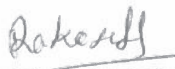


**FORM B****Covering letter of the 23<sup>rd</sup> Annual Audit Report to be filed with the Stock Exchange**

1.	Name of the company XYZ Ltd.	VHCL INDUSTRIES LIMITED
2.	Annual financial statements for the year ended	31 <sup>ST</sup> March, 2014
3.	Type of Audit qualification	1) Statutory dues not been regularly deposited as given in point No.9(a) of the Annexure to the Independent Auditor's Report. 2) Defaulted in repayment LC on maturity and dues to Banks and Financial Institutions.
4.	Frequency of qualification	Appeared first time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Please refer Point No.9(a) and 11 of Annexure to the Independent Auditor's Report (page No. 38 of the Annual Report)
	Additional comments from the board/audit committee chair:	The said audit report is self explanatory.
5.	To be signed by- CEO/Managing Director CFO/Auditor of the company/ Audit Committee Chairman	1) Pankaj H. Valia, Managing Director 2) Harshadrai Bosmia, Director 3) Rakesh R. Agarwal, Auditor of the Company


For **RAKESH R.AGARWAL & ASSOCIATES**  
Chartered Accountants (FRN 119168W)

  
(**RAKESH R.AGARWAL**)  
Partner  
M.NO: 100223



For and on behalf of the Board of Directors

  
**Pankaj H. Valia**  
Managing Director

  
**Harshadrai P. Bosmia**  
Director



ISO 9001,14001,18001

A large, decorative graphic consisting of several concentric, overlapping arcs in a dark brown color, centered on the page. The arcs are of varying thickness and create a dynamic, swirling effect.

23rd  
ANNUAL REPORT  
2013-2014

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**VHCL INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

<b>Mr. Pankaj H. Valia</b>	-	<b>Chairman and Managing Director</b>
<b>Mr. Harshadrai Bosmia</b>	-	<b>Director</b>
<b>Mr. Mandar Subhash Palav</b>	-	<b>Director</b>
<b>Mr. Ashish S. Pandare</b>	-	<b>Director</b>
<b>Mr. Nimesh S. Joshi</b>	-	<b>Director (up to 03/12/2013)</b>
<b>Mr. Pradeep Soni</b>	-	<b>Company Secretary and Compliance Officer (up to 14/02/2014)</b>
<b>AUDITORS</b>	:	<b>M/s. Rakesh Agrawal &amp; Associates (Chartered Accountants)</b>
<b>BANKERS</b>	:	<b>State Bank of India Central Bank of India</b>
<b>REGISTERED OFFICE</b>	:	<b>Survey No. 285, Gala No. II, Main Khanvel Kherdi Road, Village Kherdi, Silvasa 396230, U.T. of Dadra &amp; Nagar Haveli.</b>
<b>CORPORATE OFFICE</b>	:	<b>601/602, Casabalnca, Plot No. 130, CTS - 3A/5 Gulmohar Cross Road No. 10, Juhu, Vile Parle (W), Mumbai - 400 049.</b>
<b>REGISTRARS &amp; TRANSFER AGENTS</b>	:	<b>LINKINTIME INDIA PRIVATE LIMITED Unit: VHCL Industries Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Ph.: 022-25963838 / 25946970 Fax : 022-25946969 Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></b>

**VHCL INDUSTRIES LIMITED**

(CIN No.: L27200DN1991PLC000449)

Regd. Off.: Survey No. 285, Gala No. II,

Main Khanvel Kherdi Road,

Village Kherdi, Silvasa-396230,

U.T. of Dadra & Nagar Haveli.

E-mail - cs@vhcl.co.in • Web: www.vhcl.co.in

**NOTICE**

Notice is hereby given that the **Twenty Third Annual General Meeting (AGM)** of the Members of **VHCL Industries Limited** will be held on **Tuesday, the 30th day of September, 2014 at 11.00 A.M. at Hill View Resort, Village Chauda, Near Khanvel Garden, Silvasa 396230, U.T. of Dadra & Nagar Haveli** to to transact the following business:

**Ordinary Business :**

1. To review, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Harshadrai Bosmia (holding DIN 00032750), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Ashish s. Pandare (holding DIN 03363874), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Rakesh R. Agarwal & Associates, Chartered Accountants (M. No.100223) as a Statutory Auditor of the Company.

**Special Business :**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Harshadrai Bosmia (holding DIN 00032750), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to 31st March, 2017."

6. **To consider and if thought to fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Mandar S. Palav (holding DIN 03249718), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to 31st March, 2017."

7. **To consider and if thought to fit to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashish S. Pandare (holding DIN 03363874), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be

and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to 31st March, 2017."

**8. To consider and if thought to fit to pass with or without modification(s), the following Resolution as a Special Resolution:**

**"RESOLVED THAT** in supersession of resolution passed under Section 293(1)(d) of the Companies Act, 1956 and subject to the provisions of Section 180(1)(c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" and which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time and in any manner, any sum or sums of money upon such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs.500 Crores/- (Rupees Five Hundred Crores only)."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**9. To consider and if thought to fit to pass with or without modification(s), the following Resolution as a Special Resolution:**

**"RESOLVED THAT** in supersession of resolution passed under Section 293(1)(a) of the Companies Act, 1956 by Shareholders through Postal Ballot on October 18, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) thereof) under Section 180(1)(a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders, other investing agencies and trustees for the holders of debentures/bonds and/or other securities/instruments to secure rupee/foreign currency loans and/or the issue of any securities/debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds/securities and/or bonds/securities with detachable share warrants and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs.500 Crores/- (Rupees Five Hundred Crores only)."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."



**10. To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), to give loans to any subsidiary companies (including overseas subsidiaries) and / or give any guarantee or provide security in connection with a loan to any subsidiary company(ies) (including overseas subsidiaries) and / or acquire by way of subscription, purchase or otherwise, the securities of any subsidiary company(ies) (including overseas subsidiaries) upto an aggregate sum mentioned herein below

Sr. No.	Company	Investment Not Exceeding
1.	In/to the various companies or other persons/entities incorporated Outside India.	Up to 400% of Net Worth of the Company as per the latest Audited Balance Sheet or upto the limits as permissible by Reserve Bank of India, whichever is lower.
2.	In/to the various companies incorporated in India including Wholly Owned Subsidiaries or other persons/entities.	Up to Rs. 50 Crores

Notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate."

**11. To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, the Registers and Returns required to be maintained by the Company under Section 88 and 92 of the Companies Act, 2013, may be maintained at the Company's Corporate Office at 601/602, Casabalnca, Plot No. 130, CTS – 3A/5, Gulmohar Cross Road No. 10, Juhu, Vile Parle (W), Mumbai – 400 049, with effect from 1st October, 2014."

**For and on Behalf of the Board**  
Sd/-  
**Pankaj H. Valia**  
Managing Director

Date : 30th May, 2014  
Place : Mumbai

**IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from **Wednesday, 24th September, 2014 to Tuesday, 30th September, 2014** (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**  
 A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
 The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
5. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
6. Electronic copy of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
7. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.vhcl.co.in](http://www.vhcl.co.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in UT of Dadra and Nagar Haveli for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [cs@vhcl.co.in](mailto:cs@vhcl.co.in)
8. Voting through electronic means (E-Voting):
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL) :  
 The instructions for e-voting are as under:  
**In case of members receiving e-mail:**
    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
    - (iv) Now Enter your User ID:



- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. The e-voting period commences on Thursday, 25th September, 2014 (9:00 am) and ends on Friday, 26th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  10. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 28th August, 2014.
  11. Ms. Palak Desai, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  12. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  13. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.vhcl.co.in](http://www.vhcl.co.in) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
  14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

**For and on Behalf of the Board**

**Sd/-**

**Pankaj H. Valia**  
Managing Director

Date : 30th May, 2014

Place : Mumbai

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1)  
OF THE COMPANIES ACT, 2013**

**Item No.5**

Mr. Harshadrai Bosmia (holding DIN 00032750) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2011. Mr. Harshadrai Bosmia is Chairman of the Nomination and Remuneration Committee and member of Audit Committee and the Share Transfer & Shareholders' / Investors' Grievance Committee of the Board of Directors of the Company. He is Commerce Graduate from recognized University. He is expertise in Accounts, taxation and finance area.

Mr. Harshadrai Bosmia held directorship in one private limited company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Harshadrai Bosmia retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Harshadrai Bosmia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term upto 31st March, 2017. In the opinion of the Board, Mr. Harshadrai Bosmia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Harshadrai Bosmia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Harshadrai Bosmia as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Harshadrai Bosmia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No.6**

Mr. Mandar S. Palav (holding DIN 03249718) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in November, 2010. Mr. Mandar S. Palav is Chairman of the Audit Committee and Share Transfer & Shareholders' / Investors' Grievance Committee and member of Nomination and Remuneration Committee of the Board of Directors of the Company. He is Commerce graduate and associate member of the Institute of Company Secretaries of India. He is expertise in compliances and secretarial area.

Mr. Mandar S. Palav is held directorship in two other companies (excluding private companies) and held membership of the committee of board of directors in another 1(one) Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Mandar S. Palav retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Mandar S. Palav being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term upto 31st March, 2017. In the opinion of the Board, Mr. Mandar S. Palav fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Mandar S. Palav as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Mandar S. Palav as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Mandar S. Palav, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No.7**

Mr. Ashish S. Pandare (holding DIN 03363874) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in June, 2011. Mr. Ashish S. Pandare is

Member of Audit Committee, Nomination and Remuneration Committee and Share Transfer & Shareholders' / Investors' Grievance Committee of the Board of Directors of the Company. He is Commerce graduate from the recognized university and expertise in Accounts and Finance area.

Mr. Ashish S. Pandare is held directorship and member of the committee of board of directors in another 1(one) Company in India. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Ashish S. Pandare retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ashish S. Pandare being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term upto 31st March, 2017. In the opinion of the Board, Mr. Ashish S. Pandare fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ashish S. Pandare as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ashish S. Pandare as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ashish S. Pandare, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item Nos. 8 & 9**

The Shareholders of the Company had, vide Postal Ballot dated October 18, 2013, authorised the Board by way of Ordinary Resolutions under the provisions of Section 293(1)(a) and (d) of the Companies Act, 1956, the following:

- (i) Borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up share capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs.500 Crores at any point of time; and
- (ii) Creation of a mortgage or charge for the said borrowings, as security by way of mortgage/hypothecation on the Company's assets in favour of Company's Bankers/Financial Institutions/other investing agencies and trustees for the amounts borrowed i.e. upto Rs. 500 Crores, including interest, charges, etc., payable thereon, as the documents for the said purpose could contain the power to take over the management of the Company, in certain events.

Under Section 180 of the Companies Act, 2013, ("the Act") the above powers of the Board are required to be exercised only with the consent of the members by a Special Resolution.

The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 4/2014 dated March 25, 2014 clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Act until September 11, 2014.

The approval of the Members for the said borrowings and creation of mortgage or charge for the said borrowing is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act, respectively.

The Directors commend the Resolutions at Item Nos. 8 & 9 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions at Item Nos. 8 & 9.

#### **Item No.10**

As per the provisions of Section 186 of the Companies Act, 2013 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of

- i) Sixty per cent of the aggregate of the paid-up capital and free reserves or,
- ii) Hundred per cent of its free reserves, whichever is more,

if Special Resolution is passed by the shareholders of the Company.

This permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors for making further investment, providing loans or give guarantee or provide security as under:-

Sr. No.	Company	Investment Not Exceeding
1.	In/to the various companies or other persons/entities incorporated Outside India.	Up to 400% of Net Worth of the Company as per the latest Audited Balance Sheet or upto the limits as permissible by Reserve Bank of India, whichever is lower.
2.	In/to the various companies incorporated in India including Wholly Owned Subsidiaries or other persons/entities.	Up to Rs. 50 Crores

The above investment will be made under various available modes such as by way of subscription, purchase, conversion or otherwise Equity Shares, Preference Shares, Debentures (Whether convertible or non-convertible) or any other financial instrument of a body corporate(s), or by giving loans, guarantees & providing securities or such other approved mode which may be thought fit and proper for the Company.

Till date VHCL Industries Limited has been focusing on domestic market, which has result the Company to built substantial market share in its core area of plastic division.

As part of growth strategies, VHCL will not only continue to have a strong focus on the domestic markets, but will also look at growth in international markets through acquisitions joint ventures/investment/formation of companies, outside India. There are lots of opportunity in Financial Remittance and other business in India, Asia and rest of the world, which are currently being examined by the Company. It has decided to peruse potential targets that would result in strong front-end/back-end synergy for the Company. These would result in strong business opportunities for all divisions of the Company.

One of the key steps to accomplish the above mentioned target with a devoted focus would be setting-up the Wholly Owned Subsidiary(ies)/Subsidiary(ies) outside India.

Therefore Board accordingly request to pass special resolution through postal ballot for the purposed investment in terms of section 186 of Companies Act, 2013.

These investments are proposed to be made out of own/surplus funds/internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

The Board accordingly proposed the Special resolution set out in item No.10.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution except as members.

**Item No.11**

The Register of Members and other Registers/ Returns under Section 94 of the Companies Act, 2013 is presently required to be maintained in the Registered Office. In terms of proviso to Section 94(1) and Rule 5(2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers/ Returns required to be maintained at the registered office can be maintained at any other place in India, in which more than one-tenth of total Members reside, if so authorised by way of a Special Resolution. It is proposed to maintain these registers at the Company's Corporate Office at 601/602, Casabalnca, Plot No. 130, CTS – 3A/5, Gulmohar Cross Road No. 10, Juhu, Vile Parle (W), Mumbai – 400 049, since more than 10% of the Members reside in Mumbai which needs the approval of Members by way of Special Resolution. Your Directors recommend the resolution set out in item No.11 for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

**For and on Behalf of the Board**

Sd/-

**Pankaj H. Valia**

Managing Director

Date : 30th May, 2014

Place : Mumbai



**DIRECTORS' REPORT**

The Directors have pleasure in presenting their **23rd Annual Report** on the business and operations of the Company for the year ended on **31st March, 2014**.

