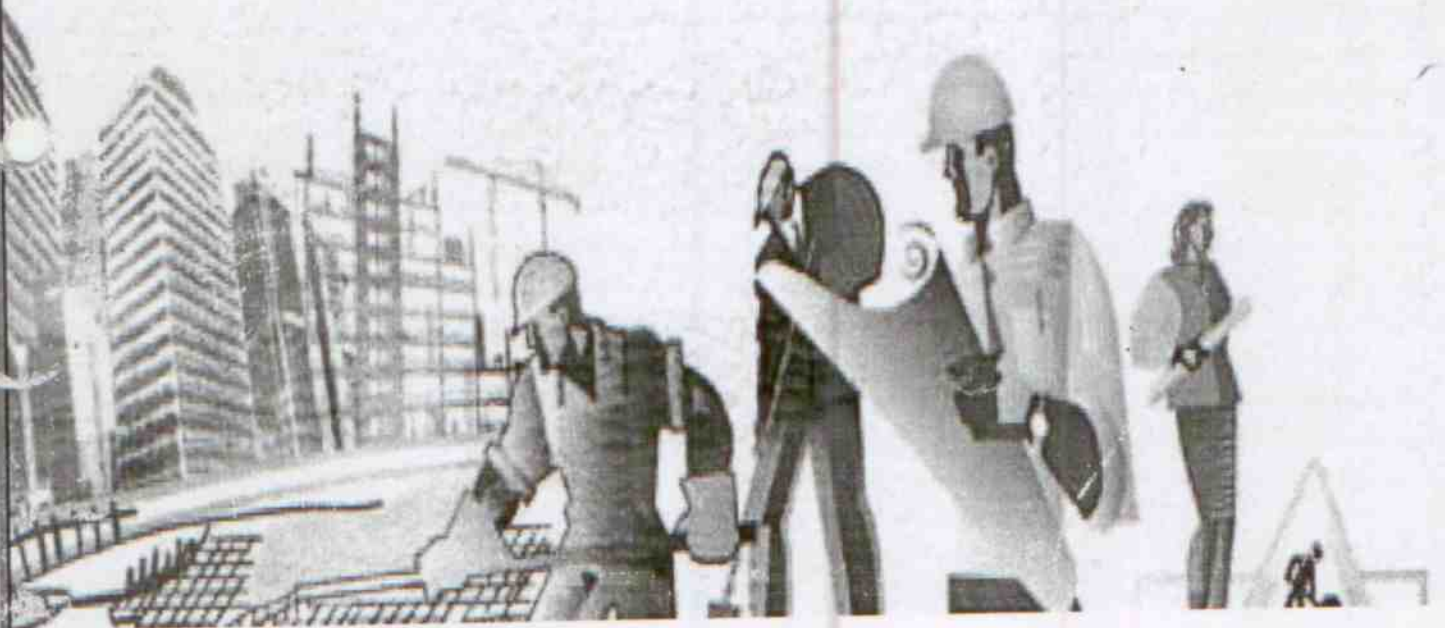


2011-12

RCC CEMENTS LIMITED



21 ST ANNUAL GENERAL MEETING |

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Sunil Kumar  
Managing Director

Mr. Mukesh Sharma  
Director

Mr. Kishore Bhatia  
Director

**COMPANY SECRETARY**

Pooja Chuni  
Company Secretary & Compliance Officer

**AUDITORS**

M/s . RMA & Associates, Chartered Accountants  
Chartered Accountants

**BANKERS**

Vijaya Bank

**REGISTERED OFFICE**

807, Arunachal Building, 19, Barakhamba Road,  
Connaught Place, New Delhi-110 001

**REGISTRAR & SHARE TRANSFER AGENTS**

MAS Services Limited  
Registrar & Share Transfer Agents.

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF RCC CEMENTS LIMITED WILL BE HELD ON SATURDAY, 29<sup>th</sup> DAY OF SEPTEMBER, 2012 AT 10:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 807, ARUNACHAL BUILDING, 19, BARAKHAMBA ROAD, CONNAUGHT PLACE, NEW DELHI-110001.

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To transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Kishore Bhatia, who retires by rotation and being eligible offers himself for re-appointment.
3. To re appoint Auditors and to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT M/s RMA & Associates, Chartered Accountants, the Company's retiring Auditors, being eligible and offering themselves for reappointment, be and are hereby reappointed as Statutory Auditors of the Company to hold the office until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company.”

