

VISHVA VISHAL ENGINEERING LIMITED

Regd. Office:- 31, Maker Chambers III, 3rd Floor Nariman Point, Mumbai- 400 021

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their 21st Annual Report together with the Audited accounts of the Company for the financial year ended 31st March, 2007.

Financial Results :-

	<i>(Amount in Rs.)</i>	
	<u>F. Year – 2007</u>	<u>F. Year – 2006</u>
Sales & Other Income	26,22,56,728	21,87,62,048
Profit after financial charges & before depreciation	4,60,12,045	3,51,79,388
Less : Depreciation	1,61,48,935	66,61,855
Profit before tax & extra ordinary items	2,98,63,110	2,85,17,533
Less : Loss on sale of fixed assets	1,96,939	1,948
Less : Fixed Assets Written off	1,22,125	-
Profit before tax	2,95,44,046	2,85,15,585
Less : Provision for income tax	46,00,000	24,00,000
Less : Provision for Deferred tax liability (net)	53,47,908	96,02,609
Less : Provision for F.B.T.	5,84,680	5,33,765
Profit after tax	1,90,11,458	1,59,79,211
Add/Less : Income Tax for earlier year	25,799	1,47,226
Profit transferred to General Reserve	1,90,37,257	1,58,31,985

The Year in retrospect:-

Company's overall performance during the year has improved considerably. Turnover has increased by 19.88%. Company has earned a net profit of Rs.190 Lacs during the year against a net profit Rs.160 Lacs during the last year.

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 Arvind Kumar Jain retires by rotation and being eligible offer himself for re-election.

Shri Rajeev Jain 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, 2007, 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, 2007 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.

Public Deposit:-

The Company has not accepted any deposit within the meaning of Section 58 A of the Companies Act, 1956 and the Rules made there under.

Acknowledgement:-

Your Directors take this opportunity to place on record their due appreciation of the valuable contribution and the spirit of dedication of the employees at all levels during the year. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by Customers, Distributors, Suppliers/ Services Providers, Banks, various Governmental Organisations/ Agencies and shareholders and look forward for their continued support and co-operation in future also.

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.

c) Foreign Exchange Earning & Outgo:-

i)	Earnings	:	Rs. 14.32 Lacs
ii)	Outgo	:	Rs. 143.84 Lacs

Registered Office

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

Date : 30th June, 2007
Place : Bhilai

By Order of the Board

Sd/-
A. K. Jain
DIRECTOR

Sd/-
Rajeev Jain
DIRECTOR

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	2006-07	2004-05
1	Electricity		
	a) Purchased		
	Units	9,16,286	8,02,640
	Total (Amount in Rs.)	43,45,172	40,52,057
	Average rate per unit	4.74	5.05
	b) Own Generation		
	(i) Through Diesel Generator		
	Units	5080	6,140
	Units/Litre of Diesel Oil	3.01	1.647
	Cost/Unit	108.99	53.32
	(ii) Through Turbo Generator	N.A.	N.A..
	Units		
	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

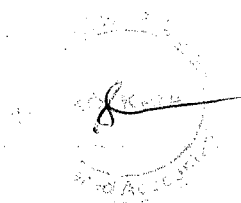
To
The Members,
Vishva Vishal Engineering Limited.

1. We have audited the attached Balance Sheet of Vishva Vishal Engineering Limited as on 31st March 2007 and also the Profit and Loss Account and cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. 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.

3. As required by the Companies (Auditor's Report) Order, 2003 (the order) as amended by the companies (Auditors Report) Order, 2004 issued by the Central government in terms of section 227 (4A) of the companies Act, 1956 (the Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that :

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the Fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets.



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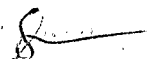
- (c) In our opinion and according to the information & explanations given to us a substantial part of fixed assets has not been disposed off by the company during the year.
- ii. (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the 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.
- iii. (a) According to the information and explanations given to us, the Company has not granted loans to any of the parties listed in the Register maintained u/s 301 of the companies Act 1956, hence clause b,c, & d is not applicable
- (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 except for loan given to any of the parties on which no interest has been charged during the year.
- (c) According to the information and explanations given to us, during the year loan given to NIL of parties fully recovered and at the end of the financial year balance is Nil.
- (d) The company has not taken any loans ,secured or unsecured from companies, firm or other parties covered in the Register maintained under section 301 of the hence act hence sub clause (iii) (e) to (g) are not applicable.

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- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems 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 and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.
- v. (a) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under the section .
- (b) In our opinions and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangement and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time .
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence the directive issued by the Reserve Bank of India and the provisions of Section 58A , 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii. 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.
- ix. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

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(b) According to the information & explanation given to us, disputed amount in respect of sales tax/ Service tax/ Excise duty/ Terminal tax / Entry tax / ESI is as follows :

Nature of Demand	Amount	Year	Cases pending with
Sales Tax			
State (C.G.)	215949.00	1993-94	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
Total	5,56,577.00		
Service Tax	494095.00	2006-2007	Dy.Commissioner Bhilai
Central Excise	334234.00	1995-1996	Commissioner Raipur
	361692.00	2005-2006	Commissioner Appeals Raipur
	107676.00	2005-2006	Commissioner Appeals Raipur
	51740.00	2006-2007	Commissioner Appeals Raipur
	697035.00	2006-2007	Dy.Commissioner Bhilai
Total	20,46,472.00		
ESI	3680955.00	01.04.91.- 31.03.98	Hon. High Court Chhatisgarh
Terminal Tax	1060819.00	May 1999 TO March 2007	Hon. High Court Chhatisgarh

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