year, no complaint has been filed with ICC with allegation of Sexual Harassment.

(e) Risk Management: The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures.

(f) Disclosure of commodity price risks and commodity hedging activities: Please refer to Point 14 (xiv) of this Report

13. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are normally published in the leading English newspapers, namely, The Financial Express and one regional daily "Jagruk Times" (Udaipur), having wide circulation and promptly furnished to the Stock Exchange for display on its website. The financial results are also displayed on the Company's website – www.udaipurcement.com. No Presentation was made to institutional investors or to the analysts.

14. GENERAL SHAREHOLDERS INFORMATION

(i) Registered Office

Shripati Nagar, P.O. CFA, Udaipur-313 021, Rajasthan

(ii) Annual General Meeting (AGM)

(a) Date and Time: Please refer to notice of the AGM.

Venue: Regd. Office: Shripati Nagar, P.O. CFA, Udaipur -313021 (Rajasthan)

(b) A brief resume and other particulars of Director(s) seeking appointment or re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said AGM.

(iii) Financial Calendar (Tentative)

Financial Reporting

<ul style="list-style-type: none">• for the quarter ending 30.06.2017• for the half-year ending 30.09.2017• for the quarter ending 31.12.2017	} Within 45 days of the end of the quarter
<ul style="list-style-type: none">• for the year ending 31.03.2018 (Audited)	Within 60 days of the end of the Financial Year
<ul style="list-style-type: none">• Annual General Meeting for the Financial Year ending 2017-18	Between July and September 2018

(iv) Dividend Payment Date: No dividend is declared for the Financial Year 2016-17.

(v) Date of Book Closure: As in the AGM Notice.

(vi) Names and address of Stock Exchange where Equity Shares of the Company are listed: The Equity Shares of the Company (Face Value: ₹ 4 each) are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The annual listing fee for the Financial Year 2017-18 has been paid to the aforesaid Stock Exchange.

The securities of the Company are not suspended from trading.

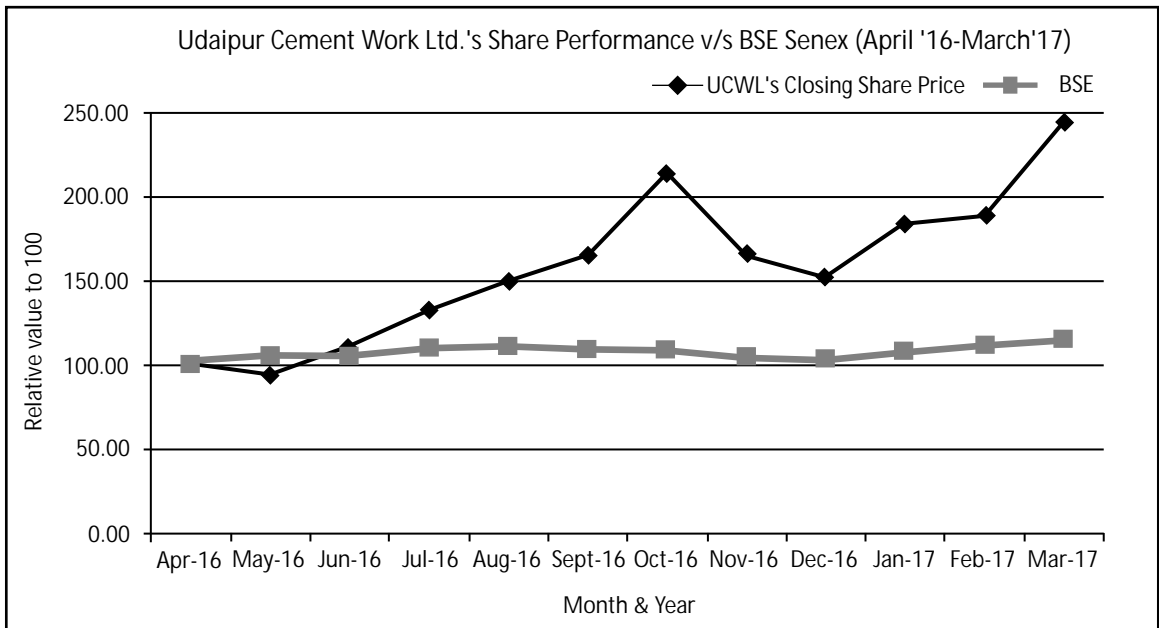
(vii) Security Code for Company's Equity Shares on Stock Exchange and ISIN No.:

BSE – 530131, ISIN No. INE225C01029

(viii) Stock Market Price Data

Months (2016-17)	BSE Ltd. (₹)	
	HIGH	LOW
April 2016	12.97	10.50
May 2016	12.70	11.17
June 2016	13.70	11.20
July 2016	16.74	12.88
August 2016	18.45	15.00
September 2016	23.80	17.25
October 2016	28.40	20.05
November 2016	25.95	16.55
December 2016	20.20	18.00
January 2017	22.75	18.35
February 2017	25.85	21.55
March 2017	29.70	21.90

(ix) Udaipur Cement Works Ltd.'s Share Performance v/s BSE Sensex (April'16-March'17)



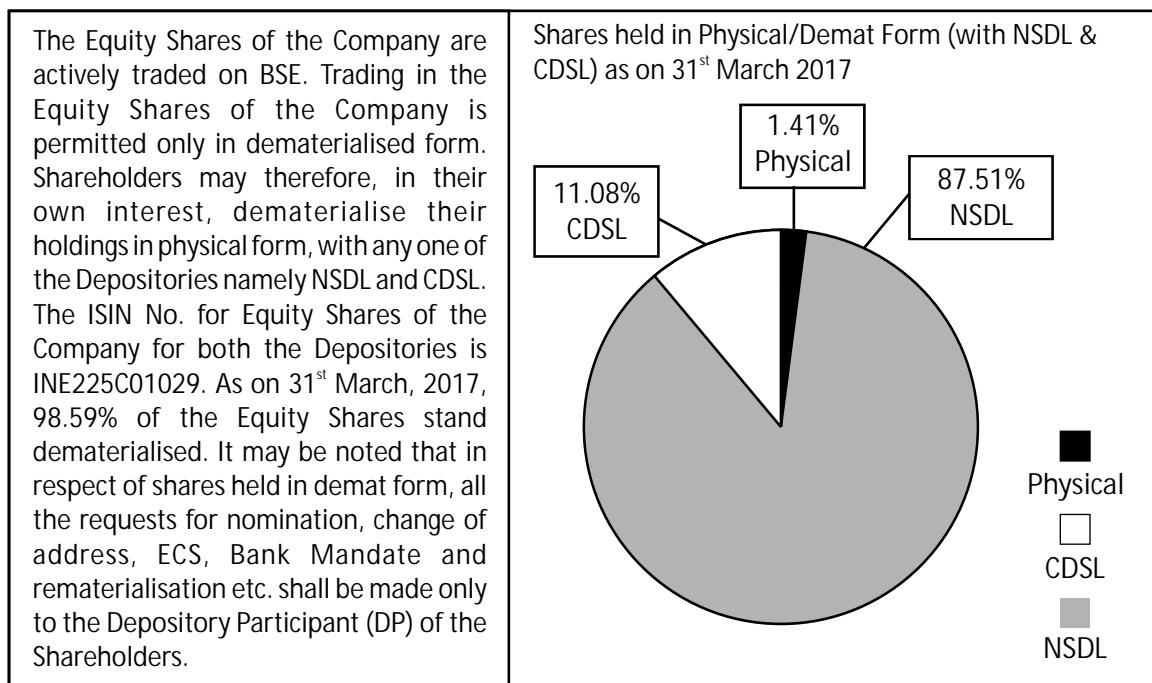
(x) Distribution of Shareholdings as on 31st March, 2017

Category (No. of Shares)	No. of Equity Shares of Rs. 4 each	%	No. of Shareholders	%
1-500	36,56,342	1.24	16058	67.06
501-1000	27,33,323	0.93	3066	12.80
1001-5000	89,30,445	3.03	3365	14.05
5001-10000	52,64,959	1.78	663	2.77
10001 & above	27,46,20,211	93.02	794	3.32
TOTAL	29,52,05,280	100.00	23946	100.00

(xi) Share Transfer System

All valid requests for transfer/ transmission of Equity shares held in physical form are processed within a period of 15 days from the date of receipt thereof and the Share Certificates duly transferred are immediately returned to the transferee/lodger. Transaction in the dematerialized Shares are processed by NSDL/CDSL through the Depository Participants with whom the shareholders are maintaining their demat account.

(xii) Dematerialisation of Shares and Liquidity



- (xiii) Outstanding GDRs/ADRs/Warrants/Option or any Convertible instruments, conversion date and likely impact on Equity: As on 31st March 2017 – NIL.
- (xiv) Commodity price risk or foreign Exchange risk and hedging activities: The Company manages fluctuations in raw material prices through hedging in the form of advance procurement when the prices are perceived to be low.
- (xv) Plant Location: Udaipur Cement Works Limited
Shripati Nagar, P.O. C.F.A.,
Distt. Udaipur-313 021, Rajasthan.
- (xvi) Address for correspondence regarding share transfers and related matters:
1. Udaipur Cement Works Limited
Secretarial Department,
Gulab Bhawan (Rear Block)
6A, Bahadur Shah Zafar Marg,
New Delhi- 110 002.
Ph:(011) 30179862
Contact Person: Shri Ramesh Gupta
rgupta@jkm.com
 2. Registrar & Share Transfer Agent – MCS Share Transfer Agent Limited (RTA)
F-65, First Floor, Okhla Indl. Area, Phase – I,
New Delhi – 110 020,
Ph. (011) 41406149-52,
Fax No. 91-11-41709881
E-mail: admin@mcsregistrars.com
Contact Person: Mr. S. Biswas
(E-mail: s.biswas@mcsregistrars.com)
- (xvii) This Corporate Governance Report of the Company for the Financial Year ended 31st March, 2017 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.
- (xviii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) The Board: The Chairman of the Company is Non-Executive.; (b) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.udaipurcement.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (c) Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements; (d) Separate posts of Chairperson and CEO: Shri Onkar Nath Rai, is the Chairman of the Company; and (e) Reporting of Internal Auditor: The Internal Auditor of the Company submits his Internal Audit Report to the Audit Committee on quarterly basis.

(xix) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xx) Information in terms of Schedule V (F) of the Listing Regulations:

As on 1st April, 2016, the Company had 6,81,761 Equity Shares, which were unclaimed by 323 Equity Shareholders. These were lying in dematerialized mode in the suspense account.

Out of the above the Company received 8 requests for 3,000 Equity Shares for crediting to the Demat Account of the Shareholders/dispatch of physical Share Certificate on rematerialization, during the year. As on 31st March 2017, the Company has 6,78,761 Equity Shares which remain unclaimed by 315 Equity Shareholders.

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. The "Unclaimed Suspense Account" is held by the Company purely on behalf of the allottees and the Shares held in such Suspense Account shall not be transferred except to the allottees as and when they approach the Company.

15. DECLARATION

This is to confirm that for the Financial Year ended 31st March 2017, 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.

Rohni Kumar Gupta
Whole-time Director, CFO &
Company Secretary

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of UDAIPUR CEMENT WORKS LIMITED

We have examined the compliance of regulations of Corporate Governance by UDAIPUR CEMENT WORKS LIMITED ("the Company") for the Financial Year 2016-2017 ended 31st March 2017, as stipulated in regulations Part C of Schedule V (E) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 ("Listing Regulations").

