

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 23rd Annual Report together with the Audited accounts of the Company for the financial year ended 31st March, 2009.

Financial Results :-

	<i>(Amount in Rs.)</i>	
	<u>F. Year – 2009</u>	<u>F. Year – 2008</u>
Sales & Other Income	40,56,15,738	34,53,27,074
Profit before depreciation, Interest & Tax	7,34,31,212	7,91,62,759
Less : Financial Charges	49,26,966	53,07,450
Less : Depreciation	1,72,85,865	1,71,50,349
Profit before tax & extra ordinary items	5,12,18,381	5,67,04,960
Less : Fixed Assets Written off	0.00	24,76,447
Profit before tax	5,12,18,381	5,42,28,513
Less : Provision for income tax	1,95,00,000	2,10,00,000
Less : Provision for Deferred tax liability (net)	18,30,000	(15,02,000)
Less : Provision for F.B.T.	7,64,600	7,05,000
Less : Provision for Wealth Tax	14,348	40,600
Profit after tax	3,27,69,433	3,39,84,913
Balance brought forward from last year	50,68,953	21,35,767
Add/Less : I T Earlier year	28,22,558	10,51,727
Profit Available for Appropriation	4,06,60,944	3,50,68,953
Less : Transferred to General Reserve	3,57,50,000	3,00,00,000
Surplus carried to Balance Sheet	49,10,944	50,68,953

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. Taunk & Srikanth, 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, 2008, 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, 2009 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.

Compliance Report:-

The Company has taken Compliance Report for the Financial Year ended 31st March, 2009 as per section 383 A of the Companies Act 1956.

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. 9.35 Lacs
ii)	Outgo	:	Rs. 138.30 Lacs

Registered Office

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

By Order of the Board

Sd/-
A. K. Jain
DIRECTOR

Sd/-
Ashish Jain
DIRECTOR

Date : 21st August, 2009
Place : Bhilai

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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	2008-09	2007-08
1	Electricity		
	a) Purchased		
	Units	11,37,593	12,24,548
	Total (Amount in Rs.)	54,81,049	53,36,637
	Average rate per unit	4.82	4.36
	b) Own Generation		
	(i) Through Diesel Generator		
	Units	2620	9580
	Units/Litre of Diesel Oil	1.92	2.55
	Cost/Unit	72.64	90.36
	(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.		

TAUNK & SRIKANTH

CHARTERED ACCOUNTANTS

11, COMMERCIAL COMPLEX
NEHRU NAGAR (EAST)
BHILAI- 490 020
Phone - 0788-2393298/2293479
E-mail - nk_taunk@dataone.in

AUDITORS' REPORT

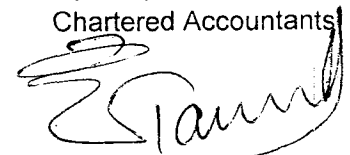
To
The Members of
VISHVA VISHAL ENGINEERING LIMITED,

We have audited the attached Balance Sheet of VISHVA VISHAL ENGINEERING LTD. as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date. 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. Those standards require that we plan and perform the audit to obtain reasonable 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 statements presentation. We believe that our audit provides a reasonable basis of our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we state that:
 - (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 those books;
 - (c) The Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representation from the directors as on 31st March, 2009, and taken on records by the Board of Directors in their meeting, we report that, none of the directors is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies, and other Notes thereon 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;
 - i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2009
 - ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s TAUNK & SRIKANTH
Chartered Accountants



(N. K. TAUNK)

Partner

Membership No. 30421

Place : Bhilai
Dated : 21.03.2009

Annexure to the Auditors' Report
(Referred to in paragraph (1) of our report of even date)

i) In respect of its Fixed Assets:-

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- 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 nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion and according to the information & explanations given to us, the manufacturing activity of its Gas Division has been discontinued in the past. A major part of the assets of this division has been disposed off/ written off over in the past years. Some of the assets have been written off / disposed off during the year.

ii) In respect of its Inventories:-

- a) As explained to us, the Inventories have 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 explanation given to us the procedures of physical verification of stocks followed by the management were found to be reasonable and adequate in relation to the size of the company and nature of business.
- c) In our opinion and according to the information and explanations given to us the company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not significant and the same have been properly dealt with in the books of account.

iii) In respect of the loans, secured and unsecured, granted or taken by the company to/from companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956:-

- 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. Accordingly paragraphs 4 (iii) (a), (b), (c) and (d) of the Companies (Auditors' Report) Order 2003 (as amended) are not applicable.
- b) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly paragraphs 4 (iii) (e), (f) and (g) of the Companies (Auditors' Report) Order 2003 (as amended) are not applicable.

iv) In our opinion and according to the information and explanation given to us during the course of our audit, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to the purchases of stores, raw-materials, plant & machinery, equipments and other assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.

v) In respect of the transaction covered u/s 301 of the Companies Act 1956:-

- a) 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 particulars of contracts or arrangements that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information given to us the transactions made in pursuance of the contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 aggregating during the year to Rs.5,00,000/- or more in respect of any party were made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.



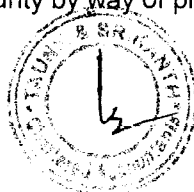
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- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of section 58A & 58AA or any other relevant provisions of the Act and the rules made thereunder are applicable.
- vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- viii) to the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products manufactured by the company.
- ix) In respect of statutory dues:-
- a) According to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other dues have been regularly deposited with the appropriate authorities barring slight delay in few cases. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2009 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as follows:

SI No	Name of Statute	Nature of Dues	Forum where dispute is pending	Period	Amount in lacs
1	Central Sales Tax Act, 1956 and Sales Tax Act of various states	CG Sales Tax Entry Tax CST	Dy. Comm. of Sales Tax	1993 - 1994	2.40
			-- do --	1998 - 1999	0.12
			-- do --	1999 - 2000	2.38
				Total	4.90
2	Central Excise Act, 1944	Excise Duty	Central Excise & Service Tax Appellate Tribunal. (CESTAT) Commissioner (Appeals)	2005 - 2006	3.62
				1995 - 1996	3.34
				Total	6.96
3	Central Excise Act, 1944	Service Tax	Central Excise & Service Tax Appellate Tribunal. (CESTAT)	2007 - 2008	0.98
4	Employees' State Insurance Act 1948	ESI	Hon. High Court Chhattisgarh	01.04.1991 to 31.03.1998	36.81
5	Municipal Corporation, Bhilai	Terminal Tax	Hon. High Court Chhattisgarh	May 1999 to March 2009	16.11

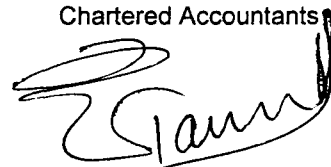
- x) The company has no accumulated losses as at 31st March, 2009 and has not incurred any cash loss during the financial year ended on that date and in the immediately preceding financial year.
- xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions, bank and debenture holders.
- xii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.



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- xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xiv) a) In our opinion and according to the information and explanation given to us the company is not dealing in or trading in shares, securities and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the Company in its own name.
- xv) The company has given Corporate Guarantee towards Rs. 60 crore loan taken by Bhilai Engineering Corporation Limited from their bankers.
- xvi) In our opinion and on the basis of information and explanation given to us, the term loans were applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- xix) In our opinion and according to the informations and explanations given to us the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xx) During the period covered by our audit report, the company has not raised any money by way of public issue.
- xxi) In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For M/s TAUNK & SRIKANTH
Chartered Accountants



(N. K. TAUNK)

Partner

Membership No. 30421



Place : Bhilai
Dated : 21.08.2009