

18th

ANNUAL REPORT  
2009-2010

**AMBALA CEMENTS LIMITED**

VILLAGE SOHANA, HEMA MAJRA ROAD, P.O. MULLIANA, 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 BANSAI & 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.

By Order of the Board of

Place: Ambala Cantt  
Dated: 27-08-2010

*Sunil Chandra*  
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.**  
*Sunil Chandra*  
Managing Director

476111

**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>Receipts:</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
Exceptional Items:	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 Outlook 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 Cos/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. Listine:

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
	<b>TOTAL</b>		<b>287000.00</b>

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 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:

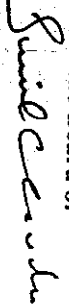
- i) In preparing the Annual accounts of the year ending 31-03-2010 the applicable accounting standard have been followed and that no material departure have been made from the same;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 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;

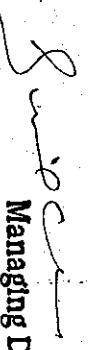
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- iv) that the Directors have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

Category	Name of the Director
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:**

Name of the Director	Board Meeting held	Board Meeting Attended	Attendance at Last AGM
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

*Sanjay Sharma*



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 Bhole (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:**

<b>Annual General Meeting</b>	18 <sup>th</sup> Annual General Meeting
<b>Day and Date</b>	Thursday, 30 <sup>th</sup> September 2010
<b>Time</b>	10.30 A.M.
<b>Venue</b>	Village Jorian, Delhi Road, Yamunanagar - 135 001 (Haryana)
<b>Financial Calendar</b>	
<b>Un-audited Financial Results</b>	
-First Quarter (30-06-2009)	Last week of July, 2009
-Half yearly (30-09-2009)	Last week of October, 2009
-Third Quarter (31-12-2009)	Last week of January, 2010
<b>Audited Financial Results</b>	
-Fourth Quarter (31-03-2010)	Last week of May, 2010
<b>Day of book Closure</b>	
-Physical mode	25-09-2010 to 30-09-2010 (Both day inclusive)
<b>Dividend</b>	No dividend has been recommended by the Directors.
<b>Listing on Stock Exchange</b>	<ul style="list-style-type: none"><li>• Bombay Stock Exchange, Mumbai</li><li>• The Delhi Stock Exchange Association Limited</li><li>• Ahmedabad Stock Exchange, Ahmedabad (Listing fee for the period 1997-98 to 2010-11 is pending)</li><li>• Jaipur Stock Exchange Limited, Jaipur (Listing fee for the period 1997-98 to 2010-11 is pending)</li></ul>
<b>Registrar and Share Transfer Agents and Share Transfer System</b>	The Company has not appointed any Share Transfer Agent and is having an in-house Share Transfer System.
<b>Market Price date-High/Low during each month of the year 2009-10</b>	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.

*Swire C.C. V*

**Distribution of Shareholding as on 31-03-2010**

Form	No. of Shares	To	No. of Shareholders		Shareholdings	
			Nos.	% to Total	Nos.	% to Total
1	500		94	35.61	36010	1.25
501	1000		76	28.79	71300	2.48
1001	2000		18	6.82	29900	1.04
2001	3000		9	3.41	23800	0.83
3001	4000		6	2.27	21200	0.74
4001	5000		12	4.54	58400	2.03
5001	10000		17	6.44	138600	4.82
10001	Above		32	12.12	2494090	86.81
			264	100.00	2873300	100.00

Plant Location

Registered Office

Herna Majra Road, Village Sohana  
P.O. Mulliana, Distt. Ambala  
(Haryana)  
Village Jorian, Delhi Road,  
Yamunanagar - 135 001  
(Haryana))

**Ambala Cements Ltd.**

Managing Director

**AMBALA CEMENTS LIMITED  
MANAGEMENT DISCUSSION AND ANALYSIS**

**1. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Initially the company had set-up the unit for manufacturing of Ordinary Portland Cement (OPC) through the Vertical Shaft Kiln (VSK) technology. The company's product i.e. OPC through VSK could not stand the competition with the big plants manufacturing cement through the Rotary Kiln and had to face marketing difficulties and ultimate closure of the said activities due to heavy losses and non-acceptability of their product in the market. However, the company 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) and achieved better results in the current year.

**2. OPPORTUNITIES, THREATS, RISKS AND CONCERN:**

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. All these above efforts reflect that the Management of the Company is serious for revival of the company from the existing crisis.

**3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

The company's business mainly comprised of manufacturing of Ordinary Portland Cement. However, the company is not in production since January 2002 and disposed off all the plant machinery and equipments. Hence no production and sales activities have been made since then. 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.

**4. OUTLOOK:**

In view of restructuring process initiated by the management of the company, the Company has already repaid all the dues towards Financial Institution/Bank under one time settlement scheme after disposing off substantial part of the fixed assets. Previously, 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. 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.

**5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

There are adequate internal control procedures commensurate with the size of the company and the nature of its business. However, due to discontinuance of main activity since January 2002 and in view of low volume of its transactions, the company does not have a formal system of internal audit. However, there is an audit committee which interacts with the statutory auditors at regular intervals of time. The management also regularly reviews the utilization of fiscal resource, compliance with law, efficiencies, so as to ensure optimum utilization of resources and achieve better efficiencies.

**6. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:**

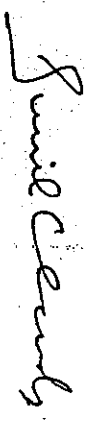
*Sanid Chandra*

Due to discontinuance of main activities since January 2002 and in view of low volume of its transactions, the company is not having regular workforce.

**7. CAUTIONARY STATEMENT:**

Statements in the management discussion and analysis may be "forward looking" statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.


By Order of the Board of



Sunil Chandra  
(Chairman)

Place: Ambala Cantt  
Dated: 27-08-2010

Ambala Cements Ltd.



Managing Director

CERTIFICATE

To  
The Member of  
Ambala Cements Limited,

We have examined the compliance of conditions of corporate governance by AMBALA CEMENTS LIMITED, for the year ended on 31<sup>st</sup> March, 2010, as stipulated in clause 49 the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

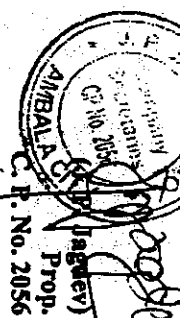
In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.


We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2009 no investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the company which are presented to the Shareholders/Investors Grievance Committee.

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

Place: Ambala City

Date: 27-08-2010

for J.P. Jagdev & Co.,  
Company Secretaries,  
  
C. P. Jagdev  
Prop.  
C. P. No. 2056

Ambala Cements Ltd.  
  
Managing Director

Office : 22-A, Kanshi Nagar, Model Town, AMBALA CITY-134 003 Ph. : 2520660.  
~~94160-20660 (M) 94160-20660 E-mail: [info@ambalacementsltd.com](mailto:info@ambalacementsltd.com)~~

To,

The Members of,  
Ambala Cements Limited,  
Village Jorian, Delhi Road,  
Yamuna Nagar-135 001  
(Haryana)

Ref: Audit of accounts for the year ended 31<sup>st</sup> March 2010.

