

**25th**

**ANNUAL REPORT  
2016-17**

***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)*

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# ***SCAN PROJECTS LIMITED***

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## **BOARD OF DIRECTORS**

SH. SUNIL CHANDRA, M. DIRECTOR  
SH. AKSHAY CHANDRA  
SH. JAWAHAR LAL  
SH. ASHOK KAMBOJ  
SH. JOGINDER KUMAR  
SMT. PRAKRITI CHANDRA

## **AUDITORS**

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

## **COMPANY SECRETARY**

MR. SATISH KUMAR  
H. NO. 527, NEAR PNB,  
VPO. GHEER.  
DISTRICT KARNAL - 132025

## **REGISTRAR & TRANSFER AGENT**

BEETAL FINANCIAL & COMPUTER SERVICES (P) Ltd.  
3<sup>rd</sup> 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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**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](http://www.scanprojects.in)  
Phone no.: 01732 – 650495 E-mail: [scanhry@scanprojects.in](mailto:scanhry@scanprojects.in)

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**Notice: Convening 25<sup>th</sup> Annual General Meeting**

Notice is hereby given that 25<sup>th</sup> Annual General Meeting of the members of the Company “Scan Projects Limited (Formerly Known as Ambala Cements Limited)” will be held on **Friday 29<sup>th</sup> day of September 2017 at 3:30 P.M.** at the registered office of the Company, address, given above to transact the following 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 31<sup>st</sup> March 2017 and Balance Sheet as at that date together with reports of the Board of Directors and the Auditors thereon.
2. To re-appoint Smt. Prakriti Chandra, Director who retires by rotation at this meeting and, being eligible, offered herself for re-appointment.
3. To appoint Auditors for the year ended 31<sup>st</sup> March 2018 and fix their remuneration. M/s Deepak Sharma and Associates, Chartered Accountants in place of the retiring auditors M/s Jayant Bansal & Co., Chartered Accountants to hold office till the conclusion next Annual General Meeting of the Company as statutory auditors and being eligible offer themselves for appointment.

**Special Business: Ordinary Resolutions**

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

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

“**RESOLVED THAT** the Company hereby accords its approval and consent under Sections 196 and 197 and all other applicable provisions of the Companies Act, 2013 read with Schedule V thereto, to the re-appointment of Sh. Sunil Chandra (DIN 01066065) as Managing Director of the Company for a period of 5 (five) years with effect from April 01, 2017 (i.e. from 01-04-2017 to 31-03-2022) on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 and rules framed there under and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.

“**RESOLVED FURTHER** unanimously that the appointee shall continue to work under the superintendence, direction and control of the Board of Director and the appointee be and is hereby authorized to exercise such substantial powers of management of the Company as are enshrined upon his office of Managing Director under the provisions of the Companies Act, 2013, Articles of Association and any other Law of land for the time being in force.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

5. **To Change in designation of Sh. Akshay Chandra from Non-Executive Director to Whole time Executive Director of the Company:**

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

**"RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company read with Section 152 of the Companies Act 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules & regulations made there under, approval of the members of the company be and is hereby accorded to the change in designation of Sh. Askhay Chandra from Non-Executive Director to Whole time Executive Director of the company, liable to retire by rotation of Directors effective from 1st April, 2017."

**"RESOLVED FURTHER** unanimously that the appointee shall continue to work under the superintendence, direction and control of the Board of Director and the appointee be and is hereby authorized to exercise such substantial powers of management of the Company as are enshrined upon his office of Executive Director under the provisions of the Companies Act, 2013, Articles of Association and any other Law of land for the time being in force."

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

**6. Appointment of Branch Auditors:**

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

**"RESOLVED** that pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors of Branch Office of the Company, whether existing or which may be opened/acquired hereafter, outside India, in consultation with the Company's Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration."

**Special Business: Special Resolutions**

**7. Approval for Material Transactions with Related Parties:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Meetings of Board and its Powers) Rules, 2014, the Equity Listing Agreement entered into with the Stock Exchanges, Clause 49(VII) of the Equity Listing Agreement governing the Related Party Transactions and such other rules as may be applicable and amended from time to time, consent of the shareholders be and is hereby accorded for the following arrangements/transactions (including transfer of resource, service or obligation) hitherto entered or to be entered into by the Company for the financial year commencing on April 1, 2017 and for every financial year thereafter:

**Value of Related Party Transactions/ Arrangements per financial year**

				<b>Rs. In Lacs</b>
<b>Sr. No.</b>	<b>Related Party Transactions u/s 188 (1) of the Companies Act, 2013/ Clause 49 of the Listing Agreement</b>	<b>Chanderpur Works Private Limited</b>	<b>Chanderpur Industries Private Limited</b>	<b>Chanderpur Renewal Power Co. Private Limited</b>
	Nature of Relationship	Associate Concern	Associate Concern	Associate Concern
	Name of interested Director(s)/KMP(s)	-Sh. Sunil Chandra (Managing Director) -Sh. Akshay Chandra (Non-executive Director) -Smt. Prakriti Chandra (Non-Executive	-Sh. Sunil Chandra (Managing Director) -Sh. Akshay Chandra (Non-executive Director) -Smt. Prakriti Chandra (Non-Executive	-Sh. Sunil Chandra (Managing Director) -Sh. Akshay Chandra (Non-executive Director) -Smt. Prakriti Chandra (Non-Executive

		Director)	Director)	Director)
1.	Sales Purchase of goods or material “*”	125.00	50.00	50.00
2.	Supply or receive of Services (i.e. Erection, Commissioning & Supervision and Annual Maintenance Services etc.) “*”	500.00	50.00	25.00
3.	Lease Rent Received/Paid “*”	1.20	-	-
	<b>Total</b>	<b>625.20</b>	<b>100.00</b>	<b>75.00</b>

**Terms and conditions “\*”:**

- At market value for each such transaction on an arm’s length basis and in compliance with applicable laws including Domestic Transfer Pricing Guidelines;
- All the above Said transactions are in the ordinary course of business

AND to do all such acts, deeds, matters and things, etc. as may be necessary or desirable including any negotiation/ re-negotiation/ modification/ amendments to or termination thereof, of the subsisting arrangements/ transactions or any future arrangements/ transactions and to make or receive/ pay monies in terms of such arrangements/ transactions.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or a Committee thereof, to severally do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related parties and severally execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving full effect to this resolution, in the best interest of the Company.”

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act) in respect of the business under item Nos. 4 to 7 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under items No. 2, 4 and 5 of the Notice, are also annexed.
2. A member entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The Proxy, 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. The proxy form and attendance slip are enclosed herewith.
3. The Register of Members and Transfer books of the Company shall remain closed from Tuesday, September 22, 2017 to Friday 29, September, 2017, both days inclusive.
4. Members are requested to register their e-mail id with the Company or its Registrar or their depository participant to enable the company to send the notices and other reports through email.
5. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
6. Members is enable to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form. Resolution(s) passed by Members through Ballot Forms is deemed to have been passed as if they have been passed at the AGM.
7. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by ballot form shall be able to exercise their right at the meeting.
8. The Members who have cast their vote by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
9. 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.
10. Members are requested to notify to the company immediately the changes in their registered address, if any.
11. 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.
12. Members are requested to bring their copies of Annual report to the meeting.
13. The members/proxies should bring attendance slip sent herewith duly filled and stamped for attending the meeting.

14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
15. The board of directors has appointed Mr. J. P. Jagdev of M/s J.P Jagdev & Co., Practicing Company Secretary (Membership No. FCS 2056) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
16. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
17. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM by shall not be entitled to cast their vote again.
19. The instructions for e-voting are as under:
  - i) The security holders should log on to [www.evotingindia.com](http://www.evotingindia.com) during the duration of the voting period and cast their votes for the resolutions on the e-Voting System.
  - ii) Shareholders who have voted on an earlier instance of voting can login using their existing password.
  - iii) First time shareholders can login to the e-Voting system using their user-id (i.e. demat account number / folio number), PAN and Date of Birth (DOB) or Dividend Bank account number mentioned for the said demat account or folio. Physical shareholders will have to login with the Folio number, PAN and either DOB or Dividend Bank details for every voting.
  - iv) After logging in, demat security holders will have to mandatory change their password. This password can be used by demat security holders for all future voting on resolutions of companies in which they are eligible to vote. Security holders have to then select the EVSN for which they desire to vote.
  - v) Security holders can then cast their vote on the resolutions available for voting.
  - vi) Security holders can also view the resolution details on the e-Voting website.
  - vii) Once the security holder casts the vote, the system will not allow modification of the same.
  - viii) During the voting period, security holders can login any number of times till they have voted on all the resolutions. However, once the security holder has voted on a resolution he/she would not be able to vote for the same resolution again.
  - ix) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
  - x) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 22, 2017.
  - xi) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 22, 2017 may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Mr. Anand Tirodkar on Tel: 022-22728153 (email [id-anandt@cdslindia.com](mailto:id-anandt@cdslindia.com)) or Ankit Bandivadekar on Tel: 022-22728634 (email [id-ankitb@cdslindia.com](mailto:id-ankitb@cdslindia.com)). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on <http://www.evotingindia.com> or contact CDSL at the following toll free no.: 18002005533.
  - xii) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
  - xiii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
  - xiv) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - xv) The Chairman shall, at the Annual General Meeting at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the Annual General Meeting but who have not cast their votes by availing the remote e-voting facility.
  - xvi) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion

of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith.

- xvii)** The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.scanprojects](http://www.scanprojects) in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by her in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**By Order of the Board of Directors**

**Place: Yamunanagar**

**Dated: 05-09-2017**

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

## 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

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

<b>PARTICULARS</b>	<b>SUNIL CHANDRA</b>	<b>AKSHARY CHANDRA</b>	<b>PRAKRITI CHANDRA</b>
Date of Birth	08/06/1961	22/07/1991	08/09/1986
DIN	01066065	05208884	07138255
Date of Appointment	Re-appointment as Managing Director w.e.f. 01/04/2017 for a period of 5 years	14 <sup>th</sup> February, 2012 Change in Designation from Non-executive Director to Whole time Executive Director	25 <sup>th</sup> March, 2015
Qualification	Science Graduate	Science Graduate	B.Com (Hons.) and MBA
Experience	Wide experience in Engineering business and in the field of finance and marketing	Wide experience in the field of Administration	Wide experience in field of finance and marketing
Address	Chandra Niwas, Behind Suresh Chandra Eye Hospital, Village Jorian, Delhi Road, Yamunanagar (Haryana)	Chandra Niwas, Behind Suresh Chandra Eye Hospital, Village Jorian, Delhi Road, Yamunanagar (Haryana)	Chandra Niwas, Behind Suresh Chandra Eye Hospital, Village Jorian, Delhi Road, Yamunanagar (Haryana)
Directorships held in other Public Companies/Foreign Companies	NIL	NIL	NIL
Directorships held in other Private Limited Companies	-M/s Chanderpur Industries Private Limited -M/s Chanderpur Renewal Power Company Private Limited -M/s Christian Pfeiffer India Private Limited	NIL	NIL
Number of Shares held in the Company as on 31 <sup>st</sup> March 2017	315910	NIL	NIL



## 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

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### Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under item no. 4 to 7 of the accompanying Notice dated September 05, 2017:

#### Item no. 4:

The Board of Directors of the Company, at its meeting held on February 13, 2017 has, subject to the approval of Members, appointed Sh. Sunil Chandra as Managing Director with effect from April 01, 2017 for a further period of 5 (five) years (i.e. from 01-04-2017 to 31-03-2022) on the remuneration and other perquisites approved by the Board. It is proposed to seek Members' approval for the appointment of and remuneration payable to, Sh. Sunil Chandra, as Managing Director, in terms of the applicable provisions under Section 197 read with Schedule V of the Companies Act, 2013. The detailed particulars of remuneration and other perquisites payable to Sh. Sunil Chandra is given as under: -

- a) Salary: Rs.15000.00 per month with an increment at the rate of 20% per annum for a period of five years commencing from 01-04-2017 to 31-03-2022 subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.
- b) Perquisites:
  - (i) Medical Allowance for self and family as permitted/allowed under the Income Tax Act, 1961.
  - (ii) The appointee is entitled to leave Travel Allowance for self and family as permitted/allowed under the Income Tax Act, 1961.
  - (iii) Company will provide a Car with driver to the appointee for official as well as personal use.
  - (iv) The Company shall also provide the appointee with rent-free full-furnished accommodation.
  - (v) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund, Gratuity payable, Encashment of Leave as per various applicable Laws and Rules and Regulations of the Company, if any.

Sh. Sunil Chandra satisfies all the conditions set out in Schedule V to the Act for being eligible for the re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164(2) of the Act.

Sh. Sunil Chandra is interested in the resolutions as set out at item no 4 of the accompanying notice relating to his re-appointment and remuneration payable to him. Further, Sh. Akshay Chandra and Smt. Prakriti Chandra may be deemed to be concerned or interested in the resolution pertaining to the appointment of and remuneration payable to Sh. Sunil Chandra as they are related to him. Except the above, none of the other Directors of the Company is, in any way, concerned or interested in the resolutions. The Directors recommend the aforesaid resolution for the approval by the members as ordinary Resolution.

#### Item no. 5:

The members are apprised that Sh. Akshay Chandra who was appointed as Non-Executive Director of the Company w.e.f. 14<sup>th</sup> February, 2012 has shown his willingness to act as whole time Executive of the company. The Nomination & Remuneration Committee and Board of Directors in its respective meetings held on 13-02-2017 & 13-02-2017, after considering vast experience of Sh. Akshay Chandra in the fields of Administration, general management and operational aspects of the company, has decided to avail the expertise of Sh. Akshay Chandra on regular basis. Hence, the committee & the Board has proposed to appoint him as Whole time Executive Director of the company. The appointment of Sh. Akshay Chandra as such shall take effect from 01<sup>st</sup> April, 2017 and requires the approval of the Shareholders of the company by way of ordinary Resolution passed in the General Meeting as per provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013. Based on the recommendation of the Nomination & Remuneration Committee & the Board, the matter is recommended to the shareholders for their approval for change in designation of Sh. Akshay Chandra from Non-Executive Director to Whole time Executive Director of the.

Sh. Akshay Chandra is interested in the resolutions as set out at item no 5 of the accompanying notice relating to his re-appointment. Further, Sh. Sunil Chandra and Smt. Prakriti Chandra may be deemed to be concerned or interested in the resolution pertaining to the appointment of Sh. Akshay Chandra as they are related to him. Except the above, none of the other

Directors of the Company is, in any way, concerned or interested in the resolutions. The Directors recommend the aforesaid resolution for the approval by the members as ordinary Resolution.

**Item no. 6**

The Company has branch office/Permanent Establishment at Nepal and may also open/acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

The Board commends the Resolution at item No. 6 for approval by the Members.

None of the Directors or Key managerial personnel or relatives of directors and KMPs is concerned or interested in the Resolution at item No. 6 of the Notice.

