

VARDHMAN CONCRETE LIMITED

Annual Report
2009-2010

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Vardhman Concrete Limited (The Company) will be held on Thursday 30th December 2010 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 year ended 30th June 2010 and Profit and Loss Account as at that date together with the Reports of the Directors and Auditors.
- 2) To re appoint M/s Choksi & Choksi, Chartered Accountants, Mumbai as the Statutory Auditors of the 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. Rohit Kapadia who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Arvind Kothari who retires by rotation and being eligible offers himself for re-appointment.

By Order of the Board



Ramesh Vardhan
Chairman & Managing Director

Dated: 03.12.10
Place: Mumbai

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



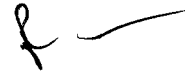
Rajesh Vardhan
Jt. Managing Director

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 Friday, 24th December 2010 to Thursday, 30th December 2010(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. LinkIntime 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.

Dated: 03.12.10
Place: Mumbai

By Order of the Board



Ramesh Vardhan
Chairman & Managing Director

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



Rajesh Vardhan
Jt. Managing Director

DIRECTOR'S REPORT

Your Directors present the Twenty Seventh Annual Report along with the Audited Statement of Accounts for the financial year ended 30th June 2010

<u>FINANCIAL RESULTS</u>	Year ended 30/6/2010 (Rs. in lakhs)	Period ended 31/3/2009 (Rs. in lakhs)
Income from operation & other income	977.96	531.01
Profit before depreciation and tax	(248.38)	(424.33)
Depreciation	29.86	39.78
Income-Tax including deferred tax	(3.83)	1.81
Profit after Tax	(274.41)	(465.93)
Add: Balance B/f.	(1122.94)	(658.06)
Balance C/f. to Balance sheet	(1419.46)	(1122.94)

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. Rohit Kapadia and Mr. Arvind Kothari retire by rotation and being eligible offer themselves for re-appointment.

Mr. Dilip Vardhan resigned as a Director of the company w.e.f. 28th April 2010

There were no other changes amongst the Directors

AUDITORS :

M/s. Chokshi & Chokshi, Chartered Accountants retire at the forthcoming Annual General Meeting of the Company and it is proposed to re appoint them as the Auditors of the company to hold office from the conclusion of the forthcoming Annual General Meeting to the conclusion of the next Annual General Meeting of the company.

AUDITORS REPORT:

With reference to the Qualifications made by the Auditors in their Report for the financial period ended 30th June 2010. 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 reviving 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.

The doubtful debtors are written off and the balances which are mentioned in the accounts are recoverable and the company is in the process of recovering the same. As of the creditors the company considers them good and payable.

Rs. 90.52/- lakhs is included in advances in respect of invoked bank guarantee as it was wrongly invoked and the company is in the process of recovering it back from the party.

There are certain claims and matters under pending arbitration matters for variation of works and one side claims made by the company, the company is seeking legal advice and that none of the counter claims are legally teneable. Any decision on the claims may not have significant impact on the networth and financial statements of the company.

The other comments made by the Auditors are self explanatory.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act 1956 the Directors confirm the following in respect of the audited annual accounts for the financial period ended 30th June 2010.

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgment and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the period ended 30th June 2010 and of the loss of the Company for that period.

- iii) that the Directors has taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and deflecting fraud and other irregularities.
- iv) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

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

CHANGE IN NAME :

The name of the company was changed from Stresscrete India Limited to Vardhman Concrete Limited with effect from 22nd April 2010

CONSERVATION OF ENERGY AND FOREIGN TECHNOLOGY ABSORBTION:

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

LISTING:

The Company's Shares are listed in the Bombay Stock Exchange, Mumbai. The Directors regret the suspension of trading of the shares and is in process to revoke the same.

CASH FLOW STATEMENT:

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

ACKNOWLEDGEMENT:

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

By Order of the Board



Ramesh Vardhan
Chairman & Managing Director



Rajesh Vardhan
Jt. Managing Director

Dated: 03.12.10
Place: Mumbai

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

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

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:
Nil

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

Nil

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

N.A.

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

N.A.

FORM – A
(See Rule 2)

Form for disclosure of particulars with respect to conservation of energy

A) POWER AND FUEL CONSUMPTION

	2009-2010	2008-2009
	(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 (Rs.)))
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

	2009-2010 (Rs. In lakhs)	2008-2009 (Rs. In lakhs)
Capital	Nil	Nil
Recurring	Nil	Nil
Total R & D expenditure as Percentage of turnover	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

Financial performance: 2009-2010

During the year the Company earned an income from operations and other income of Rs.977.97 lakhs as against Rs. 531.01 lakhs achieved during the corresponding period of previous year. After offsetting the expenses the Company incurred a loss of Rs.274.41 lakhs during the year as against Rs. 465.93 lakhs incurred during the corresponding previous year.

Business environment and future prospects of the Company.

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

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

The turnover of the company has significantly increased from about Rs 5.3 cr (in 15 Months) to Rs. 9.9 cr, which a strong signal that the efforts laid by your company towards marketing and focus on execution have started to bear fruits. The net loss of your company has reduced a little in the current year as compared to the previous year. This is because your Company was executed more works and better profitable ones. Your Company has set up a project appraisal team which closely evaluates the projects to be undertaken and bid for so that future projects are financially viable. The management of your company has undertaken severe cost cutting measures to reduce the overhead cost burden on the financial performance of the company.

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

Risks and concerns

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

Internal Control system :

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

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

Human Resources :

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

Safety and Welfare measures:

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

M/s. Vardhman Concrete Limited,
Survey No. 35/10
Lohop Village,
Khalapur Taluka,
Nr. Vithoba Industrial Estate,
Raigad Dist. Maharashtra 410206

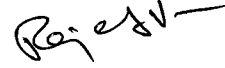
Address for Correspondence:

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

By Order of the Board



Ramesh Vardhan
Chairman and
Managing Director



Rajesh Vardhan
Jt. Managing Director

Dated : 03.12.10
Place : Mumbai

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

CORPORATE GOVERNANCE REPORT

1) PHILOSOPHY

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

2) BOARD OF DIRECTORS:

The Board of Directors has been duly constituted. More than 50% of the Directors are Non Executive and 50% of the Directors are Independent. During the period from 1st July 2009 to 30th June 2010 there were 8 meetings of the Board of Directors held on 6th August 2009, 19th August 2009, 25th September 2009, 21st October 2009, 29th January 2010, 17th February 2010, 15th March 2010 and 28th April 2010

Name of Directors	Category of Directors	Attendance			As on date	
		Board Meeting	Last AGM	*Other Directorship	Committee Position as Members including this company	Chairman
Mr.Ramesh B. Vardhan	Promoter , Chairman and Managing Director	8	Yes	2	1	5
Mr.Rajesh B. Vardhan	Promoter Joint Managing Director	8	Yes	2	1	Nil
Mr. Dilip Vardhan Resigned w.e.f 28 th April 2010	Promoter Non Executive	5	Yes	2	2	Nil
Mr. Anshul G. Gupta	Promoter Executive	8	Yes	Nil	1	Nil
Mr.Rohit Khimchand Kapadia	Independent Non Executive	7	No	Nil	2	1

Mr. Arvind Kothari	Independent Non Executive	4	No	Nil	1	Nil
Mr. Awadhesh Kumar	Independent and Non Executive Director	5	No	Nil	2	Nil
Mr. Kishore Vussonji	Independent and Non Executive Director	3	No	3		

*does not include directorships of private limited companies

3) **AUDIT COMMITTEE:**

The role of the audit committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and adequacy of the internal control systems.

