



**18<sup>th</sup> ANNUAL  
REPORT  
2008 – 2009**

**VARDHAMAN  
WIRES AND POLYMERS LIMITED**

**BOARD OF DIRECTORS**

-----  
SHRI. C. A. SHAH - DIRECTOR.  
-----

SHRI. S. JOSHI - DIRECTOR.  
-----

SMT. M. A. SHAH - DIRECTOR.  
-----

SMT. V. C. SHAH - DIRECTOR  
-----

**AUDITORS**

-----  
MANESH MEHTA & CO.  
CHARTERED ACCOUNTANTS, MUMBAI.  
-----

**REGISTERED OFFICE**

-----  
Plot No.662/II, Savli Lamdapura Road,  
Village Manjusar, Taluka Savli,  
Dist. BARODA-391770.  
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**CORPORATE OFFICE**

-----  
405, Blue Diamond Complex,  
4th Floor, Near VUDA Office,  
FATEHGANJ, VADODARA-390 008.  
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**BANKERS**

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THE MOGAVEERA CO-OP. BANK LTD.,MUMBAI.  
AXIS BANK LTD .,MUMBAI.  
THE STAE BANK OF INDIA,MUMBAI.  
THE FEDERAL BANK LTD.,MUMBAI.  
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**ADMINISTRATIVE OFFICE**

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Shop No. 11, Gokul Apartment, Near  
Farooq High School, S. V. Road, Jogeshwari  
[W], MUMBAI-400 102.  
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**The 18th Annual General Meeting on Monday, September 29, 2009 at Registered Office:  
Plot No.662/II, Savli Lamdapura Road, Village Manjusar, Taluka Savli, Dist. Vadodara-391 770.**

**VARDHAMAN WIRES AND POLYMERS  
LTD.**

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**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE 18TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **VARDHAMAN WIRES AND POLYMERS LIMITED**. WILL BE HELD AT PLOT NO.662/II, SAVLI LAMDAPURA ROAD, VILLAGE MANJUSAR, TALUKA SAVALI, DIST. BARODA ON TUSEDAY, SEPTEMBER 29TH 2009 AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS.

**ORDINARY BUSINESS :-**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2009 along with Profit and Loss Account for the Year ended March 31, 2009 & reports of Directors & Auditors thereon.

2. To appoint a Director in place of Mr. Chetan A. Shah who retires by rotation & being eligible offer himself for reappointment.

3. To appoint Manesh Mehta & Company, Chartered Accountant, the retiring Auditors as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting & to Authorise the Board to fix their remuneration.

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR VARDHAMAN WIRES AND POLYMERS LTD**

SD/-  
Place : Mumbai            **MRUDULA A. SHAH**  
Date :31/07/2009.            **Director**

**Regd. Office:**  
**Plot No. 662/II, Savli Lamdapura Road,**  
**Village Manjuser, Taluka Savli, Dist. BARODA.**

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.

2. The Register of Members and The Register of Transfers will remain closed on 29.09.2009.

3. Members are requested to intimate any change in their addresses to the Company's Registrar and Share Transfer Agents M/s. Purva Sharegistry India Pvt. Ltd., No.9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai-400 011, at the earliest quoting their Folio Numbers.

4. Members are requested to quote folio Number in all correspondence and also to bring with them the Attendance Card which may be submitted at the entrance duly signed.

5. Members who are Registered under two or more Ledger Folios are requested to write to the Company for consolidation, giving particulars of such folios and send relevant Share Certificates.

6. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting.

**BY ORDER OF THE BOARD OF DIRECTORS**

**FOR VARDHAMAN WIRES AND POLYMERS LTD.**

SD/-  
Place:Mumbai            **MRUDULA A. SHAH**  
Date :31/07/2009.            **[Director]**

# **VARDHAMAN WIRES AND POLYMERS LTD.**

## **DIRECTORS REPORT**

Dear Members ,

Your Directors submit the 18th Annual Report of the Company together with the Audited Accounts for the period ended 31st March, 2009.

### **Financial Results :**

<b>Particulars</b>	<b>Year ending 31.03.2009 (Rs. 000)</b>	<b>Year ending 31.03.2008 (Rs. 000)</b>
Sales and Other Income	39125.62	14889.30
Profit/(Loss) Before Int., Dep. & Tax	8004.11	4906.57
Interest	42.31	35.32
Depreciation	356.31	238.92
Profit/(Loss) Before Tax	7605.49	4632.33
Provision For Taxation	70.00	0.00
Profit/(Loss) After Tax	7535.49	4632.33
Profit/(Loss) Brought Forward	(19977.49)	(24609.98)
Profit/(Loss) Available for Appropriation	(12442.00)	(19977.49)
<b>APPROPRIATIONS</b>		
Transfer To General Reserves	0.00	0.00
Balance Carried to Balance Sheet	(12442.00)	(19977.49)

### **Dividend :**

In view of the accumulated as well as current year loss, Directors do not recommend any dividend for the year under review.

### **Operations :**

As informed to you earlier the Board has diverted into Export Home Textiles. In the current year the Company's turnover is 3,91,25,623 compare to last years turnover which was 1,48,89,303, so the board has decided to continue the same line of business which is Export of Home Textile. The Board is also looking forward to other products which can be export to other countries.

### **Public Deposits :**

Your Company has neither invited nor accepted any deposit from public.

### **Directorate :**

Mr. Chetan A. Shah retires by rotation at the ensuing Annual General Meeting. Being eligible have offered her selves for re-appointment.

### **Directors' Responsibility :**

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) Appropriate accounting policies have been selected and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2009 and of the profit or loss of the company for that period;

(c) Proper and sufficient care has been taken 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;

(d) The annual accounts have been prepared on a going concern basis.

### **Accounts:**

The observations made by the Auditors in their Reports have been duly clarified/explained in the relevant notes forming part of the Annual Accounts which are self explanatory.

### **Conservation of energy, technology, absorption etc.:**

The particulars of Conservation of energy, technology, absorption, as required under section 217(1)(e) of the Companies Act, 1956 duly amended by the Companies (Amendment) Act, 1988 have not been given as the same is not applicable to the Company.

Further the Foreign Exchange Earnings & Outgo during the year was Rs.33588702/- & Nil respectively.

### **Particulars of Employees:**

Information in accordance with the provision of section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of Employee) Rule 1975 are not given as there are no employees drawing remuneration equal to or exceeding prescribed limits.