**Financial Results:**

(Rs. In Lacs)

<b>Particulars</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
Sales	49820.81	48017.21
Other Income	85.95	121.20
<b>Total Revenue</b>	<b>49906.77</b>	<b>4813.41</b>
<b>Profit before Depreciation, Finance Cost, Exceptional Items and Taxation</b>	<b>3217.81</b>	<b>2235.45</b>
Less : Depreciation and amortization	126.74	148.09
<b>Profit before Finance Cost, Exceptional Items and Taxation</b>	<b>3091.07</b>	<b>2087.36</b>
Less : Finance Cost	1254.18	816.65
<b>Profit before Exceptional Items and Taxation</b>	<b>1836.89</b>	<b>1270.70</b>
Less : Exceptional Items	1776.82	291.43
<b>Profit (Loss) before Taxation</b>	<b>60.07</b>	<b>979.27</b>
Less : Provision for Tax - Current Tax (Including MAT Credit entitlement and previous year tax)	42.00	317.52
Less: Provision for Tax - Deferred Tax	15.23	(32.34)
<b>Profit for the year</b>	<b>2.84</b>	<b>694.09</b>
Add: Balance of Profit for earlier years	3909.84	1605.64
Add: Shares Premium	--	1696.00
<b>Profit available for appropriation</b>	<b>3912.68</b>	<b>3995.73</b>
Less : Proposed Dividend	--	73.90
Less : Income tax on Proposed Dividend	--	11.99
<b>Balance Carried Forward</b>	<b>3912.68</b>	<b>3909.84</b>



**Financial Performance :**

Despite the bleak economic scenario and tight money market, the results for the financial year ended 31st March, 2014 were better than the previous financial year. The Sales of the Company increased to Rs. 49,820.81 Lacs from Rs. 48017.21Lacs in the previous year, at a growth rate of 3.76%. The Profit before Depreciation, Finance cost, exceptional item and Tax increased from Rs.2235.45Lacs in the preceding financial year to Rs. 3217.81Lacs in the year under Report.

The profit before tax and exceptional items increased from Rs.1270.70 Lacs for the financial year ended 31st March, 2013 to Rs. 1836.89 Lacs for the current financial year. However, due to huge forex losses, the net profit came down from Rs.694.09 Lacs to Rs.2.84 Lacs in the corresponding period.

**Future Outlook :**

The Board of Directors of the Company at its meeting held on Monday, March 31, 2014, inter-alia decided to de-merge the Metal Division of the Company into a separate entity in order to invite industry specific investment as well as unlock shareholder value.

The metal division of the company has two on-going projects:

- (1) 36,000 MTPA Aluminum Alloy Plant.
- (2) 18,000 MTPA EOU project for production of Non-Ferrous alloys.

The Proposal outlined to the board was that the second phase expansion would require an investment to the tune of Rs. 400 Cr. in fixed assets and working capital which may not be possible for the company to generate from its existing shareholder base and internal accruals. The Proposal suggested that the Company may seek FDI for the project. Initial discussions with a few players indicate that the investment may come in only if the metal division is a separate entity. To achieve this, the metal division would have to be demerged from the plastic division through Court to retain the licenses obtained till date intact. The demerger would have the added advantage of unlocking shareholder value of the existing stakeholders as well as allow the metal division to grow faster.

The Board was also presented with a proposal to merge the plastics business of UIC Corporation Pvt. Ltd. (hereinafter referred as 'UIC'), an Associate Company, with itself. UIC is engaged in similar business of reprocessing/recycling plastic materials and has achieved sales of Rs. 415 Cr. in the current financial year. The merger will provide the Company with operational synergy as well as a reduction in operational cost apart from adding to the revenue and profitability of the Company.

The Board was of the opinion that in order to enhance the Company's focus towards its core business of plastics recycling and increase its market share, the Company should proceed with the merger as this would be in line with the overall vision of the company to achieve greater value for all its stake holders.

**Dividend :**

Due to drastic reduction in the profitability of the Company, your Directors have decided not to recommend any dividend for the financial year ended 31st March, 2014.

**Directors and Key Managerial Personnel :**

Mr. Nimesh Joshi, Director of the Company has resigned from the Board with effect from 03rd December, 2013 The Board placed on record its appreciation for valuable service rendered by him to the Company during his tenure as Director of the Company.

Mr. Pradeep Soni, Company Secretary and Compliance officer has resigned from the Company with effect from 14th February, 2014. The Board placed on record its appreciation for valuable service rendered by him to the Company during his tenure as Director of the Company.

**Director`s Responsibility Statement :**

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

- a) that in the preparation of annual accounts, the applicable Accounting Standards have been followed and there has been no material departures;

- b) that the Directors have selected such Accounting policies and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) that the Directors have prepared the Annual Accounts on a going concern basis.

**Management Discussion and Analysis Report :**

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

**Corporate Governance :**

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

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

**Auditor and Auditor's Report :**

During the year under review M/s. Sarda Soni Associates, Chartered Accountants tendered their resignation due to preoccupation and M/s. Rakesh R. Agrawal & Associates, Chartered Accountants was appointed in the place of the retiring auditor to held office upto the conclusion of 23rd Annual General Meeting.

The Audit Committee recommends the re-appointment of M/s. Rakesh R. Agrawal & Associates, Chartered Accountants, as Statutory Auditors of the Company and accordingly board of directors proposed the reappointment of said auditors.

As required under the provisions of Sections 139(1) of the Companies Act, 2013, the Company has obtained a written Certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

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

**Audit Committee :**

The Company constituted an Audit Committee under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and the composition of it is given in the Report on Corporate Governance.

**Shareholders / Investor Grievance Committee :**

The company constituted a Shareholders / Investors Grievance Committee pursuant to Clause 49 of the Listing Agreement and the composition of it is as given in the Report on Corporate Governance.

**Listing :**

The shares of the Company are listed at BSE Limited and company is consistent in payment of listing fees as prescribed by the Exchange. As on 31st March, 2014, out of total share capital comprising of 36951970 shares, 35835633 shares i.e. 96.98% of the total capital have been Dematerialised by investors.

**Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo :**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in Annexure "A" to this report.

**Public Deposits :**

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

**Particulars of Employees :**

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

**Acknowledgements :**

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

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

**For and on behalf of the Board**

Sd/-  
**PANKAJ VALIA**  
Chairman and Managing Director

Place : Mumbai  
Date : 30th May, 2014

**ANNEXURE 'A' TO DIRECTORS' REPORT**

As required under Section 217(1)(e) of the Companies Act, 1956 and Section 134(3)(m) of the Companies Act, 2013, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under:

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM - A IS GIVEN HEREUNDER:**

<b>A. POWER AND FUEL CONSUMPTION</b>		<b>2013-14</b>	<b>2012-13</b>
<b>1. ELECTRICITY (FOR MANUFACTURING)</b>			
<b>(a) Purchased</b>			
Unit	(KWH)	1222740	1668000
Total Amount	Rs.	56,12,551	69,41,003
Rate/Unit (average)	(Rs./KWH)	4.59	4.16
<b>(b) Own generation (Through Diesel Generator)</b>			
Through HSD (Unit) in ltrs.		86930.28	116620
Total Amount	Rs.	81,50,230	60,14,976
Rate per Litre of Diesel Oil	Rs/litre.	93.76	51.59
Through Steam/Turbine Generator		Nil	Nil
<b>2. Coal</b>		Nil	Nil
<b>3. Furnace Oil</b>			
Quantity	MT	Nil	Nil
Total Cost	Rs.	Nil	Nil
Average rate	Rs./MT	Nil	Nil
<b>4. Other/ internal generation</b>			
<b>(a) Low Sulphur Heavy Stock (LSHS)</b>			
Quantity	MT	Nil	Nil
Total Cost	Rs.	Nil	Nil
Average rate	Rs./MT	Nil	Nil
<b>(b) Internally Generated Fuel</b>		Nil	Nil
<b>B. Consumption per unit of Production</b>			
Product	Unit	Per Tonne	Per Tonne
Plastic Granules	KWH	77.97	53.58

**RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****1. Future plan of action :**

We will focus on constant upgradation of Technology in recycling process and improvement of qualitative output.

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

No new technology was introduced during the Year ended 2013-2014.

**2. Benefits derived as a result of the above efforts : Nil****3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) : Nil****C. Foreign Exchange Earnings and Outgo :**

1. Earning- FOB value of Exports : Nil
2. Outgo- CIF Value of Imports : \$39382660 (Rs.2327078938)

**For and on behalf of the Board**

Sd/-  
**PANKAJ H. VALIA**  
Chairman and Managing Director

Place : Mumbai  
Date : 30th May, 2014

**MANAGEMENTS' DISCUSSION & ANALYSIS REPORT**

We have pleasure in submitting the Managements' Discussion & Analysis Report ("MDA") on the Company's businesses. We have attempted to include discussions on all specified matters, to the extent relevant or within limits that in our opinion are reasonably imposed by the company's strategic and competitive position. The year under review has been extremely challenging with continuing macro-economic challenges. Substantially slowed GDP growth, high inflation-particularly in food, weak currency, a high current account deficit, rising fuel & energy costs and poor consumer sentiments characterized the domestic situation. Global geo-political developments such as quantitative easing by the US treasury and adverse developments in parts of Asia and the Middle-East added to the concerns. Overall consumer confidence remained low in the backdrop of the uncertain political situation leading up to the general elections. Some steps taken by the Government yielded results but the limited excise relief on same consumer durables is yet to result in a market.

**FINANCIAL PERFORMANCE AND ANALYSIS**

The current financial year was depressed compared to previous financial year. The highlights of the financial performance are:

- 1) Net sales increased Rs. 49,820.81 Lacs from Rs. 48017.21 Lacs in the previous year, at a growth rate of 3.76%.
- 2) The Profit before Depreciation, Finance cost, exceptional item and Tax increased from Rs.2235.45 Lacs in the preceding financial year to Rs. 3217.81 Lacs in the year under Report
- 3) Earnings before interest, depreciation, tax (EBIDTA) increased by 48.09 % to Rs. 3091.07 Lacs in 2013-2014 against Rs. 2087.36 Lacs in 2012-2013.
- 4) The Profit after tax for the current year of Rs.2.84 Lacs was lower as compared to Rs. 694.09 Lacs in the previous year due to increase in finance costs and forex losses.

The Company striving to decrease financial costs and forex losses and making all efforts to improve value additions, reduce operating costs and improve efficiencies to overcome higher input costs.

**INDUSTRY OVERVIEW**

Ever since 1957, the Plastics Industry in India has made significant achievements as it made a modest but promising beginning by commencing production of Polystyrene. The chronology of manufacture of Indian polymers is summarized as under:-

- 1957-Polystyrene,
- 1959-LDPE ,
- 1961-PVC,
- 1968- HDPE,
- 1978-Polypropylene.

Such potential Indian market has motivated the entrepreneurs in the country to acquire technical expertise, achieve high quality standards and build capacities in various facets of the booming plastic industry. The Phenomenal developments in the plastic machinery sector is coupled with the developments in the petrochemical sector, both of which support the plastic processing sector.

This has facilitated the plastic processors to build capacities for the service of both the domestic market and the markets overseas. Today Indian Plastic processing sector comprises of over 30,000 units involved in producing a variety of items through injection moulding, blow moulding, extrusion and calendaring. The capacities built in most segments of this industry coupled with inherent capabilities has made us capable of servicing the overseas markets. The Indian plastic industry has taken great strides and in the past few decades, the industry has grown to the status of a leading sector in the country with a sizable base.

Plastic material is gaining notable importance in different spheres of activity and the per capita consumption is increasing at a fast pace. Continuous advancements and developments in Plastic



technology, processing machineries, expertise, and cost effective manufacturing is fast replacing the typical materials. On the basis of value added share, the Indian Plastic industry is about 0.5% of India's GDP. The export of plastic products also yields about 1% of the country's exports. The sector has a large presence of small scale companies in the industry, which account for more than 50% turnover of the industry and provides employment to an estimated 0.4 million people in the country. Approximately Rs.100 billion are invested in the form of fixed assets in the plastic processing industry.

The Indian Plastic industry is facing severe demand crunch in the domestic industry for quite some time. Demand for major polymers was 10% lower in Q2 this financial year as compared to the same period last year. The slowdown demand is adversely affecting the industry comprising of 15 raw material producers and there are about 26,000 processing units in the country with adverse impact on the employment of 3.3 million people associated with this industry. The contribution of the plastic industry in the economic growth of countries the world has been great.

With a population over one billion where 40% are under age 15, opportunities for plastics producers in India include near-term rapid growth in the nation's internal consumption of plastic products and the Indian middle class is 300 million and rising, and the annual GDP growth rate is 8%.

### **THE COMPANY'S OUTLOOK**

The outlook for the Company is positive. The Company is engaged in recycling of plastic wastes. The Company is engaged in:

- (i) Manufacture of reprocessed Plastic Granules
- (ii) Wind Mill Power Generation.

The Company is also having metal division and overview of which given hereinbelow.

Company generates major revenue from sales of granules which contributed 99.74% of total sales made by the Company during the year 2013-14.

The Board of Directors of the Company decided to de-merge the Metal Division of the company into a separate entity in order to invite industry specific investment as well as unlock shareholder value.

### **REPROCESSED PLASTIC GRANUELS**

There is a vast untapped demand in rural areas. The Industry is fragmented and there are large numbers of small units scattered at various places in the country. Moreover the range of recycled produce varies as per the requirements of the customers. The potential to grow depends on procurement of plastic wastes and producing recycled products as per market demand. Most varieties of plastics are recyclable. As per general estimate, reprocessed material used by plastic reprocessing industry accounts for about 40% to 50% of the virgin material processed. It takes 91 % less energy to recycle a kilo of plastic than it takes to recycle a kilo of paper. Recycling of plastic bags generate 80% less waste as compared to paper bags. Many other advantages of recycling highlight its importance and the need to develop and support Plastics Recycling Program nationally as a modern solid waste management practice. The Company had made substantial growth in last few years which reflected in his financial performance.

### **WIND POWER**

During the Year 2013-14, the sales from Wind Power were Rs.131.84 Lacs as against Rs. 155.87 Lacs in the year 2012-13.

There is a huge gap between demand and supply of power in India which is likely to continue for many years to come. The government has taken various initiatives to increase public as well as private investment in this Sector to enhance generation capacity. This Sector provides ample of opportunities for growth and there are no perceived threats.

### **METAL PLANT AT SANJAN**

The metal division of the company is engaged in the recycling of non-ferrous metals and aluminium alloy. Currently the company has two ongoing projects and this project is divided into two phases which are:

- (1) Manufacturing of Aluminum Alloys ingots to the tune of 36000 MT P.A.

- (2) Production of non-ferrous alloy, Billets of Brass alloys, cupronickel alloys, and lead alloys other ferrous to the tune of 18000 MT P.A.

Both these units are under the EOU scheme and facilitate exports. The Board of Directors of the Company decided to de-merging the Metal Division of the company into a separate entity in order to invite industry specific investment as well as unlock shareholder value.