7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
9. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee reviews the following information:

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

During the year the committee met 4 times on 20/09/2009, 15/10/2009, 20/01/2010 and 24/04/2010. The composition of the committee and the attendance of Directors at these meetings of the committee are as follows:

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

4) **REMUNERATION COMMITTEE:**

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

No meetings were held during the year as there were no appointments/ re appointments or change in remuneration of any Executive Directors.

The Composition of Committee is given below:

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

Details of remuneration of the Directors for the financial period ended 30th June 2009.

Directors.	(Amt in Rs.)		
Name	Salary	Bonus and PF	Total
Mr. Anshul Gupta	600000	78800	678800

5) SHAREHOLDERS AND INVESTOR GRIEVANCES COMMITTEE

a) The composition of Shareholder & Investor Grievance Committee is given below:

Name of Member	Status
Mr. Dilip Vardhan (Resigned on 28/04/2010)	Chairman
Mr. Anshul Gupta	Member
Mr. Ramesh B. Vardhan	Member
Mr. Rohit Kapadia (Appointed as member of the committee and Chairman w.e.f. 28/04/2010)	Chairman

The meetings of the Shareholders & Investors Grievances Committee were held on 04/07/2009, 15/10/2009, 19/11/2009, 15/04/2010 and 13/05/2010

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.

6) GENERAL BODY MEETING :

Location and time of previous Annual General Meetings:

Year	Venue	Date	Time
2008-2009	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr. Vithoba Industrial Estate. Raigad Dist. Maharashtra	30/12/2009	11.00 a.m.
2007-2008	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr. Vithoba Industrial Estate. Raigad Dist. Maharashtra	30/09/2008	11.00 a.m.
2006-2007	Survey No.35/10 Lohop Village, Khalapur Taluka, Nr. Vithoba Industrial Estate. Raigad Dist. Maharashtra	30/11/2007	11.00a.m.

→ The company passed a Special Resolution at AGM held on 30th September 2008 approving the appointment of Mr. Ramesh Vardhan as a Chairman cum Managing Director and the appointment of Mr. Rajesh Vardhan as the Joint Managing Director

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

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

7) **DISCLOSURES:**

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

Disclosure of related party transactions as per AS – 18

I. Particulars of related parties:

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

II. Transaction with Related Parties:

(As per point 4. II of the notes to accounts in Part B of Schedule S of the Balance Sheet)

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

8) MEANS OF COMMUNICATION :

The Quarterly, half-yearly and the annual financial results are furnished to the Bombay Stock Exchange with whom the company has listing arrangements to enable them to put them on their web-sites. However during the year there has been a substantial delay in furnishing the information to the exchange.

9) CODE OF CONDUCT

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

The Company has obtained from all the members of the Board and Senior Management affirmation that they have complied with the Code of Business conduct and Ethics for Directors and Senior Management in respect of the financial period from 1st July 2009 to 30th June 2010

Dated: 03.12.10

Place: Mumbai

By Order of the Board



Ramesh Vardhan
Chairman and Managing Director

10) **GENERAL SHAREHOLDERS' INFORMATION:**

Annual General Meeting :

Date and Time : 30th December 2010 at 11.00 a.m.
Venue : at the Registered office of the Company.
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist. Maharashtra.410206

Financial Calendar (tentative and subject to change)

For the Quarter ended 31/12/2009 last week of January 2011
For the Quarter ended 31/03/2010 last week of April 2011
For the Quarter ended 30/06/2010 last week of January 2011
For the Quarter ended 30/09/2010 last week of October 2011

Book Closure:

From Friday 24th December 2010 to Thursday 30th December 2010 both dates inclusive.

Financial Year :

The Company's financial year is from July to June every year

Dividend:

The company has suffered losses and hence the no dividend is recommended.

Listing On Stock Exchange:

The Stock Exchange Mumbai

STOCK CODE: 531444

High And Low Of Stock Prices:

A monthly High & Low of Stock Prices.

Sr.No	Month	High Rate - Rs.	Low Rate - Rs.
1	July 2009	14.95	11.75
2	August 2009	15.52	10.98

3	September 2009	14.39	12.38
4	October 2009	16.25	14.29
5	November 2009	15.85	14.10
6	December 2009	16.09	13.20
7	January 2010	17.70	13.20
8	February 2010	27.65	18.55
9	March 2010	28.65	22.15
10	April 2010	38.05	23.75
11	May 2010	NT	NT
12	June 2010	NT	NT

* Source: Mumbai Stock Exchange

Registered office & Share Transfer Agent :

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

M/s.Vardhman Concrete Limited,
 Survey No.35/10
 Lohop Village,
 Khalapur Taluka,
 Nr.Vithoba Industrial Estate.
 Raigad Dist. Maharashtra.410206
 Phone No. 02192251069

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

Link Intime Spectrum Registry Ltd.,
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (West),
 MUMBAI - 400 078.
 Phone No.55555454 / Fax No.25672693 / 25689678
 E-mail : isrl@vsnl.com

Share Transfer System :

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

Shareholding Patterns on 30.06.2010

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)[1]	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group[2]					
-1	Indian					
(a)	Individuals/ Hindu Undivided Family	15	1666259	1605059	23.283	23.283
(b)	Central Government/ State Government(s)					
(c)	Bodies Corporate					
(d)	Financial Institutions/ Banks					
(e)	Any Other (specify)					
	Directors	4	1262100	1262100	17.635	17.635
	Relatives of Promoters/ Directors	2	500000	300000	6.987	6.987
	Sub-Total (A)(1)	21	3428359	3167159	47.905	47.905
-2	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)					
(b)	Bodies Corporate					
(c)	Institutions					
(d)	Any Other (specify)					
	Sub-Total (A)(2)	0	0	0	0.000	0.000
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	21	3428359	3167159	47.90	47.90
(B)	Public shareholding[3]					
-1	Institutions					
(a)	Mutual Funds/ UTI					

(b)	Financial Institutions/ Banks					
(c)	Central Government/ State Government(s)					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other (specify)					
	Foreign Mutual Fund					
	Sub-Total (B)(1)	0	0	0	0.000	0.000
-2	Non-institutions					
(a)	Bodies Corporate	48	1009189	998289	14.102	14.102
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	1552	922382	459857	12.889	12.889
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	35	1281112	1189512	17.901	17.901
(c)	Any Other (specify)					
	1. OCB's					
	2. Foreign Company					
	3. Clearing members	10	10146	10146	0.142	0.142
	4. Market Maker					
	5. Foreign Nationals					
	6. NRIs	10	505011	409911	7.057	7.057
	7. NRN	3	401	401	0.006	0.006
	7. Trusts					
	Sub-Total (B)(2)	1658	3728241	3068116	52.095	52.095
	Total Public Shareholding (B)= (B)(1)+(B)(2)	1658	3728241	3068116	52.095	52.095
	TOTAL (A)+(B)	1679	7156600	6235275	100.000	100.000
(C)	Shares held by Custodians and against which Depository Receipts					

	have been issued					
	GRAND TOTAL (A)+(B)+(C)	1679	7156600	6235275	100.000	100.000

Investors' Grievances :

There were no pending Investor Grievances as on 30th June 2010.

