



# VISAGAR

you dream, we create

## VISAGAR POLYTEX LIMITED



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<b>BANKERS</b>	<b>AUDITORS</b>
HDFC Bank Limited The Pratap Co-op Bank Limited Union Bank of India	M/S SUDHIR M. DESAI & CO. Chartered Accountants B-7, Sadhicha CHS Limited, Rokadia Lane, Borivali-West, Mumbai – 400 066.

<b>REGISTERED OFFICE</b>	<b>REGISTRAR &amp; TRANSFER AGENT</b>
907/908, Dev Plaza, S. V. Road, Andheri – West, Mumbai – 400 058 Tel – 022-6742 4815	M/s Adroit Corporate Services Pvt Ltd. 19/20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri – East, Mumbai – 400 059. Tel – 2859 6060 Fax – 2850 3748.

**WEB SITE:** [www.visagarpolytex.in](http://www.visagarpolytex.in)  
[www.visagar.com](http://www.visagar.com)

**ISIN NO. –** INE370E01029

**email –** [contact@visagar.com](mailto:contact@visagar.com)

**Compliance Officer / Secretary –** Mr. Alok Jain

**DIRECTORS' REPORT**

TO,  
THE MEMBERS,  
VISAGAR POLYTEX LIMITED

Your Directors have pleasure in presenting the 29th Annual Report and the Audited Accounts for the year ended on 30th June, 2012.

**BUSINESS PERFORMANCE:**

	Current Year Ended 30-06-2012 (Rs.)	Current Year Ended 30-06-2011 (Rs.)
Gross Income	594,426,862	542,552,046
Total Expenditure	582,414,029	531,133,141
Profit for the Year	12,012,833	11,418,905
Less: Short/ Excess provision for Tax		-
Provision for Tax	2,400,000	2,000,000
Deferred Tax	(358,800)	(83,409)
Profit after Tax	9,971,633	9,502,314
Profit / (Loss) bought from Previous Year	37,874,424	30,244,030
Profit available for appropriation	47,846,057	39,746,344
Appropriation :		
Proposed Dividend	1,678,640	1,600,000
Tax on Dividend	285,285	271,920
Balance carried to Balance Sheet	45,882,132	37,874,424

**PERFORMANCE :**

During the financial year 2011-2012 under review your Company has achieved a turnover of Rs. 5942.84 Lacs compare to previous year turnover 5422.23 Lacs and Net Profit of Rs. 99.72 Lacs, after provision for Depreciation and Tax which is reflect increase 4.94% over the previous year profit. The Management is very optimistic on the future prospects of your Company's businesses. We continue to deliver growth and generate significant value for our shareholders. Moreover we have pursued growth across all our businesses and into new areas; always on the basis that value must be delivered.

**DIVIDEND :**

Your Directors are pleased to recommend a dividend of Rs. 0.10 per share (10%) for the year ended 30th June, 2012, which, if approved at the ensuing Annual General Meeting. The dividend outgo for the year would amount to Rs. 16.79 Lacs. The dividend payout as proposed is in accordance with the Company's policy of paying sustainable dividend linked to long term performance.

**DIRECTORS :**

Mr. Tilokchand Kothari, Director of the Company retires by rotation and being eligible offers himself for re-appointment.

The Board at its meeting on 26.12.2011 appointed Mr. Shivesh Anugrah Singh and Ms. Pooja Bhardwaj as Additional Directors of the Company, who will hold the office upto the date of forthcoming Annual General Meeting and are eligible for appointment as Directors in the Annual General Meeting.

During the year, Mr. Vishal Jain and Mr. Jethmal Rathi resigned from the Board of Directors w.e.f. 26.12.2011 and Mr. Kailash Chhparwal resigned from the Board of Directors w.e.f. 09.06.2012. The Board wishes to place on record their appreciation for the contribution during their tenure as Director of your Company.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting and of the Additional Directors whose candidature has been proposed by the member, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and/or membership/ chairmanship of Committees of the Board, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, is given in the section on Corporate Governance elsewhere in the Annual Report.