The compliance of regulations 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 the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

Udaipur
Date: 10th May 2017

O.P. Chaplot
Partner
M No. : 010184

INDEPENDENT AUDITOR'S REPORT

To the Members of Udaipur Cement Works Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Udaipur Cement Works Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the Changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of

our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements-Refer Note 47 to the standalone Ind AS financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 42 to the standalone Ind AS financial statements.

For Om Prakash S. Chaplot & Co
Chartered Accountants
FRN : 000127C

Udaipur
Date: 10th May 2017

O.P. Chaplot
Partner
M No. : 010184

"Annexure - A" to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at the end of the year, no material discrepancies were noticed between books of accounts and physical verification of fixed assets. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has conducted the physical verification of the inventory at reasonable intervals. The discrepancies noticed on such physical verification of the inventory were not material and were properly dealt in books of accounts.
- (iii) The Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of the clause 3(iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments guarantees, and security.
- (v) The Company has not accepted any deposits from the public.
- (vi) 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 148(1) of the Companies Act, 2013 in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, entry tax, sales tax, value added tax, duty of customs, excise duty, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service

ANNUAL REPORT 2016-17

tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, the following dues of sales tax, duty of excise and service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Period	Forum where dispute is pending	Amount (in `)
Central Excise Act	Excise Duty	1995-96	High Court	4,40,017
	Excise Duty (Interest)	2000-01	Assistant commissioner Central Excise, Udaipur	2,81,325
Service Tax Act	Service Tax	1997-98	Assistant Commissioner 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

- (viii) On the basis of records made available and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, governments or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year except for Inter Corporate Loan taken from a fellow subsidiary and the same was utilized for the purpose for which it was raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private

placement of shares or fully or partly convertible debentures during the year except as stated in Note No. 18 to the Standalone Financial Statements.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Om Prakash S. Chaplot & Co
Chartered Accountants
FRN : 000127C

Udaipur
Date: 10th May 2017

O.P. Chaplot
Partner
M No. : 010184

"Annexure - B" to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Udaipur Cements Works Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Om Prakash S. Chaplot & Co
Chartered Accountants
FRN : 000127C

Udaipur
Date: 10th May 2017

O.P. Chaplot
Partner
M No. : 010184

ANNUAL REPORT 2016-17**BALANCE SHEET AS AT 31ST MARCH, 2017**

(Amount in ` Lacs)

	Note	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. ASSETS				
(1) NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	5	65,422.80	15,574.69	15,831.80
(b) Capital work-in-progress	5	10,200.94	34,987.65	9,347.85
(c) Investment Property	6	914.86	914.86	914.86
(d) Other Intangible Assets	7	22.05	10.92	16.38
(e) Financial Assets				
(i) Long-Term Loans and Advances	8	304.89	517.11	398.58
(ii) Other Financial Assets	9	0.56	46.44	38.40
(f) Deferred Tax Assets	10	2,398.13	2,398.13	1,211.28
(g) Other Non-Current Assets	11	57.58	987.95	829.69
		<u>79,321.81</u>	<u>55,437.75</u>	<u>28,588.84</u>
(2) CURRENT ASSETS				
(a) Inventories	12	4,355.23	640.33	438.02
(b) Financial Assets				
(i) Trade Receivables	13	90.86	60.53	31.84
(ii) Cash and Cash Equivalents	14	22.35	1,067.37	356.66
(iii) Bank Balances other than (ii) above	15	70.70	1,010.03	-
(iv) Other Financial Assets	16	17.86	22.94	19.67
(c) Current Tax Assets (Net)		19.10	15.52	7.00
(d) Other Current Assets	17	3,832.58	2,649.42	682.61
		<u>8,408.68</u>	<u>5,466.14</u>	<u>1,535.80</u>
TOTAL ASSETS		<u><u>87,730.49</u></u>	<u><u>60,903.89</u></u>	<u><u>30,124.64</u></u>
II. EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity Share Capital	18	11,808.21	11,808.21	11,808.21
(b) Other Equity		10,352.91	9,427.45	6,663.95
		<u>22,161.12</u>	<u>21,235.66</u>	<u>18,472.16</u>
(2) LIABILITIES				
(A) NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Long-Term Borrowings	19	52,526.49	34,522.88	7,717.22
(ii) Other Financial Liabilities	20	36.00	24.00	30.13
(b) Long-Term Provisions	21	41.70	34.50	27.10
(c) Other Non-Current Liabilities	22	119.37	-	278.97
		<u>52,723.56</u>	<u>34,581.38</u>	<u>8,053.42</u>
(B) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Trade Payable		1,260.94	521.88	2,098.27
(ii) Other Financial Liabilities	23	4,398.10	3,934.14	634.11
(b) Other Current Liabilities	24	7,079.16	536.32	780.27
(c) Short-Term Provisions	25	107.61	94.51	86.41
		<u>12,845.81</u>	<u>5,086.85</u>	<u>3,599.06</u>
TOTAL EQUITY AND LIABILITIES		<u><u>87,730.49</u></u>	<u><u>60,903.89</u></u>	<u><u>30,124.64</u></u>

Significant Accounting Policies and Notes on Financial Statements 1-60

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For Om Prakash S. Chaplot & Co.

Chartered Accountants

FRN : 000127C

O.P. Chaplot

Partner

M. No. : 010184

Place : Udaipur

Date : 10th May 2017R.K. GUPTA
Whole Time Director, CFO
& Company Secretary*For and on behalf of the Board*

Onkar Nath Rai Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

Directors

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ` Lacs)

	Note	2016-17	2015-16
I. Revenue from Operations	26	9,731.89	10,016.16
II. Other Income	27	39.06	39.87
III. Total Revenue (I + II)		<u>9,770.95</u>	<u>10,056.03</u>
IV. Expenses			
a) Cost of Materials Consumed	28	6,036.46	6,407.49
b) Change in Inventories of finished goods, work-in-progress and stock-in-trade	29	100.04	(79.49)
c) Employee Benefits Expense	30	355.15	284.73
d) Finance Costs	31	15.33	227.73
e) Depreciation and Amortization expense (Net)	32	489.20	554.22
f) Excise Duty		1,215.51	1,218.13
g) Other Expenses	33	1,678.56	2,091.96
Total Expenses		<u>9,890.25</u>	<u>10,704.77</u>
V. Profit/(Loss) before Exceptional Items and Tax (III - IV)		(119.30)	(648.74)
VI. Exceptional Items - Gain		<u>404.12</u>	<u>244.27</u>
VII. Profit/(Loss) before tax (V + VI)		284.82	(404.47)
VIII. Tax Expense			
(1) Current tax		-	-
(2) Deferred tax		-	(1,186.85)
IX. Profit for the year (VII - VIII)		<u>284.82</u>	<u>782.38</u>
X. Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss in subsequent periods			
(i) Re-measurement gain/(losses) on defined benefit plans		(10.82)	(1.54)
(ii) Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(10.82)	(1.54)
XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)		<u>274.00</u>	<u>780.84</u>
XII. Earnings per Equity Share (`)	57		
Cash		0.26	0.45
Basic & Diluted		0.10	0.27

Significant Accounting Policies and Notes on Financial Statements

1-60

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For Om Prakash S. Chaplot & Co.

Chartered Accountants

FRN : 000127C

O.P. Chaplot

Partner

M. No. : 010184

Place : Udaipur

Date : 10th May 2017

R.K. GUPTA
Whole Time Director, CFO
& Company Secretary

For and on behalf of the Board
Onkar Nath Rai Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

Directors

ANNUAL REPORT 2016-17**STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH, 2017****A. EQUITY SHARE CAPITAL**For the year ended 31st March, 2016

(Amount in ` Lacs)

Particulars	Balance as at 01.04.2015	Changes in Equity Share capital during the year	Balance as at 31.03.2016
Equity Shares 29,52,05,280 of ` 4	11,808.21	-	11,808.21
	11,808.21	-	11,808.21

For the year ended 31st March, 2017

Particulars	Balance as at 01.04.2016	Changes in Equity Share capital during the year	Balance as at 31.03.2017
Equity Shares 29,52,05,280 of ` 4	11,808.21	-	11,808.21
	11,808.21	-	11,808.21

B. OTHER EQUITYFor the year ended 31st March, 2016

Particulars	Reserves and Surplus				
	Equity Component of Financial Guarantee	Equity Component of compound financial instruments	Retained Earnings	Other Comprehensive Income	Total
Balance as at 01.04.2015	450.29	3,207.01	3,006.65	-	6,663.95
Profit for the Year	-	-	782.38	-	782.38
Recognition of Corporate Guarantee given by Holding Co. for Inter Corporate Loan	2,461.13	-	-	-	2,461.13
De Recognition of Corporate Guarantee given by Holding Co. for Loan from IDBI	(450.29)	-	-	-	(450.29)
Changes in Equity component of Preference Shares	-	(28.18)	-	-	(28.18)
Other Comprehensive Income	-	-	-	(1.54)	(1.54)
Balance as at 31.03.2016	2,461.13	3,178.83	3,789.03	(1.54)	9,427.45

For the year ended 31st March, 2017

Balance as at 01.04.2016	2,461.13	3,178.83	3,789.03	(1.54)	9,427.45
Profit for the Year	-	-	284.82	-	284.82
Changes in Corporate Guarantee given by Holding Co. for Inter Corporate Loan	407.11	-	-	-	407.11
Changes in Equity component of Preference Shares	-	244.35	-	-	244.35
Other Comprehensive Income	-	-	-	(10.82)	(10.82)
Balance as at 31.03.2017	2,868.24	3,423.18	4,073.85	(12.36)	10,352.91

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be "recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the Notes.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For Om Prakash S. Chaplot & Co.

Chartered Accountants

FRN : 000127C

O.P. Chaplot

Partner

M. No. : 010184

Place : Udaipur

Date : 10th May 2017

R.K. GUPTA
Whole Time Director, CFO
& Company Secretary

For and on behalf of the Board

Onkar Nath Rai Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

} Directors

CASH FLOW STATEMENT

For the year ended 31st March, 2017

(Amount in ` Lacs)

	31 st Mar. 2017	31 st Mar. 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before Tax and Exceptional Items	(119.30)	(648.74)
Adjustments for:		
Depreciation and Amortisation	489.20	554.22
Interest Income	(39.06)	(39.87)
Finance Cost	15.33	227.73
Exceptional Items	404.12	244.27
Re-measurement losses on defined benefit plans	(10.82)	(1.54)
Operating Profit before Working Capital changes	<u>739.47</u>	<u>336.07</u>
Adjustments for :		
Trade & Other Receivables	(16.89)	(1,292.47)
Inventories	(3,714.90)	(202.31)
Trade & Other Payables	<u>8,407.05</u>	<u>700.57</u>
Net Cash from Operating Activities	5,414.73	(458.14)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(25,065.75)	(27,756.56)
Interest received	<u>44.13</u>	<u>36.21</u>
Net Cash from/(used in) Investing Activities	(25,021.62)	(27,720.35)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	17,500.00	35,000.00
Repayment of Long-Term Borrowings	-	(5,000.00)
Issue of Preference Shares	600.00	-
Redemption of Preference Shares	(509.52)	-
Interest Paid	<u>(13.82)</u>	<u>(92.73)</u>
Net Cash from/(used in) Financing Activities	17,576.66	29,907.27
D. Increase/(Decrease) in Cash & Cash Equivalents	(2,030.23)	1,728.78
E. Cash & Cash Equivalents as at the beginning of the year	2,123.84	395.06
F. Cash & Cash Equivalents as at the close of the year	<u>93.61</u>	<u>2,123.84</u>
Notes :		
Cash and Cash Equivalents include :		
- Cash, Cheques in hand and remittance in transit	3.14	1.66
- Balance with Scheduled Banks	90.47	2,122.18
	<u>93.61</u>	<u>2,123.84</u>

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

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

O.P. Chaplot
Partner
M. No. : 010184
Place : Udaipur
Date : 10th May 2017

R.K. GUPTA
Whole Time Director, CFO
& Company Secretary

For and on behalf of the Board
Onkar Nath Rai Chairman

Vinit Marwaha }
Ganpat Singh } Directors
Poonam Singh }

Company Overview, Basis of Preparation & Significant Accounting Policies.