Plant Locations:

M/s.Vardhman Concrete Limited,
Survey No.35/10
Lohop Village,
Khalapur Taluka,
Nr.Vithoba Industrial Estate.
Raigad Dist. Maharashtra.410206
Phone No.: 02192 251069

Address for correspondence :

M/s.Vardhman Concrete Limited,
120, Commerce House,
N.M. Road, Fort
MUMBAI - 400 001.
Phone No. 022- 22626660

By Order of the Board



Ramesh Vardhan
Chairman & Managing Director



Rajesh Vardhan
Jt. Managing Director

Dated: 03.12.10
Place: Mumbai

Registered Office :

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

Priti J. Sheth & Associates

Company Secretaries

Office No. 17, 1st Floor, Gopal Bhavan, 199, Princess Street, Mumbai - 400 002
Tel.: 022-22069630, Fax 022- 66511060 E-Mail : pritijsbeth@gmail.com

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 June 30, 2010 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 complied to a certain extent with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement to a and

- i) The company has not made timely submissions of Quarterly Results, Shareholding patterns, Reconciliation of Share Capital Audit, Quarterly Corporate governance report, Annual Reports and other submissions to the Stock Exchange as required in accordance to the Listing agreement and the trading of the shares of the company has been suspended from May 2010
- ii) There have been minor delays in the Share transfer procedures.
- iii) The company is in process of appointing a Company Secretary.

We further state that such compliance is neither an 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: 03.12.10**

AUDITORS' REPORT

TO THE MEMBERS OF VARDHMAN CONCRETE LIMITED

1. We have audited the attached Balance Sheet of VARDHMAN CONCRETE LIMITED (formerly known as Stresscrete India Ltd.) ("the Company") as on 30th June, 2010 and the related Profit and Loss Account and the Cash Flow Statement of the Company for the year 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. 5,607,945 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. however the Company have large order in hand hence its ability to continue, is dependent on the generation of cash flow and profits from there execution. The Company has prepared their accounts on "going concern" basis (Refer Note 13, Schedule S to notes to accounts).*
- b. *The Company has long outstanding dues of Rs.410.46 lacs receivable from a debtor and further dues in respect of a bank guarantee of Rs.90.52 lacs included under the head "Advance Receivable In Cash Or Kind" invoked by them, is considered doubtful and not provided for. (Refer Note 15, Schedule S to notes to accounts).*
- c. *In the absence of individual confirmation of Sundry Debtors Rs. 59,762,792/,(including un provided non moving debtors of Rs.41,045,739/-) Loans and Advances given Rs. 40,297,620/-, Sundry Creditors of Rs21,361,078/-(including unadjusted non moving creditors of Rs.4,557,791/- Advance from customers Rs.29,307,742/-, Other liabilities of Rs6,562,359/- and Fixed Deposit with a bank for Rs.411,562/- all are taken correct as per books of account (Refer Note 15, Schedule S to notes to accounts). This may affect financial statements.*
- d. *There are certain claims and matters under arbitration which may have significant impact on the net worth and the financial statements of the Company and not quantifiable. (Refer Note 1(b) & 1(c) of Schedule S to notes to accounts)*

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

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

5. *Subject to our observations in Para 4 above and further to our comments in the Annexure referred to in paragraph 3 above, we state that:*

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examinations of the books.
- c. The Balance Sheet, Profit and Loss Account & the Cash Flow statements dealt with by this report are in agreement with the Books of Account.
- d. Based on the written representations received from Directors of the Company and taken on record by the Board of Directors and on the basis of information and explanations given to us, none of the directors of the Company as on 30th June, 2010 disqualify from being appointed as director within the meaning of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- e. In our opinion, the Profit and Loss Account, the Balance Sheet & the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Para 4 as stated above, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - i) in the case of the Balance sheet, of the state of affairs of the Company as on 30th June, 2010,
 - ii) in the case of Profit and Loss Account, of the loss for the year ended 30th June 2010 and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Mumbai
Dated: 03rd December 2010



For CHOKSHI & CHOKSHI
Chartered Accountants
Firm Reg. No. 101872W

D. J. Parikh
D. J. Parikh
(Partner)
M.No.35305

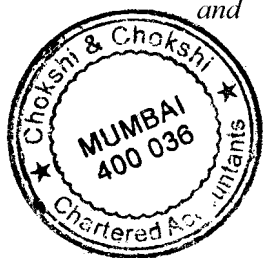
Annexure to the Auditors' Report

With reference to the Annexure referred to in paragraph 3 of the report of the Auditors to the Members of VARDHMAN CONCRETE IMITED, on the accounts for the year ended 30th June, 2010 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) No Fixed Assets have been disposed off during the period.
- (ii) (a) As explained to us, the inventories have been physically verified by the site-in charge of the respective sites at year end. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is considered to be reasonable
- (c) As per the information and explanations given to us, the Company is maintaining proper records of inventory. In our opinion, discrepancies if any, noticed on physical verification of stocks, to the extent verified, were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) (a) In our opinion and according to the information and explanations given to us, the Company has not given any secured or unsecured loans to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and hence reporting under clause (iii) (b), (c) and (d) in respect of the other terms and condition is not applicable to the Company in this respect.
- (e) During the period the Company has taken/ repaid loans including those outstanding of earlier years of parties covered in the register maintained under section 301 of the Companies Act 1956. The numbers of parties involved are four. The maximum amount outstanding during the period aggregates to Rs.45, 697,030/- and the end of the period outstanding balance of the said loans is Rs. 45,697,030/-.
- (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 transactions of sale of services in excess of Rs.5 lacs with one such party and as per the informations and explanations given, the prices in respect of the same are considered to be reasonable in the available circumstances.
- (b) Transactions made in pursuance of contract have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) (a) According to the information and explanations given to us, the Company has not accepted a deposits as referred to in Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed there under.
- (b) According to the information and explanations given to us, there have been no proceedings before the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any court and any other Tribunal in this matter.
- (vii) During the period under review, the Company has an internal audit system, done by an independent Chartered Accountant, is commensurate with its size and nature of business.
- (viii) As per the information and explanations given to us, the Central Government has not prescribed the maintenance of Cost Records under section 209 (i) (d) of the Companies Act, 1956 in respect of any products of the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Wealth tax, , Custom Duty cess, Works Contract Tax, Service tax and TDS and other statutory dues wherever applicable and there are non undisputed dues outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts of disputed statutory dues which have not been deposited with the concerned authorities.
- (x) The Company has accumulated losses of more than 50% of its net worth at the end of the financial year and has incurred cash losses of during the year and also in immediately preceding financial period. *The Company is a sick Company in terms of the Sick Industrial Companies (Special Provision) Act, 1985. The Company has not made an application, to Board for Industrial and Financial Reconstruction for being declared as a Sick Company.*