Gentlemen,

We have audited the attached Balance Sheet of **AMBALA CEMENTS LIMITED, YAMUNANAGAR** as at 31<sup>st</sup> March, 2010 and also the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted the audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure I a statement on the matters specified in paragraphs 4 and 5 of the said order.

3. Further to our comments in the Annexure referred to above, we report that: -

- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by the law, has been kept by the company so far as appears from our examination of those books of the company;



(iii) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

(iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section 3(C) of section 211 of the Companies Act, 1956;

(v) On the basis of the written representations received from the directors, as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director under Section 274(1)(g) of the Companies Act, 1956;

(vi) We draw attention to note No. 9 in the financial statement. The company has disposed off substantial part of the assets for repayment of dues towards financial institution/Bank. Moreover, the accumulated losses of the company have just become equivalent to its entire net worth. The accounts have, however, been prepared by the management as a going concern, as explained in the abovementioned notes of Schedule "L". However, in view of uncertainty for re-establishing the commercial activities along with other matters as set forth in the above mentioned notes, we are unable to comment as to whether the company will continue as a going concern in the foreseeable future. Consequently, adjustments may be required to the recorded amounts of assets and classification of liabilities. The financial statements (and notes thereto) do not disclose this fact.

(vii) In our opinion and to the best of our information and according to the explanation given to us, subject to the omission of the information dealt within the preceding paragraph, the said financial statements read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

(a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010 and

(b) In the case of Profit and Loss Account, of the Profit for the year ended on that date.

(c) In the cash flow statement, of the cash flow for the year ended on that date.

Place: Ambala Cantt

Date: 28-05-2010



For Jayant Bansal & Co.,  
Chartered Accountants

JAYANT BANSAL  
(PARTNER)

Ambala Cemento Ltd.

Managing Director



ANNEXURE I REFERRED TO IN PARAGRAPH 2 OF AUDITORS REPORT OF EVEN DATE ON THE  
ACCOUNTS OF AMBALA CEMENTS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us that, due to disposal of substantial part of assets, no physical verification has been conducted during the year. However, the necessary verification regarding wear and tear of the remaining assets has been conducted by the responsible staff during the year at regular intervals of time. No material discrepancies were noticed on such verification.  
(c) The company had previously disposed off substantial part of fixed assets and it also has 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) during the year. However, as explained by the management that the account has been prepared on the basis of going concern concept in view of restructuring process initiated by the management of the company. Because the company 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 its business activities in the ensuing years.
2. (a) As explained to us that, the entire old stock (i.e. raw material, finished and semi-finished goods) except stores and spares of the company has been disposed off during the year and started the new business activities. The stock of raw material, stores & spares and finished/semi-finished goods of the company regarding new activities have been physically verified at frequent intervals during the year by the management and in our opinion, the frequency of verification is reasonable.  
(b) The procedure of physical verification of inventories followed by the management regarding new activities, are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company has maintained proper records of inventories and the discrepancies noticed on the physical verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the books of accounts.  
(d) The management has valued the old stock of store and spares as per stock records maintained by the company and no physical verification was carried out during the year under consideration to work out damaged stock. The company has taken book value as value of the old stock of store and spares. So, we do not offer any comments on the value of the old stock of store and spares as shown in the Balance Sheet, as we have relied on the management's certificate regarding the value and quality of it.
3. (a) The company has not granted any loans, secured or unsecured, to companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956, where the rate of interest and other terms and conditions are, prima facie, prejudicial to the interest of the company.  
(b) The company has not taken loans, secured or unsecured, from companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956, where the rate of interest and terms and conditions are, prima facie, prejudicial to the interest of the company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls with regards to purchase of inventories, fixed assets and for sale of goods and services.
5. (a) According to the information and explanation given to us and as confirmed by the Managing Director of the company, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.



(b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public. We are also informed that, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or Any Court or any other Tribunal.

In our opinion and according to the information and explanation given to us, that due to discontinuation of commercial production since January 2002 and in view of low volume of its transactions, the company does not have a formal system of internal audit commensurate with the size and nature of its business. However, as pointed in clause above, the company has an adequate internal control system.

According to the information and explanations given to us, in respect of the company the Central Government has not prescribed rules for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any products of the company's new business activities.

(a) According to the records of the company and as per information and explanation given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with appropriate authorities.

(b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess applicable to it were in arrears, as at 31-03-2010 for a period more than six months from the date they became payable except Central Excise Duty, amounting to Rs. 357489.19 (for the year 2002-03) against which the company has paid Rs. 200000.00 and the balance is yet to be paid, because the case is pending before the appellate authority for settlement. The details of the other cases are given below:

PARTICULARS	PERIOD	AMOUNT DUE	STATUS AS ON
-Stock exchange listing fee:			31/03/2010
The Stock Exchange Ahmedabad	1997-2010	136500.00	
Jaipur Stock Exchange	1997-2010	130000.00	Yet to be paid
			-do-

(c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess applicable to it, which have not been deposited on account of any dispute as on 31-03-2010 except excise duty. The details of which are given below: -

PARTICULARS	NATURES OF DUES	YEAR TO WHICH IT RELATES	AMOUNT	FORUM WHERE DISPUTE IS PENDING
Central Excise Duty	Difference in rate of excise duty	1991-1993 (arising in the year 2002-03)	357489.19 (against that Rs. 200000/- has been paid)	Central Excise and Service Appellate Tribunal

As per the information and explanation given to us and on an overall examination of the financial statements of the company for the current and immediately preceding financial year, we report that the total accumulated losses of the company as on 31-03-2010 is Rs. 40245684.89 (Previous year Rs.40911588.79), which is just equivalent to the entire net worth of the company. While the company has incurred cash profit of Rs. 854874.90 in the current year and cash loss of Rs.1938930.67 in the immediately preceding financial.



