



**20th ANNUAL
REPORT
2010 – 2011**

**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.

CORPORATE OFFICE

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

BANKERS

THE MOGAVEERA CO-OP. BANK LTD., MUMBAI.
AXIS BANK LTD.,MUMBAI.
THE STAE BANK OF INDIA, MUMBAI.

ADMINISTRATIVE OFFICE

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

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**The 20th Annual General Meeting on Friday, September 30, 2011 at Registered Office:
Plot No.662/II, Savli Lamdapura Road, Village Manjusar, Taluka Savli, Dist. Vadodara-391 770.**

VARDHAMAN WIRES AND POLYMERS LIMITED

DIRECTORS REPORT

Dear Members,

Your Directors submit the 20th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

Financial Results :

Particulars	Year ending 31.03.2011 (Rs. 000)	Year ending 31.03.2010 (Rs. 000)
Sales and Other Income	34171	39931
Profit/(Loss) Before Int., Dep. & Tax	924	3132
Financial Charges	48	39
Depreciation	274	312
Profit/(Loss) Before Tax	602	2780
Provision For Taxation	112	432
Profit/(Loss) After Tax	490	2348
Profit/(Loss) Brought Forward	(10094)	(12442)
Profit/(Loss) Available for Appropriation	(9603)	(10094)
APPROPRIATIONS		
Transfer To General Reserves	-	-
Balance Carried to Balance Sheet	(9603)	(10093)

Dividend :

In view of the accumulated losses, Directors do not recommend any dividend for the year under review.

Operations :

As informed to you earlier the Board has diverted into business of Export Home Textiles. In the current year the Company's turnover is Rs. 3,20,63,159 compared to last year's turnover which was Rs. 3,70,05,353. The board has decided to continue the same line of business. The Board is also looking forward to other products which can be exported to other countries.

Public Deposits :

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

Directorate :

Mrs. Vibha C. Shah, director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

Directors' Responsibility :

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Appropriate accounting policies have been selected and applied them consistently and directors 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, 2011 and of the profit of the company for the year;

Contd..2/.....

(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 & foreign exchange earnings & out go:

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.2,80,48,173/- & Rs.12,78,944/- 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:

M/s. Manesh Mehta & Associates, Chartered Accountants, Vadodara auditors of the company retries at this Annual General Meeting. Your Directors recommend their reappointment as Auditors of the Company till the next Annual General Meeting. A resolution to that effect is placed for your consideration.

Appreciation :

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

Corporate Governance:

The company has complied with all the norms & disclosures as per the provisions of the clause 49 of the Listing Agreement with Stock Exchange. A separate report on Corporate Governance alongwith Management Discussion and Analysis Report have been incorporated as a part of this report alongwith a certificate from company secretary of the Company, which is annexed thereto.

COMPLIANCE CERTIFICATE:

As required under provisions of Section 383A of the Companies Act, 1956, the Company has obtained Compliance Certificate from the Practicing Company Secretary and the same is annexed to the Directors' Report.

On behalf of the Board of Directors

For VARDHAMAN WIRES AND POLYMERS LTD.

Place : Mumbai.
Date:28/07/2011.

SD/-
SMT MRUDULA A. SHAH
Director

SD/-
SMT.VIBHA C.SHAH
Director

Corporate Governance Report for the Year 2010-11.

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 2010-11		Whether attended last AGM held on 30.09.2010	No. of Directorship in other public limited companies*	No. of Committee position held in other companies		Number of equity shares held as on 31 st March, 2011
		Held	Attended			Chairman	Member	
SudeshKumar Vidyadhar Joshi	Independent Non Executive	6	5	No	-	-	-	0
Chetan Anant Shah	Non Executive	6	No	-	-	-	-	2,98,860
Vibha Chetan Shah	Non Executive	6	6	Yes	-	-	-	15,110
Mrudula Anant Shah	Non Executive	6	6	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 6 times during the Year 2010-2011 i.e. on 30.04.2010, 28.07.2010, 31.07.2010, 31.10.2010, 31.01.2011, 22.03.2011.

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.

VARDHAMAN WIRES AND POLYMERS LTD.

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:

Name of the Director	Designation	Non-Executive / Independent
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 30/04/2010, 31/07/2010, 31/10/2010, 31/01/2011.

