

**VARDHMAN CONCRETE LIMITED**

**28<sup>TH</sup> ANNUAL REPORT**

**2010-2011**

**NOTICE**

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

**ORDINARY BUSINESS:**

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

**SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board

Dated: 30.08.2011  
Place: Mumbai

--SD--  
Ramesh Vardhan  
Chairman & Managing Director

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

--SD--  
Rajesh Vardhan  
Jt. Managing Director

## NOTES:

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

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

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

• Directorships doesnot include directorships of private limited companies

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

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

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

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

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

Dated: 30.08.2011

Place: Mumbai

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

By Order of the Board

----SD----

Ramesh Vardhan  
Chairman & Managing Director

----SD----

Rajesh Vardhan  
Jt. Managing Director



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

**Item No. 5**

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

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

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

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

**Item No. 6**

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

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

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

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

**Item No. 7**

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

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

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

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

Dated: 30.08.2011

Place: Mumbai

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

By Order of the Board

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

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

DIRECTOR'S REPORT

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

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

DIVIDEND:

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

BOARD OF DIRECTORS:

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

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

AUDITORS :

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

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

AUDITORS REPORT:

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

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