VERSATILE WIRES LTD.

11A, RAWDON STREET, RAWDON CHAMBERS, 3RD FLOOR, KOLKATA - 700 017
PHONES : 2289-5296/5297 • FAX : 91-33-2289-5329 • E-mail : ho@versatilewires.com

Date: 10/09/2013

To
The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata – 700001

Dear Sir,

We are sending herewith 6(six) copies of Annual Report for the Financial Year ended 2012-13.

Kindly acknowledge the receipt.

Thanking You

Yours faithfully
For Versatile Wires Limited

(Authorised Signatory)

Encl:a/a.

The Calcutta Stock Exchange Limited
Listing Department
Contents not Verified
Sl. No. 3 Dated 10/9/13
Signature

Works : Bakrahat Road, Vill & P.O. Rasapunja, P.S. Bishnupur, 24 Parganas (S), Pin - 700 104

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VERSATILE WIRES LIMITED

TWENTIETH ANNUAL REPORT

2012-2013

BOARD OF DIRECTORS

Chairman	:	SRIRAM KHEMKA
Managing Director	:	LOKESH KHEMKA
Directors	:	SURENDRA KUMAR KHAITAN AYUSH MURARKA
Company Secretary	:	S. RAY
Registered Office	:	11 A, Rawdon Street, Rawdon Chambers, 3rd Floor Kolkata-700017
Auditors	:	L B. JHA & CO. *Chartered Accountants* GF-1, Gillander House 8, N. S. Road Kolkata - 700001
Bankers	:	STATE BANK OF INDIA Kolkata - 700 017
Registrar & Share Transfer Agents	:	MCS SHARE TRANSFER AGENT LIMITED 12/1/5, MANOHARPUKUR ROAD GROUND FLOOR Kolkata - 700 026

VERSATILE WIRES LIMITED

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NOTICE

TO ALL THE MEMBERS OF THE COMPANY

NOTICE IS HEREBY GIVEN that the **Twentieth Annual General Meeting** of the Company shall be held at its Registered Office at 11A, Rawdon Street, Rawdon Chambers, 3rd Floor, Kolkata – 700 017, on Friday, the 27th September, 2013 at 10.00 A.M. to transact the following business :

I. ORDINARY BUSINESS

1. To receive, consider, and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ayush Murarka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

NOTES :

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxy Forms in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the convenience of members, the attendance slip is annexed to the Proxy Form. Members are requested to fill in and affix their signatures at the space provided there for and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'Proxy'.
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2013 to 27th September 2013 (both days inclusive) in terms of the provisions of Section 154 of the Companies Act,1956.
5. Members are requested to advise, indicating their folio number, the change of their addresses, if required to the Company's Registrar & Share Transfer Agents, M/s. MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026.
6. Members are requested to communicate directly regarding transfer of shares & allied matters with the Company's Registrar & Share Transfer Agents, M/s. MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026. However, in case the shareholders experience any difficulty in the dealings with the Registrar & Share Transfer Agents of the Company, they are requested to write to the Company directly stating the complete case to enable the Company to take up the matter for expeditious disposal thereof.

By Order of the Board

S. Ray
Executive Director & Secretary

Place : Kolkata
Dated : 22nd August, 2013

VERSATILE WIRES LIMITED

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Information pursuant to Clause 49 of the Listing Agreement

Item No. 2

Mr. Ayush Murarka is an independent and non-executive director of the Company. He has been on the Company's Board since long. He has vast knowledge and experience in the area of accounts and finance.

He is aged about 40 years and retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He was appointed as a Director of the Company on 31.10.2006.

Mr. Ayush Murarka does not hold the Directorships/Committee Memberships in any other public limited company.

By Order of the Board

S. Ray

Executive Director & Secretary

Place : Kolkata

Dated :22nd August, 2013

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present their Twentieth Annual Report together with the audited accounts of the Company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS :

	2012-13 Rs. in Lacs	2011-12 Rs. in Lacs
Sales & Other Income	3325.76	3193.88
Profit/(Loss) before Finance Cost, Depreciation & Taxes	135.22	150.00
Add/(Less): Finance Cost	(177.87)	(149.01)
Add/(Less): Depreciation	(14.78)	(25.60)
Add/(Less): Provision for Taxation- Deferred Tax	(2.52)	(1.19)
Profit/(Loss) after Taxation	(59.95)	(25.80)
Balance carried forward to Balance Sheet	(732.54)	(672.59)

2. DIVIDEND:

During the year under review, the Directors regret their inability to recommend dividend in view of past carry forward losses.

3. OPERATIONS :

During the year under review, the company could not reach cash break-even because of various external uncontrollable factors, viz. rise in the cost of raw materials, i.e. copper, enamel and thinner (petroleum based products) due to an increase in exchange rates of Indian Rupee vis-a-vis US Dollar, increase in the finance cost due to an increase in the price of our raw materials, increase in power bill due to an increase in tariff for previous years. The copper prices showed a downtrend in the first five months and thereafter started to rise. Your company resorted to safe and prudent policy with regard to procurement of copper (the basic raw material) based on customers' order of finished goods.

Sales (including processing income) grew up by about 4% over last year but could not add to the bottom-line due to various external uncontrollable factors as discussed above.

The year saw a severe dip in the Indian Economy primarily due to industry slowdown triggered by the tightening of the monetary policy, aimed at controlling inflation. This led to lower industrial production.

The introduction of entry tax at the rate of one percent on the import of certain products in the state of West Bengal with effect from the 01.04.2012 is a set-back for manufacturing units located in West Bengal. Your company has paid the entire entry tax liability till the month of May'2013 and has filed a writ petition before the Hon'ble High Court, Kolkata challenging the unconstitutional levy of entry tax and has sought refund of total tax already paid and the said matter is sub-judice.

Your Company is in the continuous process of adding new customers to its existing customer portfolio which would improve the financial health of the Company. During the year under review, competition continued to be intense and there was significant inflationary pressure.

CST continued to remain at 2% which continues to put pressure on sales as well as operating margins. Your Company is hoping for GST to be implemented shortly which would eliminate the gap in the pricing of final product to a great extent.

Your Company has been regularly approaching Kolkata Stock Exchange for listing its additional equity shares issued in 2006 and as per direction of Hon'ble BIFR in the said matter. However, the listing is yet to be approved by the Kolkata Stock Exchange. Once these shares are listed, the Company will approach CDSL for dematerialisation its equity shares as per the Order of Hon'ble BIFR.

In the scheme sanctioned by Hon'ble BIFR on 19.01.2009, it was projected that the net-worth of the company would become positive by the end of 31.03.2013, which unfortunately could not happen primarily due to external uncontrollable factors, i.e. rise in the cost of raw materials, sharp increase in power cost, severe increase in finance cost, and slowdown in the general economy leading to demand recession. Company had duly informed Monitoring Agency (SBI) and also hon'ble BIFR that a Modified Draft Rehabilitation Scheme is going to be submitted shortly seeking extension in the rehabilitation period.