- (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;
-
-

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:

Name of the Director	Designation	Non-Executive /Independent
Sudeshkumar Joshi	Chairman	Non- Executive
Vibha Chetan Shah	Director	Independent
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:

Name of the Director	Designation	Non-Executive / Independent
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:

Annual General Meeting (AGM)	Date	Time	Venue	Special Resolution passed, if any.
19 th AGM	30.09.2010	10.00 a.m.	Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda	No
18 th AGM	29.09.2009	10.00 a.m.	Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda	No
17 th AGM	29.09.2008	10.00 a.m.	Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda	No

VARDHAMAN WIRES AND POLYMERS LTD.

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 :1. Indian Express(English)
2. Gujrati Samachar (Gujarati)

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 31.03.2011 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 decreased from Rs. 37,005,353/- to Rs. 32,063,159/- . The Profit before tax decreased from Rs. 2,780,357/- to Rs. 602,053/- registering an decrease of 78.35 % and the Profit after Tax decreased from Rs.2,348,304 /- to Rs. 490,432/-

(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.

VARDHAMAN WIRES AND POLYMERS LTD.

Appointment and Reappointment of a Director:

At the ensuing Annual General Meeting, Mrs. Vibha 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:

Particulars	Mrs. Vibha Chetan Shah
Date of Birth	05/04/1965
Date of Appointment	15/01/2005
Educational Qualifications	BCOM
Area of Expertise	Financial Adviser
Directorships in other Companies	Nil
Membership/ Chairmanship of Committees)	Nil
Number of Shares held in the Company	15,110

10 . General Shareholder Information:

- a) Annual General Meeting
 - Date and Time : 10.00 a.m. on 30th September, 2011
 - Venue : Plot No.662/II, Savali, Lamdapura Road, Vill. Manjusar, Tal. Savali, Dist. Baroda
- b) Financial Calendar : year ending 31st March
- c) Book Closure Date : 29.09.2011 to 30.09.2011 (both days inclusive)
- 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 the financial year 2010-11.
- 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 Shareregistry (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 Shareregistry (India) Pvt. Ltd, at the above mentioned address.

VARDHAMAN WIRES AND POLYMERS LTD.

l) Distribution of Shareholding as on 31st March, 2011

Equity Shares held	Shareholders	% of shareholders	Shares Allotted	% of holding
1 - 5000	12695	95.63	1861570	46.54
5001 - 10000	369	2.78	338590	8.46
10001 - 20000	87	0.66	141700	3.54
20001 - 30000	40	0.30	105500	2.64
30001 - 40000	16	0.12	55900	1.40
40001 - 50000	16	0.12	78400	1.96
50001 -100000	27	0.20	191400	4.79
100001 onwards	25	0.19	1226940	30.67
Total	13275	100.00	4000000	100.00

Shareholding pattern as on 31st March, 2011

Categories	Number of Shares	Amount (In Rs.)	%
Promoters, Directors, Relatives of Directors & Associated Companies	774870	7748700	19.37
Other Bodies Corporate	223947	2239470	5.60
Nationalised Banks	3500	35000	0.09
Foreign Holdings	407000	4070000	10.18
Public	2590683	25906830	64.76
Total	4000000	40000000	100

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 26th March, 2002 8.44 % of the Company's Share Capital is dematerialized as on 31st March, 2011.

n) Outstanding GDRs/ADRs/Warrants:

There are no outstanding GDRs/ADRs/warrants or any convertible instruments, as on 31st March, 2011 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:28/07/2011

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 :28/07/2011
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 31st March, 2011 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 ASSOCIATES,
CHARTERED ACCOUNTANTS**

Date:28.07.2011

SD/-

Place: Mumbai.

**(M. P. MEHTA)
PARTNER**

**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 31.03.2011.

For **Vardhaman Wires and Polymers Limited,**

Place:Mumbai.

Date:28/07/2011

SD/-

Director

VARDHAMAN WIRES AND POLYMERS LTD.

To,
THE SHAREHOLDERS OF
VARDHAMAN WIRES AND POLYMERS LIMITED

1. We have audited the attached Balance Sheet of **Vardhaman Wires and Polymers Limited** as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) Central Government has yet not notified the rules relating to the levy & collection of cess from Companies in terms of section 441A of the Companies Act, 1956. We are, therefore, not reporting on this matter as required by section 227 (3) (g) of the Companies Act, 1956.
 - f) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - g) Sundry debit & credit balances are subject to reconciliation and/or confirmation (Refer Note 5 of Schedule 13 - "Notes forming part of Accounts")
 - h) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read with the Significant Accounting Policies and Notes forming part of 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 of the Company as at 31st March, 2011
 - (ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date, and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For MANESH MEHTA & ASSOCIATES
Chartered Accountants
(Firm Registration No.: 115832W)
SD/-

Place: Mumbai
Date: 28/07/2011

(M.P.MEHTA)
Partner
(M. No. 36032)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. In respect of its fixed assets:

- a) The Company has maintained proper records showing particulars and situation of fixed assets.
- b) As per the information and explanations given to us, there is a phased program of physical verification of fixed assets as adopted by the Company, which in our opinion, is reasonable having regard to the size of the company and the nature of the assets. As informed, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information & explanations given to us, no substantial part of the fixed assets has been disposed off during the year and hence, going concern status of the company is not affected.

