

18<sup>th</sup>

**ANNUAL REPORT**  
**2009-2010**

**AMBALA CEMENTS LIMITED**

VILLAGE SOHANA, HEMA MAJRA ROAD, P.O. MULLANA, 133203 DISTT. AMBALA (HARYANA)

Ambala Cements Ltd.

  
Managing Director

# **AMBALA CEMENTS LIMITED**

## **BOARD OF DIRECTORS**

SH. SUNIL CHANDRA, DIRECTOR  
SH. KRISHAN KUMAR, DIRECTOR  
SH. PARDEEP KUMAR, DIRECTOR

## **AUDITORS**

JAYANT BANSAL & CO.  
CHARTERED ACCOUNTANTS,  
320- MAHESH NAGAR,  
AMBALA CANTT. -133001  
PHONE:- 0171-2642401, 2661320

## **REGISTERED OFFICE**

VILL. JORIAN  
DELHI ROAD,  
YAMUNA NAGAR-135001

## **WORKS**

VILL. SOHANA  
HEMA MAJRA ROAD,  
P.O. MULLANA-133203  
DISTT. AMBALA, HARYANA

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**Ambala Cements Limited**

**Regd. Office: Village Jorian, Delhi Road, Yamuna Nagar-135 001 (Haryana)**

**Notice: Convening 18<sup>th</sup> Annual General Meeting**

Notice is hereby given that 18<sup>th</sup> Annual General Meeting of the members of the Company "Ambala Cements Limited" will be held on Thursday 30<sup>th</sup> day of September 2010 at 10:30 A.M. at the registered office of the Company, address, given above to transact the following ordinary business with or without modification.

**Ordinary Business: Ordinary Resolutions:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31-03-2010 and the Profit and Loss Account ended on that date along with the Auditors' and Directors' Report thereon.
2. To re-appoint Sh. Pardeep Kumar, Director who retires by rotation at this meeting and being eligible has offered himself for re-election.
3. To appoint Auditors and fix their remuneration.

Place: Ambala Cantt  
Dated: 27-08-2010

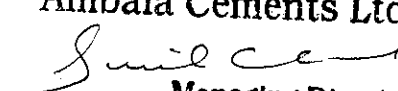
By Order of the Board of

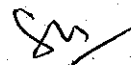
  
Sunil Chandra  
(Chairman)

**NOTES:**

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and vote at the meeting in his/her stead. A proxy need not be a member of the Company. A proxy in order to be valid must be deposited at the registered office of the company at least 48 hours before the time fixed for the commencement of the meeting. A proxy form is enclosed.
2. All documents referred to in this meeting, notice and the accompanying statements are open for inspection at the Registered Office of the company on all working days (except Saturdays and holidays) between 10:30 A.M. and 12:30 P.M. up to the date of Annual General Meeting.
3. Members are requested to notify to the company immediately the changes in their registered address, if any.
4. Members having any queries relating to the Annual Report are requested to write to the company at least 7 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
5. Members are requested to bring their copies of Annual report to the meeting.
6. The members/proxies should bring attendance slip sent herewith duly filled and stamped for attending the meeting.
7. Members may please note that no gifts or coupon will be distributed at the Annual General Meeting.

**Ambala Cements Ltd.**

  
Managing Director



**Ambala Cements Limited**  
**Regd. Office: Village Jorian, Delhi Road, Yamuna Nagar-135 001 (Haryana)**

**Directors' Report**

To The Members,

The Directors have pleasure in presenting their 18<sup>th</sup> Annual Report along with the Audited Annual Statements of Accounts for the financial year ended on 31-03-2010:

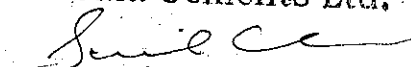
1. **Financial Highlights:**

	(Rs. In Lacs)	
	2008-09	2008-09
<b><u>Receipts:</u></b>		
-Sales (Traded Goods)	145.89	29.36
-Receipts	26.00	0.00
Other Income	171.89	29.36
Profit/(Loss) Before exceptional items and depreciation	3.86	1.00
Depreciation	20.18	1.52
Profit/(Loss) Before exceptional items	1.89	0.52
<b><u>Exceptional Items:</u></b>	18.29	1.00
-Profit/(Loss) on sale of assets	(8.10)	0.00
-Profit/(Loss) on sale of assets acquired under capital work in progress i.e. new expansion scheme and Technical Development Assistance Scheme	(3.53)	(27.96)
-Adjustment of unpaid interest waived by the Bank under one time settlement scheme	0.00	7.05
Profit/(Loss) Before Tax	6.66	(19.91)
Provision for Taxation	0.00	0.00
Profit/(Loss) after tax	6.66	(19.91)
Reserves and Surplus	15.00	15.00
Accumulated Profit/(Loss)	(402.46)	(409.12)

