

VARDHMAN CONCRETE LIMITED

**29TH ANNUAL REPORT
2011-2012**

	Contents:	Page No.
Registered Office: Survey No. 35/10, Lohop Village, Khalapur, Raigad District	Notice of the Annual General Meeting	4
	Directors Report	7
Corporate Office: 120, Commerce House, 140, N.M Marg, Mumbai – 400 001	Management Discussion and Analysis Report	11
	Corporate Governance Report	12
Statutory Auditors: Amar Bafna & Associates 201, Apollo Chambers Premise CHS Mogra Village, Old Nagardas Road, Andheri (East), Mumbai – 400 069.	Auditors Certificate on Corporate Governance	20
	Auditors Report on Financial Statements	21
Registrar and Transfer Agents: Link Intime Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078	Balance sheet	26
	Profit and Loss Account	27
	Cash Flow Statement	28
	Schedules and Notes to Accounts	29
	Attendance Slip and Proxy Form	44

Board of Directors

Mr. Ramesh Babulal Vardhan	Chairman and Managing Director
Mr. Rajesh Babulal Vardhan	Joint Managing Director
Mr. Anshul Ghanshyam Gupta	Whole-time Director
Mr. Awadhesh Kumar	Director
Mr. Arvind Kumar Kothari	Director
Mr. Naman Seth	Additional Director

Compliance Officer

Mr. Anshul Ghyanshyam Gupta

Board Committees***Audit Committee***

Mr. Arvind Kothari
Mr. Awadhesh Kumar
Mr. Rajesh Vardhan

Share Transfer & Shareholders'/Investors Grievance Committee

Mr. Arvind Kothari
Mr. Anshul Ghyanshyam Gupta
Mr. Ramesh Vardhan

Remuneration Committee

Mr. Arvind Kothari
Mr. Awadhesh Kumar
Mr. Naman Seth

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Vardhman Concrete Limited (The Company) will be held on Thursday, September 27th 2012 at 04:00 P.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 and Profit and Loss Account together with the Reports of the Directors and Auditors for the financial year ended 31st March 2012.
- 2) To re-appoint M/s. Amar Bafna & Associates, Chartered Accountants, Mumbai, Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.
- 3) To appoint a Director in place of Mr. Awadhesh Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Arvind Kumar Kothari, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- 5) To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary resolution.

“RESOLVED THAT Mr. Naman Seth, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 on 17th July 2012 and who shall hold office up to the date of the forthcoming 29th Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT any of the Board of Directors of the Company be and are hereby authorized to file Form 32 with the Registrar of Companies, Mumbai and do all such acts, deeds and things, as may be required to give effect to this resolution.”

Dated: 29th August 2012

Place: Mumbai

Registered Office:

Surve No.35/10

Lohop Village, Khalapur

Taluka,Raigad District

Maharashtra.

By Order of the Board

Sd/-

Ramesh Vardhan

Chairman & Managing Director

Sd/-

Rajesh Vardhan

Joint Managing Director

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote instead of herself/himself and a proxy need not be a Member of the Company.
2. The proxy form should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
4. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 21, 2012 to Thursday, September 27, 2012 (both days inclusive).
6. The Ministry of Corporate Affairs (MCA), Government of India as a part of its Green Initiatives had issued Circular No. 17/2011 and 18/2011, dated 21st April 2011 and 29th April 2011 respectively, allowing Companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance. 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.

Shareholders who have not updated their email ID till date are requested to kindly update your email address with your depository participant for Demat holding of shares and with the Company e-mail ID of Vardhman Concrete Limited at vardhmanconcrete@gmail.com for physical holding of shares, in the following format and co-operate with the Company to implement the Green Initiative of the Government:-

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
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7. Share holders are requested to dematerialize their shares. The Company has appointed **M/s. Link Intime India Private Limited**, Mumbai for handling share transfer job and also for maintaining electronic connectivity with NSDL AND CDSL who have allotted ISIN ACTIVATION NUMBER AS – ISIN No – **INE115C01014**.
8. Members desirous of making nomination in terms of Section 109A of the Act, 1956 in respect of their shareholding may approach the Registrar for assistance. Shareholders holding shares in electronic form may approach their DP with whom they maintain their account for nomination.
9. Members are requested to notify immediately any change in their address :
 - to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with Bank particulars.
10. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.
11. Disclosures as per Clause 49 of the Listing Agreement for appointment /reappointment of Directors. Brief particulars of Directors being appointed/re-appointed as under:

Name of Director	Mr. Awadhesh Kumar	Mr. Arvind Kumar Kothari	Mr. Naman Seth
Date of Birth	08 th June 1947	01 st July 1966	03 rd April 1991
Date of Appointment	31 st January 2008	20 th November 2006	17 th July 2012
Directorships	1. WingFan India Private Limited 2. Bioveeta Laboratories Private Limited 3. Biolife Healthcare(INDIA) Private Limited	1. Vardhan Capital and Finance Limited	1. Novel Agroconcepts Private Limited 2. Sea Shore Developers Private Limited 3. Novel Developwell Private Limited
Shares held in the Company	N.A	N.A	N.A

Explanatory statement to the notice pursuant to provisions of Section 173(2) of the Companies Act, 1956**Item no. 5**

Mr. Naman Seth, was appointed by the Board of Directors of the Company as an Additional, Non Executive, Independent Director w.e.f from 17th July 2012 pursuant to the relevant provisions of the Companies Act, 1956 and under the Articles of Association of the Company and he holds such office only up to the date of this Annual General Meeting.

A notice in writing has been received u/s. 257 of the Companies Act, 1956 along with a deposit of Rs.500/ – from a member signifying his intention to propose his appointment as Director of the Company liable to retire by rotation.

Your Board of Directors commends the resolution for his appointment for approval.

None of the Directors of the Company, other than Mr. Naman Seth, is concerned or interested in the resolution.

Dated: 29th August 2012

Place: Mumbai

Registered Office:

Surve No.35/10

Lohop Village, Khalapur

Taluka,Raigad District

Maharashtra.

By Order of the Board

Sd/-

Ramesh Vardhan

Chairman & Managing Director

Sd/-

Rajesh Vardhan

Joint Managing Director

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and accounts for the year ended March 31st 2012.

Financial Results:

The key financial parameters for the year ended March 31st 2012 are:

(Rs. In Lakhs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Total Income	421.50	646.75
Profit Before tax	(86.50)	(210.10)
Less: Income-Tax including deferred tax	(6.49)	(5.81)
Profit/Loss after tax	(80.01)	(204.29)

Dividend:

The Board has not recommended any dividend on equity Shares for the year under review due to the losses incurred.

Rights Issue:

The Board had recommended a rights issue of 2:1 for cash at par to the existing members of the Company and the same was approved by the members vide their resolution passed on 15th June 2012. Subsequently the Company has approached various intermediaries and Legal Advisors and is in the process of finalizing the Letter of Offer.