2. In respect of its inventories:

- a) According to the information and explanations given to us, inventories were physically verified during the year by the management at reasonable intervals.
- b) 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 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 its inventories. No material discrepancies were noticed on physical verification of inventory.

3. According to the information and explanations given to us, the Company has neither granted nor taken any loans to/from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, except unsecured loans received from directors. There are no stipulations for repayment. The terms and conditions of the unsecured loans are prima facie not prejudicial to the interest of the company.

4. 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, sale of goods. We have not observed any continuing failure to correct major weaknesses in such internal controls.

5. According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, have been so entered. In our opinion and according to the information & explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lacs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.

6. The Company has not accepted any deposits from the public under section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the companies Act, 1956.

VARDHAMAN WIRES AND POLYMERS LTD.

9. According to the information and explanations given to us and on the basis of our examination of books of account:

a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund and Employees State Insurance with appropriate authorities. According to the information and explanations given to us, there are no undisputed items outstanding for more than six months as of 31st March, 2011

b) According to the information and explanations given to us, there were no disputed amounts remaining unpaid in respect of Sales Tax, Excise duty, Service Tax and Custom Duty.

10. The company's accumulated losses at the end of financial year are less than fifty percent of its net worth and that it has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.

11. There are no borrowings from banks or financial institutions. The company has not issued any debentures.

12. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

13. In our opinion and according to the information and explanations given to us, the company has not taken any term loans during the year.

14. According to the information and explanations given to us and based on our examination of the balance sheet on an overall basis, we report that no funds raised on short-term basis have been used for long-term investment.

15. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year and accordingly, the question of whether the price at which the shares have been issued is prejudicial to the interest of the company does not arise.

16. The Company has not issued any debentures during the year and accordingly, the question of creating security in respect thereof does not arise.

17. The company has not raised any money from public issue during the year and in the recent past and accordingly, the question of disclosing the end use of money raised by public issue does not arise.

18. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

19. In our opinion and as per the information and explanations given to us, the nature of the Company's business/activities during the year is such that clauses (xii), (xiii) and (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable.

For MANESH MEHTA & ASSOCIATES
Chartered Accountants
(Firm Registration No.: 115832W)
SD/-

Place: Mumbai
Date : 28/07/2011

(M.P.MEHTA)
Partner
(M.No.36032)

VARDHAMAN WIRES AND POLYMERS LIMITED

Balance Sheet as at 31st March, 2011

	Schedule		Rupees As at 31.03.2011	Rupees As at 31.03.2010
I. SOURCES OF FUNDS:				
1. Shareholders' Funds				
a. Share Capital	1	40,000,000.00		40,000,000.00
b. Reserves and Surplus		-		-
			40,000,000.00	40,000,000.00
2. Loan Funds				
a. Unsecured Loans	2		346,027.00	346,027.00
TOTAL			40,346,027.00	40,346,027.00
II. APPLICATION OF FUNDS:				
1. Fixed Assets				
a. Gross Block	3	7,257,615.64		7,185,115.64
b. Less: Depreciation		3,864,993.52		3,591,073.52
c. Net Block		3,392,622.12		3,594,042.12
d. Capital Work in Progress		1,919,764.00		1,919,764.00
			5,312,386.12	5,513,806.12
2. Investments	4		2,000.00	2,000.00
3. Current Assets, Loans and Advance	5			
a. Inventories		831,530.00		543,591.00
b. Sundry Debtors		28,382,299.35		25,477,066.06
c. Cash and Bank Balances		92,108.13		2,249,396.33
d. Loans & Advances		3,968,854.25		2,513,480.00
		33,274,791.73		30,783,533.39
Less: Current Liabilities and Provisions	6			
a. Liabilities		7,483,141.50		5,432,014.80
b. Provisions		363,280.00		615,000.00
		7,846,421.50		6,047,014.80
Net Current Assets			25,428,370.23	24,736,518.59
4. Profit & Loss A/c			9,603,270.65	10,093,702.29
TOTAL			40,346,027.00	40,346,027.00
Significant Accounting Policies	12			
Notes on Accounts	13			