- (xi) *In our opinion and according to the information and explanation given to us, during the year, the Company has defaulted in payment of interest of Rs. 5,607,945 /- to a bank. The details are as follows:*

S. NO.	MONTH	AMOUNT DUE (Rs.)	DUE DATE
1	JULY 09	449,632	07.08.2009
2	AUG 09	447,080	07.09.2009
3	SEPT 09	437,667	07.10.2009
4	OCT 09	458,562	07.11.2009
5	NOV 09	450,055	07.12.2009
6	DEC 09	471,600	07.01.2010
7	JAN 10	478,427	07.02.2010
8	FEB 10	438,367	07.03.2010
9	MAR 10	491,664	07.04.2010
10	APRIL 10	482,674	07.05.2010
11	MAY 10	505,732	07.06.2010
12	JUNE 10	496,485	07.07.2010
		5,607,945	

- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Clause (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company as the Company is not a chit fund Company or nidhi /mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period and hence reporting thereof does not arise.
- (xvi) According to the information and explanation given to us, the term loans raised have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long term investment.
- (xviii) The Company has not made nay preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act. 1956.
- (xix) The Company did not have any outstanding debentures during the period. Accordingly, no securities have been created.



- (xx) The Company has not raised any money by public issues during the year. Hence the question of verification and reporting in respect of use of such monies does not arise.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.



Place: Mumbai
Dated: 03rd December 2010

For CHOKSHI & CHOKSHI
Chartered Accountants
Firm Reg. No. 101872W

B. J. Parikh
B. J. Parikh
(Partner)
M.No.35305

VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)
BALANCE SHEET AS ON 30TH JUNE, 2010

<u>Schedule</u>	<u>As at 30.06.2010 Rs.</u>	<u>As at 30.06.2009 Rs.</u>
<u>SOURCES OF FUNDS :</u>		
SHAREHOLDERS' FUNDS :		
Share Capital	A 73,136,250	73,136,250
Reserves & Surplus	B 13,572,391	13,719,415
LOAN FUNDS :		
Secured Loans	C 42,142,364	37,446,862
Unsecured Loans	D 115,701,530	94,024,470
Deferred tax Liability (Net)	6,598,038	6,968,277
	<u>251,150,573</u>	<u>225,295,274</u>
<u>APPLICATION OF FUNDS:</u>		
FIXED ASSETS		
Gross Block	E 89,879,327	82,323,769
Less : Depreciation	52,300,307	49,167,371
Net Block	<u>37,579,020</u>	<u>33,156,398</u>
Investments	F 450	450
Current Assets, Loans & Advances :		
Inventories	G 17,703,452	14,991,834
Sundry Debtors	H 59,762,792	51,996,956
Cash & Bank Balances	I 6,708,398	6,111,321
Loans & Advances	J 45,689,796	30,767,402
	<u>129,864,438</u>	<u>103,867,513</u>
Less : Current Liabilities & Provisions :		
Current Liabilities	K 57,231,179	23,113,672
Provisions	L 1,008,982	953,450
	<u>58,240,161</u>	<u>24,067,122</u>
NET CURRENT ASSETS	71,624,277	79,800,391
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses	-	43,605
Profit & Loss Account	141,946,826	112,294,430
	<u>251,150,573</u>	<u>225,295,274</u>

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

Subject to our Report on even date

For CHOKSHI & CHOKSHI
Chartered Accountants

Dilip J. Parikh
DILIP J. PARIKH
(Partner)



Place : Mumbai

Dated : 03/12/2010

For VARDHMAN CONCRETE LIMITED

Ramesh B. Vardhan
1. RAMESH B. VARDHAN - Chairman

Rajesh B. Vardhan
2. RAJESH B. VARDHAN - Director

VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2010

INCOME:		12 months ended 30.06.2010 Rs.	15 months ended 30.06.2009 Rs.
Income from Operations	M	97,282,582	50,221,512
Other Income	N	514,258	2,880,320
TOTAL (A)		97,796,840	53,101,832
EXPENDITURE:			
(Increase)/Decrease in Prefabricated Good	O	(3,797,838)	(929,474)
Cost of construction/development	P	104,823,973	59,313,274
Administrative and other Expenses	Q	21,565,926	19,121,840
Depreciation		3,132,936	4,161,591
Less: Transfer from Revaluation Reserve		147,024	2,985,912
Sundry Debtors/Creditors written off		-	183,780
Preliminary Expenses written off		43,605	3,977,811
TOTAL (B)		125,621,578	99,513,453
Profit / (Loss) before tax		(27,824,737)	(46,411,621)
Less: Provision for			
Current Tax		-	-
Deferred Tax		(370,239)	101,006
Fringe Benefit Tax		(13,000)	80,000
		(27,441,498)	(46,592,627)
Add / (Less) : Prior year Adjustments.	R	(2,210,898)	104,551
Profit / (Loss) after tax & prior period adjustments		(29,652,396)	(46,488,076)
Add : Balance brought forward		(112,294,430)	(65,806,354)
Balance Profit/(Loss) carried to Balance Sheet		(141,946,826)	(112,294,430)
Earning per share		(4.17)	(6.38)
Diluted per share		(4.17)	(6.38)
Significant Accounting Policies and Notes	S		
Forming Part of Profit & Loss Account			

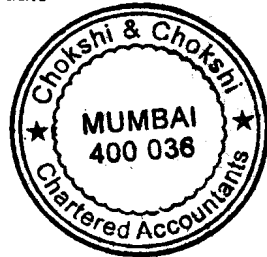
Subject to our Report on even date

For CHOKSHI & CHOKSHI
Chartered Accountants

Dilip J. Parikh
DILIP J. PARIKH

Place : Mumbai

Dated : 03/12/2010



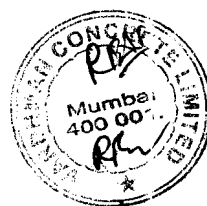
For VARDHMAN CONCRETE LIMITED

Ramesh B. Vardhan
1. RAMESH B. VARDHAN - Chairman

Rajesh B. Vardhan
2. RAJESH B. VARDHAN - Director

VARDHMAN CONCRETE LIMITED

	As on 30.06.2010 Rs.	As on 30.06.2009 Rs.
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised :	<u>100,000,000</u>	<u>100,000,000</u>
10,000,000 Equity Shares of Rs.10/- each		
Issued, Subscribed and Paid up :		
7,156,600 Equity Shares of Rs.10/- each, fully called up (Previous Year 7,400,000 Equity Shares of Rs.10 each, fully called up)	71,566,000	74,000,000
<p>(of the above, 450,000 Bonus Shares of Rs. 10/- each fully paid up were issued by capitalisation of Share Premium in 1995-96 and 750,000 Equity Shares of Rs.10/-each were allotted as fully paid up Bonus Shares, out of which 440,000 Equity Shares were issued by capitalisation of Revaluation Reserve and balance 310,000 Equity Shares from General Reserve)</p>		
Less : Calls in arrears		863,750
Call Money received during the year	-	863,750
	-	73,136,250
Add: Forfeited Shares (Originally Paid up value)	1,570,250	-
	<u>73,136,250</u>	<u>73,136,250</u>
SCHEDULE 'B'		
RESERVES & SURPLUS		
Share Premium	12,600,000	12,600,000
Revaluation Reserve		
Balance brought forward	1,119,415	1,303,195
Less : Depreciation on revalued assets	<u>147,024</u>	<u>183,780</u>
	972,391	1,119,415
Capital Reserve		-
	<u>13,572,391</u>	<u>13,719,415</u>



VARDHMAN CONCRETE LIMITED.

