

VARDHMAN CONCRETE LIMITED

28TH ANNUAL REPORT

2010-2011

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Vardhman Concrete Limited (The Company) will be held on Friday 30th September 2011 at 11.00 a.m. at the Registered Office of the Company at Survey No.35/10, Lohop Village, Khalapur Taluka, Raigad District, to transact the following business.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet for the financial period ended 31st March 2011 and Profit and Loss Account as at that date together with the Reports of the Directors and Auditors.
- 2) To appoint M/s Shraavan Gandhi & Associates, Chartered Accountants, Mumbai as the Statutory Auditors in place of the retiring Auditors M/s Choksi & Choksi, to hold office from the conclusion of the forthcoming Annual General Meeting to the conclusion of the next Annual General Meeting of the company and to fix their remuneration.
- 3) To appoint a Director in place of Mr. Kishore Vussonji who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Awadhesh Kumar who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

- 5) **Approval for re appointment of Mr. Ramesh Vardhan as the Chairman & Managing Director.**

To pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 read with & in accordance with conditions specified in Schedule XIII to the said Act, approval be and is hereby given for re-appointment of Mr. Ramesh Vardhan, as Chairman & Managing Director from 1st August 2011, for a period of 5 years on the terms given below:

Appointment :	5 years - from 1st August, 2011 to 31 st July 2016.
Salary :	In the range of Rs.25,000/- to Rs.75,000/- per month.
HRA :	In the range of Rs. 15,000/- to Rs.25,000/- per month.
Perquisites & Board Allowances:	Equivalent to Annual salary or as decided by the Board from time to time.
Retirements Benefits :	a) Company's contribution to PF Superannuation Fund or Annuity Fund to the extent non-taxable under I.T. Act 1961 b) Gratuity as per the rules of the Company and Leave encashment at the end of tenure.
Accommodation :	Furnished or House Rent Allowance or expenditure on maintenance of Self-occupied House.

Medical Expenses :	For Self and Family.
Club Membership Fees :	Maximum of 2 Clubs excluding admission and life Membership fees.
Leave travel : Concession	For Self and Family,
Car and telephone :	At residence for official use. Provision of Mobile Telephone.
Long Service benefits :	As per the policy of the Company.

Mr. Ramesh Vardhan will not be liable for retirement by rotation and will not be paid any sitting fees for attending the Board Meetings, General Body Meetings or Committee Meetings.

In the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration subject however to the overall limits as per provisions contained in the Schedule XIII to the Companies Act, 1956 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee

The remuneration and the other terms and conditions of the appointment of the appointee may be varied from time to time subject however to the overall limits as per provisions contained in the Schedule XIII to the Companies Act, 1956 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to execute all such agreements/deeds/ documents as may be necessary and do all such acts deeds and things as may be necessary to give effect to the above resolution”.

6) Approval for re appointment of Mr. Rajesh Vardhan as the Joint Managing Director.

To pass with or without modification, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 read with & in accordance with conditions specified in Schedule XIII to the said Act, approval be and is hereby given for re-appointment of Mr. Rajesh Vardhan , as Joint Managing Director from 1st August 2011, for a period of 5 years on the terms given below:

Appointment :	5 years - from 1st August, 2011 to 31 st July 2016.
Salary :	In the range of Rs.25,000/- to Rs.75,000/- per month.
HRA :	In the range of Rs. 15,000/- to Rs.25,000/- per month.
Perquisites & Board Allowances:	Equivalent to Annual salary or as decided by the Board from time to time.
Retirements Benefits :	a) Company's contribution to PF Superannuation Fund or Annuity Fund to the extent non-taxable under I.T. Act 1961 b) Gratuity as per the rules of the Company and Leave encashment at the end of tenure.

Accommodation :	Furnished or House Rent Allowance or expenditure on maintenance of Self-occupied House.
Medical Expenses :	For Self and Family.
Club Membership Fees :	Maximum of 2 Clubs excluding admission and life Membership fees.
Leave travel : Concession	For Self and Family,
Car and telephone :	At residence for official use. Provision of Mobile Telephone.
Long Service benefits :	As per the policy of the Company.

Mr. Rajesh Vardhan will not be liable for retirement by rotation and will not be paid any sitting fees for attending the Board Meetings, General Body Meetings or Committee Meetings.

In the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration subject however to the overall limits as per provisions contained in the Schedule XIII to the Companies Act, 1956 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee

The remuneration and the other terms and conditions of the appointment of the appointee may be varied from time to time subject however to the overall limits as per provisions contained in the Schedule XIII to the Companies Act, 1956 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to execute all such agreements/deeds/ documents as may be necessary and do all such acts deeds and things as may be necessary to give effect to the above resolution”.

7) Approval for re appointment of Mr. Anshul Gupta, as the Whole Time Director.

To pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 and any other applicable provisions of the Companies Act, 1956 read with & in accordance with conditions specified in Schedule XIII to the said Act, approval be and is hereby accorded for re-appointment of Mr. Anshul Gupta, as the Whole-Time Director from 1st August 2011 for a period of 5 years on the terms given below:

Appointment :	5 years - from 1st August 2011 to 31 st July 2016.
Salary :	In the range of Rs.25,000/- to Rs.75,000/- per month.
HRA :	In the range of Rs. 15,000/- to Rs.25,000/- per month.
Bonus:	Equivalent to one month salary or as decided by the Board from time to time.
Retirements Benefits :	a) Company's contribution to PF

	Superannuation Fund or Annuity Fund to the extent non-taxable under I.T. Act 1961
	b) Gratuity as per the rules of the Company and Leave encashment at the end of tenure.
Accommodation :	Furnished or House Rent Allowance or expenditure on maintenance of Self-occupied House.
Medical Expenses :	For Self and Family.
Club Membership Fees :	Maximum of 2 Clubs excluding admission and life Membership fees.
Leave travel : Concession	For Self and Family,
Car and telephone :	At residence for official use. Provision of Mobile Telephone.
Long Service benefits :	As per the policy of the Company.

Mr. Anshul G. Gupta will not be liable for retirement by rotation and will not be paid any sitting fees for attending the Board Meetings, General Body Meetings or Committee Meetings.

In the event of loss or inadequacy of profits in any financial year, notwithstanding anything to the contrary herein contained, the appointee shall be paid the above remuneration as the Minimum Remuneration subject however to the overall limits as per provisions contained in the Schedule XIII to the Companies Act, 1956 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee.

The remuneration and the other terms and conditions of the appointment of the appointee may be varied from time to time subject however to the overall limits as per provisions contained in the Schedule XIII to the Companies Act, 1956 or any amendments hereinafter made, as may be agreed to between the Board of Directors and the appointee

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to execute all such agreements/deeds/ documents as may be necessary and do all such acts deeds and things as may be necessary to give effect to the above resolution”.

By Order of the Board

Dated: 30.08.2011
Place: Mumbai

--SD--
Ramesh Vardhan
Chairman & Managing Director

Registered Office:
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Raigad Dist. Maharashtra.

--SD--
Rajesh Vardhan
Jt. Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 26th September 2011 to Friday, 30th September 2011 (both dates inclusive).
3. Members holding Shares in physical form are requested to notify their address / Bank Account details to the Company or to the Share Transfer Agents. M/s. Link Intime Spectrum Registry Ltd.
4. Member desiring any information is requested to write to the Company at the earliest so as to enable the Board of Directors to keep the information ready.
5. Members are requested to bring the copy of the Annual Reports of the Company to the Meeting.
6. Information pursuant to Clause 49 with respect to the directors to be appointed/re-appointed. Brief particulars of Directors being appointed /re-appointed are as under:

Name	Kishore Vussonji	Awadhesh Kumar
Date of Birth	18/09/1946	08/06/1947
Date of Appointment	29/04/2008	31/01/2008
Directorship held in other Company*	1) Comfund Consulting Ltd 2) Sunteck Realty Ltd 3) Hall & Anderson Ltd 4) Krishna Ventures Ltd 5) Weizmann Forex Ltd 6) Karma Energy Ltd	Nil
Brief Profile covering experience, achievements etc	Mr Kishore Vussonji is a solicitor and was enrolled with Bombay Incorporated Law Society on 18 th November 1975. He was enrolled with the Bar Council of Maharashtra on 22 nd August, 1977. He is a Partner of M/s Kanga & Co. Advocates & Solicitors. He is a practicing advocate and solicitor in Civil side and is dealing with all matters relating to real estate in Mumbai since 30 years and has advised a large number of Construction Companies and other Contractors and Developers in Mumbai.	Mr Awadhesh Kumar was in Government service. He joined the Income Tax department as an inspector in the year 1969. He has worked in different capacities in the department and he retired as an additional commissioner income tax in the year 2007. He has had vast experience in cases of Tribunal and investigation.
Shares held in the Company	Nil	Nil

Name	Ramesh Vardhan	Rajesh Vardhan	Anshul Gupta
Date of Birth	01/10/1962	01/01/1966	01/02/1976
Date of Appointment	04/10/2005	04/10/2005	31/12/2005
Directorship held in other Company*	1) Vardhman Developers Ltd 2) Vardhan Capital and Finance Ltd	1) Vardhman Developers Ltd 2) Vardhan Capital and Finance Ltd	Nil
Membership/ Chairmanship of Committees across Public Companies	1	1	1
Brief Profile covering experience, achievements etc	He has over two decades of experience in the Real estate development and finance. He promoted a number of Companies among them are Vardhman Developers Ltd and Vardhman Capital and Finance Ltd. His experience and able decisions provide a direction to the working of the group. He is also a member of MCHI and number of social organizations.	He has over a decade of experience in the areas of Real Estate Development. He promoted Vardhman Developers Pvt Ltd in the year 1990 which became public in the year 1995. Then early in the year 1995 he promoted Vardhan Capital and Finance Ltd. Apart from Real Estate and finance business he has also diversified the business in the field of entertainment and hospitality by opening a theme amusement park in Mumbai. He is the recipient of Indira Gandhi Priyadarshani Award and also Rajiv Gandhi Shiromani Award. He is also an active member of MCHI and various other associations. He is also Vice President of JITO	After his post graduation from UK he has been investment advisor with one of the leading finance and merchant banking firm for close to 6 years. Having specialized in Business Management and Strategic Management
Shares held in the Company	300050	569850	42200

* Directorships doesnot include directorships of private limited companies

7. Recently, The Ministry of Corporate Affairs (MCA), Government of India, has issued the following circulars in green initiative (a) Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send notices/documents (i.e., physical annual report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc.,) to the email address provided by you with your depositories for those holding shares in demat form. Shareholders holding shares in physical form may email the details to "investor.vcl@gmail.com"

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

In this behalf, we are confident that you would appreciate the “Green Initiative” taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

We request you to update your email address with your depository participant for demat holding of shares and with Mr. Abhijit from ‘Vardhman Concrete Limited’ on the email id investor.vcl@gmail.com for physical holding of shares to ensure that the Annual Report and other documents reach you on your preferred email.

