32nd Annual Report

2014-2015

VSD Confin Limited

A NAME OF TRUST

VSD CONFIN LIMITED

Regd. Office:- F-131-133, Ganga Plaza, Meerut - 250001

DIRECTORS

Mr. Santosh Kumar Gupta
Mr. Devendra Kumar Garg
Mr. Naresh Kumar Rastogi
Mr. Sandeep Srivastava
Mr. Anshuman Garg
Ms. Asheema Abhinav Shukla

AUDITORS

M/s A N D R O S & Co.
Chartered Accountants
41, Tilak Nagar,
Aishbagh, Lucknow – 226004.

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Thirty-Second Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2015.

1. FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS & WORKING OF THE COMPANY **(Rs. in Lakhs)**

Particular	Year Ended	
	31st March, 2015	31st March, 2014
Profit/(Loss)Before Tax	(1.10)	(1.35)
Less : Provision for Tax		
1. Current tax	--	--
2. Short Provision of Tax	--	--
3. Deferred Tax	--	--
Profit/(Loss) After Tax	(1.10)	(1.35)
Add : Balance brought from previous year	4.47	5.82
Balance carried to Balance Sheet	3.36	4.47

2. DIVIDEND & RESERVE

In view of the loss incurred during the year under review, the Board of Directors does not recommend any dividend for the financial year ended 31st March, 2015.

During the year under review, no amount was transferred to General Reserve.

3. PERFORMANCE REVIEW

The performance of the Company during the current year has not been up to the expectation due to high volatility in the market. Your Directors are making all efforts to improve the performance of the Company further in future.

4. CHANGE IN NATURE OF THE BUSINESS

There is no change in the nature of business of the Company during the financial year.

5. SHARE CAPITAL

As at March 31, 2015, the Authorized Share Capital of the Company is Rs 18,00,00,000/- (Rupees Eighteen Crores) and Paid Up Equity Share Capital is Rs 15,46,30,100/- (Rupees Fifteen Crore Forty Six Lakhs Thirty Thousand and One Hundred only) after adjustment of outstanding Allotment of Rs. 2,08,76,900.00/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted stock options or sweat equity and has not bought back any shares.

6. LISTING OF EQUITY SHARES

The Equity Shares of your Company are presently listed on Bombay Stock Exchange (BSE), DSE, JSE, ASE, UPSE Listing Fees are pending.

7. FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

8. LOANS, GUARANTEES AND INVESTMENTS

The Company has neither given any Loans nor made any Investment nor new guarantee under the provisions of Section 186(11) of the Companies Act, 2013 during the period.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company had not taken any initiatives on the activities of Corporate Social Responsibilities as the provisions relating to the same are not applicable to the Company.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There were changes in the Board of the Company. Mr. Santosh Kumar Gupta was appointed as Managing Director of the Company and Mr. Naresh Kumar Rastogi was appointed as Chief Financial Officer, in pursuance of Section 203 of the Companies Act, 2013 as Key Managerial Personnel. Ms. Asheema Abhinav Shukla was appointed as Woman Independent director as per Section 149 of the Companies Act, 2013.

In accordance with the provisions of the Act, Mr. Devendra Kumar Garg and Mr. Naresh Kumar Rastogi retires by rotation and is eligible for re-appointment. The Board recommends their appointment/re-appointment for the approval of the members.

At present the Composition of Board of Directors are as follows:

BOARD OF DIRECTORS & KMP

1	Mr. Santosh Kumar Gupta	Managing Director
2	Mr. Sandeep Srivastava	Director
3	Mr. Devendra Kumar Garg	Director
4	Mr. Anshuman Garg	Independent Director
5	Ms. Asheema Abhinav Shukla	Independent Woman Director
6	Mr. Naresh Kumar Rastogi	Director and CFO
7	Ms. Priyanka Gangwar	Company Secretary

11. BOARD EVALUATION

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its committee.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Managing Director and Non Independent Director was carried out by the Independent Directors at their meeting without the attendance of Non-Independent Directors and members of the management. The Nomination & Remuneration Committee also reviewed the performance of the Board, its Committee and of the Directors. The Directors were satisfied with the evaluation results.

12. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met 8 times dated 30/04/2014, 21/07/2014, 31/07/2014, 15/09/2014, 06/10/2014, 31/10/2014, 31/01/2015 and 24/03/2015 during the year in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days. The details of such meetings of the Board held during the financial year 2014-15 forms part of Report on Corporate Governance.

13. NOMINATION & REMUNERATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and other employees of the Company. This policy also lays down criteria for selection and appointment of Board Members. The policy is stated in the Report on Corporate Governance.

14. AUDIT COMMITTEE

The Company has constituted Audit Committee of the Board in accordance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee comprises of following directors:

Composition of the Audit Committee:

Name	Executive/ Non Executive	Chairman/Member
Mr. Anshuman Garg	Non Executive- Independent	Chairman
Ms. Asheema Abhinav Shukla	Non Executive- Independent	Member
Mr. Naresh Kumar Rastogi	Executive Director	Member

15. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178(3) of the Companies Act, 2013 the Nomination and Remuneration Committee constituted by the Board of Directors have laid down the following policies:-

a. Criteria for nomination as Director, KMP and independence of a director
b. Criteria for determining remuneration of director, KMP and senior Management, other employees of the Company
c. Evaluation of performance of the members of the Board, KMP

Composition of Nomination and Remuneration Committee

Name	Executive/ Non Executive	Chairman/Member
Mr. Anshuman Garg	Non Executive- Independent	Chairman
Ms. Asheema Abhinav Shukla	Non Executive- Independent	Member
Mr. Naresh Kumar Rastogi	Executive Director	Member

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Vigil Mechanism of the Company pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013 which also incorporates a "Whistle Blower Policy" for Directors and employees to report genuine concerns or grievances.

17. REMUNERATION OF DIRECTORS

The Company has not given remuneration to any director of the Company. So there is no requirement to give disclosure under Section 197(12) of the Companies Act, 2013.

18. RISK MANAGEMENT POLICY

The Company has formulated a comprehensive Risk Management Policy in accordance with the provisions of the Act, which provides a mechanism for risk assessment and mitigation.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

19. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

Your Directors state that during the year an Internal Complaint Committee has been formed to review the cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and further state that, there were no cases reported in respect to above mentioned Act.

20. RELATED PARTIES TRANSACTION

All related party transactions that were entered into during the financial year were in the ordinary course of the business and were on arm's length basis. There were no materially significant related party transactions entered by the company with Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with interest of the company at large. The policy on Related Party transaction as approved by Board of Directors has been uploaded on the website of the Company.

* Details of the transactions with Related Parties are provided in the accompanying financial statements.

21. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS

During the year, there are no significant and material order passed by the Regulators/Courts which would impact the going concern of the Company and its future operation.

22. DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.

iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The directors have prepared the annual accounts on a going concern basis.

v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

23. AUDITORS

- **Statutory Auditors**

M/s ANDROS & Co., Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from the Auditors to effect their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and they are not disqualified for re-appointment. The Board recommends the appointment of the auditors from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

- **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Saurabh Srivastava & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2015. The Secretarial Audit Report is annexed herewith to this report in Form MR-3.

24. AUDIT REPORT

Following are the observations marked by Statutory Auditor and the Secretarial Auditor in their respective Report and the response of the management for this observation is as under

	Observations	Management's Response
1	The Company has not complied with the provisions of Section 138 of the Companies Act, 2013 and Companies (Accounts) Rules 2014 in respect of appointment of internal auditor.	The company is in process of appointment of internal auditor.
2	There are few disclosure required to be displayed on the website of the Company in compliance of Companies Act, 2013 and Clause 49 of the listing agreement as amended as on 15th September, 2014	Company is in the process to design the website of the Company.

25. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company has not transferred any amount to Investor Education and Protection Fund during the year.

26. INTERNAL CONTROL SYSTEM

The Company has an adequate internal control system, commensurate with the size, scale and complexity of its operations.

27. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MG-9 is annexed herewith to this Report.