Board of Directors:

In terms of the provision of the Companies Act, 1956 and the Articles of Association, Mr. Awadhesh Kumar and Mr. Arvind Kumar Kothari would retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. Mr. Awadhesh Kumar and Mr. Arvind Kumar Kothari have offered themselves for re-appointment.

Mr. Rohit Kapadia and Mr. Kishore Vussonji have resigned from the Board of Directors w.e.f 13th February 2012 & 29th July 2012 respectively.

Mr. Naman Seth was appointed as additional Director during the year with effect from 17th July 2012. The Board further recommends his appointment as a Director u/s 257 of the Companies Act, 1956.

Auditors:

During the year M/s Shravan Gandhi & Associates, Chartered Accountants resigned as the Auditors of the Company to preoccupancy. The Company appointed M/s Amar Bafna & Associates, Chartered Accountants in place of M/s Shravan Gandhi & Associates to be the Statutory Auditors of the Company to hold office up to the ensuing Annual General Meeting.

The Auditors, Amar Bafna & Associates, Chartered Accountants, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board has proposed the reappointment of Amar Bafna & Associates, Chartered Accountants, as statutory auditors for the financial year 2012 – 2013.

Auditors Report:

The observations and comments given by Auditors in this report read together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Directors' Responsibility Statement under Section 217(2AA) of the Companies Act, 1956:

The Directors confirm:

1. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of Financial Year 2011-2012 and of the profit of the Company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that they have prepared the annual accounts on a going concern basis.

Corporate Governance:

The amendments to the Companies Act, 1956 and the listing agreement executed with the Bombay Stock Exchange Limited require compliance with specified Corporate Governance practices. A detailed Report on Corporate Governance approved by the Directors is annexed. A certificate on compliance of Corporate Governance requirements in pursuance to clause 49 of the listing agreement is placed with the report on Corporate Governance.

Particulars of Employees:

Since there are no employees falling within the purview of the provisions of Section 217(2A) of the Companies Act, 1956 no such details are required to be given.

Conservation of energy and foreign technology absorption:

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 of Shares:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited.

Cash flow statement:

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

Acknowledgments:

The Directors wish to place on record their appreciation of the contribution made by the executives and employees to the organization in its continuous drive towards progress. Your Directors also appreciate with gratitude the continuous support of clients, bankers, institutions, the Shareholders and well wishers.

Dated: 29th August 2012

Place: Mumbai

Registered Office:

Surve No.35/10

Lohop Village, Khalapur

Taluka,Raigad District

Maharashtra.

By Order of the Board

Sd/-

Ramesh Vardhan

Chairman & Managing Director

Sd/-

Rajesh Vardhan

Joint Managing Director

ANNEXURE TO DIRECTORS 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

		2011-2012	2010-2011
		(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 :		
i)	Through Diesel Generator :	Company which requires	
	Net Units (Lakhs – kWh) :		
	Unit per Ltr. Of Diesel/ :	the major execution	
	Furnace Oil (kWh) :		
ii)	Through Steam :	of the projects in	
	Turbine/Generator :		
2)	Coal (used in Kiln) :	the site of the projects	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

	2011-2012	2010-2011
	(Rs. In lakhs)	(Rs. In lakhs)
Capital	Nil	Nil
Recurring	Nil	Nil
Total R & D expenditure as Percentage of turnover	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The key issues of the Management Discussion and Analysis are given below.

(a) Industry Structure and Developments

Indian Housing market size is facing challenges like steep hike in input raw material cost, growing rate of interest on loans, inflation and economic environment of the country.

(b) Strength

There are professionals and independent Directors on the Board of the Company who are in the process of developing a strategic roadmap for the Company to tap opportunities in the sector.

(c) Comment on Current year's performance

During the year Company did not carry out any operations and posted huge losses in the books. Management is planning to devise a futuristic and strategic roadmap for the Company and keeping all operating expenses are under tight control.

(d) Opportunities and Threats

Continuing increase in demand of low housing and slum rehabilitation projects are opportunity of growth to the Company.

(e) Segment wise performance

There were no major operations in the Company during the year, no segmental results are given.

(f) Outlook

The Company will focus on making long term strategic investment in new projects.

(h) Internal control systems and their adequacy

The internal control system has been found to be inadequate. Your Directors are working to improve on this.

(j) Cautionary Statement

Statements in this Management Discussion and Analysis Report, Describing the Company's outlook, projections, estimates, expectations or predictions may be "Forward looking Statement" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied.

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

By Order of the Board
Sd/-
Ramesh Vardhan
Chairman & Managing Director
Sd/-
Rajesh Vardhan
Joint Managing Director

CORPORATE GOVERNANCE REPORT:
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.

Board of Directors:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board is in accordance with the requirements of the Corporate Governance code of Listing Agreement with the stock exchanges. The Board is headed by the Executive Chairman.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

During the Financial year 2011-2012, 10 (Ten) Board Meetings were held on **18th April 2011, 13th May 2011, 22nd July 2011, 28th July 2011, 12th August 2011, 30th August 2011, 31st October 2011, 14th November 2011, 13th February 2012 and 30th March 2012** after giving due notices and the same were duly recorded in the minute's book.

The particulars of Directors are as follows:

Name of Director	Board Meetings attended during the year.	Attendance at last AGM	No. of Other Director-ships held *	Committee Membership(s) (including this Company)	
				Member	Chairman
Executive/Promoter Directors					
Mr. Ramesh Vardhan (Chairman and Managing Director)	10/10	Yes	3	3	Nil
Mr. Rajesh Vardhan (Joint Managing Director)	10/10	Yes	2	2	Nil
Mr. Anshul Gupta (Whole Time Director)	10/10	Yes	0	1	Nil
Non-Executive/Independent Directors					
Mr. Arvind Kothari	9/10	Yes	1	6	5
Mr. Awadhesh Kumar	3/10	Yes	0	2	Nil
Mr. Naman Seth (Appointed as additional Director w.e.f 17 th July 2012)	N.A	N.A	N.A	1	Nil
Mr. Kishore Vussonji (Resigned W.e.f 13 th July 2012)	2/10	Yes	6	2	Nil
Mr. Rohit Kapadia (Resigned W.e.f 13 th February 2012)	8/8	Yes	1	2	1

* Does not include Directorship of Private Companies.

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 nonpayment 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;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

During the year the committee met 5 times on 06th May 2011, 05th August 2011, 11th August 2011, 04th November 2011 and 07th February 2012. 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. Arvind Kothari (Appointed as a member w.e.f 13th February 2012)	Chairman	Independent Non Executive	0/0
Mr. Rajesh Vardhan	Member	Promoter, Executive	5/5
Mr. Awadhesh Kumar	Member	Independent Non Executive	5/5
Mr. Rohit Kapadia (Resigned W.e.f 13 th February 2012)	Member	Independent Non Executive	5/5

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.