By the order of the Board  
For RCC Cements Limited

*Sunil Kumar*

Sunil Kumar  
Chairman

Place: New Delhi  
Dated: 30<sup>th</sup> August, 2012

**NOTES :**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS ENCLOSED. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2 Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- 3 Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to keep the information ready at the meeting.
- 4 The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 26<sup>th</sup> September, 2012 to Saturday, 29<sup>th</sup> September, 2012 (both days inclusive) for the purpose of the AGM.
- 5 Members who are holding shares in physical mode, are requested to notify the changes with respect to their bank details, change of address, change in name, etc. if any, to the Registered Office of the Company or the Registrar & Share Transfer Agent, (RTA) MAS Services Limited.
- 6 Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the amendment in the Companies Act, 1956. The prescribed Form (Form 2B) can be obtained from the Company or its Registrar & Share Transfer Agent. Members desiring to avail of this facility may send their Nomination Form duly filled in to the Company or its Registrar & Share Transfer Agent by quoting their respective Folio Number.
7. Members who hold shares in de-materialised form are requested to bring their DP ID and Client ID Number for easier identification of attendance at the meeting. In all the correspondence with the Company, members are requested to quote their account/ folio numbers and in case their shares are held in the de-materialised form, they must quote their DP ID and Client ID Number.
- 8 Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
- 9 In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
- 10 Members / Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.
- 11 All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sunday, between 2 P.M. to 4 P.M. up to the date of the Annual General Meeting.

## DIRECTORS' REPORT

To the Members of RCC Cements Limited

The Directors are pleased to present their 21st Annual Report on the business and operations of RCC Cements Limited and the Financial Accounts of the company for the Financial Year ended on March 31, 2012.

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Current Year	Previous Year
Income from Operations	5.25	3.86
<b>Total Revenue</b>	<b>8.25</b>	<b>3.86</b>
Profit(Loss) before Depreciation and Taxation	0.25	0.23
Less: Depreciation	0.11	0.11
Profit(Loss) before taxation	0.14	0.12
Provision for taxation	0.04	0.04
Deferred Tax	(0.03)	(0.03)
Profit(Loss) after taxation	0.10	0.08
Profit/(Loss) brought forward from previous year	(222.28)	(222.37)
Balance carried forward	(222.18)	(222.28)

### RESULTS OF OPERATIONS

During the financial year under review the company has earned a net profit (after tax) of Rs. 9,617/- as compared to a profit (after tax) of Rs. 8,570/- in the previous financial year.

### DIVIDEND

The Board is of the view that the Company should take advantage of the tremendous growth potential. Accordingly, the directors do not recommend any dividend for the year ended March 31, 2012.

### SHARE CAPITAL

During the financial year 2011-12, there has been no increase in the Authorized Share Capital of the Company. However, during the year under review, the paid up capital of the company has been reduced by Rs. 3,50,00,000 i.e. from Rs. 9,10,20,000 to Rs. 5,60,20,000 vide the order of the Hon'ble Hight Court at New Delhi, dated 22/03/2012 to remove the mismatch between the listed capital and paid up capital of the Company at Bombay Stock Exchange Limited.

### DIRECTORS

At the ensuing Annual General Meeting, Mr. Kishore Bhatia, Director of the Company retires by rotation, and being eligible, offers himself for reappointment. Your Directors recommend his appointment in the overall interest of the Company.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement for the financial year ended 31<sup>st</sup> March, 2012 it is hereby confirmed:

- ❖ That in the preparation of annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ❖ That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under consideration.
- ❖ That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- ❖ That the Directors have prepared the annual accounts of the Company for the financial year ended March 31, 2012 on a going concern basis.

## **AUDITORS' REPORT**

The observations made by the Auditors are self-explanatory & do not require further clarification.

## **AUDITORS**

M/s RMA & Associates., Chartered Accountants, and Statutory Auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment. The members are requested to re appoint them as the Statutory Auditors till the conclusion of next Annual General Meeting.

The Board recommends M/s RMA & Associates., Chartered Accountants, to be reappointed as the Statutory Auditors in the larger interest of the Company. A certificate under section 224(1B) of the Companies Act, 1956 regarding their eligibility for the proposed appointment has been obtained from them.

## **PARTICULARS OF EMPLOYEES**

The Directors hereby wish to place their appreciation for the efficient and loyal services rendered by the staff of the Company. The Company has not paid any remuneration attracting the provisions, of the Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended in this regard.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Since the Company did not carry out any manufacturing activity during the financial year under review, the details relating to the conservation of energy and technology absorption is not quite relevant to the Company.

There was no foreign exchange earning and outgo during the year under review.

### **FIXED DEPOSITS**

Your Company has not accepted any Fixed Deposits; therefore the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

### **CORPORATE GOVERNANCE**

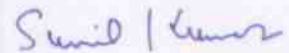
The Company is proactive following the principles & practices of good corporate governance. The Company has taken adequate steps to ensure that the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges are complied with.

A separate report on Corporate Governance together with Auditors' Certificate on compliance is attached to this Annual Report as also a Management Discussion and Analysis statement.

### **ACKNOWLEDGEMENT**

Your Board of Directors wishes their sincere thanks to Shareholders, Customers, Dealers, Bankers, Agencies and Business Associates who have extended their continued support.