2. **Operations and Out Look for the Current Year:**

The company had discontinued its manufacturing activities (i.e. manufacturing of Ordinary Portland Cement) since January 2002 and not in operation since then. However during the year 2008-09, the management has started new trading activity (i.e. trading of Store and spares/Machinery spares and material for Cement and allied industry) and achieved the turnover of Rs.29.36 Lacs and Rs. 127.65 Lacs in the year 2008-09 and 2009-10 respectively. During the last quarter of the current financial year the management of the company has also added new line of activity i.e. Services for Installation of Machinery Parts of Cement and Allied industry and earned the receipt of Rs.26.00 Lacs. The overall net profit of the company is Rs. 6.66 Lacs against the net loss of Rs. 19.91 Lacs in the previous year. Due to that and other substantial factors (i.e. profit from new business activities and loss arisen due to dispose off remaining assets and assets acquired under capital work in progress), the accumulated losses of the company have been reduced to some extent in current year as compared to preceding year. The company had also repaid all its dues towards financial institution/bank under one time settlement scheme by disposing off its substantial part of its fixed assets. In the current year the Company has also

**Ambala Cements Ltd.**

  
**Managing Director**

disposed off the part of remaining assets (i.e. Plant & Machinery, Electrical/Pollution/Laboratory Equipments, other assets and assets acquired under Capital work-in-progress new expansion scheme, which Cost/W.D.V. as on 31-03-2009 Rs. 3456166.11) for Rs. 2293530.00, thereby suffering a loss of Rs. 1162636.11. In the view of restructuring process initiated by the management of the company, it has already repaid all the dues towards Financial Institution/bank under one time settlement scheme after disposing off substantial part of the fixed assets and has also started new business activities (i.e. trading of Store and spares/Machinery spares and material and Services for installation of Machinery parts for Cement and allied industry). All these above efforts reflect that the Management of the Company is serious for revival of the company from the existing crisis. Hence, the management is hopeful to re-establish the business activities in the ensuing years and so the management has prepared the accounts of the company on the going concern concept.

3. **Dividend & Reserves:**

No dividend has been recommended by the Directors and consequently no amounts have been transferred to general reserves.

4. **Deposits:**

The company did not accept or renewed deposits from any one during the year under review.

5. **Directors:**

Sh. Pardeep Kumar, Director retires by rotation at the forthcoming meeting and being eligible has offered himself for re-election. The Board recommends his re-appointment.

6. **Auditors' Report:**

The Auditors' Report is self-explanatory and the notes contained therein are mutually inclusive. Further, qualification contained in the Auditors' Report regarding substantial doubt that the Company will be able to continue as a going concern due to heavy losses and closure of manufacturing activities with uncertainty of its re-establishing commercial activities. In this respect it is already mentioned in the above paras that the Company has already repaid all the dues of the Financial Institutions/Bank under one time settlement scheme after disposing off substantial parts of fixed assets and has also started new business activities (i.e. trading of Store and spares/Machinery spares and material and Services for installation of Machinery parts for Cement and allied industry). Hence, all the above efforts reflect that the management of the Company is serious for revival of the company from the existing crisis. Therefore the management has prepared the financial statement on going concern basis.

7. **Auditors:**

M/s Jayant Bansal & Co., Chartered Accountants, Ambala Cantt, presents Auditors of the company; vacate their office at the conclusion of the forthcoming Annual General Meeting. They being eligible have offered themselves for re-appointment for another term. The Directors recommend their re-appointment.

8. **Listing:**

The stocks of the Company are listed on Delhi Stock Exchange (RSE), Stock Exchange Mumbai, Stock Exchange, Ahmedabad and Jaipur Stock Exchange.

9. **Listing Fees:**

The details of fees outstanding to be paid by the Company to the different Stock Exchanges are as below: -

S.NO.	NAME OF THE STOCK EXCHANGE	YEAR	AMOUNT DUE (IN RS.)
1.	Ahmedabad Stock Exchange, Ahmedabad	1997-98 to 2010-11	147000.00
2.	Jaipur Stock Exchange Limited, Jaipur	1997-98 to 2010-11	140000.00
TOTAL			287000.00

10. **Corporate Governance:**

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, the company has implemented the code of Corporate Governance during the year. The reports on Corporate Governance and Management Discussion and Analysis together with Compliance Certificate on the same are attached to this report.

Audit Committee, Remuneration committee and Shareholder's / Investor's grievances committee have been reconstituted / formed as per the SEBI / Stock Exchange Regulations.

11. **Particulars Pursuant to Section 217(I)(e) of the Companies Act, 1956:**

(A) Conservation of Energy & Technology Absorption: The Company has not been carrying on any manufacturing activities, hence this information is not applicable on the company during the year under review.