4. PARTICULARS OF EMPLOYEES :

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

5. DIRECTORS :

Shri Ayush Murarka, Director of the Company, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors recommend his re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company based on the representation received from the operating management confirms:

(i) That in the preparation of the Annual accounts of the financial year ended 31st March 2013, the applicable accounting standards have been followed with proper explanation relating to material departures;

(ii) That the Directors have selected such accounting policies and applied them consistently and make judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities.

(iv) That the Directors have prepared the annual accounts for the financial year ended 31st March 2013 on a going concern basis.

7. CORPORATE GOVERNANCE :

A Report of Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of the requirements of Corporate Governance, as also a Management Discussion & Analysis Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.

8. AUDITORS :

M/s L.B. Jha & Co. Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have given their consent to act as Auditors of the Company if re-appointed and have confirmed that their re-appointment , if made, would be within the prescribed limits u/s 224(IB) of the Companies Act,1956.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO :

Additional information required under section 217(1)(e) of the Companies Act,1956,read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules,1988, is annexed herewith & forms part of this Report.

10. ACKNOWLEDGEMENT :

Your Directors wish to place on record their sincere gratitude for the co-operation & assistance received from the Central & State Governments, Bankers, other Government Agencies, customers, and suppliers etc. Your Directors also wish to place on record its appreciation of the dedicated and sincere efforts put in by all the employees of the Company.

For and on behalf of the Board

Place : Kolkata
Dated : 22.08.2013

(SRIRAM KHEMKA)
Chairman

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INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT,1956, READ WITH THE COMPANIES(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS)RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

CONSERVATION OF ENERGY :

Your Company accords highest priority to the conservation of energy. Continuous effort is being made by engineering department to reduce energy cost.

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABORPTION :

(a) Research and Development facilities are being utilised for

(i) Better control on quality of inputs,
(ii) Better control on production process,
(iii) Finding out ways and means for saving of energy.

Benefits derived as a result of above R & D :

... Better quality assurance
... Lower wastage
... Keeping the consumption of energy under control

Future Plan of Action :

... Continued efforts in the improvement of quality of the product, productivity & cost saving.

Expenditure on R & D :

	2012-13	2011-12
	Rs.	Rs.
(i) Capital	NIL	NIL
(ii) Recurring	4,74,000.00	4,26,600.00
(iii) Total	4,74,000.00	4,26,600.00
(iv) Total R & D Expenditure as a percentage of total turnover	0.14%	0.13%

(b) Technology Absorption, Adaptation, & Innovation :

Sophisticated technology from the Company's collaborators, M/s. Eldra of Austria comprises technical information relating to design, production method, manufacture and testing of enamelled copper winding wires as well as information relating to materials used in the manufacture thereof. The technology is in successful application.

(c) Foreign Exchange Earnings and Outgo :

Earnings : Rs. NIL (Rs. NIL)

Outgo : Rs.4.03 Lacs (Rs. 2.63 Lacs)

For and on behalf of the Board

(SRIRAM KHEMKA)
Chairman

Place : Kolkata
Dated : 22.08.2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry structure and development

The demand for Enamelled Copper Winding Wires is expected to increase considering the growth of user industries viz. motors, pumps, stabilizers, automobiles, consumer durables, telecommunication equipments, industrial fittings, home appliances and replacement market.

(b) Opportunities and threats

The Company's opportunities lie in the potential demand for the enamelled copper winding wires in the real user segment. The Company may face competition from the leading players in the industry.

(c) Segment-wise or product-wise performance

The Company's main activity is production and sales of only one product i.e. Enamelled Copper Winding Wire. The figures for sales of Enamelled Copper Winding Wires are given in the Notes on Financial Statements.

(d) Outlook

The Company is proactively responding to the changing business environment to improve its competitive position in the market. The overall business outlook for the company is promising. Efforts towards higher operational efficiencies shall continue.

(e) Risks and concerns

The Company continues to remain focused in its core competence product, i.e. Enamelled Copper Winding Wires. Competition, both domestic as well as international, is intense and the same has an impact on the Company's realisations and pressure on the margins.

(f) Internal Control Systems and their adequacy

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against loss from unauthorised use or disposition and that transactions are authorised, recorded and reported correctly.

(g) Discussion on financial performance with respect to operational performance :

	(Rs. In Lacs) 2012-13	(Rs. In Lacs) 2011-12
Profit/(Loss) before Finance Cost, Depreciation and taxes	135.22	150.00
Add/(Less) : Finance Cost	(177.87)	(149.01)
Add/(Less): Depreciation	(14.78)	(25.60)
Add/(Less): Provision for Taxation – Deferred Tax	(2.52)	(1.19)
Profit/(Loss) after Taxation	(59.95)	(25.80)
Balance carried forward to Balance Sheet	(732.54)	(672.59)

(h) Human Resource Development

The Company is of the opinion that the human resources are vital resources in giving the Company a competitive edge in the current business environment. The company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. As in the past, the Company enjoyed cordial relations with the employees at all levels.

(i) Cautionary Statements :

Statements in this Management Discussion and Analysis Report describing the company objectives, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 1ST APRIL 2012 TO 31ST MARCH 2013

1. Company's Philosophy on Code of Corporate Governance

The company remains committed to satisfy the need for transparency in providing the necessary information to shareholders about the functioning of the Board, the Management and upholding the Corporate Governance practices, within the limits set by the Company's competitive position.

2. Board of Directors

Versatile Wires Limited's Board presently consist of a majority of non-executive directors, having rich and varied experience .The names & categories of the Directors on the Board, their attendances at the Board Meetings during the year and at last Annual General Meeting, as also the number of Directorship and Committee Memberships held by them in other companies are as under :

Name of Director	Designation	Category	Number of Director-ships in other Companies	Number of Board Committee membership held in other companies	Meeting of Board of Directors		AGM
					Held	Attended	Attended
Sri Sriram Khemka	Chairman	Promoter, Non-Executive	—	—	6	6	Yes
Sri Lokesh Khemka	Managing Director	Promoter, Executive	—	—	6	6	Yes
Sri Ayush Murarka	Director	Non-Executive Independent	—	—	6	5	No
Sri Surendra Kumar Khaitan	Director	Non-Executive Independent	—	—	6	5	No

- **Excluding Private, Foreign and Companies registered under section 25 of the Companies Act, 1956. During the year**

  6 Meetings of the Board of Directors were held on 02-04-2012, 30-04-2012, 26-07-2012, 30-10-2012, 02-01-2013 and 30-01-2013.

  Annual General Meeting of the Company was held on 27-08-2012.

