| 22nd | *ANNUAL REPORT* <br> *2013-14* |
|---|---|

# SCAN PROJECTS LIMITED

(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)

***REG. OFFICE: VILLAGE JORIAN, DELHI ROAD***

***DISTT. YAMUNA NAGAR 135001 (HARYANA)***

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

***DISTT. AMBALA (HARYANA)***

# SCAN PROJECTS LIMITED

**BOARD OF DIRECTORS**

SH. SUNIL CHANDRA, M. DIRECTOR
SH. CHAITANYA CHANDRA, DIRECTOR
SH. AKSHAY CHANDRA
SH. RAJIV PURI
SH. OM PRAKASH BHOLA
SH. SANJAY SHARMA

**AUDITORS**

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

**COMPANY SECRETARY**

MS. ANITA BISHT
19, PANDITWARI, CHAKRATA ROAD,
DEHRADUN, UTTARAKHAND

**REGISTRAR & TRANSFER AGENT**

BEETAL FINANCIAL & COMPUTER SERVICES (P) Ltd.
3rd FLOOE, 99 MADANGIR,
BEHIND LOCAL SHOPING CENTER,
NEW DELHI - 110062.

**REGISTERED OFFICE**

VILL. VILLAGE JORIAN
DELHI ROAD,
YAMUNA NAGAR-135001

**WORKS**

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

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Sunil Chandra

# SCAN PROJECTS LIMITED

**(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**

**Regd Office: Village Jorian, Delhi Road, Yamunanagar (Haryana)**
**Works: Village Sohana, Hema Majra Road, Tehsil Barara, Distt Ambala (Haryana)**
**CIN: L29253HR1992PLC031576 Web Site: www.scanprojects.in**
**Phone no.: 01732 – 650495 E-mail: scanhry@scanprojects.in**

## Notice: Convening 22nd Annual General Meeting

Notice is hereby given that 22nd Annual General Meeting of the members of the Company "**Scan Projects Limited (Formerly Known as Ambala Cements Limited)**" will be held on **Tuesday 30th day of September 2014 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 2014 and Balance Sheet as at that date together with reports of the Board of Directors and the Auditors thereon.

2. To re-appoint Sh. Chaitanya Chandra, 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 2015 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.

**By Order of the Board of Directors**

**Place: Yamunanagar**
**Dated: 28-08-2014**

**(SUNIL CHANDRA)**
**Managing Director**
**DIN: 01066065**

***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 Thursday, September 25, 2014 to Tuesday 30, 2014, 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.

Sunil Chandra

5. Members having any queries relating to the Annual Report are requested to write to the company at least 10 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. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

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**SCAN PROJECTS LIMITED**
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## Directors' Report

**To The Members,**

The Directors have pleasure in presenting their 22nd Annual Report along with the Audited Annual Statements of Accounts for the financial year ended on 31-03-2014:

1. ***Financial Highlights:***

| | ( ` In Lacs) 2013-14 | 2012-13 |
|---|---|---|
| Receipts: | | |
| -Net Sales/Income from Traded Goods | 1.35 | 12.32 |
| -Erection, Commissioning, Supervision, Project Drawing and Designing Service Charges Received | 461.72 | 292.97 |
| | **463.07** | **305.29** |
| Other Income | 12.17 | 11.45 |
| Profit/(Loss) Before exceptional items and depreciation | 62.96 | 59.24 |
| Depreciation | 7.40 | 6.27 |
| Profit/(Loss) Before Tax and exceptional items | 55.56 | 52.97 |
| Exceptional Items | 0.00 | 0.00 |
| Profit/(Loss) Before Tax | 55.56 | 52.97 |
| Provision for Taxation (Net of Deferred tax and Minimum Alternate Tax) | 13.20 | 0.11 |
| Profit/(Loss) after tax | 42.36 | 52.86 |
| Reserves and Surplus | (44.84) | (87.20) |

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

After 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 is good and encouraging since its re-establishment. In the current year 2013-14, the Company has earned the total revenue from operation ` 463.07 Lacs against the previous years ` 305.32 Lacs, ` 852.33 Lacs and ` 476.38 Lacs in the year 2012-13, 2011-12 and 2010-11 respectively. The reason for decline in revenue of the Company since last two years is due to sluggish performance at site projects. However, the Company has sufficient work order for Erection and Commissioning in hand at different locations in India and Nepal, which will be executed in the ensuing financial year. During the year, the Company has also established Branch Office/Permanent Establishment at Nepal for execution of job contracted at Nepal. The net profit after tax of the company is ` 118.55 Lacs, ` 52.86 Lacs and ` 42.36 Lacs in the year 2011-12, 2012-13 and 2013-14 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 the above factors reflects that the management is serious and hopeful to achieve better results in the ensuing years with new business activities.

Sunil Chu

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

6. ***Auditor and Auditors' Report***:

M/s Jayant Bansal & Co., Chartered Accountants, Ambala Cantt, Statutory Auditor of the company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment for another term.

As required under the provisions of section – 139(1) of the Companies Act, 2013, the company has received a written consent from M/s Jayant Bansal & Co., Chartered Accountant to their appointment and a certificate, to the effect that their re-appointment, if made, would be in accordance with the new Act and the Rules framed there under and that they satisfy the criteria provided in section- 141 of Companies Act, 2013. The Board recommends their appointment for the financial year 2014-15.

The Auditors' Report is self-explanatory and the notes contained therein are mutually inclusive, which do not call for further comments.

7. ***Cost Auditors***:

The Company has appointed M/s K. K. Sinha & Associates, Cost Accountants (Firms Regd, No 100279), 3396, Sector -46C, Chandigarh – 160047, as cost auditors to conduct the audit of cost accounting records for its Erection and Commissioning activities for the financial year 2013-14.

