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**HEAVY DUTY**  
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ANNUAL REPORT  
2017-18



# BOARD OF DIRECTORS

## ONKAR NATH RAI

Chairman

## VINIT MARWAHA

## POONAM SINGH

## R. K. GUPTA

Whole-time Director,  
CFO & Company Secretary

## VINITA SINGHANIA

## SURENDRA MALHOTRA

## SHRIVATS SINGHANIA

## NAVEEN KUMAR SHARMA

### 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

### SECRETARIAL DEPARTMENT:

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

### BANKERS:

Axis Bank Limited

### REGISTRAR & SHARE TRANSFER AGENT:

MCS Share Transfer Agent Ltd.,  
F-65, 1<sup>st</sup> Floor, Okhla Indl. Area,  
Phase-I, New Delhi-110 020,  
Phone: 011-41406149-52,  
E-mail: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

### AUDITORS:

BANSILAL SHAH & CO.  
Chartered Accountants  
Udaipur

### COMPANY WEBSITE

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

# UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

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

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

Email: [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com) , Website: [www.udaipurcement.com](http://www.udaipurcement.com)

Tele/Fax: 91-294-2655076/77

## NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> 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- 313 021 (Rajasthan) on Thursday, the 9<sup>th</sup> August 2018 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 31<sup>st</sup> March 2018 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.

As Special Business

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

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), remuneration of M/s. HVMN & Associates, the Cost 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 2018-19 commencing 1<sup>st</sup> April 2018, of ₹ 50,000 (Rupees Fifty Thousand Only), excluding 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."

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

"RESOLVED that Smt Vinita Singhania (DIN: 00042983) whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED that Shri Shrivats Singhania (DIN: 02359242) whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED that Shri Naveen Kumar Sharma (DIN No: 08152305) whose appointment on the

Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit to pass, the following as a Special 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, Shri Surendra Malhotra (DIN: 00271508) whose appointment on the Board as Additional Director determines on the date of present Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from 30<sup>th</sup> June 2018."

8. To consider and if thought fit to pass, the following Resolution 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 read with Schedule IV to the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Vinit Marwaha (DIN:00051403), who held the office of Director liable to retire by rotation and qualified for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director and who was appointed as an Independent Director of the Company by the Board of Directors for a term of 5 (Five) consecutive years w.e.f. 10<sup>th</sup> May 2018, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, and to hold such office for a term of 5 (Five) consecutive years i.e. upto 9<sup>th</sup> May 2023."

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule V to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Shri Naveen Kumar Sharma (DIN No: 08152305) as Whole time Director of the Company for a period of three years w.e.f. 1<sup>st</sup> October 2018 be and is hereby approved on the terms and remuneration as set out in the Statement under Section 102 of the Act 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 in any financial year or years, the remuneration comprising salary, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Whole-time Director for a period or periods not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof 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 to settle any question or difficulty in connection therewith and incidental thereto."

10. 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 the Whole-time Director of the Company for a period of six months with effect from 1<sup>st</sup> April 2018, 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 2018-19, 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."

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

"RESOLVED that pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Section 188 and other applicable provisions, if any, 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), and subject to such other approvals, permissions and/or sanctions as may be necessary of appropriate authorities or institutions under any law, regulations or guidelines or under the covenants of agreements, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee of the Board) to enter into/continuation of contract(s)/ arrangement (s)/transaction(s) with JK Lakshmi Cement Limited, the Holding company (JKLC) and a Related Party within the meaning of the aforesaid provisions of law, upto a maximum amount of ` 750 Crore, on an annual basis, from the Financial Year 2018-19 and onwards, in the ordinary course of the Company's business and on arm's length basis and on such terms and conditions as may be mutually agreed to between JKLC and the Company, subject to requisite approval of the Audit Committee of Directors of the Company, from time to time, and all such transactions with JKLC be and are hereby approved, ratified and confirmed.

RESOLVED FURTHER that the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution, without requiring any further approval of the Members and to do all such acts, deeds and things as may be deemed necessary and expedient in this regard including to sign and execute necessary documents and papers on an ongoing basis."

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

"RESOLVED that pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Section 188 and other applicable provisions, if any, 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), and subject to such other approvals, permissions and/or sanctions as may be necessary of appropriate authorities or institutions under any law, regulations or guidelines or under the covenants of agreements, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee of the Board) to enter into/continuation of contract(s)/arrangement (s)/ transaction(s) with Hansdeep Industries & Trading Company Limited, the fellow subsidiary (HITCL) and a Related Party within the meaning of the aforesaid provisions of law, upto a maximum amount of ₹ 750 Crore, on an annual basis, from the Financial Year 2018-19 and onwards, in the ordinary course of the Company's business and on arm's length basis and on such terms and conditions as may be mutually agreed to between HITCL and the Company, subject to requisite approval of the Audit Committee of Directors of the Company, from time to time, and all such transactions with HITCL be and are hereby approved, ratified and confirmed.

RESOLVED FURTHER that the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution, without requiring any further approval of the Members and to do all such acts, deeds and things as may be deemed necessary and expedient in this regard including to sign and execute necessary documents and papers on an ongoing basis."

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

"RESOLVED that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, including any amendment, modification or re-enactment thereof, and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of the Board) to constitute, offer, issue and allot Secured Non-Convertible Debentures of upto ₹ 200 Crore (hereinafter referred to as the "NCDs"), on private placement basis, in one or more tranches and series, from time to time, during a period of one year from the date of passing of this Resolution, to the eligible investors, subject to requisite credit rating and other applicable requirements, from time to time.

RESOLVED FURTHER that the Board be and is hereby authorised to determine issue price, tenor, interest rate, number of NCDs to be issued/offered in each tranche and the class of investors, listings and other terms & conditions of the NCDs, as may be deemed necessary or expedient in the best interest of the Company, without requiring any further recourse to and/or approval of the Members, to appoint Debenture Trustee(s), RTA and other intermediaries and to settle any question or difficulties and to do all acts, deeds and things in connection therewith and incidental thereto to give effect to this Resolution."

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

"RESOLVED that in supersession of the Resolution passed by the Company with respect to the borrowing powers of the Board of Directors at the Annual General Meeting of the Company held on 19<sup>th</sup> September 2015, consent of the Company be and is hereby accorded pursuant to

Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act'), or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as "the Board") for borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary and/or expedient for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate ` 1000 Crore (Rupees One Thousand Crore only)."

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

"RESOLVED that in supersession of the Resolution passed by the Company with respect to mortgaging and/or charging by the Board of Directors through Postal Ballot on 21<sup>st</sup> September 2015, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the 'Act'), or any statutory modification or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as "the Board") to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situated and the whole or substantially the whole of any one or more of the said undertakings of the Company, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding ` 1000 Crore in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other financial instruments or assistance.

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

By Order of the Board

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

Place : New Delhi  
Date : 30<sup>th</sup> June 2018

## 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. INSTRUMENT APPOINTING PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. 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. 3 to 15 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 such 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 and the copies thereof at the Secretarial 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 3<sup>rd</sup> August 2018 to 9<sup>th</sup> August 2018 (both days inclusive)
6. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for the Financial Year 2017-18, the Notice of the 22<sup>nd</sup> AGM of the Company along with Admission Slip and Proxy Form are being sent to all the Members whose e-mail addresses are registered/available with the Company/Depository Participants. These documents will also be available on the Company's website i.e. [www.udaipurcement.com](http://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 2017-18, the Notice of the 22<sup>nd</sup> AGM of the Company along with Admission Slip and Proxy Form are being sent to those Members who have not registered their e-mail addresses with the Company/Depository Participants. We request such Members to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. Appointment of Directors

For relevant details of the Directors seeking re-appointment/appointment i.e. Shri Rohni Kumar Gupta (Resolution No. 2 & 10), Smt. Vinita Snghanian (Resolution No. 4), Shri Shrivats Singhania (Resolution No. 5), Shri Surendra Malhotra (Resolution No. 7), Shri Naveen Kumar Sharma (Resolution No. 6 & 9) and Shri Vinit Marwaha (Resolution No. 8) as required under Regulation



36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, please refer Item No. 4,5,6,7,8,9 & 10 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 Administration) Rules, 2014, Secretarial Standard on General Meetings, and Regulation 44 of the Listing Regulations, as amended from time to time, the Company is pleased to provide Members, facility to exercise their right to vote at the 22<sup>nd</sup> 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, 6<sup>th</sup> August 2018 (10:00 A.M.) and ends on Wednesday, 8<sup>th</sup> August 2018 (5:00 P.M.). During this period, Members of the Company, holding Shares either in physical form or in dematerialized form, as on Thursday, 2<sup>nd</sup> August 2018 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 shall not be entitled to vote at the AGM.
- (iii) The Members should log on to the e-voting website [www.evotingindia.com](http://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) Members holding Shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted earlier for any company, then 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"> <li>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 or email text, as the case may be.</li> <li>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.</li> </ul>
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 a demat account holder has forgotten the changed login 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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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](http://www.evotingindia.com) , under help section. The contact details of Official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A-Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, lower Parel (E), Mumbai – 400 013; Phone No. 1800225533 or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 remote 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.
11. 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.
12. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website [www.udaipurcement.com](http://www.udaipurcement.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and shall simultaneously be forwarded to the Stock Exchange. The result of the voting will also be displayed on the Notice Board at the Registered Office and the Secretarial Office of the Company.

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**STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3**

The Board at its Meeting held on 30<sup>th</sup> June 2018, appointed M/s. HMVN & 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 2018-19 commencing on 1<sup>st</sup> April 2018 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. 4**

The Board of Directors of the Company has appointed Smt. Vinita Singhania (DIN:00042983) as an Additional Director of the Company w.e.f. 30<sup>th</sup> June 2018.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act), Smt. Vinita Singhania holds such office up to the date of the forthcoming Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. The Company has in terms of Section 160 of the Act, received in writing, a notice from a Member, proposing the candidature of Smt. Vinita Singhania for the office of Director. Smt. Vinita Singhania once appointed, will be liable to retire by rotation. The Company has also received requisite declarations from Smt. Vinita Singhania confirming that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is also not debarred from holding the office of Director by virtue of any SEBI order or of any other Authority along with her consent to act as a Director of the Company.

Smt. Vinita Singhania, aged 66 years, is a Graduate in Arts. She is an industrialist having diversified and rich business experience of over 30 years.

Smt. Vinita Singhania has long experience in managing Cement business. Through her exemplary attitude and contributions to the Industry, she is well recognized as a Dynamic Leader. Smt. Singhania has the distinction of being the first woman President of Cement Manufacturers Association (CMA) as well as National Council for Cement and Building Materials (CBM). Through her journey over the years, she has been a recipient of many renowned awards such as CEO of the year, businesswoman of the year and other such accolades. She takes keen interest in CSR activities and was recently honored with ET NOW CSR Leadership "Lifetime Achievement Award."

Smt. Vinita Singhania holds 33,100 Equity Shares of ₹ 4 each of the Company and is related to Shri Shrivats Singhania, Director of the Company, being her relative. Smt. Singhania is the Vice Chairman & Managing Director of JK Lakshmi Cement Limited. Her other Directorships are-(A) Listed Companies-JK Paper Limited, Bengal & Assam Company Limited, HEG Limited, (B) Unlisted Companies-JKLC Employees' Welfare Association Limited, Dhanlakshmi Building Development Private Limited, Hari Shankar Singhania Holdings Private Limited, Niyojit Properties Private Limited,

Vinita Stock Holdings Private Limited. Chairmanship/Membership of Smt. Singhania in Committees of other Boards in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - NIL. The terms and conditions of appointment including remuneration of Smt. Singhania will be as may be approved by the Members at this Annual General Meeting.

Keeping in view her vast expertise, knowledge and experience, it will be in the interest of the Company to appoint Smt. Vinita Singhania as a Director of the Company. Accordingly, the Board recommends her appointment.

Smt Vinita Singhania for herself and through her relatives including Shri Shrivats Singhania, a Director, to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives is in any way concerned or interested, financially or otherwise in the said Resolution.

#### Item No. 5

The Board of Directors of the Company has appointed Shri Shrivats Singhania (DIN: 02359242) as an Additional Director of the Company w.e.f. 30<sup>th</sup> June 2018.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act), Shri Shrivats Singhania holds such office up to the date of the forthcoming Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. The Company has in terms of Section 160 of the Act, received in writing, a notice from a Member, proposing the candidature of Shri Shrivats Singhania for the office of Director. Shri Shrivats Singhania once appointed, will be liable to retire by rotation. The Company has also received requisite declarations from Shri Shrivats Singhania confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is also not debarred from holding the office of Director by virtue of any SEBI order or of any other Authority along with his consent to act as a Director of the Company.

Shri Shrivats Singhania aged, 34 years, is a graduate in B.Sc. (Hons. in Business and Management) from IILM, New Delhi associated with Bradford University, U.K. and an Associate of Arts from Landmark College, Putney, VT(USA). He has developed entrepreneurial skills through participation in several management development programmes including "Immerging Leaders Programme" conducted by London Business School and Programme on "Effective Communication for Managerial Success" by IIM - Lucknow, to name a few.

Shri Singhania belongs to the large and well reputed "JK Group", a diversified industrial conglomerate comprising of large companies engaged in manufacturing of Paper and Boards, Cement, Tyres & Tubes, V-Belts, Oil Seals, Hybrid seeds, Dairy Products, Textiles, System Engineering, Power transmission, Defence equipment, Health Care and Clinical Research etc. He has had extensive training in different positions & levels and gained a diversified and rich business experience of more than 11 years including in marketing of paper business and cement manufacturing activities in JK Group Companies besides conceptualisation and setting up of 3D Printing Services and a Restaurant. Shri Singhania presently holds the position of Vice President-Marketing Development in JK Paper Ltd.

Shri Shrivats Singhania does not hold any Equity Shares of the Company and is related to Smt. Vinita Singhania, Director of the Company, being his relative. His other Directorships are-(A) Listed Companies- Nil (B) Unlisted Companies- Param Shubham Vanijya Limited. Chairmanship/Membership of Shri Singhania in Committees of other Boards in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - NIL. The terms and conditions of appointment including remuneration of Shri Singhania will be as may be approved by the Members at this Annual General Meeting.

Keeping in view his knowledge and experience, it will be in the interest of the Company to appoint Shri Shrivats Singhania as a Director of the Company. Accordingly, the Board recommends his appointment.

Shri Shrivats Singhania for himself and through his relatives including Smt. Vinita Singhania, a Director, to the extent of their shareholding, if any, in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives is in any way concerned or interested, financially or otherwise in the said Resolution.

#### Item No. 6

The Board of Directors of the Company has appointed Shri Naveen Kumar Sharma (DIN: 08152305) as an Additional Director of the Company w.e.f. 30<sup>th</sup> June 2018.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act), Shri Naveen Kumar Sharma holds such office up to the date of the forthcoming Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. The Company has in terms of Section 160 of the Act, received in writing, a notice from a Member, proposing the candidature of Shri Naveen Kumar Sharma for the office of Director. Shri Naveen Kumar Sharma, once appointed, will be liable to retire by rotation. The Company has also received requisite declarations from Shri Naveen Kumar Sharma confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is also not debarred from holding the office of Director by virtue of any SEBI order or of any other Authority along with his consent to act as a Director of the Company.

Shri Naveen Kumar Sharma, aged 51 years holds a Master's Degree in Manufacturing Management (from BITS-Pilani) and in Mathematics (from Rajasthan University-Jaipur) in addition to Post Graduate Diploma in Environmental Studies (from Rajasthan University-Jaipur) and Post Diploma in Industrial Safety (from Regional Labour Institute (RLI), GOI, Kanpur) is currently working as Sr. Vice President (Works) in JK Lakshmi Cement Limited.

Shri Naveen Kumar Sharma has more than 30 years of experience of Cement, Steel and Power Industry in the areas of Developing Green Field Projects, Operations, Process Optimization, CSR, Environmental and Safety Management. He is currently working as Sr. Vice President (Works) in JK Lakshmi Cement Limited. Shri Sharma is Member of National Environment Committee and Climate Change Council of Confederation of Indian Industry (CII) - New Delhi, National Environment Committee of PHD Chamber of Commerce - New Delhi, and Vice Chairman of Technical Committee and Environment and Energy Task Forces of Cement Manufacturers Association of India (CMA) - New Delhi. Further, more than 27 papers, authored by him, have been published in various industry relevant issues in National and International magazines of repute.

Shri Naveen Kumar Sharma does not hold any Equity Shares of the Company and is not related to any Director/Key Managerial Personnel of the Company. His other Directorships are-(A) Listed Companies- Nil (B) Unlisted Companies- Nil. Chairmanship/Membership of Shri Naveen Kumar Sharma in Committees of other Boards in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - NIL. The terms and conditions of appointment including remuneration of Shri Naveen Kumar Sharma will be as may be approved by the Members at this Annual General Meeting.