FIXED ASSETS AS ON 30TH JUNE, 2010

SCHEDULE - E

Description of the Asset	Rate	As on		Gross Block		Depreciation		Net Block	
		01.07.2009	30.06.2010	As on	As on	For	As on	As on	As on
		Rs.	Rs.	Rs.	Rs.	the Year	30.06.2010	30.06.2010	Rs.
Land - Freehold		1,891,040	1,891,040	-	-	-	-	1,891,040	1,891,040
Factory Building	3.34%	15,307,272	15,307,272			511,263	6,572,410	8,734,862	9,246,124
Residential Flat	1.63%	538,596	538,596			8,779	157,581	381,015	389,794
Plant & Machinery	4.75%	40,414,526	41,125,075	710,549	1,934,663		23,793,589	17,331,486	18,555,600
Moulds #	11.31%	18,046,188	18,046,188				17,143,879	902,309	902,309
Moulds ##	11.31%	578,003	7,342,699	6,764,696			363,302	6,913,219	511,825
Electrifications	4.75%	1,771,777	1,771,777				84,159	721,683	805,843
Furniture and Fixtures	6.33%	837,612	837,612				53,021	160,468	213,489
Computers #	16.21%	911,322	911,322					45,566	45,566
Computers ##	16.21%	-	80,313	80,313				77,300	-
Office Equipments	4.75%	266,958	266,958				3,013	101,541	114,221
Air Conditioner	4.75%	109,268	109,268				5,190	37,406	42,596
Vehicles	9.50%	1,651,207	1,651,207				156,865	281,126	437,990
Total		82,323,769	89,879,327	7,555,558	-	3,132,936	52,300,307	37,579,020	33,156,398
Previous year		81,559,118	82,323,769	764,651	-	4,161,591	49,167,371	33,156,398	36,553,338

* Assets revalued in March 1994 and the amount of increase in values is :

Premises (existing at that time) and Flat Rs. 408,252/- and Plant & Machinery Rs. 2,961,938/-

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



VARDHMAN CONCRETE LIMITED

SCHEDULE 'C'

SECURED LOANS

	As on 30.06.2010 Rs.	As on 30.06.2009 Rs.
Working Capital facilities from Development Credit Bank Limited	36,029,235	31,128,591
1.Pari passu charge on basis with Indian Overseas Bank (IOB) on Company's Land & Building, Plant & Machinery, Moulds and other fixed assets at Lohop Factory and at various sites.		
2.Pari passu charge on basis with India Overseas Bank (IOB) on Shop no. 3 & 4 at Vardhaman Vatika, 1st floor, opp Tatvagyan Vidyapeeth, Ghodbunder road, Thane owned by M/s Diwali Developers		
3.Pledge of 2.40 Lacs Shares of the Company in the name of Mr. Ramesh Vardhan & Mr Rajesh Vardhan		
4.Lien of TDR of Rs.7,17,751.00		
Working Capital Facilities from Indian Overseas Bank	6,095,337	6,203,972
1.Pari passu charge on basis with Development Credit Bank (DCB) on Company's Land & Building, Plant & Machinery, Moulds and other fixed assets at Lohop Factory and at various sites.		
2.Pari passu charge on basis with Development Credit Bank (DCB) on Shop no. 3 & 4 at Vardhaman Vatika, 1st floor, opp Tatvagyan Vidyapeeth, Ghodbunder road, Thane owned by M/s Diwali Developers		
3.Pledge of 2.40 Lacs Shares of the Company in the name of Mr. Ramesh Vardhan & Mr Rajesh Vardhan		
4.Lien of TDR of Rs. 35,97,131.00		
Vehicle Loan from Indian Overseas Bank (Secured by Mahindra Jeep)	17,792	114,299
	42,142,364	37,446,862

SCHEDULE 'D'

UNSECURED LOANS

Loan from Directors	-	-
Intercorporate Deposits	115,701,530	94,024,470
	115,701,530	94,024,470

SCHEDULE 'F'

INVESTMENTS

Non-trade, Long-term, Unquoted

20 Equity Shares of Rs.10/- each in Abhyudaya Co-operative Bank Limited	200	200
25 Equity Shares of Rs. 10/- each in Raghuvanshi Co-operative Bank Limited	250	250
	450	450

SCHEDULE 'G'

INVENTORIES (As verified, valued & certified by management)

Construction Materials	5,485,714	6,571,934
Prefabricated Goods	4,414,822	4,414,822
Work-in-Progress	7,802,916	4,005,078
	17,703,452	14,991,834



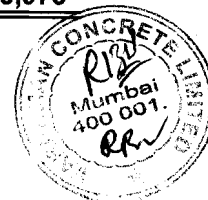
VARDHMAN CONCRETE LIMITED

<u>SCHEDULE H'</u> Sundry Debtors (Unsecured, Considered good)	As on <u>31.03.2010</u> Rs.	As on 30.06.2009 Rs.
Debts outstanding for a period exceeding six months	41,499,143	41,499,143
Other debts	18,263,649	10,497,813
	59,762,792	51,996,956
<u>SCHEDULE 'I'</u>		
CASH AND BANK BALANCES		
Cash on Hand	916,272	315,568
Balance with Scheduled Banks :		
Current Account	1,061,182	2,557,945
Fixed Deposits	4,730,944	3,237,808
<small>(Of the above, Fixed Deposits for Rs.46,33,220/- (Previous year Rs. 28,34,343/-) are lying with banks as security, out of which for Rs. 411,562/- (Previous year Rs. 411,562/-) lying with the vendee*)</small>		
<small>* These securities of Rs.4,11,562/- are not confirmed by bank/ traceable</small>		
	6,708,398	6,111,321
<u>SCHEDULE 'J'</u>		
LOANS & ADVANCES		
<small>(Unsecured, Considered good)</small>		
Security and Other Deposits	24,427,061	13,676,051
Advance Recoverable in Cash or Kind	11,755,892	9,973,591
Tax deducted at Source	5,119,870	3,426,126
Prepaid Expenses	272,306	182,524
Advances to Suppliers	4,114,667	3,509,110
	45,689,796	30,767,402
<u>SCHEDULE 'K'</u>		
Current Liabilities		
Sundry Creditors (Others)	21,361,078	16,467,415
Advances from Customers	29,307,742	3,250,000
Other Liabilities	6,562,359	3,396,257
	57,231,179	23,113,672
<u>SCHEDULE 'L'</u>		
Provisions		
For Gratuity	1,008,982	873,450
Fringe Benefit Tax Payable AY 2009-10	-	80,000
	1,008,982	953,450