I. The Company Overview : Corporate & General Information.

Udaipur Cement Works Limited ("the Company") is domiciled and incorporated in India and its shares are publicly traded on the Bombay Stock Exchange (BSE). The Registered Office of the Company is situated at Shripatinagar, P.O.: CFA, Dist.: Udaipur – 313 021 (Rajasthan)

The Company is a manufacturer and supplier of Cement and Cementitious products with manufacturing facilities in the State of Rajasthan. The Company's Technical Service Cell provides construction solutions to its customers & carries out regular & innovative contact programmes with Individual House Builders, Masons and other Business Associates to keep in tune with their needs and requirements.

These Financial Statements were approved and adopted by the Board of Directors of the Company in their meeting held on 10th May, 2017.

II. Basis of Preparation of Financial Statements.

(i) Statement of Compliance :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Basis of Preparation :

These financial statements have been prepared in accordance with IND AS 101, "First Time Adoption of IND AS", as these are the Company's first IND AS compliant Financial Statements for the year ended 31st March, 2017.

The Financial Statements correspond to the classification provisions contained in IND AS-1 (Presentation of Financial Statements). The transition to IND AS has been carried out from the Accounting Principles generally accepted in India (Indian GAAP), which is considered as the "Previous GAAP", for purpose of IND AS - 1.

The preparation of these Financial Statements resulted in changes to the Company's Accounting Policies as compared to the most recent Annual Financial Statements prepared under Previous GAAP, wherever necessary. All Accounting Policies and applicable IND AS have been applied consistently and retrospectively to all periods, including the previous financial year presented and the IND AS opening balance sheet as at 1st April, 2015 (Transition Date). The resulting difference between the carrying amounts under IND AS and Previous GAAP as on the Transition Date has been recognised directly in Equity. An explanation of the effect of the transition from Previous GAAP to Ind AS on the Company's equity and profit is provided in Note No. 59.

In preparing these Financial Statements, the Company has availed certain exemptions and exceptions from retrospective application of certain requirements under IND AS, as explained below:

a) Exemptions from Retrospective Application:

- Deemed cost of Property, Plant and Equipment : The Company has adopted optional exception under IND AS 101 to measure Property, plant and equipment at fair value (Refer Note No. 59) . Consequently, the fair value has been assumed to be deemed cost of Property, plant and equipment at the transition date to IND AS (i.e. 1st April, 2015).
- Deemed cost of Investment Properties : The Company has adopted optional exception under IND AS 101 to measure Investment Properties at fair value (Refer Note No. 59). Consequently, the fair value has been assumed to be deemed cost at the transition date to IND AS (i.e. 1st April, 2015).

b) Exceptions from full Retrospective Application:

Estimates: Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under IND AS, except where revision in estimates was necessitated as required by IND AS . The estimates used by the Company to present the amounts in accordance with IND AS reflect conditions existing as at 1st April, 2015, the date of transition to IND AS and as at 31st March, 2016 and 31st March, 2017.

(iii) Basis of Measurement.

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except for the following :

- Certain Financial assets and liabilities (including derivative financial instruments) are measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Asset held for sale-measured at fair value less cost to sell.

The standalone financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Lacs & two decimals thereof.

(iv) Fair Value Measurement.

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by

selling it to another market participant that would use the asset in its highest and best use.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy in which they fall.

(v) Current & Non-Current Classifications.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(vi) Accounting Estimates and Assumptions.

The preparation of the Financial Statements requires management to make certain estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years on critical accounting estimates, assumptions and judgments.

III. Significant Accounting Policies for the year ended 31st March, 2017.

(a) Property, Plant and Equipment.

The Company has adopted optional exception under IND AS 101 to measure Property, plant and equipment at fair value (Refer Note No. 59). Consequently, the fair value has been assumed to be deemed cost of Property, plant and equipment on the date of transition. Subsequently, the Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that its future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Internally manufactured property, plant and equipment are capitalized at factory cost, including excise duty, wherever applicable.

Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective fixed assets on completion of construction/erection.

Capital expenditure on tangible assets for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.

Transition to Ind AS.

On transition to Ind AS, the Company has adopted optional exception under IND AS 101 to measure Property, plant and equipment at fair value as at 1st April 2015. Consequently, the fair value has been assumed to be deemed cost of Property, plant and equipment on the date of transition.

Depreciation methods, estimated useful lives and residual value.

Depreciation method is calculated using the Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as specified in Schedule II to Companies Act, 2013 and is provided on Straight Line Method (SLM), except for Furniture & Fixtures, Office Equipments, Vehicles and Locomotives which is provided on Written Down Value Method (WDV). Property, plant and equipment which are added/disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

Depreciation on impaired assets is provided on the basis of their residual useful life.

(b) Investment Properties.

Property that is held for long-term rentals yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. The Company has adopted optional exception under IND AS 101 to measure Investment Property at fair value as at 1st April, 2015. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties other than freehold land are depreciated using the Straight Line Method (SLM) over their estimated useful lives. The useful live has been determined based on technical evaluation performed by the management's expert.

The Residual Life, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The

effects of any revision are included in the Statement of Profit and Loss when the changes arise.

Transition to Ind AS

On transition to Ind AS, the Company has adopted optional exception under IND AS 101 to measure Investment Property at fair value as at 1st April 2015. Consequently, the fair value has been assumed to be deemed cost of Investment Property on the date of transition.

(c) Intangible Assets.

Intangibles Assets are recognised when it is probable that the future economic benefits that are attributable to the Assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized developments costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of Intangibles Assets are assessed as either finite or indefinite. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible Assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired.

Intangible Assets are amortised as follows:

- Computer Software : Over a period of five years

Intangibles Assets with indefinite useful lives, if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

Gain or losses arising from derecognition of an Intangible Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognized.

(d) Research and Development Cost.

Revenue Expenditure on Research and Development is charged to Statement of Profit and Loss and Capital Expenditure is added to Property, plant and equipment.

However, Development expenditure on new product is capitalised as intangible asset.

(e) Inventories.

Inventories are carried in the balance sheet as follows :

- a) Raw materials, Packing materials, Construction materials, Stores & Spares. : At lower of cost, on weighted average basis and net realizable value.
- b) Work-in-Progress – Manufacturing : At lower of cost of material, plus appropriate production overheads and net realizable value.
- c) Finished goods – Manufacturing : At lower of cost of materials plus appropriate production overheads, including excise duty paid/payable on such goods and net realizable value.
- d) Finished goods – Trading : At lower of cost, on weighted average basis and net realizable value.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

(f) Cash and Cash Equivalents.

Cash and Cash Equivalents includes cash on hand, deposits held at call with Banks/Financial Institutions, other short-term, highly liquid investments which are subject to an insignificant risk of changes in value.

(g) Impairment Assets.

The carrying amounts of Assets are reviewed at each Balance Sheet date to assess impairment, if any, based on internal/external factors. An impairment loss is recognised, as an expense in the Statement of Profit & Loss, wherever the carrying amount of the Asset exceeds its recoverable amount. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount in subsequent years. Recoverable amount is determined :-

- In the case of an Individual Asset, at the higher of the Fair Value less cost to sell and the value in use; and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of

disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(h) Foreign Currency Translation.

(i) Functional and Presentation Currency.

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

(ii) Transaction and Balance.

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary Assets and liabilities related to foreign currency transactions are stated at exchange rate prevailing at the end of the year and exchange difference in respect thereof is charged to Statement of Profit & Loss. Premium in respect of forward contracts is recognized over the life of the contract.

Non- Monetary Items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (i.e. transaction difference on items whose gain or loss is recognised in other comprehensive income or the statement of profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

(i) Financial Instruments.

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial Assets.

1.1 Definition :

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(i) Financial Assets at Amortised Cost :

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective

Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

(ii) Financial Assets at Fair value through Other Comprehensive Income :

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest Rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(iii) Financial Assets at Fair value through Profit or Loss :

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

1.2 Trade Receivables.

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

1.3 Investment in Equity Shares.

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

1.4 Derecognition of Financial Assets.

A Financial Asset is primarily derecognised when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has

assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:

- a) The Company has transferred substantially all the risks and rewards of the asset, or
- b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial Liabilities.

2.1 Definition :

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

(a) Initial Recognition and Measurement.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(b) Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

i) Financial Liabilities at Fair Value through Profit or Loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognised in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortised Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

2.2 Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the Effective Interest Rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the Effective Interest Method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

2.3 Financial Guarantee Contracts.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

2.4 Trade and Other Payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.5 De-recognition of Financial Liability.

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

3. Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4. Derivative Financial Instruments.

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

5. Compound Financial Instruments.

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(j) Equity Share Capital.

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

(k) Provisions, Contingent liabilities, Contingent Assets and Commitments.

i) General.

Provisions are recognised when the Company has a present obligation (legal or

constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of Purchase Order (net of of Advances) issued to parties for Completion of Assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

ii) Other Litigation Claims.

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

iii) Onerous Contracts.

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognises impairment on the assets with the contract.

(I) Revenue Recognition.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the entity on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

i) Sale of Goods.

Revenue is recognized when significant risk and reward of ownership have been passed on to the Customer. Export incentives, Duty drawbacks and other benefits/subsidy are recognized in the Statement of Profit and Loss and other revenue incentives are netted from respective head. Project subsidy is credited to Capital Reserve.

ii) Dividend Income.

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

iii) Lease Income.

Lease Agreements where the risk and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Leases rentals are recognized on straight-line basis as per the terms of the agreements in the statement of profit and loss.

iv) Interest Income.

For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.

v) Export Income

Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss.

(m) Employees Benefits.

i) Defined Contribution Plans.

Contributions to the employees' regional provident fund, superannuation fund, Employees Pension Scheme and Employees' State Insurance are recognised as defined contribution plan and charged as expenses during the period in which the employees perform the services.

ii) Defined Benefit Plans.

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is

recognised in Other Comprehensive Income. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Company makes contribution towards provident fund which is administered by Employees' Provident Fund Organisation, Government of India.

iii) Short-term Employee Benefits.

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) Long-term Employee Benefit.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

v) Termination Benefits.

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(n) Borrowing Costs.

- (1) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

The Borrowing Cost consists of Interest & Other Incidental costs that the Company incurs in connection with the borrowing of such funds.

- (2) For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.
- (3) All other borrowing costs are recognised as expense in the period in which they are incurred.

(o) Leases.

1. *As a Lessee:*

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

1.1. Finance Lease.

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

1.2. Operating Lease.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

Leasehold lands are amortised over the period of lease.

2. *As a Lessor:*

Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term unless the recipients are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(p) Taxes on Income.

a) Current Tax.

i) Tax on income for the current period is determined on the basis on estimated

taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.

- ii) Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Tax.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

(q) Exceptional Items.

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

(r) Earnings Per Share (EPS).

i) *Basic earnings per share.*

Basic earnings per share is calculated by dividing :

- The profit attributable to equity shareholders.
- By the Weighted Average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

ii) *Diluted earnings per share.*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account :

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The Weighted Average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Segment Accounting.