**As per our report of even date attached
For MANESH MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REG.NO.115832W)**

For and on behalf of the board

SD/-
(M.P.Mehta)
Partner
M.No. 36032

SD/-
(Smt. Mrudula A.Shah)
Director

SD/-
(Smt. Vibha C.Shah)
Director

Place: Mumbai
Date: 28/07/2011

Place: Mumbai
Date: 28/07/2011

VARDHAMAN WIRES AND POLYMERS LIMITED

Profit & Loss Account for the year ended 31st March, 2011

	Schedule	Rupees As at 31.03.2011	Rupees As at 31.03.2010
INCOME			
Sales		32,063,159.36	37,005,352.63
Other Income	7	2,107,965.42	2,925,365.00
		34,171,124.78	39,930,717.63
EXPENDITURE			
Goods Traded	8	26,825,220.91	27,289,470.20
Personnel Expenses	9	1,163,270.85	1,370,335.00
Other Expenses	10	5,258,254.37	8,139,377.75
		33,246,746.13	36,799,182.95
Profit Before Depreciation, Interest & Tax		924,378.65	3,131,534.68
Depreciation	3	273,920.00	311,793.48
Financial Charges	11	48,406.01	39,384.11
		322,326.01	351,177.59
Profit for the year before Tax		602,052.64	2,780,357.09
Less : Provision for Corporate Tax		111,621.00	430,000.00
Less : Tax Adjustment for Earlier Year		0	2,053.00
Profit Available for Appropriations		490,431.64	2,348,304.09
Profit Brought Forward from Previous Year		(10,093,702.29)	(12,442,006.38)
Profit Carried To Balance Sheet		(9,603,270.65)	(10,093,702.29)
Earning per Share (See note 17 of Schedule 13)			
Nominal Value per Share (Rupees)		10.00	10.00
Basic and Diluted Earning per Share		0.12	0.59
Significant Accounting Policies	12		
Notes on Accounts	13		

As per our report of even date attached

For MANESH MEHTA & ASSOCIATES

CHARTERED ACCOUNTANTS

(FIRM REG.NO.115832W)

SD/-

(M.P.MEHTA)

Partner

M. No. 36032

For and on behalf of the board

SD/-

1). Smt. Mrudula A. Shah

Director

SD/-

2). Smt. Vibha C. Shah

Director

Place : MUMBAI

Date : 28-07-2011

Place : MUMBAI

Date : 28-07-2011

VARDHAMAN WIRES AND POLYMERS LIMITED

(F.Y:2010-2011)

Schedule Forming Part of the Balance Sheet

(Amt. in Rs.)

As at 31.03.2011 As at 31.03.2010

SCHEDULE : 1

Share Capital

Authorised :

50,00,000 Equity Share Of Rs.10/- each

50,000,000.00 50,000,000.00

Issued Subscribed & Paid-up :

40,00,000 Equity Share Of Rs.10/- each

40,000,000.00 40,000,000.00

40,000,000.00 40,000,000.00

SCHEDULE : 2

Unsecured Loans

From Director's

1. Chetan Shah

236,027.00 236,027.00

2. Mrudula Shah

110,000.00 110,000.00

346,027.00 346,027.00

SCHEDULE : 4

Investment (Unquoted & Long Term)

The Mogaveera Co-op Bank Ltd.

2,000.00 2,000.00

[200 Equity Shares of Rs.10/-]

2,000.00 2,000.00

SCHEDULE : 5

Current Asset, Loans and Advances

Current Assets :

1 Inventories :

Traded Goods

831,530.00 543,591.00

2 Sundry Debtors :

(Unsecured, considered good unless otherwise stated)

Debts (outstanding for a period exceeding Six Months)

- 449,505.11

Other Debts

28,382,299.35 25,027,560.95

28,382,299.35 25,477,066.06

3 Cash and Bank Balance :

Cash on hand

39,268.31 23,893.00

Balance with Scheduled Banks :

In Current Account

52,839.82 2,225,503.33

92,108.13 2,249,396.33

A

B Loans and Advances :

(Unsecured, considered goods unless otherwise stated)