**Items No. 7**

Pursuant to provisions of Section 188(1) of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said Section require a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of Special Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds limit prescribed in Rule 15(3) of the said Rules. Further as required under Clause 49 (VII)(E) of the Equity Listing Agreement, all material related party transactions (other than as specified under Clause 49 (VII)(E) of the Equity Listing Agreement) shall require approval of the shareholders through special resolution. Accordingly, the approval of the shareholders by way of Special Resolution is sought under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of the Equity Listing Agreement, to enable the Company to enter into related Party Transactions in one or more trenches. The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

<b>Value of Related Party Transactions/ Arrangements per financial year</b>				
				<b>Rs. In Lacs</b>
<b>Sr. No.</b>	<b>Related Party Transactions u/s 188 (1) of the Companies Act, 2013/ Clause 49 of the Listing Agreement</b>	<b>Chanderpur Works Private Limited</b>	<b>Chanderpur Industries Private Limited</b>	<b>Chanderpur Renewal Power Co. Private Limited</b>
	Nature of Relationship	Associate Concern	Associate Concern	Associate Concern
	Name of interested Director(s)/KMP(s)	-Sh. Sunil Chandra (Managing Director) -Sh. Akshay Chandra (Non-executive Director) -Smt. Prakriti Chandra (Non-Executive Director)	-Sh. Sunil Chandra (Managing Director) -Sh. Akshay Chandra (Non-executive Director) -Smt. Prakriti Chandra (Non-Executive Director)	-Sh. Sunil Chandra (Managing Director) -Sh. Akshay Chandra (Non-executive Director) -Smt. Prakriti Chandra (Non-Executive Director)
1.	Sales Purchase of goods or material “*”	125.00	50.00	50.00
2.	Supply or receive of Services (i.e. Erection, Commissioning & Supervision and Annual Maintenance Services etc.)	500.00	50.00	25.00
3.	Lease Rent Received/Paid	1.20	-	-
	<b>Total</b>	<b>625.20</b>	<b>100.00</b>	<b>75.00</b>

**Terms and conditions “\*”:**

- At market value for each such transaction on an arm's length basis and in compliance with applicable laws including Domestic Transfer Pricing Guidelines;
- All the above Said transactions are in the ordinary course of business

All entities falling under definition of related party shall abstain from voting irrespective of whether the entity is party to the particular transaction or not.

The Board of Directors recommends the resolution set forth in item No. 7 for approval of the Shareholders as a Special Resolution. Except for the Director(s) and Key Managerial Personnel whose names are mentioned hereinabove and their

relatives (to the extent of their shareholding interest in the Company), none of the other Directors and/or any Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in this resolution. Your approval is sought by voting through Postal Ballot or through e-voting as the case may be, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 for passing the resolutions under Item No. 7 as set in this Notice.

**By Order of the Board of Directors**

**Place: Yamunanagar**  
**Dated: 05-09-2017**

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

## 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

### Directors' Report

To The Members,

Your directors have pleasure in presenting the 25<sup>th</sup> Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2017:

1. **Financial Highlights:**

	(Rs. In Lacs)	
	2016-17	2015-16
Revenue from Operations	314.70	677.79
Operating Expenditure	275.95	622.02
Earning before interest tax, depreciation and amortization (EBITDA)	38.75	55.77
Other Income (Net)	2.63	14.44
Finance Costs	15.19	12.32
Depreciation and amortization expenses	6.68	8.25
Profit before exceptional item and tax	19.51	49.64
Exceptional item	0.00	0.00
Profit Before Tax (PBT)	19.51	49.64
Tax Expenses	6.98	15.86
Profit After Tax (PAT)	12.53	33.78
Add: Balance Brought forward from previous year	(2.30)	(34.96)
Less: Income Tax for earlier years adjusted	0.00	1.12
Amount of Surplus available for appropriation	10.23	(2.30)

2. **Operations, State of Company's affairs and Future Outlook:**

With 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. In the current year 2016-17, the Company has earned the total revenue from operation Rs.314.70 Lacs against the previous years Rs.677.79 Lacs, which reflects downward trend in the performance of the Company due to overall recession in the market. However, the same will be improved in the ensuing years because 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. The net profit after tax of the company is Rs.29.65 Lacs, Rs.33.78 Lacs and Rs.12.53 Lacs in the year 2014-15, 2015-16 and 2016-17 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.

We further inform that there is no change in the business activities of the company in the current financial year.

3. **Dividend:**

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

4. **Transfer to Reserves:**

The board of the Company has decided not to transfer any fund to general reserve out of the amount available for appropriation and an amount of surplus Rs.10.23 Lacs to be retained in the profit and loss account.

5. **Change in Share Capital, if any**

There has been no change in Share Capital of the Company during the financial year 2016-17.

6. **Deposits:**

The company has not accepted any deposits from the public during the year and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

7. **Directors:**

As per the provisions of Section 152 of the Companies Act, 2013, Smt. Prakriti Chandra, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offered herself for re-appointment. The Board recommends her re-appointment.

Sh. Sunil Chandra is re-appointed as Managing Director of the Company w.e.f. April 1, 2017 to March 31, 2022. Pursuant to the Articles of Association of the Company he will not be liable to retire by rotation. Resolutions seeking approval of the members for the appointment of Sh. Sunil Chandra as Managing Director of the Company and fix his remuneration have been incorporated in the Notice of the forthcoming AGM along with brief details about them.

Sh. Chaitanya Chandra, Executive Director of the Company has given resignation w.e.f. 28<sup>th</sup> October, 2016 during the year.

Sh. Akshay Chandra who was appointed as Non-Executive Director of the Company w.e.f. 14<sup>th</sup> February, 2012 has shown his willingness to act as whole time Executive of the company. Hence, the Board has proposed to appoint him as Whole time Executive Director of the company w.e.f. from 01<sup>st</sup> April, 2017. Resolutions seeking approval of the members for the appointment of Sh. Akshay Chandra as Whole time Executive Director of the Company have been incorporated in the Notice of the forthcoming AGM along with brief details about them.

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

Further, your Company has also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

8. **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the valuation of the working of its various committees as per the criteria of evaluation provided in the Nomination, Remuneration and Evaluation Policy adopted by the Company. The performance evaluation of Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and the Board as a whole was carried out by the Independent Directors.

9. **Meetings of the Board:**

The Board of Directors of your company met 10 times during 2016-17. The meetings were held on 28-04-2016, 21-05-2016, 30-05-2016, 13-08-2016, 06-09-2016, 28-10-2016, 11-11-2016, 30-01-2017, 13-02-2017, and 30-03-2017. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

10. **Particulars of Loan given, Investment made, Guarantee given and Securities provided:**

There were no loans given, investment made, guarantee given and securities provided by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

11. **Extract of Annual Return:**

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure I** in the prescribed Form **MGT-9**, which forms part of this report.

12. **Subsidiary, Joint Ventures and Associate Concerns:**

The Company does not have any Subsidiary, Joint Ventures or Associate Concerns as on 31<sup>st</sup> March, 2017.

13. **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 together with Compliance Certificate on the same are attached to this report.

14. **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.

15. **Directors' Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the directors hereby confirm that:

- i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, the applicable accounting standard have been followed and there are no material departures;
- 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 2017 and of the profit of the Company for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. Contract and arrangements with Related Parties:**

The Company's policy on dealing with related party transactions has been formulated and amended from time to time. All contracts/arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on the arm's length basis. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons, which may have a potential conflict with the interest of the company at large. Your Directors draw attention of the members to Note 28(i) to the financial statements which set out related party disclosures pursuant to clause 32 of the listing agreement. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure II** in Form **AOC-2** and the same forms part of this report.

In respect of material related party transactions which were entered by the Company in its Ordinary course of business and on arm's length basis, the provisions of Clause 49 of the Listing Agreement regarding Related Party Transactions have become applicable to the Company vide Notification dated 2<sup>nd</sup> September, 2015 of Securities Exchange of India. The Company has been in compliance with the provisions stated herein above. The existing material related party contracts or arrangements, which were entered by the Company in its Ordinary course of business and on arm's length basis had duly been approved by the shareholders in the General Meeting held on dated 30<sup>th</sup> September, 2016.

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

M/s Jayant Bansal & Co., Chartered Accountants, Ambala Cantt, the Statutory Auditor of the company, hold office till the conclusion of 25<sup>th</sup> Annual General Meeting of the Company. They have completed their tenure of Statutory Auditors under Section 139 (2) and 3<sup>rd</sup> proviso of this subsection of the Companies Act, 2013 read with Rules framed there under. The Board has recommended the appointment of M/s Deepak Sharma and Associates, Chartered Accountants as the statutory auditors of the Company in their place from the conclusion of 25<sup>th</sup> Annual General Meeting to hold office till the conclusion of the next Annual General Meeting and is eligible for appointment.

As required under the provisions of section – 139(1) of the Companies Act, 2013, the company has received a written consent from M/s Deepak Sharma and Associates, Chartered Accountants to their appointment and a certificate, to the effect that their appointment, if made, would be in accordance with the Act and the Rules framed there under and that they satisfy the criteria provided in Section- 141 and 139 (2) of Companies Act, 2013. The Board recommends their appointment for the financial year 2017-18.

There are no qualifications or adverse remarks in the Auditor's Report which require any clarification/explanation. The notes on financial statements are self-explanatory, and needs no further comments.

Further auditor's report for the financial year ended 31<sup>st</sup> March, 2017 is given as an annexure which forms part of this report.

**18. Secretarial Auditors:**

The Board has appointed M/s J. P. Jagdev & Co., Company Secretary to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2017 is annexed herewith as **Annexure III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

19. **Corporate Social Responsibility (CSR):**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

20. **Risk Management:**

The board of the Company has formed a risk management committee, to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

21. **Internal Control System and their adequacy:**

The Company's internal controls are commensurate with the size of the company and the nature of its business. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. The company has an audit committee, the details of which are provided in the Corporate Governance Report. The audit committee reviews the internal control system and follows up on the implementation of corrective actions, if required. The committee also meets the company's statutory auditors to ascertain, inter alia their views on the adequacy of internal control system in the Company and keeps the Board of Directors informed of its major observations from time to 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. Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2017, our internal financial controls were adequate and operating effectively.

22. **Vigil Mechanism Policy:**

The Company has a vigil mechanism policy which also incorporates a whistle blower policy in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges, which deals with the genuine concerns about unethical behaviour, actual or suspected fraud and violation of the Company's Code of Conduct and ethics.

23. **Committees of Board:**

The Board of Directors of your Company had already constituted various committees in compliance with the provisions of the Companies Act, 2013 and Listing Agreement viz. Audit Committee, Nomination and Remuneration Committee, Shareholder's/Investor's Grievances Committee, Risk Management Committee. All decisions pertaining to the constitution of committees, appointment of members and fixing the terms of reference / role of the Committees are taken by the Board of Directors. Detail of the role and composition of Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Report section of the Annual Report, which forms part of this report.

24. **Conservation of Energy, Technology absorption and foreign exchange earning and outgo:**

Information required under Section 134(3)(m) of Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is given as under:

**Conservation of Energy:** The Company has not been carrying on any manufacturing activities, hence this information is not applicable on the company during the year under review.



**Technology absorption, adaption and innovation:** The Company always adopted latest technologies for improving the performance and quality of its services. The Company's operations do not require significant import of technology.

**Research and Development (R&D):** The Company has not done any Research and Development work during the year under review. However, the company has adopted/reviewed the methods for improving the performance and quality of its services on regular basis.

**Foreign Exchange Earnings and Outgo:** The Company directly did not spend any foreign exchange and also, did not earn any foreign exchange during the year under review. However, the Company is having Branch/Permanent Establishment at Nepal and all the information related to foreign exchange earnings and outgo is pertained to Nepal branch only.

		(Rs. In Lacs)	
<b>Foreign exchange earnings and outgo</b>		<b>2016-17</b>	<b>2015-16</b>
a.	Erection, Commissioning and Supervision related activities (Including Overseas Branch Revenue)	3324905.00	7891451.00
b.	CIF Value of Imports	NIL	NIL
c.	On Overseas Contracts (i.e. Overseas Branch expenditure)	3207992.00	7041198.00
d.	Capital Goods (i.e. Capital expenditure incurred at Overseas Branch)	0.00	0.00

25. **Nomination, Remuneration and Evaluation Policy:**

The Nomination, Remuneration and Evaluation Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and the same are provided in the Corporate Governance Report section of the Annual Report, which forms part of this report.

26. **Human Resources:**

Your Company treats its "human resources" as one of its most important assets and has taken continuous efforts to set up and maintain an efficient work force. The company is continuously taken steps towards maintaining a low attrition rate which it believes shall be achieved by investing in learning and development programmes for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels as well as a well-structured reward and recognition mechanism.

27. **Particulars of Employees:**

D) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

	<b>Executive Director</b>	<b>Ratio to median Remuneration</b>
1	Sh. Sunil Chandra (Managing Director)	1.21:1
2.	Sh. Chaitanya Chandra (Wholetime Executive Director)	1.47:1

**Note:** The Company has not given any remuneration/benefits to non-executive/independent directors of the company during the year 2016-17.

**b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

	<b>Directors, Company Secretary and Financial Officer</b>	<b>% increase in remuneration in the financial year</b>
1	Sh. Sunil Chandra (Managing Director)	12.50%
2.	Sh. Chaitanya Chandra (Whole time Executive Director)	NIL
3.	CS. Satish Kumar (Company Secretary)	NIL
3.	Sh. Deepak Sharma (Financial Officer)	8.69%

- c. **The percentage increase in the median remuneration of employees in the financial year:** 12.87%
- d. **The number of permanent employees on the rolls of Company:** 18 Employees as on 31<sup>st</sup> March, 2017
- e. **The explanation on the relationship between average increase in remuneration and Company performance:** The performance of the Company for the current financial year is not encouraging than the previous year. However, the Company has minor increase in remuneration to Executive Director/key managerial personnel. While, at Middle & Junior level management, the proper increment was given in accordance with the inflation rate and at workmen and staff level.
- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:** Remuneration to Managing and Wholetime directors were paid as per the scale approved by the members of the company.
- g. **Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>% Change</b>
Market Capitalization (Rs. In Lacs)	84.47	84.47	-

- h. **Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the Last public offer:**

<b>Particulars</b>	<b>March 31, 2017</b>	<b>At the time of Last Public offer</b>	<b>% Change</b>
Market Price (BSE)	2.94	10.00	(-) 70.60%

- i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Proper increments at both managerial and staff/worker level has been given in financial year 2016-17.
- j. **Comparison of each remuneration of the key managerial personnel against the performance of the Company:** The head (Corporate Finance) was promoted to the position of Financial Officer, hence he was given an increase as a part of promotion and salary adjustment.
- k. **The key parameters for any variable component of remuneration availed by the directors:** No such variable component is included in the remuneration paid to directors.
- l. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Sh. Sunil Chandra (Managing Director): 0.62:1

- m. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The Company affirms remuneration is as per the remuneration policy of the Company.
- II. There was no employee on the roll of the company who drew remuneration in excess of the limits prescribed by the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, hence this relevant information is not applicable to the Company.
28. **Disclosure under sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013:**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

29. **Other Disclosures:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- i) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
  - ii) No Material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.
2. The provisions of Section 125(2) of the Companies Act, 2013 related with transfer of unclaimed dividend to Investor Education and Protection Fund do not apply to the Company as there was no dividend declared and paid in previous years and there is no unclaimed dividend.
3. **Equity Shares:**
- No issue of equity shares with differential rights as to dividend, voting or otherwise during the year under review.
  - The Company has not bought back any of its securities during the year under review.
  - No Bonus shares were issued during the year under review.
  - No issue of shares (including sweat equity shares) to employees of the Company under Stock option Scheme during the year under review.
  - No Shares outstanding under the head Shares Suspense Account/Unclaimed Suspense Account at the beginning and end of the year under review.

30. **Listing with Stock Exchanges:**

The stocks of the Company are listed on Delhi Stock Exchange, Stock Exchange Mumbai, Stock Exchange Ahmedabad and Jaipur Stock Exchange. We further confirm that the Company has paid the Annual Listing Fees regularly where the Company's Shares are listed except Jaipur Stock Exchange which is outstanding since long. In respect of Regional Stock Exchanges the Company is inoperative since long.

31. **Acknowledgements:**

Your directors wish to place on record their gratitude for the valued support and assistance extended to the Company by the Shareholders, Banks and Government Authorities and look forward to their continued support. Your directors also express their appreciation for the dedicated and sincere services rendered by the Executives, Officers and Employees of the Company.