### **Auditors:**

The Company's Auditors, M/s Manesh Mehta & Company, Chartered Accountants, Mumbai, retire at this Annual General Meeting and offer themselves for re-appointment.

### **Appreciation :**

The Directors wish to place on record their sincere appreciation for the assistance and continued co-operation by Banks, and Suppliers of the Company. The Board wishes to express its appreciation to the Company's employees at all levels for their contributions.

### **Corporate Governance:**

Your company is required to comply with the code of Corporate Governance as mandated by the SEBI under Clause 49 of the Listing Agreement with the Stock Exchange along with the certificate from auditor is enclosed herewith is forms part of this reports Further the management discussion and analysis report have been covered under cooperate governance by 31<sup>st</sup> March, 2009. The Board has already initiated the measures to ensure that the code is complied within the stipulated time.

### **Appreciation:**

The Directors wish to place on record their sincere appreciation for the assistance and continued co-operation by Banks, and Suppliers of the Company. The Board wishes to express its appreciation to the Company's employees at all levels for their contributions.

### **On behalf of the Board of Directors**

**For VARDHAMAN WIRES AND POLYMERS LTD.**

Sd/-

Place : Mumbai.  
Date:31/07/2009.

**SMTI MRUDULA A. SHAH**  
Director

**Corporate Governance Report for the Year 2008-09.**

Pursuant to Clause 49 of the listing agreement a Report on Corporate Governance is given below:

**1. Company's Philosophy on Corporate Governance:**

The Company is committed to maintain highest level of Corporate Governance with transparency and corporate accountability in its actions and operations and to become a good corporate citizen.

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the activities of the organization keeping in mind the interests of shareholders and the society.

**2. Board of Directors:**

(a) The Company's Board presently consists of Four Directors:

Name of Directors	Category	No. of Board meeting attended during 2008-09		Whether attended last AGM held on 29.09.2008	No. of Directorship in other public limited companies*	No. of Committee position held in other companies		Number of equity shares held as on 31 <sup>st</sup> March, 2009
		Held	Attended			Chairman	Member	
SudeshKumar Vidyadhar Joshi	Independent Non Executive	7	4	No	-	-	-	0
Chetan Anant Shah	Non Executive	7	2	-	-	-	-	2,98,860
Vibha Chetan Shah	Non Executive	7	7	Yes	-	-	-	15,110
Mrudula Anant Shah	Non Executive	7	7	Yes	-	-	-	79,700

\*Other Directorships do not include alternate Directorships, Directorships of private limited companies, section 25 companies and of companies incorporated outside India.

The Board of Directors of the Company met 7 times during the Year 2008-2009 i.e. on 30.06.2008, 31.07.2008, 16.09.2008, 31.10.2008, 18.12.2008, 31.01.2009 and 26.03.2009.

The gap between two meetings did not exceed four months. The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meeting.

**Code of Conduct:**

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All the Members and Senior Managerial Personnel have affirmed the Compliance with the Code on an Annual basis.

**3. Audit Committee:**

(i) The Audit Committee comprises of the following Directors:

<b>Name of the Director</b>	<b>Designation</b>	<b>Non-Executive / Independent</b>
Vibha Shah	Chairman	Non- Executive
Mrudula Shah	Director	Non- Executive
Sudeshkumar Joshi	Director	Independent

(ii) During the year under review 4 (Four) Meetings were held on 30/04/2008, 31/07/2008, 31/10/2008, 31/01/2009.

(iii) Role of Audit Committee:

The Role of Audit Committee shall include the following:

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

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter..
7. Reviewing. With the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function. If any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. .
12. To look into the reasons for substantial defaults in repayment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.  
Explanation (i): The term "related party transaction" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transaction. Issued by The Institute of Chartered Accountants of India.  
  
Explanation (ii): If the company has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

(iv) Review of Information by Audit Committee:

The Audit Committee shall mandatory review the following information:

1. Management discussion and analysis of financial condition and result of operations.
  2. Statement of significant related party transaction (as defined by the audit committee), Submitted by management;
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3. Management letters/letters of internal control weakness issued by the statutory auditors;
4. Internal audit reports relating to internal control weakness; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

**4. Remuneration Committee:**

The Remuneration Committee comprises of the following Directors:

<b>Name of the Director</b>	<b>Designation</b>	<b>Non-Executive /Independent</b>
Sudeshkumar Joshi	Chairman	Independent
Vibha Chetan Shah	Director	Non- Executive
Mrudula Shah	Director	Non- Executive

None of the Directors are paid any fees or remuneration during the year.

**5. Shareholders' / Investors' Grievances Committee:**

The aim of an Investor Grievance Committee is to take care of the Shareholders and Investors grievance. The following members constitute the Committee:

<b>Name of the Director</b>	<b>Designation</b>	<b>Non-Executive / Independent</b>
Mrudula Shah	Chairman	Non- Executive
Vibha Chetan Shah	Director	Non- Executive
Sudeshkumar Joshi	Director	Independent

- (1) Mrs Mrudula Shah Director of the Company is the Compliance Officer.
- (2) No. of Shareholders complaints received – NIL.
- (3) No. of Complaints solved to the satisfaction of shareholders –NIL.
- (4) No. of complaints not solved to the satisfaction of shareholders – NIL
- (5) No. of pending Complaints – NIL

**6. General Body Meeting:**

**a) Details of last three Annual General Meetings held:**

<b>Annual General Meeting (AGM)</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolution passed, if any.</b>
17 <sup>th</sup> AGM	29.09.2008	10.00 a.m.	Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda	No
16 <sup>th</sup> AGM	29.09.2007	10.00 a.m.	Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda	No
15 <sup>th</sup> AGM	30.09.2006	10.00 a.m.	Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda	No

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**b) Postal Ballot:**

No Special Resolution was required to be put through Postal Ballot Last year. No Special Resolutions on the matters requiring Postal Ballot are placed for Shareholders' approval at this Meeting.

**7. Disclosures:**

- a) Transactions with the related parties are disclosed in point 11 of the Notes on the Balance Sheet and Profit and Loss Account in the Annual Report.
- b) A statement in summery form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee.
- c) No transaction of material nature has been entered into by the Company with Directors or Management and their relatives, etc. that may have a potential conflict with interest of the Company, except trading with a foreign LLP where one of the Director of the Company is a Partner. The Register of Contracts containing transactions in which Directors are interested is placed before the Board for their approval.
- d) During the year there has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, during the year the question of penalties or structures being imposed by SEBI or the Stock Exchanges does not arise. The Company has complied from time to time the minor queries raised by SEBI/ Stock Exchanges during the year.
- e) The Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India and as prescribed under the Companies Act,1956

**8. Means of Communication:**

1. Whether half yearly report sent to Share holders : No. As the quarterly results of the Company are published in Newspapers.