3. Audit Committee

The Board of Directors had constituted an Audit Committee in the year 2002.Brief Description of the Terms of Reference are as under :

a) To overseas the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient & credible.

b) To meet Statutory Auditors, discuss their findings and related matters and to review with the Management, the Quarterly Financial Results and also Annual Accounts before the same are submitted to the Board for its consideration.

c) To look into various aspects envisaged by relevant SEBI guidelines in this regard. During the year, 4 meetings of the Audit Committee of the Board of Directors were held on 30-04-2012, 26-07-2012, 30-10-2012 & 30-01-2013.

The Composition of the Audit Committee and the details of meetings attended by the Members are given below :

NAME OF THE MEMBERS	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Sri Surendra Kumar Khaitan, Chairman	4	4
Sri Lokesh Khemka	4	4
Sri Ayush Murarka	4	3

4. Remuneration Committee

The Board of Directors had constituted a Remuneration Committee in the year 2002, comprising of 2 non-executive & independent directors. At present, the committee consist of Sri Surendra Kumar Khaitan (Chairman) & Sri Ayush Murarka, non-executive independent directors and one promoter, non-executive director ,i.e., Shri Sriram Khemka.

The terms of reference of Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

During the year, no meeting of the remuneration committee was held.

The details of Remuneration to Directors for the Financial Year ended 31st March 2013 are as under :

Name of the Directors	Sitting Fees paid for		(Rs. In Lakhs)
	Board Meetings	Committee Meetings	Salary & Perks
Sri Sriram Khemka	—	—	—
Sri Lokesh Khemka	—	—	—
Sri Ayush Murarka	—	—	4.20
Sri Surendra Kumar Khaitan	—	—	—

5. Shareholders/Investors Grievance Committee

The Committee consists of 3 Directors-Shri Surendra Kumar Khaitan, Non-Executive & Independent Director as the Chairman ,Sri Ayush Murarka, Non-Executive & Independent Director and Shri Sriram Khemka, Promoter, Non-Executive Director as members.

Sri Siddhartha Ray, Company Secretary is the Compliance Officer.

During the year, one meeting was held on 30-01-2013.

No. of complaints received from the investors-NIL

6. General Body Meetings

The location and time of the last Annual General Meetings held were as follows

Financial Year	Date	Time	Location
2011-12	27.08.2012	10.00A.M.	11 A, Rawdon Street, Kolkata-700017
2010-11	29.08.2011	10.00A.M.	11 A, Rawdon Street, Kolkata-700017
2009-10	27.09.2010	10.00A.M.	11 A, Rawdon Street, Kolkata-700017

No Special Resolutions requiring voting through postal ballots were put through last year and no such resolutions are proposed to be put through at the ensuing Annual General Meeting of the Company.

7. Disclosures

A. There are no transactions of material nature with Directors / Promoters or any related entity, which will have any potential conflict with the interest of the company at large. Transactions with related parties as per requirement of Accounting Standards—18 are disclosed in Notes on Financial Statements.

B. There is no non-compliance by the company or any penalties , strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to Capital Markets during the last three years.

8. Means of Communication:

The quarterly /half yearly/ annual unaudited / audited financial results of the company are sent to the Stock Exchange immediately after they are approved by the Board of Directors.

The Management Discussion and Analysis Report is attached with the Directors' Report in the Annual Report.

9. General Shareholder Information :

(a) Date ,time and venue of the Annual General Meeting of Shareholders:27th September, 2013, 10.00A.M., 11A, Rawdon Street,3rd Floor,Kolkata-700017

(b) Date of Book Closures: 22nd September, 2013 to 27th September, 2013(both days inclusive)

(c) Dividend Payment: Not applicable

(d) Financial Calendar (tentative and subject to change) :

Financial Results for		
First Quarter	:	2nd week of August, 2013
Second Quarter	:	2nd week of November, 2013
Third Quarter	:	2nd week of February, 2014
Audited Annual Results	:	4th week of May, 2014
(e) Listing on Stock Exchange	:	The Calcutta Stock Exchange Limited
(f) Listing Fees	:	Paid for the year 2013-14
(g) Registered Office	:	11A,Rawdon Street, Rawdon Chambers, 3rd Floor, Kolkata-700-017 Tel No.: (033) 2289-5296/97 Fax No.: (033)2289-5329 E-mail: contact@versatilewires.com

Registrar and Share Transfer Agents : M/s.MCS Share Transfer Agent Limited
12/1/5, Manoharpukur Road, Ground Floor
Kolkata – 700 026
Tel No. : 4072-4052-53 (2 lines)
Fax No. : 4072-4050

(h) Share Transfer System: Transfer in physical form are lodged with Company/transfer agents. The Transfer Agent has complete computerised facility for processing the transfer. After verification of the transfers lodged in physical form, the transfer agent prepare a statement of transfer which is reviewed by the Shareholders'Grievance Committee of Directors and if in order, the transfers are approved once in a fortnight. The share certificates duly transferred are then sent by the transfer agent to the transferees, which completes the transactions.

In case of any complaints from the shareholders for delay in transfer, the matter is actively followed up by the company with the transfer agents and the same is resolved to the satisfaction of the shareholder.

(i) Investors Services—There were no complaints received during the year ended 31st March, 2013 relating to transmission/ name deletion, non-receipt of annual report & misc. enquiry etc.

(j) Market Prices Data:There were no trading activities during the year.

(k) Distribution of Shareholding as on 31st March, 2013 :

No. of Shares From	to		No. of Shareholders Number	%	No. of Shares Number	%
1	To	500	173	23.3154	84600	1.4100
501	To	1000	501	67.5202	478900	7.9817
1001	To	2000	11	1.4825	14500	.2417
2001	To	3000	11	1.4825	26000	.4333
3001	To	4000	3	.4043	10800	.1800
4001	To	5000	1	.1348	4500	.0750
5001	To	10000	7	.9434	54600	.9100
10001	To	50000	18	2.4259	493100	8.2183
50001	To	100000	5	.6739	395000	6.5833
and above			12	1.6173	4438000	73.9667
			742	100.0000	6000000	100.0000

(l) Shareholding Pattern as on 31st March, 2013 :

Category	No. of Shares held	% of shareholding
Promoter & Promoter Group	1511800	25.20
Financial Institutions	1000000	16.67
Private Corporate Bodies	2088100	34.80
Indian Public	1400100	23.33
GRAND TOTAL	6000000	100.00

(m) Plant Location :
Bakrahat Road, Vill. & P.O.Rasapunja, P.S.Bishnupur, 24 Parganas(S), PIN-700104

(n) Address for Correspondence :
M/s. MCS Share Transfer Agent Limited
12/1/5, Manoharpukur Road, Ground Floor
Kolkata – 700 026
Tel No.:4072-4052-53(2lines) ;
Fax No : 4072-4050

Declaration on Compliance of the Company's Code of Conduct

This is to certify that the company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchange.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them.

Place : Kolkata
Dated : 22.08.2013

(SRIRAM KHEMKA)
Chairman

VERSATILE WIRES LIMITED

CEO/CFO Certification

To
The Board of Directors
Versatile Wires Limited

We certify that :

1. We have reviewed the financial statements and cash flow statement of Versatile Wires Limited for the year ended 31st March 2013 and 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 statements that might be misleading ;

   (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards,applicable laws and regulations.