11. As per the information and explanation given to us, that the company had repaid all its dues towards financial institution/Bank under one time settlement scheme. In respect of other loan availed from Lloyd Finance Ltd., Chandigarh against equipment, the total overdue amount is Rs. 1298600.98 as on 31-03-2010, as per revised re-schedule ment. The said company has also filed the recovery suit against the company in the Honorable Punjab and Haryana High Court for recovery. However, the company does not have any borrowings in the form of debentures.
12. As per the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities to any body during the year.
13. In our opinion, the company is not a chit fund or a nidh/mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003, are not applicable to the company.
14. According to the information and explanation given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the records of the company, the company has not raised any term loan during the year.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis has been used for long term investments.
18. According to the information and explanations given to us, during the year the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year which requires the creation of security. Therefore, paragraph 4(xix) of the Companies (Auditors' Report) Order, 2003 is not applicable to the company.
20. The company has not raised any money by way of public issues during the year for which the management has to disclose the end use of money raised through the public issue. Therefore, paragraph 4(xx) of the Companies (Auditors' Report) Order, 2003, is not applicable to the company.
21. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Ambala Cantt

Date: 28-05-2010



For ~~Jayant Bansal & Co.,~~  
~~Chartered Accountants~~  
JAYANT BANSAL  
(PARTNER)

**Ambala Cements Ltd.**

*[Signature]*  
Managing Director

**M/S AMBALA CEMENTS LIMITED, AMBALA**  
**BALANCE SHEET AS ON 31ST MARCH 2010**  
**PARTICULARS**

**SCHEDULE**

**AS AT** 31/03/2010  
**(RS.)**

**AS AT** 31/03/2009  
**(RS.)**

SOURCES OF FUNDS	A	B	C	D	E	F	L
Shareholders' fund	39990900.00	1500000.00					
-Share Capital							
-Reserves and Surplus		41490500.00					
Loan Funds			1298600.98				
-Secured Loans				1298600.98			
<b>TOTAL RS.</b>	<b>42789100.98</b>	<b>48338933</b>					

APPLICATION OF FUNDS	D	E	F	L
Fixed Assets				
-Gross Block	8948311.05			
Less: Depreciation	5060893.81			
-Net Block	3887417.24			
-Capital work in progress and advance against capital expenditure for public issue project		0.00		
-Agriculture expenses incurred		29172.00		
<b>TOTAL RS.</b>	<b>3916589.24</b>	<b>7491163</b>		

Current Assets, Loans and Advances	E	F	L
Inventories	63410.00		
-Cash and Bank Balances	18691315.50		
-Sundry Debtors	10974768.00		
-Loans and Advances	568750.24		
<b>TOTAL RS.</b>	<b>30298243.74</b>	<b>7150078</b>	

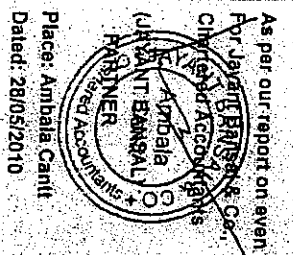
Less: Current Liabilities and Provisions	F	L
Liabilities		
-Provisions	31313927.70	6856408
	357489.19	357489
	31674416.89	7213897
<b>TOTAL RS.</b>	<b>42789100.98</b>	<b>48338933</b>

Net Current Assets (1373173.15) (63819)

Balance as per Profit and Loss Account 40245884.89 40911589

Notes on Accounts

**TOTAL RS.** 42789100.98 48338933



As per our report on even dated attached.

For and on behalf of the Board  
**SUNIL CHANDRA**  
 (MANAGING DIRECTOR)

**KRISHNA KUMAR**  
 (DIRECTOR)

**Ambala Cements Ltd.**  
*Sunil Chandra*  
 Managing Director

**M/S AMBALA CEMENTS LIMITED, AMBALA**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**  
**SCHEDULE PARTICULARS**

PARTICULARS	FOR THE YEAR ENDED		FOR THE YEAR ENDED	
	31/03/2010	(RS.)	31/03/2009	(RS.)
<b>INCOME</b>				
Sales (Traded goods)		14589149.00		2935620
Other income		2985841.11		100000
-Increase/(Decrease) in stocks (i.e. finished/semi-finished goods)		(2294632.50)		0
		<b>15280357.61</b>		<b>3035620</b>
<b>TOTAL RS...</b>				
<b>EXPENDITURE</b>				
Raw Material Consumed	H	12151916.00		2447327
Administrative, Selling and other exp.	I	1110405.95		388778
Interest and other financial charges	J	624.65		47870
Depreciation		188971.00		51717
		<b>13451817.60</b>		<b>2935691</b>
<b>TOTAL RS...</b>				
<b>NET PROFIT BEFORE TAX</b>		1828540.01		99928
<b>Add/(Less) : Exceptional Items</b>				
- Profit/(Loss) on sale of fixed assets		(809871.00)		0
- Profit/(Loss) on sales of assets under capital work in progress i.e. new expansion scheme (Refer Note No. 8)		(352665.11)		(52954)
- Profit/(Loss) on disposal of Technical Development Project under Technical Development Assistance Scheme		0.00		(2742709)
- Adjustment of unpaid interest waived by the Central Bank of India under one time settlement scheme		0.00		705088
		<b>(1162636.11)</b>		
<b>NET PROFIT FOR THE YEAR BEFORE TAX</b>		665903.90		(1990648)
<b>LESS: PROVISION FOR CURRENT TAXATION</b>		0.00		0
<b>NET PROFIT FOR THE YEAR AFTER TAX</b>		665903.90		(1990648)
<b>BALANCE CARRIED FORWARD FROM LAST YR. BALANCE SHEET</b>		(40911588.79)		(38920941)
<b>BALANCE AVAILABLE FOR APPROPRIATIONS</b>		(40245684.89)		(40911589)
<b>APPROPRIATIONS (if any)</b>		0.00		0
<b>BALANCE CARRIED OVER TO BALANCE SHEET</b>		(40245684.89)		(40911589)

NOTES ON ACCOUNTS

As per our report on even dated attached

For Jagan Nath & Co.  
 Chartered Accountants



Place: Ambala Cantt  
 Dated: 28/05/2010

For and on behalf of the Board  
 Sunil Chandra  
 (MANAGING DIRECTOR)

Krishnakumar  
 (DIRECTOR)

**M/S AMBALA CEMENTS LIMITED, AMBALA**

**SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

**SCHEDULE**

**SCHEDULE**

AS AT 31/03/2010 (RS.) AS AT 31/03/2009 (RS.)

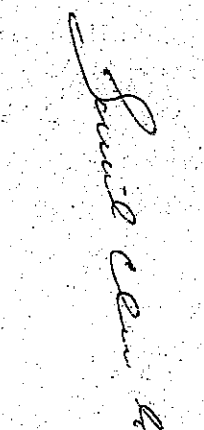
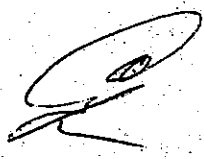
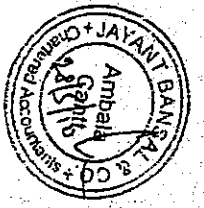
<b>SCHEDULE "A" SHARE CAPITAL</b>	
<b>Authorised</b>	
6000000 Equity Shares of Rs. 10/- each	600000000
<b>Issued, Subscribed and paid up</b>	
2873300 Equity Shares of Rs. 10/- each fully paid up	28733000
Add : Forfeited 2138400 Equity shares (Amount originally paid up)	11257500
<b>TOTAL RS.</b>	<b>39990500</b>

Note: The Company has forfeited 2138400 Equity Shares (against which the call money amounting to Rs. 10,126500.00 were in arrears) in the Board of Directors meeting held on 24/03/2001. In the terms of Articles of Association of the company, in consequence of having failed to pay the call money due thereon on 12/03/2001.