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

Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Chief Operating Decision Makers.

The Chief Operational Decision Makers monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

IV. Significant Accounting Judgments, Estimates and Assumptions.

The preparation of Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Income Taxes.

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

ii) Fair Value Measurement of Financial Instruments.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

iii) Defined Benefit Plans.

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv) Contingencies.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

NOTE 5
PROPERTY PLANT AND EQUIPMENT

	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total	CWIP
(Amount in ` Lacs)									
COST :									
As at 01.04.2015	253.79	10,331.58	2,069.08	11,054.28	87.27	47.78	19.84	23,863.62	9,347.85
Additions	2.33	-	-	283.58	2.46	3.28	-	291.65	25,639.80
Disposals / Transfers / Adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2016	256.12	10,331.58	2,069.08	11,337.86	89.73	51.06	19.84	24,155.27	34,987.65
Additions	0.42	-	551.85	49,764.91	1.01	2.73	11.80	50,332.72	25,542.49
Disposals / Transfers / Adjustments	-	-	-	-	-	-	-	-	(50,329.20)
As at 31.03.2017	256.54	10,331.58	2,620.93	61,102.77	90.74	53.79	31.64	74,487.99	10,200.94
ACCUMULATED DEPRECIATION :									
As at 01.04.2015	-	65.35	779.98	7,109.21	44.98	24.99	7.31	8,031.82	-
Depreciation charge for the year	-	194.96	148.61	178.90	13.08	9.35	3.86	548.76	-
Disposals / Transfers / Adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2016	-	260.31	928.59	7,288.11	58.06	34.34	11.17	8,580.58	-
Depreciation charge for the year	-	195.14	96.92	174.27	8.18	7.44	2.66	484.61	-
Disposals / Transfers / Adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2017	-	455.45	1,025.51	7,462.38	66.24	41.78	13.83	9,065.19	-
NET BOOK VALUE :									
As at 01.04.2015	253.79	10,266.23	1,289.10	3,945.07	42.29	22.79	12.53	15,831.80	9,347.85
As at 31.03.2016	256.12	10,071.27	1,140.49	4,049.75	31.67	16.72	8.67	15,574.69	34,987.65
As at 31.03.2017	256.54	9,876.13	1,595.42	53,640.39	24.50	12.01	17.81	65,422.80	10,200.94

NOTES 6

INVESTMENT PROPERTY

(Amount in ` Lacs)

	Freehold Land	Total
COST :		
As at 01.04.2015	914.86	914.86
Additions	-	-
Disposals/Transfers/Adjustments	-	-
As at 31.03.2016	914.86	914.86
Additions	-	-
Disposals/Transfers/Adjustments	-	-
As at 31.03.2017	914.86	914.86
ACCUMULATED DEPRECIATION :		
As at 01.04.2015	-	-
Depreciation charge for the year	-	-
Disposals/Transfers/Adjustments	-	-
As at 31.03.2016	-	-
Depreciation charge for the year	-	-
Disposals/Transfers/Adjustments	-	-
As at 31.03.2017	-	-
NET BOOK VALUE :		
As at 01.04.2015	914.86	914.86
As at 31.03.2016	914.86	914.86
As at 31.03.2017	914.86	914.86

NOTES 7

OTHER INTANGIBLE ASSETS

(Amount in ` Lacs)

	Intangible Assets	Total
COST :		
As at 01.04.2015	27.30	27.30
Additions	-	-
Disposals/Transfers/Adjustments	-	-
As at 31.03.2016	<u>27.30</u>	<u>27.30</u>
Additions	18.46	18.46
Disposals/Transfers/Adjustments	-	-
As at 31.03.2017	<u><u>45.76</u></u>	<u><u>45.76</u></u>
ACCUMULATED DEPRECIATION :		
As at 01.04.2015	10.92	10.92
Depreciation charge for the year	5.46	5.46
Disposals/Transfers/Adjustments	-	-
As at 31.03.2016	<u>16.38</u>	<u>16.38</u>
Depreciation charge for the year	7.33	7.33
Disposals/Transfers/Adjustments	-	-
As at 31.03.2017	<u><u>23.71</u></u>	<u><u>23.71</u></u>
NET BOOK VALUE :		
As at 01.04.2015	<u>16.38</u>	<u>16.38</u>
As at 31.03.2016	<u>10.92</u>	<u>10.92</u>
As at 31.03.2017	<u><u>22.05</u></u>	<u><u>22.05</u></u>

UDAIPUR CEMENT WORKS LIMITED

(Amount in ` Lacs)

	31 st Mar. 2017	31 st Mar. 2016	1 st Apr. 2015
FINANCIAL ASSETS			
NOTE 8			
LONG TERM LOANS & ADVANCES			
Unsecured, Considered Good			
Deposits	304.89	517.11	398.58
	<u>304.89</u>	<u>517.11</u>	<u>398.58</u>
NOTE 9			
OTHER FINANCIAL ASSETS			
Deposits with original maturity of more than 12 months*	0.56	46.44	38.40
	<u>0.56</u>	<u>46.44</u>	<u>38.40</u>
*Under lien with Bank			
NOTE 10			
DEFERRED TAX ASSETS (NET)			
Unabsorbed Depreciation	2,398.13	2,398.13	1,211.28
	<u>2,398.13</u>	<u>2,398.13</u>	<u>1,211.28</u>
NOTE 11			
OTHER NON CURRENT ASSETS			
Unsecured, Considered Good			
Capital Advances	57.58	987.95	829.69
	<u>57.58</u>	<u>987.95</u>	<u>829.69</u>
NOTE 12			
INVENTORIES			
(As certified by the Management)			
Raw Materials {Includes Stock in Transit of ` 0.77 Lacs (Previous Year - ` 13.18 Lacs)}	136.06	258.01	152.81
Stock-in-Progress	2,753.21	-	-
Finished Goods	145.29	224.12	131.77
Stores & Spares {Includes Stock in Transit of ` 203.08 Lacs (Previous Year - Nil)}	1,320.67	158.20	153.44
	<u>4,355.23</u>	<u>640.33</u>	<u>438.02</u>
FINANCIAL ASSETS			
NOTE 13			
TRADE RECEIVABLES			
(Unsecured, considered good unless otherwise stated)			
Outstanding for a period exceeding six months from the date they are due for payment			
Considered Good	-	-	0.80
Doubtful	-	-	-
Others	90.86	60.53	31.04
	<u>90.86</u>	<u>60.53</u>	<u>31.84</u>

(Amount in ` Lacs)

	31 st Mar. 2017	31 st Mar. 2016	1 st Apr. 2015
FINANCIAL ASSETS			
NOTE 14			
CASH AND CASH EQUIVALENTS			
Balances with bank			
On Current Accounts	14.37	161.80	306.09
Deposits of original maturity of less than 3 months	-	203.91	49.19
Deposits of original maturity of less than 3 months*	4.84	700.00	-
Cheques, DD on hand / transit	-	-	-
Cash on hand	3.14	1.66	1.38
	<u>22.35</u>	<u>1,067.37</u>	<u>356.66</u>
*Under lien with Bank			
NOTE 15			
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
Other Bank Balances			
Deposits with maturity of more than 3 months but less than 12 months	25.97	-	-
Deposits with maturity of more than 3 months but less than 12 months*	44.73	1,010.03	-
Deposits with original maturity for more than 12 months*	0.56	46.44	38.40
	<u>71.26</u>	<u>1,056.47</u>	<u>38.40</u>
Less: Amount disclosed under non-current other financial assets (Refer Note No. 9)	(0.56)	(46.44)	(38.40)
	<u>70.70</u>	<u>1,010.03</u>	<u>-</u>
*Under lien with Bank			
NOTE 16			
OTHER FINANCIAL ASSETS			
Unsecured, considered good unless otherwise stated			
Other Receivable	17.86	22.94	19.67
	<u>17.86</u>	<u>22.94</u>	<u>19.67</u>
NOTE 17			
OTHER CURRENT ASSETS			
Unsecured, considered good			
Prepaid expenses	83.75	7.20	14.09
Balance with Govt. Authorities	3,318.21	2,110.38	118.16
Other Advances	393.31	196.60	139.54
Assets held for sale	37.31	335.24	410.82
	<u>3,832.58</u>	<u>2,649.42</u>	<u>682.61</u>

(Amount in ` Lacs)

31st Mar. 2017 31st Mar. 2016 1st Apr. 2015

NOTE 18
EQUITY SHARE CAPITAL

Authorised :

Equity Shares-

31,25,00,000 of ` 4 each (Previous year - 31,25,00,000 of ` 4 each)	12,500.00	12,500.00	12,500.00
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Preference Shares -

60,00,000 of ` 10 each (Previous year - 60,00,000 of ` 10 each)	600.00	600.00	600.00
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6,900 of ` 1,00,000 each (Previous year - 6,900 of ` 1,00,000 each)	6,900.00	6,900.00	6,900.00
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	<u>20,000.00</u>	<u>20,000.00</u>	<u>20,000.00</u>
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Issued, Subscribed and fully paid :

Equity Shares

29,52,05,280 of ` 4 each (Previous year - 29,52,05,280 of ` 4 each) fully paid up	11,808.21	11,808.21	11,808.21
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Zero Coupon Preference Shares

45,31,948 Shares of ` 10 each (Previous year - 45,31,948 of ` 10 each) fully paid up (Series-I) (Issued in consideration other than cash)	-	453.19	453.19
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563,282 Shares of ` 10 each (Previous year - 563,282 of ` 10 each) fully paid up (Series-II) (Issued in consideration other than cash)	-	56.33	56.33
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5% Cumulative Redeemable Preference Shares (CRPS)

4,700 Shares of ` 1,00,000 each (Previous year - 4,700 Shares of ` 1,00,000 each) fully paid up (Series-I)	4,700.00	4,700.00	4,700.00
---	----------	----------	----------

1,300 Shares of ` 1,00,000 each (Previous year - 1,300 Shares of ` 1,00,000 each) fully paid up (Series-II)	1,300.00	1,300.00	1,300.00
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600 Shares of ` 1,00,000 each (Previous year - Nil) fully paid up (Series-B)	600.00	-	-
--	--------	---	---

	<u>18,408.21</u>	<u>18,317.73</u>	<u>18,317.73</u>
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Less: Reclassification of Preference Shares

Zero Coupon Preference Shares

45,31,948 Shares of ` 10 each fully paid up (Series-I)	-	(453.19)	(453.19)
--	---	----------	----------

563,282 Shares of ` 10 each fully paid up (Series-II)	-	(56.33)	(56.33)
---	---	---------	---------

5% Cumulative Redeemable Preference Shares (CRPS)

4,700 Shares of ` 1,00,000 each fully paid up (Series-I)	(4,700.00)	(4,700.00)	(4,700.00)
--	------------	------------	------------

1,300 Shares of ` 1,00,000 each fully paid up (Series-II)	(1,300.00)	(1,300.00)	(1,300.00)
---	------------	------------	------------

600 Shares of ` 1,00,000 each fully paid up (Series-B)	(600.00)	-	-
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	<u>11,808.21</u>	<u>11,808.21</u>	<u>11,808.21</u>
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ANNUAL REPORT 2016-17

a. Reconciliation of the number of shares outstanding:

Particulars	Balance at the beginning of the reporting period	Changes in share capital during the year	Balance at the end of the reporting period
Equity Shares	29,52,05,280	-	29,52,05,280
Zero Coupon Preference Shares (Series-I)	45,31,948	(45,31,948)	-
Zero Coupon Preference Shares (Series-II)	5,63,282	(5,63,282)	-
5% CRPS (Series-I)	4,700	-	4,700
5% CRPS (Series-II)	1,300	-	1,300
5% CRPS (Series-B)	-	600	600

b. Details of each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity Shares				
JK Lakshmi Cement Ltd. (Holding Company)	20,96,88,244	71.03%	21,38,88,244	72.45%
5% Cumulative Redeemable Preference Shares (CRPS)				
JK Lakshmi Cement Ltd. (Holding Company)	6,600	100%	6,000	100%

c. Terms/Right attached to Equity Shareholders:

1. The Company has only one class of equity shares having a par value of ₹ 4 per share. Each holder of equity shares is entitled to one vote per share.
2. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d. 5% Cumulative Redeemable Preference Shares (CRPS) (Series I & II) carries a Put option. In the event of the Company being unable to pay dividend for a consecutive period of 3 years after it is out of the purview of BIFR and unable to pay the Capital back, CRPS (Series I & II) holders have the right to get them converted into Equity Shares subject to statutory approvals.