Dated: 30.08.2011

Place: Mumbai

Registered Office:
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr. Vithoba Industrial Estate.
Raigad Dist. Maharashtra.

By Order of the Board

---SD---
Ramesh Vardhan
Chairman & Managing Director

---SD---
Rajesh Vardhan
Jt. Managing Director

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,
1956.

Item No. 5

The Board appointed Mr. Ramesh B. Vardhan as the Chairman & Managing Director w.e.f 1st August 2011 as per the terms and conditions mentioned in the foregoing resolution.

Pursuant to Clause 49 of the listing agreement, the brief particulars of Mr. Ramesh B. Vardhan, have been included in the notes appended to the notice.

Your Directors recommend the appointment of Mr. Ramesh B. Vardhan, as a Chairman and Managing Director, to the members for their approval.

None of the Directors except Mr. Ramesh B. Vardhan is interested in the resolution.

Item No. 6

The Board appointed Mr. Rajesh B. Vardhan as the Joint Managing Director w.e.f 1st August 2011 as per the terms and conditions mentioned in the foregoing resolution.

Pursuant to Clause 49 of the listing agreement, the brief particulars of Mr. Rajesh B. Vardhan, have been included in the notes appended to the notice.

Your Directors recommend the appointment of Mr. Rajesh B. Vardhan, as the Joint Managing Director, to the members for their approval.

None of the Directors except Mr. Rajesh B. Vardhan is interested in the resolution.

Item No. 7

The Board appointed Mr. Anshul Gupta as the Whole Time Director w.e.f 1st August 2011 as per the terms and conditions mentioned in the foregoing resolution.

Pursuant to Clause 49 of the listing agreement, the brief particulars of Mr. Anshul Gupta, have been included in the notes appended to the notice.

Your Directors recommend the appointment of Mr. Anshul Gupta, as the Wholetime Director, to the members for their approval.

None of the Directors except Mr. Anshul Gupta is interested in the resolution.

Dated: 30.08.2011
Place: Mumbai

By Order of the Board

Registered Office:
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist. Maharashtra.

----SD----
Ramesh Vardhan
Chairman & Managing Director

----SD----
Rajesh Vardhan
Jt. Managing Director

DIRECTOR'S REPORT

Your Directors present the Twenty Eighth Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2011

<u>FINANCIAL RESULTS</u>	Period ended 31/3/2011 (Rs. in lakhs)	Year ended 30/6/2010 (Rs. in lakhs)
Income from operation & other income	605.18	977.96
Profit before depreciation and tax	(231.55)	(248.38)
Depreciation	20.12	29.86
Income-Tax including deferred tax	(5.81)	(3.83)
Profit after Tax	(208.69)	(274.41)
Add: Balance B/f.	(1419.47)	(1122.94)
Balance C/f. to Balance sheet	(1623.75)	(1419.46)

DIVIDEND:

In view of the loss, your Directors do not recommend any dividend for the year.

BOARD OF DIRECTORS:

In terms of the provisions of the Articles of Association Mr. Kishore Vussonji and Mr. Awadhesh Kumar retire by rotation and being eligible offer themselves for re-appointment.

The Board re-appointed Mr. Ramesh B. Vardhan as the Chairman & Managing Director w.e.f 1st August 2011, Mr. Rajesh B. Vardhan as the Joint Managing Director w.e.f. 1st August 2011 and Mr. Anshul G. Gupta as the Wholetime Director w.ef. 1st August 2011 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

AUDITORS :

M/s. Chokshi & Chokshi, Chartered Accountants, Statutory Auditors of the company, retire at the forthcoming Annual General Meeting of the Company and they have expressed their un willingness to continue as the Auditors for personal reasons.

On the recommendation of the Audit ommittee, the Board has proposed to appoint M/s Shravan Gandhi & Associates , Chartered accountants as the Statutory Auditors of the company in place of the retiring Auditors M/s. Chokshi & Chokshi, to hold office from the conclusion of the forthcoming Annual General Meeting to the conclusion of the next Annual General Meeting of the company. M/s Shravan Gandhi & Associates have confirmed their willingness and eligibility under Section 224(1B) of the Companies Act, 1956 to accept office if appointed.

AUDITORS REPORT:

With reference to the Qualifications made by the Auditors in their Report for the financial period ended 31st March 2011. The company is passing through a major restructuring phase, where planned efforts have been taken to complete all existing loss making projects and also, extensive efforts have gone in to enhance the order book of the company. The company has positioned itself as taking major works in the field of low cost housing for the government, apart from the works from private developers. Therefore, the company has laid foundation of revivng in near future. Moreover in the opinion of the board the company does not attract the provisions of the Sick Industrial companies act and therefore does not feel the need to be declared as a sick company. The company is also initiating to pay the interest liabilities.

There are certain claims and matters under pending arbitration matters for variation of works and one side claims made by the company, the company is seeking legal advice and that none of the counter

claims are legally teneable. Any decision on the claims may not have significant impact on the networth and financial statements of the company.

The other comments made by the Auditors are self explanatory.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act 1956 the Directors confirm the following in respect of the audited annual accounts for the financial period ended 31st March 2011.

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgment and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the period ended 31st March 2011 and of the loss of the Company for that period.
- iii) that the Directors has taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and deflecting fraud and other irregularities.
- iv) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

As per the Listing Agreement with the Stock Exchange your Company is required to comply with the requirements of Corporate Governance. The report on Corporate Governance is annexed forming a part of this report.

CONSERVATION OF ENERGY AND FOREIGN TECHNOLOGY ABSORB'TION:

The details of energy consumption and conservation as required under the provisions of Section 217(1)(e) of the Companies Act 1956 is provided separately and forms part of this report.

The Company has not adopted any foreign technology during the year.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has not earned any foreign exchange or incurred any foreign exchange outgo during the year.

LISTING:

The Company's Shares are listed in the Bombay Stock Exchange, Mumbai. The Company has received the in-principal approval for revocation of suspension of the trading of its shares on the BSE and the trading shall commence shortly.

CASH FLOW STATEMENT:

In pursuant to the Listing Agreement the cash flow statement is annexed and forms part of this report.

ACKNOWLEDGEMENT:

The Board of Directors acknowledges the assistance, contribution and support received from Government, Authorities, Banks, Suppliers, customers, employees and the Share holders of the Company for their valued support extended to the Company.

By Order of the Board

---SD---

Ramesh B. Vardhan
Chairman & Managing Director

---SD---

Rajesh B. Vardhan
Jt. Managing Director

Dated: 30.08.2011
Place: Mumbai

Registered Office :
Survey No.35/10
Lohop Village,Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist. Maharashtra.

**ANNEXURE TO DIRECTOR'S REPORT
PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS
IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
Nil

- b) Additional investment and proposal, if any been implemented for reduction of consumption of energy.

Nil

- c) Impact of measures for reduction of energy consumption and consequent impact on the cost of production of goods.

N.A.

- d) Total energy consumption and energy consumption per unit of production as per form A in respect of Industries specified in the Schedule

N.A.

FORM – A
(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A) POWER AND FUEL CONSUMPTION

	2010-2011	2009-2010
	(Rs. In lakhs)	(Rs. In lakhs)
1) Electricity.)	
a) Purchased)	Due to the nature of
Units (Lakhs – kWh))	
Rate/Unit (Rs.))	the activities of the
b) Own Generation)	company which requires
i) Through Diesel Generator)	
Net Units (Lakhs – kWh))	the major execution
Unit per Ltr. Of Diesel/)	
Furnace Oil (kWh))	of the projects in
ii) Through Steam)	
Turbine/Generator)	the site of the projects
2) Coal (used in Kiln))	
Quantity (tones))	
Total cost (Rs.Lakhs))	the details of energy Average Rate
)	
3) Furnace Oil)	consumption would
Quantity (K.Ltrs.))	
Total Cost (Rs.lakhs))	not be relevant.
Average Rate (Rs./K.Ltr.))	
4) High Speed Diesel)	
Quantity (K.Ltrs.))	
Total Cost (Rs.lakhs))	
Average Rate (Rs./K.Ltr.))	
Others/Internal Generation)	

B) CONSUMPTION PER UNIT OF PRODUCTION

Electricity (kWh/T of cement))
HSD/FO (Ltr./T of Clinker))
Coat (Percentage of Clinker))

Form - B
(See Rule 2)

Form for disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R&D)

1. Specific area in which R & D carried out by the Company.

Nil

2. Benefits derived as a result of the above R&D

N.A.

3. Future plan of Action.

Nil

4. Expenditure on R&D

	2010-2011 (Rs. In lakhs)	2009-2010 (Rs. In lakhs)
Capital	Nil	Nil
Recurring	Nil	Nil
Total R & D expenditure as Percentage of turnover	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance: 2010-2011

During the year the Company earned an income from operations and other income of Rs. 605.18 lakhs in nine months as against Rs. 977.97 lakhs achieved during the period of twelve months of the previous year. After offsetting the expenses the Company incurred a loss of Rs.208.69 lakhs during the said nine months as against Rs. 274.41 lakhs incurred during the twelve months of the previous year.

Business environment and future prospects of the Company.

The Indian economy continues to grow at around 7.75% for yet another year. Your company has so strategically positioned itself during the past couple of years that the variety of products offered by your company from the mere supply of precast/pre stressed slabs, girders and construction of public utility structures to construction of low cost residential structure under the JNNURM using its core capabilities. Your company has also taken up works with private real estate developers for construction of residential towers.

During the year, due to the aggressive marketing efforts to secure projects your company has received in principle approval from some municipal corporation for construction of low cost residential complexes under the JNNURM scheme. Your company is also endeavoring to secure orders for supply of precast/ pre stressed slabs, girders for the ongoing infrastructure projects in the country. Further the Company has aggressively bid for construction of public utility structures at various locations in the country. It is expected that the efforts of your Company will pay off in the years to come and will turn around its financial performance.

Your company has been able to start more works with better profit margins. Your Company has set up a project appraisal team which closely evaluates the projects to be undertaken and bid for so that future projects are financially viable. The management of your company has undertaken severe cost cutting measures to reduce the overhead cost burden on the financial performance of the company.

It is believed that the above mentioned measures will aid in the speedy financial turn-around of your company.

Risks and concerns

The Company's employees and projects have been and are exposed to risks and threats to life, liberty, and property while operating in risky geographical areas. The Company has taken to provide adequate security, facilities, and also insurance coverage in such places. The company is also exposed to the risks of ever changing economic scenario, national and global, cut throat competition, changing commodity prices etc. However the Company has a Risk Management framework which is reviewed periodically.