**By Order of the Board of Directors**

**Place: Yamunanagar**

**Dated: 05-09-2017**

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

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31<sup>st</sup> March, 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L29253HR1992PLC031576
ii.	Registration Date	20 <sup>th</sup> February, 1992
iii.	Name of the Company	Scan Projects Limited (Formerly Known as Ambala Cements Limited)
iv.	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
v.	Address of the Registered office and contact details	Village Jorian, Delhi Road, Yamunanagar – 135001 (Haryana) Tel: 01732-650495 Email: <a href="mailto:scanhry@scanprojects.in">scanhry@scanprojects.in</a> Website: <a href="http://www.scanprojects.in">www.scanprojects.in</a>
Vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Beetal Financial & Computer Services (P) Limited (SEBI approved category I registrar and share transfer agents, SEBI Reg. no. INR000000262) Beetal House, 3 <sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Center, Near Dada Harsikhdas Mandir, New Delhi – 110062, Email: <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> , <a href="mailto:beetal@deetalfinanccail.com">beetal@deetalfinanccail.com</a> Website: <a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a> Tel: 011-29961281/82 Fax: 011-29961284

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Erection Commissioning, Installation and annual maintenance of industrial Machinery and Equipments	332	98.94%
2.	Wholesale of industrial equipments, fabricating material/components and other items etc.	465	1.06%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
		<b>NOT APPLICABLE</b>			

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i. Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
Individual/ HUF	1716070	0	1716070	59.72	1716070	0	1716070	59.72	0.00
Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp	130630	0	130630	4.55	130630	0	130630	4.55	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A)(1):-</b>	<b>1846700</b>	<b>0</b>	<b>1846700</b>	<b>64.27</b>	<b>1846700</b>	<b>0</b>	<b>1846700</b>	<b>64.27</b>	<b>0.00</b>
<b>2. Foreign</b>									
NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>1846700</b>	<b>0</b>	<b>1846700</b>	<b>64.27</b>	<b>1846700</b>	<b>0</b>	<b>1846700</b>	<b>64.27</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
FIIs	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non Institutions</b>									
Bodies Corp.									
(i) Indian	0	37200	37200	1.29	0	37200	37200	1.29	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	24300	253800	278100	9.68	28000	250100	278100	9.68	0.00
(ii) Individual shareholders holding nominal									

share capital in excess of Rs 1 lakh	304400	406900	711300	24.76	490500	220800	711300	24.76	0.00
Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total(B)(2)</b>	<b>328700</b>	<b>697900</b>	<b>1026600</b>	<b>35.73</b>	<b>518500</b>	<b>508100</b>	<b>1026600</b>	<b>35.73</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>328700</b>	<b>697900</b>	<b>1026600</b>	<b>35.73</b>	<b>518500</b>	<b>508100</b>	<b>1026600</b>	<b>35.73</b>	<b>0.00</b>
<b>TOTAL (A)+(B)</b>	<b>2175400</b>	<b>697900</b>	<b>2873300</b>	<b>100.00</b>	<b>2365200</b>	<b>508100</b>	<b>2873300</b>	<b>100.00</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>2175400</b>	<b>697900</b>	<b>2873300</b>	<b>100.00</b>	<b>2365200</b>	<b>508100</b>	<b>2873300</b>	<b>100.00</b>	<b>0.00</b>

*Note: The Company has forfeited 2138400 Equity Shares in the Meeting of Board of Directors held on 24/03/2001 in terms of Articles of Association of the Company in consequences of having failed to pay calls due thereon 12/03/2001.*

*ii. Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sh. Sunil Chandra	315910	10.99	0.00	315910	10.99	0.00	0.00
2	Sh. Sudhir Chandra	300460	10.46	0.00	300460	10.46	0.00	0.00
3	Smt. Vijay Laxmi	451500	15.71	0.00	451500	15.71	0.00	0.00
4	Sh. Krishan Kumar	141500	4.93	0.00	141500	4.93	0.00	0.00
5	Smt. Kavita Chandra	310600	10.81	0.00	310600	10.81	0.00	0.00
6	Smt. Alka Chandra	121100	4.21	0.00	121100	4.21	0.00	0.00
7	Smt. Nirmal Gupta	60000	2.09	0.00	60000	2.09	0.00	0.00
8	M/s Chanderpur Industries Private Limited	130630	4.55	0.00	130630	4.55	0.00	0.00
9	Smt. Smriti Gupta	15000	0.52	0.00	15000	0.52	0.00	0.00
	<b>Total</b>	<b>1846700</b>	<b>64.27</b>	<b>0.00</b>	<b>1846700</b>	<b>64.27</b>	<b>0.00</b>	<b>0.00</b>

*iii. Change in Promoters' Shareholding (please specify, if there is no change*

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	There is no change in Promoter's Shareholding between 01/04/2016 to 31/03/2017			
	At the End of the year				

*iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*

Sr. no	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Reliant Finlease (P) Limited At the beginning of the year At the end of the year	33200	1.16	33200 33200	1.16 1.16
2.	Sh. Sanjay Sharma At the beginning of the year At the end of the year	26900	0.94	26900 26900	0.94 0.94
3.	Sh. Kamal Kumar Mehendiratta At the beginning of the year At the end of the year	25700	0.89	25700 25700	0.89 0.89
4	Sh. Abhinav Jain At the beginning of the year At the end of the year	25500	0.89	25500 25500	0.89 0.89
5.	Sh. Arjun Bagla At the beginning of the year At the end of the year	25500	0.89	25500 25500	0.89 0.89
6.	Smt. Bhumika Jain At the beginning of the year At the end of the year	25500	0.89	25500 25500	0.89 0.89
7.	Sh. Anuj Bagla At the beginning of the year At the end of the year	25500	0.89	25500 25500	0.89 0.89
8.	Sh. Krishan Lal Mehendiratta At the beginning of the year At the end of the year	25000	0.87	25000 25000	0.87 0.87
9.	Smt. Manorama Bagla At the beginning of the year At the end of the year	25000	0.87	25000 25000	0.87 0.87
10.	Sh. Pardeep Azad At the beginning of the year At the end of the year	25000	0.87	25000 25000	0.87 0.87
11.	Smt. Ritu Aggarwal At the beginning of the year At the end of the year	25000	0.87	25000 25000	0.87 0.87
12.	Smt. Sarika Bagla At the beginning of the year At the end of the year	25000	0.87	25000 25000	0.87 0.87

*v. Shareholding of Directors and Key Managerial Personnel:*

Sr. no	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Sh. Sunil Chandra (Managing Director) At the beginning of the year At the end of the year	315910	10.99	315910 315910	10.99 10.99



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (* )	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	21409525.78	-	-	21409525.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>21409525.78</b>	<b>-</b>	<b>-</b>	<b>21409525.78</b>
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	11487817.78	-	-	11487817.78
<b>Net Change</b>	<b>11487817.78</b>	<b>-</b>	<b>-</b>	<b>11487817.78</b>
Indebtedness at the end of the financial year				
i) Principal Amount	9921708.00	-	-	9921708.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9921708.00</b>	<b>-</b>	<b>-</b>	<b>9921708.00</b>

Note “\*”: The Company had availed the overdraft facility from Oriental Bank of Commerce, Yamunanagar against pledge of Company own fixed deposit Receipts, which has duly been repaid during the 2016-17.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sh. Sunil Chandra (Managing Director)	Sh. Chaitanya Chandra (Whole time Executive Director)	
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	540000.00	383129.00	923129.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
	Stock Option	0.00	0.00	0.00
	Sweat Equity	0.00	0.00	0.00
	Commission			
	- as % of profit	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00
	<b>Total(A)</b>	<b>540000.00</b>	<b>383129.00</b>	<b>923129.00</b>
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Independent Directors			
	·Fee for attending board committee meetings	0.00	0.00	0.00
	·Commission	0.00	0.00	0.00
	·Others, please specify	0.00	0.00	0.00
	<b>Total(1)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Other Non-Executive Directors			
	·Fee for attending board committee meetings	0.00	0.00	0.00
	·Commission	0.00	0.00	0.00
	·Others ,please specify	0.00	0.00	0.00
	<b>Total(2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total(B)=(1+2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Managerial Remuneration (A + B)</b>			<b>923129.00</b>
	Overall Ceiling as per the Act			

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS. Satish Kumar (Company Secretary)	Sh. Deepak Sharma (FO)	Total
	Gross salary				
	(a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961	0.00	205100.00	477084.00	682184.00
	(b)Value of perquisites u/s 17(2)Income-tax Act,1961	0.00	0.00	0.00	0.00
	(c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	0.00	0.00	0.00	0.00
	Stock Option	0.00	0.00	0.00	0.00
	Sweat Equity	0.00	0.00	0.00	0.00
	Commission				
	- as % of profit	0.00	0.00	0.00	0.00
	-others, specify...	0.00	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>2015100.00</b>	<b>477084.00</b>	<b>682184.00</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of fences during the year ended 31<sup>st</sup> March, 2017.

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

Scan Projects Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2016-17

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	Chanderpur Works (P) Limited, Yamunanagar (CPW)
b)	Nature of contracts/arrangements/transaction	<u>Services Provided</u> Erection Commissioning, Installation and annual maintenance of industrial Machinery and Equipments Trading of Equipments, Fabricating Materials and other items etc. <u>Services Received</u> Erection Commissioning, Installation of Industrial Machinery and Equipments
c)	Duration of the contracts / arrangements /transaction	Regular Contract on ongoing basis
d)	Salient terms of the contracts or arrangements or transaction including	Scan Projects Limited shall -Provide services to CPW and to the

	the value, if any	existing and new clients of CPW. -Diligently perform the contract in timely manner and provide services in accordance with the work order issued by CPW -Submit invoices on regular basis after completion of the job assigned to its and CPW shall promptly pay the same -be responsible for all the expenses incurred in connection with providing its services
e)	Date of approval by the Board	On going contract was entered into in the ordinary course of business and on arm's length basis.
f)	Amount paid as advances, if any	0.00

**By Order of the Board of Directors**

**Place: Yamunanagar  
Dated: 05-09-2017**

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

**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017**

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,  
The Members,  
Scan Projects Limited  
(Formerly Known as Ambala Cements Limited)  
Village Jorian, Delhi Road,  
Yamunanagar – 135001  
(Haryana)**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Scan Project Limited (Formerly Known as Ambala Cements Limited)** having **CIN:L29253HR1992PLC031576** (hereinafter called “the company”). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Scan Projects Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to us and the representations made by the Management, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2017** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Scan Projects Limited (Formerly Known as Ambala Cements Limited) (“the Company”) for the financial year ended on **31<sup>st</sup> March, 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ( ‘ SEBI Act’);
  - (a) The Securities and Exchange Board of India( Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (were not become applicable to Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (have not become applicable to Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents ) Regulations, 1993 regarding the Companies Act and dealing with client (have not become applicable to the Company during the audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (have not become applicable to the Company during the audit period); and
  - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998(have not become applicable to the Company during the audit period).
- (vi) Other laws applicable to the Company as per the representations made by the Management and physical verification by us:
- i. The Payment of Wages Act, 1936
  - ii. The Minimum Wages Act, 1948
  - iii. Employee State Insurance Act, 1948
  - iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
  - v. The Payment of Bonus Act, 1965
  - vi. The Payment of Gratuity Act, 1972
  - vii. The Contract Labour( Regulation and Abolition) Act, 1970
  - viii. The Maternity Benefits Act, 1961
  - ix. Competition Act, 2002
  - x. The Income Tax Act, 1961
  - xi. Shops and Establishments Act, 1948
  - xii. The Finance Act, 1994

We have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue by The Institute of Company Secretaries of India, with respect to board and general meetings.
- II. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as informed, there were no dissenting members' views are captured and recorded as part of the minutes.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us during the audit period the company has not approved any specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

**For J. P. Jagdev & Co.,  
Company Secretaries**

**(J. P. Jagdev)  
Prop.  
C. P. No. 2056**

**Place: Ambala City  
Date: 05<sup>th</sup> September, 2017**

*\*This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

**‘ANNEXURE A’**

**To,  
The Members,  
Scan Projects Limited  
(Formerly Known as Ambala Cements Limited)  
Village Jorian, Delhi Road,  
Yamunanagar – 135001  
(Haryana)**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For J. P. Jagdev & Co.,  
Company Secretaries**

**(J. P. Jagdev)  
Prop.  
C. P. No. 2056**

**Place: Ambala City  
Date: 05<sup>th</sup> September, 2017**



**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**

**REPORT ON CORPORATE GOVERNANCE (2016-17)**

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

The foundations of Corporate Governance are transparency, accountability and fairness across operations. 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 and achieve maximization of wealth of its stakeholders on sustainable basis. 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. The Company is in compliance with the requirements of the applicable regulations, including the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, as applicable, with regard to Corporate Governance.

**2 Board of Directors:**

As on March 31, 2017, the Company has six (6) Directors with a Non-Executive Chairman. Of the six Directors, Five (5) (i.e. 83.33%) are Non-Executive Directors out of which Three (3) (i.e. 50%) are independent Directors. The composition of the Board is in conformity with Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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:

<u>Category</u>	<u>Name of the Director</u>
1. Executive directors	
• Promoters	Sh. Sunil Chandra (Managing Director)
2. Non-Executive director	Sh. Akshay Chandra (Non-Executive Director) Smt. Prakriti Chandra (Non-Executive Director)
3. Non-Executive Independent directors	Sh. Ashok Kamboj ( Independent Director) Sh. Jawahar Lal (Independent Director) Sh. Joginder Kumar ( Independent Director)

**Note:** In the Board of Directors meeting held on 28<sup>th</sup> October 2016, one of the whole time Executive Director Sh. Chaitanya Chandra has resigned from the directorship of the company.

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 2016-17		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. Akshay Chandra (Non-Executive Director) DIN 05208884	10	10	YES	NIL	NIL	NIL
Sh. Chaitanya Chandra (Executive and Whole Time Director) DIN 06592837 * (Resigned from the Directorship w.e.f. 28/10/2016)	10	5	YES	NIL	NIL	NIL
Smt. Prakriti Chandra (Non-Executive women Director) DIN 07138255	10	10	YES	NIL	NIL	NIL
Sh. Joginder kumar (Non-Executive Independent Director) DIN 07449985	10	10	YES	NIL	NIL	NIL

Sh. Ashok Kamboj (Non-Executive Independent Director) DIN 07449868	10	10	YES	NIL	NIL	NIL
Sh. Jawahar Lal (Non-Executive Independent Director) DIN 07385438	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.

\* In the Board of Directors meeting held on 28<sup>th</sup> October 2016, one of the whole time Executive Director Sh. Chaitanya Chandra has resigned from the directorship of the company. In terms of Section 149, 152 and 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, it is proposed to appoint them as Non-Executive Independent Directors of the Company. Such proposal will be considered by the shareholders at the ensuing 25<sup>th</sup> Annual General Meeting of the Company.

**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:

28-04-2016, 21-05-2016, 30-05-2016, 13-08-2016, 06-09-2016, 28-10-2016, 11-11-2016, 30-01-2017, 13-02-2017, and 30-03-2017.

The necessary quorum was present for all the meetings.

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, 2017.

**Declaration**

As provided under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance, we affirm that the Company has adopted a Code of Conduct for its employees including Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors also. These Codes are available on the Company’s website. I further confirm that the Company has in respect of year ended March 31, 2017, received from Board Members and Senior Management personnel of the Company a declaration of compliance with the Code of Conduct as applicable to them.

**Yamunanagar**  
**05<sup>th</sup> September, 2017**

**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. Jawahar Lal [Chairman (Additional Non-Executive Independent Director)]
2. Sh. Akshay Chandra [Member (Non-Executive Director)]
3. Sh. Joginder Kumar [Member (Additional Non-Executive Independent Director)]
4. Sh. Ashok Kamboj [Member (Additional Non-Executive Independent Director)]

The objective of the Audit Committee is to keep a vigil and oversight on the Management’s financial reporting process with a view to ensure timely and transparent disclosures in the financial statements.