The Proposal outlined that the second phase expansion would require an investment to the tune of Rs. 400 Cr. in fixed assets and working capital which may not be possible for the company to generate from its existing shareholder base and internal accruals. The Proposal suggested that the company go in for FDI for the project. Initial discussions with a few players indicate that the investment may come in only if the metal division is a separate entity. To achieve this, the metal division would have to be demerged from the plastic division through a court order to retain the licenses obtained till date intact. The demerger would have the added advantage of unlocking shareholder value of the existing stakeholders as well as allow the metal division to grow faster.

#### **OPPORTUNITIES AND THREATS**

The industry has encountered high volatility and uncertainty on price movement of raw material. Dependency on imported raw material for certain critical applications is a recognized risk.

Recycling is one of the most important actions currently available to reduce these impacts and represent one of the most dynamic areas in the plastics industries today. Recycling provides opportunities to reduce oil usage, carbon dioxide emission and the quantities of waste requiring disposal. The advantage is the ability to recycle a larger proportion of the plastic waste stream by expanding post-consumer collection of plastic packaging to cover a wider variety of materials and pack types. Product design for recycling has strong potential to assist in such recycling efforts. Most current material recovery facilities have difficulty in handling flexible plastic packaging because of the different handling characteristics of rigid packaging. Plastic carry bags are extremely resource-efficient disposable bag choice. There is a big opportunity in this industry in view of rapid growth in the economy and consumerism growing at fast pace. However, the growth is constrained by the factors like environment concerns and uncertain regulatory framework. Plastic bags can be made into dozens of useful new recycled products such as sheetings, garbage bags, liners, industrial packing, shoe soles building and construction products, low maintenance fencing and decking. There is high demand for plastic waste, and in most areas, demand exceeds than available supply. We can also get material saving by recycling clean waste and also energy saving in our national interest. Plastic waste industry is at point of fierce competition, the industry may encounter difficulties and in future the survival will be to the fittest. It is therefore necessary for the industry to evolve profitability and competitiveness, focus on improving the technical content, improve business strategies, increase specialization and its transformation equipped with latest Technology.

#### **RISKS AND CONCERNS**

The Company faces normal business challenges from market competition and needs to continuously search attractive growth areas and opportunities. The Company has so far adapted successfully to changes in the market environment.

The company now caters to a wider range of applications and user industries, with resultant lower risk in an economic downturn.

**Operational Risk :** Payment recoveries in uncertain economic conditions are and will continue to be a risk, which will need a very close attention.

**Competition Risk :** In order to mitigate competition risk the Company is moving into higher value added products, which are difficult to replicate and need time and technical service competency for product acceptance.

**Financial Risk :** The Company's operations are exposed to various types of financial risks, like currency risk, interest risk, liquidity risk and credit risk. The continuous monitoring of cash flow and market factors helps in minimizing these risks and disruptions in normal operations.

Interest and finance cost has been increased due to increase in utilization of borrowed funds and its cost.

The increase in borrowed fund was due to capital expenditure incurred and increased working capital requirement for the growth of the business. The Company is exposed to risks from the market fluctuations of foreign, commodity prices, business risks as well as price fluctuation on raw materials and finished goods in its entire product.

**Litigation Risk :** Outcome of litigation in matters of Tax Law or in any other statutory obligation cannot always be predicted and therefore also poses a risk.

**ENVIRONMENT AND SAFETY**

We firmly believe that safe and healthy working conditions in factories and other premises are as necessary and important as production, productivity and quality. Our policy requires conduct of activities to take foremost account of health and safety of all concerned, besides conservation of natural resources and protection of the environment to the extent possible.

**HUMAN RESOURCES**

Employees represent our significant asset and potential. It is only through motivated, creative and business-minded employees that we can achieve our aims. Involvement, commitment, teamwork and updating of skill and knowledge are integral to our objectives of advancing a profession, productive culture.

**CAUTIONARY STATEMENT**

Certain Statements in this Management Discussion and Analysis describing the Company's objectives, projections, outlook, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.

The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speaks only as of their dates.

**For and on behalf of the Board**

Sd/-  
**Pankaj H. Valia**  
Chairman & Managing Director

Place : Mumbai  
Date : 30/05/2014

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**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance :**

The Company's philosophy on corporate governance strived for attaining the optimum level of transparency and accountability ensure ethical corporate behaviour and fairness to its customers, shareholders, employees, business associates, the society at large and in complying with the dictates of the regulatory frame work.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange with regard to corporate governance.

**2. Board of Directors :**

The Company has optimum composition of executive and not-executive board of directors. The Board of the Company is well structured with adequate blend of Professional, Executive and Independent Directors. The Company's Board comprises of Four Directors: one is Promoter Executive Director and three are Non-Executive Independent Directors. More than half of the Board of Directors comprises of Independent Directors.

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

The composition of the Board is in conformity with the Clause 49 of the Listing Agreement entered into with the Stock Exchange. All Independent Non-Executive Directors comply with the legal requirements of being "Independent".

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2014 have been made by the Directors.

During the financial year ended 31st March, 2014, 15 Meetings of the Board of Directors were held on 2nd April, 2013, 18th May, 2013, 29th May, 2013, 14th June, 2013, 10th July, 2013, 19th July, 2013, 14th August, 2013, 27th September, 2013, 15th November, 2013, 29th November, 2013, 06th December, 2013, 31st December, 2013, 14th February, 2014, 12th March, 2014, 31st March, 2014. The maximum time gap between any two consecutive meetings did not exceed four months and 7 Circular resolutions passed on 03rd May, 2013, 10th June, 2013, 04th July, 2013, 03rd August, 2013, 21st August, 2013, 26th September, 2013 and on 16th October, 2013 and duly ratified in consecutive board meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year, the number of directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of Private Limited Companies, Section 25 / 8 Companies and of Companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name of Directors	Category of Directors	No. of Board Meeting attended during 2013-14	Whether attended last AGM	Number of Directorship in other Companies	No. of Committee and positions held in other Companies	
					Member	Chairman
Mr. Pankaj H. Valia	Chairman - Executive Director	11	Yes	2	Nil	Nil
Mr. Nimesh Shambhulal Joshi (till 03/12/2013)	Non - Executive Promoter Director	8	Yes	Nil	Nil	Nil
Mr. Harshadrai Bosmia	Non - Executive Independent Director	11	Yes	Nil	Nil	Nil
Mr. Mandar Subhash Palav	Non - Executive Independent Director	15	Yes	02	01	01
Mr. Ashish S. Pandare	Non - Executive Independent Director	15	Yes	01	01	01

(Details are as on 31st March, 2014)

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

**Details of Independance Directors being appointed / re-appointed:**

- (1) Mr. Ashish S. Pandare who is proposed to be re-appointed as Independent Director at the ensuing Annual General Meeting pursuant to Section 149, 150 and 152 of the Companies Act,2013 :

(In pursuance of Clause 49 of the Listing Agreement)

<b>Name of Director</b>	<b>Shri Ashish S. Pandare</b>
Age	28 Years
Date of Appointment	02/06/2011
Expertise in specific functional areas	Accounts and Managements Area
Qualifications	B.Com
List of Companies in which outside Directorship held as on 31st March, 2014 (excluding Private Companies)	1
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31st March, 2014	1

- (2) Mr. Mandar S. Palav who is proposed to be re-appointed as Independent Director at the ensuing Annual General Meeting pursuant to Section 149, 150 and 152 of the Companies Act,2013

(In pursuance of Clause 49 of the Listing Agreement)

<b>Name of Director</b>	<b>Shri Mandar S. Palav</b>
Age	31 Years
Date of Appointment	18/11/2010
Expertise in specific functional areas	Compliance and Secretarial Area
Qualifications	B.Com., ACS
List of Companies in which outside Directorship held as on 31st March, 2014 (excluding Private Companies)	2
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31st March, 2014	1

- (3) Mr. Harshadrai Bosmia who is proposed to be re-appointed as Independent Director at the ensuing Annual General Meeting pursuant to Section 149, 150 and 152 of the Companies Act,2013.

(In pursuance of Clause 49 of the Listing Agreement)

<b>Name of Director</b>	<b>Shri Harshadrai Bosmia</b>
Age	59 Years
Date of Appointment	17/11/2011
Expertise in specific functional areas	Accounts, Taxation and Business Management
Qualifications	B.Com
List of Companies in which outside Directorship held as on 31st March, 2014 (excluding Private Companies)	Nil
Chairman/Member of the Committees of the Boards of the other Companies in which he is a Director as on 31st March, 2014	Nil



**3. Board Committees**

The Board has constituted the following Committees of Directors:

**3.1 Audit Committee:**

**a) Terms of Reference**

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with the Stock Exchanges and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully conform to the requirements of Section 177 of the Companies Act, 2013.

**b) Composition**

The Audit Committee comprises of Mr. Mandar S. Palav as the Chairman and Mr. Ashish S. Pandare and Mr. Harshadrai Bosmia as the members of the Audit Committee. During the year under review Mr. Nimesh Joshi tendered his resignation w.e.f. 03rd December, 2013 from directorship of the company and consequently audit committee has been reconstituted by appointing Mr. Harshadrai Bosmia as a member of audit committee at the meeting of board of directors held on 06th December, 2013.

During the year 2013-14 under review 4 meetings of the Audit Committee were held on 29th May, 2013, 14th August, 2013, 15th November, 2013 and 14th February, 2014. The attendance of members are as follows:

Name	Category	Meetings during the year 2013-14	
		Held	Attended
Mr. Mandar S. Palav Chairman	Non - Executive Independent Director	4	4
Mr. Ashish S. Pandare	Non - Executive Independent Director	4	4
Mr. Nimesh Joshi*	Non- Executive Promoter Director	4	3
Mr. Harshadrai Bosmia	Non - Executive Independent Director	4	1

**\*Resigned w.e.f. 03/12/2013.**

The Composition of Audit Committee is in conformity with Clause 49 II (A) of the Listing Agreement and Section 177 of the Companies act, 2013. All the three members of the Audit Committee are financially literate and Mr. Mandar Palav and Mr. Ashish S. Pandare have accounting and management related expertise.

**c) A brief description of the terms of reference of the Audit Committee is as follows:**

- (i) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;

- (vii) Evaluation of internal financial controls and risk management systems;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

**3.2 Share Transfer & Shareholders' / Investors' Grievance Committee:**

**a) Composition, Names of Members and Chairman, Terms of references of Committee**

The Share Transfer & Shareholders' / Investors' Grievance Committee comprises of Mr. Mandar S. Palav as the Chairman and Mr. Ashish S. Pandare and Mr. Harshadrai P. Bosmia the members of the Committee. During the year under review Mr. Nimesh Joshi tendered his resignation w.e.f. 03rd December, 2013 from directorship of the company and consequently Share Transfer & Shareholders' / Investors' Grievance Committee has been reconstituted by appointing Mr. Harshadrai Bosmia as a member of Share Transfer & Shareholders' / Investors' Grievance committee at the meeting of board of directors held on 06th December, 2013.

The Committee is set up to oversee the performance of the Registrars and Share Transfer Agents with respect to redressal of Shareholders grievances such as transfer of Shares, non- receipt of Balance Sheet and non-receipt of declared dividend, etc. The said Committee would also recommend measures for overall improvement of the quality of Investor services.

The Committee also reviews the processes and service standards adopted by the Registrar and Transfer Agent, the complaints received by the Company and their Resolution. The process of share transfer as well as review of redressal of investors/shareholders grievances is undertaken on fortnightly basis by the Registrar and Share Transfer Agents and the Compliance Officer. However, the matters related to issue of fresh Share Certificates are dealt with by the Shareholders/Investors Grievance Committee.

The Board has delegated the powers to the Registrar and Transfer Agents (RTA) to attend to Share Transfer formalities once in a fortnight in accordance with Clause 49(IV)(G) and the RTA has convened con. call meetings with the Compliance Officer during the year under review for the purpose as and when necessary.

During the year 2013-14 under review 4 meetings of the Shareholders/Investors Grievance Committee were held on 29th May, 2013, 14th August, 2013, 15th November, 2013 and 14th February, 2014. The attendance of members are as follows:

The composition of the Shareholders/Investors Grievance Committee and number of meetings attended by the Members during the year are given below:

Name	Category	Meetings during the year 2013-14	
		Held	Attended
Mr. Mandar S. Palav Chairman	Non - Executive Independent Director	4	4
Mr. Ashish S. Pandare	Non - Executive Independent Director	4	4
Mr. Nimesh Joshi*	Non- Executive Promoter Director	4	3
Mr. Harshadrai Bosmia	Non - Executive Independent Director	4	1

\*Resigned w.e.f. 03/12/2013.

**Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee is set up Pursuant to Section 178(1) of the Companies Act, 2013 to oversee the policy ensures equality, fairness and consistency in rewarding

the employees on the basis of performance against set objectives. The Company has in place Performance Focused Management System which aims at focusing and aligning the performance of the individual employees to the organizational objectives.

**b) Composition, Names of Members and Chairman, Terms of references of Committee**

The composition of the Shareholders/Investors Grievance Committee:

Name	Category	Designation
Mr. Harshadrai Bosmia	Non - Executive Independent Director	Chairman
Mr. Ashish S. Pandare	Non - Executive Independent Director	Member
Mr. Mandar S. Palav	Non- Executive Independent Director	Member

**Terms of references of Committee:**

- (a) To review and approve general policy relating to strategic compensation issues;
- (b) To make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (c) To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (d) To:
  - (i) Determine, with delegated responsibility, the remuneration packages of each member of Senior Management; and
  - (ii) Make recommendations to the Board on the remuneration packages of each Director.
- (e) To make recommendations to the Board on the remuneration of non-executive Directors.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

The said committee newly constituted pursuant to section 178(1) of the Companies Act, 2013 and meetings of the committees will be held without time gap of four months between two meeting or at least one meeting every quarter of during the financial year.

**c) Name and Designation of the Compliance Officer**

**Mr. Pankaj H. Valia**

Chairman and Managing Director

**VHCL Industries Limited**

**Corporate Office**

602, Casablanca, Plot No. 130, CTS-3A/5,

Gulmohar Cross Road No. 10, JVPD Scheme,

Vile Parle (West), Mumbai - 400049.

Tel : 91-22-26256468/69 Fax: 91-22-26253232

E-mail - cs@vhcl.co.in

Web: www.vhcl.co.in

Mr. Pankaj Valia, Company (not Committee) Director of the Company Secretary has been designated as Compliance Officer of the Company w.e.f. 31st March, 2014 due to resignation of Mr. Pradeep Soni, Company Secretary and Compliance officer of the company, in line with the requirement of Listing Agreement(s) with the Stock Exchange.