5% CRPS (Series I & II) also carries a Call option. In case there being any Liquidity Event of the Company, if it fails to redeem the CRPS at par within 3 months, CRPS (Series I & II) holders shall have the right to get them converted into Equity Shares subject to statutory approvals.

If the Put/Call option is not exercised, 5% CRPS (Series I & II) are redeemable in 3 annual installments of 30%, 30% & 40% of face value at the end of 18th, 19th & 20th year from the date of allotment.

- e. During the year, the Company has allotted 5% Cumulative Redeemable Preference Shares (CRPS) - Series B of ₹ 600 lacs on 30.03.2017 at par against cash to the Holding Company.

5% CRPS (Series B) carries a Put option. In the event of the Company being unable to pay dividend for a consecutive period of 3 years commencing from the Financial Year 2017-18 and unable to pay the Capital back, CRPS (Series B) holders shall have the right to get them converted into Equity Shares subject to statutory approvals.

5% CRPS (Series B) also carries a Call option. In case there being any Liquidity Event in the Company, if it fails to redeem the CRPS (Series B) at par within 3 months, CRPS (Series B) holders shall have the right to get them converted into Equity Shares subject to statutory approvals.

If the Put/Call option is not exercised, 5% CRPS (Series B) are redeemable in 3 annual installments of 30%, 30% & 40% of face value at the end of 18th, 19th & 20th year from the date of allotment.

- f. The Zero Coupon Redeemable Preference Shares (ZCPS) aggregating to ₹ 509.52 lacs were redeemed on March 31, 2017 i.e. at the end of 7 years from the cut off date as per the Scheme against fresh issue of 5% CRPS (Series B) of ₹ 600 lacs.

	(Amount in ` Lacs)					
	31 st Mar. 2017		31 st Mar. 2016		1 st Apr. 2015	
	Non Current	Current*	Non Current	Current*	Non Current	Current*
Financial Liabilities						
Note 19						
LONG-TERM BORROWINGS						
Secured Loans						
Term Loans:						
- Banks	-	-	-	-	5,000.00	-
- From Related Party (Inter Corporate Loan)	52,500.00	-	35,000.00	-	-	-
Add: Liability Component of Compound Financial Instruments						
5% Cumulative Redeemable Preference Shares (CRPS)						
- 4,700 Shares of ` 1,00,000 each fully paid up (Series-I)	2,746.41	-	2,457.64	-	2,199.23	-
- 1,300 Shares of ` 1,00,000 each fully paid up (Series-II)	741.49	-	663.53	-	593.76	-
- 600 Shares of ` 1,00,000 each fully paid up (Series-B)	288.92	-	-	-	-	-
Zero Coupon Preference Shares						
- 45,31,948 Shares of ` 10 each fully paid up (Series-I)	-	-	-	453.19	453.19	-
- 563,282 Shares of ` 10 each fully paid up (Series-II)	-	-	-	56.33	56.33	-
Less: Amortization of Processing Charges on Loan and Corporate Guarantee for Loan						
- Processing Charges on Loan	(882.09)	-	(1,137.16)	-	(135.00)	-
- Corporate guarantee for Loan	(2,868.24)	-	(2,461.13)	-	(450.29)	-
	52,526.49	-	34,522.88	509.52	7,717.22	-
	-	-	-	509.52	-	-
Less: Amount Disclosed under the head "Other Current Liabilities" (Note No. 23)						
	52,526.49	-	34,522.88	-	7,717.22	-

* Due & payable within one year

- Inter Corporate Loan of ` 52,500 Lacs from a Fellow-Subsidiary Company consist of:
 - Inter Corporate Loan of ` 22,500 Lacs shall be repayable in 3 annual installments on 29.07.2018 (20%), on 29.07.2019 (20%) and on 29.07.2020 (60%).
 - Inter Corporate Loan of ` 12,500 Lacs shall be repayable in 3 annual installments on 13.09.2018 (20%), on 13.09.2019 (20%) and on 13.09.2020 (60%).
 - Inter Corporate Loan of ` 12,500 Lacs shall be repayable in 3 annual installments on 27.03.2019 (20%), on 27.03.2020 (20%) and on 27.03.2021 (60%).
 - Inter Corporate Loan of ` 5,000 Lacs shall be repayable in 3 annual installments on 30.09.2019 (30%), on 30.09.2020 (30%) and on 30.09.2021 (40%).
- Inter Corporate Loan of ` 52,500 Lacs from a Fellow-Subsidiary Company is secured by:
 - First ranking pari passu charge on all the movable & immovable fixed assets of the Company situated at Shripati Nagar in the state of Rajasthan.
 - Second pari passu charge on current assets of the Company.

(Amount in ` Lacs)

	31 st Mar. 2017	31 st Mar. 2016	1 st Apr. 2015
NOTE 20			
OTHER FINANCIAL LIABILITIES			
Trade Deposits	36.00	24.00	30.13
	<u>36.00</u>	<u>24.00</u>	<u>30.13</u>
NOTE 21			
LONG TERM PROVISIONS			
Provision for Employees' Benefits	41.70	34.50	27.10
	<u>41.70</u>	<u>34.50</u>	<u>27.10</u>
NOTE 22			
OTHER NON-CURRENT LIABILITIES			
Govt. and other dues	119.37	-	278.97
	<u>119.37</u>	<u>-</u>	<u>278.97</u>
NOTE 23			
OTHER FINANCIAL LIABILITIES			
Current maturities of Long-Term Debt	-	509.52	-
Interest accrued but not due on borrowings	2,419.59	1,772.90	-
Capital Creditors	1,548.69	1,469.57	507.66
Other Payables	390.40	179.97	126.45
Trade and Other Deposits	39.42	2.18	-
	<u>4,398.10</u>	<u>3,934.14</u>	<u>634.11</u>
NOTE 24			
OTHER CURRENT LIABILITIES			
Govt. and other dues	974.12	459.34	531.44
Advance from Customers	590.76	76.98	248.83
Other Advances	5,514.28	-	-
	<u>7,079.16</u>	<u>536.32</u>	<u>780.27</u>
NOTE 25			
SHORT TERM PROVISIONS			
Provision for Employees' Benefits	107.61	94.51	86.41
	<u>107.61</u>	<u>94.51</u>	<u>86.41</u>

(Amount in ` Lacs)

	2016-17	2015-16
NOTE 26		
REVENUE FROM OPERATIONS		
Sale of Products	9,456.10	9,759.57
Other operating revenues	275.79	256.59
	<u>9,731.89</u>	<u>10,016.16</u>
NOTE 27		
OTHER INCOME		
Interest Income	38.46	38.40
Other Non-Operating Income	0.60	1.47
	<u>39.06</u>	<u>39.87</u>
NOTE 28		
COST OF MATERIALS CONSUMED		
Raw Materials consumed	6,036.46	6,407.49
	<u>6,036.46</u>	<u>6,407.49</u>
NOTE 29		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Stock-in-Progress	-	-
Finished Goods	<u>224.12</u>	<u>131.77</u>
	224.12	131.77
Closing Stock		
Stock-in-Progress		
Crushed Limestone	177.65	-
Raw-Meal	38.10	-
Clinker	<u>2,537.46</u>	-
	2,753.21	-
Finished Goods	<u>145.29</u>	<u>224.12</u>
	2,898.50	224.12
Add/(Less) : Excise Duty Variance on Stocks	(12.44)	12.86
Less : Preoperative period stock	<u>(2,786.86)</u>	-
(Increase) /Decrease in Stocks	<u>100.04</u>	<u>(79.49)</u>

(Amount in ` Lacs)

	2016-17	2015-16
NOTE 30		
EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	268.77	214.53
Contribution to Provident and other Funds	22.64	24.95
Staff Welfare Expenses	63.74	45.25
	<u>355.15</u>	<u>284.73</u>
NOTE 31		
FINANCE COST		
Interest Expenses	15.33	227.68
Other Borrowing Costs	-	0.05
	<u>15.33</u>	<u>227.73</u>
NOTE 32		
DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Assets	484.60	548.76
Amortisation on Intangible Assets	7.33	5.46
Less: Charged to Capital Work in Progress	2.73	-
	<u>489.20</u>	<u>554.22</u>
NOTE 33		
OTHER EXPENSES		
Consumption of Stores and spares	212.62	160.12
Transport, Clearing and Forwarding Charges	504.66	1,139.48
Power and Fuel	669.30	499.76
Miscellaneous Expenses	291.98	292.60
	<u>1,678.56</u>	<u>2,091.96</u>

Notes accompanying the Financial Statements.

34. Financial Risk Management Objectives and Policies.

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate risk and commodity risk etc.), credit risk and liquidity risk.

34.1 Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument change may change as a result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

- a) **Foreign Currency Risk :** Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company makes certain imports in foreign currency & therefore is exposed to Foreign Exchange Risk.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign Currency Sensitivity.

During the year, the Company transacted its operations only in INR. Certain project payments for imports were made in foreign currencies which were settled during the year. Hence, the Company is not exposed to foreign risk and sensitivity.

Further, there is no impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets & liabilities and there is no exchange difference accounted in the Statement of Profit and Loss.

- b) Interest Rate Risk : Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings. The following Table shows the Company's Borrowings:

(Figures in ` Lacs)

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	Loans in Rupees			
	- Fixed Rate	52,526.49	34,522.88	7,717.22
	- Floating Rate	-	-	-
	Total	52,526.49	34,522.88	7,717.22

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect on Cost of Funding.

Interest Rate Sensitivity

Since, the Company has only fixed rate borrowings; there would be no impact of interest rate sensitivity on profit before tax.

- (c) Commodity Price Risk and Sensitivity:

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

34.2 Credit Risk:

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable: Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of accounts receivables. Individual risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques. The Outstandings of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region.