During the Financial year 2011-2012, 2 (Two) Meetings of the Remuneration Committee were held on 25th July 2011 and 15th February 2012 after giving due notices and the same were duly recorded in the minute's book.

The Composition of Committee and the attendance is given below:

Name of Member	Status	No. of meetings attended
Mr. Arvind Kothari	Chairman	1/2
Mr. Awadhesh Kumar	Member	2/2
Mr. Naman Seth (Appointed W.e.f 17 th July 2012)	Member	N.A
Mr.Ramesh B. Vardhan (Resigned w.e.f 17 th July 2012)	Member	2/2
Mr. Rohit Kapadia (Resigned w.e.f 13 th February 2012)	Member	1/2

Shareholders and Investor Grievances Committee:

- a) The Meetings of the Shareholders & Investor Grievances Committee were held on 08th April 2011, 22nd June 2011, 27th December 2011 and 16th March 2012. The Composition of Shareholder and Investor Grievances Committee and the attendance at the meetings of the Committee is given below:

Name of Member	Status	No. of meetings attended
Mr. Rohit Kapadia (Resigned W.e.f 13 th February 2012)	Chairman	1/5
Mr. Arvind Kothari (Appointed as member w.e.f 13 th February 2012)	Chairman	4/5
Mr. Anshul Gupta	Member	5/5
Mr.Ramesh B. Vardhan	Member	5/5

- b) This 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.

General Body Meetings:

Location and time of previous Annual General Meetings:

Year	Venue	Date	Time
2010-2011	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr.Vithoba Industrial Estate.Raigad Dist. Maharashtra	30 th September 2011	11.00 a.m.
2009-2010	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr.Vithoba Industrial Estate.Raigad Dist. Maharashtra	30 th December 2010	11.00 a.m.
2008-2009	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr.Vithoba Industrial Estate.Raigad Dist. Maharashtra	30 th December 2009	11.00 a.m.

→ The Special resolutions and Resolutions were passed by postal ballot during the last three years:

1. Special Resolution for Increase in Authorised 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.
5. Ordinary Resolution for Increasing the Authorised Share Capital of the Company to Rs. 250,000,000/ – on 15th June 2012.
6. Ordinary Resolution for offering shares on Rights basis in the ration of 2:1 on 15th June 2012.
7. Special Resolution for altering the other object clause of the Memorandum of Association on 15th June 2012.
8. Special Resolution for Commencement of New Business on 15th June 2012.

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 | <ol style="list-style-type: none"> 1. Vardhan Capital & Finance Limited 2. Vardhman Growmore Developers P. Ltd. 3. Vardhman Home Developers P. Ltd. 4. Blue Stock investments Pvt. Ltd. 5. Vardhman Developers Ltd. 6. Diwali Capital and Finance Pvt.Ltd. 7. Vibhuti Construction Pvt.Ltd. 8. Diwali Developers Pvt.Ltd. 9. Flower Boom Builders Pvt.Ltd. 10. Flower Queen Builders Pvt.Ltd. 11. Vardhman Entertainment and Hospitality Pvt.Ltd. 12. Vardhman Residency Pvt.Ltd. 13. Enso Holdings and Finance Pvt.Ltd. 14. Indelible Holdings Pvt.Ltd. 15. Vardhan Comtrade Pvt.Ltd. 16. Servicesmart Consultants and Financial Services Pvt.Ltd. 17. Comfund Consulting Ltd. 18. Sunteck Realty Ltd. 19. Hall & Andersons Ltd. 20. Krishna Ventures Ltd 21. Weizmann Forex Ltd 22. Karma Energy Ltd |

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.

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 1st April 2011 to 31st March 2012. The code of conduct is also posted on the website of the Company.

General Shareholders' Information:**1. Annual General Meeting:**

Date and Time : 27th September 2012 at 04:00 P.M
 Venue : Survey No.35/10
 Lohop Village,
 Khalapur Taluka,
 Nr.Vithoba Industrial Estate.
 Raigad Dist-410 220 Maharashtra.

2. Financial Calendar (tentative and subject to change):

Sr. No.	Quarter Ending	Last Date
1	Results for the Quarter ended 30th June 2012	By beginning of August 2012
2	Results for the Quarter ended 30th September 2012	By beginning of November 2012
3	Results for the Quarter ended 31st December 2012	By beginning of February 2013
4	Results for the Quarter and Year ended 31st March 2013	By end of May 2013
5	Annual general Meeting for the year ended 31st March 2013	By end of September 2013

3. Book Closure:

From Friday, 21st September, 2012 to Thursday, 27th September, 2012 both dates inclusive.

4. Dividend:

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

5. Rights Issue:

The Board had recommended a rights issue of 2:1 for cash at par to the existing members of the Company and the same was approved by the members vide their resolution passed on 15th June 2012. Subsequently the Company has approached various intermediaries and Legal Advisors and is in the process of finalizing the Letter of Offer.

6. Listing On Stock Exchange

The Company's Shares are Listed on Bombay Stock Exchange Limited.

7. Stock Code:

Bombay Stock Exchange – 531444

8. Stock price Data:

Month	BSE Prices	
	High (Rs.)	Low (Rs.)
December, 2011	15.30	14.60
January, 2012	16.70	12.85
February, 2012	20.00	13.00
March, 2012	18.35	14.30

(Source-bseindia.com)

** The Trading of Equity Shares of Vardhman Concrete Limited was suspended till Nov'11 and hence above data gives information from Dec'11 to March'12.

9. Registrar and Transfer Agents:**Link Intime India Private Limited**

Add: C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup(W),
 Mumbai-400078 • 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.

10. 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 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							
1. Indian							
Individuals / Hindu Undivided Family	14	1,996,193	1,996,193	27.89	27.89	240000	12.02
Bodies Corporate	2	4,16,132	4,16,132	5.81	5.81	—	—
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. Foreign						—	—
Individuals (Non-Residents Individuals / Foreign Individuals)	3	465,000	404,900	6.50	6.50	—	—
Sub Total	3	466,000	404,900	6.51	6.51	—	—
Total shareholding of Promoter and Promoter Group (A)	24	42,89,525	40,29,325	59.94	59.94	—	—
(B) Public Shareholding						—	—
(1) Institutions	—	—	—	—	—	—	—
(2) Non-Institutions						—	—
Bodies Corporate	42	6,25,130	6,14,230	8.74	8.74	—	—
Individuals						—	—
Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,577	9,37,654	6,25,954	13.10	13.10	—	—
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	33	11,92,604	9,51,004	16.66	16.66	—	—
Any Others (Specify)						—	—
Clearing Members	8	11,175	11,175	0.16	0.16	—	—
<i>Non Resident Indians</i>	9	1,00,111	5,011	1.40	1.40	—	—
NRN	3	401	401	0.01	0.01	—	—

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 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
Sub Total	1,670	2,936,181	22,77,781	41.03	41.03	–	–
Total Public shareholding (B)	1,660	2,936,181	2,277,781	40.64	40.64	–	–
Total (A)+(B)	1,694	72,25,706	63,07,106	100.00	100.00	–	–
(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)	1,694	72,25,706	63,07,106	100.00	100.00	–	–

11. Investors' Grievances :

There were no pending Investor Grievances as on 31st March, 2012

12. Plant Locations:

M/s.Vardhman Concrete Limited,

Add: Survey No.35/10

Lohop Village,

Khalapur Taluka,

Nr.Vithoba Industrial Estate.