**d) Number of complaints received and redressed during the year 2013-14**

Opening Balance	Received during the year 2013-14	Resolved during the year 2013-14	Closing Balance
0	15	15	0

As required under Clause 47(c) of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchange within stipulated time.

**4. General Body Meetings / Extra Ordinary General Meetings / Postal Ballot held:**

**4.1 Annual General Meetings**

Details of Location and time where last three Annual General Meetings were held below:

Financial Year	Date	Time	Location
2012-2013	30/09/2013	10.00 AM	Hotel Shelter Palace, 179/A, Sector 19C, Behind State Bank Of India Building, Dana Bunder, Vashi, Navi Mumbai - 400 705
2011-2012	28/09/2012	10.00 AM	Hotel Shelter Palace, 179/A, Sector 19C, Behind State Bank Of India Building, Dana Bunder, Vashi, Navi Mumbai - 400705
2010-2011	29/09/2011	11.00 AM	Hotel Shelter Palace, 179/A, Sector 19C, Behind State Bank Of India Building, Dana Bunder, Vashi, Navi Mumbai - 400705

**4.2 Extra Ordinary General Meeting**

One Extra-Ordinary General Meeting of the Members of the Company was held on 10th March, 2014 in order to fill in casual vacancy in the office of Statutory Auditor caused by Resignation of M/s. Sarada Soni Associates, Chartered Accountants, Mumbai and appointed M/s. Rakesh R. Agarwal & Associates, Chartered Accountants, Mumbai in the place of resigning auditor to hold office till the conclusion of ensuing 23rd Annual General Meeting.

**4.3 Resolution passed through Postal Ballot**

On 18th October, 2013 the Company had passed following Special / Ordinary resolutions by way of postal ballot pursuant to Section 192A of the Companies Act, 1956:

Resolution No. 1 (Special)	For Amendment of object Clause of Memorandum of association of the Company pursuant to section 17, 18, 149(2A) of the Companies Act, 1956.	Passed by the requisite majority
Resolution No. 2 (Special)	For insertion of article in Articles of Association relevant to a participation in shareholders meeting through electronic mode pursuant to Section 31 of the Companies Act, 1956.	Passed by the requisite majority
Resolution No. 3 (Special)	For insertion of article in Articles of Association relevant to Board/Committee meeting through electronic mode pursuant to Section 31 of the Companies Act, 1956.	Passed by the requisite majority

Resolution No. 4 (Ordinary)	For increase in borrowing limit to a sum not exceeding Rs.500 crores under Section 293(1)(d) of the Companies Act, 1956.	Passed by the requisite majority
Resolution No. 5 (Ordinary)	For creation of charge on assets of the company Section 293(1)(a) of the Companies Act, 1956.	Passed by the requisite majority
Resolution No. 6 (Special)	For inter corporate loans, andvances, investment etc. upto a limit not exceeding Rs.200 crores under Section 372A of Companies Act, 1956.	Passed by the requisite majority

**5. Other disclosures :**

**(a) Related Party Transactions :**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management or relatives etc. that may have potential conflict with the interests of Company at large:

The Details of Related Party Transactions are duly disclosed in the Notes to Accounts of the Company for the Year ended on 31st March, 2014.

**(b) Disclosure of Accounting Treatment :**

In the preparation of financial statements, the Company has followed the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI).

**(c) Disclosures on Risk Management :**

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

**(d) Code of Business Conduct and Ethics for Directors and Management Personnel :**

The Company has adopted a Code of Conduct for its Directors and Senior Management employees. This Code of Conduct has been communicated to each of them.

**(e) Code of Conduct for Prevention of Insider Trading Practices :**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented a comprehensive Code of Conduct for its designated employees. The Code lays down guidelines on procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them of the consequences of violations.

**(f) Compliance of Regulatory Requirements :**

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No strictures or penalties have been imposed on the Company by the Stock Exchange, SEBI or any statutory authorities related to the above.

**(g) Management Discussion & Analysis Report :**

The Management Discussion and Analysis Report (MDAR) has been attached to the Directors' Report and forms the part of this Annual Report.

**(h) Proceeds from preferential issue etc.:**

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

Out of 94,00,000 convertible warrants, the Company had issued 53,00,000 Equity Shares of Rs. 2/- each on account of conversion of Convertible Warrants at a premium of Rs. 32/- per share on preferential basis on 05th February, 2013 and balance 41,00,000 share warrants are held by warrant holders pending for exercising of option for conversion into underlying equity shares.

**(i) Remuneration Of Directors :**

**Details of Remuneration for the year ended on March 31, 2014 :**

The remuneration paid by Company to Shri Pankaj Valia, Chairman & Managing Director is as follows :

Salary (including all Perquisites) Rs.7,50,000/- (from April, 2013 to March, 2014)

**Non-Executive Director :**

No sitting fees paid to Non-Executive Directors during the year 2013-2014.

**(j) Means of communication :**

**Quarterly results :**

The unaudited quarterly results are announced within 45 days from the end of the quarter and the audited annual results within statutory period from the end of the last quarter, as stipulated under the listing agreement with the BSE Limited.

Newspapers wherein normally published :

Navshakti	(Marathi)	(Before shifting of Regd. Office)
The Free Press Journal	(English)	(Before shifting of Regd. Office)
The Financial Express, Ahmedabad	(English)	
The Financial Express, Ahmedabad	(Gujarati)	

Any Website, wherein displayed : [www.vhcl.co.in](http://www.vhcl.co.in)

Whether Website also displays official news, releases : Yes

Whether presentations made to institutional investors or to the analysts : No

Whether Management Discussion & Analysis Report is a part of Annual Report : Yes

**6. CEO/CFO Certification :**

A certificate from Shri Pankaj H. Valia, Chairman in his capacity as CEO on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement.

**7. General Shareholder information :**

**Annual General Meeting :**

**(a) Date, time and venue :** Annual General Meeting will be held on Tuesday, 30th September, 2014 at 11.00 A.M. at Hill View Resort, Village Chauda, Near Khanvel Garden, Silvassa 396230, U.T. of Dadra & Nagar Havelli

**(b) Financial Year :** The Financial Year is from 1st April, 2013 to 31st March, 2014.

**Tentative Schedule**

Unaudited Results for quarter ending June 30, 2014 : 14th August, 2014.

Unaudited Results for quarter ending Sep. 30, 2014 : upto 14th November, 2014.

Unaudited Results for quarter ending December 31, 2014 : upto 14th February, 2015

Audited Results for year ending March 31, 2015 : upto 30th May, 2015

AGM for year ending March 31, 2015 : End of September, 2015

**(c) Book Closure Period :** Tuesday, 24th September, 2014 to Tuesday, 30th September, 2014 (both

days inclusive).

**(d) Listing on Stock Exchanges :**

Stock Exchange : BSE Limited  
 Address : Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai - 400001.  
 Stock Code : 522233  
 ISIN : INE674D01026

**(e) Stock Market Data :**

The reported high and low closing prices during the year ended on March 31, 2014 on the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	Price on BSE		BSE SENSEX	
	High	Low	High	Low
2013-2014				
April	64.25	48.45	19,622.68	18,144.22
May	66.50	50.00	20,443.62	19,451.26
June	60.00	47.10	19,860.19	18,467.16
July	51.00	32.60	20,351.06	19,126.82
August	38.00	23.00	19,569.20	17,448.71
September	38.00	26.50	20,739.69	18,166.17
October	33.90	24.60	21,205.44	19,264.72
November	35.00	17.45	21,321.53	20,137.67
December	20.40	13.60	21,483.74	20,568.70
January	21.25	12.55	21,409.66	20,343.78
February	25.10	13.55	21,140.51	19,963.12
March	25.00	18.25	22,467.21	20,920.98

**(f) Registrar and Transfer Agent :**

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents - M/s Link Intime India Private Limited quoting their Folio Number, Client ID and DP ID at the following address:

M/s Link Intime India Private Limited  
 Unit : VHCL Industries Limited  
 C-13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (W), Mumbai - 400078.  
 Tel.: 022 - 25963838; Fax: 25946969.  
 E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**(g) Share transfer system :**

The share transfers which are received in physical form are processed and the share certificates returned within the stipulated period from the date of receipt, subject to the documents being valid and complete in all respects.



**(h) Dematerialisation of shares and liquidity :**

The Company's Shares are available for Dematerialization on both the depository i.e. National Security Depository Limited (NSDL) and Central Depository Services India Limited (CDSL). Further 35835633 shares i.e. 96.98% of the capital have been Dematerialised by investor as on 31st March, 2014. Equity shares are actively traded on BSE.

**(i) Outstandings GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

41,00,000 Convertible warrant pending as on 31st March, 2014.

**(j) Shareholding as on 31st March, 2014**

(i) Distribution of Shareholding as on 31st March, 2014:

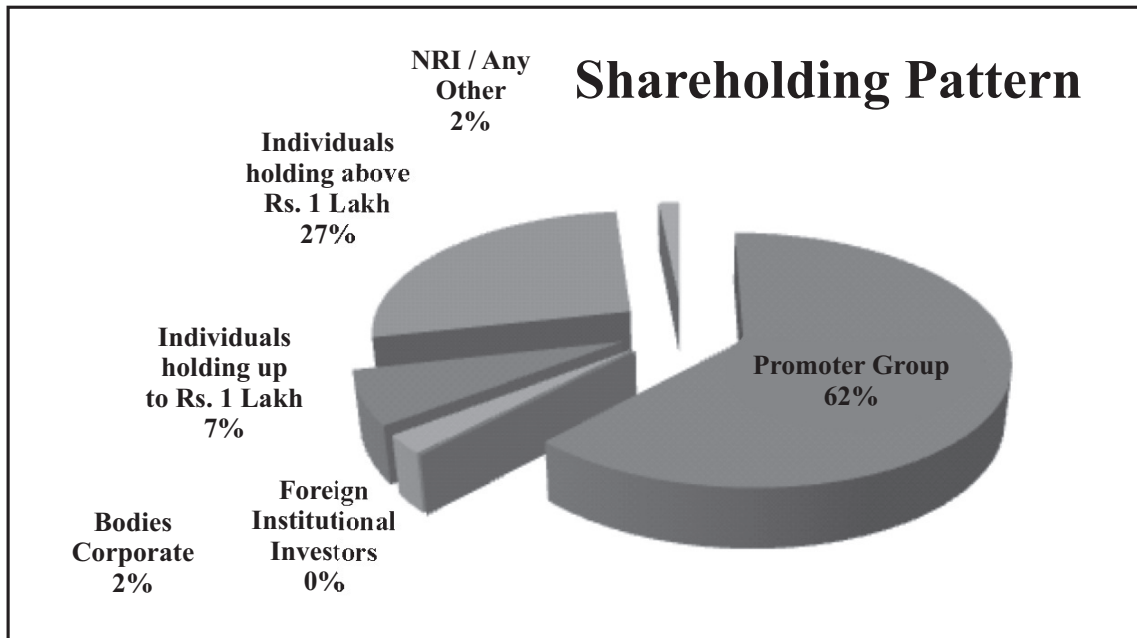
No. of Shares	No. of Shareholders	% of holding	No. of Shares	% of Shareholding
Upto 500	6308	87.3805	540070	1.4615
501-1000	618	8.5607	466697	1.2630
1001-2000	89	1.2329	133327	0.3608
2001-3000	24	0.3325	60193	0.1629
3001-4000	16	0.2216	55556	0.1503
4001-5000	19	0.2632	90670	0.2454
5001-10000	40	0.5541	304968	0.8253
10001-Above	105	1.4545	35300489	95.5307
<b>Total</b>	<b>7219</b>	<b>100.00</b>	<b>36951970</b>	<b>100.00</b>

ii) Details of holding in Physical and Electronic Mode:

Mode of holding	No. of Shareholders	% of holding	No. of Shares	% of Shareholding
Physical Mode	1169	16.19	1116337	3.02
Electronic Mode	6050	83.81	35835633	96.98
<b>Total</b>	<b>7219</b>	<b>100.00</b>	<b>36951970</b>	<b>100.00</b>

iii) Shareholding pattern as on 31st March, 2014:

Category	No. of Shares held	% to Total Shares
Promoter Group	22972241	62.17
Foreign Institutional Investors	1650	0.00
Bodies Corporate	892561	2.42
Individuals shareholders holding nominal share capital up to Rs. 1 Lakh	2557198	6.92
Individuals shareholders holding nominal share more than Rs. 1 Lakh	9963434	26.96
NRI/Any other	564886	1.53
<b>TOTAL</b>	<b>36951970</b>	<b>100.00</b>



**(k) Share Capital of the Company**

The Authorised and Paid up Capital of the Company is Rs. 20.00 Crores and Rs. 7.39 Crores (Comprising of 36951970 equity share of Rs.2/- each) respectively.

**(m) Plant Location :**

**Plastic Division**

Survey No 285, Gala No II,  
Main Khanvel Kherdi Road,  
Village Kherdi Silvasa - 396230,  
(U.T of Dadra Nagar Haveli)

**Windmill**

Village: Belwa Ranaji,  
Taluka - Shergarh,  
District - Jodhpur

**Metal Division**

Survey No. 17/6, 17/7/1, 18/5/1/1, 19/1,  
Fanaspada, Coastal Highway Road,  
P. O. Sanjan, Taluka: Umbergoan, Dist: Valsad.

**(n) Address for correspondence :**

**(i) For transfer/dematerialization of share, change of members' address and other queries relating to the shares of the Company**

**M/s. Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai - 400 078  
Ph.: +91-22 - 25946970, 5963838; Fax: 25946969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**(ii) For queries related to dividend, annual reports, etc.**

The Company Secretary

**VHCL INDUSTRIES LIMITED**

Corp. Office:- 601/602, Casablanca Plot No 130,

CTS - 3A/5, Gulmohar Cross Road No 10,

JVPD Scheme, Vile Parle (West), Mumbai - 400 049.

Tel. 022-26256468, Fax: 022-26253232

E-mail: cs@vhcl.co.in

**(iii) The Company's Registered Office is situated at:**

Survey No. 285, Gala No.II,

Main Khanvel Kherdi Road,

Village Kherdi, Silvasa 396230,

U.T. of Dadra & Nagar Haveli.

(Regd. Office of the company shifted

from state of Maharashtra to U.T. of Dadra

& Nagar Haveli w.e.f.14.02.2014 as per

Certificate of Registration of Regional

Director order for Change of State')

**(o) Non-Mandatory Requirements :**

The Company is not yet implementing the non - mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Year ended as on 31st March, 2014.

