

22nd ANNUAL REPORT 2012-2013

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VHCL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Pankaj H. Valia **Chairman and Managing Director**

Mr. Nimesh S. Joshi Director

Mr. Harshadrai Bosmia Director

Mr. Mandar Subhash Palav **Director**

Mr. Ashish S. Pandare Director

Mr. Mitesh H. Dani **Director (up to 02/01/2013)**

Mr. Jayesh Prafull Jhaveri **Director (up to 02/01/2013)**

Mr. Atul Anantrai Mehta **Director (up to 06/09/2012)**

Company Secretary and Compliance Officer Mr. Pradeep Soni

AUDITORS Sarda Soni Associates

(Chartered Accountants)

BANKERS State Bank of India

Central Bank of India

REGISTERED OFFICE 306, Commodity Exchange Building,

Plot No. 2, 3 & 4, Sector - 19, Vashi

Navi Mumbai - 400 705

CORPORATE OFFICE 601/602, Casabalnca, Plot No. 130, CTS - 3A/5 :

> Gulmohar Cross Road No. 10, Juhu, Vile Parle (W), Mumbai - 400 049

REGISTRARS &

LINK INTIME INDIA PRIVATE LIMITED

TRANSFER AGENTS C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai - 400 078

Ph.: 022-25963838, Fax: 25946969 Email: rnt.helpdesk@linkintime.co.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 22ND ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S VHCL INDUSTRIES LIMITED WILL BE HELD AT THE HOTEL SHELTER PALACE AT PLOT NO. 179A, SECTOR - 19C, BEHIND STATE BANK OF INDIA, DANA BUNDER, VASHI, NAVI MUMBAI - 400 705 ON MONDAY, 30TH SEPTEMBER 2013, AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Statement of Profit and Loss of the Company for the year ended 31st March, 2013 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2013 and Report of the Directors and Auditors thereon.
- 2) To declare Final Dividend.
- 3) To appoint a Director in place of Mr. Mandar Palav who retires by rotation and being eligible, offers himself for re appointment.
- 4) To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and fix their remuneration.

Dated: 14th August, 2013 **Registered Office:**306, Commodity Exchange Building,
Plot No. 2, 3 & 4, Sector - 19, Vashi,
Navi Mumbai, Mumbai - 400 705

By order of the Board of Directors For VHCL Industries Limited Sd/-Pradeep Soni Company Secretary

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. Proxies, in order to be effective must be received by the company not less than 48 (Forty Eight) hours before the meeting. Proxies submitted on behalf of Companies, Societies, etc. must be supported by appropriate resolutions/authority, as applicable.
- 2. Members are requested to notify immediately any change in their address.
- 3. The Register of Members and the Share Transfer Book of the Company will remain closed from 23rd September, 2013 to 30th September, 2013 (both days inclusive).
- 4. Members desiring to submit mandates, to lodge transfer deed for shares are requested to forward the same so as to reach the Company's Registrars, **LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West), Mumbai 400 078 on or before 21st September, 2013. The Company will not be in a postion to act upon any document, which is incomplete or received after 21st September, 2013.
- 5. In accordance with the provisions of Section 256 of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges the particulars of Directors who are proposed to be reappointed are given in the Corporate Governance Section.
- 6. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.
- 7. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company or at the office of R & T Agent prior to closure of the Register of Members as stated above.
- 8. Corporate Members intending to send their authorised representatives to attend the Meeting are

requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

- 9. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report.
- 10. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its 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 Documents like the Notice convening the general meetings, Financial Statements, Directors', Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

- 11. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in demat form, the nomination has to be lodged with their DP.
- 12. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to **LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West), Mumbai 400 078.

Dated: 14th August, 2013 **Registered Office:**306, Commodity Exchange Building, Plot No. 2, 3 & 4, Sector - 19, Vashi, Navi Mumbai, Mumbai - 400 705

By order of the Board of Directors
For VHCL Industries Limited
Sd/Pradeep Soni
Company Secretary

Annexure to Notice

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting. (In pursuance of Clause 49 of the Listing Agreements)

Name of Director	Shri Mandar Palav
Age	30
Date of Appointment	18/11/2010
Expertise in specific functional areas	Compliance and Secretarial Areas
Qualifications	B.Com, ACS
List of Companies in which outside Directorship	
held as on 31st March, 2013	2
(excluding Private Companies)	
Chairman/Member of the Committees of the	
Boards of the other	1
Companies in which he is a Director as on	
31st March, 2013	

DIRECTORS REPORT

The Directors have pleasure in presenting their 22ndAnnual Report on the business and operations of the Company for the year ended on 31st March, 2013.