28. FOREIGN EXCHANGE

During the period under review there was no foreign exchange earnings or out flow.

29. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

30. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as are required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further, during the year under review, the Company has neither earned nor used any foreign exchange.

31. DECLARATION BY THE INDEPENDENT DIRECTOR(S)

Mr. Anshuman Garg and Ms Asheema Abhinav Shukla, Independent Directors of the Company have given the requisite declaration in the Board meeting dated 24th March, 2015 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

32. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. There are no employees who are in receipt of remuneration in excess of the limit specified under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

33. EMPLOYER EMPLOYEE RELATIONSHIP

The Company has maintained a cordial relationship with its employees, which resulted in smooth flow of business operations during the year under review.

34. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION

SEBI vide Circular No CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 issued to all Stock Exchange regarding Corporate Governance in Listed entities. The Clause 49 of the Listing Agreement is applicable to the Companies having paid up equity share capital exceeding Rs 10 Crore and Net Worth exceeding Rs 25 Crore, as on the last date of the previous financial year. The Company is not covered under the criterion mentioned above so it is not mandatory for the Company to comply the provisions of Clause 49 of the listing agreement. In the purview of this Circular, Company is not required to submit Corporate Governance Report. However, Company will take adequate steps as and when necessary in compliance of Clause 49 on its discretion basis.

Requirement of Clause 49 is not applicable to the company to the Company hence, Management Discussion and Analysis Report is not being provided for the current year.

35. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITON OF THE COMPANY ACQUIRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the company acquired between the end of the financial year to which this financial statements relate and the date of the report.

36. SUBSIDIARY COMPANIES

The Company has no subsidiary Company during the FY 2014-2015 so Company is not required to give disclosure pursuant to Section 129(3) of the Companies Act, 2013 containing salient features of the financial statements of the subsidiaries/ associate companies/ joint ventures of the company.

37. CONSOLIDATED FINANCIAL STATEMENT

The Company has no subsidiary Company during the FY 2014-15 so there is no requirement for Consolidation of Financial Statements as per Companies Act, 2013 and Accounting Standards as applicable.

38. CODE OF CONDUCT

The Company has adopted a Code of Conduct and ethics for its Directors and Senior Management Personnel. The object of the Code is to conduct the company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the Company, fellow, directors and with the environment in which the Company operates.

39. RISK MANAGEMENT POLICY:

The Company has formulated a comprehensive Risk Management Policy to reduce the inherent risk associated with the business activities of the Company.

40. ACKNOWLEDGEMENTS

Your Directors acknowledge the support and owe a debt of gratitude to the Members, Investors, Consultants & Bankers. Your Directors' also place on record their sense of appreciation for the valuable contribution made by the employees of the Company.

For VSD Confin Limited

Date: 05/12/2015
Place: Meerut

Sd/-

Anshuman Garg
(Chairman)
DIN:02403491

FORM NO MR -3
SECRETARIAL AUDIT REPORT
For The Financial Year ended 31st March, 2015

[Pursuant to Section 204(1) of The Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
VSD CONFIN LIMITED

We have conducted the Secretarial Audit of the Compliance of applicable Statutory Provisions and the adherence to good corporate practices followed by **VSD CONFIN LIMITED** (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Statutory Registers, Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the company, its officers during the conduct of Secretarial Audit, we hereby report that the Company has, during the audit period covering the Financial Year ended on **31st March, 2015**, complied with the Statutory Provisions listed hereunder and also that the Company has proper

Board processes and compliance- mechanism in place to the extent, in the manner and subject to the report made hereinafter.

We have examined the Statutory Registers, Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of :

1. The Companies Act, 2013 read with rules, notifications and Circulars made there under.

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

4. The Memorandum of Association and Articles of Association of the Company.

5. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

    b. The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period);

    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014. (Not applicable to the Company during the audit period);

    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the audit period);

    f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period as the Company is maintaining in-house shareholders record);

    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the Company during the audit period);

    h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998. (Not applicable to the Company during the audit period);

We have also examined compliance with the applicable clauses of the following :-