Newspapers in which Quarterly results are Published : N.A.

The presentation made to Institutional investors or to Analysts : No presentation has been made to institutional investors or to Analysts.

**9. Management Discussions and Analysis:**

The Company's performance assessment for the year ended 31.03.2009 and the outlook for the current year are based on the current environment and business situation. However, unforeseen circumstances and those arising from external factors could affect the performance and the results.

**(a) INDUSTRY STRUCTURE AND BUSINESS OVERVIEW:**

The Company has diverted into Export of Home Textiles and considering the global demands, it is now looking forward to exploit new avenues of business.

**(b) OPPORTUNITIES AND THREATS:**

The Company may face threat of fluctuation in foreign exchange currency in international trade and businesses, change in Government Regulations, tax laws and other statutes and other incidental factors.

**(c) RISK MANAGEMENT:**

The Management has always been proactive on risk identification and mitigation. The Company expects to enhance its global presence significantly.

**(d) SEGMENT-WISE PERFORMANCE:**

The company is operating only in one business segment viz. Trading in Home Textiles

**(e) FINANCIAL PERFORMANCE:**

During the Year under review, the turnover of the Company increased from Rs. 1,48,89,303/- to Rs. 3,91,25,623/- . The Profit before tax increased from Rs. 4,632,330/- to Rs. 76,05,490/- and the Profit after Tax increased from Rs.4,632,330 /- to Rs. 7,535,490/-

**(f) INTERNAL CONTROL SYSTEMS:**

The Company has a defined system of internal controls for financial reporting of transactions and compliance with relevant laws and regulations commensurate with its size and nature of business.

The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Based on their recommendations, the Company has implemented a number of control measures.

**(h) HUMAN RESOURCES:**

The Company believes that people are one of the greatest assets and training is an investment for organizational excellence. The industrial relations continued to be harmonious and cordial providing an atmosphere conducive to the growth and enhancement of value for shareholders.

Further during the year under review, the Company has taken several new initiatives to ensure that the knowledge gained is institutionalized and integrated with the processes and embedded into the relevant systems.

**(i) CONCLUSION:**

The Company is hopeful to break through into new business which will give a quantum jump to the image of the Company in the next few months and is looking various avenues for the same.

**(j) CAUTIONARY STATEMENT:**

Some of the statements contained within this report may be forward looking in nature and may involve risks and uncertainties. Actual Result and Outcomes in future may vary materially from those discussed herein. Factors that may cause such variances include, but are not limited to management of growth, market acceptance of Company's product and services, risk associated with new product version, dependence on third party relationship and the activities of competitors.

**Appointment and Reappointment of a Director:**

At the ensuing Annual General Meeting, Mr. Chetan Shah retires by rotation and being eligible offers herself for re-appointment. The brief resume, experience, functional expertise and membership on various Board and Committees of the Director proposed to be re-appointed are furnished below:

<b>Particulars</b>	<b>Mr. Chetan Shah</b>
<b>Date of Birth</b>	<b>16/06/1963</b>
<b>Date of Appointment</b>	<b>07/03/1991</b>
<b>Educational Qualifications</b>	<b>Bsc. Microbiology</b>
<b>Area of Expertise</b>	<b>Marketing</b>
<b>Directorships in other Companies</b>	<b>nil</b>
<b>Membership/ Chairmanship of Committees)</b>	<b>nil</b>
<b>Number of Shares held in the Company</b>	<b>2,98,860</b>

**10 . General Shareholder Information:**

- a) Annual General Meeting  
Date and Time : 10.00 a.m. on 29<sup>th</sup> September, 2009  
Venue : Plot No.662/II, Savali,  
Lamdapura Road, Vill. Manjusar,  
Tal. Savali, Dist. Baroda
- b) Financial Calendar : year ending 31<sup>st</sup> March
- c) Book Closure Date : 29.09.2009
- d) Dividend Payment Date : Not Applicable
- e) Listing on Stock Exchange : Bombay Stock Exchange Ltd  
Ahmedabad Stock Exchange Ltd.  
Vadodara Stock Exchange Ltd.
- f) Stock Code : Bombay Stock Exchange Ltd-513705
- g) Payment of Listing Fees : The Company has paid the Annual Listing fees for BSE only, for the financial year 2008-09.
- h) ISIN : INE157G01017
- i) Market Price Data: High, Low during each month in last financial year: The status of the Company on BSE is **SUSPENDED**
- j) Registrar & Transfer Agents: **M/s. Purva Sharegistry (India) Pvt.Ltd.**  
(Formerly M/s. Busi-Comp Software Consultants)  
No-9, Shiv Shakti Indl. Estate, Gr. Floor,  
J .R. Boricha Marg, Opp. Kasturba Hospital,  
Lower Parel, Mumbai – 400 011  
Tel No. : 022-23016761/ 23018261  
Fax No.: 022-23012517
- k) Share Transfer System: Share transfer in physical form can be lodged with M/s. Purva Sharegistry (India) Pvt. Ltd, at the above mentioned address.

**l) Distribution of Shareholding as on 31<sup>st</sup> March, 2009**

<b>Shareholding of Nominal Value of</b>	<b>Shareholders</b>	<b>% of shareholders</b>	<b>Value of shares (in Rs.)</b>	<b>% of holding</b>
1 - 5000	12707	95.64	18624700	46.56
5001 - 10000	367	2.76	3363900	8.41
10001 - 20000	88	0.66	1430000	3.58
20001 - 30000	40	0.30	1055000	2.64
30001 - 40000	16	0.12	559000	1.40
40001 - 50000	16	0.12	784000	1.96
50001 -100000	27	0.20	1914000	4.79
100001 onwards	25	0.19	12269400	30.67
<b>Total</b>	<b>13286</b>	<b>100.00</b>	<b>4000000</b>	<b>100.00</b>

**Shareholding pattern as on 31<sup>st</sup> March, 2009**

<b>Categories</b>	<b>Number of Shares</b>	<b>Amount (In Rs.)</b>	<b>%</b>
Promoters, Directors, Relatives of Directors & Associated Companies	774870	7748700	19.37
Other Bodies Corporate	223500	2235000	5.59
Nationalised Banks	3500	35000	0.09
Foreign Holdings	409000	4090000	10.22
Public	2589130	25891300	64.73
<b>Total</b>	<b>4000000</b>	<b>40000000</b>	<b>100.00</b>

m) Dematerialisation of Shares and Liquidity:

The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Security (India) Limited (CDSL) and Equity Shares of the Company are available for dematerialization with effect from 26<sup>th</sup> March, 2002 7.96 % of the Company's Share Capital is dematerialized as on 31<sup>st</sup> March, 2009.

n) Outstanding GDRs/ADRs/Warrants:

There are no outstanding GDRs/ADRs/warrants or any convertible instruments, as on 31<sup>st</sup> March, 2009 likely to have impact on the equity share capital of the Company.

o) Plant locations : Vadodara

p) Address for Correspondence: Shop No. 11, Gokul Apts., Near  
Farooq High School, S.V. Road,  
Jogeshwari (W).