Raigad Dist 410 220 Maharashtra.

13. Address for correspondence :

M/s.Vardhman Concrete Limited,

Add: 120, Commerce House,

N.M. Road, Fort

MUMBAI – 400 001.

Phone No. 022 – 2267 2268

Dated: 29th August 2012

Place: Mumbai

Registered Office:

Surve No.35/10

Lohop Village, Khalapur

Taluka,Raigad District

Maharashtra.

By Order of the Board

Sd/-

Ramesh Vardhan

Chairman & Managing Director

Sd/-

Rajesh Vardhan

Joint Managing Director

CERTIFICATION**To,****The Board of Directors****Vardhman Concrete Limited**

The financial statements and the cash flow statement for the financial period ended on 31st March, 2012 have been reviewed and that to the best of my knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the internal controls and the steps they have taken or propose to take to rectify these deficiencies.
5. It has been indicated to the auditors and the Audit committee that
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud of the management or an employee.

For Vardhman Concrete Limited

Sd/-

Ramesh Vardhan

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, 2012 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 any documents required be filed with to the Stock Exchange 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.

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)

Place: Mumbai

Dated: 29th August 2012

C.P. 5518

AUDITORS' REPORT

TO

THE MEMBERS OF VARDHMAN CONCRETE LIMITED

1. We have audited the attached Balance Sheet of **VARDHMAN CONCRETE LIMITED** ("the Company") as on 31st March, 2012, the Statement of Profit & Loss 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. 170.87 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 32 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, inter alia, 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. 361.97 lacs receivable from a debtor (included under the head "Trade Receivables") and further dues in respect of a bank guarantee of Rs. 90.52 lacs invoked by the said debtor (included under the head "Advance Recoverable in Cash or Kind") which is not considered as doubtful and hence not provided for (Refer Note 35). This may affect financial statements.*
 - c. *In the absence of individual confirmation of Trade Receivables of Rs. 616.01 lacs, (including un provided non moving Trade Receivables of Rs 361.97 lacs) Short Term Loans and Advances given of Rs. 167.43 lacs, Trade Payables of Rs. 89.94 lacs, Advance From Customers Rs. 142.42 lacs, Other liabilities of Rs 7.05 lacs and Fixed Deposit with a bank for Rs.4.12 lacs all are taken correct as per books of account (Refer Note 35). 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 23 (b) & 23 (c)].*
Consequential Impact of above on the net worth and financial statements of the Company can not 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, Statement of Profit & Loss & the Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
 - d. In our opinion and according to the information and explanation given to us, none of the Directors are disqualified 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 Balance Sheet, Statement of Profit & Loss & 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 2012,
 - ii) in the case of Statement of Profit and Loss, of the loss of the Company for the year ended on 31st March 2012; and
 - iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on 31st March 2012.

FOR AMAR BAFNA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGN NO. 114854W

SD/-

AMAR BAFNA

(PARTNER)

M. No. 48639

PLACE: MUMBAI

DATE : 29th August, 2012

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 2012 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) As per the information and explanations given to us, during the year, the Company has not disposed off any substantial part of fixed assets that would affect the going concern.
- (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 covered 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) In our opinion and according to the information and explanations given to us, the Company has taken loans from the 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. 1077.55 Lacs and at the year end the outstanding balance of the said loans is Rs. 1077.13 Lacs.
- (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) According to the information and explanations given to us, the Company has not accepted deposits as referred to in Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion and according to the explanation and information given to us, during the period under audit, the Company does not have an Internal Audit system.
- (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) In our opinion and according to the explanation and information given to us the Company has been generally irregular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Tax Deducted at Source, Works Contract Tax, Service Tax and other statutory dues wherever applicable. The details

of undisputed statutory dues outstanding for a period of more than six months from the date they became payable are as under:

Name of the statute	Period to which the Amount Relates	Amount (in Rs)
a) TDS u/s 194J of the Income Tax Act, 1961	FY 2011-12	76,022
b) TDS u/s 194C of the Income Tax Act, 1961	FY 2011-12	197,377
c) Maharashtra Value Added Tax	FY 2010-11	111,734
d) Maharashtra Value Added Tax	FY 2011-12	335,800
e) Service Tax	FY 2010-11	3,418,521
f) Service Tax	FY 2011-12	83,750
TOTAL		4,223,204

(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 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. 17,087,123 to a bank. The details are as follows:

S. No.	Period	Amount Due (in Rs)	Due Date
1	July 2009 to June 2010	5,607,950	7 th of every month
2	July 2010 to March 2011	4,154,577	7 th of every month
3	April 2011 to March 2012	7,324,596	7 th of every month
	Total	17,087,123	

- (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 any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act. 1956.
- (xix) The Company does not have any outstanding debentures and therefore the question of creating securities

thereon does not arise.

- (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 AMAR BAFNA & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGN NO. 114854W

SD /-

AMAR BAFNA

PARTNER)

M. No. 48639

PLACE: MUMBAI

DATE : 29th August, 2012

VARDHMAN CONCRETE LIMITED
NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012 AND THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE

PARTICULARS	NOTES	31.03.2012 Rs.	31.03.2011 Rs.
<u>EQUITY & LIABILITIES</u>			
<u>Shareholders' Funds</u>			
Share Capital	2	73,136,250	73,136,250
Reserves & Surplus	3	(157,061,114)	(148,913,210)
	SUBTOTAL	<u>(83,924,864)</u>	<u>(75,776,960)</u>
<u>Non Current Liabilities</u>			
Deferred Tax Liabilities (Net)	4	5,368,133	6,017,146
Long Term Provisions	5	1,238,254	1,206,003
	SUBTOTAL	<u>6,606,387</u>	<u>7,223,149</u>
<u>Current Liabilities</u>			
Short Term Borrowings	6	198,650,887	208,402,093
Trade Payables		8,994,095	15,491,879
Other Current Liabilities	7	27,906,261	22,300,119
	SUBTOTAL	<u>235,551,243</u>	<u>246,194,091</u>
	TOTAL	<u>158,232,766</u>	<u>177,640,281</u>
<u>APPLICATION OF FUNDS:</u>			
<u>Non Current Assets</u>			
Fixed Assets	8	25,540,059	28,294,151
Non Current Investments	9	450	450
	SUBTOTAL	<u>25,540,509</u>	<u>28,294,601</u>
<u>Current Assets</u>			
Current Investments	10	-	6,700,000
Inventories	11	16,792,081	18,780,297
Trade Receivables	12	61,601,301	56,752,100
Cash & Cash Equivalents	13	5,465,706	16,868,962
Short Term Loans & Advances	14	48,833,169	50,244,321
		<u>132,692,257</u>	<u>149,345,680</u>
	TOTAL	<u>158,232,766</u>	<u>177,640,281</u>

See notes accompanying to financial statements 1-39

As per our report even date.