**FIXED DEPOSITS :**

The Company did not invite/accept/renew any fixed deposits during the year under review.

**DEMATERIALISATION OF SHARES :**

Your Company has connectivity with the NSDL & CDSL for dematerialization of its Equity Shares. The ISIN No. INE370E01029 has been allotted for the Company. Therefore, the members and / or investors may keep their shareholdings in the electronic mode with their Depository Participant.

**PARTICULARS OF EMPLOYEES :**

There is no employee covered pursuant to provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification no. GSR 839 (c) dated 25/10/2000.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :**

Details of Energy, conservation research and development activities undertaken by the Company along with the information in accordance with provisions of Section 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in respect of Board of Directors), Rules, 1998 is given in the Annexure.

**COMPANY SECRETARY :**

During the year Ms. Kalpana Sharma (ACS No. 27195) has resigned from the post of Company Secretary and the Board of Directors of Your Company has appointed Mr. Alok Jain (ACS No. 30369) as the full time Company Secretary.

**AUDITORS REPORT :**

The observations of the Auditors in their report, read with noted annexed to accounts, are self explanatory and therefore do not call for the any further comment and explanation under section 217(3) of the Companies Act, 1956.

**AUDITORS :**

M/s Sudhir M Desai & Co., the Auditors retire at the ensuing Annual General Meeting but being eligible offer themselves for reappointed. The Company has received the letter from Auditors to the effect that their appointment if made it would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956. Your Directors recommend reappointment of M/s Sudhir M Desai & Co. as the Auditors of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT :**

As required under section 217(2AA) of the Companies Act, 1956 relating to the Directors Responsibility Statement, it is hereby confirmed that:

In the preparation of the Annual Account for the financial year ended 30th June, 2012 the applicable accounting standard have been followed along with proper explanations relating to material departures.

The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for the year ended on that date.

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

The Directors have prepared the Annual Accounts on a going concern basis.

**STATEMENT PURSUANT TO LISTING AGREEMENTS :**

The company's shares are listed with The Bombay Stock Exchange Limited. Your Company has paid the respective Annual Listing fees up to date and there are no arrears.

**ACKNOWLEDGEMENT :**

The Directors wish to place on records their appreciation of the contributions made by the employees at the all levels, whose continued commitment and dedication helped the Company to achieve better results. The Directors also wish to thank customers, bankers, etc. for their continued support. Finally your Directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us in your Co-operation & never failing support.

**For and on behalf of the Board of Directors**

Place : Mumbai  
Date : 30.08.2012

SD/-  
**Tilokchand Kothari**  
Chairman & Managing Director

## **AUDITOR'S REPORT**

To,

The Members of  
**VISAGAR POLYTEX LIMITED,**

We have audited the attached Balance Sheet of M/S VISAGAR POLYTEX LTD. as at 30th June, 2012, Profit & Loss A/c 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 the Auditing Standards generally accepted in India. These standards require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit also 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

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 enclose in the Annexure statement on the matters specified therein. We further 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, the company has maintained proper record as required by law so far as it appears from our examination of the books of accounts.
3. The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
4. In our opinion the Balance Sheet and the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section [3C] of Section 211 of the Companies Act, 1956.
5. On the basis of written representation received from Director and taken on record by the Board of Directors, we report that none of the Directors are disqualified from being appointed as a Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

6. In our opinion and according to the information and explanations given to us, the said accounts read together with the notes thereon, gives the information required by the Companies Act, 1956 and in the manner as required and give a true and fair view:
- a. In the case of the Balance Sheet of the state of affairs of the Company as on 30th June, 2012.
  - b. In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date; and
  - c. In the case of Cash Flow statement, of the cash flow for the year ended on that date.