2. To the best of our knowledge and belief , there are no transactions entered into by the Company during the year, which are fraudulent , illegal or violating the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls over financial reporting , if any, of which we are aware and the steps we have taken, proposed to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.

4. We have indicated to the Auditors and the Audit Committee :

   (i) Significant changes, if any, in internal control over financial reporting during the year;

   (ii) Significant accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) Instances of frauds, if any, of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Dated : 22.08.2013

S. Ray
Executive Director & Secretary

Lokesh Khemka
Managing Director

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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Versatile Wires Limited

We have examined the compliance of conditions of corporate goverance by Versatile Wires Limited ("the Company") for the year ended 31st March 2013 as stipulated in clause 49 of the listing agreement of the Company with the Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company, of ensuring the compliance of the conditions of corporate governance. 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 our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement. We state that in respect of any investor grievances received during the year ended on 31.03.2013 no investor grievance is pending against the Company as per records maintained by the Registrar. The Registrar has certified that during the year under review there were no investor grievances pending / unattended to for more than 30 days.

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

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No. 301088E

Place : Kolkata
Dated : 22nd August, 2013

(A. K. Gandhi)
Partner
Membership No. 016350

Ref SA-V-9R

Independent Auditor's Opinion

To the Members of Versatile Wires Limited

1. **Report on the Financial Statements**

We have audited the accompanying financial statements of **VERSATILE WIRES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Financial Statements**

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

3. **Auditors' Responsibility**

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

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

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

4. **Opinion**

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;

(c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

(e) on the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No. 301088E

(A. K. Gandhi)
Partner
Membership No. 016350

Place : Kolkata
Dated : 22.08.2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 5(1) of our report of even date)

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of five years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. During the year, a part of fixed assets has been physically verified by the Company and no material discrepancies between the book records and the physical inventory have been noticed.

   (c) In our opinion, and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year.

2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) In our opinion and according to the information and explanations given to us and as verified by us, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification between the physical stock and book records were not material having regards to the size of the operations of the company.

3. (i) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

   (ii) (a) The Company has taken unsecured loans during the year from companies, firms and other parties listed in the register maintained under Section 301 of the Act, as given below :—

Number of parties	Maximum amount outstanding at any time during the year (Rs.)	Balance as on 31.3.13 (Rs.)
4	81,57,834	66,90,157

   (b) In our opinion, and according to the information and explanations given to us, the rate of interest and other terms and conditions on which such loans have been taken from the companies, firms and other parties listed in the register maintained under Section 301 of the Act, 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 and based on our review, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of

any instances of major weakness in the aforesaid internal control procedure and continuing failure on the part of the management to take corrective course of action in this regard.

5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of Act, have been so entered.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs. Five Lakhs in respect of any party during the year have been made at a price which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits under the provisions of Sections 58A and 58AA of the Act and the rules framed there under.

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

8. The Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for the product(s) of the Company.

9. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable to it.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no disputed statutory liability on account of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Cess which have not been deposited on account of a dispute other than following :

Nature of dues	Amount (Rs. In lacs)	Forum where disputes are pending
Sales Tax	93.59	Deputy Commissioner of Commercial Taxes
Sales Tax	32.15	Revision Board Appellate Tribunal
Sales Tax	47.97	Joint Commissioner (Appeals)
Central Excise Duty	61.86	Commissioner of Central Excise (Appeal - I)
Central Excise Duty	9.89	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)

10. The accumulated losses as on 31st March, 2013 of the company are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year ended on that date but not in the immediately preceeding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders as at the balance sheet date.

12. Based on our examination of documents and records and according to the information and explanations

given by the management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, and according to explanations received from the management, the provisions of any special statutes relating to a chit fund or a nidhi/mutual benefit fund/ society is not applicable to the company.

14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.

15. In our opinion and 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 during the year.

16. The Company has not taken any term loan during the year.

17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. In our opinion and according to the information and explanations given to us, the Company has not issued any debentures during the year.

20. The Company has not raised any money by way of any public issue during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor noticed or reported during the year, nor have we been informed of such a case by the management.

For L. B. Jha & Co.
Chartered Accountants
Firm Registration No. 301088E

Place : Kolkata
Dated : 22.08.2013

(A. K. Gandhi)
Partner
Membership No. 016350

VERSATILE

VERSATILE WIRES LIMITED

ELDRA

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	56,317,690	56,317,690
Reserves and Surplus	3	(71,754,731)	(65,759,839)
		(15,437,041)	**(9,442,149)**
Non -Current Liabilities			
Long Term Borrowings	4	35,398,549	34,002,122
Deferred Tax Liability	5	1,304,652	1,052,913
Long Term Provisions	6	2,592,520	1,944,213
		39,295,721	**36,999,248**
Current Liabilities			
Short -term borrowings	7	52,060,989	50,316,054
Trade payables	8	33,136,560	35,737,089
Other current Liabilies	9	7,547,675	6,815,712
Short -term provisions	10	402,108	422,771
		93,147,333	**93,291,626**
TOTAL		**117,006,013**	**120,848,725**
ASSETS			
Non-Current Assets			
Fixed Assets (Tangible)	11	23,136,930	24,961,061
Other Non-Current Assets	12	168,500	552,155
		23,305,429	**25,513,216**
Current Assets			
Inventories	13	50,846,562	46,574,771
Trade Receivables	14	29,569,634	39,006,708
Cash and bank balances	15	4,648,514	4,716,007
Short-Term Loans and Advances	16	886,868	1,121,319
Other Current Assets	17	7,749,006	3,916,703
		93,700,583	**95,335,509**
TOTAL		**117,006,013**	**120,848,725**

The notes are an integral part of these financial statements.

In terms of our attached Report of even date.

For L. B. JHA & CO.
Chartered Accountants
Firm Regn. No. 301088E
(A. K. Gandhi)
Partner
Membership No. 016350
Place: Kolkata
Dated : 22nd August, 2013

For and on behalf of the Board

SRIRAM KHEMKA
Chairman

LOKESH KHEMKA
Managing Director

VERSATILE

VERSATILE WIRES LIMITED

ELDRA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	Year ended 31 March 2013 Rs.	Year ended 31 March 2012 Rs.
INCOME			
Revenue from operations (Gross)	18	330,742,630	318,126,412
Less: Excise duty		36,175,189	29,668,254
Revenue from operations (Net)		294,567,441	288,458,158
Other Income	19	1,833,204	1,261,511
Total Revenue		**296,400,644**	**289,719,669**
EXPENSES			
Cost of materials consumed	20	257,680,098	259,200,874
Changes in inventories of finished goods, work in progress and stock in trade	21	(3,329,412)	(10,627,217)
Employee benefits expenses	22	7,336,533	6,029,043
Finance Costs	23	17,787,476	14,900,594
Depreciation and amortization expenses	11	1,478,231	2,560,306
Other Expenses	24	21,190,871	20,117,327
Total Expenses		**302,143,797**	**292,180,927**
Profit/(Loss) before tax		**(5,743,153)**	**(2,461,258)**
Tax Expenses			
Current tax		-	-
Deferred tax		251,739	119,185
Profit/(Loss) for the year		**(5,994,892)**	**(2,580,443)**
Earnings per equity share of Rs. 10 each			
Basic		(1.00)	(0.43)
Diluted		(1.00)	(0.43)

The notes are an integral part of these financial statements.