Keeping in view his knowledge and experience, it will be in the interest of the Company to appoint Shri Naveen Kumar Sharma as a Director of the Company. Accordingly, the Board recommends his appointment.

Except Shri Naveen Kumar Sharma 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.

#### Item No. 7

The Board of Directors of the Company has appointed Shri Surendra Malhotra (DIN: 00271508) as an Additional Director of the Company w.e.f. 30<sup>th</sup> June 2018 in the category of Independent Director. to hold office for a term of five consecutive years from the said date, subject to approval of the Members at the forthcoming Annual General Meeting (AGM).

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act), Shri Surendra Malhotra holds such office up to the date of the forthcoming AGM and is eligible to be appointed as a Director of the Company. The Company has in terms of Section 160 of the Act, received in writing, a notice from a Member, proposing the candidature of Shri Surendra Malhotra for the office of Director. The Company has also received requisite declarations from Shri Surendra Malhotra confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is also not debarred from holding the office of Director by virtue of any SEBI order or of any other Authority along with his consent to act as a Director of the Company. The Company has also received a declaration from Shri Surendra Malhotra that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation). In the opinion of the Board, Shri Surendra Malhotra fulfils the conditions for his appointment as an Independent Director as specified in the Act and Rules made thereunder and the Listing Regulations. Shri Surendra Malhotra is independent of the management and possesses appropriate skills, experience and knowledge.

Shri Surendra Malhotra, aged 77 years, is a Mechanical Engineer with Post Graduate Management qualification from West Germany. Shri Malhotra has over 52 years of work experience in various capacities and also holds Board level positions in corporate sector for over 20 years. Presently, he serves on the Board of various companies like Florence Investech Limited, J.K. Fenner (India) Limited, BMF Investments Limited to name a few. He was formerly the Managing Director of Orissa Synthetics Limited.



Shri Malhotra has represented the Industry and Trade bodies in Joint Business Councils with other countries and has been a Member of business delegations representing the country. Shri Malhotra is a fellow of the Institution of Engineers and Member of All India Management Association. He is also a Member of India International Centre besides his involvement in various other sports, social and cultural organizations.

Shri Surendra Malhotra does not hold any Equity Shares of the Company and is not related to any Director/Key Managerial Personnel of the Company. His other Directorships are-(A) Listed Companies- Florence Investech Limited (B) Unlisted Companies- BMF Investments Limited, J.K. Fenner (India) Limited, Juggilal Kamlapat Udyog Limited, Param Shubham Vanijya Limited, J.K. Credit and Finance Limited, Global Strategic Technologies Limited, CliniRx Tangent Research India Private Limited, J.K. Risk Managers & Insurance Brokers Ltd., He is also Member of Managing Committee of Lakshmipat Singhania Foundation for Higher Learning. Chairmanship/Membership of Shri Surendra Malhotra in Committees of other Boards in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Shri Surendra Malhotra is a Chairman of Audit Committee and Member of Stakeholders Relationship Committee of Florence Investech Limited, Member of Audit committee of J.K. Fenner (India) Limited and Chairman of Audit Committee of BMF Investments Limited.

Copy of the draft letter of appointment of Shri Surendra Malhotra as an Independent Director setting out the terms and conditions of his 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 AGM and also at the venue of the Meeting.

Shri Surendra Malhotra has got rich and varied experience. It would be in the interest of the Company to avail his considerable expertise and experience and appoint him as an Independent Director of the Company. Pursuant to Regulation 17 (1A) of the Listing Regulations as amended, approval of Members by means of a Special Resolution is sought for appointment of Shri Surendra Malhotra.

Keeping in view his experience, expertise and knowledge, it will be in the interest of the Company to appoint Shri Surendra Malhotra as an Independent Director of the Company for a term of five consecutive years w.e.f. 30<sup>th</sup> June 2018. Accordingly, the Board recommends his appointment.

Except Shri Surendra Malhotra 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.

Item No. 8

The Board of Directors of the Company has appointed Shri Vinit Marwaha (DIN: 00051403) an existing Non-executive Director of the Company, liable to retire by rotation, as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f. 10<sup>th</sup> May 2018, subject to approval of the Members at the forthcoming AGM. Shri Vinit Marwaha holds such office up to the date of the forthcoming AGM. The Company has in terms of Section 160 of the Act, received in writing, a notice from a Member, proposing the candidature of Shri Vinit Marwaha for

the office of Director.

The Company has received requisite declarations from Shri Vinit Marwaha confirming that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act and is also not debarred from holding the office of Director by virtue of any SEBI order or of any other Authority along with his consent to act as a Director of the Company. The Company has also received a declaration from Shri Vinit Marwaha that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board, Shri Vinit Marwaha fulfils the conditions for his appointment as an Independent Director as specified in the Act and Rules made thereunder and the Listing Regulations. Shri Vinit Marwaha is independent of the management and possesses appropriate skills, experience and knowledge.

Shri Vinit Marwaha, aged 66 years, is a Commerce Graduate. He joined the Board of Directors of the Company on 3<sup>rd</sup> March 2004. Shri Marwaha has a vast experience in field of Taxation and Corporate matters.

Shri Vinit Marwaha does not hold any Equity Shares of the Company and is not related to any Director/Key Managerial Personnel of the Company. His other Directorships are-(A) Listed Companies-NIL (B) Unlisted Companies- JK Enviro-Tech Limited, Rouncy Tradings Private Limited, Saptrishi Consultancy Services Limited, Pranav Investment (M.P) Company Limited. Chairmanship/Membership of Shri Vinit Marwaha in Committees of other Boards in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Nil

Copy of the draft letter of appointment of Shri Vinit Marwaha as an Independent Director setting out the terms and conditions of his 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 AGM and also at the venue of the Meeting.

Keeping in view his experience, expertise and knowledge, it will be in the interest of the Company to appoint Shri Vinit Marwaha as an Independent Director of the Company for a term of five consecutive years w.e.f. 10<sup>th</sup> May 2018. The Board recommends his appointment.

Except Shri Vinit Marwaha 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.

Item No. 9

The Board of Directors of the Company has appointed Shri Naveen Kumar Sharma (DIN: 08152305) as a Whole-time Director of the Company for a tenure of three years w.e.f. 1<sup>st</sup> October 2018 on the terms and remuneration determined by the Nomination & Remuneration Committee of Directors, 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 the Year 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 <sup>st</sup> March 2018	₹ in Lakh
Net Sales and Other Income	37,673.72
Profit/(Loss) before Exceptional Items and Tax	(7,589.80)
Profit/(Loss) Before Tax	(7,315.97)
Profit/(Loss) After Tax	(4,335.15)
Total Comprehensive Income/(Loss) for the year	(4,370.85)

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

II. Information about the Appointee:

1. Requisite details about Shri Naveen Kumar Sharma are given under Item No. 6 of this Statement and forms an integral part hereof and not repeated for brevity sake.
2. Past remuneration: Not Applicable
3. Job Profile and his suitability: Shri Naveen Kumar Sharma as Whole-time Director of the Company will be vested with substantial powers of management under the superintendence, control and direction of the Board of Directors of the Company. He will also be involved in policy planning, vision and strategy and developmental activities of the Company, besides Corporate Governance and Board coordination. Shri Sharma will also be the Occupier in respect of the Company's Cement Plant and will also be responsible for plant operations and other corporate matters.
4. Remuneration Proposed: The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective Meetings held on 30<sup>th</sup> June 2018 have approved the following terms of remuneration of Shri Naveen Kumar Sharma for a tenure of 3 years w.e.f. 1<sup>st</sup> October 2018:
  - A. Salary: ₹ 2.50 Lakh 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, vary or alter 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 197, 198 and other applicable provisions of the Companies Act, 2013 in any Financial Year or Years, the Whole-time Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A and B above, as minimum remuneration and be also entitled to perquisites mentioned in paras C, D and E above.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The executive remuneration in the industry has increased manifold. The Nomination and Remuneration Committee constituted by the Board in terms of the Act and the 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 Naveen Kumar Sharma does not have any pecuniary relationship with the Company. Shri Naveen Kumar Sharma is not related to any other Director and Key Managerial Personnel 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. Due to higher depreciation and finance cost, the Company suffered a net Loss of ` 4370.85 Lakh against a net profit of ` 274.00 Lakh in the previous Financial Year.
2. The Company has launched its new brand "PLATINUM HEAVY DUTY CEMENT" which is well

accepted in the nearby market. The present capacity utilization of the plant is above 90%. With various initiatives taken for optimization of plant operation and cost efficiency measures, we are hopeful of better profitability in near future.

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 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 Naveen Kumar Sharma 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.

#### Item No. 10

The Board of Directors of the Company has re-appointed Shri Rohni Kumar Gupta (DIN:00086630) as Whole-time Director of the Company for a tenure of 6 months w.e.f 1<sup>st</sup> April 2018 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 the 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 <sup>st</sup> March 2018	₹ in Lakh
Net Sales and Other Income	37,673.72
Profit/(Loss) before Exceptional Items and Tax	(7,589.80)
Profit/(Loss) Before Tax	(7,315.97)
Profit/(Loss) After Tax	(4,335.15)
Total Comprehensive Income/(Loss) for the year	(4,370.85)

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

II. Information about the Appointee:

1. Shri Rohni Kumar Gupta, aged 66 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 44 years of experience in various companies in executive positions and has served the Company for about 24 years in various capacities.

Shri Gupta, has been Whole-time Director of the Company since 26<sup>th</sup> May 2003. He attended all the four Board Meetings of the Company held during the Financial Year ended 31<sup>st</sup> March 2018. 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 as approved by the Members of the Company at their Annual General Meeting held on 10<sup>th</sup> August 2017. 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 Directors 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 9<sup>th</sup> February 2018 have approved the following terms of remuneration of Shri Rohni Kumar Gupta for a tenure of 6 months w.e.f. 1<sup>st</sup> April 2018:
  - A. Salary: ₹ 2.90 Lakh 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 the 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. Due to higher depreciation and finance cost, the Company suffered a net Loss of ` 4370.85 Lakh against a net profit of ` 274.00 Lakh in the previous Financial Year.
2. The Company has launched its new brand "PLATINUM HEAVY DUTY CEMENT" which is well accepted in the nearby market. The present capacity utilization of the plant is above 90%. With various initiatives taken for optimization of plant operation and cost efficiency measures, we are hopeful of better profitability in near future.
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.

#### Item No. 11 & 12

The Company had obtained omnibus approval of the Members of the Company by means of Resolutions passed at the Annual General Meeting (AGM) of the Company held on 17<sup>th</sup> September 2016 for Related Party Transactions entered into/to be entered into with JK Lakshmi Cement Limited, the Holding Company/Promoter (JKLC) and Hansdeep Industries and Trading Company Limited, the Fellow Subsidiary (HITCL) upto an amount of ₹ 750 Crore each, on an annual basis, for the Financial Year 2016-17 & onwards. JKLC and HITCL continues to provide all requisite assistance and support including technical, financial and operational support to the Company in the normal course of business.

While the transaction(s) by the Company with JKLC and HITCL being in the ordinary course of business and on arm's length basis, does not require any approval of the Members pursuant to the provisions of Section 188 of the Companies Act, 2013 (Act), approval of the Members is sought under the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for all material related party transactions. A transaction with a related party shall be considered material under the Listing Regulations, if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements. Based on the financial results of the Company for the Financial Year ended 2017-18, the 10% of the annual turnover of the Company works out to be ₹ 3760.69 Lakh.

It is therefore considered desirable to obtain fresh omnibus approval of the Members by way of renewal for the Financial Year 2018-19 and onwards in respect of Related Party Transactions that may be entered into with JKLC and HITCL in the ordinary course of business and on arm's length basis within the limits of ₹ 750 Crore each on an annual basis already approved by the Members at the above AGM, subject to requisite approval of the Audit Committee of Directors of the Company, from time to time, pursuant to the provisions of Section 177 of the Act read with relevant Rules made thereunder and Regulation 23 of Listing Regulations.

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



1	Name of Related Parties	JK Lakshmi Cement Limited (JKLC) and Hansdeep Industries & Trading Co. Ltd. (HITCL)
2	Name of Director or KMP who is related	JKLC : Smt. Vinita Singhania and Shri Shrivats Singhania HITCL : None
3	Nature of relationship	JKLC : The Company is a Subsidiary HITCL : Fellow Subsidiary
4	Monetary value	Transaction(s) value with JKLC & HITCL for the FY 2018-19 and onwards shall not exceed ` 750 Crore each during any Financial Year(s).
5	Nature, material terms and particulars of contract/arrangement	Transactions shall be in the ordinary course of the Company's business and on arm's length basis subject to requisite approval of the Audit Committee of Directors of the Company, from time to time, pursuant to the provisions of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6	Any advance paid or received for the arrangement	As per industry norms, custom and usage.

The Board, accordingly, recommends passing of the Resolutions as set out in Item No. 11 & 12 of this Notice by the Members, in the best interest of the Company.

JKLC, holds in aggregate 22,58,92,781 Equity Shares of the Company (72.54%) and may be deemed to be concerned or interested in the Resolutions. Smt. Vinita Singhania, a Related Party, being Vice Chairman and Managing Director (Key Managerial Personnel) of JKLC and through her relatives including Shri Shrivats Singhania, to the extent of their shareholding, if any, in the Company may be deemed to be interested in the Resolutions. Other related parties of the Company including Shri R.K.Gupta and Shri O.N.Rai, Directors of the Company, to the extent of their shareholding in the Company, may be deemed to be concerned or interested in the Resolutions and shall also abstain from voting on said Resolutions.

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 Resolutions. The Board recommends aforesaid Resolutions for approval of the Members.

#### Item No. 13

It is proposed to obtain omnibus approval of the Members of the Company authorising the Board of Directors to raise funds by way of issue of Secured Non-Convertible Debentures (NCDs), as mentioned in the proposed Resolution, upto an amount not exceeding ` 200 Crore in the aggregate, in one or more tranches and series, at such times, as they may in their absolute discretion deem appropriate on Private Placement basis, *inter alia* to refinance the existing loans etc., part-finance the capital expenditure from time to time and to augment long term resources of the Company. This is an enabling Resolution and the Company may issue NCDs, subject to applicable laws and necessary compliances as mentioned in the Resolution.

Pursuant to Sections 42 and 71 of the Companies Act, 2013 read with the Rules made thereunder, a company offering or making an invitation to subscribe to NCDs on private placement basis is required to obtain prior approval of the Members by means of a Special Resolution. Such an

approval can be obtained once a year for all the offers and/or invitations made for such issue of NCDs for a period of one year from the date of passing of such Resolution.

The Resolution is accordingly recommended for approval of the Members, in the best interest of the Company, by way of Special Resolution. 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. 14

The Company at its Annual General Meeting held on 19<sup>th</sup> September 2015, had authorised the Board of Directors of the Company to continue to borrow for the purposes of the Company, moneys in excess of paid-up capital of the Company and its free reserves upto an amount not exceeding ₹ 750 Crore, at any point of time pursuant to Section 180(1)(c) of the Companies Act, 2013 (Act). The Company's activities have increased significantly. To meet the increasing requirements of funds for various expansion and other projects envisaged by the Company, it is considered necessary to increase the said borrowing limits to ₹ 1000 Crore.

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

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

Item No. 15

The Company vide Resolution passed by means of Postal Ballot on 21<sup>st</sup> September 2015, had authorised the Board of Directors of the Company to continue to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance not exceeding ₹ 750 Crore, in the aggregate on account of principal, together with interest thereon pursuant to Section 180(1)(a) of the Companies Act, 2013 (Act).

The operations of the Company have increased significantly. To meet the increasing requirements of funds for various expansion and other projects, the Company will have to resort to further borrowings from financial and other lending institutions upto a limit of ₹ 1000 Crore, sanctioned by the Board. As security for such borrowings, the immovable and movable properties of the Company, present or future, pertaining to any one or more of its units will have to be mortgaged/charged in favour of Financial and other lending institutions.