PLACE : MUMBAI  
DATE : 30.08.2012

**FOR M/S. SUDHIR M DESAI & CO.**  
CHARTERED ACCOUNTANTS  
SD/-  
**SUDHIR M DESAI**  
PROPRIETOR  
M. NO. 41999

**ANNEXURE TO AUDITOR'S REPORT**

(Statement referred to in our Report of even date on the Accounts of  
M/S VISAGAR POLYTEX LIMITED for the year ended on 30th June, 2012.)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.

As explained to us, the fixed assets of the Company are physically verified by the management at reasonable intervals, during the year in accordance with the regular program which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

The Company has not disposed off any substantial part of its Fixed Assets during the year, so as to affect its going concern.

- 2) As explained to us, inventories have been physically verified during the year by the Management. The intervals at which the inventories have been verified are, in our opinion reasonable in relation to the size of the Company and the nature of its business.

The procedures explained to us, which are followed by the Management for physical verification of inventories, are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business

On the basis of our examination, we are of opinion that, the company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.

- 3) According to the information and explanations given to us, the Company has not granted any loan, Secured or Unsecured to Companies, Firms or other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956.

According to the information and explanations given to us, the Company has not taken any loan, Secured or Unsecured to Companies, Firms or other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956.

- 4) In our opinion and according to the information and explanation 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 purchase of inventory, fixed assets and with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness in internal control has come to our notice

- 5) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.



- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to market prices prevailing at that time.
- 6) In our opinion and according to the information and explanations given to us the Company has not accepted any deposit from the public during the year as stated in the provisions of Section 58 A of the Companies Act, 1956.
  - 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
  - 8) The provisions of Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
  - 9) According to the records of the Company, there were no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other Statutory dues applicable to it as at 30th June, 2012 for a period of more than six months from the date they became payable.
  - 10) The Company, neither has accumulated losses at the end of the year ended nor has incurred cash losses, both, in the financial year under report and in the immediately preceding financial year.
  - 11) On the basis of the record examine by us and the information and explanation given to us, the company has taken loans from the scheduled bank against proper hypothecation of the property.
  - 12) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares or other securities.
  - 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund, Societies.
  - 14) In our opinion, and according to the information and explanations given to us, The Company has maintained proper record of the transaction and contracts of the trading and shares, securities, debentures and other investments. All the entries with respect to investments were timely entered in the books of accounts. All investments at the close of the year are generally held in the name of the Company except in a few cases where the titles to the investments are in dispute or are in the process of transfer.
  - 15) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
  - 16) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.

- 17) The Company has not made any preferential allotment of shares to the parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the financial year.
- 18) The Company has not issued any debentures during the year.
- 19) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

**FOR M/S. SUDHIR M DESAI & CO.**  
CHARTERED ACCOUNTANTS

SD/-

**SUDHIR M DESAI**  
PROPRIETOR  
M. NO. 41999

PLACE : MUMBAI  
DATE : 30.08.2012

## **CERTIFICATE**

**TO,  
THE MEMBERS OF  
VISAGAR POLYTEX LIMITED**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange of India, for the financial year ended 30th June, 2012.

The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanation given to us by the Company.

Based on such a review, in our opinion the Company has complied with the condition of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR M/S. SUDHIR M DESAI & CO.**  
CHARTERED ACCOUNTANTS  
SD/-  
**SUDHIR M DESAI**  
PROPRIETOR  
M. NO. 41999

PLACE : MUMBAI  
DATE : 30.08.2012

## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

### MANDATORY REQUIRMENTS

#### A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and institutional and other lenders and place due emphasis on regulatory compliance.

The Company believes that its system and actions must be followed for enhancing corporate performance and maximizing shareholder value in the long term.

In compliances with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Security & Exchange Board of India:

- Code of Conduct for prevention of Insider Trading; or regulation in dealings of the Directors and Employees of the Company possessing or likely to possess price-sensitive information, in the securities of the Company;
- Code of Conduct for the Board of Directors and Senior Management.