Internal Control system :

The Company has adequate Internal control to commensurate with its size and nature of business. To make the internal control system more effective and project specific, the management is in the process of building a comprehensive internal audit system with help of the internal auditors. The Company is committed to maintain high standards of internal control. The Company's audit procedures together with the management information system helps in monitoring internal control and compliance of the procedure from time to time.

The Audit committee also reviews the audit procedures and the accounting procedures and guides the management in its compliance. The internal control and audit systems are being reviewed periodically by the Audit Committee and steps taken as a part of continuous improvement.

Human Resources :

The Company believes that the employees are its strength. The Company's performance depends on the creativity, motivation and initiatives of its employees in the company. To enhance these skills the company interacts with its employees and provides training to enhance the employ value.

Safety and Welfare measures:

The Company accords top priority to the safety in the Company towards this measures the company has provided safety kit to its employees. The company also educates its employees to adhere to the safety measures from time to time.

By Order of the Board

Dated : 30.08.2011
Place : Mumbai

--SD--
Ramesh B. Vardhan
Chairman and
Managing Director

--SD--
Rajesh B.Vardhan
Jt. Managing Director

Registered Office :

Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist. Maharashtra.

Address for Correspondence:

M/s Vardhman Concrete Limited,
120 Commerce House,
140 N.M. Road,
Fort, Mumbai – 400 001.

CORPORATE GOVERNANCE REPORT**1) PHILOSOPHY**

The Company believes in fairness, transparency, accountabilities and responsibility as the basis of Corporate Governance. The Company endures to attain standards for maximizing the share holders value for attaining overall long term objectives and by discharging its social responsibilities,

2) BOARD OF DIRECTORS:

The Board of Directors has been duly constituted. More than 50% of the Directors are Non Executive and more than 50% of the Directors are Independent. During the period from 1st July 2010 to 31st March, 2011 there were 5 meetings of the Board of Directors held on 30th July, 2010, 12th October, 2010, 03rd December, 2010, 31st January, 2011 and 28th March, 2011.

Name of Directors	Category of Directors	Attendance			As on date	
		Board Meeting	Last AGM	*Other Directorship	Committee Position as Members including this company	Chairman
Mr.Ramesh B. Vardhan	Promoter , Chairman and Managing Director	5	Yes	2	1	5
Mr.Rajesh B. Vardhan	Promoter Joint Managing Director	5	Yes	2	1	Nil
Mr. Anshul G. Gupta	Promoter Executive	5	Yes	Nil	1	Nil
Mr.Rohit Khimchand Kapadia	Independent Non Executive	4	Yes	1	2	1
Mr. Arvind Kothari	Independent Non Executive	4	Yes	Nil	1	Nil
Mr. Awadhesh Kumar	Independent and Non Executive Director	2	No	Nil	2	Nil
Mr. Kishore Vussonji	Independent and Non Executive Director	1	No	6		

*does not include directorships of private limited companies

3) AUDIT COMMITTEE:

The role of the audit committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and adequacy of the internal control systems.
7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
9. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

During the year the committee met 4 times on 27/07/2010, 05/10/2010, 30/11/2010 and 10/01/2011 the composition and the attendance of Directors at these meeting are as follows:

Name of Member	Status	Category of Directors	No. of meetings attended
Mr. Awadhesh Kumar	Chairman	Independent Non Executive	4
Mr. Rajesh Vardhan	Member	Promoter, Executive	4
Mr. Rohit Kapadia	Member	Independent Non Executive	4

4) **REMUNERATION COMMITTEE:**

A Remuneration Committee has been constituted by the Board of Directors to review and / or determine the remuneration package of the executive Directors of the Company in accordance with the guidelines laid out by statute and the listing agreement with the Bombay Stock Exchange.

A meeting was held during the financial year on 29/10/2010

The Composition of Committee and the number of meetings attended by the committee members is given below:

Name of Member	Status	No. of meetings attended
Mr. Awadhesh Kumar	Chairman	1
Mr. Rohit Kapadia	Member	1
Mr.Ramesh B. Vardhan	Member	1

Details of remuneration of the Directors for the financial period ended 31st March, 2011.

Directors.	(Amt in Rs.)		
Name	Salary	Bonus and PF	Total
Mr. Anshul Gupta	600000	50000	650000

5) **SHAREHOLDERS AND INVESTOR GRIEVANCES COMMITTEE**

a) The Shareholders and Investor Grievance Committee approves transfers/ transmission of shares, registering of transfers, issue of share certificates, processing the requests for dematerialization etc to provide, issue and furnish all the information, reports and other documents to the shareholders as may be required by them from time to time and reviews the queries and complaints received from the shareholders and to take steps for their redressal.

b) The meetings of the Shareholders & Investors Grievances Committee were held on 15/07/2010, 22/07/2010, 25/08/2010 and 03/02/2011. The Composition of Committee and the number of meetings attended by the committee members is given below:

Name of Member	Status	No. of meetings attended
Mr. Rohit Kapadia	Chairman	4
Mr.Ramesh B. Vardhan	Member	4
Mr. Anshul Gupta	Member	4

6) **GENERAL BODY MEETING :**

Location and time of previous Annual General Meetings:

Year	Venue	Date	Time
2009-2010	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr.Vithoba Industrial Estate.Raigad Dist. Maharashtra	30/12/2010	11.00 a.m.
2008-2009	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr.Vithoba Industrial Estate.Raigad Dist. Maharashtra	30/12/2009	11.00 a.m.
2007-2008	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr.Vithoba Industrial Estate.Raigad Dist. Maharashtra	30/09/2008	11.00 a.m.

→ The following resolutions were passed by postal ballot during the last three years:

- 1) Special Resolution for Increase in Authorised Share Capital on 29th December 2009
- 2) Special Resolution for Rights Issue on 29th December 2009
- 3) Special Resolution for Alteration of Articles of Association on 29th December 2009
- 4) Special Resolution for Change of Name of the Company from Stresscrete India Limited to Vardhman Concrete Limited on 31st March 2010

7) DISCLOSURES:

- i) Details of transactions with related parties during the year are as follows

Disclosure of related party transactions as per AS – 18

I. Particulars of related parties:

a) Where Control Exists	None
b) Key Management Personnel	Ramesh B. Vardhan Rajesh B. Vardhan Anshul G. Gupta
c) Relatives of Key Management Personnel	None
d) Other Related Parties	Vardhan Capital & Finance Limited Vardhman Growmore Developers P. Ltd. Vardhman Home Developers P. Ltd. Blue Stock investments Pvt. Ltd. Vardhman Developers Ltd. Diwali Capital and Finance Pvt.Ltd. Vibhuti Construction Pvt.Ltd. Diwali Developers Pvt.Ltd. Flower Boom Builders Pvt.Ltd. Flower Queen Builders Pvt.Ltd. Vardhman Entertainment and Hospitality Pvt.Ltd. Vardhman Residency Pvt.Ltd. Enso Holdings and Finance Pvt.Ltd. Indelible Holdings Pvt.Ltd. Vardhan Comtrade Pvt.Ltd. Servicesmart Consultants and Financial Services Pvt.Ltd. Comfund Consulting Ltd. Sunteck Realty Ltd. Hall & Andersons Ltd. Krishna Ventures Ltd Weizmann Forex Ltd Karma Energy Ltd

II. Transaction with Related Parties:

(As per point 5 of the notes to accounts in Part B of Schedule T of the Balance Sheet)

- ii) The Company has not complied with the Listing Agreement, hence it has been suspended from trading due to penal reasons. The Company is in the process of revocation. Reinstatement penalty of Rs 1,20,000/- Plus Service Tax @ 10.3% has been imposed by the Stock Exchange for revocation of suspension in trading of equity shares.

No penalties or strictures were imposed by SEBI, or any statutory authorities on matters relating to capital markets during the last three years.

8) MEANS OF COMMUNICATION :

The Quarterly, half-yearly and the annual financial results, shareholding patterns and other documents are furnished to the Bombay Stock Exchange as per the listing agreement to enable them to put them on their web-sites.

The Company has also complied with Clause 54 of the Listing Agreement whereby the Company has updated its website containing basic information about the Company e.g details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The company also agrees to ensure that the contents of the said website are updated at any given point of time as a part of shareholder information

9) CODE OF CONDUCT

Declaration of compliance with the Code of conduct as provided in Clause 49 of the Listing Agreement with the Bombay Stock Exchange.

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business conduct and Ethics for Directors and Senior Management in respect of the financial period from July 2010 to March 2011. The code of conduct is also posted on the website of the Company.

Dated: 30.08.2011

Place: Mumbai

By Order of the Board

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Ramesh Vardhan
Chairman and Managing Director

10) GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting :

Date and Time	:	30th September 2011 at 11.00 a.m.
Venue	:	at the Registered office of the Company. Survey No.35/10 Lohop Village, Khalapur Taluka, Nr. Vithoba Industrial Estate. Raigad Dist-410 220. Maharashtra.

Financial Calendar (tentative and subject to change)

For the Quarter ended	30/06/2011 By 15 th August, 2011
For the Quarter ended	30/09/2011 By 15 th November, 2011
For the Quarter ended	31/12/2011 By 15 th February 2012
For the Quarter ended	31/03/2012 By 15 th May, 2012
For the year ended	31/03/2012 By end of August, 2012

Book Closure:

From Monday 26th September, 2011 to Friday 30th September, 2011 both dates inclusive.

Financial Year :

The Company vide Board resolution passed on 28th March, 2011 decided to change the financial year of the Company for administrative convenience. The financial year which ends at 30th June, shall end on 31st March, in the current year and the Balance sheet and profit and loss account giving effect to such change are prepared for a period of 9 months for the financial year from July 01, 2010 to March 31, 2011. All the subsequent 'Financial years' of the Company shall be for a period of one year is beginning from April 01, every year and concluding on March 31 of the subsequent year.

Dividend:

The Board of Directors of the Company has not recommended dividend for the year.

Listing On Stock Exchange:

The Stock Exchange Mumbai

STOCK CODE: 531444

High And Low Of Stock Prices:

Trading of shares has been suspended due to non compliance of the Listing Agreement.

Registered office & Share Transfer Agent :

Investor can send their queries/complaints to the Registered Office of the Company at:

M/s.Vardhman Concrete Limited,
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist- 410 220 Maharashtra.

For the convenience of our investors, transfer requests investor's complaints/grievances, etc. may be directly sent to:

Link Intime Spectrum Registry Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
MUMBAI - 400 078.
Phone No. 022 25963838/ Fax No. 022 25946969
E-mail : Mumbai@linkintime.co.in

Share Transfer System :

Shares lodged for transfer at the registered office are sent to Registrars and normally processed within 15 days and approved in the Share Transfer Committee Meeting and are transferred in the name of the transferee and sent by the Registrar.