The audit committee meets the requirements of both section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The committee has all the powers, duties and obligations conferred upon and vested in it in terms of Section 177 of the Companies Act, 2013 as amended from time to time and also such additional powers, functions/features, duties, obligations and discretions as is contained in 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 ten (10) times during the year on 28-04-2016, 21-05-2016, 30-05-2016, 13-08-2016, 06-09-2016, 28-10-2016, 11-11-2016, 30-01-2017, 13-02-2017, and 30-03-2017. The Attendance of the members at the meetings was as follows: -

Name	Status	No. of Meeting held during the year	No. of Meeting Attended
Sh. Akshay Chandra (Non-Executive Director)	Member	10	10
Sh. Jawahar Lal (Non Executive Independent Director)	Chairman	10	10
Sh. Joginder Kumar (Non Executive Independent Director)	Member	10	10
Ashok Kamboj (Non Executive Independent Director)	Member	10	10

5 **Nomination and Remuneration Committee:**

i) The brief terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down and recommended to the Board for their appointment and removal.
5. Carry out evaluation of performance of each Director.

ii) **Constitution and composition**

In compliance with Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, the company has a Nomination and Remuneration Committee comprising of three (3) Non-Executive Directors, out of them two (2) are independent Directors. The member of the committee are as given below:

1. Sh. Akshay Chandra [Chairman (Non-Executive Director)]
2. Sh. Joginder Kumar [Member (independent)]
3. Sh. Ashok Kamboj [Member (independent)]

iii) **Meeting and attendance**

During the financial year 2016-17, the Nomination and Remuneration Committee met on 30-05-2016 and 06-09-2016 and 13-02-2017. The Attendance of the members at the meetings was as follows: -

Name	Status	No. of Meeting held during the year	No. of Meeting Attended
Sh. Akshay Chandra (Non-Executive Director)	Chairman	3	3
Sh. Joginder Kumar (Non-Executive Independent Director)	Member	3	3
Sh. Ashok Kamboj (Non-Executive Independent Director)	Member	3	3

iv) The Company does not have any employee stock option scheme.

v) **Remuneration Policy:**

With new business activities, the overall growth of the company is good and encouraging. The volume of work of the company has been increased gradually, but the overall work force of the company has been declined in the year 2016-17 from 29 employees to 18 employees. Being a small size of company, the Remuneration Policy is designed to create a high performance culture. It able the company to attract retains and motivates employees to achieve better results. Our business model promotes customers centricity and requires employee's mobility as per project needs. The remuneration policy supports such mobility through

pay models that are compliant to local regulations. Presently, the Company has decided to pay remuneration to Executive Directors by way of salary and perquisites. However, the management of the company has decided not to give any remuneration to the non-executive directors of the company in the current year. In compliance with clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, the remuneration policy is decided and recommended by the NRC and approved by the Board of directors and Shareholders accordingly. The Details of Remuneration paid/payable to Executive Directors for the year ended 31<sup>st</sup> March 2017 are given below: -

**-Executive Directors:**

Name	Salary	Amount Paid / Payable during the year 2016-17
Sh. Chaitanya Chandra (Executive and Whole Time Director) (Resigned from the Directorship w.e.f. 28/10/2016)	Rs.55500.00 per month up to 28/10/2016	383129.00
Sh. Sunil Chandra (Managing Director)	Rs.45000.00 per month	540000.00

**-Key Managerial Personnel (KMP)**

CS. Satish Kumar (Company Secretary)		205100.00
Sh. Deepak Sharma (Financial Officer)		477084.00

vi) **Non-Executive Directors:** The Company has not given any remuneration/benefits to non-executive directors of the company during the year 2016-17.

vii) Details of Equity Shares of the Company held by the directors as on 31<sup>st</sup> March, 2017 are given below: -

Name	Number of Equity Shares Held
-Sh. Sunil Chandra (Managing Director)	315910

Note: The Company has not issued any convertible debentures.

**6 Shareholder's/Investor's Grievance Committee:**

The Board had 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. Joginder Kumar (Non-Executive Independent Director) : Chairman
2. Sh. Akshay Chandra (Non-Executive Director) : Member
3. Sh. Ashok Kamboj (Non-Executive Independent Director) : Member

**Note:** During the year, the Shareholder's/Investor's Grievance Committee of the Company has been re-constituted on October 28, 2016, as the one existing Executive Whole time Director namely Sh. Chaitanya Chandra had resigned from the directorship of the company.

Name & Designation of Compliance Officer: Sh. Devender Sehgal  
Mobile No.: 09992022110  
Email: [dsehgal@chanderpur.com](mailto:dsehgal@chanderpur.com)

Details of investor complaints received and redressed during the year 2016-17 are as follows: -

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

7	<b>General Body Meetings:</b>				
	Location and time, where last three Annual General Meetings were held:				
	<b>Year</b>	<b>Type of Meeting</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
	2013-14	AGM	Village Jorian, Delhi Road, Yamunanagar	30-09-2014	10.30 A.M.
	2014-15	AGM	Village Jorian, Delhi Road, Yamunanagar	30-09-2015	03.30 P.M.
	2015-16	AGM	Village Jorian, Delhi Road, Yamunanagar	30-09-2016	03.30 P.M.
	<ul style="list-style-type: none"> <li>• <b>Annual General Meeting:</b> 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. The particulars of ordinary/special resolutions passed there at are as under:-  <b>22<sup>nd</sup> AGM held on 30<sup>th</sup> September 2014 at 10.30 A.M.</b>            -No Special resolution passed at this meeting.  <b>23<sup>rd</sup> AGM held on 30<sup>th</sup> September 2015 at 03.30 P.M.</b>            -Appointment of Smt. Prakriti Chandra as Additional Independent Director of the Company            -No Special resolution passed at this meeting.  <b>24<sup>th</sup> AGM held on 30<sup>th</sup> September 2016 at 03.30 P.M.</b>            -Appointment of Sh. Jawahar Lal, Ashok Kamboj &amp; Joginder Singh as Non-Executive independent Directors of the Company.            -Special Resolution for approval of Material Transactions with related parties.</li> <li>• <b>Extraordinary General Meeting:</b>            No Extraordinary general meeting of the members was held during the year 2016-17</li> </ul>				
8	<b>Disclosures:</b>				
	<p>a) <b>Disclosures on materially significant, related party transactions, that may have potential conflict with the interests of the company at large:</b>            During the year ended 31-03-2017, 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 SI. No. 28 (i) of Notes to Accounts of financial statement forming part of the Annual Report.</p> <p><b>Transactions with Non-executive Directors:</b>            During the year, there are no transactions with non-executive directors.</p> <p>b) <b>Details of non-compliance by the company:</b>            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.</p> <p>c) <b>Whistle Blower Policy:</b>            The Company promotes ethical behaviour and has in place mechanism for reporting and redressal of illegal and unethical behaviour. The Company has a vigil mechanism and Whistle Blower Policy for due protection of whistle blowers. It is hereby confirmed that no personnel has been denied access to the Audit Committee.</p> <p>d) <b>Risk Management Policy:</b>            The board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.</p>				

	<p><b>e) Corporate Social Responsibility (CSR):</b> Provision of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility is not applicable to the company hence no Corporate Social Responsibility Committee has been formed during the year and other information related to CSR are not applicable to company.</p> <p><b>f) Related Party Policy:</b> All material transactions entered into with related parties as defined under the Act and listing agreement during the financial year were in the ordinary course of business and on Arm's Length price. The Company's policy on dealing with related party transactions has been formulated and amended from time to time.</p>
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9	<b><u>Means of Communication:</u></b>	
	<p>a) Quarterly and Half-yearly results has been regularly prepared and submitted to the respective authorities well in time. The same have also been duly published in the News paper on regular basis.</p> <p>b) Management Discussion and Analysis Report forms part of the Company's Annual Report.</p>	
10	<b><u>General Shareholder Information:</u></b>	
	<b>Annual General Meeting</b>	25 <sup>th</sup> Annual General Meeting
	Day and Date	Friday, 29 <sup>th</sup> September 2017
	Time	03.30 P.M.
	Venue	Village Jorian, Delhi Road, Yamunanagar – 135 001 (Haryana)
	<b>Financial Calendar</b>	
	Financial Year	April 1, 2017 to March 31, 2018
	Un-audited Financial Results	
	-First Quarter (30-06-2017)	Second week of August, 2017
	-Half yearly (30-09-2017)	Second week of November, 2017
	-Third Quarter (31-12-2017)	Second week of February, 2018
	<b>Audited Financial Results</b>	
	-Fourth Quarter (31-03-2018)	Last week of May, 2018
	<b>Day of book Closure</b>	
	-Physical mode	22-09-2017 to 29-09-2017 (Both day inclusive)
	Dividend	No dividend has been recommended by the Directors.
	Listing on Stock Exchange	<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</li> <li>• Jaipur Stock Exchange Limited, Jaipur (Listing fee for the period 1997-98 to 2015-16 is pending)</li> </ul> (In respect of Regional Stock Exchanges the Company is inoperative since long.)
	Registrar and Share Transfer Agents and Share Transfer System	M/s Beetal Financial and Computer Services (P) Limited, 3 <sup>rd</sup> Floor, 99 BEETAL HOUSE, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdass Mandir, New Delhi – 110062 has been appointed by the company as agency for Dematerialization of shares and as Share Transfer Agent.
	Share Transfer System	Shares lodged in physical form with the Company/its Registrars & Share Transfer Agent are processed and generally returned, duly transferred within 15 days, except in cases where litigation is involved. In respect of shares held in dematerialized mode, the transfer takes place

		instantaneously between the transferor and transferee at the depository participant(s) through which electronic debit / Credit of the accounts is involved.			
	Market Price date-High/Low during each month of the year 2016-17	High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2016-17 on BSE:			
		<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Total number of equity shares traded</b>
		April	2.94	2.94	0
		May	2.94	2.94	0
		June	2.94	2.94	0
		July	2.94	2.94	0
		August	2.94	2.94	0
		September	2.94	2.94	0
		October	2.94	2.94	0
		November	2.94	2.94	0
		December	2.94	2.94	0
		January	2.94	2.94	0
		February	2.94	2.94	0
		March	2.94	2.94	0

#### Dematerialization of Shares and Liquidity

The Company's shares are available for trading in the depository systems of NSDL/ CDSL. As on March 31, 2017, 2365200 equity shares of the Company, equal to 82.32% of total fully paid up capital of the company were dematerialized.

Stock Codes/Symbol (BSE)

SCANPRO

531797

ISIN No. for NSDL & CDSL

ISIN-INE 393D01015

#### Distribution of Shareholding as on 31-03-2017

No. of Shares		No. of Shareholders		Shareholdings	
Form	To	Nos.	% to Total	Nos.	% to Total
1	500	77	31.82	30500	1.06
501	1000	68	28.10	64000	2.23
1001	2000	20	8.26	34500	1.20
2001	3000	12	4.96	32200	1.12
3001	4000	5	2.07	17200	0.60
4001	5000	4	1.65	18400	0.64
5001	10000	11	4.55	85300	2.97
10001	Above	45	18.59	2591200	90.18
		<b>242</b>	<b>100.00</b>	<b>2873300</b>	<b>100.00</b>

#### Shareholding Pattern as on 31<sup>st</sup> March 2017

Category	Number of Equity Shares held	Percentage of Holding
a) Promoters		
Indian	1846700	64.27
Foreign	0	0.00
<b>Sub Total (a)</b>	<b>1846700</b>	<b>64.27</b>
b) Public		
Financial Institution/Bank	0	0
Non Institution – Body Corporate	37200	1.30
Individual (Indian Public)	989400	34.43
Foreign Ins	0	0

<b>Sub Total (b)</b>	<b>1026600</b>	<b>35.73</b>
<b>Grand Total (a + b)</b>	<b>2873300</b>	<b>100.00</b>

Factory Location	Hema Majra Road, Village Sohana P.O. Mullana, Distt. Ambala (Haryana)
Branch Office/Permanent Establishment	Ward No. 33, Dilli Bazar, 4 <sup>th</sup> Floor, District Kathmandu, Nepal
Registered Office	Village Jorian, Delhi Road, Yamunanagar – 135 001 (Haryana))

11. **Certificates by Managing Director & General Manager- Corporate Accounts**

The Board of Directors has received certificates issued by the Managing Director and Director of the Company as envisaged under clause 49 (IX) of the Listing Agreement.

12. **Report on Corporate Governance**

This chapter, read together with the information given in the chapter entitled as Management discussion and Analysis Report' constitutes a detailed compliance report on Corporate Governance during 2016-17 in terms of clause 49 of the Listing Agreement.

13. **Certificate on Corporate Governance**

The Company has obtained the certificate from the Company Secretary regarding compliance with the provisions relating to Corporate Governance laid down in clause 49 of the Listing Agreement with the Stock Exchange. This certificate will be sent to Stock Exchanges, along with the annual report to be filed by the Company.

**By Order of the Board of Directors**

*Place: Yamunanagar*

**Dated: 05-09-2017**

**(Sunil Chandra)**  
**Managing Director**  
**DIN: 01066065**



## 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

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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

With 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 encouraging. The prospects of the present activities (i.e. erection, commissioning, installation and project drawing and designing work for setting up of projects related to cement, fertilizers, renewal power energy and other allied industries project) is good and encouraging. Presently, the company is engaged in providing engineering services for erection, commissioning and supervision of custom designed and engineered critical equipment and systems to the core sector industries like cement, fertilizers and renewal power energy etc. and Trading of fabricating material, machinery parts and other items. The company is already having sufficient work order for Erection and Commissioning in hand at different locations and also having oversea work at Nepal. To execute the oversea work at Nepal, the Company has established Branch Office/Permanent Establishment at Nepal. The Company is also expecting to get better opportunities in the ensuing period. On the basis of that, the management of the company is quite hopeful to achieve better results in the coming years.

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

With 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. In the current year 2016-17, the Company has earned the total revenue from operation Rs.314.70 Lacs against the previous years Rs.677.79 Lacs and Rs.582.16 Lacs in the year 2015-16 and 2014-15 respectively. In the current year the performance of the company has been declined due to recession. However, the same will further improved in the ensuing year because 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. All these above efforts reflect that the Management of the Company is hopeful to achieve better results in the ensuing years with its existing business activities. Because the prospects of present activities (i.e. engineering services for erection, commissioning and supervision of custom designed and engineered critical equipment and systems to the core sector industries like cement, fertilizers and renewal power energy etc. and Trading of fabricating material, machinery parts and other items) are good and encouraging due to favorable government's policy to lay greater emphasis on infrastructure development, which directly impact the growth of core sector industries like Cement, fertilizer and power etc.

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

The Company is engaged in single business activity (i.e. Erection, commissioning, supervision, project drawing and designing and trading of fabricating material, equipment parts and other material etc.) and there is no separate reportable segment. The Company has achieved the turnover of Rs.582.16 Lacs, Rs.677.79 Lacs and Rs.314.70 Lacs during the year 2014-15, 2015-16 and 2016-17 respectively from its present business activities.

4. **OUTLOOK:**

With 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. The prospects of present activities (i.e. engineering services for erection, commissioning and supervision of custom designed and engineered critical equipment and systems to the core sector industries like cement, fertilizers and renewal power energy etc. and Trading of fabricating material, machinery parts and other items) are good and encouraging due to favorable government's policy to lay greater emphasis on infrastructure development, which directly has an impact on

the growth of core sector industries like Cement, fertilizer and power etc. 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, which gives the confidence of registering good growth in revenue during the coming years. The Company has established Branch Office/Permanent Establishment at Nepal for execution of job contracted at Nepal. On the basis of that, the management of the company is quite hopeful to achieve better results in the coming years. All the above factors reflect that the management is hopeful to achieve better results in the ensuing years with new business activities.