<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>	
<b>Capital Reserves:-</b>	
-Capital Investment Subsidy received	1500000
<b>TOTAL RS.</b>	<b>1500000</b>

<b>SCHEDULE "C" SECURED LOANS</b>	
<b>HIRE PURCHASE LOAN FROM</b>	
-Lloyd Finance Ltd., Chandigarh	1298600.98
<b>CASH CREDIT FACILITY FROM</b>	
-Central Bank of India, Ambala Cantt	0.00
<b>TOTAL RS.</b>	<b>1298600.98</b>

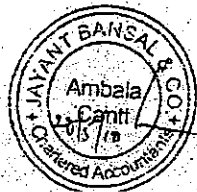
Notes 1) The Hire Purchase Loan from M/s Lloyd Finance Ltd., Chandigarh has been secured by hypothecation of Equipments (Plant and machinery) against which the finance has been provided.  
 2) The Hire Purchase Loan from M/s Lloyd Finance Ltd., Chandigarh amounts to Rs. 1298600.98 and on 31-03-10 It includes provision for interest due for the period 01-08-98 to 31-03-04 Rs. 364310.00, the balance of the same is however not confirmed.

*Praveen Chandra*  
  
  


**M/S AMBALA CEMENTS LIMITED, AMBALA**  
**SCHEDULE "D" OF FIXED ASSETS**

PARTICULARS	GROSS BLOCK (AT COST)					DEPRECIATION			NET BLOCK	
	AS ON 01/04/2009	ADDITIONS DURING THE YEAR	DEDUC- TIONS/AD- JUSTMENTS	TOTAL AS ON 31/03/2010	UP TO 31/03/2010	FOR THE YEAR	DEDUC- TIONS/AD- JUSTMENTS	TOTAL UP TO 31/03/2010	W.D.V. AS ON 31/03/2010	W.D.V. AS ON 31/03/2009
Land & Site development	324587.96	0.00	0.00	324587.96	0.00	0.00	0.00	0.00	324587.96	324588
Factory Building	10.00% 6102860.91	0.00	0.00	6102860.91	3651558.91	122230.00	0.00	3773788.91	2329092.00	2451322
Furniture & Fixtures	18.10% 115452.14	0.00	0.00	115452.14	57747.14	1162.00	0.00	98929.14	16523.00	17705
Electric fitting & installations	13.91% 115350.14	0.00	0.00	115350.14	77315.14	2638.00	0.00	79953.14	35397.00	38035
Plant, Machinery & Equip.	27.82% 9652766.98	0.00	9652766.98	0.00	7991454.98	0.00	7991454.98	0.00	0.00	1661312
or	13.91%									
Electric Feeder Line (11 KV)	730535.28	0.00	0.00	730535.28	0.00	0.00	0.00	0.00	730535.28	730535
Electric equip. & accessories	13.91% 1411224.49	0.00	1411224.49	0.00	749199.49	0.00	749199.49	0.00	0.00	662025
Workshop Equip. & Tools	13.91% 43605.62	0.00	0.00	43605.62	30052.62	597.00	0.00	30749.62	12856.00	13553
Pollution Control Equip.	13.91% 571449.52	0.00	571449.52	0.00	413497.52	0.00	413497.52	0.00	0.00	157952
Generator Set	13.91% 1144403.00	0.00	0.00	1144403.00	624323.00	44523.00	0.00	868846.00	275557.00	320080
Automatic Voltage Stabilizer	13.91% 216273.00	0.00	0.00	216273.00	114529.00	14152.00	0.00	128682.00	87591.00	101744
Laboratory Equip.	13.91% 307030.33	0.00	307030.33	0.00	230024.33	0.00	230024.33	0.00	0.00	77006
Scooter/Moped	25.89% 52126.30	0.00	52126.30	0.00	48413.30	0.00	48413.30	0.00	0.00	3713
Office Equipments	13.91% 113832.00	0.00	0.00	113832.00	76397.00	1926.00	0.00	78323.00	35509.00	37435
Cycle	20.00% 5080.70	0.00	5080.70	0.00	4317.70	0.00	4317.70	0.00	0.00	763
Computer & Printers	60.00% 0.00	41391.00	0.00	41391.00	0.00	1622.00	0.00	1622.00	39769.00	0
<b>Total Rs.</b>	<b>20906598.37</b>	<b>41291.00</b>	<b>11999678.32</b>	<b>8948311.05</b>	<b>14308230.13</b>	<b>188971.00</b>	<b>9436907.32</b>	<b>5060893.81</b>	<b>3887417.24</b>	<b>6597768</b>
Previous year figures	20906598	0	0	20906598	14257113	54717	0	14308830	6597768	

14.10



*Sunit Ch...*

*[Handwritten signature]*

Capital Work in progress and advances against capital expenditure

A. Capital work in progress and advances against capital expenditure for public issue project includes :

-Plant and Machinery under erection (including cost of machinery)  
(Net of MODVAT credit availed)

0.00 893395

0.00 765444

-Electrical Equipments and accessories  
(Net of MODVAT credit availed)

0.00 127951

-Capital Advances (i.e. for Machinery and Building Material)  
Less : Provision for bad and doubtful capital advances

492307.50  
492307.50

0.00 0

SUB TOTAL "A"

0.00 893395

- Notes : 1. The company has incurred expenditure on independent electric line which is not represented by any specific or tangible assets. The said expenditure would remain the property of the relevant state authority i.e. U.H.B.V.N.  
2. The Company has charged the depreciation on remaining fixed assets according to their period of use during the year.



*Sanit Chaudhary*

Ambala Cements Ltd.  
*S. S. Choudhary*  
Managing Director



**M/S AMBALA CEMENTS LIMITED, AMBALA**

**PARTICULARS**

**SCHEDULE**

**AS AT**

**31/03/2010**

**(RS.)**

**AS AT**

**31/03/2009**

**(RS.)**

**SCHEDULE "E" CURRENT ASSETS, LOANS AND ADVANCES**

**CURRENT ASSETS**

**Inventories (as taken, valued and certified by the Directors)**

Raw-Material & Packing Material  
Stock in process (Semi finished goods)  
Finished goods  
Stores and spares etc.

