

20 TH	ANNUAL REPORT 2011-12
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SCAN PROJECTS LIMITED

(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)

WORKS AT: VILLAGE SOHANA, HEMA MAJRA ROAD, P.O. MULLANA,

DISTT. AMBALA (HARYANA)

REG. OFFICE: JORIAN, DELHI ROAD

DISTT. YAMUNA NAGAR 135001 (HARYANA)

SCAN PROJECTS LIMITED

(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)

Regd Office: Village Jorlan, Delhi Road, Yamunanagar (Haryana)

Works: Village Sohana, Hema Majra Road, Tehsil Barara, Distt Ambala (Haryana)

Notice: Convening 20th Annual General Meeting

Notice is hereby given that 20th Annual General Meeting of the members of the Company "Scan Projects Limited (Formerly Known as Ambala Cements Limited)" will be held on Saturday 29th day of September 2012 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 Statement of Profit and Loss for the year ended 31st March 2012 and Balance Sheet as at that date together with reports of the Board of Directors and the Auditors thereon.
2. To re-appoint Sh. Krishan Kumar, Director who retires by rotation at this meeting and being eligible has offered himself for re-election.
3. To appoint Auditors for the year ended 31st March 2013 and fix their remuneration. M/s Jayant Bansal & Co., Chartered Accountants, Ambala Cantt, who retire on the date of Annual General Meeting and being eligible offer themselves for re-appointment.

Special Business:

4. To appoint Sh. Akshey Chandra as a Directors of the company:

To consider and if thought fit, to pass, with and without modification(s) the following resolutions as an ordinary resolution.

"RESOLVED that Sh. Akshey Chandra who was appointed by the Board of Directors as an Additional Director of the company with effect from February 14, 2012 and who holds office up to the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 ("Act") and in respect of whom the company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the company."

5. To approve appointment of Sh. Akshay Chandra as a Whole time Executive Director of the Company and his remuneration:

To consider and if thought fit, to pass, with and without modification(s) the following resolutions as an ordinary resolution.

"RESOLVED that subject to the provisions of Section 269 and Schedule XIII and other provisions, if applicable, of the Companies Act, 1956, and provisions of the Articles of Association of the Company, consent and approval of the member of the Company be and is hereby accorded for appointment of Sh. Akshey Chandra, as a Whole time Executive Director of the company with effect from February 14, 2012 for a period of 5 (Five) years (i.e. from 14-02-2012 to 13-02-2017) on a remuneration of ₹ 55500.00 per month with other terms and conditions

as set out in the Explanatory Statement annexed to the notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER unanimously that the appointee shall continue to work under the superintendence, direction and control of the Board of Director and the appointee be and is hereby authorised to exercise such substantial powers of management of the Company as are enshrined upon his office of Executive Director under the provisions of the Companies Act, 1956, Articles of Association and any other Law of land for the time being in force.”

“RESOLVED FURTHER that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

“RESOLVED FURTHER unanimously that the minimum remuneration payable to the Whole time Executive Director Sh. Akshay Chandra shall be as has been given above in the years in which the Company incurs loss or earns inadequate profits.”

6. To appoint Sh. Rajiv Puri as a Independent Directors of the company:

To consider and if thought fit, to pass, with and without modification(s) the following resolution as an ordinary resolution.

“RESOLVED that Sh. Rajiv Puri who was appointed by the Board of Directors as an Additional Independent Director of the company with effect from February 14, 2012 and who holds office up to the date of this Annual General Meeting of the company in terms of Section 260 of the Companies Act, 1956 (“Act”) and in respect of whom the company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Independent Director of the company.”

7. To approve appointment of Sh. Sunil Chandra as a Managing Directors of the company and his remuneration:

To consider and if thought fit, to pass, with and without modification(s) the following resolution as an ordinary resolution.

“RESOLVED FURTHER that subject to the provisions of Section 269 and Schedule XIII and other provisions, if applicable, of the Companies Act, 1956, and provisions of the Articles of Association of the Company, consent and approval of the member of the Company be and is hereby accorded for appointment of Sh. Sunil Chandra, as Managing Director of the company 2017) on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER unanimously that the appointee shall continue to work under the superintendence, direction and control of the Board of Director and the appointee be and is hereby authorised to exercise such substantial powers of management of the Company as are enshrined upon his office of Managing Director under the provisions of the Companies Act, 1956, Articles of Association and any other Law of land for the time being in force.”