VARDHMAN CONCRETE LIMITED

	Year ended 30.06.2010 Rs.	15 months ended 30.06.2009 Rs.
<u>SCHEDULE 'M'</u>		
INCOME FROM OPERATIONS		
Contract Income	97,282,582	50,221,512
	<u>97,282,582</u>	<u>50,221,512</u>
 <u>SCHEDULE 'N'</u>		
OTHER INCOME		
Sale of Scrap	-	1,871,656
Interest from Bank	264,543	301,593
Interest on I. Tax Refund	173,162	22,498
Discount Recd.	5,041	32,360
Miscellaneous Income	(3,208)	67,214
Excess Provision w/back	74,720	584,999
	<u>514,258</u>	<u>2,880,320</u>
 <u>SCHEDULE 'O'</u>		
DECREASE /(INCREASE) IN PREFABRICATED GOODS & WIP		
Closing Stocks	12,217,738	8,419,900
Less : Opening Stocks	<u>8,419,900</u>	<u>7,490,426</u>
	<u>(3,797,838)</u>	<u>(929,474)</u>
	<u>(3,797,838)</u>	<u>(929,474)</u>
 <u>SCHEDULE 'P'</u>		
COST OF CONSTRUCTION/DEVELOPMENT		
Material Consumed	45,504,146	36,921,271
Wages & Labour Charges	4,156,659	4,360,537
Laour-contract Costs	50,255,315	11,651,450
Transport & Octroi Charges	1,041,953	1,584,538
Hire Charges	1,497,767	3,373,036
Repairs and Maintenance	257,860	232,214
Electricity Charges	382,375	940,633
Loose Tools	39,731	24,302
Excise Duty	37,013	1,266
Damage Charges	20,167	22,000
Testing Charges	93,364	14,644
Water Charges	916,273	42,460
Rent Charges	577,850	134,723
Registration Charges	43,500	10,200
	<u>104,823,973</u>	<u>59,313,274</u>



VARDHMAN CONCRETE LIMITED

**Year ended
30.06.2010
Rs.**

**15 months ended
30.06.2009
Rs.**

SCHEDULE 'Q'

ADMINISTRATIVE AND OTHER EXPENSES

Personnel Costs				
Salaries, Wages and Bonus	5,904,578		5,000,454	
Contribution to Provident Fund	100,031		143,250	
Medical allowances	31,954		24,489	
Staff Welfare Expenses	388,368		532,896	
Gratuity	210,252	6,635,183	(507,608)	5,193,481
Managerial Remuneration				
Remuneration	650,000		812,500	
Gratuity	-		-	
Provident Fund	28,800	678,800	36,000	848,500
Travelling Expenses		167,751		354,442
Legal & Professional Charges		837,204		1,317,238
Insurance Charges		90,880		184,278
Interest				
To Bank	6,696,990		6,602,407	
On Car Loan	7,329		17,254	
To Others	2,153,540	8,857,859	57,725	6,677,386
Bank Charges		45,396		411,180
Bank Guarantee Commission		485,865		609,618
Auditors' Remuneration		112,360		112,360
Donation		2,707		377,726
Vehicle Expenses		162,565		140,080
Advertisement		40,564		7,000
Business Promotion Expenses		440,836		17,904
Tender Fees & Expenses		34,500		62,700
Printing and Stationery		115,037		125,085
Conveyance		285,142		466,445
Security Charges		986,920		988,361
Telephone Expenses		114,010		231,935
Postage & Courier Charges		81,080		27,662
Other Expenses		1,293,313		852,906
Internal Audit Fees		88,240		-
House Rent Charges				72,550
Sales Tax				4,204
Profession Tax		9,714		38,799
		21,565,926		19,121,840

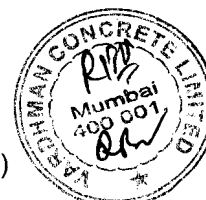
**Year ended
30.06.2010
Rs.**

**15 months ended
30.06.2009
Rs.**

SCHEDULE 'R'

Prior Year Adjustments

Prior Year Expenses	2,214,072		-
Prior Year Taxes	24,933		104,551
Prior Year Adj.	(1,544,294)		-
Sundry Balances W / Off	1,016,187		-
Deposit Writeoff	500,000		-
	2,210,898		104,551



VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)
CASH FLOW STATEMENT FOR THE 12 MONTHS PERIOD ENDED 30th June 2010

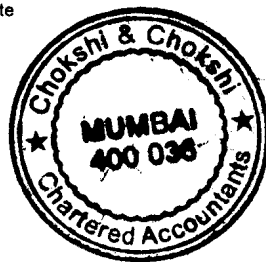
	1.07.09 to 30.06.10 <u>Amt.(Rs)</u>	1.04.08 to 30.06.09 <u>Amt.(Rs)</u>
A) Cash Flow from operating activities		
Net Profit Before Tax and Prior Period Adjustment	(27,865,467)	(46,411,621)
Adjustments for:		
Depreciation	2,985,912	3,977,811
Misc. Expenditure written off	43,605	110,535
Interest received	(264,543)	(301,593)
Interest Paid	8,857,859	6,677,387
Income Tax Paid(net)	13,000	(80,000)
Prior Year Adujustment	(2,210,898)	104,551
Operating Profit before working capital Changes:	(18,440,531)	(35,922,930)
Adjustments for:		
Trade & Other Receivables	(7,765,836)	13,157,654
Inventories	(2,711,618)	(309,160)
Loans & Advances	(14,922,394)	(6,748,856)
Current Liabilities & provisions	34,173,039	3,388,025
Cash generated from operations	(9,667,340)	(26,435,267)
Cash flow before extra ordinary items	(9,667,340)	(26,435,267)
Net Cashflow from operating activities	(9,667,340)	(26,435,267)
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets	(7,555,558)	(764,651)
Net Cash Generated from Investing activities	(7,555,558)	(764,651)
C Cash flow from Financing Activities:		
Proceeds from Secured Loans	4,695,502	10,634,146
Proceeds from Unsecured Loans	21,677,060	26,179,070
Interest Received	264,543	301,593
Interest Paid	(8,857,859)	(6,677,386)
Net Cash generated from Financing Activities	17,779,245	30,437,423
Net Change in Cash & Cash equivalents(A+B+C)	556,348	3,237,506
Cash & Cash Equivalants at 1st July (Op. Bal.)	6,111,321	2,873,815
Cash & Cash Equivalants at 30Th June (Cl. Bal.)	6,708,712	6,111,321
	597,391	3,237,506

Notes:

- 1 Cash flow statement has been prepared following the indirect method except in case of interest paid/received. Purchase & Sale of Investments & taxes paid which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding assets and liabilities.
- 2 Proceeds from long term and other borrowings are shown net of payments.
- 3 Cash and cash equivalents represent cash and bank balances only.
- 4 Inventories are after netting off against advance payment received from customers.
- 5 Previous year's figures have been regrouped/ recast/ rearranged wherever necessary. Current year figures are for 12 months as compared to previous year 15 months, hence not comparable.

