

ANNUAL REPORT

1999-2000



VSD CONFIN LTD.

74 Mohkam Pur Industrial Estate Phase II

Delhi Road, MEERUT.

Phone : 513338—Fax 0121-520476

DIRECTORS' REPORT

To,

THE MEMBERS,

The Directors of your company have pleasure in presenting the 18th Annual Report and Audited Statement of Accounts for the financial year ended on 30th Sept., 2000 together with Auditors' report thereon.

FINANCIAL RESULTS :

	<u>CURRENT YEAR</u> <u>30.09.2000</u> (Rs.in lacs)	<u>PREVIOUS YEAR</u> <u>30.09.1999</u> (Rs. in lacs)
Operational & Other Income	37.86	13.72
Profit Before Tax & Depreciation	17.19	(-)8.52
Profit Before Tax	8.67	(-)15.03
Profit After Tax	8.67	(-)15.03
Proposed Dividend	-	-
Transferred to General Reserve	-	-
Carried Forward Balance of Last Year	(-)42.45	(-)27.42
Balance Carried over to Next Year	(-)33.78	(-)42.45

OPERATIONS :

Your Directors report that total turnover of your Company for the year is Rs.37.86 lacs (Previous year Rs.13.72 lacs) and the Company incurred a profit of Rs.8.67 lacs (Previous year Rs.(-)15.03 lacs). This is a encouraging performance and the Company is very keen to keep up this performance. In the year under consideration, the Company could not started its revamping activities again and hope that in current year the company will start the same.

DISCLOSURE UNDER CLAUSE 43 OF THE LISTING AGREEMENT :

Under Clause 32 The cash flow statement in accordance with Accounting Standards on Cash Flow Statement (AS-3) issued by ACAI is appended.

Under clause 43 of the listing agreement, companies who have issued shares are required to furnish comparison of projections recorded in the prospectus and/or letter of offer with the actual performance in respect of profitability has not been given because no projections were made by the Company for this year in its aforesaid prospectus.

Under clause 43 A The Company's shares are listed on the following stock exchanges.

1. Bombay Stock Exchange, Bombay
2. U.P. Stock Exchange, Kanpur
3. Delhi Stock Exchange, Delhi
4. Jaipur Stock Exchange, Jaipur.
5. Ahmedabad Stock Exchange, Ahmedabad.

The annual listing fee in respect of U.P. Stock Exchange, Kanpur, Jaipur Stock Exchange, jaipur and Ahmedabad Stock Exchange, Ahmedabad, has not been paid till the date.

DIVIDEND :

In view of absence of profits your directors do not recommend any dividend for the year ended 30th September, 2000.

BOARD OF DIRECTORS :

Shri D.K. Garg and Shri S.C. Jain, Directors of the Company retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES :

As per section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) rules 1975 regarding employees, is not given as there are no employees covered under the said provisions.

CONSERVATION OF ENERGY : [Information required as per section 217(1)(e)]

Not Applicable since the company is not covered in schedule given rule (2) of Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.

DETAILS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO : - NIL

[Information required as per section 217(1)(e)]

FIXED DEPOSIT :

The Company has neither invited nor accepted any Fixed Deposit to which section 58-A of the Companies Act, 1956 applies.

AUDITORS :

M/s Singhal Gupta & Co., Chartered Accountants, Meerut, Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

They have furnished certificate to the effect that reappointment, if made will be in accordance with sub section (1B) of section 224 of the Companies Act, 1956.

ACKNOWLEDGMENT :

Your Directors would like to place on record their deep appreciation and gratitude to the Company's members for their continued faith and confidence reposed in the management of the Company.

Your Directors wish to thank and sincerely acknowledge the co-operation and assistance extended by Company's Bankers, Government Authorities, other Business Associates and the employees of the Company at all levels.

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FOR & ON BEHALF OF THE BOARD

(D.K. GARG)
CHAIRMAN

PLACE : MEERUT
DATED : 18.12.2000

SINGHAL GUPTA & CO.

(Chartered Accountants)

1st Floor, Pawan Complex,
Opp. C.M.C. Chhipi Tank,
MEERUT - 250 002
(U.P.) INDIA

Phone: 663301, 647909
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AUDITORS' REPORT

To,

The Members,
M/s VSD Confin Limited

We have audited the Balance Sheet of M/s VSD Confin Ltd. as at 30th Sept., 2000 and the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company, as we considered appropriate, we enclose in the annexure a statement on the matters specified in Paragraph 4 & 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - (c) The Balance Sheet dealt with by this report is in agreement with the books of account.
 - (d) In our opinion, the Profit & Loss Account and the Balance Sheet Comply with accounting standards referred in sub-section 3 (c) of section 211 of the Companies Act, 1956.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the annexed accounts read with Accounting Policies and Notes to Accounts (Schedule 13) give the information required by the Companies Act, 1956 in the manner so required and give, subject to notes to accounts, a true and fair view:
 1. In case of Balance Sheet, of the state of affairs of the Company as at 30th Sept., 2000 and
 2. In case of Profit & Loss Account, of the Profit for the year ended on that date.

For **SINGHAL GUPTA & CO.**
Chartered Accountants

Place: Meerut
Date : 1 .12.2000

PARTNER

ANNEXURE TO THE AUDITORS' REPORT

Referred to para (1) of our report of even date and on the basis of such checks as we considered appropriate, we further state that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management has confirmed that where practicable, physical verification of all the major fixed assets has been carried out at the end of the year. No serious discrepancies have been noticed on such verification.
2. No fixed asset has been revalued during the year.
3. We are informed that physical verifications have been conducted by the Management at reasonable intervals in respect of finished goods, raw material, stores and spares.
4. The procedure of physical verification of the stocks followed by the Management as evidenced is reasonable and adequate, considering the size of the Company and the nature of its business.
5. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
6. The valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.
7. The Company has not taken unsecured loans, from the parties listed in the register maintained under section 301 of the Companies Act, 1956.
8. The Company has granted loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or Companies under the same management as defined under section 370 (1B) of the Companies Act, 1956 and the rates of interest and other terms & conditions of such loans are prima facie prejudicial to the interest of the Company in some cases.
9. According to the information and explanations given to us loans and advances in the nature of loans have been given by the Company and repayment of principal amount and interest are not regular in some cases and reasonable steps have been taken by the company for recovery of principal & interest.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw material, including components, plant and machinery, equipment and other assets, and for the sale of goods.
11. There is no transaction of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register (s) maintained under section 301 of the Companies Act, 1956, as aggregating during the year to Rs. 50,000/- (Rs. Fifty thousand) or more in respect of each party.
12. As explained to us, no unserviceable or damaged stores, raw materials and finished goods have been found by the management of the Company during the course of Physical verification.