

VISHVA VISHAL ENGINEERING LIMITED**DIRECTOR'S REPORT**

To the Members,

Your Directors have pleasure in presenting their 18th Annual Report together with the Audited accounts of the Company for the financial year ended 31st March, 2004.

Financial Results :-

	<i>(Amount in Rs.)</i>	
	<u>F. Year - 2004</u>	<u>F. Year - 2003</u>
Sales & Other Income	13,41,51,149	13,55,54,488
Profit before financial charge & depreciation	2,14,12,019	2,39,52,881
Less : financial charges	56,51,834	18,67,565
Less : Depreciation	74,75,987	58,38,302
Profit before tax & extra ordinary items	82,84,198	1,62,47,014
Less : Loss on sale of fixed assets	-	48,50,349
Less : Loss on sale of investments	3,305	-
Profit before tax	82,80,893	1,13,96,665
Less : Provision for income tax	22,50,000	11,20,000
Less : Provision for Deferred tax liability (net)	3,64,531	33,32,200
Profit after tax	56,66,362	69,44,465
Less : Previous year adjustment	1,25,447	-
Less : Income Tax for earlier year	39,34,687	78,577
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Balance transferred to General Reserve	16,06,228	68,65,888
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Dividend :-

With a view to conserve the resources, the Directors of the Company have decided not to recommend any dividend for the current year.

Directors :-

Shri Ashish Jain retires by rotation and being eligible offer himself for re-election.

Shri S.R. Varadarajan retires by rotation and being eligible offer himself for re-election.

Auditors :-

Your Auditors M/s. P.K. Ajitsaria & Co., Chartered Accountants retires and offer themselves for re-appointment.

Directors Responsibility Statement

As per section 217 (2AA) of the Companies Act 1956 pursuant to the requirement under section 217 (2AA) of the Companies Act 1956 with respect to Directors Responsibility Statement it is hereby confirmed.

1. That in the preparation of the accounts for the financial year ended 31st March, 2004, the applicable accounting standard have been followed along with proper explanation relating to material departments.
2. That the Directors have selected such accounting policies and applied them consistently and made judgements 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.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a going concern basis.

Personnel :-

The information required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975 is not annexed as there was no employee who was getting Rs.24,00,000/- per annum or Rs.2,00,000/- per month.

Acknowledgement :-

Your Directors would like to express their appreciation for the assistance and co-operation received from the Company's bankers, Govt. authorities, suppliers, customers and all stockholders during the year under review.

Your Directors also wish to place on record the contribution of the executives, staff and workmen of the Company.

Conservation of Energy, Technology Absorption :-

a) **Conservation of Energy :-**

Information relating to Energy Consumption and Conservation as required under rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1989 is given in Annexure-I forming part of this report.

b) **Technology Absorption & Research & Development :-**

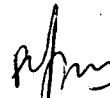
The Company does not have any Research & Development Section.

Registered Office

31, Maker Chambers III,
3rd Floor, Nariman Point,
Mumbai.

Date : 28-08-2004
Place : Bhilai

By Order of the Board



**RAJEEV JAIN
DIRECTOR**

**S.R. VARADARAJAN
DIRECTOR**

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VISHVA VISHAL ENGINEERING LIMITED

Conservation of Energy, Technology Absorption, Exchange earning & Outgo.

a) **Conservation of Energy :-**

Wherever possible, energy conservation measures have already been implemented. However, efforts to conserve and optimise the use of energy through improved methods and other means will continue. Further information relating to energy consumption as required under section 2 of the companies (Disclosure of particulars in the report of the Board of Directors) rules 1988 is given in Annexure 'A' forming part of this report.

b) **Technology Absorption and Research & Development :-**

The Company does not have any Research and Development Section.



VISHVA VISHAL ENGINEERING LIMITED

Annexure 'I' to Directors' Report

For disclosure of particulars with respect to conservation of Energy :-

	Power & Fuel Consumption	2003-04	2002-03
1	Electricity		
	a) Purchased		
	Units	4,28,247	223671
	Total	20,48,486	1093470
	Average rate per unit	4.78	4.89
	b) Own Generation		
	(i) Through Diesel Generator		
	Units	2,130	1810
	Units/Litre of Diesel Oil	0.888	0.905
	Cost/Unit	26.29	23.00
	(ii) Through Turbo Generator		
	Units	N.A.	N.A.
	Cost/Unit		
2	Furnace Oil		
	Qty. (Kg./Ltrs.)		
	Total Amount/K.Ltrs of Oil		
3	Consumption per unit of production : Standard (if any)		
	Electricity Consumption (KWH) / MT.		
	Electricity Consumption (KWH) / MT.		
	Electricity Consumption (KL) / MT.		