Shareholding Pattern

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
Indian							
Individuals / Hindu Undivided Family	14	1,996,293	1,996,193	27.89	27.89	2,40,000	3.35%
Bodies Corporate	2	346,026	346,026	4.84	4.84	-	-
Any Others (Specify)	5	1,412,100	1,212,100	19.73	19.73	-	-
Directors/Promoters & their Relatives & Friends	5	1,412,100	1,212,100	19.73	19.73	-	-
Sub Total	21	3,754,419	3,554,319	52.46	52.46	2,40,000	3.35%
(2) Foreign							
Individuals (Non-Residents Individuals / Foreign Individuals)	3	466,000	404,900	6.51	6.51	-	-
Sub Total	3	466,000	404,900	6.51	6.51	-	-
Total shareholding of Promoter and Promoter Group (A)	24	4,220,419	3,959,219	58.97	58.97	2,40,000	3.35%
(B) Public Shareholding							
(1) Institutions							
(2) Non-Institutions							
Bodies Corporate	42	615,732	604,832	8.60	8.60	-	-
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,563	930,068	619,268	13.00	13.00	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	34	1,281,129	1,039,529	17.90	17.90	-	-
Any Others (Specify)	21	109,252	14,152	1.53	1.53	-	-
Clearing Members	8	8,540	8,540	0.12	0.12	-	-
Non Resident Indians	13	100,712	5,612	1.41	1.41	-	-
Sub Total	1,660	2,936,181	2,277,781	41.03	41.03	-	-
Total Public shareholding (B)	1,660	2,936,181	2,277,781	41.03	41.03	-	-
Total (A)+(B)	1,684	7,156,600	6,237,000	100.00	100.00	2,40,000	3.35%
(C) Shares held by Custodians and against which Depository Receipts have been issued							
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	1,684	7,156,600	6,237,000	-	100.00	2,40,000	3.35%

Green Initiatives

Recently, The Ministry of Corporate Affairs (MCA), Government of India, has issued the following circulars in green initiative (a) Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send notices/documents (i.e., physical annual report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc.) to the email address provided by you with your depositories for those holding shares in demat form. Shareholders holding shares in physical form may email the details to "investor.vcl@gmail.com"

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

We request you to update your email address with your depository participant for demat holding of shares and with Mr. Abhijit from 'Vardhman Concrete Limited' on the email id investor.vcl@gmail.com for physical holding of shares to ensure that the Annual Report and other documents reach you on your preferred email.

Investors' Grievances :

There were no pending Investor Grievances as on 31st March, 2011

Plant Locations:

M/s.Vardhman Concrete Limited,
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist 410 220 Maharashtra.

Address for correspondence :

M/s.Vardhman Concrete Limited,
120, Commerce House,
N.M. Road, Fort
MUMBAI - 400 001.
Phone No. 022- 2267 2268

Dated: 30.08.2011

Place: Mumbai

----SD----

Ramesh Vardhan
Chairman and Managing Director

----SD----

Rajesh Vardhan
Jt. Managing Director

CEO Certification

To
The Board of Directors
Vardhman Concrete Limited
Mumbai

I, Ramesh Vardhan, Chairman and Managing Director of Vardhman Concrete Limited, to the best of my knowledge and belief, certify that :

- 1) I have reviewed the Balance Sheet and Profit and Loss account (standalone and consolidated), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.
- 2) Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
- 3) Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
- 4) To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct
- 5) I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and i have :
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP).
 - (c) Evaluated the effectiveness of the Company's disclosure, controls and procedures
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

Signature:

----SD----

Name: Ramesh Vardhan

Designation: Chairman & Managing Director

Auditors certificate on Compliance of conditions of Corporate Governance Under Clause 49 of the Listing Agreement.

To
The Members
Vardhman Concrete Limited

We have examined the compliance of conditions of corporate governance by Vardhman Concrete Ltd. ("the company") for the period ended on March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management of the company. 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 statement 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 substantially complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement except for the following:

- i. The company has not made timely submissions of the documents required be filed with the Stock Exchange to comply with the listing agreement and
- ii. There have been minor delays in the Share transfer procedures and redressal of Investor Grievances.
- iii. The company does not have a full time Company Secretary.
- iv. The trading of the shares of the company has been suspended w.e.f. 3rd May 2010 for non compliance of the clauses of the listing agreement. The company has applied for the revocation of the same.

We further state that such compliance is neither as 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.

**For Priti J. Sheth & Associates
Company Secretaries**

----SD----

**Priti J. Sheth
(Proprietor)
Mem No. 17178
C.P. 5518**

**Place: Mumbai
Dated: 30-08-2011**

AUDITORS' REPORT**TO****THE MEMBERS OF VARDHMAN CONCRETE LIMITED**

1. We have audited the attached Balance Sheet of VARDHMAN CONCRETE LIMITED (formerly known as Stresscrete India ltd.) ("the Company") as on 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

4.

- a. *The Company is a sick Company in terms of the Sick Industrial Companies (Special Provision) Act, 1985 and has also defaulted in payment of interest to a Bank amounting Rs. 97.63 lacs as referred in para (xi) of the Annexure referred in clause 3 above. The Company has not made an application, to Board for Industrial and Financial Reconstruction for being declared as a Sick Company. The Company has prepared their accounts on "going concern" basis. Attention of the members is invited to note 14 of Schedule T - "Notes to Accounts" regarding the financial statements of the Company having been prepared on a going concern basis, notwithstanding the fact that its net worth is completely eroded.. However, as explained by the Management, the Company has large order in hand hence its ability to continue, interalia is dependent on the generation of cash flow, profits from there execution and on the Company's ability to infuse requisite funds for meeting its obligations.*
- b. *The Company has long outstanding dues of Rs.407.24 lacs receivable from a debtor and further dues in respect of a bank guarantee of Rs.90.52 lacs included under the head "Advance Receivable In Cash Or Kind" invoked by them, is considered doubtful and not provided for. (Refer Note 16, Schedule T- Notes to accounts).*
- c. *In the absence of individual confirmation of Sundry Debtors Rs. 567.52 lacs, (including un provided non moving debtors of Rs.396.59 lacs) Loans and Advances given Rs. 502.93 lacs, Sundry Creditors of Rs. 154.92 lacs (including unadjusted non moving creditors of Rs.45.58 lacs), Advance from customers Rs. 157.22 lacs, Other liabilities of Rs 65.77 lacs and Fixed Deposit with a bank for Rs.4.12 lacs all are taken correct as per books of account (Refer Note 16, Schedule T- Notes to accounts). This may affect financial statements.*
- d. *There are certain claims and matters under arbitration which may have significant impact on the net worth and the financial statements of the Company and not quantifiable. (Refer Note 1(b) & 1(c) of Schedule T- Notes to accounts)*

- e. *As referred in para i(a) of the annexure referred in paragraph 3 above, the Company has not maintained certain records in respect of fixed assets and the same is not totally reconcilable. These could have financial impact which can not be quantified.*

Consequential Impact of above on the net worth and financial statements of the Company cannot be ascertained and is not provided for.

5. *Subject to our observations in Para 4 above and further to our comments in the Annexure referred to in paragraph 3 above, we state that:*
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examinations of the books.
 - c. The Balance Sheet, Profit and Loss Account & the Cash Flow statements dealt with by this report are in agreement with the Books of Account.
 - d. *As informed, no written representation has been received from one director being not disqualified as a director u/s 274(1)(g) of the companies act, hence, we cannot comment whether the said director is disqualified or otherwise.* Except above, none of the other directors disqualify from being appointed as director within the meaning of clause (g) of sub-section (1) of section 274 of the Companies Act, 1965 based on the written representations received from Directors of the Company and taken on record by the Board.
 - e. In our opinion, the Profit and Loss Account, the Balance Sheet & the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Para 4 as stated above, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i) in the case of the Balance sheet, of the state of affairs of the Company as on 31st March 2011,
 - ii) in the case of Profit and Loss Account, of the loss for the period ended 31st March 2011 and
 - iii) in the case of Cash Flow Statement, of the cash flows for the period ended on that date.

For CHOKSHI & CHOKSHI

Chartered Accountants

Firm Reg. No. 101872W

---SD--

D. J. Parikh

(Partner)

M.No.35305

Place: Mumbai

Dated: 30.08.2011

Annexure to the Auditors' Report

With reference to the Annexure referred to in paragraph 3 of the report of the Auditors to the Members of VARDHMAN CONCRETE LIMITED, on the accounts for the year ended 31st March 2011 we report that:

- (i) (a) *The Company has not maintained proper records showing full particulars, including quantities details and situation of Fixed Assets.*
- (b) As explained to us by the management, the assets have been physically verified at the end of the period at various sites by the site-in charge and no major discrepancies were noticed to the extent available record. *The frequency of verification needs to be strengthened considering the size and the nature of the business of the Company.*
- (c) Though the Company has disposed off the significant fixed assets during the period, but as per the information and explanation provided, the same has not affected the going concern of the Company.
- (ii) (a) As explained to us, the inventories have been physically verified by the site-in charge of the respective sites at year end. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is considered to be reasonable
- (c) As per the information and explanations given to us, the Company is maintaining proper records of inventory. In our opinion, discrepancies if any, noticed on physical verification of stocks, to the extent verified, were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) In our opinion and according to the information and explanations given to us, the Company has not given any secured or unsecured loans to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence reporting under clause (iii) (b), (c) and (d) in respect of the other terms and condition is not applicable to the Company in this respect.
- (e) During the period the Company has taken/ repaid loans including those outstanding of earlier years of parties covered in the register maintained under section 301 of the Companies Act 1956. The numbers of parties involved are four. The maximum amount outstanding during the period aggregates to Rs. 77,982,796/- and the end of the period outstanding balance of the said loans is Rs. 75,549,117/-.
- (f) In our opinion and according to the information and explanation given to us, the term and condition of the loans are prima facie not prejudicial to the interest of the Company.
- (g) Though the period of said loans are not fixed, as explained to us, none of them are overdue.
- (iv) In our opinion, and according to the information and explanations given to us, there are reasonable internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, during the course of our audit, we have neither come across nor have we been informed of any instances of major weakness in the internal control. However overall controls need to be strengthened.
- (v) (a) According to the information and explanations given to us, the transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 so have been entered. There are no transactions of sale of services in excess of Rs.5 lacs with party entered into the said register.
- (b) Reporting regarding the prevailing market prices in clause (v) (b) of the said order is not applicable.
- (vi) (a) According to the information and explanations given to us, the Company has not accepted a deposits as referred to in Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under.