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 2013-14 | 178500.00 |
| 2. | Jaipur Stock Exchange Limited, Jaipur | 1997-98 to 2013-14 | 170000.00 |
| | | **TOTAL** | **348500.00** |

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. ***Management's Discussion and Analysis Report***:

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

12. ***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.

13. ***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.

14. ***Employer-Employee Relations***:

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

15. ***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 31-03-2014 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 2014 and of the profit of the Company for the period from 1st April 2013 to 31st March 2014;
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.

16. ***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: Yamunanagar**
**Dated: 28-08-2014**

**By Order of the Board of Directors**

Sunil Chandra

**(SUNIL CHANDRA)**
**Managing Director**
**DIN: 01066065**

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# REPORT ON CORPORATE GOVERNANCE (2013-14)

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

Scan Projects Limited (Formerly Known as 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:**

As on March 31, 2014, the Company has six (6) Directors with a Non-Executive Chairman. Of the six Directors, Four (4) (i.e. 66.67%) are Non-Executive Directors and Three (3) (i.e. 50%) are independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges. None of the Non-Executive Directors are responsible for the day to day affairs of the Company. Composition and category of directors is as follows:

| Category | Name of the Director |
|---|---|
| 1. Executive directors | |
| • Promoters | Sh. Sunil Chandra (Managing Director)<br>Sh. Chaitanya Chandra (Whole Time Executive Director) |
| 2. Non-Executive director | Sh. Akshay Chandra (Non-Executive Director) |
| 3. Non-Executive Independent directors | Sh. Sanjay Sharma<br>Sh. Om Parkash Bhola<br>Sh. Rajiv Puri |

The following table gives the requisite details of Directors, their Directorships in other public companies, Chairmanships/ Memberships in Board Committees of other public companies and their attendance at the Board of Directors Meetings and the last Annual General Meeting are as under:

| Name of the Director and Designation | Number of Board Meetings during the year 2013-14 | | Whether attended Last AGM | Directorships and Chairmanships / Memberships of Board and Board Committees in Other Companies "#" | | |
|---|---|---|---|---|---|---|
| | Held | Attended | | Director | Member | Chairman |
| Sh. Sunil Chandra (Executive officer and Managing Director) DIN 01066065 | 10 | 10 | YES | NIL | NIL | NIL |
| Sh. Krishan Kumar (Non-Executive Director and Chairman ) "*" DIN 01095333 | 10 | 1 | NO | NIL | NIL | NIL |
| Sh. Akshay Chandra (Non-Executive Director and Chairman) "***" DIN 05208884 | 10 | 10 | YES | NIL | NIL | NIL |
| Sh. Chaitanya Chandra (Executive and Whole Time Director) "****" DIN 06592837 | 10 | 8 | YES | NIL | NIL | NIL |
| Sh. Sanjay Sharma (Non-Executive Independent Director) DIN 01066111 | 10 | 10 | YES | NIL | NIL | NIL |
| Sh. Om Parkash Bhola (Non-Executive Independent Director) DIN 01066163 | 10 | 10 | YES | NIL | NIL | NIL |
| Sh. Rajiv Puri (Non-Executive Independent Director) DIN 05208886 | 10 | 10 | YES | NIL | NIL | NIL |

**Note**:

"#"Excluding directorship in private limited companies, foreign companies and Companies incorporated under Section 25 of the Companies Act, 1956.

"*" Sh. Krishna Kumar, Non-executive Director has resigned from the directorship of the Company w.e.f. 31st May, 2013 and the same has duly been accepted in the Board of Directors meeting held on 31st May 2013.

"**" Sh. Akshay Chandra has resignation from the office of the Whole Time Director of the Company w.e.f. 01/07/2013 and shall continue to be as Non-Executive Director and Chairman of the company w.e.f. 01/07/2013.

"****" Sh. Chaitanya Chandra was appointed as Additional Non-Executive Director on the Board of the company w.e.f. 31st May 2013, subject to shareholders approval at the ensuing Annual General Meeting. He has further appointed as Whole time Executive Directors of the Company w.e.f. 15th July 2013. The appointment of him as Whole time Executive Directors was duly approved in the Annual General Meeting held on 30th September 2013.

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

During the year the company has held ten (10) Board of Director meetings. The dates on which the meetings were held are given below:

26-04-2013, 31-05-2013, 11-07-2013, 14-08-2013, 29-08-2013, 14-11-2013, 14-12-2013, 13-01-2014, 14-02-2014 and 25-03-2014

3 **Code of Conduct**

The Board of Directors has an important role in ensuring good Corporate Governance and has laid down the Code of Conduct for Directors and Senior Management of the Company. The Code has also been posted on the website of the Company. All Directors and Senior Management personnel have affirmed the compliance thereof for the year ended March 31, 2014.

**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, we affirm that the Board Members and Senior Management personnel of the Company have confirmed compliance with the Code of Conduct of the Company during the year ended March 31, 2014.

**Yamunanagar**
**28th August 2014**

**SUNIL CHANDRA**
**(Managing Director)**

4 **Audit Committee:**

The company has an Audit Committee of the Board comprising of four (4) Non-Executive Directors, out of them three (3) are 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. Akshay Chandra [Member (Non-Executive Director)]
4. Sh. Rajiv Puri [Member (independent)]

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 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 (8) times during the year on 26-04-2013, 31-05-2013, 14-08-2013, 29-08-2013, 14-11-2013, 14-12-2013, 14-02-2014 and 25-03-2014. The Attendance of the members at the meetings was as follows: -