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

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

By Order of the Board

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

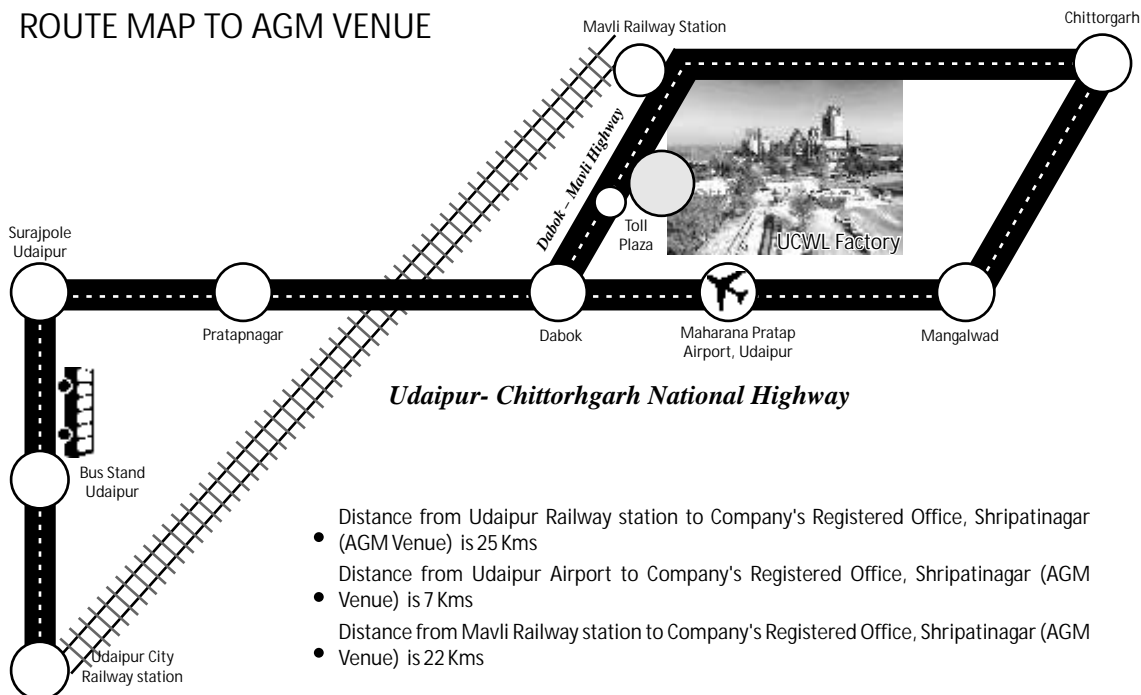
Place : New Delhi  
Date : 30<sup>th</sup> June 2018

## 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 Agent: MCS Share Transfer Agent Limited, F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 (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 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](http://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), 3<sup>rd</sup> Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110 002 or E-mail: [rohni\\_gupta@hotmail.com](mailto:rohni_gupta@hotmail.com) in case RTA's response is not received within a week's time.
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: Pursuant to SEBI Circular dated 8<sup>th</sup> June 2018, the securities of listed companies can be transferred only in dematerialised mode w.e.f. 5<sup>th</sup> December 2018. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise Shares held by them in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN 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 form, with their Depository Participants; and (2) physical mode with MCS Share Transfer Agent Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request : Folio No./DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address and send the same under your signature(s).

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

## UDAIPUR CEMENT WORKS LIMITED

(CIN: L26943RJ1993PLC007267)

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

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

Email: [ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com) , Website: [www.udaipurcement.com](http://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 22<sup>nd</sup> Annual General Meeting of the Company being held at Shripati Nagar, P.O. CFA, Udaipur-313021 (Rajasthan) on Thursday, the 9<sup>th</sup> August 2018, at 11.00 A.M.

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

\*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, 3<sup>rd</sup> Floor, 6A, Bahadur Shah Zafar Marg, New Delhi-110 002

Email: [ucwl.investors@jkmil.com](mailto:ucwl.investors@jkmil.com) , Website: [www.udaipurcement.com](http://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 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Thursday, the 9<sup>th</sup> August 2018 at 11:00 A.M. at Shripati Nagar, P.O. CFA, Udaipur - 313 021 (Rajasthan) and at any adjournment thereof in respect of such Resolutions as are given on the next page:

Contd.

Resolution No	Resolution(s)
1	Consideration and adoption of the Audited Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March 2018 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	Ratification of the remuneration of Cost Auditors.
4	Appointment of Smt. Vinita Singhania (DIN: 00042983) as a Director.
5	Appointment of Shri Shrivats Singhania (DIN: 02359242) as a Director.
6	Appointment of Shri Naveen Kumar Sharma (DIN: 08152305) as a Director.
7	Appointment of Shri Surendra Malhotra (DIN: 00271508) as an Independent Director.
8	Appointment of Shri Vinit Marwaha (DIN: 00051403) as an Independent Director.
9	Appointment of Shri Naveen Kumar Sharma (DIN: 08152305) as a Whole-time Director.
10	Re-appointment of Shri Rohni Kumar Gupta (DIN: 00086630) as a Whole-time Director.
11	Approval of Related Party Transactions with JK Lakshmi Cement Limited.
12	Approval of Related Party Transactions with Hansdeep Industries & Trading Company Limited.
13	Approval for Issue of Secured Non-Convertible Debentures of upto ` 200 Crore.
14	Authorisation to the Board of Directors for borrowings upto an amount not exceeding ` 1000 Crore.
15	Authorisation to the Board of Directors to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding ` 1000 Crore.

Signed this.....day of.....2018

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Member(s)

\_\_\_\_\_  
Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed, signed & stamped 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.



## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION &amp; ANALYSIS

Dear Members,

Your Directors are pleased to present the 22<sup>nd</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2018.

## FINANCIAL RESULTS

(` in Lakh)

	2017-18	2016-17
Sales & Other Income	38,607.96	9,770.95
Profit / (Loss) before Interest & Depreciation	2180.75	385.23
Profit / (Loss) before Depreciation	(4557.32)	369.90
Depreciation	3032.48	489.20
Profit / (Loss) before Exceptional Items & Tax	(7589.80)	(119.30)
Exceptional Items - Net Income	273.83	404.12
Deferred Tax	(3000.00)	-
Other Comprehensive Income/(Loss)	(54.88)	(10.82)
Total Comprehensive Income/(Loss)	(4370.85)	274.00

## PERFORMANCE

After commissioning of its integrated cement plant in March 2017, your Company has successfully run the plant operation and launched its "PLATINUM HEAVY DUTY CEMENT" brand which gained well acceptance in the nearby market. During the Financial Year 2017-18, the production scaled a new high at 10.72 Lakh tonnes with sales at 10.74 Lakh tonnes. The Company's EBIDTA stood higher at ` 2180.75 Lakhs during the Year compared to ` 385.23 Lakhs in the previous Year. However, due to higher depreciation and finance cost, the Company suffered a net Loss of ` 4370.85 Lakhs against a net profit of ` 274.00 Lakh in the previous Financial Year.

## OUTLOOK FOR INDIAN ECONOMY

Indian economic growth, after hitting a three-year low of 5.7% in the first Quarter of the Financial Year 2017-18, made an impressive comeback in the second Quarter to 6.3%, which further increased to 7.2% in the third Quarter and continued its upward climb to 7.7% in the fourth Quarter on the back of strong performance in manufacturing sector. With this, Indian Economy has regained its momentum and reclaimed 'world's fastest growing economy' tag from China. It is heartening to note that during the Year, there has been notable reduction in the fiscal deficit as a percentage of GDP.

Lower inflation coupled with healthy growth in direct as well as in indirect tax collection is a good sign for the industry as well for the economy. With emphasis on infrastructure and housing, we expect that cement demand will bounce back to respectable levels, signs of which are already visible during last a few months.

Yet there are some signs of worry as well. Weakening of Rupee against Dollar and rising crude oil prices will impact the industry and economy in terms of rising costs and reducing operating margins. To offset these cost pressure, it is important that there is healthy growth in demand which would lead to better capacity utilization and consequent reduction in the fixed cost. A good monsoon combined with robust growth in rural income and rural demand could well be the key to sustain the growth momentum.

Your Company has adequate systems and processes to continuously monitor the economic environment at macro and micro level, analyze the impact on the industry in general and the

Company in particular such that proactive actions can be taken either to mitigate the risks or to make use of the arising opportunities.

#### INDUSTRY OVERVIEW - THREAT & OPPORTUNITIES

Government spending on large infrastructure development projects such as Highways, Freight Corridors, Industrial Corridors, Inland Water Ways, Ports, etc. has always been the key driver of growth in cement demand and boosting of industry sentiments. In addition to these, private spending on housing and real estate is also significant contributor to overall demand for cement in the country. Though the tough economic reforms such as demonetization in November 2016 and GST implementation in July 2017 did turn out to be dampener in demand growth but it now appears that the worst is over and the tide is gradually turning back.

Since last six months or so there has been a healthy growth in Cement Demand and we expect that this momentum shall now continue for a considerable long duration. This to some extent may provide some respite to the industry which at an aggregate level has nearly 40% surplus capacity, however, as witnessed in past, industry capacity utilization levels reaching in the vicinity of 80% provide a fresh trigger for new capacity additions. Hence, surplus capacity of ~20%+ seems to be a new industry norm. A reasonable surplus capacity is a good sign as it provides industry with a cushion to absorb unexpected surge in demand; especially when last a few years have seen a small percentage cement demand being substituted with other alternative construction materials. It is also an opportunity for the Industry to strive hard and expand the markets to those who till now have been non users.

The 'Housing for All' initiative of the government of India and especially the rural is one such opportunity for the industry to reach out to those who would perhaps be the first time user of cement. This indeed is a very challenging task; as to reach out to this new emerging segment of the market. The distribution and logistics will have to penetrate deep inside into the pockets where they have never been before. It is satisfying to note that your Company is putting its best foot forward to tap these emerging segments of the demand. We are working to strengthen our distribution network in our core markets and in fact in a short span of one year, more than 70% of our sales are achieved through distribution network which in industry parlance is better known as trade channel.

However, rising fuel cost is one of the worry that the industry will have to grapple with for quite some time in this environment of global uncertainties. At the same time, it is also an opportunity for the industry to be more efficient and explore new alternatives. The potential of using municipal solid waste and other industrial waste materials as fuel is a bit under-explored in India and hence is an opportunity. Industry has taken a pledge to increase the usage of alternative fuels including the plastic waste and the recently notified Plastic Waste Management Rules 2016 provide industry an opportunity to work with local municipal bodies and turn the waste into wealth.

Your company is continuously striving to maximize the leveraging of emerging opportunities and also minimizing the impact of these threats. As the manufacturing operations are gradually stabilizing and are expected to improve the operational efficiencies, our efforts of consolidating our presence in the market would certainly lead to better operating performance in the times to come.

#### HUMAN CAPITAL MANAGEMENT

The Company is known for its people centric approach ever since its inception. The Company has adopted best HR practices for retaining talents in the Organisation. To name a few, we have been able to initiate HR initiatives afresh for developing learning culture and starting programmes on Emerging Leadership, Strengthening PMS system through SMART based KRAs, 360 degree feedback, Launching of various employee engagement activities viz. Quality circles, SGAs, CFTs, 5S activities etc. Besides suggestion scheme and structured communication process, various training programmes for employee skill development both on functional and behavioral aspects are being organised in a structured way befitting benchmark practices.

With a view to develop belongingness amongst the employees and considering need of social, cultural and spiritual developments, planned welfare activities are being conducted in the plant. In order to retain talent in the Organisation, we have focussed on various key parameters like recruitment, career development, performance management, award & recognition, executive coaching & mentoring, motivating employees, employee survey, exit interviews etc.

CSR activities are being carried out mainly in eight nearby villages of Plant and Mines areas. Your Company focuses on five basic community needs such as Education, Health, Sustainable Livelihood, Rural Development and Social Causes at large.

Way forward, the Company has reviewed its earlier twelve Core Competencies for talent assessment and adopted seven Core Competencies for its executive development plan. The Company is constantly improving on People Management Practices and taking every step to enrich our major HR thrust areas which in turn has helped the Company in getting excellence in development on Human Capital. This has also paved way for CII and Green Tech Foundation Awards for environment, health and safety.

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

#### ENVIRONMENT, HEALTH AND SAFETY

Occupational environment, health and safety has always been on the priority agenda of the Management. It is gratifying to note that your Company has received the 'Greentech Safety Gold Award-2017', Certificate of appreciation from National Safety Council of India for appreciable achievement in Occupational Safety & Health for three years period: 2013-15, First Runner up for CII Northern Region Inter Industry Competition on Environment, Health and Safety Management and also received the First Prize for Publicity & Propaganda in Mechanized Opencast Mines (Group-A1) during Mine Safety Cleanliness and Silicosis Awareness Week 2017.

#### SHARE CAPITAL

During the Year, the Authorized Share Capital of the Company increased from ` 200 Crore to ` 250 Crore. As approved by the Members at the Annual General Meeting held on 10<sup>th</sup> August 2017, the Company issued 50,00,000, 6% Optionally Convertible Cumulative Redeemable Preference Shares of ` 100 each (OCCRPS), aggregating upto ` 50 Crore to JK Lakshmi Cement Limited, the Holding Company (JKLC), on preferential basis on 10<sup>th</sup> August 2017.

As per the Terms of Issue of OCCRPS, JKLC has exercised its right to convert 45,00,000 OCCRPS (part conversion out of 50,00,000 OCCRPS held) into Equity Shares of the Company. Consequently, 1,62,04,537 Equity Shares of ` 4 each, fully paid-up, of the Company were allotted to JKLC on 10<sup>th</sup> May 2018 @ ` 27.77 per Share pursuant to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the paid-up Equity Share Capital of the Company has increased from ` 118.08 Crore to ` 124.56 Crore.

#### INTERNAL CONTROL SYSTEM

The Company has in place adequate Internal Control System commensurate with the size and level of operations of the Company and the same were operating effectively throughout the year. The Internal Audit Team apart from submitting its Reports on the Audit Observations also submits its Report on the efficacy and adequacy of Internal Control Systems to the Chairman of Audit Committee of the Board. There are adequate checks & balances in place, wherein deviation from the systems laid-out are clearly identified and corrective actions are taken in the respective areas, wherever required.

## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial Control Policies and Procedures in relation to the size and nature of operations of the Company. This ensures accuracy and comprehensiveness of the Financial & Accounting Records. These are adequate for safeguarding of its assets and effective towards prevention and detection of frauds and errors. The Policies and Procedures are also adequate for orderly and efficient conduct of business of the Company. During the year, no reportable material weaknesses were observed in the system.

## EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31<sup>st</sup> March 2018 in the prescribed Form MGT-9 is attached as Annexure 'A' to this Report and forms a part of it.

## RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered into by the Company with JK Lakshmi Cement Ltd. (JKLC), the Holding Company and Hansdeep Industries & Trading Company Ltd. (HITCL), the Fellow Subsidiary during the Financial Year 2017-18, were within the limits of ₹ 750 Crore each, as authorized by the Members at the Annual General Meeting of the Company held on 17<sup>th</sup> September 2016 (AGM) and were in due 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 such 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' to this Report.

JKLC and HITCL continue to provide all requisite assistance and support including technical, financial and operational support to the Company in the normal course of business. The Board has recommended Resolutions seeking fresh omnibus approval of the Members by way of renewal for the Financial Year 2018-19 and onwards, within the limits already approved by the Members at the above AGM, in respect of Related Party Transactions that may be entered into with JKLC & HITCL, on an annual basis, as approved by the Audit Committee of Directors from time to time, 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.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT

The particulars of loans given, guarantees or securities provided and investments made as required under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has re-appointed Shri Rohni Kumar Gupta as a Whole-time Director of the Company, for a period of six months w.e.f. 1<sup>st</sup> April 2018, subject to requisite approval of the Members at the forthcoming Annual General Meeting (AGM). Pursuant to Section 152 of the Companies Act, 2013 (Act), Shri Rohni Kumar Gupta also retires by rotation at the forthcoming AGM and being eligible offers himself for re-appointment. The Board recommends re-appointment of Shri Rohni Kumar Gupta.

Shri Ganpat Singh, Non-executive Director, resigned from the Directorship of the Company w.e.f. 20<sup>th</sup> June 2018 owing to personal reasons. The Board places on record its appreciation of the valuable services rendered by him during the course of his tenure with the Company.

Shri Vinit Marwaha, a Director liable to retire by rotation, was appointed as an Independent Director of the Company by the Board w.e.f. 10<sup>th</sup> May 2018 to hold office for a term of 5 consecutive years subject to requisite approval of the Members at the forthcoming AGM. The Company has received

requisite Notice pursuant to Section 160 of the Act from Member and declaration from Shri Vinit Marwaha regarding his independence pursuant to Section 149 of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Board recommends appointment of Shri Vinit Marwaha as an Independent Director of the Company, not liable to retire by rotation.