- (b) According to the information and explanations given to us, there have been no proceedings before the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any court and any other Tribunal in this matter.
- (vii) During the period under review, the Company has an internal audit system, done by an independent Chartered Accountant, is commensurate with its size and nature of business.
- (viii) As per the information and explanations given to us, the Central Government has not prescribed the maintenance of Cost Records under section 209 (i) (d) of the Companies Act, 1956 in respect of any products of the Company.
- (ix) *(a) The Company has been generally irregular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, , Custom Duty cess, Works Contract Tax, Service tax and other statutory dues wherever applicable, and there are undisputed dues outstanding for a period of more than six months from the date they became payable ,details of which are as stated below:*

Name of the statute	Amt in Rs.
<i>a)Income Tax</i>	
<i>TDS u/s 194J</i>	<i>54,137</i>
<i>TDS u/s 192</i>	<i>51,000</i>
<i>b) MVAT</i>	<i>111,734</i>
<i>c) Service Tax</i>	<i>34,18,521</i>
TOTAL	36,35,392

- (b) According to the information and explanations given to us, there are no amounts of disputed statutory dues which have not been deposited with the concerned authorities.
- (x) The Company has accumulated losses of more than 50% of its net worth at the end of the financial year and has incurred cash losses of during the year and also in immediately preceding financial period. *The Company is a sick Company in terms of the Sick Industrial Companies (Special Provision) Act, 1985. The Company has not made an application, to Board for Industrial and Financial Reconstruction for being declared as a Sick Company.*
- (xi) *In our opinion and according to the information and explanation given to us, during the year, the Company has defaulted in payment of interest of Rs. 41.55 lacs to a bank. The details are as follows:*

Sr. No.	PERIOD	AMOUNT DUE (Rs. In lacs)	DUE DATE
1	JULY 09 to JUNE 10	56.08	7 th of every month
2	JULY 10 to MARCH 11	41.55	7 th of every month
	TOTAL	97.63	

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company as the Company is not a chit fund Company or nidhi /mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period and hence reporting thereof does not arise.
- (xvi) According to the information and explanation given to us, the term loans raised have been applied for the purpose for which they were raised.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made nay preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act. 1956.
- (xix) The Company did not have any outstanding debentures during the period. Accordingly, no securities have been created.
- (xx) The Company has not raised any money by public issues during the year. Hence the question of verification and reporting in respect of use of such monies does not arise.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For CHOKSHI & CHOKSHI

Chartered Accountants

Firm Reg. No. 101872W

--SD--

D. J. Parikh

(Partner)

M.No.35305

Place: Mumbai

Dated: 30.08.2011

VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)
BALANCE SHEET AS ON 31 ST MARCH, 2011

<u>Schedule</u>	<u>As at 31.03.2011 Rs.</u>	<u>As at 30.06.2010 Rs.</u>	
<u>SOURCES OF FUNDS :</u>			
SHAREHOLDERS' FUNDS :			
Share Capital	A	73,136,250	73,136,250
Reserves & Surplus	B	13,462,123	13,572,391
LOAN FUNDS :			
Secured Loans	C	45,348,476	42,142,364
Unsecured Loans	D	163,053,617	115,701,530
Deferred tax Liability (Net)	E	6,017,146	6,598,038
		<u>301,017,612</u>	<u>251,150,573</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	F	82,404,082	89,879,327
Less : Depreciation		54,109,932	52,300,307
Net Block		<u>28,294,150</u>	<u>37,579,020</u>
Investments	G	6,700,450	450
Current Assets, Loans & Advances :			
Inventories	H	18,780,297	17,703,452
Sundry Debtors	I	56,752,100	59,762,792
Cash & Bank Balances	J	16,868,961	6,708,398
Loans & Advances	K	50,244,321	45,689,796
		<u>142,645,679</u>	<u>129,864,438</u>
Less : Current Liabilities & Provisions			
Current Liabilities	L	37,791,997	57,231,179
Provisions	M	1,206,003	1,008,982
		<u>38,998,000</u>	<u>58,240,161</u>
NET CURRENT ASSETS		103,647,678	71,624,277
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary Expenses		-	-
Profit & Loss Account		162,375,334	141,946,826
		<u>301,017,612</u>	<u>251,150,573</u>

Note : the above is a True & Fair view of all Assets and Liabilities of the above company. The provision for all known liabilities are adequately made.

Subject to our Report on even date

For VARDHMAN CONCRETE LIMITED

For CHOKSHI & CHOKSHI
Chartered Accountants

---SD---

1. RAMESH B. VARDHAN - Chairman

---SD---

DILIP J. PARIKH
(Partner)
Mem No.:35305
Place :Mumbai

---SD---

2. RAJESH B. VARDHAN - Director

Dated : 30.08.2011

VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2011

		9 months ended 31.03.2011		12 months ended 30.06.2010
		Rs.		Rs.
INCOME:				
Income from Operations	N	60,300,831		97,282,582
Other Income	O	216,935		514,258
TOTAL (A)		60,517,766		97,796,840
EXPENDITURE:				
(Increase)/Decrease in Prefabricated Good	P	(300,796)		(3,797,838)
Cost of construction/development	Q	62,325,639		104,823,973
Administrative and other Expenses	R	21,647,750		21,565,926
Depreciation		2,122,528	3,132,936	
Less : Transfer to Revaluation Reserve		110,268	147,024	2,985,912
Preliminary Expenses written off		-		43,605
TOTAL (B)		85,684,853		125,621,578
Profit / (Loss) before exceptional Items and tax		(25,167,088)		(27,824,738)
Add: Exceptional Items <i>(Refer note 18 to Notes to Account-Schedule T)</i>		3,717,395		-
Profit / (Loss) before tax		(21,449,693)		(27,824,738)
Less : Provision for				
Current Tax		-		-
Deferred Tax		(580,892)		(370,239)
Fringe Benefit Tax		-		(13,000)
		(20,868,801)		(27,441,499)
Add / (Less) : Prior Period Items.	S	440,293		(2,210,897)
Profit / (Loss) after tax & prior period adjustments		(20,428,508)		(29,652,396)
Add : Balance brought forward		(141,946,826)		(112,294,430)
Balance Profit/(Loss) carried to Balance Sheet		(162,375,334)		(141,946,826)
Earning per share		(2.85)		(4.17)
Diluted earnings per share		(2.85)		(4.17)
Significant Accounting Policies and Notes Forming Part of Profit & Loss Account	T			

Subject to our Report on even date

For CHOKSHI & CHOKSHI
Chartered Accountants

---SD---

DILIP J. PARIKH
(Partner)
Mem No.:35305

Place :Mumbai

Dated : 30.08.2011

For VARDHMAN CONCRETE LIMITED

---SD---

1. RAMESH B. VARDHAN - Chairman

---SD---

2. RAJESH B. VARDHAN - Director

VARDHMAN CONCRETE LIMITED

	As on 31.03.2011 Rs.	As on 30.06.2010 Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised :	<u>100,000,000</u>	<u>100,000,000</u>
10,000,000 Equity Shares of Rs.10/- each		
Issued, Subscribed and Paid up :		
7,156,600 Equity Shares of Rs.10/- each, fully called up (Previous Year 7,400,000 Equity Shares of Rs.10 each, fully called up)	71,566,000	71,566,000
(of the above, 450,000 Bonus Shares of Rs. 10/- each fully paid up were issued by capitalisation of Share Premium in 1995-96 and 750,000 Equity Shares of Rs.10/-each were allotted as fully paid up Bonus Shares, out of which 440,000 Equity Shares were issued by capitalisation of Revaluation Reserve and balance 310,000 Equity Shares from General Reserve)		
<i>Less : Calls in arrears</i>		
Call Money received during the year	- - 71,566,000	- - 71,566,000
<i>Add: Forfeited Shares (Originally Paid up value)</i>	- 1,570,250	- 1,570,250
	<u>73,136,250</u>	<u>73,136,250</u>
SCHEDULE 'B'		
RESERVES & SURPLUS		
Share Premium	12,600,000	12,600,000
Revaluation Reserve		
Balance brought forward	972,391	1,119,415
<i>Less : Depreciation on revalued assets</i>	<u>110,268</u>	<u>147,024</u>
	862,123	972,391
	<u>13,462,123</u>	<u>13,572,391</u>

VARDHMAN CONCRETE LIMITED

SCHEDULE 'C'**SECURED LOANS****Working Capital facilities from Development Credit Bank Limited**

1. Pari passu charge on basis with Indian Overseas Bank (IOB) on Company's Land & Building, Plant & Machinery, Moulds and other fixed assets at Lohop Factory and at various sites.
2. Pari passu charge on basis with India Overseas Bank (IOB) on Shop no. 3 & 4 at Vardhaman Vatika, 1st floor, opp Tatvagyan Vidyapeeth, Ghodbunder road, Thane owned by M/s Diwali Developers
3. Pledge of 2.40 Lacs Shares of the Company in the name of Mr. Dilip Vardhan
4. Hypothecation of paid stock and debtors under pari passu
5. Lien on TDR of Rs.744,280/-

40,202,773

36,029,235

*(Refer note 2 to Notes to Account-Schedule T)***Working Capital Facilities from Indian Overseas Bank**

1. Pari passu charge on basis with Development Credit Bank (DCB) on Company's Land & Building, Plant & Machinery, Moulds and other fixed assets at Lohop Factory and at various sites.
2. Pari passu charge on basis with Development Credit Bank (DCB) on Shop no. 3 & 4 at Vardhaman Vatika, 1st floor, opp Tatvagyan Vidyapeeth, Ghodbunder road, Thane owned by M/s Diwali Developers
3. Pledge of 2.40 Lacs Shares of the Company in the name of Mr. Dilip Vardhan
4. Hypothecation of paid stock and debtors under pari passu
5. Lien on TDR of Rs. 40,000/-

5,145,703

6,095,337

Vehicle Loan from Indian Overseas Bank*(Secured by Mahindra Jeep)*

-

17,792

45,348,476**42,142,364****SCHEDULE 'D'****UNSECURED LOANS**

Intercorporate Deposits

163,053,617

115,701,530

163,053,617**115,701,530****SCHEDULE 'E'****Deferred Tax (Assets)/Liability**

On Depreciation

6,389,801

6,922,028

Gratuity

(372,655)

(323,991)

6,017,146**6,598,037****SCHEDULE 'G'****INVESTMENTS***Non-trade, Long-term, Unquoted*

20 Equity Shares of Rs.10/- each in Abhyudaya Co-operative Bank Limited

200

200

25 Equity Shares of Rs. 10/- each in Raghuvanshi Co-operative Bank Limited

250

250

Investment in Joint Venture "Diviniti"

6,700,000

-

6,700,450**450****SCHEDULE 'H'****INVENTORIES (As verified, valued & certified by management)**