**For AMAR BAFNA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No. 114854W**
For and on behalf of the Board

 --- SD ---
**AMAR BAFNA
PARTNER
M. No. 48639
PLACE | MUMBAI
DATED | 29.08.2012**

 --- SD ---
RAMESH B. VARDHAN

 --- SD ---
**RAJESH B. VARDHAN
(Directors)**

VARDHMAN CONCRETE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st MARCH, 2012

PARTICULARS	NOTES	31.03.2012 Rs.	31.03.2011 Rs.
Revenue from Operations	15	40,837,577	60,326,512
Other Income	16	1,312,963	4,348,942
	TOTAL	<u>42,150,540</u>	<u>64,675,454</u>
<u>EXPENDITURE:</u>			
Raw Material Consumed	17	16,046,975	25,264,483
Construction & Operating Expenses	18	13,117,167	37,061,156
Changes in Inventories of Finished Goods & Work - in - Progress	19	(506,459)	(300,796)
Employee Benefits Expense	20	5,094,906	6,602,626
Finance Costs	21	10,033,744	9,367,677
Depreciation and Amortization Expense	8	2,754,092	2,122,528
Less: Transfer to Revaluation Reserve		<u>147,024</u>	<u>110,268</u>
Other Expenses	22	4,407,032	5,677,447
	TOTAL	<u>50,800,433</u>	<u>85,684,853</u>
Profit / (Loss) before tax		(8,649,893)	(21,009,399)
Tax Expenses			
Current Tax		-	-
Deferred Tax		(649,013)	(580,892)
Profit / (Loss) for the Period		<u>(8,000,880)</u>	<u>(20,428,507)</u>
Earnings Per Share			
Basic		(1.12)	(2.85)
Diluted		(1.12)	(2.85)
See notes accompanying to financial statements	1-39		

As per our report even date.

**For AMAR BAFNA & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Regn No. 114854W**
For and on behalf of the Board
**--- SD ---
 AMAR BAFNA
 PARTNER
 M. No. 48639
 PLACE | MUMBAI
 DATED | 29.08.2012**
**--- SD ---
 RAMESH B. VARDHAN

 --- SD ---
 RAJESH B. VARDHAN
 (Directors)**

VARDHMAN CONCRETE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2012

Particulars	31.03.2012 Rs.	31.03.2011 Rs.
A) Cash Inflow/ (Outflow) from Operating Activities		
Net Loss Before Tax and Exceptional Items as per Statement of Profit & Loss	(8,649,893)	(21,009,399)
Adjustment for :		
Depreciation and Amortisation expense	2,607,068	2,012,260
Profit on Sale of Fixed Assets		(3,717,395)
Provision for Gratuity	32,251	197,021
Finance Cost	10,033,744	9,367,677
Interest Income	(611,374)	(88,966)
Operating Cash Profit before Working Capital Changes	<u>3,411,795</u>	<u>(13,238,802)</u>
Adjustment for :		
Increase/ (Decrease) in Trade Payables and Other Current Liabilities	(891,643)	(19,439,182)
(Increase)/ Decrease in Trade Receivables	(4,849,201)	3,010,692
(Increase)/ Decrease in Inventories	1,988,216	(1,076,845)
(Increase)/ Decrease in Short Term Loans and Advances	1,411,152	(4,554,525)
Cash Flow from Operations	<u>1,070,319</u>	<u>(35,298,662)</u>
Taxes Paid (Net)	-	-
Net Cash Inflow/ (Outflow) from Operating Activities	<u>1,070,319</u>	<u>(35,298,662)</u>
B) Cash Inflow/ (Outflow) from Investing Activities:		
Sale of Fixed Asset	-	11,288,888
Acquisition of Fixed Assets	-	(409,151)
(Increase)/ Decrease in Current Investments	6,700,000	(6,700,000)
Interest Income	611,374	88,966
Net Cash Inflow/ (Outflow) from Investing Activities	<u>7,311,374</u>	<u>4,268,703</u>
C) Cash Inflow/ (Outflow) from Financing Activities:		
Increase/ (Decrease) in Short Term Borrowings	(9,751,206)	50,558,199
Finance Cost	(10,033,744)	(9,367,677)
Net Cash Inflow/ (Outflow) from Financing Activities	<u>(19,784,949)</u>	<u>41,190,522</u>
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	(11,403,256)	10,160,563
Add: Cash & Cash Equivalents at the beginning of the Year	16,868,962	6,708,398
Cash and Cash Equivalents at the close of the Year (Refer Note 13)	<u>5,465,706</u>	<u>16,868,961</u>

See notes accompanying to financial statements

1-39

As per our report even date.
**For AMAR BAFNA & ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Regn No. 114854W**

 --- SD ---
**AMAR BAFNA
 PARTNER
 M. No. 48639
 PLACE | MUMBAI**
For and on behalf of the Board

 --- SD ---
RAMESH B. VARDHAN

 --- SD ---
RAJESH B. VARDHAN

NOTE 11 | STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES**I. METHOD OF ACCOUNTING**

- 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 Statement of Profit and Loss 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 are classified into Current Investments and Non Current Investments. Investments intended to be held for more than one year are classified as Non Current Investments. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary in nature, in the value of Long-term Investments.

All Investments are Non Current in nature and are accordingly 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. 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.

IX. 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.

X. 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 Statement of Profit and Loss.

XI. RETIREMENT BENEFITS

- a) Contributions to the provident fund, a defined contribution scheme, are charged to the Statement of Profit & Loss.
- 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.

XII. EMPLOYEE BENEFITS

- a) Short term employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss.

XIII. TAXATION

Income tax comprises of 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 substantially enacted at the Balance Sheet date. Where there is unabsorbed depreciation or carry forward losses, Deferred Tax Assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. 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.