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

Dilip Parikh
DILIP J. PARIKH
(Partner)



Place : Mumbai

Dated : 03/12/2010

For VARDHMAN CONCRETE LIMITED

Ramesh B. Vardhan
1. RAMESH B. VARDHAN
(Chairman & Managing Director)

Rajesh B. Vardhan
2. RAJESH B. VARDHAN
(Director)

VARDHMAN CONCRETE LIMITED
(Formerly known as Stresscrete India Ltd.)

SCHEDULE 'S'

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 30th JUNE, 2010 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR
ENDED ON THAT DATE**

A. SIGNIFICANT ACCOUNTING POLICIES

I. METHOD OF ACCOUNTING & REVENUE RECOGNITION

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

II. USE OF ESTIMATES

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

III. FIXED ASSETS

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

previous year and incidental expenses incurred up to the date of commissioning are capitalized on the commencement of commercial production.

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

IV. **IMPAIRMENT OF ASSETS**

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

V. **DEPRECIATION**

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

VI. **INVESTMENTS**

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

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

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

VII. **VALUATION OF INVENTORIES**

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

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

b) **Construction Materials**

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

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

c) **Work in Progress**

Work in Progress is accounted on progressive basis.

VIII. **AMORTISATION**

Pre-operative and preliminary expenses are being amortised.

IX. CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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

X. PRIOR PERIOD ITEMS

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

XI. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account. There are no borrowings for any capital expenditure and hence above standard is not applicable.

XII. RETIREMENT BENEFITS

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

XIII. EMPLOYEE BENEFITS

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

XIV. TAXATION

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

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

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

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

Contingent Liability is disclosed in case of –

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

Contingent Assets are neither recognized nor disclosed.

B. **NOTES TO ACCOUNTS**

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

1. **CONTINGENT LIABILITIES NOT PROVIDED FOR**

- a) Guarantees given by banks in respect of performance bonds and other contracting commitments given in the normal course of business **Rs.19,236,693** /- (*Previous year Rs. 14,718,671/-*).
 - b) The Company has pending claims on customers for variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims for which exact liability can not be ascertained. The Company has received legal advice that none of the counter-claims are legally tenable. Accordingly, no provision is considered necessary in respect of these counter claims.
 - c) The Company has pending arbitration matters for one side for claims and the exact liability and claims are not determinable. There are no claims made against the company what so ever except as stated above. There are no other pending claims against the Company, except above.
 - d) Company has long outstanding dues payable to the creditors that may include amount payable to Micro, Small and Medium Scale Industrial undertakings. Interest on the same, if any, is not quantifiable and not provided for.
2. 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.
3. The Company has a single segment namely, 'Civil construction and allied activities' and hence there are no separate reportable segments as envisaged by the Accounting Standard – 17 (AS 17) on Segment Reporting issued by ICAI.

4. Related Party Disclosures: (as identified by the management)

Disclosure of related party transactions as per AS – 18

I. Particulars of related parties:

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

II. Transaction with Related Parties

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

Other Parties where control exists	Related where control exists	Name of the Company	Opening Bal (Rs.)	Loan Taken Amount (Rs.)	Loan Repaid Amount (Rs)	Amount Outstanding (Rs.)
Inter-corporate Loan taken		Vardhman Growmore Developers P. Ltd.	47009113 (Previous Year Rs.) (33920700)	38439516 (Previous Year Rs.) (17761323)	67110000 (Previous Year Rs.) (4672910)	18338629 (Previous Year Rs.) (47009113)
		Vardhman Home Developers P. Ltd.	47015357 (Previous Year Rs.) (33920700)	37778044 (Previous Year Rs.) (16641587)	62535000 (Previous Year Rs.) (3546930)	22258401 (Previous Year Rs.) (47015357)
		Vardhman Developers Ltd.	0 (Previous Year – NIL)	11000000 (Previous Year – NIL)	5900000 (Previous Year – NIL)	5100000 (Previous Year – NIL)
Sale of Services		Interest paid thereon	Rs.16,57,289/- (Previous Year Rs.) (NIL)			
		Vardhman Developers Ltd.	Rs.21,240,764/- (Previous Year Rs.13,749,121/-)			

5. Earning per Share

		Current Year (Rs.)	Previous Year (Rs.)
I.	Net profit/(Loss) after tax as per Profit & Loss Account for Equity Share Holders (Rs.)	(29,652,396)	(46,488,076)
II.	Weighted average number of Equity Shares Fully paid for Earning per Share Computation (Nos.)	7117868 Nos.	7,303,252 Nos.
III.	Basic/ Diluted Earning per Share (I/II) (Rs.)	(4.17)	(6.38)

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

Name	Salary and Allowance(s) (Rs.)	Contribution to Provident Fund (Rs.)	Total (Rs.)	Previous year Total (Rs.)
Anshul G. Gupta	6,50,000/-	28,800/-	6,78,800/-	8,48,500/-
Total (Rs.)	6,50,000/-	28,800/-	6,78,800/-	8,48,500/-

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

7. Deferred Tax Assets / Liability

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

	Opening as on 01/07/09 (Rs.)	Charge/(Credit) during the year (Rs.)	Closing as on 30/06/10 (Rs.)
Deferred Tax Assets:			
Gratuity	296933	27058	323991
Total	296933	27058	323991
Deferred Tax Liabilities:			
Depreciation	7265210	(343182)	6922028
Total	7265210	(343182)	6922028
Net Deferred Tax Liability	6968277	370239	6598038

8. Auditors' Remuneration

	2009-10 (Rs.)	2008-09 (Rs.)
Audit Fees	56,120/-	56,120/-
Tax Audit Fees	11,224/-	11,224/-
Other Services	45,016/-	45,016/-
	<u>112,360/-</u>	<u>112,360/-</u>

9. Earnings in Foreign Exchange:

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

10. Consumption of Construction Materials

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

Sr. No.	Items		Quantity	Amount (Rs.)	Amount (Rs.)
				30.06.2010	30.06.2009
1	Steel	Current Yr Previous Yr	32.692 MT 26.579 M. T.	1131443	1105047
2	Cement	Current Yr Previous Yr	4858 Bags 3949Bags	1112315	877869
3	Metal	Current Yr Previous Yr	957.25 Brass 778.25Brass	1435871	1235826
4	Sand	Current Yr Previous Yr	944.13 Brass 767.584 Brass	1132954	2442487
5	Others	Current Yr Previous Yr		40615625	31260042
				4,54,28,208	3,69,21,271

Licensed capacity for factory at Lohop as certified by director -15000 cubic metres (P.Y.15000 cubic metres)

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

b) Production of Major Items:

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

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

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

	Details	2009-10 (Rs.)	2008-09 (Rs.)
1	Contract revenue recognized for financial Year	9,72,82,582	5,02,21,512
2	Aggregate Amount of Contract Cost transferred and recognized Profit (less recognized losses) at The end of the financial year for All contracts in progress as at that Date.	10,48,65,167	5,93,13,273
3	Amount of customer advances outstanding for contacts in progress as at the end of the financial year.	2,93,07,742	32,50,000
4	Retention amounts due from customers for contracts in progress as at end of the financial year.	42,70,492	49,87,476

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

Defined Contribution Plans

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

	<u>2009-10</u>	<u>2008-09</u>
Employer's Contribution to Provident Fund	128831	179250

Defined Benefit Plans

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

Details are as follows.