#### B. BOARD OF DIRECTORS

##### COMPOSITION AND CATEGORY

1. Executive Directors.
2. Independent, Non-Executive Directors.

The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standards of Corporate Governance. The Board of Directors of the Company comprises of an optimal combination of executive, non-executive and independent directors so to preserve and maintain the independence of the Board and Composition as on 30th June 2012 was as follows:

Particulars	Composition of the Board	
	No. of Directors	% to the Board
Promoter & Managing Director - Executive	1	25%
Executive Director	NIL	-
Independent, Non-Executive Director	3	75%
Total	4	100%

The composition of the Board of Directors is in accordance with the requirements of the revised Clause 49 of the Listing Agreement, the Companies Act, 1956 and the Articles of Association of the Company

Independent Directors are Directors, who apart from receiving Directors' remuneration do not have any other material pecuniary relationship or transactions with the Company.

The Present composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a member/Chairman are as under.

Sr. No.	Name of Director	Category of Directorship	No. of other Directorships* (i)
001	Mr. Tilokchand Kothari	Executive Chairman	5
002	Mr. Kamal Ahuja	Independent Director	Nil
003	Mr. Shivesh Anugrah Singh	Independent Director	Nil
004	Ms. Pooja Bhardwaj	Independent Director	Nil

\* Excludes Directorship in Indian Private Limited Companies, membership of Managing Committees of various bodies.

#### ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended 30th June, 2012 Eleven Board Meeting were held on 25/07/2011, 30/08/2011, 16/09/2011, 31/10/2011, 26/12/2011, 31/01/2012, 09/02/2012, 23/04/2012, 12/05/2012, 09/06/2012 and 29/06/2012. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under.

Sr.No.	Name of Directors	No of Meetings Attended	Attendance at last AGM held on 14.12.2011
001	Mr. Tilokchand Kothari	11	Present
002	Mr. Kailash Chhapparwal (Resigned w.e.f. 09.06.12 )	08	Present
003	Mr. Jethmal Rathi (Resigned w.e.f. 26.12.11)	05	Present
004	Mr. Vishal Kumar Jain (Resigned w.e.f. 26.12.11)	05	Present
005	Mr. Kamal Ahuja	11	Present
006	Mr. Shivesh Anugrah Singh (appointed w.e.f. 26.12.11)	07	Not Present
007	Ms. Pooja Bhardwaj(appointed w.e.f. 26.12.11)	07	Not Present

Details of the Directors retiring by rotation and seeking Re-appointment at the Annual General Meeting. (Pursuant to clause 49 of the listing agreement)

Name	Mr. Shivesh Anugrah Singh	Ms. Pooja Bhardwaj
Date of Birth	31.05.1965	16.10.1980
Experience	Good experience in the field of marketing and sales	Experience in the field of Finance
List of Directorship in other Companies	None	None
List of Membership in other Companies*	None	None
No of Shares held	Nil	Nil

\*Excludes Directorship in Indian Private Limited Companies, membership of Managing Committees of various bodies .

**C. AUDIT COMMITTEE****BROAD TERMS OF REFERENCE**

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following:

- Reviewing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment for other services.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.
- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the statutory auditors and ensure suitable follow-ups thereon.

The role of the Audit Committee is to supervise the Company's reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about adequacy of internal control systems, the scope of Audit including the observations of the Auditors, major accounting policies, practices and entries, compliances with accounting standards and listing agreement with the stock exchanges, reviewing with the management the annual financial statements before submission of the same to the Board for approval with reference to matters to be included in the Directors Responsibility Statement, adjustments to be made in the financial statements arising out of Audit findings, qualifications in the Draft Audit Report, Disclosure of any related party transaction and other legal requirements concerning financial statements, if any, to review the Company's financial and risk management policies and discuss with the internal auditors and significant findings for follow-up thereon, to review the quarterly, half yearly and annual financial statements before they are submitted to the Board of Directors.

As per the recent circular issued by the ministry of corporate affairs and better operations, the audit committee is also assigned the task of recommending the appointment of cost auditors, to ensure their independence, scope of work, review their performance etc.