By the order of the Board  
For RCC Cements Limited



(Sunil Kumar)  
Chairman

Place: New Delhi  
Dated: 30<sup>th</sup> August, 2012

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### I. Industry Structure and Developments

The all India Cement consumption grew by 7.4 percent from around 208 million tonnes to 223 million tonnes during the year under review. At the same time, around 15 million tonnes additional capacity has been added during the year. Subdued demand conditions led to capacity utilization falling below 80%. The demand for cement is expected to grow at 10% over 2012 and capacity addition to increase at around 8% year on year.

Year 2011 began with an expectation of brighter outlook and double digit growth for the Indian cement industry but this could not be realized due to slow pace of housing/infrastructure development and global slowdown. Demand trends in first half of 2011 remained below expectations. Channel checks suggest that the construction activity picked up in many pockets of the country during the second half of 2011. Overall cement industry grew by 6% on year on year basis for the entire 2011. Export market continues its slowdown, mostly due to global macro economic slowdown.

On the supply side, the pace of capacity additions has slowed down in 2011-12, though overcapacity is still a major concern for the industry. The lower than expected demand growth resulted in lower capacity utilization in the industry.

On the cost front, India's cement industry suffered early setbacks in the form of coal price hikes by over 30% by Coal India Ltd., the largest domestic supplier of coal to cement plants. The alternative of importing coal also turned costlier with the sharp depreciation of the rupee against the dollar. Consistently high inflation further added to the input cost, distribution costs and overhead cost increase. Industry margins were also impacted adversely due to 2% hike in excise duty announced in the Union Budget.

The construction industry is the second largest industry of the country after agriculture accounting for 11 percent of India's GDP. Indian construction industry employs 32 million people and its total market size is estimated at Rs. 2,48,000 crores (35,640 million \$). The level of a country's development is reflected by its infrastructure and the desperate need for infrastructure development has increased the demand of the construction industry in India.

India is the second fastest growing economy in the world and construction is the second largest economic activity after agriculture. Construction accounts for nearly 65 percent of total investment in infrastructure. Investment in construction accounts for nearly 11 percent of India's GDP. \$239.68 billion is likely to be invested in the infrastructure sector over the next 5 to 10 years. Due to significant investment opportunities emerging in this industry, a large number of international real estate players have entered the country.

#### Future Outlook

Growth in domestic cement demand is expected to remain strong on the back of growing demand from the housing sector, increased activity in infrastructure development and exports. It is anticipated that industry players will continue to increase their annual cement output in the coming years and the country's total cement production will grow at a CAGR of around 10.5% during 2011-12 to 2013-14.



Housing and infrastructure sector is continuing to be the key driver for cement demand in the coming years as well. The continued economic growth, the emphasis on infrastructure Building and the housing needs of the population will continue to fuel cement consumption in the country. The long term future of the cement industry continues to be positive, However, due to additional of new plants with large capacities, the capacity utilization would continue to be low in the short term.

### Opportunities And Threats/SWOT Analysis

#### A. Strengths

The cement industry has many strengths to be considered. Cement is, literally, the building block of the construction industry. Almost every building constructed relies on cement for its foundation. The cement business is a \$10 billion industry, measured by annual cement shipments. There is also a strong reputation behind the cement industry. There is a lot of employment and training opportunities in the field of construction. Low cost well educated and skilled labour force is now widely available across the country. Sufficient availability of raw material and natural resources in the country is supportive for the industry. Real estate development is on high and it is attracting the focus of the industry towards construction.

#### B. Weaknesses

The cement industry is not without its drawbacks. The cement industry relies on construction jobs to create a profit. But the cement industry heavily relies on weather. About two-thirds of cement production takes place between May and October. Cement producers often use the winter months to produce and stock pile cement, to meet demand. Another weakness is the cost of transport; the cost of transporting cement is high and this keeps cement from being profitable over long distances. In other words, shipping cement costs more than the profit from selling it.

#### C. Opportunities

The cement industry has opportunities as well. One such opportunity is the cement industry's efficiency. The cement industry has recently streamlined its production efforts, using dry manufacturing instead of wet, which is heavier and more time-consuming. The cement industry has also invested about \$6 billion in expansion efforts to meet unmet cement needs. Projections show that by 2013, the cement industry will have 25 percent more production capabilities. Continuous private sector housing boom will create more construction opportunities. Financial supports like loan and insurance and growth in income of people is in support of construction industry.

#### Government Initiatives

The cement industry is pushing for increased use of cement in highway and road construction. The Ministry of Road Transport and Highways has planned to invest US\$ 354 billion in road infrastructure by 2012. Housing, infrastructure projects and the nascent trend of concrete roads would continue to accelerate the consumption of cement.

The infrastructure sector has received an impetus in the form of increased funds and tax related incentives offered to attract investors for tapping the infrastructure opportunities around the country. Introduction of tax free bonds, creation of infrastructure debt funds, formulating a comprehensive policy for developing public private partnership projects are some announcements which will give a fillip to the infrastructure sector which is the backbone of any economy.