Further, with a view to strengthen the Board, the Board appointed Smt. Vinita Singhania, Shri Shrivats Singhania, Shri Surendra Malhotra and Shri Naveen Kumar Sharma as Additional Directors of the Company w.e.f. 30<sup>th</sup> June 2018. They shall hold such office of Directors upto the date of forthcoming AGM of the Company. Requisite Notices pursuant to Section 160 of the Act have been received from Members of the Company proposing their candidatures as Directors of the Company. The Board recommends appointment of Smt. Vinita Singhania, Shri Shrivats Singhania and Shri Naveen Kumar Sharma as Directors liable to retire by rotation. Approval of the Members is also sought for appointment of Shri Naveen Kumar Sharma as Whole-time Director of the Company for period of 3 years w.e.f. 1<sup>st</sup> October 2018. The Board also recommends appointment of Shri Surendra Malhotra as an Independent Director of the Company for a term of 5 consecutive years w.e.f. 30<sup>th</sup> June 2018. The Company has received requisite declaration from him regarding his independence pursuant to Section 149 of the Act and Listing Regulations. As an Independent Director, Shri Malhotra shall not be liable to retire by rotation.

All the Independent Directors of the Company have given requisite declarations confirming that they meet the criteria of independence as provided in Act and Listing Regulations.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are annexed to this Report as Annexure 'C' and forms part of it.

#### DEPOSITS

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

#### AUDITORS

##### (a) Statutory Auditors and their Report

M/s Bansilal Shah & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 21<sup>st</sup> Annual General Meeting (AGM) held on 10<sup>th</sup> August 2017 until the conclusion of the 23<sup>rd</sup> AGM to be held in the Year 2019, subject to ratification by the Members at subsequent AGM to be held in the year 2018 in accordance with the provisions of the Companies Act, 2013. However, pursuant to the Companies (Amendment) Act, 2017, the requirement of ratification of appointment of the Auditors on yearly basis has been dispensed with. The observations of the Auditors in their Report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory.

##### (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 Namoo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the Financial Year 2017-18. The Report given by him for the said Financial Year in the prescribed format is annexed to this Report as Annexure 'D'. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

##### (c) Cost Auditor and Cost Audit Report

M/s HVMN & Associates, Cost Accountants, conducted the Audit of cost records of the Company for

the Financial Year ended 31<sup>st</sup> March 2017 and as required, Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India.

The Audit of the Cost Records of the Company for the Financial Year ended 31<sup>st</sup> March 2018 is being conducted by the said Firm and their Report will be duly filed.

#### PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the 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 up to the forthcoming Annual General Meeting. Any Member interested in obtaining such particulars may write to the Company Secretary.

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

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

#### CHANGE IN THE NATURE OF BUSINESS

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

#### 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, 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*, criteria for determining qualifications, positive attributes, independence of a Director, etc.
- (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.

#### COMPLIANCE OF SECRETARIAL STANDARDS

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

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- (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 sincere gratitude and appreciation to the Government of Rajasthan, other Government Authorities, Lending Institutions/ Banks for their continued support and cooperation. Your Directors also wish to place on record their sincere thanks to Dealers, Suppliers, Vendors, Customers and esteemed Shareholders of the Company for the faith and confidence reposed by them in the Company and its Management.

We also express deep sense of gratitude to JK Lakshmi Cement Limited, our Holding company and Hansdeep Industries & Trading Company Limited, a Fellow subsidiary, for all the timely financial, technical and operational support extended and for making turnaround and revival of the Company possible.

Your Directors also wish to acknowledge and sincerely appreciate Employees at all level of the Organization who have contributed for the growth of the Company and whose unstinted efforts has enabled the Company to move ahead in tough times.

#### CAUTIONARY STATEMENT

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

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

On behalf of the Board of Directors

Place: New Delhi  
Date: 30<sup>th</sup> June 2018

Vinit Marwaha  
Director

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

## ANNEXURE 'A' TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31<sup>st</sup> March 2018

[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 : 15<sup>th</sup> 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)  
Tele/Fax No. - 0294 - 2655077  
Email id:[ucwl.investors@jkm.com](mailto:ucwl.investors@jkm.com)  
Website: [www.udaipurcement.com](http://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](mailto:admin@mcsregistrars.com)  
Website : [www.mcsregistrars.com](http://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	Manufacture of Clinkers and 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 Jaykaypuram - 307019 Dist. Sirohi, Rajasthan	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 <sup>st</sup> April 2017)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2018)				% 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.	21,72,00,000	-	21,72,00,000	73.58	21,72,00,000	-	21,72,00,000	73.58	-
e)	Banks/ FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A) (1):-	21,72,00,000	-	21,72,00,000	73.58	21,72,00,000	-	21,72,00,000	73.58	-
(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)**	21,72,00,000	-	21,72,00,000	73.58	21,72,00,000	-	21,72,00,000	73.58	-

\*\* The total shareholding of Promoters at (A) above includes 75,11,756 Equity Shares (2.55%) as on 1<sup>st</sup> April, 2017 & 31<sup>st</sup> March, 2018, 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	12,97,287	86,541	13,83,828	0.47	6,59,904	86,541	7,46,445	0.25	(0.22)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt. (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	23,564	11,520	35,084	0.01	23,564	11,520	35,084	0.01	-
g)	FIs	-	-	-	-	3,00,000	-	3,00,000	0.10	0.10
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1):-	16,35,899	2,31,712	18,67,611	0.63	12,98,516	2,31,712	15,30,288	0.52	(0.11)
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	2,30,77,497	17,41,445	2,48,18,942	8.41	1,98,45,467	17,32,045	2,15,77,512	7.31	(1.10)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,39,20,624	21,54,249	2,60,74,873	8.83	3,09,11,630	20,05,469	3,29,17,099	11.15	2.32
ii)	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2,46,48,150	26,300	2,46,74,450	8.36	2,10,23,044	26,300	2,10,49,344	7.13	(1.23)
c)	Others (Specify)									
i)	NRI	5,48,604	-	5,48,604	0.18	9,09,297	-	9,09,297	0.31	0.13
ii)	NBFCs registered with RBI	20,800	-	20,800	0.01	21,800	-	21,800	0.01	-
	Sub-Total (B)(2):-	7,22,15,675	39,21,994	7,61,37,669	25.79	7,27,11,238	37,63,814	7,64,75,052	25.91	0.12
	Total Public shareholding (B)=(B)(1)+(B)(2)	7,38,51,574	41,53,706	7,80,05,280	26.42	7,40,09,754	39,95,526	7,80,05,280	26.42	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	29,10,51,574	41,53,706	29,52,05,280	100	29,12,09,754	39,95,526	29,52,05,280	100	-

## (ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2017)			Shareholding at the end of the year (as on 31 <sup>st</sup> March 2018)			% 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	20,96,88,244	71.03	-	20,96,88,244	71.03	-	-
	Total	20,96,88,244	71.03	-	20,96,88,244	71.03	-	-

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

Sl. No.		Shareholding at the beginning of the year (as on 1 <sup>st</sup> April 2017)		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	20,96,88,244	71.03	20,96,88,244	71.03
	Date wise Increase/Decrease in Promoter Shareholding during the year	No Change			
	At the end of the year i.e 31 <sup>st</sup> March 2018			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 <sup>st</sup> April 2017)		Shareholding at the end of the year (as on 31 <sup>st</sup> March 2018)	
		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	45,00,000	1.52
3	Jai Bhikshu Credit and Holdings Limited^^	29,25,000	0.99	33,55,000	1.14
4	Sanjay Jain^^	24,43,094	0.83	25,08,341	0.85
5	Ultima Finvest Limited@	-	-	21,45,000	0.73
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	14,00,000	0.47
8	Amit Goel^^	14,00,000	0.47	14,00,000	0.47
9	Atul Goel^^	14,00,000	0.47	14,00,000	0.47
10	Alliance Polysacks Private Limited@	10,00,000	0.34	10,00,000	0.34
11	Karvy Stock Broking Limited**	20,92,893	0.71	1,04,062	0.04
12	Krishna Das Agarwal**	10,10,000	0.34	9,48,000	0.32

Note: 98.65% 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. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

^^ Common Top ten Shareholders as on 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2018.

@ Top Ten Shareholders only as on 31<sup>st</sup> March 2018.

\*\* Top ten Shareholders only as on 1<sup>st</sup> April 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 <sup>st</sup> April 2017 )		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	101	0.00	101	0.00
	Decrease in Shareholding during the year			100	0.00
	At the end of the year i.e. 31.3.2018			1	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. 31.3.2018			101	0.00

Note: Shri Vinit Marwaha, Shri Ganpat Singh and Ms. Poonam Singh, Directors of the Company were not holding any shares in the Company at the beginning of the Financial Year i.e. as on 1<sup>st</sup> April 2017, during the year and at the end of the Financial Year i.e. as on 31<sup>st</sup> March 2018.

V. INDEBTEDNESS

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

₹ in Lakh

Particulars		Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the Financial Year (as on 1 <sup>st</sup> April 2017)					
(i)	Principal Amount	52526.49	-	-	52526.49
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	2419.59	-	-	2419.59
Total (i+ii+iii)		54946.08	-	-	54946.08
Change in indebtedness during the Financial Year					
Addition		2506.73	1000	-	3506.73
Reduction		-	-	-	-
Net Change		2506.73	1000	-	3506.73
Indebtedness at the end of the Financial Year (as on 31 <sup>st</sup> March 2018)					
(i)	Principal Amount	54948.83	1000	-	55948.83
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	2503.98	-	-	2503.98
Total (i+ii+iii)		57452.81	1000	-	58452.81

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Lakh)

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	102.18	102.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.26	3.26
2.	Others (mainly contribution to Provident Fund)	3.85	3.85
	Total (A)	109.29	109.29
	Ceiling as per the Act	249.81*	249.81*

\*Based on Effective Capital of the Company as on 31<sup>st</sup> March, 2017 as per Schedule V to the Companies Act, 2013.  
The Company does not have Sweat Equity/Scheme for stock option.

## B. Remuneration to other Directors:

(₹ in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Onkar Nath Rai	Shri Ganpat Singh	Shri Vinit Marwaha	Ms. Poonam Singh	
1.	Independent Directors					
(a)	Fee for attending Board/ Committee Meetings	1.975	-	-	1.575	3.550
(b)	Commission	-	-	-	-	-
	Total (1)	1.975	-	-	1.575	3.550
2.	Other Non Executive Directors					
(a)	Fee for attending Board, Committee Meetings	-	1.175	1.300	-	2.475
(b)	Commission	-	-	-	-	-
	Total (2)	-	1.175	1.300	-	2.475
	Total (B)= (1+2)					6.025
	Overall Ceiling as per the Act	Sitting Fees paid is within the limits specified under the Companies Act, 2013				

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 31<sup>st</sup> March, 2018.

On behalf of the Board of Directors

Place: New Delhi  
Date: 30<sup>th</sup> June 2018

Vinit Marwaha  
Director

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

ANNEXURE 'B' TO DIRECTORS' 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 31<sup>st</sup> March 2018 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. *	45.70
JK Lakshmi Cement Limited - Holding Company	Issue of 6% OCCRPS	-	50 lakh Shares of ₹ 100 each at par against cash which carries a Put and a Call option	10.05.2017	50.00
JK Lakshmi Cement Limited - Holding Company	Advance given	-	Advance received earlier repaid	N.A. *	41.15
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. *	6.42
JK Lakshmi Cement Limited - Holding Company	Unsecured Loan	March 2018 onwards	Interest @ 9% p.a. payable on 31 <sup>st</sup> March every year, Principal repayable after 5 years on 31 <sup>st</sup> March 2023	10.05.2017	10.00
JK Lakshmi Cement Limited - Holding Company	Corporate Guarantee for Working Capital Loan	April 2017 onwards	Corporate Guarantee by JKLC to Bank for sanctioning Cash Credit limit	09.11.2016	50.00
Hansdeep Industries & Trading Co. Ltd. – Fellow subsidiary	Sales of Clinker, Cement & Other Goods	August 2015 ongoing	Sale of Cement & Clinker at Arms' length price	N.A. *	39.07
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. *	59.88

\* 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.

On behalf of the Board of Directors

Vinit Marwaha  
Director

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

Place: New Delhi  
Date: 30<sup>th</sup> June 2018

## ANNEXURE 'C' TO DIRECTORS' REPORT

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

### (A) Conservation of Energy

The Company accords highest priority to sustainability and is committed to stringent energy conservation measures in its manufacturing processes. The Company's energy conservation programs are being regularly reviewed both internally as well as by external energy experts for effective control on consumption of energy. The Company has designed its plant and other facilities, to ensure minimal energy losses.

The Company has efficiently reduced its non-renewable energy footprint by commissioning of 6 MW of Waste Heat Recovery System (WHRS), that has replaced about 21% of conventional electricity. It has also resulted in GHG emission reduction to the tune of 15966 tCO<sub>2</sub>e.

Further, the Company has taken various initiatives for conservation of energy and fuel resources, some of the major initiatives are as follows:

- Increased power generation from WHRS Circuit through various in-house modifications and optimizations like, dummy installation in Cooler Vent duct, reducing false air in Preheater, WHR operation from two fan system to one fan system to reduce auxiliary energy consumption, etc.
- Reducing energy consumption by 0.7 Kwh/Ton in operation of VRM through optimization of VRM Process parameters thereby improving Mill Feed rate.
- Reduction in energy consumption to the tune of 48000 Kwh/Annum in VRM product circuit by optimization of running of Air Slide blowers and reducing false air ingress.
- Installation of Energy Efficient LEDs in place of conventional CFLs in Packing plant section.
- Installation of motion sensors in offices for energy conservation.

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

The Company has a professionally qualified and well trained team of engineers who have successfully installed and absorbed latest art of technology machines, equipment and systems for gaining resource efficiency, increasing productivity and delivering superior quality of its processes, products and services.

Our major thrust lies in implementation of various large and small scale innovative in-house modifications in our mines, plant and processes to achieve better efficiency and technological excellence at minimal cost. Some of these initiatives are as under:

- Installation of VFDs in various fans/drives for conservation of energy.
- In-house designed Heat Tracing Arrangement for fine coal bins for improved flowability of coal

and reduced tendency of coal flushing thereby easing operation.

- In-house designing of PID Loops in Cooler Water Spray System for effective cooling of hot clinker.
- In-house modification of wiring scheme to enable standby mode for power saving during unload condition of compressors.
- In-house optimization in coal mill bag house through automation of purging time for operation flexibility and energy saving.

### **(C) Research and Development**

The Company is currently focusing on achieving 100% capacity utilization of existing manufacturing facility and hence, during the period ended 31<sup>st</sup> March 2018 there was no expenditure on research and development. However, maintaining technological excellence through innovation and creativity has been our focus and key to success.

### **(D) Exports, Foreign Exchange Earnings and Outgo**

During the period ended 31<sup>st</sup> March 2018, although there were exports of clinker to Nepal, but there were no Foreign Exchange earnings on account of exports. The Foreign exchange outgo on account of import of coal was ₹ 725.32 Lakhs, stores & spares ₹ 28.53 Lakhs and travelling ₹ 4.08 Lakhs aggregating to ₹ 757.93 Lakhs during the year.

On behalf of the Board of Directors

Place: New Delhi  
Date: 30<sup>th</sup> June 2018

Vinit Marwaha  
Director

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

## ANNEXURE 'D' TO DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

*[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 31<sup>st</sup> March, 2018 (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 31<sup>st</sup> March, 2018 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;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (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 Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings,
- (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 altered the Capital clause V of its Memorandum of Association for increasing its Authorised Share Capital from ` 200 Crore to ` 250 Crore and re-classifying number and amount of its equity and preference shares, and
- (ii) The Company allotted 6% Optionally Convertible Cumulative Redeemable Preference Shares of ` 50 Crore to its Promoter/Holding Company, JK Lakshmi Cement Limited, towards Promoters contribution.

This report is to be read alongwith the following-

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.