XIV. 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.

VARDHMAN CONCRETE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
NOTE 2 SHARE CAPITAL	Rs.	Rs.
Authorised:		
10,000,000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
TOTAL	100,000,000	100,000,000
Issued:		
7,156,600 Equity Shares of Rs 10 each	71,566,000	71,566,000
TOTAL	71,566,000	71,566,000
Subscribed and Paid up:		
7,156,600 Equity Shares of Rs 10 each	71,566,000	71,566,000
Add: Forfeited Shares (Amount Originally Paid Up)	1,570,250	1,570,250
TOTAL	73,136,250	73,136,250

Reconciliation of number of shares

Particulars	As at 31 March 2012		As at 31 March 2011	
	No of Shares	Amount	No of Shares	Amount
Balance as at beginning of the year	7,156,600	71,566,000	7,156,600	71,566,000
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	7,156,600	71,566,000	7,156,600	71,566,000

Rights, preference and restrictions attached to shares

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, except in the case of interim dividend, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2012		As at 31 March 2011	
	No of Shares	Percentage of Holding	No of Shares	Percentage of Holding
Rajesh B. Vardhan	569,850	7.96%	569,850	7.96%
Kanaiyalal J. Patel	404,900	5.66%	404,900	5.66%

VARDHMAN CONCRETE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note 3 RESERVES & SURPLUS		
Securities Premium Reserve		
Opening balance	12,600,000	12,600,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	<u>12,600,000</u>	<u>12,600,000</u>
Revaluation Reserve		
Opening balance	862,123	972,391
Add: Additions during the year	-	-
Less: Depreciation charged during the year	147,024	110,268
Closing balance	<u>715,099</u>	<u>862,123</u>
Deficit in the Statement of Profit & Loss		
Opening balance	(162,375,333)	(141,946,826)
Add: Additions during the year	(8,000,880)	(20,428,507)
Less: Utilised / transferred during the year	-	-
Closing balance	<u>(170,376,213)</u>	<u>(162,375,333)</u>
TOTAL	<u>(157,061,114)</u>	<u>(148,913,210)</u>
Note 4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities on account of:		
Depreciation	5,750,753	6,389,801
Deferred Tax Asset on account of:		
Gratuity	382,620	372,655
TOTAL	<u>5,368,133</u>	<u>6,017,146</u>
Note 5 LONG TERM PROVISIONS		
Provision for Employee Benefits		
Gratuity	1,238,254	1,206,003
TOTAL	<u>1,238,254</u>	<u>1,206,003</u>

**VARDHMAN CONCRETE LIMITED.
FIXED ASSETS AS ON 31 ST MARCH, 2012**

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Note 18 | FIXED ASSETS - TANGIBLE

Description of the Asset	Rate	Gross Block			Depreciation			Net Block		
		As on 01.04.2011 Rs.	Additions Rs.	Deductions Rs.	As on 31.03.2012 Rs.	As on 01.04.2011 Rs.	For the Period Rs.	Adjustments Rs.	As on 31.03.2012 Rs.	As on 31.03.2011 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	511,263	-	-	7,467,120	8,351,415
Residential Flat	1.63%	538,596	-	-	538,596	8,779	-	-	172,944	374,431
Plant & Machinery	4.75%	40,414,526	-	-	40,414,526	1,919,690	-	-	27,138,073	15,196,143
Moulds #	11.31%	18,046,188	-	-	18,046,188	-	-	-	17,143,879	902,309
Moulds	11.31%	578,003	-	-	578,003	65,372	-	-	245,951	397,424
Electrifications	4.75%	1,771,777	-	-	1,771,777	84,159	-	-	1,197,373	574,404
Furniture and Fixtures	6.33%	837,612	-	-	837,612	53,021	-	-	769,931	120,702
Computers #	16.21%	911,322	-	-	911,322	865,756	-	-	865,756	45,566
Computers	16.21%	80,313	-	-	80,313	12,777	-	-	25,796	54,517
Office Equipments	4.75%	266,958	-	-	266,958	174,927	-	-	187,608	79,350
Air Conditioner	4.75%	109,268	-	-	109,268	75,755	-	-	80,945	28,323
Vehicles #	9.50%	1,651,207	-	-	1,651,207	1,487,729	-	-	1,568,647	82,560
Total		82,404,082	409,000	7,884,245	82,404,082	2,754,092	-	-	56,864,023	28,294,151
Previous year		89,879,327	409,000	7,884,245	82,404,082	2,122,528	312,752	-	54,109,931	37,579,172

Computers, moulds and vehicles have been depreciated and retained 5% of gross value of that asset.

Note:

- 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/-
- Depreciation of Rs. 2,754,092/- (Previous year Rs. 2,122,528/-) includes depreciation on revalued assets Rs. 147,024/- (Rs. 6,632/- on Residential Flat and Rs. 140,392/- on Plant & Machinery) being adjusted from Revaluation Reserve

VARDHMAN CONCRETE LIMITED
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR
THE YEAR ENDED 31ST MARCH 2012**

PARTICULARS	As on 31.03.2012	As on 31.03.2011
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Note | 9 | NON CURRENT INVESTMENTS
Investment in Equity Shares - 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
TOTAL	<u>450</u>	<u>450</u>

Note | 10 | CURRENT INVESTMENTS

Investment in Joint Venture (Refer Note 27)	-	6,700,000
TOTAL	<u>-</u>	<u>6,700,000</u>

Note | 11 | INVENTORIES

Construction Materials	3,767,088	6,261,763
Prefabricated Goods	4,414,822	4,414,822
Work-in-Progress	8,610,171	8,103,712
TOTAL	<u>16,792,081</u>	<u>18,780,297</u>

Note | 12 | TRADE RECEIVABLES

Unsecured - Considered Good		
Trade receivables outstanding for a period exceeding six months from the date they became payable	41,586,715	39,658,909
Other trade receivables	20,014,586	17,093,191
TOTAL	<u>61,601,301</u>	<u>56,752,100</u>

VARDHMAN CONCRETE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
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Note | 13 | CASH & CASH EQUIVALENTS

Balance with banks in:

Current Account	990,845	1,639,367
Fixed Deposits*	4,457,474	15,110,153

* Of the above, Fixed Deposits of Rs. 4,045,912 (PY Rs. 14,698,591) are lying with banks as security and Rs. 411,562 (PY Rs. 411,562) are lying with the vendee*

Of the above, Fixed Deposits of Rs.4,11,562 are not confirmed/ traceable by bank.

Cash on Hand	17,387	119,442
TOTAL	5,465,706	16,868,962

Note | 14 | SHORT TERM LOANS & ADVANCES

Unsecured, Considered Good

Security and Other Deposits	26,861,683	26,951,335
Advance Recoverable in Cash or Kind	11,657,453	12,039,820
Tax deducted at Source	3,118,623	6,209,274
Prepaid Expenses	-	442,134
Advances to Suppliers	7,195,410	4,601,758
TOTAL	48,833,169	50,244,321

Note | 15 | REVENUE FROM OPERATIONS

Contract Income	40,785,897	60,300,831
Other Operation Revenue	51,680	25,681
TOTAL	40,837,577	60,326,512

Note | 16 | OTHER INCOME

Interest from Bank	611,374	88,966
Interest on Income Tax Refund	350,895	54,092
Discount Recd.	639	48,066
Excess Provision w/back	-	130
Profit on Sale of Assets	-	3,717,395
Sundry Balances Written Back (net)	350,055	
Prior Period Item (net)		440,293
TOTAL	1,312,963	4,348,942