Advances

(Recoverable in cash or in kind or for value to be received)

a. Sundry Deposits

69,000.00 105,000.00

b. Others

3,899,854.25 2,408,480.00

3,968,854.25 2,513,480.00

33,274,791.73 30,783,533.39

VARDHAMAN WIRES AND POLYMERS LIMITED

FIXED ASSETS F.Y:2010-2011

Schedule-3

Fixed Assets	Rate Of Dep. [WDV] %	COST			DEPRECIATION			Net Block		
		As at 01.04.2010	Additions	Deletions	As at 31-03.2011	As at 01.04.2010	For the Year	As at 31/03/2011	As at 31/03/2011	As at 31/03/2010
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	223,935.00	26,683.00	250,618.00	506,969.00	533,652.00
Factory Bldg.	10	4,557,192.64	0.00	0.00	4,557,192.64	2,548,914.55	200,828.00	2,749,742.55	1,807,450.09	2,008,278.09
Plant & Mach.	13.91	90,176.00	0.00	0.00	90,176.00	55,438.67	4,832.00	60,270.67	29,905.33	34,737.33
Office Equip.	13.91	92,935.00	0.00	0.00	92,935.00	63,878.74	4,042.00	67,920.74	25,014.26	29,056.26
Computer	40	280,908.00	65,000.00	0.00	345,908.00	280,908.00	13,149.00	294,057.00	51,851.00	0.00
Furniture & Fixt.	18.1	484,331.00	0.00	0.00	484,331.00	417,998.56	12,006.00	430,004.56	54,326.44	66,332.44
Motor Car	15	80,000.00	0.00	0.00	80,000.00	0.00	12,000.00	12,000.00	68,000.00	80,000.00
Weighing Sclae	13.91	0.00	7,500.00	0.00	7,500.00	0.00	380.00	380.00	7,120.00	0.00
TOTAL		7,185,115.64	72,500.00	0.00	7,257,615.64	3,591,073.52	273,920.00	3,864,993.52	3,392,622.12	3,594,042.12
CAPITAL WORK IN PROGRESS										
Factory Bldg.		1,919,764.00	-	-	1,919,764.00	-	-	-	1,919,764.00	1,919,764.00
TOTAL		16,289,995.28	72,500.00	0.00	9,177,379.64	3,591,073.52	273,920.00	3,864,993.52	5,312,386.12	5,513,806.12

Note: Depreciation on additions during the year is charged on pro-rata basis.

VARDHAMAN WIRES AND POLYMERS LIMITED

(F.Y. 2010-2011)

Schedule Forming Part of the Balance Sheet

(Amt. in Rs.)

As at 31.03.2011 As at 31.03.2010

SCHEDULE : 6

Current Liabilities and Provisions

1 Current Liabilities

a. Sundry Creditors :

For Goods	3,109,213.50	2,611,530.80
For Expenses	<u>4,373,928.00</u>	<u>2,820,484.00</u>
(Refer Note No. 4 of Schedule 13)	7,483,141.50	5,432,014.80

2 Provisions

For Taxation	112,055.00	430,000.00
For Expenses	<u>251,225.00</u>	<u>185,000.00</u>
	363,280.00	615,000.00

7,846,421.50 **6,047,014.80**

SCHEDULE : 7

Other Income

Discount Received	772.42	-
Duty Drawback Received	2,091,398.00	2,925,365.00
Interest Received	15,795.00	-
	2,107,965.42	2,925,365.00

SCHEDULE : 8

Goods Traded

Opening Stock	543,591.00	205,555.00
Add: Purchase during the year	<u>27,113,159.91</u>	<u>27,627,506.20</u>
	27,656,750.91	27,833,061.20
Less : Closing Stock	<u>831,530.00</u>	<u>543,591.00</u>
	26,825,220.91	27,289,470.20

SCHEDULE : 9

Personnel Expenses

Salaries and Wages	1,115,556.00	1,343,291.00
Welfare and Other Expenses	<u>47,714.85</u>	<u>27,044.00</u>
	1,163,270.85	1,370,335.00

VARDHAMAN WIRES AND POLYMERS LIMITED

(F.Y: 2010-2011)