**Sundry Debtors**

(unsecured but considered good)

-Debits outstanding for a period exceeding six months

-Other Debits

Less : Provision for bad and doubtful debts

**Cash and Bank Balances**

-Cash in hand

-Balances with scheduled Banks in current accounts

-Fixed Deposit with HDFC Bank Ltd, Yamuna Nagar (including interest)

-Fixed deposit with Lloyd Finance Ltd, Chandigarh (interest free)

**LOANS AND ADVANCES**

(Unsecured but considered good)

-Security Deposits

-Advance recoverable in cash or kind or for value to be received

-MODVAT on capital goods receivable

-Central Excise Duty recoverable (i.e. against disputed liability for year 2002-03)

-Prepaid expenses

-Income tax deducted at source

**TOTAL RS.**

**30299243.74**

**7150078**

**SCHEDULE "F" OF CURRENT LIABILITIES AND PROVISIONS**

**CURRENT LIABILITIES**

-Sundry Creditors for Raw Material and stores

-Advance received from customers

-Other Creditors

-Expenses Payable

-Income Tax deducted at source payable

-Credit balance with HDFC Bank Ltd, Yamuna Nagar

**TOTAL RS.**

**31313927.70**

**4334078**

**PROVISIONS**

-Provision for disputed excise duty for the yr (2002-03)

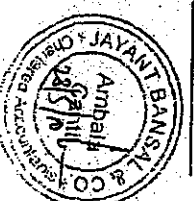
**TOTAL RS.**

**31671416.89**

**7213897**

*Sanjeev*

*[Signature]*



	FOR THE	FOR THE
	YR. ENDED	YR. ENDED
	31/03/2010	31/03/2009
	(RS.)	(RS.)

**SCHEDULE "G" INCREASE/DECREASE IN STOCKS**

**FINISHED GOODS**

-Opening Stock (as on 01-04-09)	37500.00	37500
Less : Closing Stock	0.00	37500
	(37500.00)	0

**SEMI-FINISHED GOODS**

-Opening Stock (as on 01-04-09)	2257132.50	2257133
Less : Closing Stock	0.00	2257133
	(2257132.50)	0

TOTAL RS.	(2294632.50)	0
-----------	--------------	---

**SCHEDULE "H" RAW MATERIAL CONSUMED**

**RAW MATERIAL CONSUMED**

-Opening Stock (as on 01-04-09)	759457.00	759457
Add : Purchases during the year	0.00	0
	759457.00	759457

Less : Closing Stock	0.00	759457.00
----------------------	------	-----------

**SEMI-FINISHED GOODS CONSUMED (CLINKER)**

-Opening Stock (as on 01-04-09)	283987.00	283987
Add : Purchases during the year	0.00	0
	283987.00	283987

Less : Closing Stock	0.00	283987.00
----------------------	------	-----------

**CONSUMABLE STORE AND SPARES CONSUMED**

-Opening Stock (as on 01-04-09)	63410.00	63410
Add : Purchases during the year	0.00	0
	63410.00	63410

Less : Closing Stock	0.00	63410
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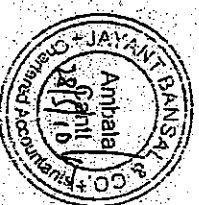
**TRADED GOODS**

-Opening Stock (as on 01-04-09)	0.00	0
Add : Purchases during the year	11108472.00	2447327
	11108472.00	2447327

Less : Closing Stock	0.00	0
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TOTAL RS.	11108472.00	2447327
	12151816.00	2447327

*Sanjay*



**M/S AMBALA CEMENTS LIMITED, AMBALA**  
**PARTICULARS**

**SCHEDULE**

	FOR THE YR. ENDED 31/03/2010 (RS.)	FOR THE YR. ENDED 31/03/2009 (RS.)
--	---	---

**SCHEDULE "III" ADMINISTRATIVE, SELLING AND OTHER EXPENSES**

-Salary to Staff	324413.00	44000
-Staff and labour welfare	874.00	0
-Printing and Stationery	4028.00	475
-Postage and courier charges	4147.00	0
-Legal and Professional charges	31545.00	24000
-Consultancy and Drawing & Design charges	614566.00	0
-Travelling expenses (Others)	55985.00	0
-Auditor's Remuneration	19500.00	19500
-Office Rent	30000.00	0
-Insurance charges	98.00	0
-Stock Exchange Listing Fee	49318.00	57275
-National Securities Depository Ltd. Fee	16545.00	11236
-Miscellaneous expenses	17530.00	0
-Subscription and Membership fee	1103.00	0
-Advertisement and Publicity	7474.00	2933
-Additional Sales Tax paid (A.Y. 2006-07)	15300.00	0
-Short and excess recoveries	184.49	0
-Provision for bad and doubtful debts for capital advances	0.00	492308
	1192460.49	651727

**Less:**

- Provision for bad and doubtful reserves adjusted
- Unrecoverable balances written back

<b>TOTAL RS.</b>	<b>1110405.95</b>	<b>388778</b>
------------------	-------------------	---------------

**SCHEDULE "IV" INTEREST AND OTHER FINANCIAL CHARGES**

- Interest paid on late payment of tax collected at source
- Bank Charges

<b>TOTAL RS.</b>	<b>624.65</b>	<b>47870</b>
------------------	---------------	--------------

**SCHEDULE "K" OTHER INCOME**

- Site visit and supervision charges
- Civil Drawing & Design Charges received
- Machinery/Equipment Lease Rent received
- Land and Building Lease Rent received
- Miscellaneous Income (i.e. agriculture/Income old trees)
- Interest received on fixed deposit with bank

<b>TOTAL RS.</b>	<b>2985841.11</b>	<b>100000</b>
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As per annexure report on even dated attached

For **Ambala Cements Ltd.**

Chartered Accountants



Place: Ambala Cantt.

Dated: 28/05/2010

For and on behalf of the Board  
**SUNIL CHANDRA**  
(MANAGING DIRECTOR)  
**KRISHANKUMAR**  
(DIRECTOR)

**Ambala Cements Ltd.**  
Managing Director

**AMBALA CEMENTS LIMITED, AMBALA**  
**SCHEDULE "I" NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**A) FIXED ASSETS:**

- i) Fixed Assets have been stated at historical cost less depreciation. Expenses directly related to the construction or acquisition of the fixed assets have been capitalized and added to the particular assets. Pre-operative expenses incurred till the date of capitalization have been apportioned on pro-rata basis. Items of fixed assets not capitalized and other pre-operative expenses to the extent not apportioned are shown under the head "Capital work in progress".
- ii) The depreciation has been provided on fixed assets on W.D.V. basis at the rates specified in Schedule XIV of the Companies Act, 1956 as revised vide notification no. GSR No. 756 (E) dated 16-12-1993 issued by the Department of Company Affairs. Depreciation in respect of addition/deduction to fixed assets during the year has been charged on pro-rata basis.

**B) GENERAL**

- i) The accounts of the company are prepared on historical cost basis and on the accounting principles of going concern concept.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**C) REVENUE RECOGNITION**

The expenses and income considered payable and receivable respectively are accounted for on accrual basis.

**D) VALUATION OF INVENTORIES**

Inventories are valued as under:-

- Raw Material and packing material At cost
- Stock-in-process i.e. Semi-finished goods (clinker) At cost or net realizable value whichever is less
- Stores and spares At cost
- Finished goods At cost or net realizable value whichever is less.

**Note:** Cost for the purpose of valuation of finished goods and stock in process is determined by considering material, labour and other related overheads.

**E) MISCELLANEOUS EXPENDITURE**

- i) Preliminary expenses are being written off over a period of 10 years.
- ii) Share issue expenditure is being amortized from the year of commercial production over a period of 10 years.