“RESOLVED FURTHER that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

“RESOLVED FURTHER unanimously that the minimum remuneration payable to the Managing Director Sh. Sunil Chandra shall be as has been given above in the years in which the Company incurs loss or earns inadequate profits.”

By Order of the Board of Directors

**Place: Yammunanagar
Dated: 28-08-2012**

(SUNIL CHANDRA)
Chairman

NOTES:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 (Forty-Eight) hours before the meeting. Proxies submitted on behalf of Companies/Societies etc., must be supported by appropriate resolutions/authority, as applicable. A proxy form is enclosed.
2. The Register of Members and Transfer books of the Company will be closed from Monday, September 24, 2012 to Saturday 29, 2012, both days inclusive.
3. 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. to 12.30 P.M. up to the date of Annual General Meeting.
4. Members are requested to notify to the company immediately the changes in their registered address, if any.
5. 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.
6. Members are requested to bring their copies of Annual report to the meeting.
7. The members/proxies should bring attendance slip sent herewith duly filled and stamped for attending the meeting.
8. Members may please note that no gifts or coupon will be distributed at the Annual General Meeting.
9. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is also enclosed.

SCAN PROJECTS LIMITED

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Regd Office: Village Jorian, Delhi Road, Yamunanagar (Haryana)

Works: Village Sohana, Hema Majra Road, Tehsil Barara, Distt Ambala (Haryana)

Explanatory Statement

(Pursuant to Section 173(2) of the Companies Act, 1956)

As required by Section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the business mentioned under item no. 4, 5, 6 and 7 of the accompanying Notice dated August 28, 2012:

Item no.4 & 5

The Board of Directors has appointed Sh. Akshay Chandra as Additional Independent Director of the Company with effect from February 14, 2012. As per the provisions of Section 260 of the Companies Act 1956 and provisions of Articles of Association of the Company, Sh. Akshay Chandra hold office only up to the date of this Annual General Meeting of the Company, and are eligible for appointment as Director. The Company has received notice under Section 257 of the Act, in respect of the candidate, proposing their appointment as Independent Director of the Company along with security amount of ` 500/- which will be refunded after approval of the same to the proposer.

The Board of Directors of the Company, at its meeting held on February 14, 2012 has, subject to the approval of Members, appointed Sh. Akshay Chandra as Whole time Executive Director with effect from February 14, 2012 for a period of 5 (Five) years (i.e. from 14-02-2012 to 13-02-2017) on the remuneration approved by the Board. It is proposed to seek Members' approval for the appointment of and remuneration payable to, Sh. Akshay Chandra, as Whole time Executive Director, in terms of the applicable provisions of the Companies Act, 1956. The detailed particulars of remuneration and other perquisites payable to Sh. Akshay Chandra is given as under: -

1. Salary: ` 55500.00 per month for a period of five years commencing from 14-02-2012 to 13-02-2017.

Sh. Akshay Chandra satisfies all the conditions set out in Part – I of Schedule XIII to the Act for being eligible for the appointment. He is not disqualified from being appointed as Directors in terms of Section 274(1)(g) of the Act. The above may be treated as an abstract of the terms of appointment of Sh. Akshay Chandra under Section 302 of the Act.

Sh. Akshay Chandra is a Science Graduate and having good working experience in the field of Administration. Keeping in view his experience and expertise, the Board considers it desirable that the Company should continue to receive the benefit of his valuable experience and advice and accordingly commends the Resolutions as set out at item no. 4 & 5 of the Notice for approval of the Members.

Sh. Akshay Chandra is interested in the resolutions as set out at item no 4 & 5 of the accompanying notice relating to his appointment and remuneration payable to him. Further, Sh. Sunil Chandra and Sh. Krishan Kumar may be deemed to be concerned or interested in the resolution pertaining to the appointment of and remuneration payable to Sh. Akshay Chandra as they are related to him. Except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

The Board commends the resolutions as set out at item no. 4 & 5 of the Notice for your approval.

Item no.6

The Board of Directors has appointed Sh. Rajiv Puri (Chartered Accountant) as Additional Independent Director of the Company with effect from February 14, 2012. As per the provisions of Section 260 of the Companies Act 1956 and provisions of Articles of Association of the Company, Sh. Rajiv Puri hold office only up to the date of this Annual General Meeting of the Company, and are eligible for appointment as Independent Director. The Company has received notice under Section 257 of the Act, in respect of the candidate, proposing their appointment as Independent Director of the Company along with security amount of ` 500/- which will be refunded after approval of the same to the proposer.