The Aging of Trade Receivables is as below:-

(Figures in ` Lacs)

Particulars	Neither Due nor Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 Months	
<u>31st March, 2017</u>					
Unsecured	90.32	0.54	-	-	90.86
Gross Total	90.32	0.54	-	-	90.86
Provision for Doubtful	-	-	-	-	-
Net Total	90.32	0.54	-	-	90.86
<u>31st March, 2016</u>					
Unsecured	59.45	1.08	-	-	60.53
Total	59.45	1.08	-	-	60.53
Provision for Doubtful	-	-	-	-	-
Net Total	59.45	1.08	-	-	60.53
<u>As on 1st April, 2015</u>					
Unsecured	30.95	0.09	0.80	-	31.84
Total	30.95	0.09	0.80	-	31.84
Provision for Doubtful	-	-	-	-	-
Net Total	30.95	0.09	0.80	-	31.84

Financial Instruments and Deposits with Banks

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

34.3 Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturity Profile of Financial Liabilities :

The following Table provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

S. No.	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	<u>As on 31st March, 2017</u>					
	- Borrowings	52,526.49	-	48,749.67	3,776.82	52,526.49
	- Trade Payables	1,260.93	1,260.93	-	-	1,260.93
	- Other Liabilities	4,434.11	4,393.11	41.00	-	4,434.11
	Total	58,221.53	5,654.04	48,790.67	3,776.82	58,221.53
2	<u>As on 31st March, 2016</u>					
	- Borrowings	34,522.88	-	31,401.71	3,121.17	34,522.88
	- Trade Payables	521.88	521.88	-	-	521.88
	- Other Liabilities	3,958.14	3,934.14	24.00	-	3,958.14
	Total	39,002.90	4,456.02	31,425.71	3,121.17	39,002.90
3	<u>As on 1st April, 2015</u>					
	- Borrowings	7,717.22	-	2,401.54	5,315.68	7,717.22
	- Trade Payables	2,098.27	2,098.27	-	-	2,098.27
	- Other Liabilities	664.24	634.11	30.13	-	664.24
	Total	10,479.73	2,732.38	2,431.67	5,315.68	10,479.73

35. Capital Risk Management:

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, preference shares and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(Figures in ` Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Borrowings	52,526.49	34,522.88	7,717.22
Less: Cash and Cash equivalents	(22.35)	(1,067.37)	(356.66)
Net debt	52,504.14	33,455.51	7,360.56
Equity Share Capital	11,808.21	11,808.21	11,808.21
Other Equity	10,352.91	9,427.45	6,663.95
Total Capital	22,161.12	21,235.66	18,472.16
Capital and net debt	74,665.26	54,691.17	25,832.72
Gearing ratio	70%	61%	28%

The Company is not subject to any external imposed capital requirement. The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

36. Fair Value of Financial Assets and Liabilities:

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the companies: -

(Figures in ` Lacs)

Particulars	31 st March'17		31 st March'16		1 st April'15	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
A. Financial Assets						
(i) At Fair Value through Profit and Loss :-	-	-	-	-	-	-
(ii) At Amortized Cost :-						
a) Bank FDs.	76.10	76.10	1,960.38	1,960.38	87.59	87.59
b) Cash & Bank Balances	17.51	17.51	163.46	163.46	307.47	307.47
c) Investments	-	-	-	-	-	-
d) Trade Receivables	90.86	90.86	60.53	60.53	31.84	31.84
e) Others	322.75	322.75	540.05	540.05	418.25	418.25
Total	507.22	507.22	2,724.42	2,724.42	845.15	845.15
B. Financial Liabilities						
(i) At Amortized Cost						
- Borrowings	52,526.49	52,526.49	34,522.88	34,522.88	7,717.22	7,717.22
- Trade Payables	1,260.93	1,260.93	521.88	521.88	2,098.27	2,098.27
- Other Financial Liabilities	4,434.11	4,434.11	3,958.14	3,958.14	664.24	664.24
Total	58,221.53	58,221.53	39,002.90	39,002.90	10,479.73	10,479.73

Fair Valuation Techniques:

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values :-

1. Fair Value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are considered to account for the expected losses of these receivables. As at end of each reporting year, the carrying amounts of such receivables, net of allowances (if any), are not materially different from their calculated fair values.

3. Fair value of Investments in quoted mutual funds and equity shares are based on quoted market price at the reporting date. The fair value of unquoted Investments in preference shares are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of unquoted Investments in equity shares are estimated on net assets basis.
4. Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
5. The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value Hierarchy: There are no Financial Assets and Liabilities for which the Company is required to do fair value measurement. Hence, fair value hierarchy of Company's assets and liabilities to be grouped in various Levels is not applicable for the Company.

37. Segment Information:

The Company is engaged primarily into manufacturing of Cement. The Company has only one business segment as identified by management namely Cementitious Materials. Segments have been identified taking into account nature of product and differential risk and returns of the segment. The business segments are reviewed by the Directors of the Company.

38. Derivative Financial Instrument:

Certain Imports for project which were made in foreign currency were hedged using foreign exchange forward contracts. Project payments for these imports were settled during the year. Hence, the Company did not have any outstanding forward contracts as on March 31, 2017 and March 31, 2016.

39. Income Tax Expense:

- i. Amount recognised in the Statement of Profit & Loss

(Figures in ` Lacs)

Particulars	2016-17	2015-16
Current Tax	-	-
Deferred Tax (Relating to origination and reversal of temporary difference)	-	(1,186.85)
Adjustments in respect of current income tax of previous year	-	-
MAT	-	-
MAT Credit Entitlement	-	-
MAT Credit Utilization	-	-

- ii. Income Tax recognised in OCI and Equity:

(Figures in ` Lacs)

Particulars	2016-17	2015-16
Deferred Tax (Gain)/Loss on defined benefit	-	-

iii. Reconciliation of effective tax rate:

(Figures in ` Lacs)

S. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Net (Loss) / Income before taxes	274.00	(406.01)
2	Enacted tax rates for Company i.e. Udaipur Cement Works Ltd. under MAT	20.389%	20.389%
3	Computed tax expense	55.87	-
4	Increase/(reduction) in taxes on account of - Income not taxable /exempt from tax #	55.87	-

The relief from Minimum Alternate Tax (MAT) is available to the Company as provided in explanation (iii) to Section 115 JB (2) of Income Tax Act, 1961.

iv. Deferred Tax:

Deferred Tax relates to the followings:

(Figures in ` Lacs)

S.No.	Particulars	2016-17	2015-16
1.	Book base and tax base of Fixed Assets	3,308.03	241.74
2.	(Disallowance/Allowance Net) under Income Tax	8.75	5.85
3.	Brought Forward losses setoff #	(5,714.91)	(2,645.72)
	Total	(2,398.13)	(2,398.13)

Recognised only to the extent that it is 'probable' that future taxable profits will be available.

40. Dividends :

The Company has neither proposed nor declared any dividend for the financial year 2015-16 and 2016-17.

41. Retirement benefit obligations

A. Expense recognised for Defined Contribution plan

(Figures in ` Lacs)

Particulars	2016-17	2015-16
Company's contribution to provident fund	15.64	15.63
Company's contribution to ESI	0.88	3.42
Total	16.52	19.05

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Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the standalone Balance Sheet as at March 31, 2017 and March 31, 2016, being the respective measurement dates:

a) Movement in obligation

(Figures in ` Lacs)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
Present value of obligation - April 1, 2015	207.34	33.09
Acquisitions/Transfer in/Transfer out	-	-
Current service cost	15.26	11.35
Interest cost	14.51	2.32
Benefits paid	(30.19)	(3.38)
Remeasurements - actuarial loss/(gain)	7.60	3.93
Present value of obligation - March 31, 2016	214.52	47.31
Present value of obligation - April 1, 2016	214.52	47.31
Acquisitions/Transfer in/Transfer out	-	-
Current service cost	21.25	14.90
Interest cost	15.01	3.31
Benefits paid	(21.89)	(6.98)
Remeasurements - actuarial loss/(gain)	43.81	6.73
Present value of obligation - March 31, 2017	272.70	65.27

b) Movement in Plan Assets – Gratuity

(Figures in ` Lacs)

Particulars	2016-17	2015-16
Fair value of plan assets at beginning of year	132.52	126.63
Acquisitions/Transfer in/Transfer out	-	-
Expected return on plan assets	9.28	8.86
Employer contributions	63.36	25.10
Benefits paid	(21.89)	(30.19)
Actuarial gain/(loss)	5.09	2.12
Fair value of plan assets at end of year	188.36	132.52
Present value of obligation	272.70	214.52
Net funded status of plan	84.34	82.00
Actual return on plan assets	14.37	10.98

The components of the gratuity and leave encashment are as follows:

c) Recognised in Statement of profit and loss

(Figures in ` Lacs)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
Current service cost	15.26	11.35
Interest cost	14.51	2.32
Expected return on plan assets	(8.87)	-
Remeasurements - actuarial loss/ (gain)	5.47	3.93
For the year ended March 31, 2016	26.37	17.60
Actual return on plan assets	10.98	-
Current service cost	21.25	14.89
Interest cost	5.01	3.31
Expected return on plan assets	(9.28)	-
Remeasurements - actuarial loss/ (gain)	38.71	6.73
For the year ended March 31, 2017	65.69	24.93
Actual return on plan assets	14.37	-

d) Recognised in Other Comprehensive Income

(Figures in ` Lacs)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
Remeasurements - actuarial loss/ (gain)		
For the year ended March 31, 2016	5.47	-
Remeasurements - actuarial loss/ (gain)		
For the year ended March 31, 2017	38.71	-

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

(Figures in ` Lacs)

Particulars	As at year ended March 31, 2017	As at year ended March 31, 2016
Attrition rate ages	Withdrawal Rate	Withdrawal Rate
	(%)	(%)
Up to 30 Years	3.00%	3.00%
31 to 44 Years	2.00%	2.00%
Above 44 Years	1.00%	1.00%
Discount Rate	7.19%	7.00%
Expected Rate of increase in Salary	5.00%	5.00%
Expected Rate of Return on Plan Assets	8.00%	8.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)
Expected Average remaining working lives of employees (years)	8.17	6.61

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.

f) Sensitivity analysis:

(Figures in ` Lacs)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumptions	Effect on Leave Encashment obligation
For the year ended March 31, 2016				
Discount Rate	+0.50%	(3.51)	+0.50%	(1.72)
	-0.50%	3.71	-0.50%	1.88
Salary Growth Rate	+0.50%	3.76	+0.50%	1.91
	-0.50%	(3.59)	-0.50%	(1.75)
For the year ended March 31, 2017				
Discount Rate	+0.50%	(3.93)	+0.50%	(2.19)
	-0.50%	4.18	-0.50%	2.40
Salary Growth Rate	+0.50%	4.24	+0.50%	2.44
	-0.50%	(4.03)	-0.50%	(2.24)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

g) History of experience adjustments is as follows:

(Figures in ` Lacs)

Particulars	Gratuity (Funded)
For the year ended March 31, 2016	
Plan Liabilities - (loss)/gain	7.59
Plan Assets - (loss)/gain	2.12
For the year ended March 31, 2017	
Plan Liabilities - (loss)/gain	45.33
Plan Assets - (loss)/gain	5.09

Estimate of expected benefit payments

(Figures in ` Lacs)

Particulars	Gratuity (Funded)
01 Apr 2017 to 31 Mar 2018	108.39
01 Apr 2018 to 31 Mar 2019	2.19
01 Apr 2019 to 31 Mar 2020	3.59
01 Apr 2020 to 31 Mar 2021	9.11
01 Apr 2021 to 31 Mar 2022	3.48
01 Apr 2022 to 31 Mar 2023	13.68
01 Apr 2023 Onwards	132.26

h) Statement of Employee benefit provision

(Figures in ` Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Gratuity	272.70	214.52
Leave encashment	65.27	47.30
Total	337.97	261.82

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

i) Current and non-current provision for Gratuity and leave encashment

(Figures in ` Lacs)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
For the year ended March 31, 2016		
Current provision	83.78	12.81
Non current provision	130.74	34.49
Total Provision	214.52	47.30
For the year ended March 31, 2017		
Current provision	108.40	23.57
Non current provision	164.30	41.70
Total Provision	272.70	65.27

j) Employee benefit expenses

(Figures in ` Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	264.14	210.03
Costs-defined benefit plan	10.75	10.40
Costs-defined contribution plan	16.52	19.05
Welfare expenses	63.74	45.25
Total	355.15	284.73