In terms of our attached report of even date.

For L. B. JHA & CO.
Chartered Accountants
Firm Regn. No. 301088E
(A. K. Gandhi)
Partner
Membership No. 016350
Place: Kolkata
Dated : 22nd August, 2013

For and on behalf of the Board

SRIRAM KHEMKA
Chairman

LOKESH KHEMKA
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 Rs.	2011-12 Rs.
A. Cash Flow From Operating Activities:		
Net Profit/(Loss) before tax	(5,743,153)	(2,461,259)
Add/(Deduct):Adjustments for :		
Depreciation	1,478,231	2,560,306
Finance Costs	17,787,476	14,900,594
Profit on sale of fixed assets	(7,050)	-
Loss on sale of fixed assets	-	-
Operating Profit before working capital changes	13,515,505	14,999,641
Add/(Deduct):Adjustments for		
Trade & other receivables	5,966,913	(689,515)
Inventories	(4,271,791)	(11,809,971)
Trade Payables & Others	(1,240,922)	6,979,641
Cash generated from operations	13,969,706	9,479,796
Fringe Benefit Tax (relates to earlier years)	-	-
Net Cash from operating activities	13,969,706	9,479,796
B. Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(6,050)	(1,194,544)
Proceeds from Sale of Fixed Assets	359,000	-
Net Cash generated from /(used in) Investing Activities	352,950	(1,194,544)
C. Cash Flow From Financing Activities:		
Secured Loans	1,493,099	7,237,629
Unsecured Loans	1,648,263	(87,463)
Finance Costs	(17,787,476)	(14,900,594)
Net Cash generated from/(used in) Financing Activities	(14,646,114)	(7,750,428)
Net Increase/(Decrease) in cash and cash equivalent (A+B+C)	(323,459)	534,824
Cash & cash equivalent - opening	2,348,472	1,813,648
Cash & cash equivalent - closing	2,025,014	2,348,472

As per our attached report of even date

For L. B. JHA & CO.
Chartered Accountants
Firm Regn. No. 301088E
(A. K. Gandhi)
Partner
Membership No. 016350
Place: Kolkata
Dated : 22nd August, 2013

For and on behalf of the Board

SRIRAM KHEMKA
Chairman

LOKESH KHEMKA
Managing Director

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Significant Accounting Policies

1.1 Basis of Accounting :

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles and the Accounting Standards specified under Section 211 (3C) of the Companies Act, 1956 and also the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are recognised when goods are despatched and are recorded net of trade discount, rebates, sales tax, VAT and includes excise duty wherever applicable.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the Balance Sheet date.

1.3 Use of Estimates :

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which results are known/materialized.

1.4 Fixed Assets :

Fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

The carrying amounts are reviewed at each Balance Sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying value exceed this estimated recoverable amount, assets are written down to their recoverable amount.

Impairment of Assets :

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external /internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their "value in use". The estimated future cash flows

are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

Depreciation :

(a) Depreciation on Fixed Assets is provided on Straight Line Method on cost except Plant & Machinery (Indigenous and Imported) which is computed on reduced re-valued cost at rates prescribed under Schedule XIV of the Companies Act, 1956.

(b) Depreciation relating to Excise Duty component of the cost of Capital Goods acquired upto 31.03.2001 is recouped from Modvat Credit Reserve. From Financial Year 2001-02, Capital Goods purchased during the year is shown net of Modvat Credit and depreciation is calculated on the net amount of Fixed Assets only.

1.5 Government Grants & Subsidies :

Grants and subsidies from the Government are recognised when there is a reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the period necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

1.6 Inventories :

a) Raw Materials and store items are valued at cost which comprises materials cost and carrying cost to bring materials to factory site.

b) Work in Progress is valued at cost which includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

c) Finished Goods are valued at lower of cost or estimated net realisable value.
Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods include excise duty and the same is disclosed under the head "Other Expenses". Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

d) Scraps are valued at estimated net realizable value.

e) Returnable Spools (part of stores and spare parts) are amortized @ 10% p.a. based on management's review of past performance.

1.7 Foreign Exchange Transactions :

Transactions in foreign currency have been accounted for at the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year end rates. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit & Loss Account.

1.8 Employee Benefits :

Leave Encashment Liability & Gratuity Liability in respect of present value of liability for past services is charged to Statement of Profit & Loss on the basis of actuarial valuation at the end of the financial year (not funded).

Retirement benefits in the form of Provident Fund and Superannuation/Pension Schemes are charged to the Statement of Profit & Loss of the year when the contributions to the respective funds are due.

1.9 Excise Duty/Cess/SAH Education Cess :

Excise Duty on eligible capital goods acquired upto 31.03.2001 has been included in the cost. Modvat Credit availed on such eligible capital goods acquired upto 31.03.2001 has been credited to a separate reserve called Modvat Credit Reserve. From Financial Year 2001-02, Capital Goods purchased are shown net of Modvat Credit & hence the excise duty component of the Capital Goods is not credited to Modvat Credit Reserve Account.

Credit availed on Excise Duty, Cess, SAH Education Cess & VAT paid on inputs is reduced from the cost of material & is carried forward in Current Assets, Loans & Advances pending utilization.

1.10 Segment Reporting :

There is no identifiable business segment as the company's operating capacity falls under a single primary business segment viz. dealing in copper wire.

Geographical segments have been considered for secondary segment reporting. The whole of India has been considered as a geographical segment.

1.11 Earning Per Share :

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted over the effects of all dilutive potential equity shares.

1.12 Provisions, Contingent liabilities and Contingent assets :

Provisions are recognized in respect of obligations based on the evidence available, their existence at the balance sheet date, is considered probabale. Estimated liability in respect of business performance is provided for based on past experience and historical data.

Contingent Liabilities are not provided for in the books of accounts and are disclosed by way of a note in the accounts.

Contingent assets are not recognised in the accounts.

1.13 Taxes on Income :

Current tax is determined in accordance with the provision of the Income Tax Act, 1961 as the amount of the tax payable in respect of taxable income for the year.