Place : New Delhi  
Date : 8<sup>th</sup> June 2018

Namo Narain Agarwal  
Secretarial Auditor  
CP No. 3331, FCS No. 234

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**ANNEXURE 'E' TO DIRECTORS' 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 30<sup>th</sup> June 2016 for the Financial Year 2017-18 ended 31<sup>st</sup> March 2018:

- 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, 0.58; Shri Vinit Marwaha, 0.38 ; Shri Ganpat Singh, 0.32; and Ms. Poonam Singh, 0.46 (b) Executive Director: Shri Rohni Kumar Gupta, WTD, CFO & Company Secretary, 32.09.
- 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 2017-18, 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, 10%. Non-executive Directors –Not Applicable.
- C. The percentage increase in the median remuneration of Employees is 8 %. The number of permanent Employees on the rolls of Company - 327.
- 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 14.09% with individual increment varying from 0 to 41%. There was an increase of 10% in managerial remuneration during the current Financial Year.
- E. We affirm that the remuneration paid during the Financial Year 2017-18 is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors

Place: New Delhi  
Date: 30<sup>th</sup> June 2018

Vinit Marwaha  
Director

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

## 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 31<sup>st</sup> March 2018, the Board of Directors of the Company, consists of five Directors comprising of one Executive Director and four Non-executive Directors (NED) out of which two are Independent Directors (IND). Four Board Meetings were held during the Financial Year 2017-18 ended 31<sup>st</sup> March 2018, on 10<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 13<sup>th</sup> November 2017 and 9<sup>th</sup> February 2018. Attendance and other details of the Directors are given below:

Name of the Director	Category	No. of Board Meetings Attended	Whether last AGM attended (10.08.2017)	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	No	-	-	-
Shri Vinit Marwaha	NED	4	Yes	3	-	-
Shri Rohni Kumar Gupta	Executive	4	Yes	-	-	-
Shri Ganpat Singh	NED	4	Yes	-	-	-
Ms. Poonam Singh*	IND	4	Yes	1	-	-

\* The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 (Act) 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 Act. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

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

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](http://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 Act.

The number of Equity Shares of ₹ 4 each held by the Non-executive Directors as on 31<sup>st</sup> March 2018 are: Shri Onkar Nath Rai – 1 (one) Share, Shri Vinit Marwaha, Shri Ganpat Singh and Ms. Poonam Singh do not hold any Shares in the Company. None of the Non-executive Directors holds any convertible instruments in the Company.

### 3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Act and Regulation 25 of the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 9<sup>th</sup> February 2018. 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/familiarization%20Programme.pdf](http://www.udaipurcement.com/familiarization%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 Act 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 Act 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 31<sup>st</sup> March 2018.

Dates of the Meetings and the number of Members attended:

Date of Meeting	Number of Members attended
10 <sup>th</sup> May 2017	3
10 <sup>th</sup> August 2017	3
13 <sup>th</sup> November 2017	3
9 <sup>th</sup> February 2018	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
Shri Rohni Kumar Gupta	Member	4
Ms. Poonam Singh	Member	4

All the Committee Meetings were attended by the Chief Financial Officer who is also Company Secretary of the Company. The Company Secretary 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 Act and Regulation 20 of the Listing Regulations.

Dates of the Meetings and the number of Members attended:

Date of Meeting	Number of Members attended
10 <sup>th</sup> May 2017	3
10 <sup>th</sup> August 2017	3
13 <sup>th</sup> November 2017	3
9 <sup>th</sup> February 2018	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
Shri Vinit Marwaha	Member	4
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 31<sup>st</sup> March 2018, the Company received only 3 complaints from the Shareholders 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 31<sup>st</sup> March 2018, Twenty Three (23) 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
9 <sup>th</sup> February 2018	3

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

Name	Status	No. of Meetings attended
Shri Onkar Nath Rai	Member	1
Shri Vinit Marwaha	Member	1
Ms. Poonam Singh	Member	1

## 9. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Act 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's 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 31<sup>st</sup> March 2018 to Shri Rohni Kumar Gupta, Whole-time Director, CFO & Company Secretary is ₹ 109.29 Lakh. 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 six months from the date of his re-appointment i.e. 1<sup>st</sup> April 2018. In the case of Whole-time Director, notice period is six months.

(ii) Non Executive Directors (NEDs): During the Financial Year 2017-18, the Company paid sitting fees aggregating to ₹ 6.025 Lakh 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
2014-15	Shripati Nagar, P.O. CFA Udaipur - 313021 (Rajasthan)	19.09.2015	11.00 A.M.
2015-16	Shripati Nagar, P.O. CFA Udaipur - 313021 (Rajasthan)	17.09.2016	11.00 A.M.
2016-17	Shripati Nagar, P.O. CFA Udaipur - 313021 (Rajasthan)	10.08.2017	11.00 A.M.

Special Resolutions regarding approval of Related Party Transactions with JK Lakshmi Cement Limited and Hansdeep Industries & Trading Company Limited, borrowing monies upto ₹ 750 Crore 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 19<sup>th</sup> September 2015 for the Financial Year 2014-15; Special Resolution regarding re- appointment of Shri Rohni Kumar Gupta as the Whole- time Director of the Company was passed in the AGM held on 17<sup>th</sup> September 2016 for the Financial Year 2015-16 and Special Resolutions for issuance of 50,00,000, 6% Optionally Convertible Cumulative Redeemable Preference Shares aggregating to ₹ 50 Crore to Promoter/Holding Company on preferential basis and re- appointment of Shri Rohni Kumar Gupta, Whole-time Director of the Company were passed in the AGM held on 10<sup>th</sup> August 2017, for the Financial Year 2016-17. During the Financial Year 2017-18, no Special Resolution was passed through Postal Ballot.

There is no immediate proposal for passing any Special 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 2017-18 ended 31<sup>st</sup> March 2018, 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 Directors' 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 Act 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](http://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 13<sup>th</sup> 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 have 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: The Company manages fluctuations in raw material prices through hedging in the form of advance procurement when the prices are perceived to be low.

### 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](http://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 -313 021 (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

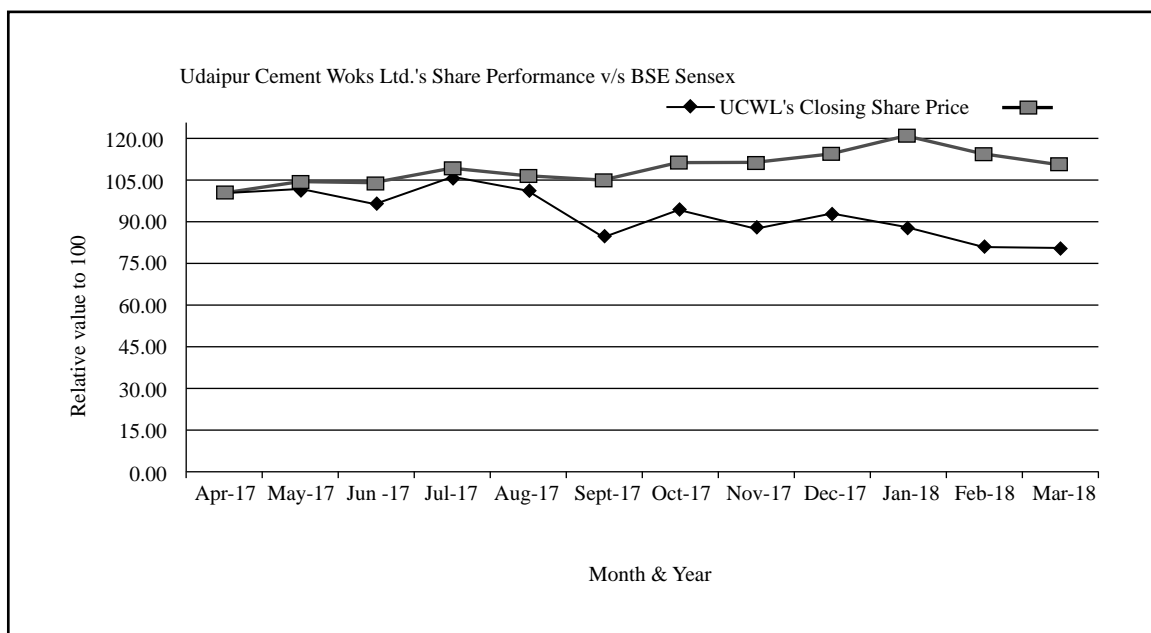
<ul style="list-style-type: none"> <li>• for the quarter ending 30.06.2018</li> <li>• for the half-year ending 30.09.2018</li> <li>• for the quarter ending 31.12.2018</li> </ul>	} Within 45 days of the end of the quarter
• for the year ending 31.03.2018 (Audited)	Within 60 days of the end of the Financial Year
• Annual General Meeting for the Financial Year ending 2018-19	Between July and September 2019

- (iv) Dividend Payment Date: No dividend is declared for the Financial Year 2017-18.
- (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 2018-19 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 (2017-18)	BSE Ltd. (₹)	
	HIGH	LOW
April 2017	37.00	29.90
May 2017	39.20	30.40
June 2017	33.15	30.05
July 2017	37.40	30.20
August 2017	35.40	25.00
September 2017	33.50	26.80
October 2017	33.00	27.00
November 2017	33.15	25.55
December 2017	29.95	26.50
January 2018	33.70	27.95
February 2018	28.75	24.30
March 2018	28.25	23.25

(ix) Udaipur Cement Works Ltd.'s Share Performance v/s BSE Sensex (April 17- March 18)



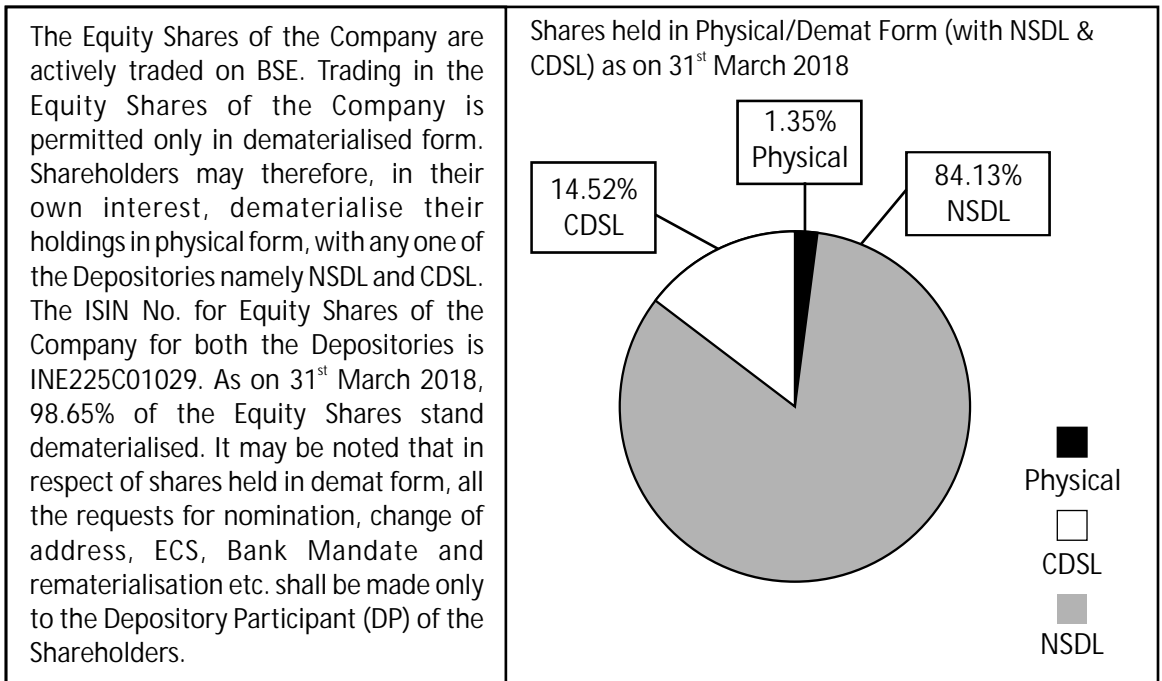
(x) Distribution of Shareholdings as on 31<sup>st</sup> March 2018

Category (No. of Shares)	No. of Equity Shares of ` 4 each	%	No. of Shareholders	%
1-500	47,67,815	1.62	20612	66.48
501-1000	38,33,188	1.30	4326	13.95
1001-5000	1,12,60,744	3.81	4435	14.30
5001-10000	67,07,233	2.27	853	2.75
10001 & above	26,86,36,300	91.00	780	2.52
<b>TOTAL</b>	<b>29,52,05,280</b>	<b>100.00</b>	<b>31006</b>	<b>100.00</b>

(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. In case of shares held in dematerialized form, the transfer are processed by NSDL/CDSL through the respective Depository Participants.

(xii) Dematerialisation of Shares and Liquidity



- (xiii) Outstanding GDRs/ADRs/Warrants/Option or any Convertible instruments, conversion date and likely impact on Equity:** The Company had on 10<sup>th</sup> August 2017, allotted 50,00,000, 6% Optionally Convertible Cumulative Redeemable Preference Shares of face value of ₹ 100 each (OCCRPS) on preferential basis to Promoter/Holding Company, convertible into Equity Shares at any time after nine months but not later than eighteen months from the date of allotment i.e. on or after 10<sup>th</sup> May 2018 and up to 9<sup>th</sup> February 2019, at the option of Holder. All the aforesaid OCCRPS were outstanding as on 31<sup>st</sup> March 2018.
- (xiv) Commodity price risk or foreign Exchange risk and hedging activities:** During the Financial Year ended 31<sup>st</sup> March 2018, the Company has managed the foreign exchange risk and hedged to the extent considered necessary through forward contacts.
- (xv) Plant Location:** Udaipur Cement Works Limited  
Shripatinagar, 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), 3<sup>rd</sup> Floor  
6A, Bahadur Shah Zafar Marg,  
New Delhi- 110 002.  
Ph:(011) 30179862  
Contact Person: Shri Ramesh Gupta  
[rgupta@jkmil.com](mailto:rgupta@jkmil.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](mailto:admin@mcsregistrars.com)  
Contact Person: Mr. S. Biswas  
(E-mail: [s.biswas@mcsregistrars.com](mailto:s.biswas@mcsregistrars.com))
- (xvii)** This Corporate Governance Report of the Company for the Financial Year ended 31<sup>st</sup> March, 2018 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](http://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 1<sup>st</sup> April 2017, the Company had 6,78,761 Equity Shares, which were unclaimed by 315 Equity Shareholders. These were lying in dematerialized mode in the suspense account.

Out of the above, the Company received 28 requests for 5,000 Equity Shares for crediting to the Demat Account of the Shareholders/ dispatch of physical Share Certificate on rematerialization, during the year. As on 31<sup>st</sup> March 2018, the Company has 6,73,761 Equity Shares which remain unclaimed by 287 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 31<sup>st</sup> March 2018, 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.

Place : New Delhi  
Date : 30<sup>th</sup> June 2018

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

## AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,

Udaipur Cement Works Limited

### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. The certificate is issued in accordance with the terms of our engagement with Udaipur Cement Works Limited (the Company)
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2018 as stipulated in regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### MANAGEMENT'S RESPONSIBILITY:

3. The compliance of condition of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

#### AUDITOR'S RESPONSIBILITY:

4. Our responsibility is limited to examine the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certificate of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143 (10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirement of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

#### OPINION

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated



in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2) and para C,D & E of schedule V of the Listing Regulations during the year ended March 31<sup>st</sup>, 2018.

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

RESTRICTION ON USE

10. The Certificate is addressed to provide to the Members of the Company solely for the purposes to enable the Company to comply with the requirement of the Listing Requirements, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is known or into whose hands it may come without our prior consent in writing.

For Bansilal Shah & Co  
Chartered Accountants  
FRN: 000384W

Place : Udaipur  
Date: 30<sup>th</sup> June 2018

Arvind Shah  
Partner  
M. No.: 071690

## INDEPENDENT AUDITOR'S REPORT

To  
The Members,  
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 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS Financial Statements").

### Management's Responsibility for the Standalone Ind AS 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 state of affairs (financial position), loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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.

### Auditors' 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 of the standalone Ind AS financial statements 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 state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018 and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matters

The comparative standalone Ind AS financial statements of the Company for financial year ended on 31<sup>st</sup> March, 2017 included in these standalone financial statements have been audited by predecessor auditors whose report for the year ended on 31<sup>st</sup> March, 2017 dated May 10<sup>th</sup>, 2017 expressed an unmodified opinion on those financial statements.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

### 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 paragraphs 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 purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and 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 prescribed under section 133 of the Act read with relevant rule issued thereunder;

- (e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; 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, as amended, 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 45 to the standalone Ind AS financial statements;
  - ii. The Company did not have any long term contracts including any derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Bansilal Shah & Co  
Chartered Accountants  
FRN: 000384W

Place : Udaipur  
Date : 10<sup>th</sup> May 2018

Arvind Shah  
Partner  
M. No.: 071690

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## "Annexure - A" to the Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us, fixed assets have been physically verified by the management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
- 2) In respect of its inventories:
  - (a) The management has physically verified the inventories. In our opinion, the frequency of verification is reasonable.
  - (b) The discrepancies noticed on verification between the physical stocks and the book records were not material and such discrepancies have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- 4) 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 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- 5) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder.
- 6) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under Section 148 of the Act, and are of the opinion that prima facie, the prescribed Cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 7) (a) According to the information and explanations given to us, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including

Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, value Added Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they become payable.