**F) EXCISE AND OTHER DUTIES**

Excise duty is accounted on finished goods on clearance thereof. CENVAT benefit is accounted for by reducing the purchase cost of material/fixed assets

**G) SALES**

- a) The company recognizes sales of goods at the point of removal from factory/warehouses for delivery to the customers.
- b) Sales comprises amount invoiced for goods sold inclusive of Excise duty but net of Sales Tax and returns/rejections (if any).

**H) GOVERNMENT GRANTS/SUBSIDY**

The grants relating to particular fixed assets are shown as deduction from the gross value of fixed assets and those of the nature of Project Subsidy (capital investment state subsidy) are credited to capital reserves.

**D) ACCOUNTING STANDARDS**

The Accounts for the year ended 31-03-2010 have been prepared in compliance with the applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.



**J) CONTINGENT LIABILITIES**

Un-provided contingent liabilities are disclosed in the accounts by way of notes, giving nature and quantum of such liability.

**K) RETIREMENT BENEFIT**

- (i) Retirement benefits in the form of Provident Fund and Family Pension Fund schemes whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the Profit and Loss Account of the year.
- (ii) Presently, no employee falls under the category in which the gratuity liability is applicable.

**L) PROJECT DEVELOPMENT EXPENSES PENDING ADJUSTMENT**

Expenditure incurred during the developmental and preliminary stages of the Company's new expansion/diversification project are carried forward. However, if any project is abandoned, the expenditure relevant to such project is written off through the natural heads of expenses in which it is so abandoned.

**M) TAXATION**

- (i) Provision is made for current income tax liability, which is likely to arise as the results for the period at the current rate of tax in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Provisions is made for taxation deferred as a result of material timing difference between the incidence of income and expenditure for taxation and accounts purposes, using the liability/assets method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability/asset will crystallize in the near future.

2. Contingent liabilities not provided as on 31-03-2010 is NIL.
3. Previous year figures have been regrouped and rearranged to make their classification comparable with that of the current year.
4. In the opinion of the Board, the current assets, loans and advances are approximately of the value as stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount considered necessary.
5. The balance appearing under the head Sundry Creditors, other creditors, advances recoverable and sundry debtors are not confirmed.
6. As explained to us, the company has no confirmed information with respect to all of its suppliers, whether they constitute small scale industrial undertakings and therefore the amount due to the suppliers cannot be ascertained.
7. The amount outstanding under the head Capital work-in-progress amounting to Rs.893395.13 (Previous year Rs.893395.13), which consist of capital expenditure on Plant & Machinery and Electrical equipments, etc., has been disposed off during the current year for Rs.540730.00, thereby suffering a loss of Rs. 352665.11.
8. In respect of the loan availed from Lloyd Finance Ltd, Chandigarh, against equipments, the total overdue amount is Rs. 1298600.98 (including interest and principal as on 31-03-2010) as per revised re-schedulement. For recovery of their dues, the Lloyd Finance Ltd., has filed the litigation case against the company in the Honorable Punjab and Haryana High Court and the hearing is still pending.
9. The company had repaid all its dues towards financial institution/Bank under one time settlement scheme by disposing off substantial part of its fixed assets. In the current year the Company has also 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. Due to that and other substantial factors (i.e. profit from new business activities), the accumulated losses of the Company has been reduced to some extent in current year as compared to preceding year, but it was still equivalent to its entire net worth of the Company. The accounts have, however, been prepared by the management, as a going concern basis in view of the restructuring process initiated by the management of the company. Because the company has already repaid all the dues towards Financial Institution/Bank under one time settlement scheme after disposing off substantial part of the fixed assets. Previously, 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. 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.

10. The company's old stock of store and shares outstanding in the stock records has been valued and shown in the Profit and Loss Account and the Balance Sheet as certified by the management as on 31-03-2010. As explained to us that the management could not conduct the physical verification of such old stock of store and spares during the year under consideration to work out damaged stock. Hence, the company has taken book value as value of the old stock of stores & spares.

11. **Deferred Tax Liability (Net)**

a) In accordance with the Accounting Standard 22 "Accounting for taxes on income" due to earlier year book loss the company has not recognized any accumulated deferred tax liability (net) as on 31<sup>st</sup> March 2010 due to uncertainty of future taxable income. Hence, no provision for deferred tax liability has been created in the books of accounts.

b) Provision for taxation on current profits: No provision for taxation has been made in the books in the view of nil taxable income during the year. Moreover, the provision for taxation under MAT as per Income Tax Act, 1961 under Section 115 JB is also not required due to nil book profit during the year.

12. Schedule "A" to "K" are the integral part of the accounts of the company and the same have been duly authenticated by us.

13. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of the part II of the Schedule VI of the Companies Act, 1956 is given below:-

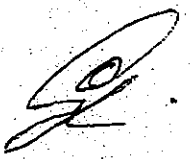
<b>A. Licensed Capacity</b>			
Ordinary Portland Cement	UNIT	CURRENT YEAR	PREVIOUS YEAR
	MT	0	16500
<b>B. Installed Capacity</b>			
Ordinary Portland Cement	MT	0	16500

Note: The company has disposed off all the remaining assets i.e. Plant & Machinery, Electrical/Pollution/Laboratory equipments during the year, hence the licensed/installed capacity has been considered at Nil.

C. **Actual Production**

	QTY.	CURRENT YR. VALUE (RS.)	QTY.	PREVIOUS YR. VALUE (RS.)
-Opening Stock	50,000	37500.00	50,000	37500
-Purchases				
-Shortage	6,800	0.00	0,000	0
-Sales	43,200	21600.00	0,000	0
-Closing stock	0,000	0.00	50,000	37500
<b>D. Semi-finished goods (clinker)</b>				
-Opening Stock	1943,846	2541019.15	1943,846	2541019
-Purchases	0,000	0.00	0,000	0
-Manufactured during the year	0,000	0.00	0,000	0
-Consumed during the year	0,000	0.00	0,000	0
-Shortage	226,346	0.00	0,000	0
-Sales	1717,500	1301130.00	0,000	0
-Closing stock	0,000	0.00	1943,846	2541019

*Sunder*




E. Quantitative information in respect of opening stock, purchases, sales, consumption and closing stock of raw material and chemicals