Financial Results: (Rs. In Lacs)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012	
Sales	48017.21	22816.59	
Other Income	121.20	73.56	
Profit before Depreciation, Finance Cost,	2235.45	1914.14	
Exceptional Items and Taxation			
Less: Depreciation and amortization	148.09	165.44	
Profit before Finance Cost, Exceptional Items	2087.36	1748.69	
and Taxation			
Less: Finance Cost	816.65	706.82	
Profit before Exceptional Items and Taxation	1270.70	1041.87	
Less: Exceptional Items	291.43	299.92	
Profit (Loss) before Taxation	979.27	741.95	
Less: Provision for Tax - Current Tax	317.52	59.45	
(Including MAT Credit entitlement			
and previous year tax)			
Less: Provision for Tax - Deferred Tax	32.34	12.03	
Profit for the year	694.08	694.52	
Add: Balance of profit for earlier years	1595.55	-280.09	
Profit available for appropriation	2289.63	414.43	
Less: Proposed Dividend	73.90	63.30	
Less: Income tax on Proposed Dividend	11.99	10.27	
Balance Carried Forward	2203.74	340.86	

• The Balance of profit for earlier year for 31stMarch, 2012 has been increased from Rs. (280.09/-) lacs to Rs. 1595.55 lacs as on 31st March, 2013 due to approval of the Composite Scheme of Arrangement and Amalgamation of VHCL Industries Ltd. with Jhaveri Weldflux limited (now Known as VHCL Industries Limited).

Dividend:

Your Directors are pleased to recommend a Dividend of Rs. 0.20 paisa per share (10%) on 36951970 Equity Share of the face value of Rs. 2/- each, amounting to Rs. 7390394/- (excluding Corporate Dividend Tax Rs. 1198907) payable to those Shareholders whose names appear in the Register of Members as on the Book closure date.

Financial Performance:

The sales of the Company increased to Rs. 48017.21 Lacs from Rs. 22816.59 Lacs in the previous year, at a growth rate of 110.45%. The Profit before Depreciation, Finance cost, exceptional item and Tax increased from Rs.1914.14 Lacs in the preceding financial year to Rs. 2235.45 Lacs in the year under Report. The Profit after tax for the current year of Rs. 694.08 Lacs was lower as compared to Rs. 694.52 Lacs in the previous year due to increase in finance cost and forex loss.

Increase in Share Capital:

During the year, the Company have allotted 94,00,000 warrants of Rs. 2/- each at a premium of Rs. 32/- each convertible into one Equity share of Rs. 2/- each to various Investors (Non Promoter) as per the special resolution passed on 24th December, 2012 by the shareholders through postal ballot.

During the year, out of 9400000 convertible warrants, the Company has issued 5300000 Equity Shares of Rs. 2/- each on account of conversion of Convertible Warrants at a premium of Rs. 32/- per share on preferential basis on 05th February, 2013. The issue proceeds have been utilized for long term working capital, for expansion and support growth plans of the Company and/or general corporate purpose. As a result of this, issued, subscribed and paid up Equity share capital increased from Rs. 6,33,03,940/- divided into 3,16,51,970 equity shares of Rs. 2/- each in the previous year to Rs. 7,39,03,940 divided into 3,69,51,970 shares of Rs. 2/- each as at 31st March, 2013.

Directors:

During the year Shri Pankaj Valia has appointed as a Managing Director of the Company for a period of five (5) years with effect from 27th October, 2012 at a remuneration of Rs. 250000/- per month or Rs. 30,00,000/- per annum as approved by the Members / shareholders of the Company through Postal ballot.

Mr. Atul Mehta has resigned from the Board with effect from 06th September, 2012 and Mr. Mitesh Dani and Mr. Jayesh Jhaveri have resigned from the Board with effect from 02nd January, 2013. The Board places on record their appreciation for valuable service rendered by them to the Company during their tenure as Director of the Company.