**COMPOSITION**

The Audit Committee of the Company comprises Three Directors. All these Directors possess knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is a Non-Executive, Director nominated by the Board. The statutory Auditors and the Executives in the Finance Department are invitees to the Meetings.

The Board of Directors at the subsequent Board Meeting notes the minutes of the Audit Committee Meetings. The present constitution of the Audit Committee is as follows:

1. Mr. Shivesh Singh : Chairman
2. Ms. Pooja Bhardwaj : Member
3. Mr. Tilokchand Kothari : Member

#### **MEETINGS AND ATTENDANCE**

During the financial year ended 30th June, 2012, Five Audit Committee Meetings were held on 25/07/2011, 30/08/2011, 31/10/2011, 31/01/2012 and 12/05/2012.

The attendance at the Audit Committee Meetings is as under:

Sr. No.	Name of the Directors	No. of Meeting attended
001	Mr. Shivesh Anugrah Singh (appointed w.e.f. 26.12.2011)	2
002	Mr. Kailash Chhapparwal (Resigned w.e.f.09.06.2012 )	5
003	Ms. Pooja Bhardwaj(appointed w.e.f. 26.12.2011)	2
004	Mr. Vishal Kumar Jain (Resigned w.e.f. 26.12.2011)	3
005	Mr. Jethmal Rathi (Resigned w.e.f. 26.12.2011)	3
006	Mr. Tilokchand Kothari (appointed as member audit committee member w.e.f.09.06.2012)	-

#### **INTERNAL AUDITORS**

The Company has in-built system of internal checks and to review the internal control systems of the Company and to report thereon. The report of such reviews is being submitted to the Audit Committee.

#### **D. REMUNERATION COMMITTEE**

The Remuneration Committee of the Company comprises Three Directors.

The Present constitution of the Remuneration Committee is as follows:

1. Mr. Kamal Ahuja : Chairman.
2. Mr. Shivesh Singh : Member.
3. Ms. Pooja Bhardwaj : Member.

The remuneration committee mainly looks after fixation of salary, perquisites and commissions etc. to the directors of the company.

#### **REMUNERATION POLICY**

The Remuneration Policy of the Company is based upon well defined performance and responsibility criterions. The Company endeavours to attract, retain, develop and motivate its high skilled and dedicated personnel through its Remuneration Policy.

The Non-Executive Directors did not draw any remuneration (other than sitting fees) from the Company during the Financial Year under review.

**REMUNERATION PAID TO MANAGING AND EXECUTIVE DIRECTORS DURING THE YEAR 2011-2012:**

Particulars	Mr. Tilokchand Kothari	Mr. Kailash Chhapparwal
Salary	6,00,000/-	3,00,000/-
Perquisites	NIL	NIL
Commission	NIL	NIL
Total	6,00,000/-	3,00,000/-

- Appointment, terms, conditions and payment of Remuneration to the Managing Director/ Wholetime Director/ Executive Director is governed by the resolutions passed by the Remuneration/ Compensation Committee, Board of Directors and Members of the Company, where necessary. The remuneration structure comprises salary, incentive allowances, perquisites and allowance, contribution to PF and superannuation, as per Company's policy and as applicable from time to time.
- The Company does not have any Employee Stock Option Scheme.

**SITTING FEES PAID TO NON-EXECUTIVE INDEPENDENT DIRECTORS FOR THE FINANCIAL YEAR 2011-2012:**

The remuneration of Non-Executive Independent Directors consists of sitting Fees not exceeding the limits prescribed under Section 309 of the Companies Act 1956, which is decided by the Board within limits approved by the shareholders. The Non-Executive Independent Directors would be paid sitting fees of Rs. 2500/- per Board Meeting or any other Committee Meetings of the Company attended subject to necessary approvals of the Board/ Regulators/ Shareholders.