VARDHMAN CONCRETE LIMITED
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR
THE YEAR ENDED 31ST MARCH 2012**

PARTICULARS	As on 31.03.2012	As on 31.03.2011
Note 17 COST OF MATERIALS CONSUMED		
Opening Stock	6,261,763	5,485,714
Add: Purchases	13,552,300	26,040,532
Less Closing Stock	3,767,088	6,261,763
TOTAL	16,046,975	25,264,483

Details of Materials Consumed

Particulars	31.03.2012		31.03.2011	
	Quantity	Amount	Quantity	Amount
Steel	147 MT	5,894,473	68,600 MT	2,275,223
Cement	14,919 Bags	3,357,874	16,360 Bags	3,815,568
Metal	585 Brass	1,077,232	1071.4 Brass	950,297
Sand	795 Brass	2,425,566	1847.47 Brass	2,276,133
Others		3,291,830		15,947,262
Total		16,046,975		25,264,483

Note | 18 | CONSTRUCTION AND OPERATING EXPENSES

Wages & Labour Charges	576,978	2,159,399
Labour-Contract Costs	11,151,038	31,638,342
Transport & Octroi Charges	432,685	606,433
Hire Charges	265,106	856,428
Repairs and Maintenance	82,572	119,076
Electricity Charges	382,399	842,921
Testing Charges	15,653	2,678
Water Charges	8,184	30,127
Rent Charges	202,552	774,177
Registration Charges	-	31,575
TOTAL	13,117,167	37,061,156

Note | 19 | CHANGES IN INVENTORIES OF FINISHED GOODS & WORK - IN - PROGRESS

Opening Stock		
Prefabricated Goods	4,414,822	4,414,822
Work - in - Progress	8,103,712	7,802,916
	12,518,534	12,217,738
Closing Stock		
Prefabricated Goods	4,414,822	4,414,822
Work - in - Progress	8,610,171	8,103,712
	13,024,993	12,518,534
TOTAL	(506,459)	(300,796)

VARDHMAN CONCRETE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	As on 31.03.2012	As on 31.03.2011
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Note | 20 | EMPLOYEE BENEFITS EXPENSE

Salaries, Wages and Bonus	4,686,199	5,806,911
Contribution to Provident Fund	137,229	184,250
Staff Welfare Expenses	239,227	307,656
Gratuity	32,251	303,809
TOTAL	<u>5,094,906</u>	<u>6,602,626</u>

Note | 21 | FINANCE COSTS

Interest		
To Bank	8,403,279	4,996,258
On Car Loan	-	191
To Others	1,630,465	4,371,228
TOTAL	<u>10,033,744</u>	<u>9,367,677</u>

Note | 22 | OTHER EXPENSES

Travelling & Conveyance	479,276	448,685
Legal & Professional Fees	926,400	899,815
Insurance Charges	88,198	339,528
Bank Guarantee Commission	481,644	358,149
Bank Charges	57,987	33,631
Auditors' Remuneration	112,360	112,360
Donation	-	32,500
Business Promotion Expenses	4,180	123,535
Tender Fees & Expenses	-	25,000
Printing and Stationery	44,652	69,140
Security Charges	1,173,485	1,168,710
Telephone Expenses	53,843	78,331
Postage & Courier Charges	6,038	18,216
Other Expenses	978,969	1,897,121
Sales Tax	-	72,726
TOTAL	<u>4,407,032</u>	<u>5,677,447</u>

VARDHMAN CONCRETE LIMITED
NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012 AND THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON THAT DATE
NOTE | 23 | CONTINGENT LIABILITIES NOT PROVIDED FOR

- Guarantees given by banks in respect of performance bonds and other contracting commitments given in the normal course of business Rs. 2,500,000 (PY Rs 25,464,522).
- 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.
- 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 whatsoever except as stated above. There are no other pending claims against the Company, except above.
- 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.
- 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.

NOTE | 24 | SEGMENT REPORTING – ACCOUNTING STANDARD 17

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 on Segment Reporting issued by ICAI.

NOTE | 25 | RELATED PARTY DISCLOSURES – ACCOUNTING STANDARD 18
I List 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	Diviniti
e)	Other Related Parties	Vardhan Capital & Finance Limited Vardhman Growmore Developers Private Limited Vardhman Home Developers Private Limited Vardhman Developers Limited

II Transaction with Related Parties
With Key Management Personnel and Their Relatives

Type of related party	Nature of transaction	Amount (Rs.)	Amount Outstanding (Rs.)
Key Management Personnel	Remuneration	6,78,800	-N.A.-
Relatives of Key Management Personnel	Nil	Nil	Nil

With Other Related Parties

Other Related Parties	Name of the Company	Opening Bal (Rs.)	New Loan Taken/ Interest Credited (Rs.)	Loan Repaid/ TDS Deducted (Rs)	Amount Outstanding (Rs.)
Inter-corporate Loan taken	Vardhman Growmore Developers Private Limited	24,784,895 (21,838,629)	744,594 (6,564,185)	74,468 (36,17,919)	25,455,021 (24,784,895)

(Company with Concrete Base)

	Vardhman Home Developers Private Limited	24,974,722 (26,058,401)	751,294 (2,825,357)	75,129 (3,909,036)	25,650,887 (24,974,722)
	Vardhman Developers Limited	Nil (5,100,000)	3,28,170 (1,96,39,500)	3,28,170 (2,47,39,500)	Nil (Nil)
	Vardhan Capital & Finance Limited	25,789,500 (Nil)	5,95,35,343 (2,61,39,500)	2,87,17,955 (3,50,000)	56,606,888 (25,789,500)
	Interest paid thereon	14,95,888 (12,69,542)			

NOTE | 26 | EARNINGS PER SHARE – ACCOUNTING STANDARD 20

Computation of Basic and Diluted Earnings Per Share as per Accounting Standard 20 is as under:

Particulars	Current Period (Rs.)	Previous Year (Rs.)
Net Profit/ (Loss) Attributable to Equity Share Holders (Rs)	(8,187,518)	(2,04,28,508)
Weighted average number of Equity (Nos.)	7,156,600	7,156,600
Basic / Diluted Earnings Per Share (Rs.)	(1.14)	(2.85)

NOTE | 27 | INVESTMENT IN JOINT VENTURE – ACCOUNTING STANDARD 27

The Company has entered into a Joint Venture named “Diviniti” for Construction of Low Cost Housing and related Infrastructure work under the Jawaharlal Nehru Scheme in which the partners are as under:

- | | | |
|---|---|-----|
| a. Sumer Infrastructure private Limited | - | 34% |
| b. Vardhman Concrete Limited | - | 33% |
| c. S V Inova Build Private limited | - | 33% |

Upto 31 March 2011, the Company had invested Rs 6,700,000 in Diviniti. During the current year the Company has invested Rs 1,000,000 and has received Rs 15,000,000 from Diviniti. The credit balance of Rs 7,300,000 (which is exclusive of any share of Profit/ Loss in the Joint Venture) is shown under head “Other Liabilities” in Note No 7.