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Average no. of people employed	234	207

OCI presentation of defined benefit plan

- Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit & Loss and Balance Sheet

- Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.
- IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.
- Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.
- When there is surplus in defined benefit plan, Company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign Company can use corporate bonds rate.
- The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

42. In pursuance to Notification No. GSR 308(E) dated 30th March 2017, details of specified Bank Notes (SBNs) held and transacted during the period 08.11.2016 to 30.12.2016 are provided in the Table below:-

(Figures in ` Lacs)

Particulars	SBNs	Other Denominations Notes	Total
Closing cash in hand as on 08.11.2016	7.30	0.03	7.33
(+) Permitted receipts	Nil	6.29	6.29
(-) Permitted payments	Nil	2.62	2.62
(-) Amount deposited in Banks	7.30	Nil	7.30
Closing cash in hand as on 30.12.2016	Nil	3.70	3.70

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

(Figures in ` Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	0.27	-
Contribution to Provident and Other Funds	0.03	-
Staff Welfare Expenses	0.06	-
Consumption of Stores and Spares	5.93	-
Power & Fuel	0.52	-
Material Handling	0.26	-
Insurance	0.01	-
Royalty	5.56	-
Miscellaneous Expenses	0.26	-
Total	12.90	-

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

(Figures in ` Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Materials Consumed	633.71	-
Power & Fuel	2,427.13	115.39
Salaries & Wages	1,156.47	961.45
Staff Welfare Expenses	77.49	22.38
Insurance	23.47	14.35
Travelling, Consultancy & Miscellaneous Expenses	1,578.27	179.30
Finance Cost	5,164.77	3,244.82
	11,061.31	4,537.69
Less: Sales		
Stock of Work-in-Progress transferred to Statement of Profit and Loss	602.70	-
	2,786.86	-
	7,671.75	4,537.69
Add: Expenditure upto previous period	7,379.86	2,842.17
Less: Transferred to Fixed Assets	14,529.68	-
	521.93	7,379.86

45. Other Particulars:

(Figures in ` Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Expenditure in Foreign Currency on account of - Travelling Expenditure	1.60	4.47
c) C.I.F. value of Imports - Capital Goods	654.21	4,727.05

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

(Figures in ` Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Property, Plant & Equipment	2,468.95	10,548.27	23,158.46

47. Contingent Liabilities

- i. Contingent liabilities in respect of claims not accepted by the Company (including matters in appeals) and not provided for are as follows:

(Figures in ` Lacs)

S.No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	Excise duty	7.21	7.21	7.21
2	Sales Tax	42.30	42.30	42.30
3	Service tax	66.06	66.06	66.06
4	Land Tax #	-	1,029.29	1,029
5	Other matters	74.11	102.90	102.90
	Total	189.68	1,247.76	1,247.76

Consequent upon repeal of SICA, the Company has made provision for Land Tax of ` 1029.29 lacs which has been considered as pre-operative expense as being part of rehabilitation scheme sanctioned by BIFR and apportioned to PPE.

- ii. Contingent liability for non-use of jute bags for Cement packing upto 30th June, 1997, as per Jute Packaging Materials (Compulsory use of Packaging Commodities) Act, 1987 is not ascertained and the matter is subjudice. The Government has excluded Cement Industry from application of the said Order from 1st July, 1997.
48. The liabilities pertaining to the statutory levies and pending legal cases prior to 01.12.1993 (date of takeover of the cement undertaking from Bajaj Hindustan Limited) will be borne by Bajaj Hindustan Limited.
49. The Company has successfully completed its revival & rehabilitation scheme with start of commercial production from 31st March 2017 at its integrated Cement plant at Udaipur. The dispatches of cement and clinker have since begun.
50. During the year, the Company has received subsidy of ` 46.24 lacs (Previous year - ` 23.14 lacs) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.
51. Exceptional Items comprises of Profit on Sale of Old & Obsolete Fixed Assets amounting to ` 404.12 lacs (Previous year - ` 244.27 lacs) which were scrapped due to complete suspension of operation since 2002.

52. a) Sales include own consumption at cost ` 55.75 lacs (Previous years - ` 151.70 lacs).
 b) Consumption of Stores and Spares is net of scrap sale ` 1.32 lacs (Previous year ` 8.59 lacs).
 c) Other Operating Revenue includes Sales Tax/Value added Tax subsidy of ` 271.52 lacs (Previous year - ` 255.49 lacs) and Bad Debts written off now recovered - ` 4.27 lacs (Previous year - ` 1.10 lacs).
53. Based on information available with the Company in respect of MSME ('The Micro Small & Medium Enterprises Development Act 2006'). The details are as under:
- i. Principal and Interest amount due and remaining unpaid as at 31st March 2017 – Nil (Previous year - Nil).
 - ii. Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).
 - iii. The amount of Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified – Nil (Previous year - Nil).
 - iv. Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
 - v. Interest Accrued and unpaid as at 31st March 2017- Nil (Previous year - Nil).
54. Some of the Balances of debtors and creditors are in process of confirmation.
55. Amount paid to Auditors:

(Figures in ` Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Statutory Auditors:-		
(i) Audit Fee	1.25	1.25
(ii) Tax Audit Fee	0.60	0.60
(iii) Other Services	0.30	0.72
(iv) Limited Review Fee	0.23	0.23
(v) Reimbursement of Expenses	-	-
	2.38	2.80
b) Cost Auditors:-		
(i) Cost Audit Fee	0.35	0.35
	0.35	0.35

56. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during reported periods, are:

a) Related party name and relationship

S. No.	Name of Related Party	Country of Incorporation	% Equity Interest		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a)	Holding Company JK Lakshmi Cement Ltd. (JKLC)	India	71.03%	72.45%	75.46%
b)	Fellow Subsidiary Hansdeep Industries & Trading Company Limited (HITCL)	India	NIL	NIL	NIL

b) Key Management Personnel (KMP) – As per Companies Act 2013

Shri R.K. Gupta – Whole Time Director, CFO & Company Secretary

Additional KMP (Pursuant to IND AS 24)

Shri O.N. Rai – Chairman (Independent and Non Executive)

Shri Ganpat Singh – Non Executive Director

Shri Vinit Marwah – Non Executive Director

Smt. Poonam Singh – Independent and Non Executive Director

c) Holding Company

Key Management Personnel (KMP) – As per Companies Act 2013

Shri Bharat Hari Singhania – Chairman & Managing Director

Smt. Vinita Singhania – Vice Chairman & Managing Director

Shri S.K. Wali – Whole Time Director

Dr. S. Chouksey – Whole Time Director

Shri Sudhir A Bidkar – Chief Financial Officer

Shri Brijesh K Daga – VP & Company Secretary

Additional KMP (Pursuant to IND AS 24)

Shri B.V. Bhargava – Independent and Non Executive Director

Shri N.G. Khaitan – Independent and Non Executive Director

Shri K.N. Memani – Independent and Non Executive Director

Dr. Raghupati Singhania – Non Independent and Non Executive Director

Shri Ravi Jhunjunwala – Independent and Non Executive Director

Shri Pradeep Dinodia – Independent and Non Executive Director

d) Trusts under Common Control

JK Udaipur Udyog Limited Employees' Group Gratuity Fund Trust

JK Udaipur Udyog Limited Employees' Provident Fund Trust

JK Udaipur Udyog Limited Officers' Superannuation Fund Trust

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

(Figures in ` Lacs)

Sl. No.	Nature of Transactions	2016-17				2015-16			
		Holding Company	Fellow Subsidiary	Key Mgmt. Personnel	Trusts under common control	Holding Company	Fellow Subsidiary	Key Mgmt. Personnel	Trusts under common control
(i)	Remuneration to KMP*	-	-	99.35	-	-	-	89.19	-
(ii)	Purchase of Clinker, Royalty Charges & Other Goods	374.23	5,119.27	-	-	1,365.68	4,096.36	-	-
(iii)	Sales of Clinker, Cement & Other Goods	1,641.80	2,613.55	-	-	4,230.03	-	-	-
(iv)	Inter Corporate Loan	-	17,500.00	-	-	-	35,000.00	-	-
(v)	Finance Charges on Inter Corporate Loan	-	5,404.19	-	-	-	3,237.87	-	-
(vi)	Other Advances	5,224.31	-	-	-	-	-	-	-
(vii)	Issue of 5% CRPS	600.00	-	-	-	-	-	-	-
(viii)	Payment of Sitting Fee	-	-	4.03	-	-	-	-	-
(ix)	Payment of Gratuity	-	-	-	63.36	-	-	-	25.10
(x)	Outstanding as at year end:-								
	- Payable								
	HITCL	-	55,081.13	-	-	-	36,669.07	-	-
	Remuneration to KMP	-	-	5.07	-	-	-	5.38	-
	JKLC	5,514.28	-	-	-	-	-	-	-
	KMP (Net)	-	-	(0.10)	-	-	-	-	-
	- Receivable								
	JKLC	-	-	-	-	31.74	-	-	-
	KMP (Net)	-	-	-	-	-	-	0.12	-

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

57. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(Number of Shares)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Issued Equity Shares	29,52,05,280	29,52,05,280
Weighted average shares outstanding - Basic and Diluted - (A)	29,52,05,280	29,52,05,280

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Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit after tax for EPS - (B) (in ` Lacs)	284.82	782.38
Basic Earnings per share (B/A) (in ` (Face value of equity Share of ` 4 each)	0.10	0.27
Diluted Earnings per share (B/A) (in ` (Face value of equity Share of ` 4 each)	0.10	0.27

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

58. During the Financial Year 2016-17, the Company has taken Additional Inter Corporate Loan (ICL) of ` 17,500 lacs from Hansdeep Industries & Trading Limited (HITCL). For the grant of this ICL of aggregate amount of ` 52,500 lacs to the Company, HITCL has raised NCDs of ` 52,500 lacs, which are collaterally secured by a Corporate Guarantee of JK Lakshmi Cement Ltd (JKLC). The Company has given a Counter Indemnity to JKLC in consideration of their having granted the said Corporate Guarantee for the NCDs raised in HITCL utilized by them for onward lending to the Company.

59. Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising as a result of transition from Previous GAAP (IGAAP) to IND AS in accordance with IND AS 101:

- Balance Sheet as at April 1, 2015
- Other Equity as at April 1, 2015
- Balance Sheet as at March 31, 2016
- Other Equity as at March 31, 2016
- Statement of Profit and Loss for the year ended March 31, 2016

UDAIPUR CEMENT WORKS LIMITED
A. Reconciliation of Balance Sheet as at April 1, 2015 on transition to IND AS as at April 1, 2015

(Figures in ` Lacs)

	As per IGAAP as at 01.04.2015	Remeasure- ment	Reclassifica- tion	As per IND AS as at 01.04.2015
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	4,932.88	10,908.18	(9.26)	15,831.80
(b) Capital Work-in-Progress	9,347.85	-	-	9,347.85
(c) Investment Property	-	905.60	9.26	914.86
(d) Other Intangible Assets	16.38	-	-	16.38
(e) Financial Assets				
(i) Long-Term Loans and Advances	398.58	-	-	398.58
(ii) Other Financial Assets	38.40	-	-	38.40
(f) Deferred Tax Assets (net)	1,211.28	-	-	1,211.28
(g) Other Non-Current Assets	829.69	-	-	829.69
	16,775.06	11,813.78	-	28,588.84
Current Assets				
(a) Inventories	438.02	-	-	438.02
(b) Financial Assets				
(i) Trade receivables	31.84	-	-	31.84
(ii) Cash and cash equivalents	356.66	-	-	356.66
(iii) Other Financial Assets	19.67	-	-	19.67
(c) Current Tax Assets (Net)	7.00	-	-	7.00
(d) Other Current Assets	682.61	-	-	682.61
	1,535.80	-	-	1,535.80
TOTAL ASSETS	18,310.86	11,813.78	-	30,124.64
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	18,317.73	-	(6,509.52)	11,808.21
(b) Other Equity	(8,942.13)	12,399.07	3,207.01	6,663.95
	9,375.60	12,399.07	(3,302.51)	18,472.16
LIABILITIES				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Long-Term Borrowings	5,000.00	(585.29)	3,302.51	7,717.22
(ii) Other Financial Liabilities	30.13	-	-	30.13
(b) Long-Term Provisions	27.10	-	-	27.10
(c) Other Non-Current Liabilities	278.97	-	-	278.97
	5,336.20	(585.29)	3,302.51	8,053.42
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	2,098.27	-	-	2,098.27
(ii) Other Financial Liabilities	634.11	-	-	634.11
(b) Other Current Liabilities	780.27	-	-	780.27
(c) Short-Term Provisions	86.41	-	-	86.41
	3,599.06	-	-	3,599.06
TOTAL EQUITY AND LIABILITIES	18,310.86	11,813.78	-	30,124.64

B. Reconciliation of Other Equity as at April 1, 2015 on transition to INDAS as at April 1, 2015

(Figures in ` Lacs)

Particulars	Reserves and Surplus			
	Equity Component of Financial Guarantee	Equity Component of Financial Liability	Retained Earnings	Total
Balance as at April 01, 2015 (IGAAP)	-	-	(9,887.06)	(9,887.06)
Measurement of Property, plant and Equipment at fair value	-	-	10,908.18	10,908.18
Measurement of Investment Property at fair value	-	-	905.60	905.60
Total Comprehensive Income for the year	-	-	995.16	995.16
Processing cost accounted on IDBI Term Loan	-	-	135.00	135.00
Recognition of Corporate guarantee given by Holding Company	450.29	-	-	450.29
Changes in Equity component of Financial Liability	-	3,207.01	-	3,207.01
Depreciation of Fixed Assets	-	-	(50.23)	(50.23)
Balance as at April 01, 2015 (IND AS)	450.29	3,207.01	3,006.65	6,663.95

C. Reconciliation of Balance Sheet as at March 31, 2016 on transition to IND AS as at March 31, 2016

(Figures in ` Lacs)

	As per IGAAP as at 31.03.2016	Remeasure- ment	Reclassifica- tion	As per IND AS as at 31.03.2016
ASSETS				
(1) Non-current Assets				
(a) Property, plant and equipment	4,962.30	10,621.65	(9.26)	15,574.69
(b) Capital Work-in-Progress	35,824.81	(837.16)	-	34,987.65
(c) Investment Property	-	905.60	9.26	914.86
(d) Other Intangible Assets	10.92	-	-	10.92
(e) Financial Assets				
(i) Long-Term loans and advances	517.11	-	-	517.11
(ii) Other Financial Assets	46.44	-	-	46.44
(f) Deferred Tax Assets (net)	2,398.13	-	-	2,398.13
(g) Other Non-Current Assets	987.95	-	-	987.95
	<u>44,747.66</u>	<u>10,690.09</u>	<u>-</u>	<u>55,437.75</u>
(2) Current Assets				
(a) Inventories	640.33	-	-	640.33
(b) Financial Assets				
(i) Trade receivables	60.53	-	-	60.53
(ii) Cash and Cash equivalents	1,067.37	-	-	1,067.37
(iii) Bank Balances other than (ii) above	1,010.03	-	-	1,010.03
(iv) Other Financial Assets	22.94	-	-	22.94
(c) Current Tax Assets (Net)	15.52	-	-	15.52
(d) Other Current Assets	2,649.42	-	-	2,649.42
	<u>5,466.14</u>	<u>-</u>	<u>-</u>	<u>5,466.14</u>
TOTAL ASSETS	<u>50,213.80</u>	<u>10,690.09</u>	<u>-</u>	<u>60,903.89</u>
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	18,317.73	-	(6,509.52)	11,808.21
(b) Other Equity	(7,739.76)	13,960.20	3,207.01	9,427.45
	<u>10,577.97</u>	<u>13,960.20</u>	<u>(3,302.51)</u>	<u>21,235.66</u>
LIABILITIES				
(1) Non-current Liabilities				
(a) Financial Liabilities				
(i) Long-Term borrowings	35,000.00	(3,270.11)	2,792.99	34,522.88
(ii) Other Financial Liabilities	24.00	-	-	24.00
(b) Long-Term Provisions	34.50	-	-	34.50
	<u>35,058.50</u>	<u>(3,270.11)</u>	<u>2,792.99</u>	<u>34,581.38</u>
Current Liabilities				
(a) Financial Liabilities				
(i) Trade payables	521.88	-	-	521.88
(ii) Other Financial Liabilities	3,424.62	-	509.52	3,934.14
(b) Other Current Liabilities	536.32	-	-	536.32
(c) Short-Term Provisions	94.51	-	-	94.51
	<u>4,577.33</u>	<u>-</u>	<u>509.52</u>	<u>5,086.85</u>
TOTAL EQUITY AND LIABILITIES	<u>50,213.80</u>	<u>10,690.09</u>	<u>-</u>	<u>60,903.89</u>

D. Reconciliation of Other Equity as at March 31, 2016 on transition to IND AS as at March 31, 2016

(Figures in ` Lacs)

Particulars	Equity Component of Financial Guarantee	Equity Component of compound financial instruments	Retained Earnings	Total
Balance as at 31.03.2016 (IGAAP)	-	-	(7,739.76)	(7,739.76)
Impact in Other Equity on transition as at April 1, 2015	450.29	3,207.01	11,948.78	15,606.08
Depreciation impact on PPE Revaluation in accordance with IND AS 101	-	-	(286.53)	(286.53)
Recognition of Corporate Guarantee given by Holding Co. for Inter Corporate Loan	2,461.13	-	-	2,461.13
De Recognition of Corporate Guarantee given by Holding Co. for Term Loan from IDBI	(450.29)	-	-	(450.29)
Processing cost accounted as Term Loan fully repaid	-	-	(135.00)	(135.00)
Changes in Equity component of Preference Shares	-	(28.18)	-	(28.18)
Balance as at 31.03.2016 (IND AS)	2,461.13	3,178.83	3,787.49	9,427.45

E. Reconciliation of Profit and Loss for year ended March 31, 2016

(Figures in ` Lacs)

	As per IGAAP for Year ended 31.03.2016	Remeasure- ment	Reclassifica- tion	As per IND AS for Year ended 31.03.2016
I. Revenue from operations	8,798.03	-	1,218.13	10,016.16
II. Other income	39.87	-	-	39.87
III. Total Revenue (I+II)	8,837.90	-	1,218.13	10,056.03
IV. Expenses				
a) Cost of materials consumed	6,407.49	-	-	6,407.49
b) Change in inventories of finished goods, work-in-progress and stock-in-trade	(79.49)	-	-	(79.49)
c) Employee benefits expense	286.27	-	(1.54)	284.73
d) Finance costs	92.73	135.00	-	227.73
e) Depreciation and amortization expense (Net)	267.69	286.53	-	554.22
f) Excise Duty	-	-	1,218.13	1,218.13
g) Other expenses	2,091.96	-	-	2,091.96
Total expenses	9,066.65	421.53	1,216.59	10,704.77
V. Profit/(Loss) before exceptional items and tax (III-IV)	(228.75)	(421.53)	1.54	(648.74)
VI. Exceptional - Gain/(Loss)	244.27	-	-	244.27
VII. Profit/(Loss) before tax (V + VI)	15.52	(421.53)	1.54	(404.47)
VIII. Tax Expense				
(1) Current Tax	-	-	-	-
(2) Deferred Tax	(1,186.85)	-	-	(1,186.85)
IX. Profit/(Loss) for the year (VII - VIII)	1,202.37	(421.53)	1.54	782.38
X. Other Comprehensive Income				
(A) Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
(i) Re-measurement (losses) on defined benefit plans	-	-	(1.54)	(1.54)
(ii) Income tax effect	-	-	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	(1.54)	(1.54)
XI. TOTAL COMPREHENSIVE INCOME FOR THE YEAR (IX + X)	1,202.37	(421.53)	-	780.84

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

As per our report of even date

For Om Prakash S. Chaplot & Co.
Chartered Accountants
FRN : 000127C

O.P. Chaplot
Partner
M. No. : 010184
Place : Udaipur
Date : 10th May 2017

R.K. GUPTA
Whole Time Director, CFO
& Company Secretary

For and on behalf of the Board

Onkar Nath Rai Chairman

Vinit Marwaha }
Ganpat Singh } Directors
Poonam Singh }

UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

Regd. Office: Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan)

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

Email: ucwl.investors@jckmail.com, Website: www.udaipurcement.com

Tele/Fax: 91-294-2655076/77

ADMISSION SLIP

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

I hereby record my presence at the 21th Annual General Meeting of the Company being held at Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan) on Thursday, the 10th August 2017, at 11.00 A.M.

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

*Strike out whichever is not applicable

#Applicable for Members holding shares in dematerialised form.

Signature of the attending Member/Proxy/Authorised Representative*

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

PROXY FORM

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

UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

Regd. Office: Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan)
Secretarial Office: Gulab Bhawan, 3rd Floor, 6A, Bahadur Shah Zafar Marg
New Delhi-110 002

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

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

I / We, being the Member(s) of _____ Shares of the above named Company, hereby appoint

Name : _____ Email : _____

Address: _____

Signature: _____

or failing him / her

Name : _____ Email : _____

Address: _____

Signature: _____

or failing him / her

Name : _____ Email : _____

Address: _____

Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 21st Annual General Meeting of the Company, to be held on Thursday, the 10th August 2017 at 11:00 A.M. at Shripati Nagar, P.O. CFA, Udaipur-313 021 (Rajasthan) and at any adjournment there of in respect of such resolutions as are given on the next page.

Resolution Number	Resolution(s)
1	Consideration and adoption of the financial statements of the Company for the financial year ended 31 st March 2017 and the Reports of the Board of Directors and Auditors thereon.
2	Re-appointment of Shri Rohni Kumar Gupta (DIN: 00086630), who retires by rotation.
3	Appointment of the Auditors and fixing their remuneration
4	Ratification of the remuneration of Cost Auditors.
5	Appointment of Ms. Poonam Singh (DIN:07122781) as an Independent Director
6	Approval to increase and re-classify Authorised Share Capital from ` 200 Crores to ` 250 Crores
7	Approval to issue Optionally Convertible Cumulative Redeemable Preference Shares upto an amount not exceeding ` 50 Crores.
8	Approval of Related Party Transactions with JK Lakshmi Cement Limited
9	Re-appointment of Shri Rohni Kumar Gupta (DIN: 00086630) as a Whole-time Director.

Signed this.....day of.....2017

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Shripati Nagar P.O. CFA, Udaipur-313 021 (Rajasthan), not less than 48 hours before the commencement of the Meeting.



Members at 20th AGM



Green Initiatives by Plantation of Mango Trees inside Plant



Celebrating World Environment Day at UCWL Plant



A view of UCWL's Integrated Cement Plant

Udaipur Cement Works Limited

Registered Office & Works: Shripatinagar, P.O: C.F.A.

Dist: Udaipur – 313 021, Rajasthan, (India)