A. RAW MATERIAL AND CHEMICALS	CURRENT YR.		PREVIOUS YR.	
	QUANTITY (QTS.-GMS)	VALUE (RS.)	QUANTITY (QTS.-GMS)	VALUE (RS.)
a) OPENING STOCK				
-Lime Stone	145,000	46400.00	145,000	46400
-Breeze Coke	133,000	352450.00	133,000	352450
-Gypsum	186,800	95268.00	186,800	95268
-Iron Dust	201,000	55275.00	201,000	55275
-Clay	1111,000	125543.00	1111,000	125543
-Fly Ash	63,565	30829.00	63,565	30829
-Bauxite	31,000	28892.00	31,000	28892
-Carbon Slurry	25,000	24800.00	25,000	24800
	<b>1896,385</b>	<b>759457.00</b>	<b>1896,385</b>	<b>759497</b>

b) PURCHASES				
-Lime Stone	0.000	0.00	0.000	0
-Breeze Coke	0.000	0.00	0.000	0
-Gypsum	0.000	0.00	0.000	0
-Iron Dust	0.000	0.00	0.000	0
-Clay	0.000	0.00	0.000	0
-Fly Ash	0.000	0.00	0.000	0
-Bauxite	0.000	0.00	0.000	0
-Carbon Slurry	0.000	0.00	0.000	0
	<b>0.000</b>	<b>0.00</b>	<b>0.000</b>	<b>0</b>

c) SHORTAGE				
-Lime Stone	0.020	0.00	0.000	0
-Breeze Coke	2,900	0.00	0.000	0
-Gypsum	3,800	0.00	0.000	0
-Iron Dust	4,700	0.00	0.000	0
-Clay	61,000	0.00	0.000	0
-Fly Ash	7,865	0.00	0.000	0
-Bauxite	1,100	0.00	0.000	0
-Carbon Slurry	0.800	0.00	0.000	0
	<b>82,285</b>	<b>0.00</b>	<b>0.000</b>	<b>0</b>

d) CLOSING STOCK				
-Lime Stone	0.000	0.00	145,000	46400
-Breeze Coke	0.000	0.00	133,000	352450
-Gypsum	0.000	0.00	186,800	95268
-Iron Dust	0.000	0.00	201,000	55275
-Clay	0.000	0.00	1111,000	125543
-Fly Ash	0.000	0.00	63,565	30829
-Bauxite	0.000	0.00	31,000	28892
-Carbon Slurry	0.000	0.00	25,000	24800
	<b>0.000</b>	<b>0.00</b>	<b>1896,385</b>	<b>759467</b>

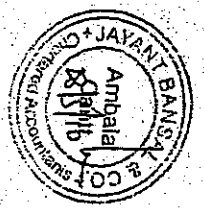
e) CONSUMPTION				
-Lime Stone	144,980	46400.00	0.000	0
-Breeze Coke	130,100	352450.00	0.000	0
-Gypsum	183,000	95268.00	0.000	0
-Iron Dust	196,300	55275.00	0.000	0
-Clay	1050,000	125543.00	0.000	0
-Fly Ash	55,700	30829.00	0.000	0
-Bauxite	29,300	28892.00	0.000	0
-Carbon Slurry	24,100	24800.00	0.000	0
	<b>1814,080</b>	<b>759457.00</b>	<b>0.000</b>	<b>0</b>

\*\*\* Note: The Cost price of old stock of Raw Material sold during the year

TRADED GOODS:				
Opening Stock	0	0.00	0	0
Purchase during the year	0	11108472.00	0	2447327
Sales during the year	0	12765359.00	0	2835820
Closing Stock	0	0.00	0	0

Note: Quantitative details of Purchase/Sales of traded goods (i.e. M.S./S. Plates/store and spares etc.) could not be mentioned due to different size, unit and piece of numerous items.

*Sumit Chandra*



F. Value of imported and indigenous raw material and consumable stores and spares consumed:-				
		<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>	
a) Raw Material	Value (Rs.)	%	Value (Rs.)	%
	759457.00	Nil	Nil	Nil
b) Consumable stores and spares	Nil	Nil	Nil	Nil
G. Value of import of C.I.F. basis in respect of				
i) Raw Material	Nil	Nil	Nil	Nil
ii) Components	Nil	Nil	Nil	Nil
iii) Capital goods	Nil	Nil	Nil	Nil
H. Break up of expenditure incurred on employees who were in receipt of remuneration aggregating to Rs. 2400000.00 per annum or more employed throughout the year or Rs. 200000.00 per month if employed for part of the year.				
	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>		
a) Employed throughout the year	Nil	Nil		
b) Employed for part of the year	Nil	Nil		
-No. of employees				
-Salary and perquisites	Nil	Nil		
I. Expenditure incurred in foreign exchange on:				
i) Royalty, know how and professional consultation fee.	Nil	Nil		
ii) Interest and other matters	Nil	Nil		
iii) Foreign traveling	Nil	Nil		
iv) Dividends	Nil	Nil		
J. Earning in foreign exchange on account of:				
i) Export of goods on F.O.B. basis	Nil	Nil		
ii) Royalty, know how and professional consultation fee.	Nil	Nil		
iii) Interest and dividend etc.	Nil	Nil		
K. The Auditors remuneration includes payment and provision as follows:-				
-Statutory Audit fee	19500.00	19500.00		
13. RELATED PARTY DISCLOSURES:				
During the year, the company has carried out some transactions with the following persons, firms (in which the directors of the company are interested) related to expenditure and other transactions. The details of the same are as under:-				
A. <u>Related parties and their relationship</u>				
<u>Key Management Personnel</u>				
-Sh. Sunil Chandra (Managing Director)				
-Sh. Krishan Kumar (Director)				
-Sh. Pardeep Kumar (Director)				
<u>Relatives of Key Personnel</u>				
-Smt. Kavita Chandra w/o Sh. Sunil Chandra				
-Smt. Alka Chandra w/o Sh. Sudhir Chandra				
-Sh. Sudhir Chandra brother of Sh. Sunil Chandra				
3. <u>Enterprises owned or significantly influenced by key management personnel or their relatives</u>				
M/s Chanderpur Works, Yamuna Nagar				
M/s Chanderpur Renewal Power Company Private Limited, Yamunahagar				

*Sunil Chandra*






**B. Transactions with related parties for the year ended 31<sup>st</sup> March 2010**

Particulars	Key Management Personnel	Relative of Key Management Personnel	(Rs. In Lacs)	
			Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>A. Sales</b>				
-Trading Sales				
-Fixed Assets	(-)	(-)	132.76	132.76
-Lease Rent	(-)	(-)	(29.36)	(29.36)
			18.72	18.72
<b>B. Office Rent</b>	(-)	(-)	(-)	(-)
			3.00	3.00
<b>C. Other Creditors (Concerns)</b>	(-)	(-)	(-)	(-)
			0.30	0.30
<b>D. Sundry Debtors</b>	1.00	0.00	(-)	(-)
	(1.00)	(0.00)	0.00	1.00
<b>E. Other Advances</b>	(-)	(-)	(0.00)	(1.00)
			88.21	88.21
	(-)	(-)	(0.00)	(0.00)
			(16.77)	(16.77)

Note: Figures given in the bracket pertains to previous year

**18. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI PART IV OF THE COMPANIES ACT, 1956**

<b>I. REGISTRATION DETAILS</b>	
-Registration No.	31576
-State Code	05
-Balance Sheet Date	31-03-2010

<b>II. CAPITAL RAISED DURING THE YEAR</b>	
-Public Issue	(Rs. In Lacs)
-Right Issue	NIL
-Bonus Issue	NIL
-Private Placement	NIL