According to the information and explanations given to us, the details of disputed amount of Income Tax, Value Added Tax, Sales Tax, Excise Duty, Custom Duty and Service Tax not deposited by the Company on account of disputes are as follows:

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
	Excise Duty	2017-18	Assistant Commissioner, Central Excise & Service Tax, Udaipur	23,90,020
	Excise Duty (Interest)	2017-18	Assistant Commissioner Central Excise & Service Tax, Udaipur	21,47,679
	Excise Duty (Penalty)	2017-18	Assistant Commissioner, Central Excise & Service Tax, Udaipur	5,97,505
	Excise Duty	2017-18	Assistant Commissioner, Central Excise & Service Tax, Udaipur	69,78,574
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

- 8) Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions, banks, governments or debenture holders during the year.
- 9) The company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year except for Inter Corporate Loan and the same was utilized for the purpose for which it was raised.
- 10) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

- 13) In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements, as required by the applicable Indian accounting standards.
- 14) 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. 15 to the Standalone Financial Statements.
- 15) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not entered into any non-cash transaction with directors or persons connected with him, therefore reporting under clause 3(xv) of the Order are not applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Bansilal Shah & Co  
Chartered Accountants  
FRN: 000384W

Place : Udaipur  
Date : 10<sup>th</sup> May 2018

Arvind Shah  
Partner  
M. No.: 071690

## "Annexure - B" to the Auditors' Report

(Referred to in Paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date)

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 31<sup>st</sup> March, 2018 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. 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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

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 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, to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2018, 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 Bansilal Shah & Co  
Chartered Accountants  
FRN: 000384W

Place : Udaipur  
Date : 10<sup>th</sup> May 2018

Arvind Shah  
Partner  
M. No.: 071690

S.No.	Particulars	Note	As at 31.03.2018	As at 31.03.2017
I.	ASSETS			
(1)	NON-CURRENT ASSETS			
(a)	Property, Plant and Equipment	2	75,626.66	65,422.80
(b)	Capital work-in-progress		-	10,200.94
(c)	Investment Property	3	914.86	914.86
(d)	Intangible Assets	4	12.90	22.05
(e)	Financial Assets			
(i)	Loans and Advances	5	527.26	304.89
(ii)	Others	6	77.14	0.56
(f)	Deferred Tax Assets	7	5,398.13	2,398.13
(g)	Other Non-Current Assets	8	24.90	57.58
			<u>82,581.85</u>	<u>79,321.81</u>
(2)	CURRENT ASSETS			
(a)	Inventories	9	3,858.80	4,355.23
(b)	Financial Assets			
(i)	Trade Receivables	10	408.70	90.86
(ii)	Cash and Cash Equivalents	11	75.25	22.35
(iii)	Bank Balances other than (ii)	12	0.60	70.70
(iv)	Others	13	25.26	17.86
(c)	Current Tax Assets (Net)		41.91	19.10
(d)	Other Current Assets	14	2,053.20	3,832.58
			<u>6,463.72</u>	<u>8,408.68</u>
	TOTAL ASSETS		<u>89,045.57</u>	<u>87,730.49</u>
II	EQUITY AND LIABILITIES			
(1)	EQUITY			
(a)	Equity Share Capital	15	11,808.21	11,808.21
(b)	Instruments entirely Equity in nature		5,000.00	-
(c)	Other Equity		4,878.23	10,352.91
			<u>21,686.44</u>	<u>22,161.12</u>
(2)	LIABILITIES			
(A)	NON-CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Borrowings	16	45,715.42	52,526.49
(ii)	Other Financial Liabilities	17	1,785.64	75.42
(b)	Provisions	18	74.84	41.70
(c)	Other Non-Current Liabilities	19	1,408.33	5,633.65
			<u>48,984.23</u>	<u>58,277.26</u>
(B)	CURRENT LIABILITIES			
(a)	Financial Liabilities			
(i)	Borrowings	20	733.41	-
(ii)	Trade Payables		1,112.78	1,260.94
(iii)	Other Financial Liabilities	21	14,081.15	4,358.68
(b)	Other Current Liabilities	22	2,296.46	1,564.88
(c)	Provisions	23	151.10	107.61
			<u>18,374.90</u>	<u>7,292.11</u>
	TOTAL EQUITY AND LIABILITIES		<u>89,045.57</u>	<u>87,730.49</u>

Significant Accounting Policies 1  
Notes on Financial Statements 2-58

As per our report of even date

For Bansilal Shah & Co.

Chartered Accountants

FRN : 000384W

Arvind Shah

Partner

M. No. : 071690

Place : Udaipur

Date : 10<sup>th</sup> May 2018

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

Onkar Nath Rai Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

Directors

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(Amount in ₹ Lakh)

S.No.	Particulars	Note	2017-18	2016-17
I.	Revenue from Operations	24	38,541.10	9,731.89
II.	Other Income	25	66.86	39.06
III.	Total Revenue (I + II)		<u>38,607.96</u>	<u>9,770.95</u>
IV.	Expenses :-			
a)	Cost of Materials Consumed	26	7,840.07	6,036.46
b)	Purchase of Stock in Trade	27	195.31	-
c)	Change in Inventories of finished goods, work-in-progress and traded goods	28	608.01	100.04
d)	Employee Benefits Expense	29	2,693.17	355.15
e)	Finance Costs	30	6,738.07	15.33
f)	Depreciation and Amortization expense (Net)	31	3,032.48	489.20
g)	Excise Duty		934.24	1,215.51
h)	Other Expenses	32	24,156.41	1,678.56
	Total Expenses (IV)		<u>46,197.76</u>	<u>9,890.25</u>
V.	Profit/(Loss) before Exceptional Items and Tax (III - IV)		(7,589.80)	(119.30)
VI.	Exceptional Items - Gain		273.83	404.12
VII.	Profit/(Loss) before tax (V + VI)		(7,315.97)	284.82
VIII.	Tax Expense			
	(1) Current tax		-	-
	(2) Deferred tax		(2,980.82)	-
IX.	Profit/(Loss) for the year (VII - VIII)		<u>(4,335.15)</u>	<u>284.82</u>
X.	Other Comprehensive Income/(Loss)			
(A)	Items that will not be reclassified to Profit or Loss in Subsequent Periods			
	(i) Re-measurement gain/(losses) on defined benefit plans		(54.88)	(10.82)
	(ii) Income tax effect		19.18	-
	Total Other Comprehensive Income/(Loss) (X)		<u>(35.70)</u>	<u>(10.82)</u>
XI.	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR (IX + X)		<u>(4,370.85)</u>	<u>274.00</u>
XII.	Earnings per Equity Share (₹)	57		
	Basic Earnings per Equity Share (₹) :		(1.47)	0.10
	Diluted Earnings per Equity Share (₹) :		(1.47)	0.10

As per our report of even date

For Bansilal Shah &amp; Co.

Chartered Accountants

FRN : 000384W

Arvind Shah

Partner

M. No. : 071690

Place : Udaipur

Date : 10<sup>th</sup> May 2018

Onkar Nath Rai Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

Directors

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

## A. EQUITY SHARE CAPITAL

(Amount in ` Lakh)

Particulars	As at 31 <sup>st</sup> March 2017	Changes during the year	As at 31 <sup>st</sup> March 2018
Equity Shares - 29,52,05,280 of ? 4 each fully paid up	11,808.21	-	11,808.21
	11,808.21	-	11,808.21

## B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

(Amount in ` Lakh)

Particulars	As at 31 <sup>st</sup> March 2017	Changes during the year	As at 31 <sup>st</sup> March 2018
6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) - 5,000,000 Shares of ? 100 each (Refer Note 15)	-	5,000.00	5,000.00
	-	5,000.00	5,000.00

## C. OTHER EQUITY

Particulars	Reserves and Surplus				Total
	Equity Component of Financial Guarantee	Equity Component of Compound Financial Instruments	Retained Earnings	Items of Other Comprehensive Income, that will not be reclassified to Statement of Profit & Loss Remeasurement of Net Defined Benefit Plans	
Balance as at 1 <sup>st</sup> April 2016	2,461.13	3,178.83	3,789.03	(1.54)	9,427.45
Profit / (Loss) 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 / (Loss)	-	-	-	(10.82)	(10.82)
Balance as at 31 <sup>st</sup> March 2017	2,868.24	3,423.18	4,073.85	(12.36)	10,352.91
Profit / (Loss) for the Year	-	-	(4,335.15)	-	(4,335.15)
Changes in Corporate Guarantee given by Holding Co. for Inter Corporate Loan	(990.06)	-	-	-	(990.06)
Changes in Equity component of Preference Shares	-	(113.77)	-	-	(113.77)
Other Comprehensive Income / (Loss)	-	-	-	(35.70)	(35.70)
Balance as at 31 <sup>st</sup> March 2018	1,878.18	3,309.41	(261.30)	(48.06)	4,878.23

As per our report of even date

For Bansilal Shah &amp; Co.

Chartered Accountants

FRN : 000384W

Arvind Shah

Partner

M. No. : 071690

Place : Udaipur

Date : 10<sup>th</sup> May 2018

Onkar Nath Rai Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

Directors

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

## NOTE 1

Company Overview, Basis of Preparation & Significant Accounting Policies.

## I. Corporate &amp; 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 Ltd. (BSE). The Registered Office of the Company is situated at Shripati Nagar, P.O.: CFA, Dist.: Udaipur – 313021 (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 10<sup>th</sup> May, 2018.

## 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. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

## (ii) Basis of Preparation.

The significant accounting policies used in preparing the Financial Statements are set out in Note no. III of the Notes to the Standalone Financial Statements.

## (iii) Basis of Measurement.

The standalone financial statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value required by relevant IND AS.

## (iv) Fair Value Measurement.

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 in to 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) Significant Accounting Judgments, Estimates and Assumptions.

The preparation of these Financial Statements requires management judgments, estimates and assumptions that affect the application of Accounting Policies, the Accounting disclosures made and the reports amounts of Assets, Liabilities, Income and Expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to Accounting estimates are recognized in the period in which the estimates are revised and any future periods effected pursuant to such revision.

III. Significant Accounting Policies for the year ended 31<sup>st</sup> March, 2018.

(a) Property, Plant and Equipment.

The Company adopted optional exception under IND AS 101 to measure Property, plant and equipment at fair value as at 1<sup>st</sup> April 2015. Consequently, the fair value was 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 losses, if any. Cost includes expense 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 is 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, wherever applicable.

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by the management, the cost of erection/construction is transferred to the appropriate category of property, plant and equipment cost (net of income and including pre-operative cost/expenses) associated with the commissioning of an asset are capitalized until the

period of commissioning has been completed and the asset is ready of its intended use.

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.

*Depreciation methods, estimated useful lives and residual value.*

Depreciation 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 except for Furniture & Fixtures, Office Equipments, Vehicles and Locomotives which is provided on Written Down Value Method (WDV) as per the said schedule.

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 Statement of 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 adopted optional exception under IND AS 101 to measure Investment Property at fair value as at 1<sup>st</sup> 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 Company 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 life 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.

(c) Intangible Assets.

Intangibles Assets are recognised if the future economic benefits that are attributable to the Assets are expected to 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 Statement of 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 asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible Asset 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 Asset 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 material, plus appropriate production overheads 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 Property, Plant & Equipment, Intangible Assets and Investment Properties 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 or Cash Generating Unit (CGU) 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, and 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 Translations & Transactions.

(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 recognised to Statement of Profit & Loss.

(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. 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 Statement of 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 recognized 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 recognized 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 Statement of 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 initially 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 Statement of 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 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 Statement of 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 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.

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(l) 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.

i) Sale of Goods.

Revenue is recognized when significant risk and reward of ownership have been passed on to the Customer.

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 Incentive.

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.

vi) Government Grants/Assistance/Subsidies.

Grants and Subsidies from the Government are recognised when there is reasonable assurance that the grant subsidy will be received and all attaching conditions will be complied with. Revenue grants are recognised in the Statement of Profit and Loss. Capital Grants relating to specific assets are recognised in the Balance Sheet as deferred income and credited in the Statement of Profit and Loss on a systematic basis over the useful life of the related Assets.

(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. Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of leaves.

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.

On 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 or Loss attributable to Equity Shareholders of the Company.
- 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 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 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.

(t) Recent Accounting Pronouncements.

1) Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration.

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the effect of this on the financial statements will be given in the due course.

2) Appendix B to Ind AS 115 - Revenue from Contract with Customers.

The Company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity

expects to be entitled in exchange for those goods or services.

Further it requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018 and the Company will adopt the standard on April 1, 2018 by applying Cumulative catch-up transaction method and accordingly comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

NOTE 2  
PROPERTY, PLANT AND EQUIPMENT

	(Amount in ` Lakh)							Total	
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles		Railway Siding
<b>GROSS BLOCK :</b>									
As at 1 <sup>st</sup> April 2016	256.12	10,331.58	2,069.08	11,337.86	89.73	51.06	19.84	-	24,155.27
Additions/Adjustments	0.42	-	551.85	49,764.91	1.01	2.73	11.80	-	50,332.72
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2017	256.54	10,331.58	2,620.93	61,102.77	90.74	53.79	31.64	-	74,487.99
Additions/Adjustments	25.16	-	10.90	12,669.89	1.85	20.40	71.85	427.14	13,227.19
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	281.70	10,331.58	2,631.83	73,772.66	92.59	74.19	103.49	427.14	87,715.18
<b>ACCUMULATED DEPRECIATION :</b>									
As at 1 <sup>st</sup> April 2016	-	260.31	928.59	7,288.11	58.06	34.34	11.17	-	8,580.58
Charged for the year	-	195.14	96.92	174.27	8.18	7.44	2.66	-	484.61
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2017	-	455.45	1,025.51	7,462.38	66.24	41.78	13.83	-	9,065.19
Charged for the year	-	194.38	158.30	2,640.99	6.33	8.55	14.71	0.07	3,023.33
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2018	-	649.83	1,183.81	10,103.37	72.57	50.33	28.54	0.07	12,088.52
<b>NET CARRYING AMOUNT :</b>									
As at 31 <sup>st</sup> March 2017	256.54	9,876.13	1,595.42	53,640.39	24.50	12.01	17.81	-	65,422.80
As at 31 <sup>st</sup> March 2018	281.70	9,681.75	1,448.02	63,669.29	20.02	23.86	74.95	427.07	75,626.66

## NOTES 3

## INVESTMENT PROPERTY

(Amount in ` Lakh)

	Freehold Land	Total
<b>GROSS BLOCK :</b>		
As at 1 <sup>st</sup> April 2016	914.86	914.86
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2017	914.86	914.86
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2018	914.86	914.86
<b>ACCUMULATED DEPRECIATION :</b>		
As at 1 <sup>st</sup> April 2016	-	-
Charged for the year	-	-
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2017	-	-
Charged for the year	-	-
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2018	-	-
<b>NET CARRYING AMOUNT :</b>		
As at 31 <sup>st</sup> March 2017	914.86	914.86
As at 31 <sup>st</sup> March 2018	914.86	914.86

NOTES 4

INTANGIBLE ASSETS

(Amount in ` Lakh)

	Software	Total
<b>GROSS BLOCK :</b>		
As at 1 <sup>st</sup> April 2016	27.30	27.30
Additions/Adjustments	18.46	18.46
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2017	45.76	45.76
Additions/Adjustments	-	-
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2018	45.76	45.76
<b>ACCUMULATED DEPRECIATION :</b>		
As at 1 <sup>st</sup> April 2016	16.38	16.38
Charged for the year	7.33	7.33
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2017	23.71	23.71
Charged for the year	9.15	9.15
Disposals/Adjustments	-	-
As at 31 <sup>st</sup> March 2018	32.86	32.86
<b>NET CARRYING AMOUNT :</b>		
As at 31st March 2017	22.05	22.05
As at 31st March 2018	12.90	12.90

(Amount in ` Lakh)

	31 <sup>st</sup> Mar. 2018	31 <sup>st</sup> Mar. 2017
<b>FINANCIAL ASSETS</b>		
<b>NOTE 5</b>		
<b>LOANS &amp; ADVANCES</b>		
Unsecured, Considered Good		
Security Deposits	527.26	304.89
	<u>527.26</u>	<u>304.89</u>
<b>NOTE 6</b>		
<b>OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Unsecured, Considered Good		
Bank Deposits with original maturity of more than 12 months*	77.14	0.56
	<u>77.14</u>	<u>0.56</u>
*Under lien with Bank		
<b>NOTE 7</b>		
<b>DEFERRED TAX ASSETS (NET)</b>		
Unabsorbed Depreciation & Brought Forward Business Losses		
	5,398.13	2,398.13
	<u>5,398.13</u>	<u>2,398.13</u>
<b>NOTE 8</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Unsecured, Considered Good		
Capital Advances	24.90	57.58
	<u>24.90</u>	<u>57.58</u>
<b>NOTE 9</b>		
<b>INVENTORIES</b>		
Raw Materials	272.13	136.06
	{Including in transit of ` 84.26 lakh (Previous Year - ` 0.77 lakh)}	
Work-in-Progress	2,086.76	2,753.21
Finished Goods	182.83	145.29
Stores & Spares	1,317.08	1,320.67
	{Including in transit of ` 140.22 lakh (Previous Year - ` 203.08 lakh)}	
	<u>3,858.80</u>	<u>4,355.23</u>