**BY ORDER OF THE BOARD OF DIRECTORS OF  
VARDHAMAN WIRES AND POLYMER LTD**

**Date:31/07/2009**

SD/-

**Place:Mumbai.**

**(DIRECTOR)**

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

We, Mrs. Mrudula Shah, Director and Mrs. Vibha Shah Chairman of the Audit Committee and Director of Vardhaman Wires and Polymers Limited (the Company), hereby certify to the Board that:

- a)** We have reviewed the financial statements and the cash Flow Statement for the year and that to the best of our knowledge and belief:
  - i.** these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:
  - ii.** these statements together present a true and fair view of the Company 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 company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c)** We are responsible for establishing and maintaining internal controls for financial reporting in company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- d)** We have indicated to the auditors and the audit Committee:
  - i.** Significant changes in internal controls over financial reporting during the year.
  - ii.** Significant changes in accounting polices during the year and the same have been disclosed in the notes to the financial statements and
  - iii.** Instance 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 internal control system.
- e)** We affirm that we have not denied any personal access to the Audit committee of the Company.
- f)** We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

SD/-

SD/-

**Date :31.07.2009**

**Place:Mumbai.**

**(Mrudula Shah)**

**Director**

**(Vibha Shah)**

**Director & Chairman Audit Committee**

**REPORT OF THE AUDITORS ON CORPORATE GOVERNANCE**

To the Members,

**VARDHAMAN WIRES AND POLYMERS LIMITED,**

We have examined the compliance of conditions of Corporate Governance by VARDHAMAN WIRES AND POLYMERS LIMITED for the year ended 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of information and according to the explanations given to us and based on 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 Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances are pending for a period of one month against the Company as per the records maintained by the Shareholders/ Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR MANESH MEHTA & COMPANY,  
CHARTERED ACCOUNTANTS**

**Date:31.07.2009**

**SD/-**

**Place: Mumbai.**

**(M. P. MEHTA)  
PROPRIETOR**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:**

**DECLARATION**

I, Mrs. Mrudula Shah, Director of Vardhaman Wires and Polymers Limited, hereby declare that all the members of the Board of Directors and the Senior Managerial personnel have affirmed Compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchange, for the year ended 31.03.2009.

**Place:Mumbai.**

**Date:31.07.2009**

For **Vardhaman Wires and Polymers Limited,**

**SD/-**

**Director**

# **VARDHAMAN WIRES AND POLYMERS LTD.**

## **AUDITORS' REPORT**

TO THE MEMBERS OF VARDHAMAN WIRES AND POLYMERS LIMITED

We have audited the attached Balance Sheet of Vardhaman Wires And Polymers Limited as at 31<sup>st</sup> March, 2009 and also the Profit And Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said order.

Further to our comments in annexure referred to above, we report that:

1. 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. 2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books. 3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the Books of Account. 4. In our Opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. Except that the company has not translated outstanding debtors at market rate as on balance sheet date as per AS 11 and has not ascertained effect thereof for the year. 5. The Central Government has not yet notified the rules relating to levy and collection of cess from companies in terms of section 441 A of Companies Act, 1956. We are, therefore, not reporting on this matter as required by section 227 (3) (g) of the Companies act, 1956. 6. On the basis of written representation received from the directors, as on 31<sup>st</sup> March 2009., and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. 7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: (i) in the case of the Balance Sheet of the state of affairs as at 31<sup>st</sup> March, 2009 and (b) in the case of Profit & Loss Account of the Profit for the year ended on that date.

**MUMBAI. FOR MANESH MEHTA & CO.**  
**DATED:31/07/2009. CHARTERED ACCOUNTANTS**

**SD/-**  
**(M. P. MEHTA)**  
**PROPRIETOR**

## **ANNEXURE**

Referred to in paragraph 3 of our report of even date to the members of M/s. Vardhaman Wires and Polymers Limited

(i)(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. (b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the company and the nature of fixed assets. No discrepancy was noticed on such verification. (c) In our opinion and according to the information & explanations given to us, no substantial part of fixed assets has been disposed off during the year.

(ii)(a) According to the information & explanations given to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. (b) According to the information & explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business. (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory and discrepancies, if any have been properly dealt with in the books of account. (iii)(a) According to information & explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other parties in the register maintained under section 301 of the Act. (b) According to information and explanations given to us, the company has given inter corporate deposits to a company where there are no stipulations regarding repayment of principle amount. No interest is received on this amount. (c) There are no stipulations for the payment of principle amount. (d) There are no overdue amounts and hence question of taking reasonable steps does not apply. (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal controls. (v)(a) According to the information & explanation given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in to the register maintained under section 301 of the companies Act, 1956 have been so entered. (b) According to the information and explanation given to us, we are of the opinion that the company has not done transactions exceeding the value of rupees five lacs in respect of any party whose particulars are required to be maintained u/s 301 of the Companies Act, 1956. (vi) The company has not accepted any deposits from the public u/s 58A & 58AA of the Companies Act, 1956 & the rules framed there under. (vii) In our opinion, the company has internal audit system commensurate with its size & nature of its Business. (viii) Maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956. (ix) (a) The company is regular in depositing undisputed statutory dues with appropriate authorities. There were no items outstanding for exceeding six months as on 31<sup>st</sup> March, 2009. (x) The company is in existence for more than five years. The company has not incurred cash losses during the financial year & immediately preceding financial year. (xi) The company has not taken loans from bank or financial institutions. (xii) In our opinion and according to the information & explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. (xiii) The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provisions of 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company. (xiv) The company has not dealt with or traded in shares & securities during the year. (xv) According to the information and explanation given to us, The company has not given guarantees for loans taken by others from banks or financial institutions. (xvi) In our opinion and according to the information and explanations given to us, the company has not taken any term loans. (xvii) According to the information and explanations given to us and on an overall examination of the Financial statements of the company, we report that short term funds have not been utilized for long term purposes. (xviii) The company has not issued any shares during the period under review. (xix) According to the information and explanation given to us, the company has not issued any debenture nor created any securities for debentures. (xx) The company is a public company and has not raised any money by way of public issue during this year. (xxi) According to information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**MUMBAI. FOR MANESH MEHTA & CO. DATED:31/07/2009.**  
**CHARTERED ACCOUNTANTS**