The accounts of Diviniti are not yet finalized and therefore disclosures as required by Accounting Standard – 27 “Financial Reporting of Interest in Joint ventures” are not given.

NOTE | 28 | DEFERRED TAX ASSETS/ LIABILITY

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

	Opening as on 01/04/11 (Rs.)	Inc/(Dec) during the period (Rs.)	Closing as on 31/03/12 (Rs.)
Deferred Tax Assets:			
On Account of Gratuity	372,655	9,965	382,620
Total	372,655	9,965	382,620
Deferred Tax Liabilities:			
On Account of Depreciation	6,389,801	(639,048)	5,750,753
Total	6,389,801	(639,048)	5,750,753
Net Deferred Tax Liability	6,017,146	(649,013)	5,368,133

NOTE | 29 | DISCLOSURE PURSUANT TO ACCOUNTING STANDARD – 17 “CONSTRUCTION CONTRACT”

S. No	Details	2011-12 (Rs.)	2010-11 (Rs.)
1	Contract revenue recognized for financial period	40,785,897	60,300,831
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.	29,164,142	62,325,639

3	Amount of customer advances outstanding for contracts in progress as at the end of the financial period.	14,241,977	15,722,346
4	Retention amounts due from customers for contracts in progress as at end of the financial period.	11,217,990	12,840,230

NOTE | 30 | AUDITOR'S REMUNERATION

	2011-12 (Rs.)	2010-11 (Rs.)
Audit Fees	84,270	56,120
Tax Audit Fees	28,090	11,224
Other Services	Nil	45,016
	112,360	112,360

NOTE | 31 |

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.1,238,254/ – (PY Rs 1,206,003/-) is as per the Actuarial Valuation Report.

	Particulars	2011-2012 (Rs.)	2010-2011 (Rs.)
I	Changes in present value of obligations		
	PVO at beginning of period	1,214,102	961,293
	Interest cost	97,128	57,730
	Current Service Cost	185,606	191,522
	Past Service Cost – (non vested benefits)		-
	Past Service Cost – (vested benefits)		-
	Benefit Paid		-
	Actual (Gain)/Loss on obligation	(258,582)	3,557
	PVO at end of period	1,238,254	1,214,102
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	(1,238,254)	(1,214,102)
	Excess of actual over estimated return on Plan Assets		-
IV	Experience History		
	(Gain)/Loss on obligation due to change in Assumption	125,731	-
	Experience (Gain)/Loss on obligation	(384,313)	3,557
	Experience (Gain)/Loss on Plan Assets	-	-

V	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	258,582	(3,557)
	Actuarial Gain/(Loss) for the period (Plan Assets)		-
	Total Gain/(Loss) for the period	258,582	(3,557)
	Actuarial Gain/(Loss) recognized for the period	258,582	(3,557)
VI	Past Service Cost Recognized		-
	Past Service Cost – (non vested benefits)	8,099	
	Past Services Cost – (vested benefits)		
	Average remaining future service till vesting of the benefit	1	-
	Recognized Past service Cost – non vested benefits	8,099	-
	Recognized Past service Cost – vested benefits		-
	Unrecognized Past service Cost – non vested benefits		8,099
VII	Amounts to be recognized in the balance sheet and statement of profit & loss account		
	PVO at end of period	1,238,254	
	Fair Value of Plan Assets at end of period		1,214,102
	Funded Status	(1,238,254)	(1,214,102)
	Unrecognized Actuarial Gain/(Loss)		
	Unrecognized Past service Cost – non vested benefits		8,099
	Net Asset/(Liability) recognized in the balance sheet	(1,238,254)	(1,206,003)
VIII	Expense recognized in the statement of P & L A/C		
	Current Service Cost	185,606	191,522
	Interest cost	97,128	57,730
	Past Service Cost – (non vested benefits)	8,099	-
	Past Services Cost – (vested benefits)		-
	Expected Return on Plan Assets		-
	Net Actuarial (Gain)/Loss recognized for the period	(258,582)	3,557
	Expenses recognized in the statement of P & L A/C	32,251	252,809
IX	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	1,206,003	953,194
	Expenses as above	32,251	252,809
	Contribution paid		-
	Closing Net Liability	1,238,254	1,206,003
X	Revised Schedule VI		
	Current Liability	31,355	
	Non-Current Liability	1,206,899	
XI	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		

32. 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; however the Company does not wish to apply. Though the Company's losses have exceed the net worth, the Company has received orders worth in excess of Rs.100 crores and on the basis of positive future projection prepared, the Company is expecting turn around by itself. The Company has also appointed professionals as independent Directors. Therefore the Company believes that there will be turnaround and accordingly the accounts are prepared on a going concern basis.
33. The Company had obtained valuation reports in respects of property. Based on the same no impairment is required. The Management is of the opinion that though fixed assets register is not maintained, considering the nature of the

assets no major discrepancies are anticipated.

34. There are no earnings in Foreign exchange during the year (PY NIL)
35. Individual confirmations are not available for Trade Receivables of Rs. 61,601,301 (including non-moving Trade Receivables of Rs. 36,197,335), Short Term Loans and Advances given of Rs 16,742,820 (including Bank Guarantee Invocation of Rs 9,052,410) and Trade Payables of Rs 8,994,095, Advance from Customers Rs 14,241,977 and Other Liabilities of Rs 705,721. These items are under constant scrutiny and follow-up by the Management.

The Management does not anticipate any significant discrepancy/ adjustment out of the above and is of the opinion that these would realize the value which is atleast equivalent to the value as stated in the books of account.

36. During the Year the Company had received Mobilization Advance of Rs 10,000,000 from Solapur Municipal Corporation against the Bank Guarantee of Rs 10,500,000 (on 100% margin). Solapur Municipal Corporation has invoked the Bank Guarantee of Rs 10,500,000. Consequent to this, the amount of Rs 500,000 is shown as receivable from Solapur Municipal Corporation in Note No 12.
37. The Company does 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.
38. Current year figures are for period of 12 months ending 31st March, 2012, hence are not comparable with corresponding previous period figures, which are for a period of 9 months ending on 31st March, 2011.
39. The financial statements for the nine months ended 31st March, 2011 had been prepared as per the then applicable pre – revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification.

For AMAR BAFNA & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn No: 114854W

For VARDHMAN CONCRETE LIMITED

--- SD ---
AMAR BAFNA
(Managing Director)
(PARTNER)
M No. 48639

Sd/-
RAMESH B. VARDHAN
(Chairman & Managing Director)

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

Place: Mumbai
DATE : 29th August, 2012

(Company with Concrete Base)

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 29th Annual General Meeting of the Company held on Thursday 27th September 2012.

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 29th Annual General Meeting of the Company to be held on Thursday the 27th of September 2012.

Signed this _____ day of _____ 2012.

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.