Schedule Forming Part of the Balance Sheet

	(Amt. in Rs.) As at 31.03.2011	(Amt. in Rs.) As at 31.03.2010
SCHEDULE : 10		
Other Expenses		
Freight & THC Charges	694,130.00	632,719.00
Freight Charges	342,986.16	450,835.36
Loading & Unloading Charges	97,567.14	113,030.00
Packaging	518,546.00	416,938.00
Transportation Charges	389,603.00	345,939.00
Rep.& Maint. Of Building	50,200.00	-
Agency Commission	179,649.00	242,758.00
Advertisement Exp	1,560.00	-
A.G.M. Expenses	32,500.00	30,250.00
Auditors Remuneration	55,150.00	50,000.00
Conveyance	71,962.00	48,291.00
Conversion Charges	97,434.00	-
Dock Charges	71,619.00	100,069.00
Electricity Charges	20,110.00	16,690.00
Insurance Charges	58,209.00	84,294.00
Labour charges Paid	-	50,876.74
Misc. Expenses	42,581.00	39,995.00
Office Expenses	29,775.00	25,693.00
Postage & Courier	34,683.00	57,286.00
Printing & Stationery	17,323.00	13,784.00
Professional Fees	-	5,000.00
Registration Charges	41,247.00	61,755.00
Other Repairs & Maintenance exp	51,714.00	14,257.00
Warehouse Rent	148,000.00	82,000.00
Samples - Exports	124,995.00	115,165.00
Society Charges	36,472.00	44,276.00
Telephone Charges	37,458.00	52,541.00
Transfer Agent Fees	34,471.00	34,388.00
Travelling Expenses	49,899.20	71,926.00
Debit Balance w/off	449,505.11	173,344.00
Diff. in Rate of Exchange	199,961.76	2,029,239.05
Business Development	1,278,944.00	2,160,437.00
Loss by Fire	-	575,601.60
	5,258,254.37	8,139,377.75

SCHEDULE : 11

Financial Charges

Bank Charges	48,406.01	39,384.11
	48,406.01	39,384.11

VARDHAMAN WIRES AND POLYMERS LTD.

SCHEDULE 12

Significant Accounting Policies

1. General

The Financial Statements are prepared under historical cost convention on accrual basis and they are in consonance with generally accepted accounting principles in India and applicable Accounting Standards notified u/s 211 (3C) of the Companies Act, 1956. Effect of deviations, if any from the accounting standards is disclosed in the accounts, wherever relevant and material.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Fixed Assets

Fixed assets are stated at cost of acquisition / construction. The cost of fixed assets includes direct / indirect apportioned expenses incurred for the purpose of acquiring fixed assets, net of cenvat credit on qualifying assets.

4. Depreciation

Depreciation is charged on written down value method (WDV), at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year to fixed assets is charged on pro-rata basis.

5. Investments

Investments are stated at cost.

6. Inventories

Inventories are valued in accordance with Accounting Standard (AS) – 2 at lower of cost and net realizable value on FIFO Basis.

7. Impairment of Assets

Impairment of assets is recognized when there is an indication of impairment. On such indication, the recoverable amount of asset is estimated and if such estimation is less than its book value, the book value is reduced to its recoverable amount.

8. Revenue Recognition

- (i) Sales are accounted for on dispatch of products from the ware houses and which are followed by transfer of risk and reward to the customers upto the time the financial statements of the Company are adopted.
- (ii) Insurance Claims are accounted as and when admitted.
- (iii) Other income is accounted on accrual basis except when the realization of such income is uncertain.

9. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are restated at year end exchange rates. Exchange differences arising on settlement of transactions and on restatement of monetary items are recognized as income or expense in the year in which they arise.

10. Selling / Business Development Expenses

Selling and other expenses payable on sales are recognized on determination of amount payable in accordance with arrangements / contracts with the parties.

11. Taxes on Income

- i. Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under Income Tax Act, 1961.
- ii. Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is virtual certainty of its realization.

12. Provisions and Contingent liabilities

- i) Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimates can be made of the amount of the obligation.
- ii) Contingent liabilities are disclosed by way of a note to the Financial Statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.

13. Employee Benefits

Short Term Employee Benefits are recognized as an expense at the undiscounted amounts in the profit and loss account of year in which the related services are rendered.

SCHEDULE 13**Notes forming part of Accounts for the year ended 31st March 2011**

1. The figures of previous year are reclassified/regrouped / restated for consistent presentation, wherever necessary.
2. Figures in brackets represent previous year's figures.
3. Deferred Tax Assets are not recognized in books of accounts in view of absence of virtual certainty of its realization.
4. The Company has not received information from suppliers or service providers, whether they are covered under Micro, Small and Medium Enterprises (Development) Act, 2006 and hence, it has not been possible to give the required information relating to such suppliers and amounts unpaid, if any, as at year end.
5. Sundry Debit / Credit balances are subject to reconciliation and adjustment, if any.
6. In the absence of notification specifying the effective date and the applicable rate and amount of cess to be levied towards a fund to be established for rehabilitation and revival of Sick Industrial Units in terms of section 441 A of the Companies Act, 1956 as inserted by the Companies (Second Amendment) Act, 2003, no provision is made for the cess in the accounts for the year.
7. Remuneration to Directors is Rs. NIL (Rs. NIL)
8. The company did not have any employee who has completed five years or more of service during the financial year to be eligible for gratuity benefits.
9. The accounts are not signed by the Company Secretary, as the Company has no Company Secretary as on the date. However, a certificate of compliance of provisions of the Companies Act, 1956 is obtained from a practicing Company Secretary.
10. The company did not have any Contingent Liability in the financial year 2010-2011.