**SD/-**  
**(M. P. MEHTA)**  
**PROPRIETOR**



**BALANCE SHEET AS ON 31ST MARCH, 2009.**

AS ON 31.03.2008	LIABILITIES		AS ON 31.03.2009	AS ON 31.03.2008	ASSETS		AS ON 31.03.2009
50,000,000.00	<b>SHARE CAPITAL</b> Authorised 50,00,000 Equity Share of Rs.10/- each.		50,000,000.00	7,392,726.09	<b>FIXED ASSETS</b> (Annexure-9)		5,745,599.60
39,999,000.00	Issued,Subscribed & Paid-up 40,00,000 Equity Share of Rs.10/- each Less- Call in Arrears	40,000,000.00 0.00	40,000,000.00	2,502,000.00	<b>INVESTMENTS</b> (Annexure-4)		2,000.00
236,027.00	<b>RESERVE &amp; SURPLUS</b>  <b>UNSECURED LOANS</b> (Annexure -1)	236,027.00	236,027.00	483,703.00 0.00	<b>CURRENT ASSETS &amp; LOANS &amp; ADVANCES</b> A) Current Assets Accrued Interest	0.00	
1,794,597.84	<b>CURRENT LIABILITIES &amp; PROVISION</b> A) Current Liabilities (Annexure -2)	2,164,872.00		0.00	Stock-in-Trade (Annexure-5)	205,555.00	
160,066.00	B) Provisions (Annexure-3)	264,677.00	2,429,549.00	8,403,918.22	Warehouse Deposit Sundry Debtors (Annexure-6)	100,000.00 21,269,192.08	
				197,847.11 12,155.52	'Cash Balance Bank Balance (Annexure-7)	47,531.00 892,493.94	
				5,000.00	Sales Tax Deposit	5,000.00	
				478,359.00	Duty Drawback Receivable	456,198.00	
				2,736,485.00	B) LOANS & ADVANCES (Annexure-8)	1,500,000.00	24,475,970.02
					<b>MISCELLANEOUS EXP.</b>		
				19,977,496.90	Profit & loss A/C	19,977,496.90	
					Less: NET PROIT	7,535,490.52	12,442,006.38
					NOTES ON ACCOUNTS (Annexure-10)		
<b>42,189,690.84</b>			<b>42,665,576.00</b>	<b>42,189,690.84</b>			<b>42,665,576.00</b>

PLACE : MUMBAI.

**AUDITORS' REPORT  
AS PER OUR REPORT OF EVEN DATE  
FOR MANESH MEHTA & CO.  
CHARTERED ACCOUNTANTS**

The Foregoing Balance Sheet is  
hereby authenticated by us.

DATE:31/07/2009

Sd/-

**[M. P. MEHTA]  
PROPREITOR**

Sd/-

**1]Smt. Mrudula A. Shah  
Director**

Sd/-

**2]Smt. Vibha C. Shah  
Director**

# VARDHAMAN WIRES AND POLYMERS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

Amount [Rs.]	PARTICULARS	Amount [Rs.]	Amount [Rs.]	PARTICULARS	Amount [Rs.]
31.03.2008		31.03.2009	31.03.2008		31.03.2009
8,252,888.86	To Purchases	19,686,979.99	13386368.09	Sales [EXPORT]	33,588,702.07
384,548.00	To Freight & THC Charges	826,481.00	0.00	Cash Sales	90,000.00
0.00	To Freight Charges	379,712.45	0.00	Closing Stock	205,555.00
7,500.00	To Loading & Unloading Charge	106,425.00			
27,039.00	To Packaging	395,718.00			
91,590.00	To Transportation Charges	223,877.00			
5,495.00	To Factory Expenses	49,555.00			
0.00	To Rep.& Maint. Of Building	62,445.00			
6,000.00	To Water Chrges	18,000.00			
45,000.00	To Wages & Salary	0.00			
4,566,307.23	Gross Profit c/o	12,135,063.63			
<b>13,386,368.09</b>		<b>33,884,257.07</b>	<b>13386368.09</b>		<b>33,884,257.07</b>
88,932.00	To Agency Commission	218,314.00	4,566,307.23	Gross Profit B/f	12,135,063.63
11,850.00	To A.G.M. Expenses	32,310.00	655.00	By Interest Received	0.00
20,000.00	To Auditors Remuneration	20,000.00	0.00	By Diff. in Rate of Exchange	2,386,484.12
35,323.08	To Bank Interest & Charges	42,314.24	4,220.00	By Discount Recd.	44,530.44
6,970.00	To Conveyance	30,700.00	1,324,516.00	By Duty Drawback	2,810,352.00
238,924.00	To Depreciation	356,312.91	59,544.50	By Compension Recd.	0.00
35,619.00	To Dock Charges	137,967.00	114,000.00	By Rent Received	0.00
10,890.00	To Electricity Charges	13,380.00			
34,031.00	To Insurance Charges	86,969.00			
0.00	To Labour charges Paid	48,600.00			
0.00	To Loss on Sales of Shares	2,250,000.00			
16,905.14	To Misc. Expenses	46,430.00			
5,165.00	To Office Expenses	51,280.00			
15,000.00	To Postage & Courier	48,973.00			
1,985.00	To Printing & Stationery	43,275.00			
5,000.00	To Professional Fees	15,000.00			
32,067.00	To Registration Charges	26,598.00			
0.00	To Rep. & Maint. Expenses	35,500.00			
0.00	To Warehouse Rent	176,000.00			
99,260.00	To Salary	1,419,478.00			
0.00	To Samples - Exports	125,000.00			
0.00	To Society Charges	119,350.00			
4,075.00	To Staff & Labour Welfare	23,635.00			
24,893.00	To Telephone Charges	42,829.00			
38,000.00	To Transfer Agent Fees	35,047.00			
38,813.00	To Travelling Expenses	79,037.11			
0.00	To Debit Balance w/off	3,988,501.83			
2,700.00	To Prov. For FBT	7,950.00			
344,000.00	To Aborad Expenses	0.00			
0.00	To Loss on Sale of Elect.Equip.	250,188.58			
0.00	To Prov. For Income Tax	70,000.00			
326,504.43	To Diff. in Rate of Exchange	0.00			
4,632,336.08	To Net Profit	7,535,490.52			
<b>6,069,242.73</b>		<b>17,376,430.19</b>	<b>6,069,242.73</b>		<b>17,376,430.19</b>

PLACE : MUMBAI.