Construction Materials

6,261,763

5,485,714

Prefabricated Goods

4,414,822

4,414,822

Work-in-Progress

8,103,712

7,802,916

18,780,297**17,703,452**

VARDHMAN CONCRETE LIMITED.												
FIXED ASSETS AS ON 31 ST MARCH, 2011												
Description of the Asset	Rate	Gross Block			Depreciation			Net Block				
		As on 01.07.2010 Rs.	Additions Rs.	Deductions Rs.	As on 31.03.2011 Rs.	For the Period Rs.	Adjustments for Deductions Rs.	As on 31.03.2011 Rs.	As on 30.06.2010 Rs.			
Land - Freehold		1,891,040			1,891,040				1,891,040		1,891,040	
Factory Building	3.34%	15,307,272			15,307,272	383,447		6,955,857	8,351,415		8,734,862	
Residential Flat	1.63%	538,596			538,596	6,584		164,165	374,431		381,015	
Plant & Machinery	4.75%	41,125,075		710,549	40,414,526	1,439,767	14,973	25,218,383	15,196,143		17,331,486	
Moulds #	11.31%	18,046,188			18,046,188	-		17,143,879	902,309		902,309	
Moulds ##	11.31%	7,342,699	409,000	7,173,696	578,003	49,029	297,779	180,579	397,424		6,913,370	
Electrifications	4.75%	1,771,777			1,771,777	63,120		1,113,214	658,563		721,683	
Furniture and Fixtures	6.33%	837,612			837,612	39,766		716,910	120,702		160,468	
Computers #	16.21%	911,322			911,322	-		865,756	45,566		45,566	
Computers ##	16.21%	80,313			80,313	9,764		12,777	67,536		77,300	
Office Equipments	4.75%	266,958			266,958	9,510		174,927	92,031		101,541	
Air Conditioner	4.75%	109,268			109,268	3,893		75,755	33,513		37,406	
Vehicles	9.50%	1,651,207			1,651,207	117,648		1,487,729	163,478		281,126	
Total		89,879,327	409,000	7,884,245	82,404,082	2,122,528	312,752	54,109,932	28,294,150		37,579,172	
Previous year		82,323,769	7,555,558	-	89,879,327	3,132,936	-	52,300,307	37,579,020		33,156,398	
* Assets revalued in March 1994 and the amount of increase in values is :												
Premises (existing at that time) and Flat Rs. 408,252/- and Plant & Machinery Rs. 2,961,938/-												
# Computers and moulds have been depreciated and retained 5% of gross value of that asset												
## Computers and moulds purchased during the year, have been depreciated at applicable rate.												
** Depreciation of Rs. 2,122,528/- (Previous year Rs. 3,132,936/-) includes depreciation on revalued assets Rs. 1,10,268/- (Rs. 4,974/- on Residential Flat and Rs. 105,294/- on Plant & Machinery) being adjusted from Revaluation Reserve												

VARDHMAN CONCRETE LIMITED

	As on <u>31.03.2011</u> Rs.	As on <u>30.06.2010</u> Rs.
<u>SCHEDULE 'I'</u>		
Sundry Debtors (Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	39,658,909	41,499,143
Other debts	17,093,191	18,263,649
	<u>56,752,100</u>	<u>59,762,792</u>
<u>SCHEDULE 'J'</u>		
CASH AND BANK BALANCES		
Cash on Hand	119,442	916,272
Balance with Scheduled Banks :		
Current Account	1,639,367	1,061,182
Fixed Deposits*	15,110,153	4,730,944
(Of the above, Fixed Deposits for Rs. 14,698,591/- (Previous year Rs. 4,319,382/-) are lying with banks as security and Rs. 411,562/- are (Previous year Rs. 411,562/-) lying with the vendee*)		
* Securities of Rs.4,11,562/- are not confirmed / traceable by bank.		
	<u>16,868,961</u>	<u>6,708,398</u>
<u>SCHEDULE 'K'</u>		
LOANS & ADVANCES		
(Unsecured, Considered good)		
Security and Other Deposits	26,951,335	24,427,061
Advance Recoverable in Cash or Kind	12,039,820	11,755,892
Tax deducted at Source	6,209,274	5,119,870
Prepaid Expenses	442,134	272,306
Advances to Suppliers	4,601,758	4,114,667
	<u>50,244,321</u>	<u>45,689,796</u>
<u>SCHEDULE 'L'</u>		
Current Liabilities		
Sundry Creditors	15,491,879	21,361,078
Advances from Customers	15,722,346	29,307,742
Other Liabilities	6,577,773	6,562,359
	<u>37,791,997</u>	<u>57,231,179</u>
<u>SCHEDULE 'M'</u>		
Provisions		
For Gratuity	1,206,003	1,008,982
	<u>1,206,003</u>	<u>1,008,982</u>

VARDHMAN CONCRETE LIMITED

	9 months ended 31.03.2011 Rs.	12 months ended 30.06.2010 Rs.
SCHEDULE 'N'		
INCOME FROM OPERATIONS		
Contract Income	60,300,831	97,282,582
	<u>60,300,831</u>	<u>97,282,582</u>
SCHEDULE 'O'		
OTHER INCOME		
Interest from Bank	88,966	264,543
Interest on I.Tax Refund	54,092	173,162
Discount Recd.	48,066	5,041
Miscellaneous Income	25,681	(3,208)
Excess Provision w/back	130	74,720
	<u>216,935</u>	<u>514,258</u>
SCHEDULE 'P'		
DECREASE /(INCREASE) IN PREFABRICATED GOODS & WIP		
Closing Stocks	12,518,534	12,217,738
Less: Opening Stocks	<u>12,217,738</u>	<u>8,419,900</u>
	<u>(300,796)</u>	<u>(3,797,838)</u>
	<u>(300,796)</u>	<u>(3,797,838)</u>
SCHEDULE Q'		
COST OF CONSTRUCTION/DEVELOPMENT		
Material Consumed	25,264,483	45,504,146
Wages & Labour Charges	2,159,399	4,156,659
Labour-Contract Costs	31,638,342	50,255,315
Transport & Octroi Charges	606,433	1,041,953
Hire Charges	856,428	1,497,767
Repairs and Maintenance	104,006	257,860
Electricity Charges	842,921	382,375
Loose Tools	70	39,731
Excise Duty	-	37,013
Damage Charges	15,000	20,167
Testing Charges	2,678	93,364
Water Charges	30,127	916,273
Rent Charges	774,177	577,850
Registration Charges	31,575	43,500
	<u>62,325,639</u>	<u>104,823,973</u>

VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)
CASH FLOW STATEMENT FOR THE 9 MONTHS PERIOD ENDED 31st March 2011

	1.07.10 to 31.03.11 <u>Amt.(Rs)</u>	1.07.09 to 30.06.10 <u>Amt.(Rs)</u>
A) Cash Flow from operating activities		
Profit / (Loss) before exceptional Items and tax	(25,167,088)	(27,824,738)
Adjustments for:		
Exceptional Items	3717395	0
Depreciation	2,012,260	2,985,912
Misc. Expenditure written off	0	43,605
Interest received	(88,966)	(264,543)
Interest Paid	9,367,677	8,857,859
Income Tax Paid(net)	0	13,000
Profit on Sale of Asset	0	
Prior Year Adjustment	0	(2,210,898)
Operating Profit before working capital Changes:	(10,158,722)	(18,399,803)
Adjustments for:		
Trade & Other Receivables	3,010,692	(7,765,836)
Inventories	(1,076,845)	(2,711,618)
Loans & Advances	(4,554,525)	(14,922,394)
Current Liabilities & provisions	(18,801,868)	34,173,039
Cash generated from operations	(31,581,267)	(9,626,612)
Cash flow before extra ordinary items	(31,581,267)	(9,626,612)
Net Cashflow from operating activities	(31,581,267)	(9,626,612)
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets	(409,151)	(7,555,558)
Interest Received	88,966	264,543
Investment in Joint Venture	(6,700,000)	
Sale of Fixed Assets	7,571,493	
Net Cash Generated from Investing activities	551,308	(7,291,015)
C Cash flow from Financing Activities:		
Proceeds from Secured Loans	3,206,112	4,695,502
Proceeds from Unsecured Loans	47,352,087	21,677,060
Interest Paid	(9,367,677)	(8,857,859)
Net Cash generated from Financing Activities	41,190,522	17,514,703
 Net Change in Cash & Cash equivalents(A+B+C)	10,160,563	597,077
 Cash & Cash Equivalants at 01.07.2010 (Op. Bal.)	6,708,398	6,111,321
Cash & Cash Equivalants at 31.3.2011 (Cl. Bal.)	16,868,961	6,708,398
	10,160,563	597,077

Notes:

- 1 Cash flow statement has been prepared following the indirect method except in case of interest paid/received. Purchase & Sale of Investments & taxes paid which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding assets and liabilities.
- 2 Proceeds from long term and other borrowings are shown net of payments.
- 3 Cash and cash equivalents represent cash and bank balances only.
- 4 Inventories are after netting off against advance payment received from customers.
- 5 Previous year's figures have been regrouped/ recast/ rearranged wherever necessary. Current year figures are for 9 months as compared to previous year 12 months, hence not comparable.

Subject to our Report of even date
For CHOKSHI & CHOKSHI
CHARTERED ACCOUNTANTS

---SD---
DILIP J. PARIKH
(Partner)
Mem No.:35305

Place : Mumbai

Dated : 30.08.2011

For VARDHMAN CONCRETE LIMITED

---SD---
1. RAMESH B. VARDHAN
(Chairman & Managing Director)

---SD---
2. RAJESH B. VARDHAN
(Director)

VARDHMAN CONCRETE LIMITED**SCHEDULE 'T'****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE****A. SIGNIFICANT ACCOUNTING POLICIES****I. METHOD OF ACCOUNTING & REVENUE RECOGNITION**

- a) The financial statements are prepared under the historical cost convention using accrual method of accounting, except as stated otherwise and for certain fixed assets which have been revalued.
- b) Revenue from construction and project related activities is recognized as under –
In respect of construction business, the Company follows percentage completion method, stated on the basis of physical measurement of work actually completed at the balance sheet date, taking into account the contractual price and revision thereto. As per policy of the Company, in respect of running contracts, the revenue including escalation arrived on the basis of sales bills raised and/or unbilled work done is recognized as and when bills are raised and/or after inspection and the approval of the supplies by the customers as per the terms of respective contracts.
- c) Income and expenses are mainly accounted on accrual basis except scrap, interest on call money in arrears and certain other income /expenses with significant uncertainties.
- d) Amounts recoverable in respect of the price and other escalation, claims adjudication and variation in contract work required for performance of the contract are accounted to the extent that it is probable that they will result in revenue.
- e) Contractual liquidated damages, payable for delays in completion of contract work or for other causes, are accounted for as costs when such delays and causes are attributable to the Company or when deducted by the client.

II. USE OF ESTIMATES

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.