<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</b>	
-Total Liabilities	427.89
-Total Assets	427.89
<b>Sources of Funds:-</b>	
-Paid up capital	399.90
-Reserves and Surplus	15.00
-Secured Loans	12.99
-Unsecured Loans	0.00
-Deferred Tax Liability	0.00
	<u>427.89</u>
<b>Application of Funds:-</b>	
-Net Fixed Assets	39.16
-Investments	0.00
-Net Current Assets	(13.73)
-Miscellaneous Expenditure	0.00
-Accumulated losses	402.46
	<u>427.89</u>



*Swairi Malik*

IV. PERFORMANCE OF THE COMPANY

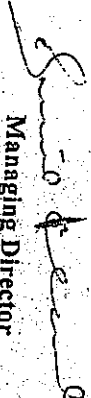
- Turnover (including Receipts)
- Total Expenditure
- Other Income/(Loss)
- Profit/(Loss) before tax
- Profit/(Loss) after tax
- Earning per share in Rs.
- Dividend Rate%

171.89  
157.47  
(7.76)  
6.66  
6.66  
Rs. 0.23 Lacs

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS /SERVICES OF THE COMPANY

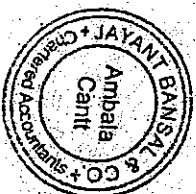
- Item Code No.
- Product Description

- a) Trading of Machinery Parts and Material of Cement and Allied Industry
- b) Services for Installation of Machinery Parts of Cement and Allied Industry

  
Managing Director

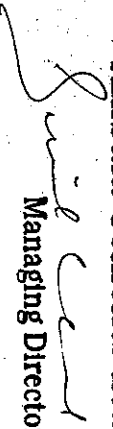
Place: Ambala Cantt

Date: 28-05-2010



For Jayant Bansal & Co.,  
Chartered Accountants  
JAYANT BANSAL  
(PARTNER)

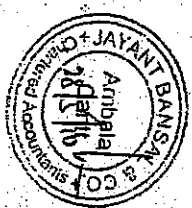
Director

Ambala Cements Ltd.  
  
Managing Director

**M/S AMBALA CEMENTS LIMITED, AMBALA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**

	YEAR ENDED 31-03-2010	YEAR ENDED 31-03-2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
-Net Profit/(Loss) before tax	665904	(1990848)
-Adjustment for:-		
Depreciation	188971	61717
Provision for bad and doubtful advances	0	481457
Interest paid	625	47870
(Profit)/Loss on Sale of Assets	1182636	2795084
	1352232	3376707
Operating profit before working capital changes	2018136	1988059
Adjustment for changes in working capital:-		
-(Increase)/Decrease in working capital:		
-(Increase)/Decrease in Sundry Debtors	(9919830)	27046431
-(Increase)/Decrease in Inventories	3337977	0
-(Increase)/Decrease in Loans & Advances	1646481	(1671922)
-(Increase)/(Decrease) in Current Liabilities	28791589	(27639463)
Cash Generated from operation	23856426	(2264944)
) Interest paid	(625)	(87885)
) Direct taxes paid	(14000)	(47870)
	25874562	(285659)
	(14625)	(313528)
	25859937	(1192413)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
-Sale of fixed assets/refund of capital advances received	2293530	2195012
-Investment in Fixed Deposits with bank	(5509041)	0
-Sale of Investments	0	0
-Purchase of Fixed Assets	(41381)	0
-Agriculture expenditure incurred	(29172)	0
-Recovery of Capital advance under Capital work in progress	0	100000
	(3286074)	2295012
	(3286074)	2295012
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
-Proceeds from long term borrowings	0	0
-Repayment of long term borrowings	0	0
-Amount of unpaid interest waived by the Central Bank of India under one time settlement scheme	(60000)	(705088)
-Increase/(Decrease) in other long term funds (i.e. deposit to firm and others)	0	0
-Increase/(Decrease) in Bank Borrowings	(10239832)	0
	(10239832)	(705088)
	(10239832)	(705088)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		

*Swisscard*



NET CASH FLOW DURING THE YEAR (A+B+C)  
 Cash and Cash Equivalent (Opening Balance)  
 Cash and Cash Equivalent (Closing Balance)

12274031  
 908244  
 13182276

387511  
 510733  
 908244

As per statement on even date attached  
 For (Ambala Cements) Ltd. & Co.  
 Chartered Accountants  
 PARTNER  
 AMBALA  
 Chartered Accountants

Place: Ambala Cantt  
 Dated: 28/05/2010

For and on behalf of the Board  
 SUNIL CHANDRA  
 (MANAGING DIRECTOR)  
 KRISHNA SUMAR  
 (DIRECTOR)

Ambala Cements Ltd.  
 Managing Director

**AMBALA CEMENTS LIMITED, AMBALA CANTT**

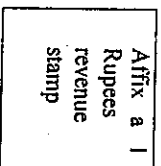
**AMBALA CEMENTS LIMITED**

Regd. Office: Vill Jorian, Delhi Road,  
Yamuna Nagar-135001.

**PROXY FORM**

I/we \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
AMBALA CEMENTS LIMITED. \_\_\_\_\_ being a Member/ members of  
Hereby appointed \_\_\_\_\_

of \_\_\_\_\_ (Full Name)  
in the district of \_\_\_\_\_  
of failing him \_\_\_\_\_ (Full Name)  
of \_\_\_\_\_ (Full Name)  
in the district of \_\_\_\_\_ (Full Name)  
as my/ or proxy to vote for me/ us on my/ our behalf at the 18<sup>th</sup> Annual General Meeting of  
the Company to be held on Thursday, the 30<sup>th</sup> September, 2010 and at adjournment thereof.  
Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010.



Proxy's Signature \_\_\_\_\_ Shareholder's Signature \_\_\_\_\_  
Note: A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend  
and vote instead of himself on a poll only. The proxy need not be a member of the Company. The  
proxy must be deposited at the Registered Office of the Company not less than 48 hours before  
time of the meeting.

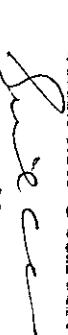
**AMBALA CEMENTS LIMITED**  
Regd. Office: Vill Jorian, Delhi Road,  
Yamuna Nagar-135001.

**ATTENDANCE SHEET**  
18<sup>th</sup> Annual General Meeting 30<sup>th</sup> September, 2010  
**TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

Full Name of the member attending : \_\_\_\_\_  
Full Name of the first joint - holder : \_\_\_\_\_  
Name of Proxy: \_\_\_\_\_  
(To be filled in if first named holder does not attend the meeting)  
(To be filled in Proxy form has been duly deposited with the Company)

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the company held at  
Regd. Office: Village Jorian, Delhi Road, Yamuna Nagar-135001. On Thursday, the 30<sup>th</sup>  
September 2010.  
Ledger Folia No. \_\_\_\_\_  
No. of Shares held: \_\_\_\_\_  
Member's Proxy's Signature  
(To be signed at the time of handing over this slip)

Ambala Cements Ltd.

  
Managing Director