(B.) Foreign Exchange Earnings and Outgo: The Company did not spend any foreign exchange and also, did not earn any foreign exchange during the year under review.

12. **Particulars of Employees:**

There was no employee on the rolls of the company who drew remuneration in excess of the limits prescribed by the provisions of Section 217(2A) of the Companies Act, 1956 and the rules framed there under and hence, the particulars are NIL.

13. **Employer-Employee Relations:**

The employer-employee relations remained cordial during the year under review.

14. **Directors' Responsibility Statement:**

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that:

- in preparing the Annual accounts of the year ending 31-03-2010 the applicable accounting standard have been followed and that no material departure have been made from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2010 and of the loss of the Company for the period from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010;


- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- iv) that the Directors have prepared the annual accounts on the going concern basis.

15. Acknowledgements:

The Directors wish to place on record their sincere thanks to the Bankers of the Company for their kind co-operation and the assistance extended to them. The Directors, also, wish to appreciate the dedicated work done by the Executives, Officers and Employees of all levels.

Place: Ambala Cantt  
Dated: 27-08-2010

By Order of the Board of

  
Sunil Chandra  
(Chairman)

Ambala Cements Ltd.

  
Managing Director

**AMBALA CEMENTS LIMITED**  
**REPORT ON CORPORATE GOVERNANCE (2009-10)**

1. **Company's Philosophy on code of Corporate Governance:**

Ambala Cements Limited believes that the code of corporate governance is a necessary discipline and a means of achieving and attaining the goals and objectives of the company and only proper governance implemented in the true spirit would lead to effectiveness and transparency in the functioning of a corporate. The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

2. **Board of Directors:**

The Company has a Non-executive Chairman. The Board of the company has a combination of Executive and Non-executive directors with a minimum of 50% of the board comprising of the non-executive directors. The Independent directors constitutes minimum one-third of the board's strength.

Composition and category of directors is as follows:

<b><u>Category</u></b>	<b><u>Name of the Director</u></b>
1. Executive directors	
• Promoters	Sh. Sunil Chandra (Managing Director) Sh. Pardeep Kumar Gupta (Director)
2. Non-Executive director	Sh. Krishan Kumar Gupta (Chairman)
3. Non-Executive Independent directors	Sh. Sanjay Sharma Sh. Om Parkash Bhola

3. **Attendance of each director at the board of directors meetings and the last annual general meeting:**

<b><u>Name of the Director</u></b>	<b><u>Board Meeting held</u></b>	<b><u>Board Meeting Attended</u></b>	<b><u>Attendance at Last AGM</u></b>
Sh. Sunil Chandra	10	10	Present
Sh. Krishan Kumar	10	10	Present
Sh. Pardeep Kumar	10	10	Present
Sh. Sanjay Sharma	10	10	Present
Sh. Om Parkash Bhola	10	10	Present

4. **Number of other board of directorships, board committees he is a member or chairperson of:**

None of the directors on the Board are members or chairman of the committee of other companies in which they are directors.

5. **Number of Board Meetings held and the dates on which held:**

During the year the company has held ten boards of directors meetings. The dates on which the meetings were held are given below:

29-04-2009, 15-05-2009, 26-06-2009, 26-07-2009, 24-08-2009, 30-10-2009, 20-11-2009, 29-01-2010, 24-02-2010 and 20-03-2010

6. **Audit Committee:**

The company has an Audit Committee of the Board comprising of 3 Directors including 2 independent Directors. The member of the committee are as given below:

1. Sh. Sanjay Sharma [Chairman (independent)]
2. Sh. Om Parkash Bhola [Member (independent)]
3. Sh. Krishan Kumar Gupta [Member (Non-Executive Director)]

Sh. Sanjay Sharma is the chairman of the committee. The audit committee meets the requirements of both section 292 A of the Companies Act, 1956 and clause 49 of the listing Agreement. The committee has all the powers, duties and obligations conferred upon and vested in it in terms of

*Sunil Chandra*



Section 292A of the Companies Act, 1956 as amended from time to time and also such additional powers, functions/features, duties, obligations and discretions as is contained in Clause 49 of the listing agreement from time to time and as entered into by the company are listed and /or any other powers, duties and obligations that may be assigned from time to time by the Board of Directors and the said committee shall submit its reports, recommendations etc., to the Board of Directors on all matters.

The Audit Committee met Eight times during the year on 29-04-2009, 26-06-2009, 26-07-2009, 24-08-2009, 30-10-2009, 20-11-2009, 29-01-2010 and 20-03-2010. All the members of the committee were present at all the meetings held during the year.

7. **Remuneration Policy:**

Due to discontinuation of main activity and low volume of its transactions, the management of the company has decided not to give any remuneration to the Executive or non-executive directors of the company. The remuneration policy are decided and approved by the Board of directors, hence a Remuneration Committee has not been constituted.

