

**Book-Post**

**Udaipur Cement Works Limited**

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

**SEVENTEENTH**

**Annual  
REPORT**

**2011-12**

**UDAIPUR CEMENT WORKS LIMITED**

## **BOARD OF DIRECTORS**

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

**GANPAT SINGH   S. K. KINRA**

### **REGISTERED OFFICE**

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

### **PLANT**

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

### **CORPORATE OFFICE**

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

### **BANKERS**

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

### **SHARE DEPARTMENT**

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

### **SHARE TRANSFER AGENT**

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

### **AUDITORS**

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

## **UDAIPUR CEMENT WORKS LIMITED**

### **UDAIPUR CEMENT WORKS LIMITED**

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

## **NOTICE**

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

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

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

#### **AS SPECIAL BUSINESS**

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

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

By Order of the Board

#### **Regd. Office:**

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

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

## NOTES:

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

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

### **Item No. 4**

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

### **Information about the Appointee Director**

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

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

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

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

By Order of the Board

### **Regd. Office:**

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

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

## UDAIPUR CEMENT WORKS LIMITED

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

**To the Members,**

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

#### **SCHEME OF REHABILITATION**

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

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

#### **SHARE CAPITAL**

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

Company stood increased to Rs. 4008.21 lacs.

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

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

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

#### **INDIAN CEMENT INDUSTRY**

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

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



## **DIRECTORS**

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

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

## **AUDITORS**

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

## **COST AUDIT**

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

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

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

## **PARTICULARS OF EMPLOYEES**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **CORPORATE GOVERNANCE**

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

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

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

## **UDAIPUR CEMENT WORKS LIMITED**

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

Debenture holders and the Employees of the Company.

### **ACKNOWLEDGEMENTS**

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

On behalf of the Board of Directors

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

New Delhi

Date : 28.12.2012

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

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

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

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

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

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

### **PARTICULARS OF CONSERVATION OF ENERGY**

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



## CORPORATE GOVERNANCE REPORT

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

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

### 2. BOARD OF DIRECTORS

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

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

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

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

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

### 3. AUDIT COMMITTEE

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

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

Dates of the meetings and the number of Members attended:

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

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

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

### 4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

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

Dates of the meetings and the number of Members attended:

## UDAIPUR CEMENT WORKS LIMITED

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

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

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

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

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

### 5.1 REMUNERATION COMMITTEE (non-mandatory)

The Company does not have any permanent Remuneration Committee.

### 5.2 REMUNERATION PAID TO DIRECTORS

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

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

### (b) Executive Directors:

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

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

## 6. GENERAL BODY MEETINGS

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

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

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

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

## 7. DISCLOSURES

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

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

Trading in the equity shares of the