Deferred tax is accounted for, subject to consideration of prudence for deferred tax assets, at the current rate of tax, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.14 Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to statement of profit and loss.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Number	As at 31.03.2013 Rs.	Number	As at 31.03.2012 Rs.
2 Share capital				
Authorised				
Equity Shares of Rs. 10/- each	6,000,000	60,000,000	6,500,000	65,000,000
		60,000,000		**65,000,000**
Issued and Subscribed :				
Equity Shares of Rs. 10/- each fully called up	6,000,000	60,000,000	6,000,000	60,000,000
		60,000,000		60,000,000
Less: Calls unpaid		3,682,310		3,682,310
		56,317,690		**56,317,690**

a. **Reconciliation of number of shares**	Number	Rs.	Number	Rs.
Balance at the beginning	6,000,000	60,000,000	6,000,000	60,000,000
Balance at the end	**6,000,000**	**60,000,000**	**6,000,000**	**60,000,000**

b. **Rights, preferences and restrictions attached to shares :**
The company has only one class of shares referred to as equity shares having par value of Rs 10/- per share. Each share holder is eligible for one vote per share held.

c. **Shareholder's holdings more than 5% of the aggregate shares in the company.**

Shareholder's Name	No of Shares	Percentage	No of Shares	Percentage
Stressed Assets Stabilization Fund	1,000,000	16.6667%	1,000,000	16.6667%
Eldra Electrodraht Erzeugung GmbH	850,000	14.1667%	850,000	14.1667%
Skyline Enclave (P) Ltd	730,700	12.1783%	730,700	12.1783%
Polar Industries Ltd.	727,200	12.1200%	727,200	12.1200%
Charishma Engineering Ltd.	308,700	5.1450%	308,700	5.1450%

3 Reserves and Surplus				
(a) Capital Reserve				
Subsidy from Govt. of West Bengal				
Balance as at the beginning of the year		1,500,000		1,500,000
Balance as at the end of the year		**1,500,000**		**1,500,000**
(b) Surplus/(Deficit) in Statement of Profit and Loss				
Opening Balance		(67,259,839)		(64,679,396)
Add: Profit/(Loss) for the year		(5,994,892)		(2,580,443)
Closing Balance		**(73,254,731)**		**(67,259,839)**
Total		**(71,754,731)**		**(65,759,839)**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
4 Long Term Borrowings		
Term Loans		
From Banks		
Secured		
Car Loan [Refer note - a, below)	49,020	300,856
	49,020	**300,856**
From Other Parties		
Unsecured		
Related parties	6,690,157	6,926,449
Others	28,659,372	26,774,817
	35,349,529	**33,701,266**
	35,398,549	**34,002,122**

Note

a) Car Loan from HDFC Bank Limited is secured by hypothecation of respective vehicles. Rs.49,020/- is payable in 3 (nos.) equated monthly instalment of Rs.16340/- each.(Previous Year - Rs.2,45,100/- is payable in 15 (nos.) equated monthly instalment of Rs.16340/- each and Rs.55,756/- is payable in 2(nos.) equated monthly instalment of Rs.27,878/- each).

5 Deferred Tax Liability (Net)		
Deferred tax assets :		
Employee benefits - unpaid gratuity & leave encashment	825,762	631,820
	825,762	**631,820**
Deferred tax liability :		
Timing Difference in depreciation	2,130,414	1,684,733
	2,130,414	**1,684,733**
	1,304,652	**1,052,913**
6 Long Term Provisions		
Provision for employees benefits	2,592,520	1,944,213
	2,592,520	**1,944,213**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
7 Short Term Borrowings		
Loans repayable on demand		
From banks		
Secured		
Cash Credit [Refer note - a, below]	52,060,989	50,316,054
	52,060,989	**50,316,054**

Note

a. Cash Credit facilities provided by State Bank of India are secured by first hypothecation charge over the Company's entire current assets including stock of raw materials, stock in process, finished goods, stores and spares, stock in trade and receivables and first charge over the Company's fixed assets and personal guarantee of two directors of the Company.

8 Trade Payables		
Sundry Creditors [Refer Note 37]	33,136,560	35,737,089
	33,136,560	**35,737,089**

9 Other current liabilities		
Current maturities of long term borrowings		
HDFC Bank Limited - Car Loan (Refer Note-a, below)	251,836	530,616
FITL from SBI	-	2,050,000
Other payables	7,295,839	4,235,096
	7,547,675	**6,815,712**

Note

a) Car Loan from HDFC Bank Limited is secured by hypothecation of respective vehicles. 12 Instalments of Rs. 16340/- each and 2 instalments of Rs 27878/- each is payable during the F Y 2012-13. (Previous year 12 instalments of Rs. 16340/- and Rs. 27878/- each respectively)

10 Short term provisions		
Provision for employee benefits	79,849	100,512
Provision for tax (FBT)	322,259	322,259
	402,108	**422,771**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

11 TANGIBLE ASSET:

	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
Particulars	As on 1/Apr/12 Rs	Addition during the year Rs.	Adjustments/ sold during the year Rs.	As at 31/Mar/13 Rs.	Upto 31/Mar/12 Rs.	Provided during the year Rs.	Adjustment during the year Rs.	Upto 31/Mar/13 Rs.	As at 31/Mar/13 Rs.	As at 31/Mar/12 Rs.
Freehold Land	1,324,018	6,050	-	1,330,068	-	-	-	-	1,330,068	1,324,018
Factory Building	19,582,785	-	-	19,582,785	9,869,701	654,065	-	10,523,766	9,059,019	9,713,084
Plant & Machinery (Indegenous)	34,793,363	-	-	34,793,363	33,055,695	-	-	33,055,695	1,737,668	1,737,668
Plant & Machinery (Imported)	92,245,849	-	-	92,245,849	83,192,564	370,583	-	83,563,148	8,682,702	9,053,285
Electrical Installation	5,110,613	-	-	5,110,613	4,821,185	33,730	-	4,854,915	255,698	289,428
Furniture and Fixtures	1,368,256	-	-	1,368,256	1,242,067	57,740	-	1,299,807	68,448	126,189
Computers	774,801	-	-	774,801	691,444	19,067	-	710,512	64,290	83,357
Office & Other Equipments	785,165	-	-	785,165	554,100	37,295	-	591,395	193,769	231,065
Vehicles	3,526,987	-	633,183	2,893,804	1,124,019	305,750	281,233	1,148,536	1,745,268	2,402,968
Total	**159,511,836**	**6,050**	**633,183**	**158,884,703**	**134,550,775**	**1,478,231**	**281,233**	**135,747,774**	**23,136,930**	**24,961,061**
Previous Year	158,317,292	1,194,544	-	159,511,836	131,990,469	2,560,306	-	134,550,775	24,961,061	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
12 Other non-current assets		
(Unsecured, considered good)		
Security Deposits	168,500	168,900
Fixed Deposit of maturity of more than 12 months	-	383,255
	168,500	**552,155**
13 Inventories		
(As valued and certified by the management)		
Raw Materials	1,480,851	1,250,654
Finished Goods	10,667,244	12,050,735
Work in Process	33,965,032	29,252,129
Stores & Spare Parts	4,733,435	4,021,253
	50,846,562	**46,574,771**
14 Trade Receivables		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	105,589	572,093
Others	29,464,044	38,434,616
	29,569,634	**39,006,708**
15 Cash and bank balances		
Cash and cash equivalent		
Cash on hand	261,739	201,548
Balances with banks	9,924	9,924
Fixed deposits of maturity less than 3 months with banks (Refer Note -a below)	1,753,351	2,137,000
	2,025,014	**2,348,472**
Other bank balances		
Fixed deposits of maturity more than 3 months with banks but within 12 months (Refer Note -a below)	2,623,500	2,367,535
	4,648,514	**4,716,007**