Sh. Rajiv Puri is a Chartered Accountant and having good working experience in the field of finance. Keeping in view the experience and expertise of him, the Board considers it desirable that the Company should continue to receive the benefit of his valuable experience and advice and accordingly commends the Resolutions as set out at Item no. 5 of the Notice for approval of the Members.

Sh. Rajiv Puri is interested in the resolutions as set out at item no 6 of the accompanying notice relating to his appointment. Except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

Item no. 7

The Board of Directors of the Company, at its meeting held on February 14, 2012 has, subject to the approval of Members, appointed Sh. Sunil Chandra as Managing Director with effect from April 01, 2012 for a further period of 5 (five) years (i.e. from 01-04-2012 to 31-03-2017) on the remuneration and other perquisites approved by the Board. It is proposed to seek Members' approval for the appointment of and remuneration payable to, Sh. Sunil Chandra, as Managing Director, in terms of the applicable provisions of the Companies Act, 1956. The detailed particulars of remuneration and other perquisites payable to Sh. Sunil Chandra is given as under: -

- a) Salary: ` 25000.00 per month with an increment at the rate of 20% per annum for a period of five years commencing from 01-04-2012 to 31-03-2017.
- b) Perquisites:
 - (i) Medical Allowance for self and family as permitted/allowed under the Income Tax Act, 1961.
 - (ii) The appointee is entitled to leave Travel Allowance for self and family as permitted/allowed under the Income Tax Act, 1961.
 - (iii) Company will provide a Car with driver to the appointee for official as well as personal use.
 - (iv) The Company shall also provide the appointee with rent-free full-furnished accommodation.
 - (v) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund, Gratuity payable, Encashment of Leave as per various applicable Laws and Rules and Regulations of the Company, if any.

Sh. Sunil Chandra satisfies all the conditions set out in Part – I of Schedule XIII to the Act for being eligible for the re-appointment. He is not disqualified from being appointed as Directors in terms of Section 274(1)(g) of the Act. The above may be treated as an abstract of the terms of appointment of Sh. Sunil Chandra under Section 302 of the Act.

Sh. Sunil Chandra is interested in the resolutions as set out at item no 7 of the accompanying notice relating to his re-appointment and remuneration payable to him. Further, Sh. Akshay Chandra and Sh. Krishan Kumar may be deemed to be concerned or interested in the resolution pertaining to the appointment of and remuneration payable to Sh. Sunil Chandra as they are related to him. Except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions.

The Board commends the resolutions as set out at item no. 7 of the Notice for your approval.

By Order of the Board of Directors

Place: Yamunanagar

Dated: 28-08-2012

(SUNIL CHANDRA)
Chairman

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL
GENERAL MEETING**

PARTICULARS	AKSHAY CHANDRA	SUNIL CHANDRA	RAJIV PURI
Date of Birth	22/07/1991	08/06/1961	01/01/1981
Date of Appointment	February 14, 2012 As Additional Whole time Director designated as Executive Director	Re-appointment Managing Directors w.e.f. 01/04/2012 for a period of five year	February 14, 2012 As Additional Independent Director
Qualification	Science Graduate	Science Graduate	Chartered Accountant
Experience	Wide experience in the field of Administration	Wide experience in Engineering business and in the field of finance and marketing	Good working experience in the field of finance/taxation and commercial
Address	Chandra Niwas, Behind Suresh Chandra Eye Hospital, Village Jorian, Delhi Road, Yamunanagar (Haryana)	Chandra Niwas, Behind Suresh Chandra Eye Hospital, Village Jorian, Delhi Road, Yamunanagar (Haryana)	House No. 517 - R - A, Model Town, Yamunanagar (Haryana)
Directorships held in other Public Companies/Foreign Companies	NIL	NIL	NIL
Directorships held in other Private Limited Companies	NIL	-M/s Chanderpur Industries Private Limited -M/s Chanderpur Renewal Power Company Private Limited	NIL
Number of Shares held in the Company as on 31 st March 2012	NIL	253910	NIL

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Directors' Report

To The Members,

The Directors have pleasure in presenting their 20th Annual Report along with the Audited Annual Statements of Accounts for the financial year ended on 31-03-2012:

1. Financial Highlights:

	2011-12	2010-11
	(' In Lacs)	
<u>Receipts:</u>		
-Net Sales/Income from Traded Goods	352.71	244.71
-Erection, Commissioning, Supervision, Project Drawing and Designing Service Charges Received	499.62	231.67
Other Income	852.33	476.38
Profit/(Loss) Before exceptional items and depreciation	10.54	7.39
Profit/(Loss) Before Tax and exceptional items	141.07	138.36
<u>Exceptional Items:</u>	6.95	4.62
-Profit/(loss) on sales of Fixed Assets	134.12	133.74
-Profit/(Loss) on sale of substantial part of assets acquired under capital work in progress i.e. new expansion scheme and Technology Development Assistance Scheme	(0.00)	(7.31)
-Adjustment of unpaid interest waived by Lloyd Finance Limited under one time settlement	0.00	0.00
Profit/(Loss) Before Tax	0.00	2.66
Provision for Taxation (Net of Deferred tax)	(0.00)	(4.65)
Profit/(Loss) after tax	134.12	129.09
Reserves and Surplus	15.57	0.24
	118.55	128.85
	(140.06)	(258.60)

2. Operations and Out Look for the Current Year:

Due to revival process initiated by the management of the company in the year 2009-10, the company had re-established its business activities by starting the new activities i.e. Engineering Services (Erection, commissioning, supervision, project drawing and designing services) and trading of fabricating material, equipment parts and other items etc. The overall growth of the company due to new business activities is good and encouraging since last three years. In the financial year 2011-12, the company has earned the total revenue from operation is ` 852.33 Lacs against the pervious year ` 476.38 Lacs, which reflects the growth of 79%. The net profit after tax of the company is ` 6.66 Lacs, ` 128.85 Lacs and ` 118.55 Lacs in the year 2009-10, 2010-11 and 2011-12 respectively. Due to these and other substantial factors, the accumulated losses of the company have been minimized and the net worth of the company has become positive. 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 achieve better results in the ensuing year with new business activities.

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

Sh. Akshay Chandra and Sh. Rajiv Puri have been appointed as Additional Directors on February 14, 2012. Sh. Rajiv Puri is an Independent Director. As per the provisions of Section 260 of the Act, both the Directors hold office only up to the date of the forthcoming Annual General Meeting (AGM) of the Company and are eligible for appointment as Director. The Company has received notices under Section 257 of the Act, in respect of the above persons, proposing their appointment as a Director of the Company. Resolutions seeking approval of the members for the appointment of Sh. Akshay Chandra and Sh. Rajiv Puri as Director of the Company have been incorporated in the Notice of the forthcoming AGM along with brief details about them.

Sh. Sunil Chandra is re-appointed as Managing Director of the Company w.e.f. April 1, 2012 to March 31, 2017. Pursuant to the Articles of Association of the Company he will not be liable to retire by rotation.

Sh. Akshay Chandra was inducted as Whole time Executive Director of the Company w.e.f. February 14, 2012 to February 13, 2017.

The notice convening the Annual General Meeting includes the proposal for appointment of Directors.

6. **Auditors' Report:**

- a) The Auditors' Report is self-explanatory and the notes contained therein are mutually inclusive, which do not call for further comments.
- b) Regarding Para 8 of Annexure to Auditors' Report, the Company is maintaining cost records and has appointed M/s K. K. Sinha & Associates, Cost Accountants, 3396, Sector -46C, Chandigarh – 160047, to carry out Cost Audit and issue Compliance Certificate under Section 233B of the Companies Act, 1956 read with the clause 5 read with clause 7 of the Companies (Cost Accounting Records) Rules, 2011. In term of these Rules Cost Audit Report has not become applicable to the company.

7. **Auditors:**

The Auditors, M/s Jayant Bansal & Co., Chartered Accountants, Ambala Cantt. hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

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 2012-13	168000.00
2.	Jaipur Stock Exchange Limited, Jaipur	1997-98 to 2012-13	160000.00
TOTAL			328000.00

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(1)(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 and 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:

- i) in preparing the Annual accounts of the year ending 31-03-2012 the applicable accounting standard have been followed and that no material departure have been made from the same;
- ii) 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 31st March 2012 and of the profit of the Company for the period from 1st April 2011 to 31st March 2012;
- 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