III. FIXED ASSETS

- a) Certain premises and Plant & Machinery were revalued in March 1994 and are stated at such revalued amount less accumulated depreciation. Other assets are carried at cost less accumulated depreciation. Appropriate adjustment is made for any asset(s) disposed out of the revalued assets.
- b) Cost includes Interest on specific borrowing relating to fixed assets acquisition, specific expenses pertaining to respective assets by the registered office, other indirect expenses pertaining to acquisition of assets on percentage basis as consistently followed in the previous year and incidental expenses incurred up to the date of commissioning are capitalized on the commencement of commercial production.

- c) Self-manufactured assets are capitalized at cost including appropriate apportionment from overheads.

IV. **IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

V. **DEPRECIATION**

- a) Depreciation is provided on straight line method according to the rates specified in Schedule XIV of Companies Act, 1956.
- b) In respect of the assets purchased / sold during the year, pro rata depreciation based on number of days is provided.
- c) Depreciation on assets costing up to Rs. 5,000/- is provided at the rate of 100%.
- d) Depreciation on revalued assets has been provided on revalued amounts. Additional depreciation on revaluation is adjusted against transfer of equivalent amount from Revaluation Reserve.

VI. **INVESTMENTS**

Investments intended to be held for more than one year are classified as long term investments and are carried at cost of acquisition inclusive of other attributable expenses or fair value whichever is lower. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature.

Current Investments are carried at lower of cost and fair value.

All Investments are of long-term nature and are stated at cost of acquisition.

VII. **VALUATION OF INVENTORIES**

a) **Finished Goods(Prefabricated Goods)**

Finished Goods are valued at Cost or Market Value whichever is lower.

b) **Construction Materials**

Stock of materials lying at store/sites has been valued at cost on first-in first-out basis, by the concerned store/site-in-charge.

Loose Tools are charged to Profit & Loss Account as and when purchased.

c) **Work in Progress**

Work in Progress is accounted on progressive basis.

VIII. **AMORTISATION**

Pre-operative and preliminary expenses are being amortised.

IX. **CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

Adjustment to Assets and liabilities are made for events occurring between balance sheet date and the date on which the financial statements are approved that provide additional information materially affecting the determination of the amounts relating to the conditions existing at the balance sheet date.

X. **PRIOR PERIOD ITEMS**

Prior period items are income and expenses that arises in the current period as a result of errors and omissions in the preparation of the financial statements of the one and more prior periods. Prior period does not include other adjustments necessitated by circumstances, which though related to prior periods, are determined in the current period.

XI. **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 takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account. There are no borrowings for any capital expenditure and hence above standard is not applicable.

XII. **RETIREMENT BENEFITS**

- a) Contributions to the provident fund, a defined contribution scheme, are charged to the profit and loss account.
- b) Gratuity has been accounted on actuarial valuation.
- c) Presently, the Company does not have any other defined benefit for staff payable on retirement/ cessation of service.

XIII. **EMPLOYEE BENEFITS**

- a) Short term employee benefits are recognized as expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account of the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

XIV. **TAXATION**

Income tax comprises Current tax and deferred tax. Current tax is the amount of tax payable as determined in accordance with the provisions of Income Tax Act, 1961. Deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted by the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future

Undisputed assessment dues if any, are accounted on cash basis and disputed matters under appeal are disclosed by way of contingent liabilities.

XV. **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liability is disclosed in case of –

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation

- b. A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

B. NOTES TO ACCOUNTS

The Company received a fresh certificate of incorporation from Registrar of Companies dated 22nd April 2010 changing the name of the Company from Stresscrete India Ltd. to Vardhman Concrete Ltd.

1. CONTINGENT LIABILITIES NOT PROVIDED FOR

- a) Guarantees given by banks in respect of performance bonds and other contracting commitments given in the normal course of business **Rs.25,464,522/-** (Previous year Rs. 19,236,693/-). As per the terms of Joint venture agreement - "Diviniti", all the venturers are jointly and severally liable for guarantees issued in favour of 'Diviniti', as on 31.3.2011 there were no such guarantees outstanding.
- b) The Company has pending claims on customers for variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims for which exact liability can not be ascertained. The Company has received legal advice that none of the counter-claims are legally tenable. Accordingly, no provision is considered necessary in respect of these counter claims.
- c) The Company has pending arbitration matters for one side for claims and the exact liability and claims are not determinable. There are no claims made against the company what so ever except as stated above. There are no other pending claims against the Company, except above.
- d) Company has long outstanding dues payable to the creditors that may include amount payable to Micro, Small and Medium Scale Industrial undertakings. Interest on the same, if any, is not quantifiable and not provided for.
2. Confirmation for Charge on assets of the company for facilities from DCB is not available, since the same has not been confirmed by the bank.
3. In the opinion of the Management no additional liabilities are anticipated in respect of Income taxes, VAT, Service Tax and other applicable laws in respect of pending assessments.
4. The Company has a single segment namely, 'Civil construction and allied activities' and hence there are no separate reportable segments as envisaged by the Accounting Standard – 17 (AS 17) on Segment Reporting issued by ICAI.

5. Related Party Disclosures: (as identified by the Management)**Disclosure of related party transactions as per AS – 18****I. Particulars of related parties:**

a) Where Control Exists	None
b) Key Management Personnel	Ramesh B. Vardhan Rajesh B. Vardhan Anshul G. Gupta
c) Relatives of Key Management Personnel	None
d) Joint Venture & other Joint Venturers	Diviniti SV Inova Build Pvt Ltd Sumer Infrastructure Pvt Ltd
Other Related Parties	Vardhan Capital & Finance Limited Vardhman Growmore Developers Pvt. Ltd. Vardhman Home Developers Pvt. Ltd. Blue Stock investments Pvt. Ltd. Vardhman Developers Ltd. Diwali Capital and Finance Pvt.Ltd. Vibhuti Construction Pvt.Ltd. Diwali Developers Pvt.Ltd. Flower Boom Builders Pvt.Ltd. Flower Queen Builders Pvt.Ltd. Vardhman Entertainment and Hospitality Pvt.Ltd. Vardhman Residency Pvt.Ltd. Enso Holdings and Finance Pvt.Ltd. Indelible Holdings Pvt.Ltd. Vardhan Comtrade Pvt.Ltd. Servicesmart Consultants and Financial Services Pvt.Ltd. Comfund Consulting Ltd. Sunteck Realty Ltd. Hall & Andersons Ltd. Vardhman Resources

II. Transaction with Related Parties

Type of related party	Nature of transaction	Amount (Rs.)	Amount Outstanding (Rs.)
Key Management Personnel	Remuneration	5,09,100/-	-N.A.-
Relatives of Key Management Personnel	-N.A.-	-	-

Other Related Parties where control exists	Name of the Company	Opening Bal (Rs.)	Loan Taken Amount (Rs.)	Loan Repaid Amount (Rs)	Amount Outstanding (Rs.)
Inter-corporate Loan taken	Vardhman Growmore Developers P. Ltd.	21,838,629 (Previous Year) (47,009,113)	6,506,266 (Previous Year) (38,439,516)	3,560,000 (Previous Year) (67,110,000)	24,784,895 (Previous Year) (18,338,629)
	Vardhman Home Developers P. Ltd.	26,058,401 (Previous Year) (47,015,357)	2756321 (Previous Year) (37,778,044)	3,840,000 (Previous Year) (62,535,000)	24,974,722 (Previous Year) (22,258,401)
	Vardhman Developers Ltd.	5,100,000 (Previous Year) 0	19,639,500 (Previous Year) (11,000,000)	24,739,500 (Previous Year) (5,900,000)	0 (Previous Year) (5,100,000)
	Vardhan Capital & Finance Ltd.	0 (Previous Year) 0	2,61,39,500 (Previous Year) 0	3,50,000 (Previous Year) 0	2,57,89,500 (Previous Year) 0
	Sumer Builders Pvt. Ltd.	Nil (Previous year – N.A.)	17,500,000 (Previous year – N.A.)	Nil (Previous year – N.A.)	17,500,000 (Previous year – N.A.)
	Interest paid thereon	Rs.12,69,542/- (Previous Year Rs.) (Rs.16,57,289/-)			
Investment	Diviniti	Rs. 67,00,000/- (Previous Year Rs. Nil)			
Sale of Services	Vardhman Developers Ltd.	NIL (Previous Year Rs. 21,240,764/-)			

6. Earning per Share

Sr.no.	Particulars	Current Period (Rs.)	Previous Year (Rs.)
I.	Net profit/(Loss) after tax as per Profit & Loss Account for Equity Share Holders (Rs.)	(20,374,416)	(29,652,396)
II.	Weighted average number of Equity Shares Fully paid for Earning per Share Computation (Nos.)	7,156,600	7,117,868
III.	Basic / Diluted Earning per Share (I/II) (Rs.)	(2.85)	(4.17)

7. Managerial Remuneration – Detail of remuneration paid to Directors is as under:

Name	Salary and Allowance(s) (Rs.)	Contribution to Provident Fund (Rs.)	Total (Rs.)	Previous year Total (Rs.)
Anshul G. Gupta	4,87,500/-	21,600/-	5,09,100/-	6,78,800/-
Total (Rs.)	4,87,500/-	21,600/-	5,09,100/-	6,78,800/-

Notes: Salary and Allowance(s) are inclusive of Performance Bonus, as applicable.

8. Deferred Tax Assets / Liability

The break up of deferred tax assets and deferred tax liabilities is as given below –

	Opening as on 01/07/10 (Rs.)	Inc/(Dec) during the period (Rs.)	Closing as on 31/03/11 (Rs.)
Deferred Tax Assets:			
Gratuity	323,991	48,664	372,655
Total	323,991	48,664	372,655
Deferred Tax Liabilities:			
Depreciation	6,922,028	(532,227)	6,389,801
Total	6,922,028	(532,227)	6,389,801
Net Deferred Tax Liability	6,598,037	(485,563)	6,017,146

9. Auditors' Remuneration

	2010-11 (Rs.)	2009-10 (Rs.)
Audit Fees	56,120/-	56,120/-
Tax Audit Fees	11,224/-	11,224/-
Other Services	45,016/-	45,016/-
	<u>112,360/-</u>	<u>112,360/-</u>

10. Earnings in Foreign Exchange:

There are no earnings in Foreign exchange during the year (Previous period – NIL)

11. Consumption of Construction Materials

a) In respect of contract activities, details of major items of consumption are given as under:

Sr. No.	Items		Quantity	Amount (Rs.)	Amount (Rs.)
				31.03.2011	30.06.2010
1	Steel	Current Yr	68.600 MT	22,75,223	1131443
		Previous Yr	32.692 M. T.		
2	Cement	Current Yr	16,360Bags	38,15,568	1112315
		Previous Yr	4858 Bags		
3	Metal	Current Yr	1071.4Brass 957.25 Brass	9,50,297	1435871
		Previous Yr			
4	Sand	Current Yr	1847.47Brass	22,76,133	1132954
		Previous Yr	944.13 Brass		
5	Others	Current Yr		1,59,47,262	40615625
		Previous Yr			
				2,52,64,483	4,54,28,208

Licensed & Installed capacity for factory at Lohop as certified by director -15000 cubic metres (P.Y.15000 cubic metres) * Accepted by auditors being Technical Matter

b) Production of Major Items:

SR. No.	Item	Op. Stock	Production	Dispatches/ Sales or Used	Cl. Stock
		(Qty)	(Qty)	(Qty)	(Qty)
1	Girders	6	0	0	6
2	Beams	291	0	0	291
3	Deck Slabs / Bed Block	161	0	0	161
4	Wall Panels	319	0	0	371
5	Roof Panels	265	0	0	265

Note: It is not the practice of the company to maintain item wise value records of units produced, hence the details are not furnished. The production at the factory are meant for the construction activities at the site and hence closing stock included in work-in-progress.