8. **Shareholder's/Investor's Grievance Committee:**

The Board has constituted a Share Transfer & Shareholders/Investors Grievance Committee to approve the Share Transfer, Transmission, Transposition of Name, Issue of Split/Duplicate Certificate and to review the status report on redressal of Shareholder and Investor complaints received by the company/Share Transfer Agent.

Composition, Name of Members and Chairman:

1. Sh Om Parkash Bhola (Non-Executive Independent Director) : Chairman
2. Sh. Pardeep Kumar Gupta (Director) : Member
3. Sh. Krishan Kumar Gupta (Non-Executive Director) : Member

Name & Designation of Compliance Officer: Sh. Sunil Chandra (Managing Director)

During the year the company has neither received any complaint from the shareholders nor received any request for Share Transfer from the shareholders of the company.

9. **General Body Meetings:**

Location and time, where last three Annual General Meetings were held:

Year	Type of Meeting	Venue	Date	Time
2006-07	AGM	Village Jorian, Delhi Road, Yamunanagar	29-09-2007	10.30 A.M.
2007-08	AGM	Village Jorian, Delhi Road, Yamunanagar	30-09-2008	10.30 A.M.
2008-09	AGM	Village Jorian, Delhi Road, Yamunanagar	25-09-2009	10.30 A.M.
	EGM	Village Jorian, Delhi Road, Yamunanagar	29-12-2009	3.00 P.M.

- **Annual General Meeting:** No postal ballots were used/invited for voting at the last annual general meeting in respect of special resolution passed (if any). There are no special resolutions, which are proposed to be passed through postal ballot for the year under review.

- **Extraordinary General Meeting:** The postal ballots were used/invited for voting at this meeting in respect of following special resolutions, which were duly passed: -

-Alteration of Objects Clause III (C) of Memorandum of Association.

-Commencement of New Business as contained in new sub-clauses serial numbered from 32 to 39.

The postal ballot were used for voting at the extraordinary general meeting in respect of above said special resolutions as per the provisions of the Companies Act, 1956 and the same has duly been passed in this meeting. The voting result of the postal ballot in respect of these special resolutions were favorable and the details of the same are as under: -

*Sunil Chandra*

Voting pattern: 89 Members having paid-up value of the shares Rs.18805900/- (i.e. No. of shares 1880590 of Rs. 10/- each fully paid-up) have used the postal ballot right and received 100% voting in favour of the above said special resolution.

10. **Disclosures:**

a) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large:**

During the year ended 31-03-2010, there were no materially significant related party transactions that may have potential conflict with the interest of the company at large. Other related party transactions have been reported at Sl. No. 13 of Notes to Accounts.

**Transactions with Non-executive Directors:**

During the year, there are no transactions with non-executive directors.

b) **Details of non-compliance by the company:**

There were neither instances of non-compliance by the company nor 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.

11. **Means of Communication:**

Quarterly and Half-yearly results has been regularly prepared and submitted to the respective authorities well in time. However in respect of publication of the same in the News paper the same has not been done regularly, due to discontinuation of main activity and low volume of its transactions.

Management discussion and analysis forms part of the Director's Report.

12. **General Shareholder Information:**

**Annual General Meeting**

Day and Date

Time

Venue

18<sup>th</sup> Annual General Meeting  
Thursday, 30<sup>th</sup> September 2010  
10.30 A.M.

Village Jorian, Delhi Road,  
Yamunanagar – 135 001  
(Haryana)

**Financial Calendar**

Un-audited Financial Results

-First Quarter (30-06-2009)

-Half yearly (30-09-2009)

-Third Quarter (31-12-2009)

Audited Financial Results

-Fourth Quarter (31-03-2010)

Day of book Closure

-Physical mode

Dividend

Listing on Stock Exchange

Last week of July, 2009

Last week of October, 2009

Last week of January, 2010

Last week of May, 2010

25-09-2010 to 30-09-2010 (Both day inclusive)

No dividend has been recommended by the Directors.

- Bombay Stock Exchange, Mumbai
- The Delhi Stock Exchange Association Limited
- Ahmedabad Stock Exchange, Ahmedabad (Listing fee for the period 1997-98 to 2010-11 is pending)
- Jaipur Stock Exchange Limited, Jaipur (Listing fee for the period 1997-98 to 2010-11 is pending)

Registrar and Share Transfer Agents and Share Transfer System

The Company has not appointed any Share Transfer Agent and is having an in-house Share Transfer System.

Market Price date-High/Low during each month of the year 2009-10

There is no trading in the shares of the company at the listing stock exchange since last so many years; hence this information is not available.

*Sanil C. C.*