**By order of the Board of Directors**

Sd/-

**Pankaj H. Valia**

Chairman & Managing Director

Place : Mumbai  
Date : 30/05/2014

**CEO/ CFO CERTIFICATE**

To,

**The Board of Directors**

**VHCL Industries Limited**

Survey No. 285, Gala No.II,  
Main Khanvel Kherdi Road,  
Village Kherdi, Silvasa 396230,  
U.T. of Dadra & Nagar Haveli.

I, Pankaj H. Valia, in my capacity as Chief Executive Officer and Managing Director of **VHCL Industries Limited** ("the Company"), to the best of our knowledge and belief certify that:

- (a) I have reviewed the Balance Sheet and Statement of on profit and loss, Cash Flow Statement and the Director's Report for the year ended 31st March, 2014 and based upon our knowledge and information certify that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain the statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting for the Company and I have:
  - (i) Evaluated the effectiveness of internal control systems of the Company.
  - (ii) Disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and
  - (iii) Necessary steps taken or propose to be taken to ratify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that there have been:
  - (i) No significant changes in internal control over financial reporting during the year 2013 -2014;
  - (ii) No significant changes in accounting policies during the period 2013-2014;
  - (iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**For and on behalf of the Board of Directors,  
For VHCL INDUSTRIES LIMITED**

**Sd/-  
Pankaj H. Valia  
Chairman & Managing Director**

Place : Mumbai  
Date : 30/05/2014

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**REPORT ON CORPORATE GOVERNANCE**

To

**The Members of :**

**VHCL Industries Limited**

Survey No. 285, Gala No.II,  
Main Khanvel Kherdi Road,  
Village Kherdi, Silvasa 396230,  
U.T. of Dadra & Nagar Haveli.

We have examined the compliance of conditions of Corporate Governance by **VHCL INDUSTRIES LIMITED** for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management; we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s).

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 Rakesh R. Agarwal & Associates**  
Chartered Accountants

**Sd/-**  
**Rakesh R. Agarwal**  
Partner  
M. No: 100223

Place : Mumbai  
Date : 30/05/2014

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**VHCL Industries Limited.**

We have audited the accompanying financial statements of VHCL Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section(3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section(4A) of Section227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section227(3) of the Act, we report 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 examination of those books, subject to Note No: 10 of the Notes to Accounts.
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-Section(1) of Section274

of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For RAKESH R.AGARWAL & ASSOCIATES**  
**Chartered Accountants**  
**FRN 119168W**

Sd/-  
**(RAKESH R.AGARWAL)**  
Partner  
M.NO: 100223

Place : Mumbai  
Date : May 30, 2014

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of VHCL Industries Limited on the accounts of the Company for the year ended 31st March, 2014.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (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 not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.  
(b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.



5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that section.  
 (b) As per information & explanations given to us and in our opinion, the transaction entered into by the Company with parties covered u/s 301 of the Act and aggregating during the year to Rs. 5,00,000/- ( Rs. Five Lacs ) or more in respect of each party has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under Section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-Section(1) of Section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have not been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable as per detail given below :

Name of the Statute	Nature of dues	Amount (Rs. In Lacs)
Income Tax Act, 1961	Income Tax (A.Y. 2013-14)	253.98
Service Tax Act	Service Tax	12.11
Central Sales Tax	CST 2%	53.29
Income Tax Act, 1961	Dividend Tax	11.99
Income tax Act, 1961	Tax Deducted at Source	8.73

- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, the Company has defaulted in repayment of dues to a financial institution, bank or debenture holders. The Company has defaulted in its obligation for repayment of LC on maturity to Banks and Financial Institutions.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company has invested in shares and

proper records & timely entries have been made therein. The Investments specified are held in their own name.

15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the Company has raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For RAKESH R.AGARWAL & ASSOCIATES**  
**Chartered Accountants**  
**FRN 119168W**

Sd/-  
**(RAKESH R.AGARWAL)**  
Partner  
M.NO:100223

Place : Mumbai  
Date : May 30, 2014

Balance Sheet as at 31st March, 2014

	Particulars	Note No.	As at 31 March, 2014	As at 31 March, 2013
			AMOUNT	AMOUNT
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	73,903,940.00	73,903,940.00
	(b) Reserves and surplus	2	390,258,054.20	389,973,684.71
			<b>464,161,994.20</b>	<b>463,877,624.71</b>
<b>2</b>	<b>Convertible Warrant application money</b>		89,100,000.00	90,100,000.00
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	1,004,076,401.49	341,970,375.64
	(b) Deferred tax liabilities (net)		8,051,695.00	6,529,195.00
	(c) Other long-term liabilities	4	0.00	0.00
	(d) Long-term provisions	5	1,872,782.00	1,207,414.00
			<b>1,014,000,878.49</b>	<b>349,706,984.64</b>
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	251,476,900.17	215,757,180.98
	(b) Trade payables	7	1,909,771,082.71	1,585,048,869.48
	(c) Other current liabilities	8	54,188,660.68	170,579,996.98
	(d) Short-term provisions	9	56,365,293.34	65,839,229.00
			<b>2,271,801,936.90</b>	<b>2,037,225,276.44</b>
	<b>TOTAL</b>		<b>3,839,064,809.59</b>	<b>2,940,909,885.79</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets	10		
	(i) Tangible assets		94,542,348.48	105,462,673.28
	(ii) Intangible assets		20,101,340.00	20,101,340.00
	(iii) Capital work-in-progress		273,924,219.00	156,108,262.00
	(iv) Intangible assets under development		0.00	0.00
	(v) Fixed assets held for sale		0.00	0.00
			<b>38,85,67,907.48</b>	<b>281,672,275.28</b>
	(b) Non-current investments	11	15,205,459.56	15,205,459.56
	(c) Deferred tax assets (net)		0.00	0.00
	(d) Long-term loans and advances		0.00	0.00
	(e) Other non-current assets	11-A	1,827,177.00	2,384,410.00
			<b>17,032,636.56</b>	<b>17,589,869.56</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investments		0.00	0.00
	(b) Inventories	12	50,66,74,870.30	358,234,698.00
	(c) Trade receivables	13	2,520,649,011.68	1,975,518,909.60
	(d) Cash and cash equivalents	14	135,359,007.51	166,195,952.04
	(e) Short-term loans and advances	15	270,781,375.41	141,698,181.31
	(f) Other current assets		0.00	0.00
			<b>3,43,34,64,264.90</b>	<b>2,641,647,740.95</b>
	<b>TOTAL</b>		<b>3,839,064,809.59</b>	<b>2,940,909,885.79</b>
	<b>Significant Accounting Policies and Notes to Accounts</b>	<b>25</b>		
<p><b>FOR RAKESH R. AGARWAL &amp; ASSOCIATES</b> Chartered Accountants (FRN 119168W)</p> <p>Sd/- <b>(RAKESH R. AGARWAL)</b> Partner M.NO : 100223 Place : Mumbai Date : 30/05/2014</p>			<p>For and on behalf of the Board of Directors</p> <p>Sd/- <b>Pankaj H. Valia</b> Managing Director</p> <p>Sd/- <b>Harshadrai P. Bosmia</b> Director</p>	

Statement of Profit and Loss for the year ended 31st March, 2014

	Particulars	Note	As at 31 March, 2014	As at 31 March, 2013	
		No.	AMOUNT	AMOUNT	
<b>A</b>	<b>CONTINUING OPERATIONS</b>				
1	Revenue from operations (gross)	16	4,982,080,931.62	4,801,721,126.02	
	Less: Excise duty		0.00	0.00	
	Revenue from operations (net)		4,982,080,931.62	4,801,721,126.02	
2	Other income	17	8,595,531.00	12,120,112.00	
<b>3</b>	<b>Total revenue (1 + 2)</b>		<b>4,990,676,462.62</b>	<b>4,813,841,238.02</b>	
<b>4</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	18	4,643,642,153.97	4,495,741,860.44	
	(b) Purchases of stock-in-trade	19	2,613,649.00	948,581.00	
	(c) Power & Fuel		13,762,781.29	12,955,979.00	
	(d) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(28,617,357.00)	39,470,047.02	
	(e) Employee benefits expense	21	6,723,397.00	6,392,402.00	
	(f) Finance costs	22	125,417,746.18	81,665,462.08	
	(g) Depreciation and amortisation expense	10	12,674,484.80	14,809,400.00	
	(h) Other expenses	23	30,770,408.54	34,787,431.98	
	<b>Total expenses</b>		<b>4,806,987,263.78</b>	<b>4,686,771,163.52</b>	
<b>5</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<b>183,689,198.84</b>	<b>127,070,074.50</b>	
6	Exceptional items (Foreign Exchange Fluctuation Loss)	24	177,682,329.35	29,143,254.00	
<b>7</b>	<b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>6,006,869.49</b>	<b>97,926,820.50</b>	
8	Extraordinary items		0.00	0.00	
<b>9</b>	<b>Profit / (Loss) before tax (7 + 8)</b>		<b>6,006,869.49</b>	<b>97,926,820.50</b>	
<b>10</b>	<b>Tax expense:</b>				
	(a) Current tax expense for current year		4,200,000.00	33,500,000.00	
	(b) (Less): MAT credit (where applicable)		0.00	3,525,764.00	
	(c) TDS of earlier year written off		0.00	70,128.00	
	(d) Current tax expense relating to prior years		0.00	1,707,955.00	
	(d) Net current tax expense		4200000.00	29,974,236.00	
	(e) Deferred tax		1522500.00	3,233,562.00	
			<b>5,722,500.00</b>	<b>28,518,757.00</b>	
<b>11</b>	<b>Profit / (Loss) from continuing operations (9 + 10)</b>		<b>284,369.49</b>	<b>69,408,063.50</b>	
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>				
12.i	Profit / (Loss) from discontinuing operations (before tax)		0.00	0.00	
12.ii	Add / (Less): Tax expense of discontinuing operations		0.00	0.00	
<b>13</b>	<b>Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)</b>		<b>0.00</b>	<b>0.00</b>	
<b>14</b>	<b>Profit / (Loss) for the year (11 + 13)</b>		<b>284,369.49</b>	<b>69,408,063.50</b>	
<b>15.i</b>	<b>Earnings per share (F.V. Rs. 2/- each):</b>				
	(a) Basic		0.01	1.88	
	(b) Diluted		0.01	2.14	
<b>15.ii</b>	<b>Earnings per share (excluding extraordinary items) (F.V. Rs. 2/- each):</b>				
	(a) Basic		0.01	2.67	
	(b) Diluted		0.01	3.04	
	<b>Significant Accounting Policies and Notes to Accounts</b>	<b>25</b>			
<b>FOR RAKESH R. AGARWAL &amp; ASSOCIATES</b> Chartered Accountants (FRN 119168W) Sd/- <b>(RAKESH R. AGARWAL)</b> Partner M.NO : 100223 Place : Mumbai Date : 30/05/2014		For and on behalf of the Board of Directors Sd/- <b>Pankaj H. Valia</b> Managing Director			Sd/- <b>Harshadrai P. Bosmia</b> Director

**Cash Flow Statement for the year ended 31st March, 2014**

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Cash flows from used in operating activities</b>		
Profit before extraordinary items and tax	183,689,199	127,070,075
<b>Adjustments for reconcile profit (loss)</b>		
Adjustments for finance costs	125,417,746	81,665,462
Adjustments for depreciation and amortisation expense	12,674,485	14,809,400
Interest Received	8,595,531	12,120,112
Provisions Made	(8,808,570)	9,822,141
Misc. Expenditure w/off	557,233	105,653
	304,934,562	221,352,619
<b>Adjustments for working capital</b>		
Adjustments for decrease (increase) in inventories	(123,296,870)	(275,666,456)
Adjustments for decrease (increase) in trade receivables	(545,130,102)	(1,089,879,110)
Adjustments for decrease (increase) in other current and non-current assets	(129,083,194)	(15,317,439)
Adjustments for increase (decrease) in trade payables	324,722,213	754,861,885
Adjustments for increase (decrease) in other current and non-current liabilities	(80,671,617)	293,428,729
Cash flows from (used in) operations	(553,459,570)	(332,572,392)
<b>Income Tax Paid</b>	(4,200,000)	(13,446,389)
Cash Flow before extra ordinary items	<b>(557,659,570)</b>	<b>(346,018,781)</b>
<b>Extra-ordinary items</b>		
Forex Gain / (Loss)	(177,682,329)	(29,143,254)
Prior Period Adjustments	0	(1,778,083)
<b>Net cash flows from (used in) operating activities</b>	<b>(430,407,338)</b>	<b>(155,587,499)</b>
<b>Cash flows from used in investing activities</b>		
Change in Tangible Assets	(144,713,418)	(20,677,911)
Cash advances and loans (Made) / Repayment		0
Investments made	0	0
Interest received	8,595,531	12,120,112
<b>Net cash flows from (used in) investing activities</b>	<b>(136,117,887)</b>	<b>(8,557,799)</b>
<b>Cash flows from used in financing activities</b>		
Borrowings	662,106,026	149,962,667
Interest Expense	(125,417,746)	(81,665,462)
Share Premium Received	0	169,600,000
Dividend Paid ( including dividend tax )	0	(7,663,460)
Increase in Share Capital	0	10,600,000
Warrant Application Money Received	(1,000,000)	20,100,000
<b>Net cash flows from (used in) financing activities</b>	<b>535,688,280</b>	<b>260,933,745</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(30,836,945)</b>	<b>96,788,447</b>
<b>Cash and cash equivalents at start of period</b>	<b>166,195,952</b>	<b>69,407,505</b>
<b>Cash and cash equivalents at end of period</b>	<b>135,359,007</b>	<b>166,195,952</b>
<b>FOR RAKESH R. AGARWAL &amp; ASSOCIATES</b> Chartered Accountants (FRN 119168W)	<b>For and on behalf of the Board of Directors</b>	
Sd/- <b>(RAKESH R. AGARWAL)</b> Partner M.NO : 100223 Place : Mumbai Date : 30/05/2014	Sd/- <b>Pankaj H. Valia</b> Managing Director	Sd/- <b>Harshadrai P. Bosmia</b> Director

Notes forming part of the financial statements

Note 1 : Share Capital

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised Equity Shares of FV. Rs. 2/- each (Previous Year: Equity Shares of FV Rs. 10/- each)	100,000,000	200,000,000.00	100,000,000	200,000,000.00
(b) Issued/ Subscribed & Paid up : Equity Shares of FV. Rs. 2/- each (Previous Year: Equity Shares of FV Rs. 10/- each)	36,951,970	73,903,940.00	36,951,970	73,903,940.00
(c) Equity Share Suspense	-	0.00	-	0.00
<b>Total</b>	<b>36,951,970</b>	<b>73,903,940.00</b>	<b>36,951,970</b>	<b>73,903,940.00</b>