Note

a) Represents fixed deposits pledged with bank as margin money.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
16 Short term loans and advances (Unsecured, Considered Good)		
Staff Advances	47,651	51,291
Vendor Advances	38,000	13,000
Prepaid Expenses	449,508	722,617
Margin Money	18,298	1,000
Advance Fringe Benefit Tax	333,411	333,411
	886,868	**1,121,319**
17 Other current assets (Unsecured, Considered Good)		
Deposits	160,400	14,800
Accrued Interest on Fixed Deposits	435,585	270,137
TDS/TCS Receivables	196,386	97,950
Balance with Excise Authorities	481,945	357,528
VAT Receivable	227,667	-
Excess Vat paid	156,036	156,036
Other Advances	5,780	251,631
Electricity Duty Receivable	2,695,833	2,695,833
Interest Suspense	17,525	72,788
Entry Tax (Suspense)	2,771,937	-
Excess Int & Charges Receivable from SBI, IFB	508,748	-
Prepaid WBPCB Fees	91,163	-
	7,749,006	**3,916,703**

	Year ended 31st March 2013	Year ended 31st March 2012
18 Revenue from operations (Gross)		
Sale of Products		
Manufactured Goods	312,211,715	302,017,151
Sub Total - a	**312,211,715**	**302,017,151**
Sale of services		
Job Work	2,816,615	2,995,430
Sub Total - b	**2,816,615**	**2,995,430**
Other operating revenue		
Scrap Sale	15,714,300	13,113,830
Sub Total - c	**15,714,300**	**13,113,830**
Total (a+b+c)	**330,742,630**	**318,126,412**
Sale of Manufactured Goods		
Enamelled Copper Winding Wires	300,104,666	278,920,024
Bare Copper Wires	12,107,049	23,097,127
	312,211,715	**302,017,151**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31st March 2013	Year ended 31st March 2012
	Rs.	Rs.
19 Other income		
Interest on FDR (Gross)	417,754	362,476
(TDS Rs.41814.00 ; Previous year-37398.00)		
Interest on I T Refund	-	4,916
Net profit on sale of fixed assets	7,050	-
Income/(Loss) from hedging in MCX	1,371,228	765,148
Empty Drum Sales	146,325	209,713
Insurance Claims	(119,817)	(154,569)
Liabilities no longer required, written back	425	73,827
Foreign Exchange Gain	10,239	-
	1,833,204	**1,261,511**
20 Cost of materials consumed (All Indigenous)		
Copper	249,631,689	250,081,130
Enamel	7,987,108	8,956,747
Thinner	61,300	162,997
	257,680,098	**259,200,874**
21 Change in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock:		
Finished Goods	10,667,244	12,050,735
Work-in-progress	33,965,032	29,252,129
	44,632,276	**41,302,864**
Less: Opening Stock		
Finished Goods	12,050,735	7,155,478
Work-in-progress	29,252,129	23,520,169
	3,329,412	**10,627,217**
22 Employee benefit expenses		
Salaries and Wages	6,823,297	5,473,538
Contribution to Provident Fund and Other Funds	513,236	555,505
	7,336,533	**6,029,043**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year ended 31st March 2013 Rs.	Year ended 31st March 2012 Rs.
23 Finance cost		
Cash Credit Interest	6,082,006	5,439,860
Unsecured Loan Interest	2,314,484	2,461,712
Finance Charges	9,390,986	6,999,022
	17,787,476	14,900,594
24 Other expenses		
Consumption of Stores and Spares	1,584,771	1,652,874
Power and Fuel	10,876,911	9,090,947
Rent	426,900	428,400
Repairs to Building	4,000	218,636
Repairs to Plant and Equipment	632,153	688,632
Repairs to Others	159,222	135,255
Insurance	191,502	193,181
Excise Duty on finished stocks	(208,490)	657,432
Director's Remuneration	420,000	510,000
Rates and Taxes	955,525	14,614
Freight & Transportation	2,028,695	1,921,387
Discount	2,293	212,991
Commission	720,000	761,914
Travelling and Conveyance	750,274	915,664
Filing Fees	1,000	1,000
Auditors' Remuneration :		
Statutory Audit	27,400	27,400
Tax Audit	2,500	2,500
Miscellaneous Expenses	2,616,216	2,684,499
	21,190,871	20,117,327

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

25 The company continues to be a "Sick Indiustrial Company" and registered with Board for Industrial and Financial Reconstruction.

26 CIF Value of Imports :

	2012-13 Rs.	2011-12 Rs.
Stores & Spares	403027	251220

27 Expenditure in Foreign Currency :

	2012-13 Rs.	2011-12 Rs.
Travelling Expenses	0	11376

28 Contingent liabilities not provided for:

	2012-13 Rs.	2011-12 Rs.
Counter guarantees provided to bank for issuing bank guarantees	26,233,206	26,233,206
Liability under EPCG Scheme for concessional duty	5,124,696	5,124,696
Outstanding Letter of Credit	17,620,000	22,257,484
Central Excise Duty under appeal	7,174,981	7,174,981
Sales Tax demand disputed in appeal	17,371,113	15,334,883

29 Remuneration for Managing Director:

	2012-13 Rs.	2011-12 Rs.
Salary	360,000	360,000
Leave Travel Allowance	30,000	30,000
Medical Allowance	30,000	30,000
Leave Encashment	-	90,000
	420,000	510,000

30 The Company has not received share allotment money (due from other than Directors/Promoters) amounting to Rs.36,82,310/- till 31.03.2013 (Previous Year - Rs.36,82,310/-).The necessary action for forfeiture will be initiated.

31 The listing of equity shares issued to SASF, pursuant to OTS, with The Calcutta Stock Exchange Limited and dematerialization of the same with CDSL is in the process of fulfillment as per the direction of the Hon'ble BIFR.

32 Sales include excise duty, cess & secondary and higher education cess amounting to Rs.3,61,75,189/- Previous Year - Rs.2,96,68,254/-).