Director's Responsibility Statement:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors confirm as under:

- a) that in the preparation of annual accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- b) that the Directors have selected such Accounting policies and applied them consistently and 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 the financial year and of the profit or loss of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) that the Directors have prepared the Annual Accounts on a going concern basis.

Management Discussion And Analysis Report:

In Compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report form part of the annual report.

Corporate Governance:

In Compliance with Clause 49 of the Listing Agreement with the Stock Exchange, a detailed Corporate Governance Report forms part of the annual report.

The requisite certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of annual report.

Auditor And Auditor's report:

M/s Sarda Soni Associates, Chartered Accountants, will retire at the ensuing Annual General Meeting and being eligible are proposed to be reappointed. The Audit Committee recommends the re-appointment of M/s Sarda Soni Associates, Chartered Accountants, as Statutory Auditors of the Company.

As required under the provisions of Sections 224 (1B) of the Companies Act, 1956, the Company has obtained a written Certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

The observations of the Auditors in their report, read with the accounts are self-explanatory and therefore do not require further explanation.

Audit Committee:

 $The \ composition \ of \ Audit \ Committee \ is \ as \ given \ in \ the \ Report \ on \ Corporate \ Governance.$

<u>Shareholders/Investor Grievance Committee:</u>

The composition of Shareholders'/Investor Grievance Committee is as given in the Report on Corporate Governance.

Energy conservation, technology absorption and foreign exchange earnings and outgo:

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in Annexure "A" to this report.

Public Deposits:

The Company has not accepted/invited any Public Deposits during the year under report.

Particulars of employees:

The Company has no employee in the category specified under Section 217(2A) of the Companies Act. 1956.

Acknowledgements:

Your Board of Directors is pleased to place on record their appreciation of the cooperation and support extended by all India financial institutions, banks, Central and State Government authorities, Customers, Vendors and members during the year under review.

Your Directors also wish to place on record its appreciation of the valuable services rendered by the executives, staff and workers of the Company.

For and on behalf of the Board

Sd/-PANKAJ VALIA Chairman and Managing Director

Place: Mumbai Date: 29th May, 2013

ANNEXURE 'A' TO DIRECTORS' REPORT

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under:

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM - A IS GIVEN HERE UNDER:

A.	POV	WER AND FUEL CONSUMPTION		2012-13	2011-12
1.	ELF	CCTRICITY (FOR MANUFACTURING)			
	(a)	Purchased			
		Unit	KWH	1668000	1664160
		Total Amount	Rs.	6941003	6841118
		Rate/Unit (average)	Rs./ KWH	4.16	4.11
	(b)	Own generation (Through Diesel Generator)			
		Through HSD (Unit) in ltrs		116620	84432
		Total Amount	Rs.	6014976	3836431
		Rate per Litre of Diesel Oil	Rs/ litre	51.59	45.44
		Through Steam/ Turbine Generator		Nil	Nil
2.	Coa	I		Nil	Nil
3.	Furnace Oil				
	Qua	ntity	MT	Nil	Nil
	Total Cost		Rs.	Nil	Nil
	Ave	rage rate	Rs./MT	Nil	Nil
4.	Other/ internal generation				
	(a)	Low Sulphur Heavy Stock (LSHS)		Nil	Nil
		Quantity	MT	Nil	Nil
		Total Cost	Rs. Lakh	Nil	Nil
		Average Rate	Rs./MT	Nil	Nil
	(b)	Internally Generated Fuel		Nil	Nil
В.	Con	sumption per unit of Production			
	Proc	luct Unit		PerTonne	Per Tonne
	Plastic Granules KWH			53.58	89.13

RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Future plan of action

We will focus on constant upgradation of Technology for recycling of plastic waste.

- B. Technology absorption:
- 1. Efforts in brief made towards technology absorption, adaption and innovation.

No new technology was introduced during the Year ended 2012-2013

- 2. Benefits derived as a result of the above efforts:Nil
- 3. In case of imported technology technology (imported during the last 5 years reckoned from the beginning of the financial year): Nil
- C. Foreign Exchange Earnings and Outgo
- 1. Earning-FOB value of Exports: Nil
- 2. Outgo-CIF Value of Imports;

US \$ 65,747,563.00 (equivalent in Rs. 3591279845/-)

For and on behalf of the Board

Sd/-PANKAJ VALIA Chairman and Managing Director

Place: Mumbai **Date:** 29/05/2013