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

The Company has aligned its current systems of internal financial control with the requirement of Companies Act 2013. The Internal Control is intended to increase transparency and accountability in an organization's process if designing and implementing a system of internal control. The framework requires a company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

The Company's internal controls are commensurate with the size of the company and the nature of its business. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies. The company has an audit committee, the details of which are provided in the Corporate Governance Report. The audit committee reviews the internal control system and follows up on the implementation of corrective actions, if required. The committee also meets the company's statutory auditors to ascertain, inter alia their views on the adequacy of internal control system in the Company and keeps the Board of Directors informed of its major observations from time to 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.

Based on its evaluation (as defined in section 177 of Companies Act 2013), our audit committee has concluded that, as of March 31, 2017, our internal financial controls were adequate and operating effectively.

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

With new business activities, the company, in order to meet its requirement, has employed 18 employees, in the year 2016-17. The company has taken efforts to set up and maintain an efficient work force. The company is taking steps towards maintaining a low attrition rate which it believes shall be achieved by investing in learning and development programmes for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels as well as a well-structured reward and recognition mechanism.

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.

*Place: Yamunanagar*

**Dated: 06-09-2017**

**By Order of the Board of Directors**

**(Sunil Chandra)  
Managing Director  
DIN: 01066065**

## CERTIFICATE

**To**

**The Member of  
Scan Projects Limited  
(Formerly Known as Ambala Cements Limited),**

We have examined the compliance of conditions of Corporate Governance by **SCAN PROJECTS LIMITED (FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**, for the year ended on 31<sup>st</sup> March, 2017, 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, 2017 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 or effectiveness with which the management has conducted the affairs of the company.

**Place: Ambala City**

**Date: 05-09-2017**

**for J. P. Jagdev & Co.,  
Company Secretaries,**

**(J. P. Jagdev)  
Prop.  
C. P. No. 2056**

**CHIEF EXECUTIVE OFFICER (CEO)/CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To,

**The Board of Directors of Scan Projects Limited  
(Formerly Known as “Ambala Cements Limited”)**

**Sub: CEO/CFO Certificate (Issue in accordance with provisions of Clause 49 of the listing Agreement)**

Dear Sir,

We, Sunil Chandra (Chief Executive Officer & Managing Director) and Akshay Chandra (Director) of the company **Scan Projects Limited (Formerly Known as Ambala Cements Limited)**, to the best of our knowledge and belief, certify that:

1. We have reviewed Balance Sheet, Statement of Profit and Loss and the cash flow statement and all the notes on accounts and Director’s Report for the year and that to the best of my knowledge and belief: -
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violation of the company’s code of conduct and ethics.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee: -
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting polices during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company’s internal control system over financial reporting.
5. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct and ethics for the current year.

**Yours sincerely,**

**(SUNIL CHANDRA)  
CEO & MD**

**(AKSHAY CHANDRA)  
DIRECTOR**

**Place: Yamunanagar  
Date: 05-09-2017**

**JAYANT BANSAL & CO.**  
Chartered Accountants

**Off.: 320, Mahesh Nagar,  
Ambala Cantt. – 133 001  
Phone: 2642401 (Off.)  
2661320 (Resi.)**

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## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To,

**The Members of,  
Scan Projects Limited  
(Formerly Known as Ambala Cements Limited),**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **SCAN PROJECTS LIMITED (FORMERLY KNOWN AS AMBALA CEMENTS LIMITED), YAMUNANAGAR** ('the Company'), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by the branch auditor of the Company's branch at Nepal.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Nepal Branch not visited by us;
  - (c) The reports on the accounts of the Nepal branch office of the Company audited under Section 143(8) of the Act by branch auditor have been sent to us and have been properly dealt by us in preparing this report.
  - (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from Nepal branch not visited by us;
  - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (f) On the basis of the written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure “B”.
- (h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2017;
  - ii) The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts;
  - iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
  - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note [28(n)].

**Place: Yamunanagar**

**Date: 30<sup>th</sup> May 2017**

**For Jayant Bansal & Co.,  
Chartered Accountants  
Firm Registration No. 004694N**

**JAYANT BANSAL  
(PARTNER)  
Membership No.: 086478**

**ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF INDEPENDENT AUDITORS’ REPORT OF EVEN DATE OF SCAN PROJECTS LIMITED (FORMERLY KNOWN AS AMBALA CEMENTS LIMITED) FOR THE YEAR ENDED MARCH 31, 2017**

- (i) In respect of the fixed assets of the Company:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a regular programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us that, the Company is engaged in business activities i.e. Erection, commissioning & supervision services and trading of fabricating material, electrical components, machinery parts and other items etc and holds stock of consumable stores & spares and finished/traded goods, which have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits during the year. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) Reporting under clause 3(vi) of the Order is not applicable as the Company’s business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
- (vii)
  - (a) According to the records of the company and as per information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee’s State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it with appropriate authorities.
  - (b) According to information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee’s State Insurance Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues, applicable to it, were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they become payable.
  - (c) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Value added Tax, Service Tax, Duty of Custom and, Duty of Excise, applicable to it, which have not been deposited on account of any dispute as on 31-03-2017 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 appellatant authority for settlement. The details of the same are given below: -



PARTICULARS	NATURE 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 Tax Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) As per the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transaction with directors or persons connected with him and hence reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Yamunanagar**

**For Jayant Bansal & Co.,  
Chartered Accountants  
Firm Registration No. 004694N**

**Date: 30<sup>th</sup> May 2017**

**JAYANT BANSAL  
(PARTNER)  
Membership No.: 086478**

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SCAN PROJECTS LIMITED (FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Scan Projects Limited (Formerly Known as Ambala Cements Limited)**, (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion considering nature of business, size of operation and organizational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to branch office Nepal is based on the corresponding report by the branch auditor of the Company's branch at Nepal.

**Place: Yamunanagar**

**Date: 30<sup>th</sup> May 2017**

**For Jayant Bansal & Co.,  
Chartered Accountants  
Firm Registration No. 004694N**

**JAYANT BANSAL  
(PARTNER)  
Membership No.: 086478**

**M/S SCAN PROJECTS LIMITED, YAMUNANAGAR**  
**(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

PARTICULARS	NOTE NO.	AS AT 31-03-2017 (Rs.)	AS AT 31-03-2016 (Rs.)
<b>I <u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHARE HOLDERS' FUND</u></b>			
-Share Capital	2	39990500.00	39990500
-Reserves and Surplus	3	<u>2522282.61</u>	<u>1269311</u>
		42512782.61	41259811
<b><u>NON-CURRENT LIABILITIES</u></b>			
-Long Term Borrowings		0.00	0
-Deferred Tax Liabilities (Net)	4	0.00	0
-Long Term Provisions	5	<u>772359.19</u>	<u>951708</u>
		772359.19	951708
<b><u>CURRENT LIABILITIES</u></b>			
-Short Term Borrowings	6	9921708.00	21409526
-Trade Payables	7	6417759.00	7509901
-Other Current Liabilities	8	6903367.00	8437999
-Short Term Provisions	9	<u>618329.00</u>	<u>1577588</u>
		23861163.00	38935014
<b>Total Rs.</b>		<b><u><u>67146304.80</u></u></b>	<b><u><u>81146533</u></u></b>
<b>II <u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
-Fixed Assets			
Tangible Assets	10	4551855.96	5220266
Intangible Assets		0.00	0
Capital Work-in-Progress		0.00	0
Intangible Assets Under Development		<u>0.00</u>	<u>0</u>
		4551855.96	5220266
-Non-Current Investment	11	60000.00	0
-Deferred Tax Assets (Net)	4	248598.00	327901
-Long Term Loans and Advances	12	2497917.00	2436919
-Other Non-Current Assets	13	<u>29172.00</u>	<u>29172</u>
		7387542.96	8014258
<b><u>CURRENT ASSETS</u></b>			
-Inventories	14	1814625.00	2446642
-Trade Receivables	15	24998511.25	21805489
-Cash and Bank Balances	16	774462.59	15771155
-Short Term Loan and Advances	17	28277352.00	30108139
-Other Current Assets	18	<u>3893811.00</u>	<u>3000850</u>
		59758761.84	73132275
<b>Total Rs.</b>		<b><u><u>67146304.80</u></u></b>	<b><u><u>81146533</u></u></b>
		0.00	0.00

<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>1</b>
<b>OTHER NOTES FORMING PART OF THE ACCOUNTS</b>	<b>28</b>

As per our report on even dated attached  
For Jayant Bansal & Co.,  
Chartered Accountants

(JAYANT BANSAL)  
PARTNER  
M.No. 086478  
Place: Yamunanagar  
Dated: 30/05/2017

For and on behalf of the Board

SUNIL CHANDRA  
(MANAGING DIRECTOR)

AKSHAY CHANDRA  
(DIRECTOR)

**M/S SCAN PROJECTS LIMITED, YAMUNANAGAR**  
**(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31-03-2017 (Rs.)	FOR THE YEAR ENDED 31-03-2016 (Rs.)
<b><u>REVENUE</u></b>			
-Revenue form Operations	19	31470559.00	67778972
-Other Income	20	263092.00	1444000
<b>Total Revenue Rs.</b>		<b>31733651.00</b>	<b>69222972</b>
<b><u>EXPENSES</u></b>			
-Purchase of Stock-in-Trade	22	306485.00	5191033
-Changes in inventories of Stock-in-Trade	23	0.00	0
-Employees Benefit Expenses	21	11263173.00	18859857
-Operation and Other Expenses	24	16025959.63	38150950
-Finance Costs	25	1519020.00	1232277
-Depreciation and Amortization Expenses	10	668410.00	824894
<b>Total Expenses Rs.</b>		<b>29783047.63</b>	<b>64259011</b>
<b>PROFIT BEFORE EXCEPTIONAL/EXTRAORDINARY ITEMS AND TAX</b>		<b>1950603.37</b>	<b>4963961</b>
<b>EXCEPTIONAL ITEMS</b>		<b>0.00</b>	<b>0</b>
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		<b>1950603.37</b>	<b>4963961</b>
<b>EXTRAORDINARY ITEMS</b>		<b>0.00</b>	<b>0</b>
<b>PROFIT BEFORE TAX</b>		<b>1950603.37</b>	<b>4963961</b>
<b>TAX EXPENSES</b>	26		
-Provision for Current Taxation		618329.00	1695042
-Deferred Tax Liability/(Adjustment)		79303.00	(108673)
<b>NET PROFIT FOR THE YEAR AFTER TAX</b>		<b>1252971.37</b>	<b>3377592</b>
<b><u>EARNING PER SHARES:</u></b>	27		
-Basic and Diluted Earning Per Share		0.44	1.18
-Number of Shares used in computing earning per Share		2873300	2873300
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1		

**As per our report on even dated attached  
For Jayant Bansal & Co.,**

**Chartered Accountants**

**(JAYANT BANSAL)**

**PARTNER**

**M.No. 086478**

**Place: Yamunanagar**

**Dated: 30/05/2017**

**For and on behalf of the  
Board**

**SUNIL  
CHANDRA  
(MANAGING DIRECTOR)**

**AKSHAY CHANDRA  
(DIRECTOR)**

**M/S SCAN PROJECTS LIMITED, YAMUNANAGAR**  
**(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST**  
**MARCH 2017**

PARTICULARS	2016-17 (RS.)	2015-16 (RS.)
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
-Net Profit/(Loss) before tax	1950603.37	4963961
-Adjustment for:-		
Depreciation	668410.00	824894
Provision for Retirement Gratuity Benefit to employees	(179349.00)	163337
Interest Expenses	1519020.00	1232277
Provision for Doubtful Loan and Advances written back	(205000.00)	0
Interest Income	(241396.00)	(1367000)
	1561685.00	853508
<b>Operating profit before working capital changes</b>	<b>3512288.37</b>	<b>5817469</b>
<b>Adjustment for changes in working capital:-</b>		
-(Increase)/Decrease in Trade Receivables	(3193022.00)	(3717170)
-(Increase)/Decrease in Inventories	632017.00	(37135)
-(Increase)/Decrease in Loans & Advances & Other Current Assets	374578.00	(2709443)
-Increase/(decrease) in Trade and other Payables	(2626774.00)	(4948193)
	(4813201.00)	(11411941)
<b>Cash generated from operation</b>	<b>(1300912.63)</b>	<b>(5594471)</b>
i) Interest paid	(1519020.00)	(1232277)
ii) Direct taxes paid	(870338.00)	(1506246)
	(2389358.00)	(2738523)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(3690270.63)</b>	<b>(8332994)</b>
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
-Sale Proceed of fixed assets/refund/written back of Capital advances received	0.00	0
-Investment in Fixed Deposits with bank having original maturity over three months	13342616.00	(934505)
-Purchase of Fixed Assets and Capital Advances	0.00	(264358)
-Increase in Non Current Investment	(60000.00)	0
-(Increase)/Decrease in Other Non-current assets	0.00	(2018060)
-Income Tax Refund Received during the Year	0.00	2578039
-Interest Income	241396.00	1367000
	13524012.00	728116
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>13524012.00</b>	<b>728116</b>



**C. CASH FLOW FROM FINANCING ACTIVITIES**

-Proceeds from long term borrowings	0.00	0
-Repayment of long term borrowings	0.00	0
-Increase/(Decrease) in Short term Bank Borrowings	<u>(11487817.78)</u>	<u>9720054</u>
	<u>(11487817.78)</u>	<u>9720054</u>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b><u>(11487817.78)</u></b>	<b><u>9720054</u></b>
<b>NET CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>(1654076.41)</b>	<b>2115176</b>
<b>Cash and Cash Equivalent (Opening Balance) [Note no. 15]</b>	<b>2428539.00</b>	<b>313364</b>
<b>Cash and Cash Equivalent (Closing Balance) [Note no. 15]</b>	<b>774462.59</b>	<b>2428539</b>
Earmarked Short-term Bank Deposits	0.00	13342616
<b>Cash and Bank Balances at the end of the year [Note no. 15]</b>	<b>774462.59</b>	<b>15771155</b>

**D. NOTES FORMING PART OF THE FINANCIAL STATEMENT 1 to 28**

As per our report on even dated attached  
For Jayant Bansal & Co.,  
Chartered Accountants

(JAYANT BANSAL)  
PARTNER  
M.No. 086478  
Place: Yamunanagar  
Dated: 30/05/2017

For and on behalf of the  
Board

SUNIL  
CHANDRA  
(MANAGING DIRECTOR)

AKSHAY CHANDRA  
(DIRECTOR)

[2] SHARE CAPITAL

The authorized, issued, subscribed and fully paid-up share capital comprises of equity shares having at par value of Rs.10/- each as follows:

PARTICULARS	AS AT 31-03-2017 (RS.)	AS AT 31-03-2016 (RS.)
<u>Authorised Share Capital</u>		
6000000 (Previous year 6000000) Equity Shares of Rs.10/- each	<u>6000000.00</u>	<u>6000000</u>
<u>Issued and Subscribed Share Capital</u>		
5011700 (Previous year 5011700) Equity Shares of Rs.10/- each	<u>50117000.00</u>	<u>50117000</u>
<u>Paid-up Share Capital</u>		
2873300 (Previous year 2873300) Equity Shares of Rs.10/- each fully paid-up	28733000.00	28733000
Add: Forfeited 2138400 (Previous year 2138400) Equity Shares (Amount originally paid-up)	11257500.00	11257500
<b>TOTAL RS.</b>	<u><b>39990500.00</b></u>	<u><b>39990500</b></u>

Notes:

- a) The Company has forfeited 2138400 Equity Shares (against which the call money amounting to Rs.10126500.00 were in arrears) in the Board of Directors meeting held on 24/03/2001, in 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) RECONCILIATION STATEMENT OF THE NUMBER OF EQUITY SHARES OUTSTANDING:

PARTICULARS	AS AT 31-03-2017		AS AT 31-03-2016	
	NUMBER OF SHARES	AMOUNT (RS.)	NUMBER OF SHARES	AMOUNT (RS.)
<u>EQUITY SHARES</u>				
Equity Shares at the beginning of the year	2873300	28733000.00	2873300	28733000
Add: No. of Equity Shares issued during the year	0	0.00	0	0
Less: No. of Share forfeited/buy-back during the year	0	0.00	0	0
Equity Shares at the End of the year	2873300	28733000.00	2873300	28733000
Add: Forfeited Equity Shares (Amount originally paid-up)	2138400	11257500.00	2138400	11257500
<b>Total Paid-up Equity Shares at the End of the year</b>	<u><b>5011700</b></u>	<u><b>39990500</b></u>	<u><b>5011700</b></u>	<u><b>39990500</b></u>

c) DETAILS OF EQUITY SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

NAME OF THE SHAREHOLDER	AS AT 31-03-2017		AS AT 31-03-2016	
	NO. OF SHARES	% HELD	NO. OF SHARES	% HELD
Sh. Sunil Chandra S/o Sh. Sumesh Chandra	315910	10.99%	315910	10.99%
Sh. Sudhir Chandra S/o Sh. Sumesh Chandra	300460	10.46%	300460	10.46%
Smt. Vijay Laxmi W/o Late Sh. Vijay Kumar	451500	15.71%	451500	15.71%
Smt. Kavita Chandra W/o Sh. Sunil Chandra	310600	10.81%	310600	10.81%

**Note:** The % of Equity Shares held has been calculated on the basis of fully paid-up equity shares (i.e. 2873300) only.

d) **Terms/rights attached to equity shares:**

The Company has only one class of share capital, i.e. equity shares having face value of Rs.10/- per share. Each holder of fully paid equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

[3] **RESERVE AND SURPLUS**

Reserves and Surplus consists of the following reserves:

PARTICULARS	AS AT	AS AT
	31-03-2017	31-03-2016
	(RS.)	(RS.)
a) <u>Capital Reserves</u>		
As per last Balance Sheet	1500000.00	1500000
b) <u>Surplus of Statement of Profit and Loss</u>		
As per last Balance Sheet	(230688.76)	(3496176)
Add: Net Profit after tax transferred from statement of Profit and Loss	<u>1252971.37</u>	<u>3377592</u>
Amount available for appropriation	1022282.61	(118584)
Less: Income Tax for earlier years adjusted	<u>0.00</u>	<u>112105</u>
	1022282.61	(230689)
<b>TOTAL RS.</b>	<b><u>2522282.61</u></b>	<b><u>1269311</u></b>

[4] **DEFERRED TAX BALANCES**

Major components of deferred tax liabilities and deferred tax assets: Pursuant to Accounting Standard (AS 22) "Accounting for Taxes on Income"

PARTICULARS	AS AT	AS AT
	31-03-2017	31-03-2016
	(RS.)	(RS.)
a) <u>DEFERED TAX LIABILITIES (NET)</u>		
-Related to Depreciation and amortisation	(120403.00)	(80942)

b) <b>DEFERRED TAX ASSETS (NET)</b>			
-Provision for Retirement Gratuity Benefits to Employees			
debited to Statement of Profit and Loss	128195.00		183614
-Provision for Doubtful Advances debited to Statement of Profit and Loss			
	0.00		63345
		128195.00	246959
<b>TOTAL RS.</b>		<b>(248598.00)</b>	<b>(327901)</b>

The break-up of the deferred tax liability up to the year ended March 31, 2017 is as under: -

<b>Liability/(Assets) on account of</b>			
<b>PARTICULARS</b>	<b>DEFERRED TAX LIABILITIES/ (ASSETS) AS AT 31-03-2016 (RS.)</b>	<b>CHARGE/ CREDIT TO STATEMENT OF PROFIT AND LOSS (RS.)</b>	<b>DEFERRED TAX LIABILITIES/ (ASSETS) AS AT 31-03-2017 (RS.)</b>
<b>DEFERRED TAX LIABILITIES (NET)</b>			
-Related to Depreciation and amortisation	(80942.00)	(39461.00)	(120403.00)
<b>TOTAL RS.</b>	<b>(80942.00)</b>	<b>(39461.00)</b>	<b>(120403.00)</b>
<b>DEFERRED TAX ASSETS (NET)</b>			
-Provision for Retirement Gratuity Benefits to Employees			
debited to Statement of Profit and Loss		183614.00	128195.00
-Provision for Doubtful Advances debited to Statement of Profit and Loss			
		63345.00	0.00
<b>TOTAL RS.</b>		<b>246959.00</b>	<b>128195.00</b>
<b>NET DEFERRED TAX LIABILITIES/(ASSETS) {a - b}</b>	<b>(327901.00)</b>	<b>79303.00</b>	<b>(248598.00)</b>

**Note:** In accordance with the Accounting Standard 22" Accounting for Taxes on Income" the deferred tax liabilities (net) Rs.79303.00 has been created by debited to Statement of Profit and Loss during the current year and the total accumulated deferred tax assets (net) as on 31st March 2017 amounts to Rs.248598.00 [Previous year Rs.327901.00]

[5] **LONG TERM PROVISIONS**  
Long-term provision consist of the following:

PARTICULARS	AS AT 31-03-2017 (RS.)	AS AT 31-03-2016 (RS.)
-Provision for Retirement Gratuity Benefit to Employees [Refer to Note No. 28 (k)]	414870.00	594219
-Provision for Disputed Excise Duty for the year (2002-03)	357489.19	357489
<b>TOTAL RS.</b>	<b>772359.19</b>	<b>951708</b>

**[6] SHORT TERM BORROWINGS**

Short-term borrowings consist of the following:

PARTICULARS	AS AT 31-03-2017 (RS.)	AS AT 31-03-2016 (RS.)
<u>SECURED</u>		
<u>LOAN REPAYABLE ON DEMAND</u>		
-Cash Credit Facility from Oriental Bank of Commerce Yamunanagar [Refer Note No. 6(i) below]	9921708.00	9863780
-Overdraft Facility from Oriental Bank of Commerce, Yamunanagar [Refer Note No. 6(ii) below]	0.00	11545746
<b>TOTAL RS.</b>	<b>9921708.00</b>	<b>21409526</b>

**Notes :**

6(i) Working Capital Loans from Oriental Bank of Commerce, Gobindpuri, Yamunanagar amounting to Rs. 9921708.00 (Previous year Rs. 9863780.00)

-Nature of Security: Secured by way of hypothecation on entire current assets (i.e. Work-in-progress, Consumable Stores & Spares, Book Debts and all other Current assets) of the Company wherever they are located.

-Term of Repayment: Sanctioned facility Rs.100.00 Lacs repayable on demand during the facility tenure of 12 months.

-Collateral Security/Personal Guarantee: The said loan is further secured by equitable mortgage of Land and building registered in the name of Company alongwith personal guarantee of S/Sh. Sunil Chandra, Chaitanya Chandra & Akshay Chandra.

6(ii) Overdraft Facility from Oriental Bank of Commerce, Gobindpuri, Yamunanagar amounting to Rs.NIL (Previous year Rs.11545745.78)

-Nature of Security: The Overdraft facility was secured against pledge of Company's Fixed Deposit Receipts with the Bank

**[7] TRADE PAYABLES**

Trade payables consist of the following:

PARTICULARS	AS AT 31-03-2017 (RS.)	AS AT 31-03-2016 (RS.)
Due to related parties:		
-Associate Companies	0.00	0

Due to others	6417759.00	7509901
<b>TOTAL RS.</b>	<b>6417759.00</b>	<b>7509901</b>

**Note:**

The amount outstanding to Micro, Small & Medium Enterprises has not been given separately, because, the identification of the Micro, Small & Medium

Enterprises in terms of The Micro, Small & Medium Enterprises Development Act, 2006, could not be made as the company has not received any information from the creditors/suppliers regarding their status of being a Micro, Small and Medium Enterprises.

**[8] OTHER CURRENT LIABILITIES**

Other current liabilities consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
-Advance Received from Customers	1116681.00	2485431
-Others Creditors	599172.00	854631
-Amount of Retention Monies held from Contractors	3576237.00	2874695
-Expenses Payables	1544056.00	2136147
-Income Tax Deducted at Source Payable	67221.00	87095
<b>TOTAL RS.</b>	<b>6903367.00</b>	<b>8437999</b>

**[9] SHORT TERM PROVISIONS**

Short-term provisions consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
<u>-Provision for Current Taxation</u>		
Provision for Current Taxation	618329.00	1695042
Less: MAT Credit Entitlement Utilized during the year	<u>0.00</u>	<u>117454</u>
	618329.00	1577588
<b>TOTAL RS.</b>	<b>618329.00</b>	<b>1577588</b>

M/S SCAN PROJECTS LIMITED,  
YAMUNANAGAR  
(FORMERLY KNOWN AS AMBALA  
CEMENTS LIMITED)  
NOTE "10" OF  
TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS ON 01/04/2016	ADDITIONS DURING THE YEAR	DEDUC- TIONS/AD- JUSTMENTS	TOTAL AS ON 31-03-2017	UP TO 31/03/2016	FOR THE YEAR	DEDUC- TIONS/AD- JUSTMENTS	TOTAL UP TO 31-03-2017	W.D.V. AS ON 31-03-2017	W.D.V. AS ON 31/03/2016
Land & Site development	1500747.96	0.00	0.00	1500747.96	0.00	0.00	0.00	0.00	1500747.96	1500748
Factory Building	6102880.91	0.00	0.00	6102880.91	5012193.91	169235.00	0.00	5181428.91	921452.00	1090687
Furniture & Fixtures	192256.14	0.00	0.00	192256.14	167574.14	5637.00	0.00	173211.14	19045.00	24682
Electric fitting & installations	115350.14	0.00	0.00	115350.14	109582.14	0.00	0.00	109582.14	5768.00	5768
Workshop Equip. & Tools	4479980.62	0.00	0.00	4479980.62	1959793.62	464973.00	0.00	2424766.62	2055214.00	2520187
Office Equipments	281306.00	0.00	0.00	281306.00	259225.00	5181.00	0.00	264406.00	16900.00	22081
Computer & Printers	486135.00	0.00	0.00	486135.00	430022.00	23384.00	0.00	453406.00	32729.00	56113
<b>Total Rs.</b>	<b>13158656.77</b>	<b>0.00</b>	<b>0.00</b>	<b>13158656.77</b>	<b>7938390.81</b>	<b>668410.00</b>	<b>0.00</b>	<b>8606800.81</b>	<b>4551855.96</b>	<b>5220266</b>
<b>Previous year figures</b>	<b>12894299</b>	<b>264358</b>	<b>0</b>	<b>13158657</b>	<b>7113497</b>	<b>824894</b>	<b>0</b>	<b>7938391</b>	<b>5220266</b>	

**Note:**

-In respect of provision for impairment [Refer to Note No. 28(f)]

-Part of Land and Factory Building has been given on operating lease by the company during the year.

[11] **NON-CURRENT INVESTMENTS**

Non-current investments consist of the followings: -

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (Rs.)</b>	<b>AS AT 31-03-2016 (Rs.)</b>
Unquoted Non Trade Investment in Concern: 6000 (Previous year NIL) Equity Shares of Rs.10/- each fully paid up in M/s Yamunanagar Engineering Cluster (P) Limited, Yamunanagar (Valued at Cost)	60000.00	0
<b>TOTAL RS.</b>	<b>60000.00</b>	<b>0</b>

[12] **LONG TERM LOANS AND ADVANCES**

Long term loans and advances consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
(Unsecured, considered good)		
-Securities Deposits	196792.00	196792
-Central Excise Duty Recoverable (i.e. against disputed Liability for the year 2002-03)	200000.00	200000
-Income Tax Deducted at Source (Including earlier year Rs.2101125.00 [Previous year Rs.2040127.00] )	2101125.00	2040127
<b>-Minimum Alternate Tax Credit Entitlement:</b>		
Minimum Alternate Tax Credit Entitlement	0.00	117829
Less: Adjustment related to earlier year (2013-14 & 2014-15)	0.00	375
	0.00	117454
Less: MAT Credit Entitlement Utilized during the year	0.00	117454
	0.00	0
<b>TOTAL RS.</b>	<b>2497917.00</b>	<b>2436919</b>

[13] **OTHER NON-CURRENT ASSETS**

Other non-current assets consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
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<u>Others</u>		
-Agriculture Expenses incurred (unamortized)	29172.00	29172
<b>TOTAL RS.</b>	<b>29172.00</b>	<b>29172</b>

**[14] INVENTORIES**

Inventories consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
-Inventories (As taken, valued and certified by the Management)		
Finished/Traded goods	0.00	0
Consumable Stores and spares etc.	1814625.00	2446642
<b>TOTAL RS.</b>	<b>1814625.00</b>	<b>2446642.00</b>

Note: Inventories are carried at the lower of cost and net realisable value

**[15] TRADE RECEIVABLES**

Trade Receivables consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
<u>TRADE RECEIVABLES</u> (Unsecured)		
a) Debts outstanding for a period exceeding six months		
-Considered good	16499137.25	16454316
b) Other Debts (Unsecured)		
-Considered good "*"	8499374.00	5351173
<b>TOTAL RS.</b>	<b>24998511.25</b>	<b>21805489</b>

**Note: "\*"**

-Trade Receivables (Other Debts) includes due from companies/  
Associate Concerns where directors and their relatives  
are interested

7410562.00	3666030
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**[16] CASH AND BANK BALANCES**

Cash and bank balances consist of the following:

<b>PARTICULARS</b>		<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
a)	<u>Cash and Cash Equivalents</u>		
	-Cash-in-Hand	525329.67	2195573
	-Balance with Bank in Current Accounts	<u>249132.92</u>	<u>232966</u>
		774462.59	2428539
b)	<u>Other Bank Balances</u>		
	-Fixed Deposits with Oriental Bank of Commerce, Yamunanagar (Including interest accrued thereupon) "*" " (Maturity more than 6 months but less than 12 months)	0.00	13342616
	<b>TOTAL RS.</b>	<u><b>774462.59</b></u>	<u><b>15771155</b></u>

Note: "\*" "

-The company has availed overdraft facility from Oriental Bank of Commerce, Yamunanagar against pledge of the fixed deposit receipts.

-The fixed deposit receipt has been pre-matured on dated 06/07/2016 and adjusted the overdraft facility (Previous year maturity date 06/02/2017)

#### [17] SHORT TERM LOANS AND ADVANCES

Short term loans and advances consist of the following:

<b>PARTICULARS</b>		<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
a)	(Unsecured, considered good)		
	-Prepaid Expenses	36703.00	54133
	-Balance of Service Tax Recoverable from the Department	3116.00	7270
	-Balance of Excise Duty on Capital Goods Recoverable from the Department	0.00	292
	-Service Tax Paid on Advance Amount Received against Services	122151.00	122151
	-Income Tax Deducted at Source Receivable	683238.00	1451486
	-Advances for Supply of goods and rendering services	27302594.00	28132706
	-Nepal VAT Tax Recoverable	8125.00	0
	-Other Advances (i.e. Advance to Employees)	<u>121425.00</u>	<u>340101</u>
		28277352.00	30108139
b)	(Unsecured but considered doubtful)		
	-Advances for Supply of goods and rendering services	0.00	205000
	Less: Provision for doubtful Loan and advances for supply of goods/rendering services	<u>0.00</u>	<u>205000</u>
		0.00	0

<b>TOTAL RS.</b>	<u>28277352.00</u>	<u>30108139</u>
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**[18] OTHER CURRENT ASSETS**

Other Current Assets consist of the following:

<b>PARTICULARS</b>	<b>AS AT 31-03-2017 (RS.)</b>	<b>AS AT 31-03-2016 (RS.)</b>
(Unsecured, considered goods unless other wise stated)		
-Unbilled Revenue on Erection and Commissioning Services	3893811.00	3000850
<b>TOTAL RS.</b>	<u>3893811.00</u>	<u>3000850</u>

Note: Unbilled Revenue as at March 31, 2017 primarily includes revenue recognised in relation to efforts incurred on contracts but not yet invoiced to the client due to contract terms.