Note

- a) The Company has issued only one class of equity shares having par value of Rs. 2/- each. Each Equity shareholders is entitled to one vote per share.
- b) During the year ended 31st March, 2014, the the Company has not declared any dividend on equity shares (Previous Year Rs. 0.20 per share)

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of shares	Amount
<b>Equity shares with voting rights</b>		
Equity shares at the beginning of the year (FV. 2/-)	36,951,970	73,903,940.00
Convertible Warrants transferred to Equity Shares		
Equity shares at the end of the year (FV. 2/-)	<b>36,951,970</b>	<b>73,903,940.00</b>

(b) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	held% holding in that class of shares
<b>Equity shares with voting rights</b>				
API Industries Private Limited	15,000,000	40.59	15,000,000	40.59
Pankaj H. Valia	4,050,000	10.96	4,050,000	10.96
Bharat H. Valia	3,150,000	8.52	3,150,000	8.52
Mahesh Ramdas Thakker	1,964,937	5.32	-	-

Note 2 : Reserves and surplus

Particulars	As at 31 March, 2014	As at 31 March, 2013
(i) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	390,983,218.71	160,564,456.21
Add: Profit / (Loss) for the year	284,369.49	69,408,063.50
Amounts transferred from:		
General reserve	0.00	0.00
Share Premium	0.00	169,600,000.00
Other reserves (give details)	0.00	0.00
Less: Interim dividend	0.00	0.00
Dividends proposed to be distributed to equity shareholders (Rs. 0.20 per share)	0.00	7,390,394.00
Dividends proposed to be distributed to preference shareholders (₹___ per share)	0.00	0.00
Tax on dividend	0.00	1,198,907.00
Transferred to:		
General reserve	0.00	0.00
Capital redemption reserve	0.00	0.00
Debenture redemption reserve	0.00	0.00
Other reserves (give details)	0.00	0.00
<b>Closing balance</b>	<b>391,267,588.20</b>	<b>390,983,218.71</b>
<b>Less: Debit Balance of Jhaveri Weldflux Ltd</b>	<b>1,009,534.00</b>	<b>1,009,534.00</b>
<b>Total</b>	<b>390,258,054.20</b>	<b>389,973,684.71</b>

Notes forming part of the financial statements

Note 3 : Long-term borrowings

Particulars	As at 31 March, 2014	As at 31 March, 2013
<b>(a) Term loans</b>		
From banks		
Secured (SBI Term Loan)	522,736,459.53	52,487,068.00
Unsecured	0.00	0.00
<b>(b) From other parties</b>		
Secured	152,597,299.94	9,403,583.00
Unsecured	328,742,642.02	280,079,724.64
<b>Total</b>	<b>1,004,076,401.49</b>	<b>341,970,375.64</b>

Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2014		As at 31 March, 2013	
		Secured	Unsecured	Secured	Unsecured
Term loans from banks:	Secured against hypothecation of Windmill Plant at Jodhpur (Corporate Guarantee of API Industries Pvt. Ltd) Hypothication of the entire Current assets of the company on pari passu basis with SBI 1) Secured Against mortgage of Factory land at Sanjang. hypothication charge on plant & machinery proposed for the metal division 2) Exclusive First charge on entire current assets of metal division of the company 3) Pledge of 10% TDR				
SBI		39,834,396.00	0.00	52,487,068.00	0.00
Central Bank of India		332,982,484.53	0.00	0.00	0.00
BOI Term Loan (Metal Division)		149,919,579.00	0.00	0.00	0.00
<b>Total - Term loans from banks</b>		<b>522,736,459.53</b>	<b>0.00</b>	<b>52,487,068.00</b>	<b>0.00</b>
Deposits:					
Public deposits					
API Industries Pvt. Limited			77,293,500.00		68,100,000.00
<b>Total - Deposits</b>		<b>0.00</b>	<b>77,293,500.00</b>	<b>0.00</b>	<b>68,100,000.00</b>
Loans and advances from related parties:					
API Industries Private Limited		0.00	0.00	0.00	
UIC Corporation Private Limited (Metal Division)		0.00	0.00	0.00	
<b>Total - Loans and advances from related parties</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
Other loans and advances:					
Tata Capital Limited	(Secured against hypothecation of vehicles)	0.00	0.00	0.00	0.00
Kotak Mahindra Prime Ltd	(Secured against hypothecation of vehicles)	5,197,299.94	0.00	9,403,583.00	0.00
Kotak Mahindra Bank Ltd	(Secured against Advance Post dated Cheques)	0.00	1,715,315.00	0.00	4,684,101.00
Magma Fincorp Ltd	(Secured against Advance Post dated Cheques)	0.00	1,498,010.67	0.00	2,233,227.64
S. E. Investment Ltd	(Personal Guarantee of Directors & Corporate Guarantee of UIC Corporation Pvt. Ltd and API industries Pvt. Ltd)	0.00	2,233,333.35	0.00	6,500,000.00
Tata Capital Financial Services Ltd	(Secured against Advance Post dated Cheques)	147,400,000.00	944,891.00	0.00	2,058,396.00
Suraksha Realty Limited			100,680,548.00		
Shriram City Union Finance Limited			1,705,654.00		
Trinex Holdings Corporation		0.00	72,671,390.00	0.00	126,504,000.00
Uniplas International EST		0.00	70,000,000.00	0.00	70,000,000.00
<b>Total - Other loans and advances</b>		<b>152,597,299.94</b>	<b>251,449,142.02</b>	<b>9,403,583.00</b>	<b>211,979,724.64</b>
<b>TOTAL</b>		<b>675,333,759.47</b>	<b>328,742,642.02</b>	<b>61,890,651.00</b>	<b>280,079,724.64</b>



**Note 4 : Other Long-term Liabilities**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Unsecured Deposits	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Note 5 : Long-term provisions**

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Provision for employee benefits:		
(i) Provision for compensated absences		
(ii) Provision for gratuity (net)	1,872,782.00	1,207,414.00
(iii) Provision for post-employment medical benefits		
(iv) Provision for other defined benefit plans (net)		
(v) Provision for other employee benefits (give details)		
<b>TOTAL</b>	<b>1,872,782.00</b>	<b>1,207,414.00</b>

**Details of long-term borrowings guaranteed by some of the directors or others:**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Bonds / debentures	Personal Guarantee of	Personal Guarantee of
Term loans from banks	Directors	Directors
Term loans from other parties		
Deferred payment liabilities		
Deposits		
Loans and advances from related parties		
Long-term maturities of finance lease obligations		

**Notes forming part of the financial statements**

**Note 6 : Short-term borrowings**

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Loans repayable on demand		
From banks		
Secured (SBI Cash Credit)	101,377,987.90	97,988,986.98
(Secured against Stock and Book Debts both present and future Personal Guarantees of the Directors)		
Unsecured	0.00	0.00
From other parties		
Secured	0.00	0.00
Unsecured	0.00	0.00
(b) Loans and advances from related parties		
Secured	0.00	0.00
Unsecured Loans from Directors & Ex-Directors	0.00	848,693.00
(c) Deposits		
Secured	0.00	0.00
Unsecured	0.00	0.00
(d) Other loans and advances (specify nature)		
Secured	0.00	0.00
Unsecured		
API Industries Private Limited	22975772.00	0.00
Plast Link Polymers India Pvt. Limited	15,373,115.00	0.00
UIC Corporation Private Limited	103882570.27	0.00
Gujarat Packaging	7867455.00	116,919,501.00
<b>Total</b>	<b>251,476,900.17</b>	<b>215,757,180.98</b>

**Note 7 : Trade payables**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade payables:		
Acceptances	955298018.09	770,977,321.00
Other than Acceptances	954,473,064.62	814,071,548.48
Sundry Creditors (JWL)	0.00	0.00
<b>Total</b>	<b>1,909,771,082.71</b>	<b>1,585,048,869.48</b>

**Note 8 : Other current liabilities**

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Unpaid dividends	349,322.00	122,922.60
(b) Other payables		
(i) Statutory remittances		
(a) C.S.T. .VAT Payable	5,021,885.14	8,284,308.98
(b) TDS Payable	6146407.54	1,476,470.00
(c) P.F Payable	0.00	30,430.00
(d) Income Tax (A.Y2010-11)	0.00	86,200.00
(e) Service Tax Payable	1211263.00	0.00
(f) Interest on Late Payment of Service Tax	0.00	0.00
(ii) Contractually reimbursable expenses	0.00	0.00
(iii) Advances from customers	41353783.00	160,500,365.40
(iv) Others (specify nature) (Staff Deposit)	106,000.00	79,300.00
(v) Other current liabilities (JWL)	0.00	0.00
<b>Total</b>	<b>54,188,660.68</b>	<b>170,579,996.98</b>

**Note 9 : Short-term provisions**

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Provision - Others:		
(i) Provision for tax A.Y.2011-12	12,569,682.00	12,569,682.00
(ii) Provision for Tax A.Y. 2012-13	5,744,472.00	5,744,472.00
(iii) Provision for Tax A.Y. 2013-14	29,974,236.00	29,974,236.00
(iv) Provision for proposed equity dividend	0.00	7,390,394.00
(v) Provision for tax on proposed dividends	0.00	1,198,907.00
(vi) Provision for expenses	840,046.00	685,196.00
(vii) Provision for raw material	0.00	8,276,342.00
(viii) Provision for Interest	3,036,857.34	0.00
(ix) Provision for Tax A.Y. 2014-15	4200000.00	0.00
<b>Total</b>	<b>56,365,293.34</b>	<b>65,839,229.00</b>

Notes forming part of the financial statements  
 Note 10 : Fixed assets

A.	Tangible assets	Gross block									
		Balance as at 1 April, 2013	Additions	Disposals	Acquisitions through Combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2014
	<b>(a) Land</b>										
	Freehold Leasehold *	22,684,750.00	700,000.00	-	-	-	-	-	-	-	23,384,750.00
		2,000,000.00	0.00	-	-	-	-	-	-	-	2,000,000.00
	<b>(b) Plant and Equipment</b>										
	Owned	53,937,801.75	146,375,091.00	-	-	-	-	-	-	-	200,312,892.75
	Taken under finance lease *	-	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-	-
	<b>(c) Furniture and Fixtures</b>										
	Owned	798,430.00	66,950.00	-	-	-	-	-	-	-	865,380.00
	Taken under finance lease *	-	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-	-
	<b>(d) Vehicles</b>										
	Owned	4,844,657.00	0.00	-	-	-	-	-	-	-	4,844,657.00
	Taken under finance lease *	-	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-	-
	<b>(e) Office Equipment</b>										
	Owned	1,159,368.00	302,563.00	-	-	-	-	-	-	-	1,461,931.00
	Taken under finance lease *	-	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-	-
	<b>(f) Others (Specify nature):</b>										
	<b>Wind Mill</b>										
	Owned	106,995,560.00	571,415.00	-	-	-	-	-	-	-	107,566,975.00
	Taken under finance lease *	-	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-	-
	<b>(g) Computer</b>										
	Owned	384,959.00	113,231.00	-	-	-	-	-	-	-	498,190.00
	Taken under finance lease *	-	-	-	-	-	-	-	-	-	-
	Taken under operating lease	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>192,805,525.75</b>	<b>148,129,250.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,934,775.75</b>
	<b>Previous year</b>	<b>181,860,785.75</b>	<b>10,944,740.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,805,525.75</b>

Note 10 Fixed assets (contd.)

A.	Tangible assets	Accumulated depreciation and impairment							Net block	
		Balance as at 1 April, 2013	Depreciation/amortisation expenses for the year	Eliminated on disposal of assets	Eliminated reclassification as held for sale	Impairment losses recognised in statement of Profit and Loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other Adjustments	Balance as at 31 March, 2014	Balance as at 31 March, 2013
	<b>(a) Land</b>									
	Freehold Leasehold *	-	-	-	-	-	-	-	23,384,750.00	14,531,250.00
	<b>(b) Plant and Equipment</b>								2,000,000.00	2,000,000.00
	Owned	40,252,269.84	1,903,657.62	-	-	-	-	42,155,927.46	158,156,965.29	15,677,127.62
	Taken under finance lease *	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-
	<b>(c) Furniture and Fixtures</b>									
	Owned	305,870.37	92,274.08	-	-	-	-	398,144.45	467,235.55	601,415.91
	Taken under finance lease *	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-
	<b>(d) Vehicles</b>									
	Owned	1,802,653.79	787,574.63	-	-	-	-	2,590,228.42	2,254,428.58	1,532,327.08
	Taken under finance lease *	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-
	<b>(e) Office equipment</b>									
	Owned	385,878.15	107,592.44	-	-	-	-	493,470.59	968,460.41	875,701.68
	Taken under finance lease *	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-
	<b>(f) Others (specify nature):</b>									
	<b>Wind Mill</b>									
	Owned	44,390,925.15	9,676,248.64	-	-	-	-	54,067,173.79	53,499,801.21	73,939,571.10
	Taken under finance lease *	-	-	-	-	-	-	-	-	-
	Given under operating lease *	-	-	-	-	-	-	-	-	-
	<b>(g) Computer</b>									
	Owned	205,255.17	107,137.39	-	-	-	-	312,392.56	185,797.44	169,940.89
	Taken under finance lease *	-	-	-	-	-	-	-	-	-
	Taken under operating lease *	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>87,342,852.47</b>	<b>12,674,484.80</b>	-	-	-	-	<b>100,017,337.27</b>	<b>240,917,438.48</b>	<b>109,327,334.28</b>
	<b>Previous year</b>	<b>72,533,451.48</b>	<b>14,809,400.00</b>	-	-	-	-	<b>87,342,852.47</b>	<b>105,462,673.28</b>	<b>109,327,334.28</b>

Notes forming part of the financial statements  
 Note 11 : Non-current investments