12. Disclosures pursuant to AS-7(Revised) construction contract

	Details	2010-11 (Rs.)	2009-10 (Rs.)
1	Contract revenue recognized for financial period	60,300,831	9,72,82,582
2	Aggregate Amount of Contract Cost transferred and recognized Profit (less recognized losses) at the end of the financial period for All contracts in progress as at that Date.	62,325,639	10,48,65,167
3	Amount of customer advances outstanding for contracts in progress as at the end of the financial period.	15,722,346	30,015,241
4	Retention amounts due from customers for contracts in progress as at end of the financial period.	12,840,230	42,70,492

13. As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as expense for the period is as under:

	<u>2010-11</u>	<u>2009-10</u>
Employer's Contribution to Provident Fund	112,901	139,638

Defined Benefit Plans

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Details are as follows:

I	Changes in present value of obligations	2010-2011 (Rs.)	2009-2010(Rs.)
	PVO at beginning of period	9,61,293	798,730
	Interest cost	57,730	15,931
	Current Service Cost	1,91,522	40,203
	Past Service Cost- (non vested benefits)	-	16,199
	Past Service Cost- (vested benefits)	-	40,921
	Benefit Paid	-	-
	Actual (Gain)/Loss on obligation	3,557	49,309
	PVO at end of period	12,14,102	961,293
II	Changes in fair value of plan assets		
	Fair Value of Plan Assets at beginning of period	-	-
	Expected Return on Plan Assets	-	-
	Contributions	-	-
	Benefit Paid	-	-
	Actuarial gain/(loss)on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
III	Fair Value of Plan Assets		
	Fair Value of Plan Assets at beginning of period	-	-
	Actual Return on Plan Assets	-	-
	Contributions	-	-
	Benefit Paid	-	-
	Fair Value of Plan Assets at end of period	-	-
	Funded Status	(12,14,102)	(961,293)
	Excess of actual over estimated return on Plan Assets	-	-
IV	Experience History		
	(Gain)/Loss on obligation due to change in Assumption	-	242,658
	Experience (Gain)/Loss on obligation	3,557	(193,349)
	Experience (Gain)/Loss on Plan Assets	-	-
V	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	(3,557)	(49,309)
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	(3,557)	(49,309)
	Actuarial Gain/(Loss) recognized for the period	(3,557)	(49,309)
VI	Past Service Cost Recognised		
	Past Service Cost- (non vested benefits)	-	16,199
	Past Services Cost- (vested benefits)	-	40,921
	Average remaining future service till vesting of the benefit	-	2
	Recognised Past service Cost- non vested benefits	-	8,100
	Recognised Past service Cost- vested benefits	-	40,921
	Unrecognised Past service Cost- non vested benefits	8,099	8,099

VII	Amounts to be recognized in the balance sheet and statement of profit & loss account		
	PVO at end of period		961,293
	Fair Value of Plan Assets at end of period	12,14,102	-
	Funded Status	(12,14,102)	(961,293)
	Unrecognized Actuarial Gain/(Loss)		-
	Unrecognised Past service Cost- non vested benefits	8,099	8,099
	Net Asset/(Liability) recognized in the balance sheet	(12,06,003)	(953,194)
VIII	Expense recognized in the statement of P & L A/C		
	Current Service Cost	1,91,522	40,203
	Interest cost	57,730	15,931
	Past Service Cost- (non vested benefits)	-	8,100
	Past Services Cost- (vested benefits)	-	40,921
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognized for the period	3,557	49,309
	Expenses recognized in the statement of P & L A/C	2,52,809	154,464
IX	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	9,53,194	798,730
	Expenses as above	2,52,809	154,464
	Contribution paid	-	-
	Closing Net Liability	12,06,003	953,194
X	Assumptions as at		
	Mortality	LIC(1994-96) Ult.	LIC(1994-96) Ult.
	Interest/Discount Rate	8%	8%
	Rate of increase in compensation	10%	10%
	Rate of return(expected) on plan assets		

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical results of return and the Company's policy for plan assets Management.

The Net Liability stated in the books at the end of the financial year Rs.12, 06,003/- (P.Y. Rs.9, 53,194/-) is as per the Actuarial Valuation Report.

14. The Company is a Sick Company in terms of Sick Industrial Companies (Special Provision) Act,1985. The Company has been legally advised by a firm of solicitors that it has an option to apply to the Board for Industrial and Financial Reconstruction and Company does not wish to apply. The Company has incurred substantial losses and its net worth has been eroded. However, the Company has orders worth Rs.100 Crores in hand and on the basis of positive future projection prepared, the Company is expecting turn around by it self. The Company had also appointed professional as independent directors. Therefore the Company believes that there will be turnaround and accordingly the accounts are prepared on a going concern basis.

15. Company had obtained valuation reports in respects of property. Based on the same no impairment is required. The Management in the opinion that though fixed assets register is not maintained, considering the nature of the assets no major discrepancies are anticipated.
16. Sundry Debtors Rs.5,67,52,100/- (including non-moving Debtors of Rs.3,96,58,909/-), advances given for Rs.5,02,92,913/- (including Bank Guarantee Invocation amounting Rs. 90,52,410/-) and Sundry Creditors of Rs 15,491,879 /- (including non-moving Creditors of Rs.4,557,791/-), advance from customers Rs 15,722,346/-, other liabilities of Rs 6,577,773/-and fixed Deposit with a bank for Rs.411,562/- are under tracing are under constant scrutiny and follow-up by the Management. Though balance confirmations or any correspondence on the above are not available. Company has defaulted in some of the payments to a Bank. Consequentially interest due is fully provided for.
- 17.
- The Company has identified long outstanding Creditors and not disputed/claimed. In the opinion of the Management the same are not payable. The same has been written off amounting Rs. 4,21,514/-
 - Apart from as stated in note a) above the Company has creditors outstanding for more than 3 years; however the Management firmly believe that the same are payable.
 - Creditors may include amount payable to those falling under the category of Micro, Small and Medium Scale Industrial undertakings; however the Company is unable to identify the same.
18. Exceptional item of Rs. 37,17,395 is on account of profit on sale of fixed assets.
19. During the year, the company has invested into a Joint Venture entity named "Diviniti". 'SV Innova Build Pvt Ltd' & 'Sumer Infrastructure Pvt Ltd' are the other co- venturers .
20. The Company did not have a qualified Company Secretary, Designated Chief Financial Officer and Chief Executive Officer though required as per the provisions of the Companies Act, 1956 and Listing Agreement and the accounts have been authenticated by the Directors only.
21. Current year figures are for period of 9 months ending 31st March'11, hence not comparable with corresponding previous year 12 month's figures. Previous year's figures have been regrouped/ recast/ rearranged wherever necessary to confirm to Current Year's classification.

22. Balance Sheet Abstract & Company's General Business Profile:-

I) Registration Details:

Registration No:	28656	State Code:	11
Balance Sheet Date	31 st MARCH, 2011		

II) Capital raised during the year: (Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III) Total Liabilities	301,018	Total Assets	301,018
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Position of Mobilization and Deployment of funds (Amount in Rs. Thousand)**Sources of Funds:**

Paid up Capital

73,136

Secured Loans

45,348

Net Deferred tax Liability

6,017

Reserves and Surplus

13,462

Unsecured Loans

163,054

Application of Funds:

Net Fixed Assets

28,294

Net Current Assets

103,648

Investments

6,700

Misc. Expenditure and losses

162,375

IV) Performance of the company: (Amount in Rs. Thousand)Turnover (inclusive of
Other income)

60518

Profit/ (Loss) Before Tax

(21450)

Earning Per Share (in Rs.)

(2.85)

Total Expenditure

85685

Profit/ (Loss) After Tax

(20869)

Dividend Rate

NIL

b) Generic names of three principal products of the Company (as per monetary terms)**Item code (ITC Code)**

68109100

Product/Service Description

Prefabricated structural components of cement Concrete or artificial stone for building or civil Engineering Civil construction and allied activities

**For CHOKSHI & CHOKSHI
CHARTERED ACCOUNTANTS
Firm Reg No: 101872W**

----SD----

**DILIP J. PARIKH
(Partner)
Membership No. 35305**

**Place : Mumbai
Dated : 30.08.2011**

For VARDHMAN CONCRETE LIMITED

---SD---

**RAMESH B. VARDHAN
(Chairman & Managing Director)**

---SD---

**RAJESH B. VARDHAN
(Director)**

ATTENDENCE SLIP
VARDHMAN CONCRETE LIMITED

Registered Office:
Survey No. 35/10, Lohop Village, Khalapur Taluka, Raigad District.

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall, Joint Shareholders may obtain additional Attendance Slip on request.

Name & Address of Shareholder (s)

No. of Shares Held:

Ledger Folio No.

--

I hereby record my presence at the 28th Annual General Meeting of the company held on Friday 30th September 2011.

SIGNATURE OF THE SHAREHOLDER/REPRESENTATIVE/PROXY *

*strike out whichever is not applicable

FORM OF PROXY

VARDHMAN CONCRETE LIMITED

Registered Office:
Survey No. 35/10, Lohop Village, Khalapur Taluka, Raigad District.

Proxy No.:
Ledger Folio No.
No. of Shares :

I / We -----

being a member / members of Vardhman Concrete Limited hereby appoint.

----- OF ----- or failing him

----- OF -----

As my / our proxy to attend and vote for me/ us on my/ our behalf at the 28th Annual General Meeting of the company to be held on Friday the 30th of September 2011.

Signed this ----- day of ----- 2011.

Affix Revenue Stamp

Note: The proxy duly completed must be returned so as to reach the registered Office of the company not less than 48 hours before the time of holding the aforesaid meeting. The proxy need not be a member of the company.