**[19] REVENUE FROM OPERATIONS**

Revenue from operations consist of revenue from:

<b>PARTICULARS</b>	<b>31-03-2017 (RS.)</b>	<b>31-03-2016 (RS.)</b>
a) <u>Income from Services</u>		
-Erection, Commissioning, Supervision, Project Drawing and Designing Charges)		
Domestic	12000985.00	41909899
Export (Including Branch Office Nepal)	<u>3324905.00</u>	<u>7891451</u>
	15325890.00	49801350
-Annual Maintenance Service Charges Received	<u>15811599.00</u>	<u>12315960</u>
	31137489.00	62117310
b) <u>Sales of Traded Goods</u>		
(i.e. Equipments, Fabricating Materials, Electrical Material/ Components and other items etc.)	333070.00	5661662
<b>TOTAL RS.</b>	<u>31470559.00</u>	<u>67778972</u>

Note: Refer to Note No. 28 (o)(A)

**[20] OTHER INCOME**

Other income (net) consist of the following:

<b>PARTICULARS</b>	<b>31-03-2017 (RS.)</b>	<b>31-03-2016 (RS.)</b>
-Land and Building Lease Rent Received [Refer note no. 28(l)(1)]	0.00	77000

-Interest Received on Income Tax Refund	0.00	328661
-Miscellaneous Receipts	21696.00	0
-Interest received on Fixed Deposit with Bank	241396.00	1038339
<b>TOTAL RS.</b>	<b>263092.00</b>	<b>1444000</b>

**[21] EMPLOYEE BENEFIT EXPENSES**

Employee Benefit expenses consist of the following:

<b>PARTICULARS</b>		<b>31-03-2017</b>	<b>31-03-2016</b>
		<b>(RS.)</b>	<b>(RS.)</b>
a)	<u>Salary and wages</u>		
	-Directors' Remuneration	923129.00	1146000
	-Salary and wages to Staff at site (Including Amenities & Bonus to Staff)	8405186.00	14559924
	-Salary to Staff (Including Amenities & Bonus to Staff)	1326768.00	1949454
		10655083.00	17655378
b)	Provision for Retirement Gratuity Benefits to Employees	(179349.00)	163337
c)	<u>Employers' Contribution Towards:</u>		
	-Employees Provident/Family Pension Fund & Administrative Charges (Including Interest and Penalty Paid Rs.2139.00 [Previous year NIL])	77518.00	118345
	-Employees State Insurance Fund	19541.00	30447
	-Labour Welfare Fund	4920.00	7400
		101979.00	156192
d)	<u>Staff and Labour Welfare Expenses</u>		
	-At various site by staff	685460.00	884950
	-At Office	0.00	0
		685460.00	884950
<b>TOTAL RS.</b>		<b>11263173.00</b>	<b>18859857</b>

**[22] PURCHASE OF STOCK-IN-TRADE**

Purchase of Stock-in-trade consist of the following:

<b>PARTICULARS</b>		<b>31-03-2017</b>	<b>31-03-2016</b>
		<b>(RS.)</b>	<b>(RS.)</b>
<u>Purchase of Stock-in-Trade</u>			
	-Traded goods (i.e. Equipment, Fabricating material, Electrical material/components and other items etc.)	302732.00	5153973
	-Packing/Forwarding and Freight and Cartage Expenses	3753.00	37060
		306485.00	5191033

<b>TOTAL RS.</b>	<b>306485.00</b>	<b>5191033</b>
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Note: Refer to Note No. 28 (o)(B)

**[23] CHANGE IN INVENTORIES OF STOCK-IN-TRADE**

Change in inventories of stock-in-trade consist of the following:

PARTICULARS	31-03-2017 (RS.)	31-03-2016 (RS.)
a) Inventories at the close of the year		
-Stock of Traded Goods	0.00	0
b) Inventories at the beginning of the year		
-Stock of Traded Goods	0.00	0
<b>TOTAL RS.</b>	<b>0.00</b>	<b>0</b>

**[24] OPERATION AND OTHER EXPENSES**

Operation and other expenses consist of the following:

PARTICULARS	31-03-2017 (RS.)	31-03-2016 (RS.)
a) <u>Direct Operation Expenses</u>		
-Erection and Commissioning Charges paid to others	11533443.00	29521507
-Machinery and Equipment Running and Maintenance (Including Hire Charges)	271834.00	990791
-Consumable Store and Spares Consumed [Refer Note No. 28(s)]	1385749.00	1163686
-Insurance Charges paid for various sites	102329.00	289644
-Telephone Expenses at site	135159.00	136539
-Testing Charging at site	105500.00	0
-Freight and Cartage paid at site	79520.00	1065
-Travelling and Conveyance Charges at site	1221340.00	1736762
	14834874.00	33839994
b) <u>Other Expenses</u>		
-Travelling and Conveyance Expenses (Director)	7500.00	0
-Travelling and Conveyance Expenses (Others)	47608.00	15853
-Printing and Stationery	31235.00	48732
-Postage and Courier Charges	12291.00	28247
-Telephone Expenses	2673.00	2443
-Legal and Professional Charges	201624.00	426870
-Auditor's Remuneration and Re-imburement of out-of-pocket expenses	339290.00	301470
-Cost Auditor's Remuneration	0.00	25000
-Office Rent [Refer Note No. 28(1)(2)]	158100.00	157750
-Office Repair and Maintenance	2425.00	23269
-Insurance Charges	132881.00	137644
-Stock Exchange Listing Fee	212343.00	2637140

-National Securities Depository Limited Fee	29145.00	52628
-Miscellaneous Expenses	58898.00	42043
-Duties and Taxes paid	360.00	498
-Bank Changes	64199.63	70191
-Advertisement and Publicity Expenses	78378.00	122152
-Additional Service Tax Paid	5403.00	199686
-Bad and Doubtful Loan and Advances written off	10000.00	0
-Fine and Penalty paid to Department	1904.00	31879
-Short and Excess Recoveries	(172.00)	(12539)
	<u>1396085.63</u>	<u>4310956</u>
	16230959.63	38150950
<u>Less :</u>		
-Provision for Doubtful Loan and Advances written back	205000.00	0
<b>TOTAL RS.</b>	<b><u>16025959.63</u></b>	<b><u>38150950</u></b>

**[25] FINANCE COSTS**

Finance costs consist of the following:

<b>PARTICULARS</b>	<b>31-03-2017 (RS.)</b>	<b>31-03-2016 (RS.)</b>
a) <u>Interest Paid to:</u>		
Bank on Cash Credit Facility	1145086.00	211184
Bank on Overdraft Facility	249760.00	943874
Department on late payment of Tax Deducted at Source/Service Tax	<u>4525.00</u>	<u>77219</u>
	1399371.00	1232277
b) Loss on Pre-maturity of Oriental Bank of Commerce, Yamunanagar (Fixed Deposit receipt)	119649.00	0
<b>TOTAL RS.</b>	<b><u>1519020.00</u></b>	<b><u>1232277</u></b>

**[26] TAX EXPENSES**

Tax Expenses consist of following:

<b>PARTICULARS</b>	<b>31-03-2017 (RS.)</b>	<b>31-03-2016 (RS.)</b>
-Provision for Current Taxation	618329.00	1695042
-Deferred Tax Liability/(Adjustment)	79303.00	(108673)
<b>TOTAL RS.</b>	<b><u>697632.00</u></b>	<b><u>1586369</u></b>

**Notes:**

- a) Provision for taxation on current profit: The Company has made the provision for current income tax liability based on the assessable profit as computed in accordance with the Income Tax Act, 1961.

- b) In accordance with the Accounting Standard 22" Accounting for Taxes on Income" the deferred tax liabilities (net) Rs.79303.00 has been created by debited to Statement of Profit and Loss during the current year and the total accumulated deferred tax assets (net) as on 31st March 2017 amounts to Rs.248598.00 [Previous year Rs.327901.00]

**[27] EARNING PER SHARE (EPS)**

The following reflect the profit and share data used in basic and diluted EPS computation

<b>PARTICULARS</b>	<b>31-03-2017 (RS.)</b>	<b>31-03-2016 (RS.)</b>
<u>Basic</u>		
-Profit after tax as per accounts	1252971.37	3377592
-Number of Shares used in computing earning per Share	2873300	2873300
-Basic EPS (Rs.)	0.44	1.18
<u>Diluted</u>		
-Profit after tax as per accounts	1252971.37	3377592
-Number of Shares used in computing earning per Share	2873300	2873300
-Diluted EPS (Rs.)	0.44	1.18
Face Value per share (Rs.)	10.00	10.00

**Note:**

The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the Company remain same.

**SCAN PROJECTS LIMITED, YAMUNANAGAR**  
**(FORMERLY KNOWN AS AMBALA CEMENTS LIMITED)**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

**[1A] GENERAL INFORMATION**

Scan Projects Limited ('the Company') is a Public limited company engaged in Engineering Services (i.e. Erection, commissioning, supervision, project drawing and designing services) and trading of fabricating material, equipment parts and other items etc. The Company's registered office is at Village Jorian, Delhi Road, Yamunanagar (Haryana). The company is also listed on Bombay Stock Exchange Limited (BSE), Delhi Stock Exchange Limited (DSE), Jaipur Stock Exchange and Ahemdabad Stock Exchange. In respect of Regional Stock Exchanges the Company is inoperative since long.

**[1B] SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) **Basis of Preparation of Financial Statement**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Schedule III to the Companies Act, 2013.

The accounts of Foreign Branch/Permanent Establishment for execution of Job contracted have been prepared in compliance with the local laws and applicable accounting standards and the same are duly incorporated in the Consolidated financial Statement of the company as if the transactions of the foreign Branch operation have been those of the Company itself. In cases where the financial year of foreign operation of Branch/Permanent Establishment is different from that of the Company, the financial statements of the said foreign branch operations have been drawn up so as to be aligned with the financial year of the company.

b) **Presentation of Financial Statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statement". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the Listing Agreement.

c) **Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

d) **Tangible Fixed Assets:**

i) Fixed Assets have been stated at historical cost less accumulated depreciation and cumulative impairment. 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) **Depreciation/Amortization:**

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortization is charged on written down value method so as to write off the cost of the assets over the useful life and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life of assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation in respect of addition/deduction to fixed assets during the year has been charged on pro-rata basis.

e) **Impairment of Assets**

At each Balance Sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal and discounted to their present value using a pre-tax discounted rate that reflects the current market assessments of time value of money and risks specific to the asset.

Reversal of impairment loss is recognized immediately as income in the Statement of Profit and loss.



- f) **Foreign currency transactions and foreign operations**
- i) The reporting currency of the Company is Indian rupee.
  - ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
  - iii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
  - iv) In respect of Branch/Permanent Establishment for execution of Job contracted, which are integral foreign operations, the same are translated as if the transactions of the foreign operation have been those of the Company itself. For non-integral foreign operation, the assets and liabilities are translated at the rates prevailing at the end of the year. Income and expenses items of the non-integral foreign operation are translated at the average rate prevailing during the year. Any exchange difference arising on consolidation is recognized in the “Foreign Currency Translation Reserve” until the disposal of the operations.
- g) **Revenue Recognition**
- i) Revenue from the sale of traded goods i.e. fabricating material, equipment parts, electrical material/components and other items etc. are recognized upon delivery, which is when title passes to the customer.
  - ii) Revenue from erection, commissioning, supervision, project drawing and designing services/related project is recognized as follows:
    - a) Cost plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer.
    - b) Fixed price contract revenue is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost.
    - c) Full provision is made for any loss in the period in which it is foreseen.
    - d) Services revenue is recognized on time proportion basis and excludes service tax.
  - iii) Revenue from maintenance contracts are recognized pro-rata over the period of contract.
  - iv) Interest income is accounted at applicable rates on respective investment.
  - v) Other items of income are accounted as and when the right to receive arises.
- h) **Retirement Benefits**
- (i) The Company’s contribution to the recognized Provident/Family Pension Fund and Employees State Insurance Fund (Defined Contribution Scheme) schemes whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the Statement of Profit and Loss of the year.
  - (ii) Gratuity Fund: The retirement gratuity benefit to employees is accounted for on accruing basis for the employees’, based on their last drawn salary, completed years of services, instead of ascertaining actuarial impact.
  - (iii) Leave encashment benefit is considered and provided, based on actual as at the end of the financial year.
- i) **Valuation of Inventories**
- Inventories are valued as under: -
- |  |  |
|--|--|
| -Stores, spares, loose tools and other items | At cost or net realizable value whichever is less. |
| -Finished/Traded goods                       | At cost or net realizable value whichever is less. |
- Project and erection/commissioning related work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter.
- j) **Government Grants/Subsidy**
- The Government grants relating to particular fixed assets are presented by deducting them from the gross value of fixed assets. The grant is recognized as income over the life of depreciable asset by way of a reduced depreciation charge. In respect of Government grants in the nature of Project Subsidy (capital investment state subsidy) are credited to capital reserves.
- k) **Excise and Other Duties**
- Excise duty/Service Tax is accounted on finished goods on clearance thereof. CENVAT benefit is accounted for by reducing the purchase cost of material/fixed assets
- l) **Borrowing Cost**
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended

use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

- m) **Taxes on income**
- (i) Provision for current tax is made on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961.
  - (ii) Deferred tax expenses or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
  - (iii) In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.
  - (iv) Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is recognized as an assets in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably.
- n) **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.
- o) **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.
- p) **Provisions, Contingent Liabilities and Contingent Assets**  
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- q) **Cash and Cash Equivalents**  
The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.
- r) **Cash Flow Statement**  
Cash flows are reported using the indirect method, whereby profit before tax is adjusted from the effect of transactions of non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities is segregated.
- s) **Extraordinary and exceptional items**  
Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosures of such events/transactions are made in the financial statements. Similarly, any external event beyond the control of the Company significantly impacting income or expense is also treated as extraordinary item and disclosed as such.  
On certain occasions, the size, type or incidence of an item of income or expenses, pertaining to the ordinary activities of the Company is such that its disclosure improves an understanding of the performance of the Company. Such income or expenses is classified as an exceptional item and accordingly disclosed in the notes to accounts.
- t) **Lease Accounting:**  
**As a Lessor:** The Company has given assets on an operating lease basis. Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.  
**As a Lessee:** Operating lease payments are recognized as expenditure in the Statement of Profit and Loss as per the terms of the respective lease agreements.
- u) **Earning Per Share**  
Basic earning per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.  
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighed average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

[28] **OTHER NOTES FORMING PART OF THE ACCOUNTS**

a) The Balance Sheet as on March 31, 2017 and the Statement of Profit and Loss for the year ended March 31, 2017 are drawn and presented as per the new format prescribed under Schedule III to the Companies Act, 2013.

b) Previous year figures have been re-grouped/re-classified where ever necessary to confirm to the current presentation.

c) Contingent Liabilities and Commitments (To the extent not provided for)

	<b>2016-17</b>	<b>2015-16</b>
-Contingent Liabilities (if any)	NIL	NIL
-Commitments	NIL	NIL

d) The Company has started the new activities i.e. Erection, commissioning, supervision, project drawing and designing services and trading of fabricating material, equipment parts, electrical material/components and other items etc. Accordingly, the management has changed the name and main objects of the company as per their present activities and all the current year revenue is related to new activities.

e) The Company is engaged in single business activity (i.e. Erection, commissioning, supervision, project drawing and designing and Trading of fabricating material, equipment parts, electrical material/components and other material etc.) and there is no separate reportable segment as per AS-17. In respect of Geographic segments, the Company is having branch at Nepal and the Revenue and Assets of that branch is given below:

	<b>As at 31<sup>st</sup> March 2017</b>	<b>As at 31<sup>st</sup> March 2016</b>
-Revenue from operation	3324905.00	7891451.00
-Total Net Fixed Assets	237664.00	294286.00

f) Management has periodically reviewed the value in use/net realizable value of all its assets and ascertained that the value in use/net realizable value of all its assets at the end of the year is more than the book value after depreciation (amortization), hence no provision for impairment has been made during the year.

g) In respect Branch Office/Permanent establishment at Nepal for execution of job contracted there, the Company has prepared and obtained the audited necessary additional financial statement as on 31<sup>st</sup> March 2017 in compliance with the local laws and applicable accounting standards. The same are duly incorporated in the overall financial results of the company as if the transactions of the foreign operation have been those of the Company itself. All monetary assets and liabilities are translated by using closing exchange rates, non-monetary items carried at historical cost denominated in foreign currency and all revenue and expenses by using average exchange rate prevailing during the period. Exchange differences (if any) arising on conversion are recognized in the Statement of Profit and Loss.

h) The provisions of Clause 49 of the Listing Agreement regarding Related Party Transactions have become applicable to the Company vide Notification dated 2<sup>nd</sup> September, 2015 of Securities Exchange of India. The Company has been in compliance with the provisions stated herein above. The existing material related party contracts or arrangements, which were entered by the Company in its Ordinary course of business and on arm's length basis, detailed in Para 28 (i), had been duly approved by the Shareholders in the General Meeting held on dated 30<sup>th</sup> September 2016.

i) **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. **Related parties and their relationship**

1. **Key Management Personnel**

- Sh. Sunil Chandra (Managing Director)
- Sh. Akshay Chandra (Non Executive Director)
- Sh. Chaitanya Chandra (Whole Time Executive Director resigned w.e.f. 28/10/2016)
- Smt. Prakriti Chandra (Non Executive Director)

2. **Relatives of Key Personnel**

- 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. **Associate Concerns owned or significantly influenced by key management personnel or their relatives**

M/s Chanderpur Works Private Limited, Yamuna Nagar  
M/s Chanderpur Renewal Power Company Private Limited, Yamunanagar  
M/s Chanderpur Industries Private Limited, Yamunanagar

B. Transactions with related parties for the year ended 31st March 2017					
					(Rs. in Lacs)
	Particulars	Key Management Personnel	Relative of Key Management Personnel	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
<b>1</b>	<b>Purchases</b>				
	-Erection and Commissioning Charges paid	0.00	0.00	15.73	15.73
		(0.00)	(0.00)	(78.57)	(78.57)
<b>2</b>	<b>Sales</b>				
	-Sale of Stock-in-Trade	0.00	0.00	3.51	3.51
		(0.00)	(0.00)	(59.15)	(59.15)
	-Erection, Commissioning, Supervision, Project Drawing and Designing Charges)	0.00	0.00	148.78	148.78
		(0.00)	(0.00)	(46.23)	(46.23)
	-Annual Maintenance Charges Received	0.00	0.00	158.12	158.12
		(0.00)	(0.00)	(140.55)	(140.55)
<b>3</b>	<b>Other Income</b>				
	-Lease Rent Received	0.00	0.00	0.00	0.00
		(0.00)	(0.00)	(0.77)	(0.77)
<b>4</b>	<b>Expenses</b>				
	-Directors' Remuneration	9.23	0.00	0.00	9.23
		(11.46)	(0.00)	(0.00)	(11.46)
	-Office Rent Paid	0.00	0.00	1.21	1.21
		(0.00)	(0.00)	(1.20)	(1.20)
<b>C.</b>	<b>Balance with related parties as at 31st March 2017</b>				
1	Trade Receivables (concerns)	0.00	0.00	74.11	74.11
		(0.00)	(0.00)	(36.66)	(36.66)
	<i>Note: Figures given in the bracket pertains to previous year</i>				

**D. Disclosure of material transactions/balances with related parties**

Particulars	2016-17	2015-16
<u>Director Remuneration</u>		
-Sh. Sunil Chandra, Managing Director	540000.00	480000
-Sh. Chaitanya Chandra (Whole Time Executive Director)	383129.00	666000
<u>Lease Rent Paid (Associate Concern):</u>		
M/s Chanderpur Works Private Limited (Excluding Service Tax)	120600.00	120250
<u>-Land and Building Lease Rent Received (Associate Concerns)</u>		
- M/s Chanderpur Renewal Power Company (P) Limited	0.00	77000
<u>Income from Services (Associate Concerns)</u>		
-Erection, Commissioning, Supervision, Project Drawing and Designing Charges) received from M/s Chanderpur Works Private Limited (Including Service Tax)	14877899.00	4622574

-Annual Maintenance Charges Received M/s Chanderpur Works Private limited (Including Service Tax)	15811555.00	14054973
<u>Sales of Traded Goods (Associate Concerns)</u>		
-Equipments, Fabricating Materials and other items etc. Sold to M/s Chanderpur Works Private Limited (Including Vat Tax)	350556.00	5915432
<u>Erection and Commissioning Charges paid to (Excluding Service Tax) (Associate Concerns)</u>		
-M/s Chanderpur Works Private Limited	1572825.00	7447000
-M/s Chanderpur Industries Private Limited	0.00	87496
-M/s Chanderpur Renewal Power Co., Private Limited	0.00	322543
<u>Trade Receivables:</u>		
-M/s Chanderpur Works Private Limited, Yamunanagar	7410562.00	3666030
<b>j) Disclosure Under Clause 32 of the Listing Agreement</b>		
	<b>2016-17</b>	<b>2015-16</b>
-Loan and Advances in the nature of Loan to Subsidiaries	NIL	NIL
-Loan and Advances in the nature of Loan to Associate Concerns	NIL	NIL
-Loans or Advances in the nature of loans to Firms/Companies in which directors are interested.	NIL	NIL
-Investment by the loanee in the shares of the company, when the company has made a loan or advance in the nature of loan	NIL	NIL
<b>k)</b>		
In respect of provision for retirement gratuity benefits to employees, the company has decided to give the benefit out of its own funds and adjusted excess provisioning of Rs.179349.00 by credited to statement of profit and loss during the year. Due to few persons being employed in the company, the accruing liability has been calculated as per method on the assumption that such benefits are payable to all the employees at the end of the accounting year, reviewable every year. The total accumulated provision for retirement gratuity benefits to employees as on March 31, 2017 amounts to Rs.414870.00 (Previous year Rs.594219.00).		
<b>l) Operating Leases:</b>		
1. <u>As a Lessor:</u> The Company has given certain assets – Land, building and equipments on operating leases. These lease arrangements range for a shorter period and include cancellable clause and the same are also renewable for further period on mutually agreeable terms and also include escalation clauses.		
		<b>(In Rs.)</b>
	<b>2016-17</b>	<b>2015-16</b>
Total Lease Rental Receipts for the year	0.00	77000
2. <u>As a Lessee:</u> The Company has taken office premises on operating lease. These lease arrangements range for a shorter period and include cancellable clause and the same are also renewable for further period on mutually agreeable terms and also include escalation clauses.		
Lease Payments recognized in the Statement of Profit and Loss during the year	158100.00	157750.00
<b>m) Disclosures pursuant to Accounting Standard (AS) 7 (Revised) “Erection, Commissioning and Supervision Contracts”</b>		
		<b>(In Rs.)</b>
	<b>2016-17</b>	<b>2015-16</b>
-Erection, Commissioning and Supervision Contract revenue recognised for the financial year [ Note no. 19]	31137489.00	62117310.00
-Aggregate amount of Erection, Commissioning and Supervision Contract costs incurred and recognised profits (less recognised losses) as at the end of financial year for all contracts in progress as at that date	142899123.00	146287194.00
-Amount of Customer advances outstanding for Erection, Commissioning and Supervision Contracts in progress as at the end of the financial year	1116681.00	2485431.00
-Retention amount due from customers for Erection, Commissioning and Supervision Contracts in progress as at end of the financial year	0.00	0.00

- n) During the year, the Company had Specified Bank Notes (SBN) or other denominations notes as defined in the MCA Notification G.S.R 308(E) dated 30th March 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 pursuant to the requirement of as per notification are given below:

	Specified Bank Note (SBN)	Other Denomination Note	Total
Closing cash in hand as on 08.11. 2016	0.00	210359.00	210359.00
Add: Permitted receipts	0.00	380000.00	380000.00
Less: Permitted payments	(0.00)	(354511.00)	(354511.00)
Less: Amount deposited in Banks	(0.00)	(0.00)	(0.00)
Closing cash in hand as on 30.12. 2016	0.00	235848.00	235848.00

- o) **Details of sales and purchase of stock-in-trade:**

	2016-17	2015-16
A) <u>Sales:</u>		
<u>Income from Services</u>		
-Erection, Commissioning, Supervision, Project Drawing and Designing Charges		
Domestic	12000985.00	41909899.00
Export (Including Overseas Nepal Branch Revenue)	3324905.00	7891451.00
-Annual Maintenance Charges Received	15811599.00	12315960.00
<b>Sub-total (Rs.)</b>	<b>31137489.00</b>	<b>62117310.00</b>
<u>Sales of Traded Goods</u>		
(i.e. Equipments, Fabricating Materials, Electrical Material/components and other items etc.)	333070.00	5661662.00
<b>Sub-total (Rs.)</b>	<b>333070.00</b>	<b>5661662.00</b>
<b>Grand Total (Rs.) [ Note no. 19]</b>	<b>31470559.00</b>	<b>67778972.00</b>

- B) Purchase of Stock-in-Trade:

-Traded goods (i.e. Equipment, Fabricating material, Electrical Material/ Components and other items etc.)	302732.00	5153973.00
-Packing/Forwarding and Freight and Cartage Expenses	3753.00	37060.00
<b>Grand Total (Rs.) [Note no. 22]</b>	<b>306485.00</b>	<b>5191033.00</b>

- p) **Auditors' Remuneration and expenses charged to the accounts**

	2016-17	2015-16
-Statutory Audit fee (Including quarterly audits)	210000.00	190000.00
-Tax Audit Fee	20000.00	20000.00
-Service Tax	34500.00	30450.00
-Reimbursement of out-of-pocket expenses	14390.00	27920.00
-Overseas Branch Audit Fee	93750.00	62500.00
<b>Total Rs.</b>	<b>372640.00</b>	<b>330870.00</b>
-Cost Auditors' Remuneration	0.00	25000.00

Note: Service Tax credit has been/will be availed.

- q) **Value of imports (on C.I.F. basis) by the company during the financial year in respect of**

	2016-17	2015-16
-Raw Materials	NIL	NIL
-Components and spare parts	NIL	NIL
-Capital Goods (i.e. Capital expenditure incurred at Overseas Branch)	NIL	NIL

r)	<b>Expenditure in foreign Currency during the financial year on account of</b>				
			<b>2016-17</b>		<b>2015-16</b>
	-Royalty and technical know how fee		NIL		NIL
	-On Overseas Contracts (i.e. Overseas Branch expenditure)		3207992.00		7041198.00
	-Professional consultation fee		NIL		NIL
	-Interest and other matters		NIL		NIL
s)	<b>Value of imported and indigenous raw material and consumable stores and spares consumed: -</b>				
			<b>2016-17</b>		<b>2015-16</b>
			<b>Value (Rs.)</b>		<b>Value (Rs.)</b>
			<b>%age</b>		<b>%age</b>
	<u>-Raw Material:</u>				
	Imported		NIL		NIL
	Indigenous		NIL		NIL
	<u>-Consumable Store and Spares consumed:</u>				
	Imported (i.e. Overseas Branch expenditure)		453342.00		700670.00
	Indigenous		932407.00		463016.00
			<b>1385749.00</b>		<b>1163686.00</b>
			<b>100%</b>		<b>100%</b>
t)	<b>Dividends remitted in foreign currency:</b>				
			<b>2016-17</b>		<b>2015-16</b>
	-Dividends remitted in foreign currency		NIL		NIL
u)	<b>Earnings in foreign exchange</b>				
			<b>2016-17</b>		<b>2015-16</b>
	-Export of goods on F.O.B. basis		NIL		NIL
	-Erection, Commissioning and Supervision related activities (Including Overseas Branch Revenue)		3324905.00		7891451.00
	-Royalty, know how and professional consultation fee.		NIL		NIL
	-Interest and dividend etc.		NIL		NIL
	-Other receipts		NIL		NIL

**SUNIL CHANDRA**  
(Managing Director)

**AKSHAY CHANDRA**  
(Director)

**Place: Yamunanagar**

**For Jayant Bansal & Co.,**  
Chartered Accountants

**Date: 30-05-2017**

**JAYANT BANSAL**  
(PARTNER)  
M. No. 086478

**SCAN PROJECTS LIMITED**

(Formerly – Ambala Cements Ltd.)

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

**PROXY FORM**

I/We

\_\_\_\_\_ of  
\_\_\_\_\_ in the district of  
\_\_\_\_\_ being a Member/ members of  
SCAN PROJECTS LIMITED.

Hereby appointed \_\_\_\_\_

(Full Name)

of \_\_\_\_\_ in the district of \_\_\_\_\_

(Full Name)

of failing him \_\_\_\_\_

(Full Name)

of \_\_\_\_\_ in the district of \_\_\_\_\_

(Full Name)

as my/ or proxy to vote for me/ us on my/ our behalf at the 25<sup>th</sup> Annual General Meeting of  
the Company to be held on Friday, the 29<sup>th</sup> September, 2017 and at adjournment thereof.


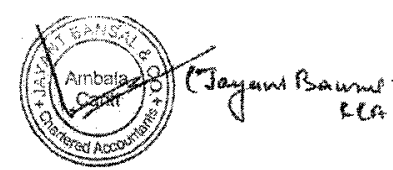
Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Affix a 1 Rupees revenue stamp
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**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	<b>SCAN PROJECTS LIMITED (FORMERLY KNOWN AS "AMBALA CEMETS LIMITED")</b> Village Jorian, Delhi Road, Yamunanagar (Haryana)
2.	Annual financial statements for the year ended	31st March 2017
3.	Type of Audit observation	Qualified Report
4.	Frequency of observation	Not Applicable
5.	<b>To be signed by-</b>	
	<b>CEO/Managing Director (SUNIL CHANDRA)</b>	
	<b>Auditor of the company FOR JAYANT BANSAL &amp; CO. CHARTERED ACCOUNTANTS (JAYANT BANSAL) PARTNER</b>	
	<b>Audit Committee Chairman (JAWAHAR LAL)</b>	

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.

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**SCAN PROJECTS LIMITED**  
(Formerly – Ambala Cements Ltd.)  
Regd. Office: Vill Jorian, Delhi Road,  
Yamuna Nagar-135001.

**ATTENDANCE SHEET**

25th Annual General Meeting 29<sup>th</sup> September, 2017

**TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL**

Full Name of the member attending : \_\_\_\_\_

Full Name of the first joint - holder : \_\_\_\_\_

(To be filled in if first named holder does not attend the meeting)

Name of Proxy: \_\_\_\_\_

(To be filled in Proxy form has been duly deposited with the Company)

I hereby record my presence at the 25th Annual General Meeting of the company held at Regd. Office: Village Jorian, Delhi Road, Yamuna Nagar-135001, on Friday, the 29<sup>th</sup> September 2017.

Ledger Folia No. \_\_\_\_\_

Member's Proxy's Signature

No. of Shares held: \_\_\_\_\_ (To be signed at the time of handing over this slip)

**BOOK POST**

**If undelivered please return to**

**SCAN PROJECTS LIMITED**

**FORMERLY KNOWN AS AMBALA CEMENTS LIMITED**

**REGD. OFFICE:-**

**VILLAGE JORIAN**

**DELHI ROAD**

**YAMUNA NAGAR 135001**