Particulars	As at 31 March, 2014		As at 31 March, 2013		
	Quoted #	Unquoted #	Quoted	Unquoted	Total
Investments (At cost):					
A. Trade @					
(a) Investment in equity instruments (give details separately for fully / partly paid up instruments)					
(i) of associates (Share Application Money of Har dik Industrial Company Pvt. Ltd)	0.00	2,000,000.00	0.00	2,000,000.00	2,000,000.00
(ii) of joint venture companies					
(iii) of controlled special purpose entities					
(iv) of other entities (UNITECH INTERNATIONAL LIMITED)	13205459.56	0.00	13205459.56	0.00	13205459.56
(v) of other suspended equity shares listed on BSE	0.00	0.00	0.00	0.00	0.00
(b) Investment in preference shares (give details separately for fully / partly paid up shares)					
(i) of subsidiaries					
(ii) of associates					
(iii) of joint venture companies					
(iv) of controlled special purpose entities					
(v) of other entities (give details)					
(c) Investment in debentures or bonds (give details separately for fully / partly paid up debentures / bonds)					
(i) of subsidiaries					
(ii) of associates					
(iii) of joint venture companies					
(iv) of controlled special purpose entities					
(v) of other entities (give details)					
(d) Investment in partnership firms (Refer Note below)					
(e) Other non-current investments (specify nature)					
<b>Total - Trade (A)</b>	<b>13205459.56</b>	<b>2,000,000.00</b>	<b>13205459.56</b>	<b>2,000,000.00</b>	<b>15205459.56</b>

Note 11-A : Other Non-current Assets	As at 31.03.2014	As at 31.03.2013
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	59,221.00	157,312.00
Less : 1/10th Written Off	59,221.00	98,091.00
	0.00	59,221.00
A	2,325,189.00	2,823,201.00
Public Issue Expenses	498,012.00	498,012.00
Less : Proportionate Expenses Written Off	1,827,177.00	2,325,189.00
B	<b>1,827,177.00</b>	<b>2,384,410.00</b>
<b>(A + B)</b>		

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**Notes forming part of the financial statements**

**Note 12 : Inventories**

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Raw materials	444301211.30	349,621,698.00
1. Plastic Division      4,43,08,211.30		
2. Metal Division      42,51,36,302.00		
(b) Finished goods (other than those acquired for trading)	37230357.00	8,613,000.00
<b>Total</b>	<b>50,66,74,870.30</b>	<b>358,234,698.00</b>

**Note 13 : Trade Receivables**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Trade receivables outstanding for a period exceeding six months from the date they were due for payment #		
Secured, considered good		
Unsecured, considered good	541688693.65	84,498,821.60
Doubtful		
Less: Provision for doubtful trade receivables	0.00	0.00
Other Trade receivables		
Secured, considered good		
Unsecured, considered good	1978960318.03	1,891,020,088.00
Doubtful	0.00	0.00
Less: Provision for doubtful trade receivables	0.00	0.00
<b>Total</b>	<b>2,520,649,011.68</b>	<b>1,975,518,909.60</b>

**Note: Trade receivables include debts due from:**

Particulars	As at 31 March, 2014	As at 31 March, 2013
Directors *		
Other officers of the Company *		
Firms in which any director is a partner		
Private companies in which any director is a director or member	-	9,539,752.00
<b>Total</b>	<b>-</b>	<b>9,539,752.00</b>

Notes forming part of the financial statements

Note 14 : Cash and cash equivalents

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Cash on hand	2446575.67	1,106,724.67
(b) Balances with banks		
(i) In current accounts		
Bank of India	(1018206.00)	(268859.00)
Central Bank of India	571,844.50	5,932.00
HDFC Bank Ltd	(203041.65)	477,347.25
Union Bank of India (JWL)	5,357.00	5,357.00
Allahabad Bank	0.00	0.00
	<b>(644046.15)</b>	<b>219,777.25</b>
(ii) In EEFC accounts		
(iii) In deposit accounts (Refer Note (i) below)		
(iv) In earmarked accounts		
- Unpaid dividend accounts		
HDFC Bank Dividend A/c 00602230016993	0.00	122,972.60
HDFC Bank Ltd Divident A/C	360,268.99	0.00
FD- HDFC Bank (Tata Capital Financial Services Ltd)	1565876.00	0.00
- Unpaid matured deposits		
- Unpaid matured debentures		
- Share application money received for allotment of securities and due for refund		
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	128,106,796.00	161,488,012.52
- Other earmarked accounts (specify) (Refer Note (ii) below)		
(c) Others (specify nature) : Fixed deposit (Collateral to SBI)	3523537.00	3,258,465.00
HDFC Deposit	0.00	0.00
<b>Total</b>	<b>135,359,007.51</b>	<b>166,195,952.04</b>



Notes forming part of the financial statements

Note 15 : Short-term loans and advances

Particulars	As at 31 March, 2014	As at 31 March, 2013
(a) Loans and advances to related parties		
Secured, considered good		
Unsecured, considered good	0.00	0.00
Doubtful	0.00	0.00
<b>Less: Provision for doubtful loans and advances</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
(b) Loans and advances to employees		
Secured, considered good		
Unsecured, considered good	0.00	0.00
Doubtful		
<b>Less: Provision for doubtful loans and advances</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	2,806,946.62	2,827,399.00
(d) Balances with government authorities		
Unsecured, considered good		
(i) Custom Duty receivable	0.00	3,163,122.00
(ii) VAT credit receivable	0.00	0.00
(iii) Service Tax credit receivable	0.00	0.00
(iv) SAD Refund Claim	3518083.30	15,014,066.00
(v) TDS And Advance tax :		
TDS A.Y. 2011-12	278,931.79	278,931.79
TDS A.Y. 2012-13	382,917.00	382,917.00
TDS A.Y. 2013-14	1,201,917.00	1,201,917.00
TDS A.Y. 2014-15	1,345,662.00	0.00
Income Tax A.Y. 2011-12	12,700,000.00	12,700,000.00
Advance Tax A.Y. 2012-13	3,000,000.00	3,000,000.00
Income Tax A.Y. 2012-13	5,744,472.00	5,744,472.00
Advance Tax A.Y. 2013-14	6,500,000.00	6,500,000.00
Income Tax (2013-14)	1,000,000.00	0.00
<b>Total</b>	<b>35,671,983.09</b>	<b>47,985,425.79</b>
(e) Inter-corporate deposits		
Secured, considered good	0.00	0.00
Unsecured, considered good		
Doubtful	0.00	0.00
<b>Less: Provision for doubtful inter-corporate deposits</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
(f) Others (specify nature)		
Secured, considered good		
Unsecured, considered good : Advances to creditors	175,771,077.00	71,785,601.52
Security Deposite for Lease Rent	2,718,000.00	2,718,000.00
Security Deposit With DGVCL	500,000.00	500,000.00
Accrued interest on FDR	1550714.70	7,731,906.00
Unitech International Limited	4950000.00	5,912,195.00
S.E. Investments Limited	2,089,654.00	2,089,654.00
VAT Deposit	173,000.00	148,000.00
<b>Total</b>	<b>23,23,02,445.70</b>	<b>90,885,356.52</b>
<b>Less: Provision for other doubtful loans and advances</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>23,23,02,445.70</b>	<b>90,885,356.52</b>
<b>Total</b>	<b>270,781,375.41</b>	<b>141,698,181.31</b>

Notes forming part of the financial statements

Note 16 : Revenue from operations

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Sale of products @ (Refer Note (i) below)	4,982,080,931.62	4,801,721,126.02
Sale of products (JWL)	0.00	0.00
<b>Total</b>	<b>4,982,080,931.62</b>	<b>4,801,721,126.02</b>

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Note: (i)</b> Sale of products comprises @:		
Manufactured goods		
Plastic Granules	4,968,897,411.62	4,786,133,723.02
Others - Wind Mill Power	13,183,520.00	15,587,403.00
Sale of products (JWL)	0.00	0.00
<b>Total - Sale of manufactured goods</b>	<b>4,982,080,931.62</b>	<b>4,801,721,126.02</b>

Note 17 : Other income

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Interest income (Refer Note (i) below)	8,477,138.00	11,757,126.00
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	0.00	0.00
(c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	118,393.00	362,986.00
<b>Total</b>	<b>8,595,531.00</b>	<b>12,120,112.00</b>

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Note: (i)</b> Interest income comprises:		
Interest from banks on:		
Deposits	0.00	8,256,124.00
Other balances		
Other interest	8,477,138.00	3,501,002.00
<b>Total - Interest income</b>	<b>8,477,138.00</b>	<b>11,757,126.00</b>
<b>Note: (ii)</b> Other non-operating income comprises:		
Miscellaneous income :		
Discount Received	0.00	0.00
Insurance Claim	0.00	0.00
LC Profit	118,393.00	362,986.00
Buyers Credit	0.00	0.00
Other Income ( Dividend )	0.00	0.00
<b>Total - Other non-operating income</b>	<b>118,393.00</b>	<b>362,986.00</b>
<b>Note: (iii)</b> Details of Prior period items (net)		
Prior period income (give details)		
Prior period expenses (give details)		
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

Notes forming part of the financial statements

Note 18: Cost of materials consumed

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Opening stock	349,621,698.00	34,485,194.54
Add: Purchases	4,738,321,667.27	4,810,878,363.90
	5,087,943,365.27	4,845,363,558.44
Less: Closing stock	444,301,211.30	349,621,698.00
<b>Cost of material consumed</b>	<b>4,643,642,153.97</b>	<b>4,495,741,860.44</b>

Note 19 : Purchase of traded goods

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Other items	2,613,649.00	948,581.00
Cost of Trading Goods (JWL)	0.00	0.00
<b>Total</b>	<b>2,613,649.00</b>	<b>948,581.00</b>

Note 20 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
<b>Inventories at the end of the year:</b>		
Finished goods	37,230,357.00	8,613,000.00
Work-in-progress		
Stock-in-trade		
	<b>37,230,357.00</b>	<b>8,613,000.00</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	8,613,000.00	48,083,047.02
Work-in-progress		
Stock-in-trade		
	<b>8,613,000.00</b>	<b>48,083,047.02</b>
<b>Net (increase) / decrease</b>	<b>28,617,357.00</b>	<b>(39470047.02)</b>

Notes forming part of the financial statements

Note 21 : Employee benefits expense

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Salaries and Wages	5,861,120.00	5,560,855.00
Contributions to provident and other funds	101,408.00	207,371.00
Staff welfare expenses	95,501.00	94,814.00
Gratuity	665,368.00	529,362.00
<b>Total</b>	<b>6,723,397.00</b>	<b>6,392,402.00</b>

Note 22 : Finance costs

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
(a) Interest expense on:		
(i) Borrowings	55,771,463.53	32,937,231.00
(ii) Others		
- Others (give details)	48,687,041.65	14,837,026.08
- Buyer's Credit Charges	20,959,241.00	33,891,205.00
<b>Total</b>	<b>125,417,746.18</b>	<b>81,665,462.08</b>

Note 23 : Other expenses

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Advertisement Expenses	72,810.00	99,885.00
Bank Charges & Commission	6,550,653.23	10,121,628.91
Bank Loan Processing Fees	4,463,942.00	4,642,277.60
Business promotion	154,635.00	0.00
Communication	0.00	152,032.81
Directors Sitting Fee	0.00	30,000.00
Donation Expenses	0.00	1,546,000.00
Electricity Expenses	1,44,230.00	140,220.00
Freight and forwarding	0.00	53,480.00
Insurance	2,034,185.60	1,997,064.00
Legal and Technical	1,155,406.00	1,851,703.00
License Fees	143,167.00	121,250.00
Misc. Expenses W/off	557,233.00	594,795.00
Listing Fee	28,090.00	0.00
Motor Cars Expenses	172,874.00	222,290.36
Other Expenses	394,309.02	373,321.19
Payments to auditors	112,360.00	67,416.00
Telephone Charges	89737.00	0.00
Postage and Courier	217,597.00	333,531.00
Printing and stationery	451,614.00	342,804.26
Professional Charges	3,027,244.00	4,288,158.00
Professional Tax	2,500.00	0.00
Rent including lease rentals	4,253,746.00	4,075,179.00
Repairs and maintenance - Buildings	0.00	308,676.94
Repairs and maintenance - Machinery	477,835.00	74,832.00
Repairs and maintenance - Wind Mill	2,399,202.00	2,265,925.80
ROC and Listing Fees	31,170.00	158,585.00
Bank Commission	366946.00	0.00
Sales discount	0.00	31,413.00
Security Charges	0.00	333,250.00
Service Tax	422,850.00	0.00
Subscription	55,744.00	51,241.00
Transportation Charges	1,893,323.00	0.00
VAT / TDS penalty, Interest	245,012.68	0.00
Travelling and Conveyance	821,993.01	540,472.11
<b>Total</b>	<b>30,770,408.54</b>	<b>34,787,431.98</b>

Note 24 : Exceptional items

Particulars	For the year ended 31 March, 2014	For the year ended 31 March, 2013
Forex Loss	177,682,329.35	29,143,254.00
<b>Total</b>	<b>177,682,329.35</b>	<b>29,143,254.00</b>

**VHCL INDUSTRIES LIMITED**

**NOTE: 25- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

**I. SIGNIFICANT ACCOUNTING POLICIES:**

**a) Basis of Accounting :**

The accounts have been prepared under the historical cost convention on an accrual basis as a going concern and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/ advances etc. Actual results could differ from these estimates.

**b) Revenue Recognition :**

Revenue recognized and expenses incurred are accounted on accrual basis and in accordance with the requirements of the Companies Act, 1956. Sales are recognized on dispatch of goods to Customers.

**c) Fixed Assets :**

Fixed assets are stated at cost less depreciation. Cost comprises of purchase price (net of rebates and discounts), import duties, levies (net of cenvat and vat) and any directly attributable cost of bringing the assets to its working condition for its intended use.

**d) Depreciation :**

Depreciation is provided on a pro-rata basis, from the date the assets have been installed and put to use, on a Written down value method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

**e) Investments :**

Investments are valued at cost and are long term in nature. Provision for permanent Diminution in value is made wherever necessary.

**f) Employees Retirement Benefits :**

**1. Defined Contribution Plans**

The Company contributes on a defined contribution basis to Employees' Provident Fund towards post employment benefits, which is administered by the respective Government authorities, and has no further obligations beyond making its contribution, which is expected in the year to which it pertains.

**2. Defined Benefit Plans**

The Company has introduced defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

**3. Employee Leave Entitlement**

Employee leave entitlement is provided in the books on cash basis.

**g) Inventories :**

i) Inventories of Raw Materials are valued at cost.

ii) Stores & Spares are valued at cost.