33 The Plant & Machinery (Indigenous and Imported) of the Company was re-valued as on 31.03.2009 by a registered valuer and thereby the value of the Plant & Machinery (Indigenous and Imported) was reduced by Rs.427.58 lacs.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

34 Earnings per share (EPS) :

	2012-13 Rs.	2011-12 Rs.
Profit/(Loss) after tax for the year - Rs. (A)	-5994892	-2580443
Basic/weighted average number of equity shares used as the denominator (B)	6000000	6000000
Nominal value of equity shares (Rs.)	10/-	10/-
Basic/Diluted Earnings per share (Rs.)	-1.00	-0.43

35 Disclosure of Related Party Transactions in terms of Accounting Standard - 18 are given below :

i) Name of the related parties and their relationship with related parties :

a) Sri Sriram Khemka, Chairman, Sri Lokesh Khemka, Managing Director

b) Enterprises over which Key Management Personnel have substantial interest :
Versatile Metal Concepts Private Limited, Versatile Securities Private Limited.

ii) Transaction with related parties during the year :

Transaction with related party	Key Management Personnel (Rs.)	Relatives of key Management Personnel (Rs.)	Enterprises over which key Management Personnel have substantial interest (Rs.)	Total (Rs.)
Remuneration	420000 (510000)	0 (0)	0 (0)	420000 (510000)
Interest	0 (0)	0 (0)	306439 (382520)	306439 (382520)
Unsecured Loan taken	1008376 (1189000)	0 (0)	998000 (2565500)	2006376 (3754500)
Unsecured Loan repaid	555348 (355000)	0 (0)	1963115 (1673198)	2518463 (2028198)

iii) Year end balances :

Loan Payable	4238028 (3785000)	0 (0)	2452129 (3141449)	6690157 (6926449)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

36. Employee Benefit :

As per Accounting Standard - 15 (Revised), disclosure of employee benefits as defined in Accounting Standard are given below :

Defined contribution Plan :	2013 (Rs. in lakhs)	2012 (Rs. in lakhs)
Recognised as expenses for the year		
Employer's contribution to Provident Fund	4.02	4.37

Defined Benefit Plan :

The Company has not yet arranged funding of the gratuity and leave encashment liability. The present value of obligation is determined based on the actuarial valuation using the Projected Unit Credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

	Gratuity		Leave encashment	
	2013 Rs.	2012 Rs.	2013 Rs.	2012 Rs.
(i) Change in Defined Benefit Obligation (D.B.O.) :				
Present value of D.B.O. at the beginning of the year	1,728,278	1,497,423	316,447	265,749
Current Service Cost	164,020	140,798	21,554	8,367
Interest Cost	142,583	127,281	26,107	22,589
Actuarial (gains)/losses	336,800	26,238	82,443	164,262
Benefits paid	(109,477)	(63,462)	(116,399)	(144,520)
Present value of D.B.O. at the year end	2,262,204	1,728,278	410,155	316,447
(ii) Expenses recognised during the year (under the head - Employee Benefits - Note No. 22)				
Current Service Cost	164,020	140,798	21,554	8,367
Interest Cost	142,583	127,281	26,107	22,589
Actuarial (gains)/losses	336,800	26,238	82,443	164,262
Total expenses	**643,403**	**294,317**	**110,104**	**195,218**
(iii) The principal assumptions used in actuarial valuation:				
Discount rate	8.25%	8.50%	8.25%	8.50%
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%
Expected average remaining working leave of employees	15.00 years	15.07 years	15.00 years	15.07 years

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(iv) Net Assets/(Liability) recognised in the Balance Sheet				
A. Funded Status				
1. Present value of Defined Benefit Obligation	2,262,204	1,728,278	410,165	316,447
2. Fair value of plan assets	-	-	-	
3. Funded Status [Surplus/(Deficit)]	(2,262,204)	(1,728,278)	(410,165)	(316,447)
4. Effect of Balance Sheet Asset limit	-	-	-	-
5. Unrecognised Past Service Costs	-	-	-	-
6. Net assets/(liability) recognised in Balance Sheet	(2,262,204)	(1,728,278)	(410,165)	(316,447)
1. Net asset/(liability) recognised in Balance Sheet at the beginning of the period	(1,728,278)	(1,497,423)	(316,447)	(265,749)
2. Employer Expenses	643,403	294,317	110,104	195,218
3. Employer contributions	(109,477)	(63,462)	(16,386)	(144,520)
4. Net asset/(liability) recognised in Balance Sheet at the end of the period	(2,262,204)	(1,728,278)	(410,165)	(316,447)

37 The Company has not received information from its vendors regarding the status under Micro, Small and Medium Enterprises Development Act, 2006 and the disclosures relating to amounts unpaid as at the end of the year together with interest payable, if any, under this act has not been given.

38 Figures for the previous year have been re-grouped / re-arranged wherever necessary to conform the current year's classification.

The notes are an integral part of these financial statements.

In terms of our attached report of even date.

For L. B. JHA & CO.
Chartered Accountants
Firm Regn. No. 301088E
(A. K. Gandhi)
Partner
Membership No. 016350
Place: Kolkata
Dated : 22nd August, 2013

For and on behalf of the Board

SRIRAM KHEMKA
Chairman

LOKESH KHEMKA
Managing Director

VERSATILE

VERSATILE WIRES LIMITED

Regd. Office : 11 A, Rawdon Street, Rawdon Chambers
3rd Floor, Kolkata - 700 017

ELDRA

27th September, 2013

ATTENDANCE SLIP

Twentieth Annual General Meeting

Regd. Folio No.: .....

Mr/Mrs/Miss: .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twentieth Annual General Meeting of the Company held on Friday the 27th September, 2013 at 10.00 A.M.

Member's/Proxy's Name (in block letters)

.....
Member's/Proxy's Signature

Notes : 1. Please fill in this attendance slip and hand it over at the Entrance of the Meeting Hall.
2. Member's signature should be in accordance with the Specimen Signature, registered with the Company.
3. Please bring your copy of the Annual Accounts and Notice for reference at the Meeting.

VERSATILE WIRES LIMITED

Regd. Office : 11 A, Rawdon Street, Rawdon Chambers
3rd Floor, Kolkata - 700 017

PROXY FROM

I/We..... Redg. Folio No. :.....

being member/members of Versatile Wires Limited hereby appoint.....
as my/our Proxy to vote for me/us on my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 27th September, 2013 at 10.00 A.M. and any adjournment thereof.

Signed this.....day of..... 2013

Signature.....

Affix Revenue Stamp

Notes : 1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote in his stead. A 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 time for holding in Meeting.
2. Appointment of a Proxy will not preclude a Member from attending the Meeting.
3. In the case of a Body corporate, the Proxy Form should be executed under its Common Seal or be signed on its behalf by an officer or an Attorney duly authorised by it.
4. When there are joint registered holders of any share, any one of such persons may vote at the Meetings either personally or by proxy in respect of such share as if he was solely entitled thereto; and if more than one of such joint holders be present at the Meeting either personally or by proxy, then one of the said persons so present whose name stands first on the Register of Members in respect of such share shall alone be entitled to vote in respect thereof.

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Rawdon Chambers, 3rd Floor
Kolkata - 700 017, India