**AUDITORS' REPORT  
AS PER OUR REPORT OF EVEN DATE  
FOR MANESH MEHTA & CO.  
CHARTERED ACCOUNTANTS**

DATE:31/07/2009

Sd/-

**[M. P. MEHTA]  
PROPREITOR**

The Foregoing Profit & Loss Account  
hereby authenticated by us.

Sd/-

1]Smt. Mrudula A. Shah  
Director

Sd/-

2]Smt. Vibha C. Shah  
Director

# VARDHAMAN WIRES AND POLYMERS LIMITED

## UNSECURED LOANS

### ANNEXURE 1

	Amount [Rs.] 31.03.2009	Amount [Rs.] 31.03.2008
Director Shri Chetan Shah	236,027.00	236,027.00
	<b>236,027.00</b>	<b>236,027.00</b>

## CURRENT LIABILITIES

### ANNEXURE 2

	Amount [Rs.] 31.03.2009	Amount [Rs.] 31.03.2008
<b>Creditors For Goods</b>		
1] ASK Apparel	249,971.00	39,703.00
2] Pranesh Textiles	166,843.00	0.00
3] Pratap Logistics Pvt. Ltd.	127,419.00	70,464.00
4] A. Grade Textiles	189,992.00	84,042.00
5] Sara Textiles Ltd	401,519.00	0.00
6] S.B. Enterprises	56,709.00	0.00
7] Param Impex	418,400.00	0.00
8]Seth Brothers	0.00	1690.00
<b>Creditors For Expenses</b>		
1] Salaries Outstanding	226,000.00	8,000.00
2] Purva Sharegistry Pvt. Ltd.	103,308.00	98,237.00
3] Profession Fees Payable	25,000.00	20,000.00
4] Prov. For Telephone Charges	0.00	1,710.00
5] Axis Bank Ltd.	0.00	1470751.84
6] Society Charges Payable	119,350.00	0.00
7] ST Roadways	1,183.00	0.00
8] Swastisk Logistick	13,450.00	0.00
9] Priya Couriers Sevices	12,038.00	0.00
10] Sagar Packaging	41,280.00	0.00
11] S. R. Kolekar	12,410.00	0.00
	<b>2,164,872.00</b>	<b>1,794,597.84</b>

## PROVISIONS

### ANNEXURE 3

	Amount [Rs.] 31.03.2009	Amount [Rs.] 31.03.2008
Provision for Auditors Remuneration	175,000.00	155,000.00
Provision for FBT	7,950.00	2,700.00
Provision TDS Paybale	11,727.00	2,366.00
Provision for Income Tax	70,000.00	0.00
	<b>264,677.00</b>	<b>160,066.00</b>

# VARDHAMAN WIRES AND POLYMERS LIMITED

## INVESTMENTS

### ANNEXURE 4

Amount [Rs.]	Amount [Rs.]
31.03.2009	31.03.2008

1)The Mogaveera Co-op Bank Ltd. [200Equity Shares of Rs.10/-]	2,000.00	2,000.00
2) Sumo Medexim Ltd. [25000Equity Shares of Rs.100/-]	0.00	2,500,000.00
	<b>2,000.00</b>	<b>2,502,000.00</b>

## SUNDRY DEBTORS

### ANNEXURE 6

Amount [Rs.]	Amount [Rs.]
31.03.2009	31.03.2008

1)HMP Engineers Ltd.	449,505.11	449,505.11
2) Rider Electronics Ltd.	0.00	50,467.83
3) Humaid Al Matrooshi General Trading LLC	20,819,686.97	7,903,945.28
	<b>21,269,192.08</b>	<b>8,403,918.22</b>

## SUNDRY DEBTORS

### ANNEXURE 7

Amount [Rs.]	Amount [Rs.]
31.03.2009	31.03.2008

Federal Bank Ltd. [BARODA]	0.00	1,183.87
Federal Bank Ltd.[Mumbai]	262,000.00	601.00
AXIS BANK LTD.	515,697.83	0.00
The Mogaveera Co-Op Bank Ltd.	34.11	763.65
State Bank of India	114,762.00	9,607.00
	<b>892,493.94</b>	<b>12,155.52</b>

## LOANS AND ADVANCES

### ANNEXURE 8

	Amount [Rs.]		Amount [Rs.]
	31.03.2009		31.03.2008

#### 1] Advance

a) Modern Terry Towels	0.00	1,027.00
b) Nisha Textiles	0.00	3,500.00
		<b>4,527.00</b>

#### 2]Deposits

Inter Corporate Deposits		
Marin Drive Inv.&Trad.Co.Pvt.Ltd.	125,000.00	227,671.50
Budh Hold.& Trad. Co.Pvt.Ltd.	125,000.00	227,671.50
Mahim Hold.& Trad. Co.Pvt.Ltd.	375,000.00	683,014.50
Saundraya Inv.& Trad. Co.Pvt.Ltd.	125,000.00	227,671.50
Goverdhan Hold.& Trad. Co.Pvt.Ltd.	375,000.00	683,014.50
Grand Hold.& Trad. Co.Pvt.Ltd.	375,000.00	1,500,000.00
	<b>1,500,000.00</b>	<b>2,732,058.00</b>
		<b>2,736,585.00</b>