**E. SHAREHOLDERS' COMMITTEE**

The company has constituted a "Share Transfer-cum-investors Grievance Committee" comprised of following Directors:

1. Mr. Tilokchand Kothari : Chairman
2. Mr. Kamal Ahuja : Member
3. Ms. Pooja Bhardwa : Member

The Board has delegated to the committee powers to inter alia approve the transfer/transmission of share, issue of duplicate share certificate and review of all matters connected with Investors complaints/ Grievances if any and redressal of the same. The committee also approves requests for issue of new share certificates on spilt / consolidation / renewal / rematerialisation etc.

The committee also sees the overall performance of the Registrar and Share Transfer agent, and recommend to the Board of director for improvement in the investor service.

The Company Secretary is the Compliance officer. She also acts as the Secretary to the Committee and is responsible for convening and holding of the meetings of the Committee. It meets once in a fortnight to ensure proper services to the shareholders of the company.

The Minutes of the committee meeting are placed at the Board Meeting from time to time.



**COMPLIANCE OFFICER**

Mr Alok Jain, Company Secretary is the compliance officer in terms of the listing agreement executed by the Company with the Stock Exchange.

**DETAILS OF SHAREHOLDERS COMPLIANCE RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS.**

Number of shareholders complaints received so far and number of complaints solved to the satisfaction of shareholders.

Sr. No.	Nature of Complaints	Received	Replied	Balance	No. of Days Taken
<b>1.</b>	<b>Received from Share Holders</b>	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	Nil	NIL	N.A.
	Non receipt of Dividend	1	1	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.
<b>2.</b>	<b>Received from SEBI/Stock Exchange</b>	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	NIL	NIL	N.A.
	Non receipt of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.

There is one outstanding complaint, for non receipt of Dividend.

**GENERAL BODY MEETINGS :**

A. Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of Meeting	Time
2008-2009	14/12/2009	18, Medon House, 4th Flr, Dr.M.B.Welkar Street, Chira Bazar, Mumbai - 400 002.	11:00 a.m.
2009-2010	14/12/2010	18, Medon House, 4th Flr, Dr.M.B.Welkar Street, Chira Bazar, Mumbai - 400 002.	11:00 a.m.
2010-2011	14/12/2011	1008/1009, Gold Crest Centre, L T Road, Borivali - West, Mumbai - 400 092.	11:00 a.m.

B. Special Resolutions passed at last Three AGMs :

**Special Resolutions passed in the previous Three Annual General Meeting's are as follow :**

**At the 28th AGM held on 14th December, 2011**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and the Articles of Association of the Company and subject to such approvals and permission as may be required, if any, approval of the shareholders be and is hereby accorded to increase the remuneration payable to Mr. Tilokchand Kothari, as the Managing Director of the Company with effect from 1st April, 2011, as set out in the explanatory statement of this notice, and within the limits prescribed in the Schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT in the event of absence or inadequacy of net profit in any Financial Year the remuneration payable to Mr. Tilokchand Kothari shall be governed by provisions of Schedule XIII of The Companies Act, 1956 or any Statutory modification thereof."

**At the 28th AGM held on 14th December, 2010**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956, and pursuant to the provisions of Schedule XIII of the Companies Act, 1956 and the Articles of Association of the Company and subject to such approvals and permission as may be required, if any, approval of the shareholders be and is hereby accorded to increase the remuneration payable to Mr. Tilokchand Kothari, as the Managing Director of the Company with effect from 1st April, 2010, as set out in the explanatory statement of this notice, and within the limits prescribed in the Schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED THAT in the event of absence or inadequacy of net profit in any Financial Year the remuneration payable to Mr. Tilokchand Kothari shall be governed by provisions of Schedule XIII of The Companies Act, 1956 or any Statutory modification thereof."

**At the 28th AGM held on 14th December, 2009**

No Special Resolution was passed, only ordinary resolutions were passed.