(Amount in ` Lakh)

31<sup>st</sup> Mar. 2018      31<sup>st</sup> Mar. 2017

FINANCIAL ASSETS

NOTE 10

TRADE RECEIVABLES

Unsecured

Considered Good

Considered Doubtful

408.70

90.86

-

-

408.70

90.86

NOTE 11

CASH AND CASH EQUIVALENTS

Balances with banks :-

On Current Accounts

73.01

14.37

Deposits of original maturity of less than 3 months\*

-

4.84

Cash on hand

2.24

3.14

75.25

22.35

\*Under lien with Bank

NOTE 12

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\*

0.60

44.73

Deposits with original maturity for more than 12 months\*

77.14

0.56

77.74

71.26

Less: Amount disclosed under non-current other financial assets

(77.14)

(0.56)

(Refer Note No. 6)

0.60

70.70

\*Under lien with Bank

NOTE 13

OTHER CURRENT FINANCIAL ASSETS

Unsecured, considered good unless otherwise stated

Other Receivables

25.26

17.86

25.26

17.86

NOTE 14

OTHER CURRENT ASSETS

Unsecured, considered good

Prepaid expenses

85.19

83.75

Balance with Govt. Authorities

481.96

3,318.21

Other Advances

1,477.37

393.31

Assets held for sale

8.68

37.31

2,053.20

3,832.58

(Amount in ` Lakh)

31<sup>st</sup> Mar. 2018      31<sup>st</sup> Mar. 2017

## NOTE 15

## EQUITY SHARE CAPITAL

## Authorised :

## Equity Shares

- 33,50,00,000 of ` 4 each (Previous year - 31,25,00,000 of ` 4 each)	13,400.00	12,500.00
---	-----------	-----------

## Preference Shares

- 6,600 of ` 1,00,000 each (Previous year - 60,00,000 of ` 10 each)	6,600.00	600.00
---	----------	--------

- 50,00,000 of ` 100 each (Previous year - Nil)	5,000.00	-
---	----------	---

- Nil (Previous year - 6,900 of ` 1,00,000 each)	-	6,900.00
--	---	----------

<u>25,000.00</u>	<u>20,000.00</u>
------------------	------------------

## 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
---	-----------	-----------

## 5% Cumulative Redeemable Preference Shares (CRPS)

4,700 Shares of ` 1,00,000 each (Previous year - 4,700 Shares of ` 1,00,000 each)	4,700.00	4,700.00
---	----------	----------

## fully paid up (Series-I)

1,300 Shares of ` 1,00,000 each (Previous year - 1,300 Shares of ` 1,00,000 each)	1,300.00	1,300.00
---	----------	----------

## fully paid up (Series-II)

600 Shares of ` 1,00,000 each fully paid up (Series-B)	600.00	600.00
--	--------	--------

## 6% Optionally Convertible Cumulative Redeemable

## Preference Shares (OCCRPS)

50,00,000 Shares of ` 100 each (Previous year - Nil) fully paid up	5,000.00	-
--	----------	---

<u>23,408.21</u>	<u>18,408.21</u>
------------------	------------------

## Less: Reclassification of Preference Shares

## 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)
--	------------	------------

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

600 Shares of ` 1,00,000 each fully paid up (Series-B)	(600.00)	(600.00)
--	----------	----------

## 6% Optionally Convertible Cumulative Redeemable

## Preference Shares (OCCRPS)

50,00,000 Shares of ` 100 each	(5,000.00)	-
--------------------------------	------------	---

<u>11,808.21</u>	<u>11,808.21</u>
------------------	------------------

a. Reconciliation of the number of shares outstanding:

Particulars	Balance at the beginning of the year	Changes in share capital during the year	Balance at the end of the year
Equity Shares	29,52,05,280	-	29,52,05,280
5% CRPS (Series-I)	4,700	-	4,700
5% CRPS (Series-II)	1,300	-	1,300
5% CRPS (Series-B)	600	-	600
6% OCCRPS	-	50,00,000	50,00,000

b. List of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity Shares</b>				
JK Lakshmi Cement Ltd. (Holding Company)	20,96,88,244	71.03%	20,96,88,244	71.03%
<b>5% Cumulative Redeemable Preference Shares</b>				
JK Lakshmi Cement Ltd. (Holding Company)	6,600	100%	6,600	100%
<b>6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS)</b>				
JK Lakshmi Cement Ltd. (Holding Company)	50,00,000	100%	-	-

c. Terms / right attached to Equity Shareholders:

- 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.
- 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.
- 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 18<sup>th</sup>, 19<sup>th</sup> & 20<sup>th</sup> year from the date of allotment.
- 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 Apr-Mar'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 18<sup>th</sup>, 19<sup>th</sup> & 20<sup>th</sup> year from the date of allotment.
- During the year, the Company has allotted 50 lakh, 6% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Face Value of ₹ 100 per share to the Holding Company on preferential basis. As per the Terms of Issue, the holder is entitled to exercise conversion option on OCCRPS at any time after nine months but not later than eighteen months from the date of allotment i.e. on or after 10<sup>th</sup> May 2018 and up to 9<sup>th</sup> February 2019 at a price determined in accordance with Regulation 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.  
The Holding Company has already exercised the conversion option on the OCCRPS of ₹ 50 Crs. to Equity Shares to be executed on or after 10<sup>th</sup> May 2018 and up to 9<sup>th</sup> February 2019.

	31 <sup>st</sup> Mar. 2018		31 <sup>st</sup> Mar. 2017	
	Non Current	Current *	Non Current	Current *
<b>NOTE 16</b>				
<b>NON-CURRENT BORROWINGS</b>				
<b>Secured Loans :-</b>				
Term Loans :-				
- From Related Party (Inter Corporate Loan)	43,000.00	9,500.00	52,500.00	-
Unsecured Loans				
- From Related Party	1,000.00	-	-	-
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)	3,069.12	-	2,746.41	-
- 1,300 Shares of ` 1,00,000 each fully paid up (Series-II)	828.62	-	741.49	-
- 600 Shares of ` 1,00,000 each fully paid up (Series-B)	322.87	-	288.92	-
Less: Amortization of Processing Charges on Loan and Corporate Guarantee for Loan				
- Processing Charges on Loan	(627.02)	-	(882.09)	-
- Corporate Guarantee for Loan	(1,878.17)	-	(2,868.24)	-
	<u>45,715.42</u>	<u>9,500.00</u>	<u>52,526.49</u>	<u>-</u>
Less: Shown under Note No. 21	-	9,500.00	-	-
	<u>45,715.42</u>	<u>-</u>	<u>52,526.49</u>	<u>-</u>

\* Due & payable within one year

- Inter Corporate Loan of ` 52,500 lakh from a Fellow-Subsidiary Company consist of:
  - Inter Corporate Loan of ` 22,500 lakh 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 lakh 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 lakh 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 lakh 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 lakh 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 Shripathi Nagar in the state of Rajasthan.
  - Second pari passu charge on current assets of the Company
- The Unsecured Loan from the Holding Company shall be repayable in Bullet Payment at the end of 5<sup>th</sup> year i.e. on 31.03.2023.

(Amount in ` Lakh)

31<sup>st</sup> Mar. 2018      31<sup>st</sup> Mar. 2017

NOTE 17

OTHER NON-CURRENT FINANCIAL LIABILITIES

Trade and other Deposits	1,785.64	75.42
	<u>1,785.64</u>	<u>75.42</u>

NOTE 18

NON-CURRENT PROVISIONS

Provision for Employees' Benefits	74.84	41.70
	<u>74.84</u>	<u>41.70</u>

NOTE 19

OTHER NON-CURRENT LIABILITIES

Other Advances	1,398.97	5,514.28
Liability for Employees Subsidised Car Scheme	9.36	-
Govt. and other dues	-	119.37
	<u>1,408.33</u>	<u>5,633.65</u>

NOTE 20

SHORT-TERM BORROWINGS

Secured Loan		
Buyer's Credit from Banks	733.41	-
	<u>733.41</u>	<u>-</u>

Working Capital facilities (incl. Buyer's Credit) are secured by way of First Pari Passu charge on the entire Current Assets of the Company and Second Pari passu charge on the Movable & Immovable Fixed Assets of the Company situated at Shripati Nagar in the state of Rajasthan, both present & future. The Working Capital facilities are also secured by Corporate Guarantee of Holding Company.

NOTE 21

OTHER FINANCIAL LIABILITIES

Current maturities of Long-Term Debt (Refer Note No. 16)	9,500.00	-
Interest accrued but not due on borrowings	2,503.98	2,419.59
Capital Creditors	863.02	1,548.69
Other Payables	1,214.15	390.40
	<u>14,081.15</u>	<u>4,358.68</u>

NOTE 22

OTHER CURRENT LIABILITIES

Govt. and other dues	1,111.47	974.12
Advance from Customers	1,184.99	590.76
	<u>2,296.46</u>	<u>1,564.88</u>

NOTE 23

CURRENT PROVISIONS

Provision for Employees' Benefits	151.10	107.61
	<u>151.10</u>	<u>107.61</u>

(Amount in ` Lakh)

	2017-18	2016-17
<b>NOTE 24</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of Products		
Cement	32,357.79	9,454.19
Others	5,141.62	1.91
Other operating revenues	1,041.69	275.79
	<u>38,541.10</u>	<u>9,731.89</u>
<b>NOTE 25</b>		
<b>OTHER INCOME</b>		
Interest Income	42.08	38.46
Profit on sale of Investment	10.55	-
Other Non-Operating Income	14.23	0.60
	<u>66.86</u>	<u>39.06</u>
<b>NOTE 26</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Raw Materials consumed	7,840.07	6,036.46
	<u>7,840.07</u>	<u>6,036.46</u>
<b>NOTE 27</b>		
<b>PURCHASE OF STOCK IN TRADE</b>		
Purchase of Traded Goods	195.31	-
	<u>195.31</u>	<u>-</u>
<b>NOTE 28</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stocks		
Stock-in-Progress	2,753.21	-
Finished Goods	145.29	224.12
	<u>2,898.50</u>	<u>224.12</u>
Closing Stocks		
Stock-in-Progress	2,086.76	2,753.21
Stock in Trade	-	-
Finished Goods	182.83	145.29
	<u>2,269.59</u>	<u>2,898.50</u>
Add/(Less) : Excise Duty Variance on Stocks	(20.90)	(12.44)
Less : Preoperative period stock	-	(2,786.86)
	<u>608.01</u>	<u>100.04</u>

(Amount in ` Lakh)

	2017-18	2016-17
<b>NOTE 29</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and Wages	2,218.10	268.77
Contribution to Provident and other Funds	151.70	22.64
Staff Welfare Expenses	323.37	63.74
	<u>2,693.17</u>	<u>355.15</u>
<b>NOTE 30</b>		
<b>FINANCE COST</b>		
Interest Expenses	6,712.82	15.33
Other Borrowing Costs	25.25	-
	<u>6,738.07</u>	<u>15.33</u>
<b>NOTE 31</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Assets	3,023.33	484.60
Amortisation on Intangible Assets	9.15	7.33
Less: Charged to Capital Work in Progress	-	2.73
	<u>3,032.48</u>	<u>489.20</u>
<b>NOTE 32</b>		
<b>OTHER EXPENSES</b>		
Consumption of Stores and spares	1,085.20	212.62
Power and Fuel	12,226.97	669.30
Rent (Net of realisation ` 1.44 lakh, Previous Year ` 1.11 lakh)	80.71	1.95
Repairs to Bulidings	149.14	11.32
Repairs to Machinery	601.02	39.88
Insurance	28.50	1.94
Rates and Taxes	61.87	1.80
Transport, Clearing and Forwarding Charges	7,765.07	504.66
Commission on Sales	406.80	78.67
Director's Fee & Commission	5.96	4.06
Advertisment, Travelling, Consultancy & Misc. Expenses, etc.	1,745.17	152.36
	<u>24,156.41</u>	<u>1,678.56</u>

Notes accompanying the Financial Statements.

## 33. 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.

33.1 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 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.

The following table demonstrates the sensitivity to a reasonable possible change of US \$ with all other variables held constant. The impact on the Company's Profit/(Loss) before tax due to changes in Foreign Exchange Rate

(Figures in ` Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Change in USD	+ Rs. 0.25	-
Effect on profit/(loss) before tax	(2.85)	-
Change in USD	- Rs. 0.25	-
Effect on profit/(loss) before tax	2.85	-



- 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 ` Lakh)

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
1	Loans in Rupees		
	- Fixed Rate	55,215.42	52,526.49
	- Floating Rate	-	-
	Total	55,215.42	52,526.49
2	Loans in USD		
	- Fixed Rate	733.41	-
	- Floating Rate	-	-
	Total	55,948.83	52,526.49

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect 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/(loss) 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.

33.2 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 ` Lakh)

Particulars	Neither Due nor Impaired	Past Due			Total
		Upto 6 months	6 to 12 months	Above 12 Months	
<u>31<sup>st</sup> March, 2018</u>					
Unsecured	368.81	39.07	0.82	-	408.70
Gross Total	368.81	39.07	0.82	-	408.70
Provision for Doubtful	-	-	-	-	-
Net Total	368.81	39.07	0.82	-	408.70
<u>31<sup>st</sup> 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

#### 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.

#### 33.3 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.

(Figures in ` Lakh)

S.No.	Particulars	Carrying Amount	Due within 1 Year	Due between 1-5 Years	Due after 5 Years	Total
1	<u>As on 31<sup>st</sup> March, 2018</u>					
	- Borrowings	55,948.83	10,233.41	41,494.81	4,220.61	55,948.83
	- Trade Payables	1,112.78	1,112.78	-	-	1,112.78
	- Other Liabilities	6,366.79	4,581.15	1,785.64	-	6,366.79
	Total	63,428.40	15,927.34	43,280.45	4,220.61	63,428.40
2	<u>As on 31<sup>st</sup> March, 2017</u>					
	- Borrowings	52,526.49	-	48,749.67	3,776.82	52,526.49
	- Trade Payables	1,260.94	1,260.94	-	-	1,260.94
	- Other Liabilities	4,434.10	4,358.68	75.42	-	4,434.10
	Total	58,221.53	5,619.62	48,825.09	3,776.82	58,221.53

34. 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 ` Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Borrowings	55,948.83	52,526.49
Less: Cash and Cash equivalents	(75.85)	(93.05)
Net debt	55,872.98	52,433.44
Equity Share Capital	11,808.21	11,808.21
Instrument entirely Equity in nature	5,000.00	-
Other Equity	4,878.23	10,352.91
Total Capital	21,686.44	22,161.12
Capital and net debt	77,559.42	74,594.56
Gearing ratio	72%	70%

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.

### 35. 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 ` Lakh)

Particulars	31 <sup>st</sup> March, 18		31 <sup>st</sup> March, 17	
	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.	77.74	77.74	76.10	76.10
b) Cash & Bank Balances	75.25	75.25	17.51	17.51
c) Trade Receivables	408.70	408.70	90.86	90.86
d) Others	552.52	552.52	322.75	322.75
Total	1,114.21	1,114.21	507.22	507.22
B. Financial Liabilities				
(i) At Amortized Cost				
- Borrowings	55,948.83	55,948.83	52,526.49	52,526.49
- Trade Payables	1,112.78	1,112.78	1,260.94	1,260.94
- Other Financial Liabilities	6,366.79	6,366.79	4,434.11	4,434.11
Total	63,428.40	63,428.40	58,221.54	58,221.54

#### 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.

### 36. 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.

### 37. Income Tax Expense:

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

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Current Tax	-	-
Deferred Tax (Gain)/Loss (Relating to origination and reversal of temporary difference)	(2,980.82)	-
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 ` Lakh)

Particulars	2017-18	2016-17
Deferred Tax (Gain)/Loss on defined benefit	(19.18)	-

- iii. Reconciliation of effective tax rate:

(Figures in ` Lakh)

S. No.	Particulars	2017-18	2016-17
1	Net (Loss)/Income before taxes	(7,370.85)	274.00
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. Reconciliation of Deferred Tax Assets:

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Opening Balance	2,398.13	2,398.13
Deferred Tax recognised in Statement of Profit & Loss	2,980.82	-
Other Comprehensive Income	19.18	-
Closing Balance	5,398.13	2,398.13

## v. Deferred Tax:

Deferred Tax relates to the followings:

(Figures in ` Lakh)

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
1.	Book base and tax base of Fixed Assets	8,752.05	3,308.03
2.	Disallowance/Allowance (Net) under Income Tax	157.93	8.75
3.	Brought Forward losses set-off #	(14,308.11)	(5,714.91)
	Total	(5,398.13)	(2,398.13)

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

## 38. Dividends :

The Company has neither proposed nor declared any dividend for the financial year 2016-17 and 2017-18.