# VARDHAMAN WIRES AND POLYMERS LIMITED

## FIXED ASSETS

**Annexure-9**

Fixed Assets	Rate Of Dep. [WWDV] %	COST			DEPRECIATION				'WRITTEN DOWN VALUES		
		As at 31-03-2008	Additions Pre-Operative Expenses	Deletions	As at 31-03-2009	As at 31-03-2008	For the Year	Deletion	As at 31/03/2008	As at 31/03/2009	As at 31/03/2008
Land	-	841,986.00	0.00	0.00	841,986.00	0.00	0.00		0.00	841,986.00	841,986.00
Premises	5	757,587.00	0.00	0.00	757,587.00	164,639.00	29,648.00		194,287.00	563,300.00	592,948.00
Factory Bldg.	10	4,557,192.64	0.00	0.00	4,557,192.64	2,046,842.55	251,036.00		2,297,878.55	2,259,314.09	2,510,350.00
Plant & Mach.	13.91	90,176.00	0.00	0.00	90,176.00	42,048.00	6,695.35		48,743.35	41,432.65	48,128.00
Electrical Equip.	13.91	846,485.82	0.00	846,485.82	0.00	526,427.82	44,519.42	570,947.24	0.00	0.00	320,058.00
Office Equip.	13.91	92,935.00	0.00	0.00	92,935.00	52,684.00	5,597.38		58,281.38	34,653.62	40,251.00
Computer	40	280,908.00	0.00	0.00	280,908.00	280,908.00	0.00		280,908.00	0.00	0.00
Furniture & Fixt.	18.1	484,331.00	0.00	0.00	484,331.00	380,365.00	18,816.76		399,181.76	85,149.24	103,966.00
<b>CAPITAL WORK IN PROGRESS [Inclusive Advance]</b>											
Factory Bldg.		1,919,764.00	-	-	1,919,764.00	-	-		-	1,919,764.00	1,919,764.00
Plant & Mach.		1,015,275.00	-	1,015,275.00	0.00	-	-		-	0.00	1,015,275.00
<b>TOTAL</b>		<b>10,886,643.46</b>	<b>0.00</b>	<b>1,861,760.82</b>	<b>9,024,879.64</b>	<b>3,493,914.37</b>	<b>356,312.91</b>	<b>570,947.24</b>	<b>3,279,280.04</b>	<b>5,745,599.60</b>	<b>7,392,726.00</b>

## **VARDHAMAN WIRES AND POLYMERS LTD.**

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**Annexure forming part of Balance Sheet as at 31st March,2009 and Profit & Loss Account for the Period ended on that date.**

### **ANNEXURE 10 : Notes on Accounts**

#### **PART -1 : SIGNIFICANT ACCOUNTING POLICIES.**

- a) **Basis of Accounting** :The financial statements are prepared under Historical Cost convention and on accrual basis and are in accordance with the requirements of the Companies Act 1956.
- b) **Fixed Assets** :Fixed Assets are capitalized at cost inclusive of inward freight, duties, taxes, installation expenses and Allocable Pre Operative Expenses.
- c) **Depreciation** : Depreciation has been provided on the assets on Written Down Value Method, at the rates specified under Schedule XIV to the Companies Act 1956.Till last year , depreciation was provided on Straight Line Method.
- d) **Expenditure Pending Allocation:** Expenses in proportion to fixed Assets put to use to total Fixed Assets have been allocated. Other preoperative expenses shall be allocated in future, when the balance Fixed Assets will be put to use.
- e) **Valuation of Inventories:**
  1. Raw Materials : At Cost or market price whichever is lower.
  2. Finished Goods: At cost or market price whichever is lower.
  3. Work-in-progress : Net Realisable Value
  4. Scrap : Net Realisable Value
  5. Consumable stores: At cost including incidental expenses.
- g) **Revenue Recognition:** Revenue is recognised when no significant uncertainty remains.
- h) **Contingent Liabilities:** Contingency which are likely to materialise into liabilities till the date of approval of Accounts by the Board of Directors and having material effect are being provided for. Other contingencies are shown as contingent liabilities by way of Notes on Accounts.

#### **PART II : NOTES ON ACCOUNTS :**

- 1) The figures of previous year have been regrouped/reclassified to confirm with the figures of the current year.
  - 2) Contingent Liability not provided for in respect of: Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. NIL .
  - 3) The Managing Director has not been paid any remuneration & perks.
  - 4) Company has stopped own manufacturing activity.
  - 5) No provision for Gratuity is made as no employee has completed eligible period of service.
  - 6) The parties have confirmed principle amounts but not these interest amounts of Rs.4,83,613/-. Company has not provided interest after 31-07-1999 on the principal amount. Since, the interest amount is not recoverable Company has written off the same amount.
  - 7) Interest upto 31-03-98 of Rs.12,32,058/- is accounted in the books of accounts on the basis of the amount certified by the Managing Director. The parties have confirmed principle amounts but not these interest amounts of Rs.12,32,058/-. Company has not provided interest after 31-03-1998 on the principal amount. Since, the interest amount is not recoverable Company has written off the same amount.
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**VARDHAMAN WIRES AND POLYMERS LTD.**

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8) Company has filed a suit against HMP Engineers Ltd. having its registered office at Calcutta, for the recovery of dues.

9) Auditor's Remuneration :	31.03.2009	31.03.2008
For Audit	10000.00	10000.00
For Taxation	10000.00	10000.00

10) The company has booked export invoices at the rates prevailing on the date of export and difference if any realized on actual remittance has been accounted as exchange rate difference. The company has not converted receivables at closing rates and to this extent the company has not complied with Accounting standard AS 11 of ICAI.

11) Value of Imports on C.I.F. basis during the year in respect of Raw Materials : Nil

(12) Earnings in Foreign Exchange 736569.19USD

(13) Expenditure in Foreign Currency Nil

**MUMBAI.**

AS PER OUR REPORT OF EVEN DATE  
FOR MANESH MEHTA & CO.  
CHARTERED ACCOUNTANTS.

The Foregoing notes are hereby  
authenticated by us.

**DATED: 31/07/2009.**

Sd/-  
**(M.P.MEHTA)**  
PROPRIETOR.