11. Related Party information

i) Names of related parties and nature of relationship :

Shri Chetan Shah, Director of the Company is interested in Humaid Al Matrooshi General Trading LLC.

ii) Transactions with Related Parties

Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
A) Transaction with Related Parties		
Export	2,80,48,173	3,56,63,967
Amount Receivable	2,83,09,628	2,49,35,709
Amount Payable	3,504,381	21,60,437

13. Segment Information:

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

14. Remuneration to Auditors for other services:

	Current Year (Rs.)	Previous Year
Tax Audit & other services	10,000	10,000

15. Transaction in Foreign Currency.

	Current Year (Rs.)	Previous Year (Rs.)
i) Earnings in Foreign Currency		
a. Export on CIF Basis	2,80,48,173	3,56,63,967
ii) Expenditure in Foreign Currency		
a. Business Development expenses	12,78,944	21,60,437

VARDHAMAN WIRES AND POLYMERS LTD.

16. Quantitative Information: (As certified by the Management)

i) Cost of Traded Goods

Sr. No.	Particulars		Current Year		Previous Year	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)
1	Bath Towels	Kgs.		18888860	108484	18022468
2	Bath Towels	Nos.	42012	2820529	108622	4740464
3	Kitchen Towels	Nos.	238092	2152497	261028	2151215
4	Fabric	MTS.	251	17982		
5	Others	Nos.	23568	3174838	16585	2375323
Total				27054706		27289470

ii) Sales and Stocks of Finished Goods

	Opening Stock		Purchase		Closing Stock		Sales	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Bath Towels [Kg.]	2263	280107	109589	19015863	2969	445499	108884	21882866
Previous Year	2632	164515	108114	18138060	2263	280107	108484	23704710
Bath	1440	112320	35696	2864755	924	156546	42012	2978163
Previous Year	6000	18000	104062	483784	1440	112320	108622	6273827
Kitchen Towels[Nos.]	23256	151164	214836	3174838	0	0	238092	2926620
Previous Year	11520	23040	272764	2279339	23256	151164	261028	3392363
Others	0	0	23568	2001333	0	0	23568	4256183
Previous Year	0	0	16585	2375321	0	0	16585	3634452
FABRIC[mts]	0	0	251	17982	0	0	251	19327
Previous Year	0	0	0		0	0	0	0
Work in Process	0	0			1109	229485	0	0
Previous Year	0	0	0		0	0	0	0
Total	26959	543591	383940	27113160	5002	831530	412807	32063159

17. Determination of Profits & Capital for computation of EPS :

Particulars	Current Year	Previous year
Profit available to Equity Shareholder after Tax	4,90,432	23,48,304
Profit available to Equity Shareholders	4,90,432	23,48,304
No. of Equity Shares of Rs. 10/- each	40,00,000	40,00,000
Earnings Per Share in Rs. :-		
Basic & Diluted	0.12	0.59

VARDHAMAN WIRES AND POLYMERS LTD.

18. Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956, in terms of Notification No. GSR 388 (E), dated 15th May, 1995, issued by the Ministry of Law, Justice and Company Affairs, Department of Company Affairs.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details			
Registration No.	513705	State Code: 04	
Balance Sheet Date	31.03.2011		
II. Capital raised during the year. (Amount in Rs. Thousands)			
Public Issue	Nil		
Rights Issue	Nil		
Bonus Issue	Nil		
Private Placement	Nil		
III. Position of Mobilization and Development of funds. (Amount in Rs. Thousands)			
Total Liabilities	40,346	Total Assets	40,346
Sources of Funds		Application of Funds	
Paid-up Capital	40,000	Net Fixed Assets	5,312
Reserves & Surplus	-	Investment	2
Secured Loans	-	Net Current Asset	25,429
Unsecured Loan	3,46	Misc. expenditure	-
Deferred Tax Liabilities	-	Profit & Loss Account	9,603
IV. Performance of Company			
Total Revenue	34,171	Total Expenditure	33,569
Profit Before Tax	602	Deferred / Fringe benefit / Corporate Tax	112
Profit After Tax	490		
		Proposed Dividend (final) Rate	Nil
		Earning Per Share	0.12
V. Generic Names of Three Principal Products / Services of Company (as per Monetary terms)			
Item Code (ITC Code) No.		(1)8544	
		(2)3208	
Product Description		(1) Super Enamelled Copper Wire	
		(2) Varnish	

As per our report of even date attached
For Manesh Mehta & Associates
Chartered Accountants
SD/-

(Manesh P. Mehta)
Shah)
Partner

Place : Mumbai
Date : 28.07.2011

For and on behalf of the Board

SD/- SD/-

(Smt. Mrudula A. Shah) (Smt. Vibha C.