- iii) Cost of finished goods includes an appropriate proportion of overheads. Finished Goods has been valued at cost or market value whichever is lower.
- h) Borrowing Costs :**  
Borrowing costs that are attributable to the acquisition, construction or production of a qualified asset are capitalised. Other borrowing costs are expensed out.
- i) Excise Duty :**  
The Company is fully exempted from payment of excise duty on goods manufactured by it vide Sr. No: 147 of Notification No: 12/2002 CE Dated 17th March, 2012 covered by General Exemption No: 50 as amended.
- j) Taxation :**  
Provision for DTA/DTL has been made in the books of accounts as required under the Accounting Standard (AS)-22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India (ICAI).
- k) Foreign Currency Transactions :**  
Foreign Currency transactions are converted at the rates prevailing on the dates of transactions. Foreign Currency assets and liabilities are converted at contracted/ at the exchange rate prevailing at the balance sheet date as applicable. Gain / (Loss) on closing rates of reporting date of revenue transactions in the same year are charged to "Foreign Exchange Fluctuation Gain/ (Loss) Account" in the Profit and Loss Account.
- l) Impairment of Assets :**  
Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.
- m) Provisions, Contingent Liabilities and Contingent Assets :**  
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- n) Leases :**  
The Company has taken on sub-lease basis land measuring 706.63 Hectors situated at Village: Bhalu Kalla, Bastwa, Bastwa Mataji, Sagatnagar, Belwa Ranaji, Ketu Kalla, Tehsil Shergarh, Dist. Jodhpur from Suzlon Energy Limited for setting up 2.10 MW Wind Power Plant for generation of Wind Power which is directly supplied to Jodhpur Vidyut Vitran Nigam Limited under Power Purchase Agreement for a period of 20 years.

## II. NOTES TO THE ACCOUNTS

1. The Company did not have any employee drawing remuneration of Rs. 60,00,000/- p.a. or Rs.5,00,000/- per month if employed for a part of the year.
2. Leave Encashment is accounted for on Cash Basis as and when paid.

3. Sales (including Deemed Exports):

Particulars	2013-14		2012-13	
	Qty	Amount	Qty	Amount
Sales - Deemed Exports (M.T.)	1476.000	132563550.00	1,033.000	83,581,125
- High Seas Sales (M.T.)	5728.989	309191323.00	15,786.081	998,272,371
- Domestic Sales (M.T.)	41175.551	3928903923.50	38,671.497	3,704,280,227
- Trading Sales (M.T.) (Silvassa)	3601.810	351756464.12	NIL	NIL
- Trading Sales (M.T.) (Bhiwandi)	2251.017	246482151.00	NIL	NIL
- Wind Power Sales (KWH)	3080260	13,183,520.00	3,641,917	15,587,403
<b>Total</b>		<b>4982080933.62</b>		<b>4,801,721,126</b>

4. Earning per Share: (Basic and diluted Earnings per share computed in accordance with Accounting Standard -20 'Earnings per Share')

	2013-14	2012-13
(a) Net profit after Tax available to Equity Share Holders	284369.49	69408063.50
(b) Number of Equity Shares of Rs. 2/ each outstanding during the year (Previous year of Rs. 2/- each)	36,951,970	36951970
(c) Weighted Average Number of Equity Shares of Rs. 2/- each outstanding during the year /- (Previous Year of Rs. 2/- each)	36951970	32535303
(d) Basic Earning Per share Rs. (a / b)	0.008	1.88
(e) Diluted Earning Per share	0.008	2.13

5. Contingent Liabilities: Current Year Nil and Previous years Rs. 16.22 Lacs (Income tax demand for A.Y 2009-10)

6. Value of imports calculated on CIF basis -

	2013-14	2012-13
Raw Material	232,84,13,343	3,59,12,79,845
Capital Goods	Nil	16,077

7. Expenditure in Foreign Currency - for import of Raw Material

US \$ 39382659.92 (equivalent in Rs. 2327078938.00)

Euro 15411.90 (equivalent in Rs.1334405.00)

8. Quantitative & other information pursuant to requirement of Paragraph 3, 4C & 4D of Part -II of Schedule VI of the Companies Act, 1956.



**(a) Quantitative information in respect of goods manufactured :**

Particulars	2013-2014		2012-2013	
	Qty. (M.T.)	Rs.	Qty. (M.T.)	Rs.
a) Licensed & Installed Capacity	23,388	--	23,388	--
i) Licensed Capacity				
Reprocessed Plastic Granules	23,388	--	23,388	--
ii) Installed Capacity				
Reprocessed Plastic Granules	33,390	--	33,390	--

**(b) Stock of Finished Goods :**

Particulars	2013-14		2012-13	
	Qty.	Amount	Qty.	Amount
<b>i) Opening Stock</b>	97.628	8613000	670.562	480,83,047
<b>ii) Production</b>	42985.264	-	33,302.321	-
<b>iii) Sales</b>				
a) Deemed Exports (M.T.)	1476.000	132563550.00	1,033.000	83,581,125
b) High Seas Sales (M.T.)	5728.989	309191323.00	15,786.081	998,272,371
c) Domestic Sales (M.T.)	41175.551	3928903923.50	38,671.497	3,704,280,227
d) Trading Sales (M.T.)(Silvassa)	3601.810	351756464.12	0.00	0.00
e) Trading Sales (M.T.)(Bhiwandi)	2251.017	246482151.00	0.00	0.00
d) Wind Power Sales (KWH)	3080260	13183520.00	3,641,917	15,587,403
<b>iv) Closing Stock (M.T.)</b>	431.341	80243928.00	97.628	86,13,000

**(c) Raw Material Consumed :**

Particulars	2013-14		2012-13	
	Qty. (M.T.)	Rs.	Qty. (M.T.)	Rs.
Plastic Waste /Scrap	44327.920	4643642153.97	35147.568	2938031374.44

**(d) Stores & Spare Parts :**

Particulars	2013-14	2012-13
	Rs.	Rs.
Consumed (100% indigenous)	2613649	948,581

**9. Related party disclosures as required by AS-18 issued by ICAI (as identified by the Management)**

**a. Name of the related party and nature of related party relationship where control exist.**

Sr. No.	Name of the related party	Relationship
1.	API INDUSTRIES PVT LTD	Director Shri Pankaj H. Valia is Director in the Company
2.	GUJRAT PACKAGING	Director Shri Pankaj H. Valia is Partner In the Firm

3.	UIC CORPORATION PVT LTD	Director Shri Pankaj H. Valia is Director in the Company
4.	PMS EXPORTS PVT LTD	Director Shri Pankaj H. Valia is Shareholder
5.	HARDIK INDUSTRIAL CORP. PVT LTD	Director Shri Harshad Bosmia is Director in the Company

**b. Transactions with related parties for the year ended 31.03.2014**

Type of related Party	Description of the nature of transaction	Volume of transactions for the year	Outstanding As On 31.03.2014
API Industries Pvt Ltd	Purchase	51588000.00	
	Interest Paid	5225473.00	22975772.00 Cr
API Industries Pvt. Ltd (Loan)	Loan-Interest Paid	10215000.00	77293500.00 Cr
Gujarat Packaging	Interest Paid	12559948.00	7867455.00 Cr
UIC Corporation Pvt Ltd	Rent	360000.00	
	Purchase	33031502.00	
	Loan Taken/Repaid	51248605.00	103882507.27 Cr
PMS Exports Pvt. Ltd	Sales	37987658.00	2664578.00 Cr
	Purchase	25673922.00	2521325.97 Dr
Hardik Industrial Corporation Pvt. Ltd	Investment	Opening Balance	20,00,000.00 Dr
	Advance Received	2,25,00,000.00	2,25,00,000.00 Cr
	against Order		

10. Some of the Balances in Sundry Debtors, Sundry Creditors, Advances and Deposits are subject to confirmation, reconciliations, adjustments, if any, which in the opinion of the Management will not be significant. The confirmations of Debtors are subject to verification.

The Company had filed case under Section 138 of the Negotiable Instruments Act, 1881 in the Metropolitan Court at Mumbai against 2 parties namely M/s. K. J. International for Rs. 55,27,353/- and M/s S. D. L. Steel Private Limited for Rs. 1,06,55,770/- for recovery of amount outstanding along with interest etc. The Management is of the opinion that the amount outstanding will be recovered as the matter is being pursued in the Court and adequate steps are being taken.

11. In the opinion of Board, the Current Assets, Loans and Advances are approximately of, if realized, in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

12. No Managerial Remuneration was paid during the year under review.

Particulars	2013-14	2012-13
Salary	NIL	12,50,000

**13. Employee Benefits**

As per Accounting Standard -15 "Employee Benefits" the disclosure of employee benefits is given

below:

i) Defined Contribution Plans: The amounts of contribution to Provident Fund recognized as expenses during the year is Rs.                   /- (Previous Year Rs 190338/-).

ii) Defined benefits plans for gratuity

The following table sets out the status of the Gratuity plan for the year ended 31st March, 2014 as required under AS 15 (Revised)

		<b>Gratuity (Non Funded)</b>
A)	Change in present value of obligation	
	PVO at the beginning of period i.e. 1.4.2013	1207414
	Interest Cost	97318
	Service Cost	461196
	Benefits paid	0
	Actuarial (gain)/Loss on obligation	106854
	PVO at the end of the period i.e. 31.03.2014	1872782
B)	Change in fair value plan assets	
	Fair Value of the plan assets as at 1.4.2013	0
	Expected return on plan assets	0
	Contributions	0
	Benefits paid	0
	Actuarial gain/(loss) on plan assets	0
	Fair Value of Plan assets as at 31.03.2014	0
C)	Amount Recognized in the Balance Sheet	
	PVO as at 31st March, 2014	1872782
	Fair Value of Plan Assets as at 31.03.2014	0
	Assets/(Liabilities) recognized in the Balance Sheet (shown as provision in the Schedule I-Current Liabilities and provisions)	(1872782)
D)	Expenses recognized during the year	
	Current Service Cost	461196
	Interest Cost	97318
	Expected return on Plan Assets	0
	Net Actuarial (gain)/loss to be recognized	106854
	Expenses recognized in the Statement of Profit & Loss Account	665368
E)	Assumptions used in accounting for the gratuity plan	
	Mortality Rate	LIC(1994-96)Ult.
	Discount Rate	8.06%
	Salary Escalation rate	15%
	Expected rate of return on plan assets	5%

14. Since the windmill power generation segment is not significant as defined in AS- 17 , the Company is considered to be a single segment company - engaged in one business segment namely reprocessed plastic granules , hence segment wise reporting as required under AS-17 issued by ICAI is not applicable.

**15. Auditors remuneration:-**

1. Audit Fees (including Tax Audit Fees)	100000
2. Service Tax	12360

16. The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.

**For RAKESH R.AGARWAL & ASSOCIATES**  
**Chartered Accountants**  
**FRN 119168W**

**Sd/-**  
**(RAKESH R.AGARWAL)**  
Partner  
M.NO: 100223

Place : Mumbai  
Date : May 30, 2014

**ATTENDANCE SLIP**

**VHCL INDUSTRIES LIMITED**

CIN : L27200DN1991PLC000449

Regd. Off: Survey No. 285, Gala No.II, Main Khanvel Kherdi Road,

Village Kherdi, Silvassa-396230, U.T. of Dadra & Nagar Haveli

Tel.: 0260-2677915.

E-mail - cs@vhcl.co.in • Web: www.vhcl.co.in

**23<sup>rd</sup> ANNUAL GENERAL MEETING**

--

I / We hereby record my/our presence at the 23rd Annual General Meeting of the Company at Hill View Resort, Village Chauda, Near Khanvel Garden, Silvassa 396230, U.T. of Dadra & Nagar Haveli, on Tuesday, September 30, 2014 at 11.00 a.m.

**Member's Folio / DP ID-Client ID No.      Member's / Proxy's name in Block Letters      Member's/Proxy's signature**

**Note:**

1. Please complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for F.Y. 2013-14 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

**E-VOTING PARTICULARS**

**VHCL INDUSTRIES LIMITED**

CIN : L27200DN1991PLC000449

Regd. Off: Survey No. 285, Gala No.II, Main Khanvel Kherdi Road,

Village Kherdi, Silvassa-396230, U.T. of Dadra & Nagar Haveli

Tel.: 0260-2677915.

E-mail - cs@vhcl.co.in • Web: www.vhcl.co.in

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-Voting Event Number)	USER ID	Password / PIN

Note: Please read instructions given at Note No. 8 of the Notice of the 23rd Annual General Meeting carefully before voting electronically.

**PROXY FORM**

**VHCL INDUSTRIES LIMITED**

CIN : L27200DN1991PLC000449

Regd. Off: Survey No. 285, Gala No.II, Main Khanvel Kherdi Road,

Village Kherdi, Silvassa-396230, U.T. of Dadra & Nagar Haveli

Tel.: 0260-2677915.

E-mail - cs@vhcl.co.in • Web: www.vhcl.co.in

Name of Member(s):
Registered Address:
E-mail ID:
Folio / DP ID-Client ID No.:

I/We being the member(s) of \_\_\_\_\_ shares of the above named company hereby appoint:

Name:..... Address .....

Email ID..... Signature .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Tuesday, September 30, 2014 at 11.00 a.m. at Hill View Resort, Village Chauda, Near Khanvel Garden, Silvassa 396230, U.T. of Dadra & Nagar Haveli, and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolution	Optional*	
		For	Against
	<b>Ordinary Business</b>		
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended March 31, 2014		
2.	Re-appointment of Mr. Harshadrai Bosmia who retires by rotation.		
3.	Re-appointment of Mr. Ashish S. Pandare who retires by rotation.		
4.	Appoint M/s. Rakesh R. Agarwal & Associates, Chartered Accountant, as a Statutory Auditor of the Company.		
	<b>Special Business</b>		
5.	Appointment of Mr. Harshadrai Bosmia as an Independent Director		
6.	Appointment of Mr. Mandar S. Palav as an Independent Director		
7.	Appointment of Mr. Ashish S. Pandare as an Independent Director		
8.	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing an amount not exceeding Rs. 500 Crores		
9.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge, mortgage and hypothecations not exceeding Rs. 500 Crores		
10.	Special Resolution under Section 186 of the Companies Act 2013 to give loans and / or acquire by way of subscription, purchase or otherwise, the securities of any subsidiary Company(ies) (including overseas subsidiaries) and / or give any guarantee or provide security.		
11.	Special Resolution under Section 94 of the Companies Act, 2013 for maintaining registers and returns at the Corporate Office of the Company at Mumbai.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Name and Signature of the shareholder \_\_\_\_\_

Affix Revenue Stamp Not less than Rs. 0.15
--

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 23rd Annual General Meeting
3. \* It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate
4. Please complete all details including details of member(s) in the above box before submission.



**Regd. Off.:** Survey No. 285, Gala No.II, Main Khanvel Kherdi Road, Village Kherdi, Silvassa-396230, U.T. of Dadra & Nagar Haveli.  
**Corporate Office :** 601, Casablanca, Juhu-Gulmohar Cross Road No. 10, Vile Parle (West), Mumbai - 400 049.  
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