**G. CEO & CFO CERTIFICATION**

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board of Directors of the Company that:

- a) They have reviewed financial statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) They accept responsibility for establishing and maintaining internal controls for Financial Reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have indicated the Auditors and the Audit Committee:
  - (i) significant changes in internal control over Financial Reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

**H. DISCLOSURES**

- A. The Company has not entered into any transaction of material nature with the Promoters, Directors or Management, their subsidiaries or relative that may have potential conflict with the interest of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- B. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

**I. MEANS OF COMMUNICATION :**

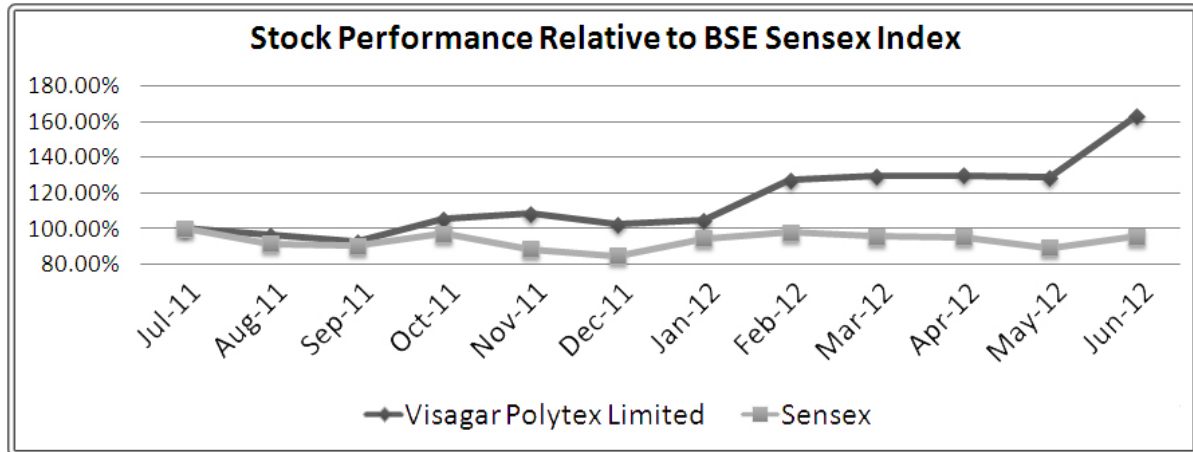
- 1. The quarterly and half yearly results are forthwith communicated to all the Stock Exchanges with whom the Company has listing agreement as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the newspapers English and Marathi.
- 2. Management discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

**J. General Shareholder information**

<ul style="list-style-type: none"> <li>Annual General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Date</li> <li>Time</li> <li>Venue</li> </ul>	<ul style="list-style-type: none"> <li>15th DECEMBER, 2012</li> <li>11:00 A.M.</li> <li>1008/1009, Gold Crest Centre, L T Road, Borivali - West, Mumbai - 400 092.</li> </ul>
<ul style="list-style-type: none"> <li>Financial Calendar</li> <li>Financial reporting for the quarter ending September, 2012</li> <li>Financial reporting for the quarter ending December, 2012</li> <li>Financial reporting for the quarter ending March, 2013</li> <li>Financial reporting for the quarter ending June, 2013</li> </ul>	<ul style="list-style-type: none"> <li>JULY 2012 to JUNE 2013</li> <li>OCTOBER END 2012</li> <li>JANUARY END 2013</li> <li>APRIL END 2013</li> <li>JULY END 2013</li> </ul>	
<ul style="list-style-type: none"> <li>Date of Book Closure</li> <li>Registered office</li> </ul>		<ul style="list-style-type: none"> <li>12th December, 2012 to 15th December, 2012 (BOTH DAYS INCLUSIVE)</li> <li>907/908, Dev Plaza, S V Road, Andheri - West, Mumbai - 400 058.</li> </ul>
<ul style="list-style-type: none"> <li>Dividend Payment Date</li> <li>Listing on Stock Exchange</li> <li>Stock Code (The Stock Exchange, Mumbai)</li> <li>ISIN No.</li> </ul>		<ul style="list-style-type: none"> <li>Before 14th January, 2013</li> <li>THE STOCK EXCHANGE, MUMBAI</li> <li>506146</li> <li>INE370E01029</li> </ul>