Director Director

Place : Mumbai
Date : 28.07.2011

VARDHAMAN WIRES AND POLYMERS LIMITED

Cash Flow Statement for the Year ended on 31st March, 2011

	2010 - 2011	2009 - 2010
	Rupees	Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	602,053	2,780,357
Adjustment for		
Depreciation	273,920	311,793
(Profit) \ Loss on Sale of Shares		-
(Profit) \ Loss on Sale of Electrical Equipments		-
Finance Charges	48,406	39,384
Operating Profit / (Loss) before Working Capital Changes	924,379	3,131,535
Sundry Debtors	(2,905,233)	(4,207,874)
Inventories	(287,939)	(338,036)
Loans and Advances	(1,455,374)	(452,282)
Current Liabilities & Provisions	1,799,407	3,617,466
Cash Flow Generated from Operations	(1,924,761)	1,750,809
Direct Taxes Paid\Provided	(111,621)	(432,053)
Net Cash Flow From Operating Activities	(2,036,382)	1,318,756
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(72,500)	(80,000)
Sale Proceeds of Electrical Equipments		-
Sale Proceeds on Sale of Shares		
Sale of Plant & Machinery		-
Net Cash Flow From Investing Activities	(72,500)	(80,000)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceed from Unsecured Loans	-	110,000
Repayment of Borrowings	-	-
Finance Charges	(48,406)	(39,384)
Net Cash Flow From Financing Activities	(48,406)	70,616
Net increase in Cash and Cash equivalents (A+B+C)	(2,157,288)	1,309,371
Opening Cash and Cash equivalents	2,249,396	940,025
Closing Cash and Cash equivalents	92,108	2,249,396

Notes :

- 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.
- Previous years figures have been regrouped / restated / reclassified whenever necessary.
- 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 & Associates
Chartered Accountants

SD/-

(Manesh P. Mehta)
Partner

Place : Mumbai

Date : 28.07.2011

For and on behalf of the Board

SD/-

(Mrudula A. Shah)
Director

SD/-

(Vibha C. Shah)
Director

Place : Mumbai

Date : 28.07.2011

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	1	1
---	---	---	---

Date Month Year

II. Capital Raised During The Year (Amount in Rupees Thousands)

Public Issue	Rights Issue												
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>-</td><td> </td><td> </td><td> </td></tr></table>			-				<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>-</td><td> </td><td> </td><td> </td></tr></table>			-			
		-											
		-											
Bonus Issue	Private Placement												
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>-</td><td> </td><td> </td><td> </td></tr></table>			-				<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td>-</td><td> </td><td> </td><td> </td></tr></table>			-			
		-											
		-											

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

Total Liabilities	Total Assets												
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>4</td><td>0</td><td>3</td><td>.</td><td>4</td><td>6</td></tr></table>	4	0	3	.	4	6	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>4</td><td>0</td><td>3</td><td>.</td><td>4</td><td>6</td></tr></table>	4	0	3	.	4	6
4	0	3	.	4	6								
4	0	3	.	4	6								

Sources of Funds

Paid - Up Capital

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

Reserves & Surplus

--	--

Application of Funds

Net Fixed Assets

5	3	.	1	2
---	---	---	---	---

Investments

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

Net Current Assets

2	5	4	.	2	8
---	---	---	---	---	---

Misc. Expenditure

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

Accumulated Losses

0	9	6	.	0	3
---	---	---	---	---	---

IV. Performance of Company (Amount in Rupees Lacs)

Turnover

3	4	1
---	---	---

Total Expenditure

3	3	5
---	---	---

+ - Profit/Loss Before Tax

+		0	6	.	0	2
---	--	---	---	---	---	---

+ - Profit/Loss After Tax

+		0	4	.	9	0
---	--	---	---	---	---	---

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.

20th Annual General Meeting - 30th September 2011 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 20th 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.

--

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 20th Annual General Meeting of the Company to be held at 10.00 A.M. on 30th September, 2011 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2011.

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.