SD/-  
**1]Smt Mrudula A. Shah[Director]**  
**2]Smt. Vibha C. Shah.[Director]**

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# VARDHAMAN WIRES AND POLYMERS LIMITED

Cash Flow Statement for the Year ended on 31st March, 2009

		2008 - 2009		2007 - 2008
		Rupees		Rupees
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before tax	76.05		46.32
	Adjustment for			
	Depreciation	3.56		2.39
	(Profit) \ Loss on Sale of Shares	22.50		-
	(Profit) \ Loss on Sale of Electrical Equipments	2.51		-
	Interest Expense	0.42		0.35
	<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>105.04</b>		<b>49.06</b>
	Sundry Debtors	(128.65)		(54.76)
	Inventories	(2.05)		-
	Loans and Advances	16.42		-
	Current Liabilities & Provisions	4.75		15.15
	<b>Cash Flow Generated from Operations</b>	<b>(4.49)</b>		<b>9.45</b>
	Direct Taxes Paid	(0.70)		-
	<b>Net Cash Flow From Operating Activities</b>	<b>(5.19)</b>		<b>9.45</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Purchase of fixed Assets	-		-
	Sale Proceeds of Electrical Equipments	0.25		-
	Sale Proceeds on Sale of Shares	2.50		-
	Sale of Plant & Machinery	10.15		-
	<b>Net Cash Flow From Investing Activities</b>	<b>12.90</b>		<b>-</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Proceeds from Issue of Share Capital	0.01		-
	Proceed from Unsecured Loans	-		(10.92)
	Repayment of Borrowings	-		-
	Interest Paid	(0.42)		(0.35)
	<b>Net Cash Flow From Financing Activities</b>	<b>(0.41)</b>		<b>(11.27)</b>
	<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b>7.30</b>		<b>(1.82)</b>
	<b>Opening Cash and Cash equivalents</b>	<b>2.10</b>		<b>3.92</b>
	<b>Closing Cash and Cash equivalents</b>	<b>9.40</b>		<b>2.10</b>

**Notes :**

- 1 The above Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 On Cash Flow Statements, issued by the Institute of Chartered Accountants of India.
- 2 Previous years figures have been regrouped / restated / reclassified whenever necessary.
- 3 Cash and Cash Equivalents includes cash on hand and deposit accounts held with scheduled banks.

**As per our report of even date attached**

**For Manesh Mehta & CO.**  
Chartered Accountants

**For and on behalf of the Board**

SD/-  
(Manesh P. Mehta)  
PROPRITOR

SD/-  
(Mrudula A. Shah)  
Director

SD/-  
(Vibha C. Shah)  
Director

Place : Mumbai  
Date : 31.07.2009

Place : Mumbai  
Date : 31.07.2009



**VARDHAMAN WIRES AND POLYMERS LTD.****PART IV****Balance Sheet Abstract and Company's General Business Profile****I. Registration Details**Registration No. 

0	4	-	1	5	1	7	4
---	---	---	---	---	---	---	---

 State Code 

0	4
---	---

Balance Sheet Date 

3	1
---	---

0	3
---	---

2	0	0	8
---	---	---	---

  
Date Month Year**II. Capital Raised During The Year ( Amount in Rupees Thousands )**Public Issue  

			-				
--	--	--	---	--	--	--	--

Rights Issue  

			-				
--	--	--	---	--	--	--	--

Bonus Issue  

			-				
--	--	--	---	--	--	--	--

Private Placement  

			-				
--	--	--	---	--	--	--	--

**III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Lacs)**Total Liabilities  

4	2	6	.	6	5
---	---	---	---	---	---

Total Assets  

4	2	6	.	6	5
---	---	---	---	---	---

**Sources of Funds**Paid - Up Capital  

4	0	09	.	0	0
---	---	----	---	---	---

Reserves & Surplus  

--	--

**Application of Funds**Net Fixed Assets  

5	7	.	4	5
---	---	---	---	---

Investments  

		.	0	2
--	--	---	---	---

Net Current Assets  

2	4	4	.	7	5
---	---	---	---	---	---

Misc. Expenditure  

0	.	0	0
---	---	---	---

Accumulated Losses  

1	2	4	.	4	2
---	---	---	---	---	---

**IV. Performance of Company (Amount in Rupees Lacs)**Turnover  

3	9	1
---	---	---

Total Expenditure  

3	1	5
---	---	---

+ - Profit/Loss Before Tax  

+		7	6	.	0	5
---	--	---	---	---	---	---

+ - Profit/Loss After Tax  

+		7	5	.	3	5
---	--	---	---	---	---	---

Earning Per Share in Rs.  

	1	.	8	8	3
--	---	---	---	---	---

Dividend Rate %  

-	
---	--

**Generic Names of Three Principal Products/Services of Company (as per monetary terms)**Item Code No. (ITC Code) 

8	5	4	4
---	---	---	---

Product Description 

S	U	P	E	R	E	N	A	M	E	L	L	E	D
---	---	---	---	---	---	---	---	---	---	---	---	---	---

C	O	P	P	E	R	W	I	R	E
---	---	---	---	---	---	---	---	---	---

Item code (ITC Code) 

3	2	0	8
---	---	---	---

Product Description 

V	A	R	N	I	S	H
---	---	---	---	---	---	---

# VARDHAMAN WIRES AND POLYMERS LIMITED.

## ATTENDANCE SLIP

Regd. Office: Plot No. 662/II, Savali Lamdapura Road, Taluka Savali, Dist. BARODA-391 770.

18th Annual General Meeting - 29th September 2009 at 10.00 AM.

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING HALL. Joint Shareholder may obtain additional Attendance Slips on request.**

NAME AND ADDRESS OF THE SHAREHOLDER	L. F. NO.

I Here by record my presence at the 18th Annual General Meeting of the Company at Regd. Office: Plot No. 662/II, Savli Lamdapura Road, Taluka Savli, Dist. BARODA.

### SIGNATURE OF THE SHAREHOLDER OF THE PROXY ATTENDING THE MEETING

If shareholder, please sign here	If proxy, please sign here

NOTE: The copy of Annual Report may please be brought to the meeting hall.

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## PROXY FORM

### VARDHAMN WIRES AND POLYMERS LIMITED.

Regd. Office: Plot No. 662/II, Savali Lamdapura Road, Taluka Savali, Dist. BARODA-391 770.

**L. F. NO.**

I/WE \_\_\_\_\_ of \_\_\_\_\_ being a member/members of VARDHAMAN WIRES AND POLYMERS LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing of his/her \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/ us and on my/our behalf at the 18th Annual General Meeting of the Company to be held at 10.00 A.M. on 29th September, 2009 and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Affix 1Rupee  
Revenue  
Stamp

(Signature of The Shareholder)

NOTE: The Proxy Form must be deposited or send so as to reach the Registered Office of the Company note less than 48 hours before the time for holding the aforesaid meeting.

**BOOK POST**

UNDER CERTIFICATE OF POSTING

TO,

*If undelivered please returned to:*

**VARDHAMAN WIRES AND POLYMERS LIMITED.**

CORPORATE OFFICE:  
Shop No. 11, Gokul Apartment,  
Near Farroq High School, S. V. Road,  
Jogeshwari [W], MUMBAI-400 102.