## 39. The Company uses foreign currency forward contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

(Figures in ` Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017
Assets		
Forward Contracts	-	-
Liabilities		
Forward Contracts	733.41	-

## 40. Retirement benefit obligations

## A. Expense recognised for Defined Contribution plan

(Figures in ` Lacs)

Particulars	2017-18	2016-17
Company's contribution to Provident Fund	109.03	15.64
Company's contribution to ESI	3.23	0.88
Company's contribution to Superannuation	2.96	-
Total	115.22	16.52

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, 2018 and March 31, 2017, being the respective measurement dates:

a) Change in Present Value of Defined benefit Obligation during the year

(Figures in ` Lakh)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
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
Present value of obligation - April 1, 2017	272.70	65.27
Acquisitions/Transfer in/Transfer out	-	-
Current service cost	29.60	27.60
Interest cost	19.61	4.69
Past Service Cost including curtailment	14.53	-
Gains/Losses		
Benefits paid	(53.96)	(21.65)
Remeasurements-actuarial loss/ (gain)	52.98	33.47
Present value of obligation - March 31, 2018	335.46	109.38

b) Change in Fair Value of Plan Assets – Gratuity

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Fair value of plan assets at beginning of year	188.36	132.52
Acquisitions/Transfer in/Transfer out		
Expected return on plan assets	13.54	9.28
Employer contributions	72.84	63.36
Benefits paid	(53.96)	(21.89)
Actuarial gain/(loss)	(1.89)	5.09
Fair value of plan assets at end of year	218.89	188.36
Present value of obligation	335.46	272.70
Net funded status of plan	116.57	84.34
Actual return on plan assets	11.65	14.37

## c) Expenses recognised in Statement of profit and loss

(Figures in ₹ Lakh)

Particulars	Gratuity (Funded)	Leave encashment (Unfunded)
Current service cost	21.25	14.89
Interest cost	15.01	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	-
Current service cost	29.60	27.60
Interest cost	19.61	4.69
Expected return on plan assets	(13.54)	-
Past Service Cost including curtailment Gain/Losses	14.53	-
Remeasurements - actuarial loss/(gain)	54.88	33.46
For the year ended March 31, 2018	105.08	65.75
Actual return on plan assets	11.65	-

## d) Recognised in Other Comprehensive Income

(Figures in ₹ Lakh)

Particulars	Gratuity (Funded)
Remeasurements - actuarial loss/(gain) For the year ended March 31, 2017	38.71*
Remeasurements - actuarial loss/(gain) For the year ended March 31, 2018	54.88

\*Rs. 27.89 lakh charged to Capital work in progress in 2016-17.

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

(Figures in ₹ Lakh)

Particulars	As at year ended March 31, 2018	As at year ended March 31, 2017
Attrition rate ages		
Discount Rate	7.59%	7.19%
Expected Rate of increase in salary	5.00%	5.00%
Expected Rate of Return on Plan Assets	7.50%	8.00%
Mortality Rate	100% of IALM (2006-08)	
Expected Average remaining working lives of employees (years)	13.92	8.17



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. 2016-17.

f) Sensitivity analysis

(Figures in ` Lakh)

Particulars	Change in Assumption	Effect on Gratuity obligation	Change in Assumptions	Effect on Leave Encashment obligation
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)
For the year ended March 31, 2018				
Discount rate	+0.50%	(6.52)	+0.50%	(4.14)
	-0.50%	6.98	-0.50%	4.52
Salary Growth Rate	+0.50%	7.09	+0.50%	4.61
	-0.50%	(6.70)	-0.50%	(4.26)

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 ` Lakh)

Particulars	Gratuity (Funded)
For the year ended March 31, 2017	
Plan Liabilities - (loss)/gain	45.33
Plan Assets - (loss)/gain	5.09
For the year ended March 31, 2018	
Plan Liabilities - (loss)/gain	58.27
Plan Assets - (loss)/gain	(1.89)

## Estimate of expected benefit payments

(Figures in ` Lakh)

Particulars	Gratuity (Funded)
01 Apr 2018 to 31 Mar 2019	130.65
01 Apr 2019 to 31 Mar 2020	8.40
01 Apr 2020 to 31 Mar 2021	10.02
01 Apr 2021 to 31 Mar 2022	30.95
01 Apr 2022 to 31 Mar 2023	41.03
01 Apr 2023 to 31 Mar 2024	27.22
01 Apr 2024 Onwards	87.19

## h) Statement of Employee benefit provision

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Gratuity	335.46	272.70
Leave encashment	109.38	65.27
Total	444.84	337.97

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 ` Lakh)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
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
For the year ended March 31, 2018		
Current provision	130.65	34.54
Non current provision	204.81	74.84
Total Provision	335.46	109.38

## j) Employee benefit expenses

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Salaries and Wages	2,218.10	268.77
Costs-defined benefit plan	36.48	6.12
Costs-defined contribution plan	115.22	16.52
Welfare expenses	323.37	63.74
Total	2,693.17	355.15

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.

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

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Salaries and Wages	150.92	0.27
Contribution to Provident and Other Funds	25.59	0.03
Staff Welfare Expenses	25.17	0.06
Consumption of Stores and Spares	633.87	5.93
Power & Fuel	176.59	0.52
Material Handling	949.10	0.26
Insurance	-	0.01
Royalty	1,210.09	5.56
Miscellaneous Expenses	185.38	0.26
<b>Total</b>	<b>3,356.71</b>	<b>12.90</b>

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

(Figures in ` Lakh)

Particulars	2017-18	2016-17
Raw Materials Consumed	-	633.71
Power & Fuel	-	2,427.13
Salaries & Wages	-	1,156.47
Staff Welfare Expenses	-	77.49
Insurance	-	23.47
Travelling, Consultancy & Miscellaneous Expenses	-	1,578.27
Finance Cost	-	5,164.77
	-	11,061.31
Less: Sales	-	602.70
Stock of Work-in-Progress transferred to Statement of Profit and Loss	-	2,786.86
	-	7,671.75
Add: Expenditure up to previous period	521.93	7,379.86
Less: Transferred to Fixed Assets	521.93	14,529.68
	-	521.93

43. Other Particulars:

(Figures in ` Lakh)

Particulars	2017-18	2016-17
a) Expenditure in Foreign Currency on account of:-		
- Travelling Expenditure	4.08	1.60
c) C.I.F. value of Imports		
- Power & Fuel	725.32	-
- Stores & Spares	28.53	-
- Capital Goods	-	654.21

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

(Figures in ` Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, Plant & Equipment	498.62	2,468.95

45. 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 ` Lakh)

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Excise duty	128.35	7.21
2	Sales Tax	42.30	42.30
3	Service tax	66.06	66.06
4	Other matters	58.70	74.11
		295.41	189.68

- ii. Contingent liability for non-use of jute bags for Cement packing upto 30<sup>th</sup> 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 1<sup>st</sup> July, 1997.
46. 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.
47. During the year, the Company has received subsidy of ? 137.18 lakh (Previous year-? 46.24 lakh) in terms of State Investment Promotion Scheme towards exemption from electricity duty which has been netted from Power & Fuel expenses.
48. Exceptional Items comprises of Profit on Sale of Old & Obsolete Fixed Assets amounting to ? 273.83 lakh (Previous year - ? 404.12 lakh) which were scrapped due to complete suspension of operation since 2002.
49. a) Sales include own consumption at cost of ? 23.06 lakh (Previous years - ? 55.75 lakh).  
 b) Consumption of Stores and Spares is net of scrap sale – Nil (Previous year ? 1.32 lakh).  
 c) Other Operating Revenue includes Sales Tax/Value added Tax/SGST subsidy of ? 1,040.60 lakh (Previous year – ? 271.52 lakh) and others of ? 1.09 lakh (Previous year - ? 4.27 lakh).
50. Forward Contract of ? 741.36 lakh – USD 11.40 lakh (Previous year - Nil) taken for the purpose of hedging payables and Nil (Previous year – Nil) against letter of credit.
51. With introduction of Goods and Service Tax Act 2017 w.e.f. 1<sup>st</sup> July 2017 Revenue from operations for current year are not comparable with previous year, since sales in current year from 1<sup>st</sup> July 2017 are net of GST whereas Excise duty was included in Revenue and formed part of expenses till 30<sup>th</sup> June 2017.
52. Based on information available with the Company in respect of MSME ("The Micro Small & Medium Enterprises Development Act 2006"). The details are as under:
- Principal and Interest amount due and remaining unpaid as at 31<sup>st</sup> March 2018 – Nil (Previous year - Nil).
  - Interest paid in terms of section 16 of the MSME Act during the year - Nil (Previous year - Nil).
  - 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).
  - Payment made beyond the appointed day during the year - Nil (Previous year - Nil).
  - Interest Accrued and unpaid as at 31<sup>st</sup> March 2018- Nil (Previous year - Nil).

53. No provision for taxation including MAT is considered necessary since the loss is being carried over for taxation purpose (adjusted ₹ 5124.61 lakh in Capital Reserve, ₹ 6711.39 lakh in Share Premium Reserve and ₹ 8387.91 lakh in Capital Reduction reserve pursuant to the Rehabilitation Scheme sanctioned by Hon'ble BIFR for the purpose of accounts in earlier year).
54. Some of the Balances of debtors and creditors are in process of confirmation.
55. Amount paid to Auditors:

(Figures in ₹ Lakh)

Particulars	2017-18	2016-17
a) Statutory Auditors:-		
(i) Audit Fee	1.50	1.25
(ii) Tax Audit Fee	0.75	0.60
(iii) Other Services	0.40	0.30
(iv) Limited Review Fee	0.08	0.23
	2.73	2.38
b) Cost Auditors:-		
(i) Cost Audit Fee	0.50	0.35
	0.50	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

(Figures in ₹ Lakh)

S. No.	Name of Related Party	Country of Incorporation	% Equity Interest	
			As at March 31, 2018	As at March 31, 2017
a)	Holding Company JK Lakshmi Cement Ltd. (JKLC) Fellow Subsidiary	India	71.03%	71.03%
b)	Hansdeep Industries & Trading Company Limited (HITCL)	India	NIL	NIL

## b) Key Management Personnel (KMP)

Shri R.K. Gupta	–	Whole Time Director, CFO & Company Secretary
Shri O.N. Rai	–	Chairman (Independent and Non Executive)
Shri Ganpat Singh	–	Non Executive Director
Shri Vinit Marwaha	–	Non Executive Director
Smt. Poonam Singh	–	Independent and Non Executive Director

## c) Holding Company

## Key Management Personnel (KMP)

Shri Bharat Hari Singhania	–	Chairman & Managing Director
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Smt. Vinita Singhania	–	Vice Chairman & Managing Director
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
Shri S.K. Wali	–	Whole Time Director
Dr. S. Chouksey	–	Whole Time Director
Shri Sudhir A Bidkar	–	Chief Financial Officer
Shri Brijesh K Daga	–	Sr. VP & Company Secretary

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 ` Lakh)

Sl. No.	Nature of Transactions	2017-18				2016-17			
		JKLC	HITCL	KMPs	Trusts	JKLC	HITCL	KMPs	Trusts
(i)	Remuneration to KMP*	-	-	109.29	-	-	-	99.35	-
(ii)	Purchase of Clinker, Royalty Charges & Other Goods	4,570.36	-	-	-	374.23	5,119.27	-	-
(iii)	Sales of Clinker, Cement & Other Goods	641.53	3,907.30	-	-	1,641.80	2,613.55	-	-
(iv)	Inter Corporate Loan	-	-	-	-	-	17,500.00	-	-
(v)	Finance Charges on Inter Corporate Loan	-	5,987.50	-	-	-	5,404.19	-	-
(vi)	Advances received	-	-	-	-	5,224.31	-	-	-
(vii)	Advances given	4,115.31	-	-	-	-	-	-	-
(vii)	Issue of 5% CRPS	-	-	-	-	600.00	-	-	-
(viii)	Issue of 6% OCCRPS	5,000.00	-	-	-	-	-	-	-
(ix)	Unsecured Loan	1,000.00	-	-	-	-	-	-	-
(x)	Corporate Guarantee for Working Loan	5,000.00	-	-	-	-	-	-	-
(xi)	Payment of Sitting Fee	-	-	5.96	-	-	-	4.03	-
(xii)	Payment of Gratuity	-	-	-	72.84	-	-	-	63.36
(xiii)	Outstanding as at year end:-								
	- Payable								
	HITCL	-	55,121.03	-	-	-	55,081.13	-	-
	Remuneration to KMP	-	-	11.67	-	-	-	5.07	-
	JKLC	2,398.97	-	-	-	5,514.28	-	-	-
	KMP (Net)	-	-	-	-	-	-	0.10	-
	- Receivable								
	KMP (Net)	-	-	0.04	-	-	-	-	-

\* 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:

Particulars	(Number of Shares)	
	2017-18	2016-17
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

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

Particulars	2017-18	2016-17
Profit/(loss) after tax for EPS -(B) (in ` Lakh)	(4,335.15)	284.82
Basic Earnings per share (B/A) (in `) (Face value of equity Share of ` 4 each)	(1.47)	0.10
Diluted Earnings per share (B/A) (in `) (Face value of equity Share of ` 4 each)	(1.47)	0.10

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

*As per our report of even date*

For Bansilal Shah & Co.

Chartered Accountants

FRN : 000384W

Arvind Shah

Partner

M. No. : 071690

Place : Udaipur

Date : 10<sup>th</sup> May 2018

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

Onkar Nath Rai      Chairman

Vinit Marwaha

Ganpat Singh

Poonam Singh

}      Directors



CASH FLOW STATEMENT

For the year ended 31<sup>st</sup> March, 2018

(Amount in ` Lakh)

Particulars	2017-18	2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before Tax and Exceptional Items	(7,589.80)	(119.30)
Adjustments for:		
Depreciation and Amortisation	3,032.48	489.20
Interest Income	(42.08)	(39.06)
Profit on sale of Current Investment (net)	(10.55)	-
Finance Cost	6,738.07	15.33
Foreign Exchange Difference (net)	2.48	-
Exceptional Items	273.83	404.12
Re-measurement losses on defined benefit plans	(54.88)	(10.82)
Operating Profit before Working Capital changes	<u>2,349.55</u>	<u>739.47</u>
Adjustments for :		
Trade & Other Receivables	1,274.14	(16.89)
Inventories	496.43	(3,714.90)
Trade & Other Payables	<u>(1,719.42)</u>	<u>8,407.05</u>
Net Cash from Operating Activities	2,400.70	5,414.73
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(3,051.15)	(25,065.75)
Interest received	34.48	44.13
(Purchase)/Sale of Investments (net)	<u>10.55</u>	<u>-</u>
Net Cash from/(used in) Investing Activities	(3,006.12)	(25,021.62)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	1,000.00	17,500.00
Short term Borrowings (net)	733.41	-
Issue of Preference Shares	5,000.00	600.00
Redemption of Preference Shares	-	(509.52)
Interest Paid	<u>(6,068.61)</u>	<u>(13.82)</u>
Net Cash from/(used in) Financing Activities	664.80	17,576.66
<b>D. Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	59.38	(2,030.23)
<b>E. Cash &amp; Cash Equivalents as at the beginning of the year</b>	93.61	2,123.84
<b>F. Cash &amp; Cash Equivalents as at the close of the year</b>	<u>152.99</u>	<u>93.61</u>
Notes :		
Cash and Cash Equivalents include :		
- Cash, Cheques in hand and remittance in transit	2.24	3.14
- Balance with Scheduled Banks	150.75	90.47
	<u>152.99</u>	<u>93.61</u>

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

As per our report of even date

For Bansilal Shah & Co.

Chartered Accountants

FRN : 000384W

Arvind Shah

Partner

M. No. : 071690

Place : Udaipur

Date : 10<sup>th</sup> May 2018

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

Onkar Nath Rai Chairman

Vinit Marwaha }  
Ganpat Singh } Directors

Poonam Singh }





**Directors and Members at 21<sup>st</sup> AGM**



**Executives participating in International Yoga Day**



**Celebrating World Environment Day at UCWL Plant**



# UCWL UDAIPUR CEMENT WORKS LIMITED

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