P.K. AJITSARIA & CO.
Chartered Accountants

"WHITE TOWERS", 3rd Floor
115, College Street
Kolkata – 700 012
Phone: 2237-4191 / 2236-4207

To
The Members,
Vishva Vishal Engineering Limited.

We have audited the attached Balance Sheet of Vishva Vishal Engineering Limited as on 31st March 2004 and also the Profit and Loss Account for the year ended on that date annexed thereto and cash flow statement for the year ended on that date, which we have signed under the reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Further, we report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
4. On the basis of written representations received from the Directors, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31st March, 2004 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;



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5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004.
 - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.
6. As required by the (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Report

Junction

For P.K. AJITSARIA & Co.
Chartered Accountants



P.K. Ajitsaria

(Pawan Kr. Ajitsaria)
Proprietor

Place : Bhilai

Dated : 26th August, 2004

P.K. AJITSARIA & CO.
Chartered Accountants

"WHITE TOWERS", 3rd Floor
115, College Street
Kolkata – 700 012
Phone: 2237-4191 / 2236-4207

(Referred to in Paragraph 6 of our Report of even date on the Accounts of Vishva Vishal Engineering Limited as on 31.03.2004)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) During the year, Company has not disposed of any substantial / major part of fixed assets.
2. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are 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 on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
3. (a) According to the information and explanations given to us, the Company has not taken loan from the parties listed in the Register maintained under Section 301 of the Companies Act, 1956 but has granted loans to parties listed in the Register maintained u/s 301 of the companies Act 1956, the maximum amount involved was Rs 1,17,85,387/- and year end balance of Loans to said parties was Rs 1,11,28,240/- .



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- (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loan granted by the Company, are not prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us, and in absence of any specific stipulation as to the Repayment of Loan we are unable to comment.
- (d) There is no loan granted to the Company by the parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. 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 nature of its business with regard to the purchase of inventory and fixed assets, and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
- (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 have been so entered.
- (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules there under are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.



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8. To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act, 1956 for the products of the Company.
9. (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
- (b) According to the information & explanation given to us, Disputed amount in respect of sales tax/Income tax/Excise duty/Terminal tax /Entry tax is as follows

Nature of Demand	Amount	Year	Cases pending with
SALES TAX			
State (C.G.)	172749.00	1993-94	Dy.commissioner of sales Tax
State (C.G.)	236190.00	1995-96	Dy.commissioner of sales Tax
Central	316714.00	1995-96	Dy.Commissioner of Sales Tax
Entry Tax	16502.00	1995-96	Dy.Commissioner of Sales Tax
Central	18239.00	1996-97	Dy.Commissioner of Sales Tax
State (C.G.)	82646.00	1996-97	Dy.Commissioner of Sales Tax
Entry Tax	84296.00	1997-98	Dy.Commissioner of Sales Tax
Central	235656.00	1997-98	Dy.Commissioner of Sales Tax
State (C.G.)	189020.00	1997-98	Dy.Commissioner of Sales Tax
Entry Tax	119278.00	1997-98	Dy.Commissioner of Sales Tax
Central	100383.00	1998-99	Dy.Commissioner of Sales Tax
Entry Tax	10690.00	1998-99	Dy.Commissioner of Sales Tax
Central	237810.00	1999-2000	Dy.Commissioner of Sales Tax
State (C.G.)	17712.00	1999-2000	Dy.Commissioner of Sales Tax
Entry Tax	74416.00	1999-2000	Dy.Commissioner of Sales Tax
Central Excise			
	29473.00	1994-95	Asst.Commissioner Div.II Bhilai
	71870.00	1994-95	Asst.Commissioner Div.II Bhilai
	334234.00	1995-96	Asst.Commissioner Div.II Bhilai
	18020.00	1996-97	Asst.Commissioner Div.II Bhilai
	33792.00	2001-02	Asst.Commissioner Div.II Bhilai
	21416.00	2001-02	Commissioner Raipur
Terminal Tax	251203.00	May1999 to March2004	Hon.High Court of Chhattisgarh

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