

# **VARDHMAN CONCRETE LIMITED**

**29<sup>TH</sup> ANNUAL REPORT  
2011-2012**

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**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 Ghyanishyam 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 Ghyanishyam 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 27<sup>th</sup> 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 31<sup>st</sup> 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 17<sup>th</sup> July 2012 and who shall hold office up to the date of the forthcoming 29<sup>th</sup> 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: 29<sup>th</sup> 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 21<sup>st</sup> April 2011 and 29<sup>th</sup> 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 |
|--------------------|------------------------------|-----------------------------|--------------------|--|----------------|
|--------------------|------------------------------|-----------------------------|--------------------|--|----------------|

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 <sup>th</sup> June 1947   | 01 <sup>st</sup> July 1966             | 03 <sup>rd</sup> April 1991  |
| Date of Appointment        | 31 <sup>st</sup> January 2008  | 20 <sup>th</sup> November 2006         | 17 <sup>th</sup> July 2012   |
| Directorships              | 1. WingFan India Private Limited<br>2. Bioveeta Laboratories Private Limited<br>3. Biolife Healthcare( INDIA ) Private Limited | 1. Vardhan Capital and Finance Limited | 1. Novel Agroconcepts Private Limited<br>2. Sea Shore Developers Private Limited<br>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 17<sup>th</sup> 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: 29<sup>th</sup> 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 31<sup>st</sup> 2012.

**Financial Results:**

The key financial parameters for the year ended March 31<sup>st</sup> 2012 are:

(Rs. In Lakhs)

| Particulars                                    | Year ended<br>31.03.2012 | Year ended<br>31.03.2011 |
|--|--------------------------|--------------------------|
| Total Income                                   | 421.50                   | 646.75                   |
| Profit Before tax                              | (86.50)                  | (210.10)                 |
| <b>Less: Income-Tax including deferred tax</b> | (6.49)                   | (5.81)                   |
| <b>Profit/Loss after tax</b>                   | (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 15<sup>th</sup> 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 13<sup>th</sup> February 2012 & 29<sup>th</sup> July 2012 respectively.

Mr. Naman Seth was appointed as additional Director during the year with effect from 17<sup>th</sup> 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: 29<sup>th</sup> 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**

|           |   |   | <b>2011-2012</b><br><b>(Rs. In lakhs)</b> | <b>2010-2011</b><br><b>(Rs. In lakhs)</b> |
|-----------|---|---|---|---|
| 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>B)</b> | <b>CONSUMPTION PER UNIT OF PRODUCTION</b> |   |   |   |
|           | 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

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