I	Changes in present value of obligations	2009-2010	2008-09
	PVO at beginning of period	798,730	1,395,673
	Interest cost	15,931	128311
	Current Service Cost	40,203	209488
	Past Service Cost- (non vested benefits)	16,199	-
	Past Service Cost- (vested benefits)	40,921	-
	Benefit Paid		
	Actual (Gain)/Loss on obligation	49,309	(860,022)
	PVO at end of period	961,293	873450
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	(961,293)	-
	Excess of actual over estimated return on Plan Assets	-	(873,450)
IV	Experience History		
	(Gain)/Loss on obligation due to change in Assumption	242,658	56,177
	Experience (Gain)/Loss on obligation	(193,349)	(916,199)
	Experience (Gain)/Loss on Plan Assets	-	
V	Actuarial Gain/(Loss) Recognized		
	Actuarial Gain/(Loss) for the period (Obligation)	(49,309)	860,022
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	
	Total Gain/(Loss) for the period	(49,309)	860,022
	Actuarial Gain/(Loss) recognized for the period	(49,309)	860,022
VI	Past Service Cost Recognised		
	Past Service Cost- (non vested benefits)	16,199	-
	Past Services Cost- (vested benefits)	40,921	-
	Average remaining future service till vesting of the benefit	2	-
	Recognised Past service Cost- non vested benefits	8,100	-
	Recognised Past service Cost- vested benefits	40,921	-
	Unrecognised Past service Cost- non vested benefits	8,099	-
			-

VII	Amounts to be recognized in the balance sheet and statement of profit & loss account		
	PVO at end of period	961,293	873,450
	Fair Value of Plan Assets at end of period	-	
	Funded Status	(961,293)	(873,450)
	Unrecognized Actuarial Gain/(Loss)	-	-
	Unrecognised Past service Cost- non vested benefits	8,099	--
	Net Asset/(Liability) recognized in the balance sheet	(953,194)	(873,450)
VIII	Expense recognized in the statement of P & L A/C		-
	Current Service Cost	40,203	
	Interest cost	15,931	128,311
	Past Service Cost- (non vested benefits)	8,100	-
	Past Services Cost- (vested benefits)	40,921	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (Gain)/Loss recognized for the period	49,309	(860,022)
	Expenses recognized in the statement of P & L A/C	154,464	(522,223)
IX	Movements in the Liability recognized in Balance Sheet		
	Opening Net Liability	798,730	1,395,673
	Expenses as above	154,464	(522,223)
	Contribution paid	-	
	Closing Net Liability	953,194	873,450
X	Assumptions as at		
	Mortality	LIC(1994-96) Ult.	LIC(1994-96) Ult.
	Interest/Discount Rate	8%	7%
	Rate of increase in compensation	10%	6%
	Rate of return(expected) on plan assets		

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

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

The Net Liability stated in the books at the end of the financial year Rs.9,53,194/- (P.Y. Rs.8,73,450/-) is as per the Actuarial Valuation Report.

13. The Company is a Sick Company in terms of Sick Industrial Companies (Special Provision) Act,1985. The Company has been legally advised by a firm of solicitors that it has an option to apply to the Board for Industrial and Financial Reconstruction and Company does not wish to apply. Though Companies losses have exceed the net worth, the Company has received orders worth Rs.100 Crores and on the basis of positive future projection prepared, the Company is expecting turn around by it self. The Company has also appointed professional as independent directors. Therefore the Company believes that there will be turnaround and accordingly the accounts are prepared on a going concern basis.
14. Company has obtained valuation reports in respects of property. Based on the same no impairment is required. The Management in the opinion that though fixed assets register is not maintained, considering the nature of the assets no major discrepancies are anticipated.

15. Sundry Debtors Rs.5,97,62,792/- (including non-moving Debtors of Rs.41,499,143/-), advances given for Rs.40,297,620/- and Sundry Creditors of Rs 21,361,078 /- (including non-moving Creditors of Rs.4,557,791/-), advance from customers Rs 29,307,742/-, other liabilities of Rs 6,562,359/-and fixed Deposit with a bank for Rs.411,562/- are under tracing are under constant scrutiny and follow-up by the management. The management does not anticipate any significant discrepancy / adjustment out of the same and is of the opinion that these would realize the same value in the ordinary course of business. Company has defaulted in some of the payments to a Bank. Consequentially interest due is fully provided for.
- 16.
- a) The Company has identified long outstanding debit balance of Creditors and not disputed/claimed. There are other debit balances and credit balances which in the opinion of the Management are not recoverable/payable respectively and are not claimed. The same has been appropriately adjusted in 'Prior Year Adjustments" in schedule R at Rs. 16,85,965/-(Net)
 - b) Apart from as stated in note a) above the Company has creditors outstanding for more than 3 years; however the Management firmly believe that the same are payable.
 - c) Creditors may include amount payable to those falling under the category of Micro, Small and Medium Scale Industrial undertakings; however the Company is unable to identify the same.
17. One of the customers of the Company had invoked a bank guarantee of Rs. 9,052,410/- the Company is pursuing the claims aggressively and has been treated as a current asset.
18. The Company did not have a qualified Company Secretary, Designated Chief Financial Officer and Chief Executive Officer though required as per the provisions of the Companies Act, 1956 and Listing Agreement and the accounts have been authenticated by the Directors only.
19. During the year the Company has forfeited 2,34,400 equity shares which were in arrears and the forfeited amount of Rs. 15,70,250/- arising from the same is included in Schedule A of share capital.
20. Previous year's figures have been regrouped/ recast/ rearranged wherever necessary to conform to Current Year's classification. Previous year figures are for a period of 15 months ending 30th June'09, so not comparable with C.Y. 12 month's figures.

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

I) Registration Details:

Registration No:	28656	State Code:	11
Balance Sheet Date	30 TH JUNE, 2010		

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

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

III) Total Liabilities	251,151	Total Assets	251,151
-------------------------------	----------------	---------------------	----------------

Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)

Sources of Funds:

Paid up Capital

73,136

Reserves and Surplus

13573

Secured Loans

42142

Unsecured Loans

115702

Net Deferred tax Liability

6598

Application of Funds:

Net Fixed Assets

37579

Investments

0.0450

Net Current Assets

71624

Misc. Expenditure and losses

141947

IV) Performance of the company: (Amount in Rs. Thousand)

Turnover (inclusive of Other income)

97,797

Total Expenditure

125622

Profit/ (Loss) Before Tax

(27825)

Earning Per Share

(4.17)

Profit/ (Loss) After Tax

(27441)

Dividend Rate

Nil

b) Generic names of three principal products of the Company (as per monetary terms)

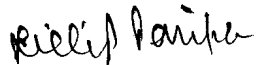
Item code (ITC Code)

68109100

Product/Service Description

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

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



DILIP J. PARIKH
(Partner)
Membership No. 35305

Mumbai:
Dated : 03/12/2010

For VARDHMAN CONCRETE LIMITED



RAMESH B. VARDHAN
(Chairman & Managing Director)



RAJESH B. VARDHAN (Director)