**Market Price Data** : High Low during each month in last financial year.

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades
July 2011	136.00	150.25	129.05	150.10	5,19,968	3,366
August 2011	151.00	156.00	132.10	144.25	3,29,282	2,439
September 2011	145.00	148.80	121.00	137.55	3,16,815	2,084
October 2011	135.00	168.00	131.55	158.50	4,55,592	2,845
November 2011	158.00	167.80	129.00	161.05	4,24,982	3,327
December 2011	164.80	174.90	153.00	154.00	5,28,477	4,194
January 2012	155.00	170.00	151.40	157.15	5,12,509	4,760
February 2012	157.65	192.00	156.00	190.45	3,70,562	3,610
March 2012	191.00	210.00	186.50	193.30	7,67,787	4,945
April 2012	193.00	200.00	175.00	195.60	2,12,781	1,884
May 2012	199.00	205.05	161.50	192.80	2,70,492	2,824
June 2012	192.00	250.00	179.60	246.30	4,19,213	3,944

**Registrar and Share Transfer Agent****M/s Adroit Corporate Services Pvt Ltd**

19/20, Jaferbhoy Industrial Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri (West), Mumbai - 400 059.

Tel Nos - (022) 4227 0400 Fax - (022) 2850 3748

Email - investorgrievance@adroitcorporate.com

Website: www.adroitcorporate.com

Share Transfer System : Share certificates received for transfer in physical form and requests for Demat are generally registered / confirmed within 15 days of receipt of the same, provided documents are clear in all respects. The Company also provides simultaneous transfer cum Demat facility to its equity shareholders.

**Distribution of holding and share holding pattern as on 30th June, 2012.**

No. of Equity Shares held	No. of Holders	% of Holders	No. of Shares	% of Shares
Upto - 5000	552	73.02	548445	3.27
5001 - 10000	64	8.47	514566	3.07
10001 - 20000	42	5.56	708677	4.22
20001 - 30000	27	3.57	725486	4.34
30001 - 40000	20	2.65	720351	4.29
40001 - 50000	12	1.59	564401	3.36
50001 - 100000	18	2.38	1552371	9.25
100001 & Above	21	2.78	11452103	68.22
Total	756	100.00	16786400	100.00

## Categories of Shareholding as on June 30, 2012.

Category	No. of Shares held	Percentage of Shareholding
<b>A Promoter's Holding</b>		
1) Promoters		
Indian promoters:	90,85,400	54.12
Foreign Promoters:		
2) Persons acting in concert	0	0
<b>Sub-Total</b>	<b>90,85,400</b>	<b>54.12</b>
<b>B Non-Promoters Holding</b>		
3) Institutional Investors	0	0
a. Mutual Funds and UTI	0	0
b. Banking, Financial Institutions/Insurance Companies (Central/State Govt. Institutions Non-government Institutions)	0	0
c. FIIs	0	0
<b>Sub-Total</b>	<b>NIL</b>	<b>NIL</b>
4) Others		
a. Private Corporate Bodies	35,62,059	21.22
b. Indian Public	41,10,752	24.49
c. NRIs/OCBs	101	0.00
d. Any other (Please Specify)	28,088	0.17
<b>Sub-total</b>	<b>77,01,000</b>	<b>45.88</b>
<b>Grand Total</b>	<b>1,67,86,400</b>	<b>100.00</b>

## Particulars of Shares held in physical / Electronic form as on 30th June, 2012.

Category	No. of shares	% of shares
Paper Mode	4,47,840	2.67
NSDL	1,10,06,882	65.57
CDSL	53,31,678	31.76
<b>TOTAL</b>	<b>1,67,86,400</b>	<b>100.00</b>

## Depository Services

For guidance on depository services, shareholders may write to:

Adroit Corporate Services Private Ltd (RTA of the Company), 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059, Telephone - (022) 4227 0400, Facsimile - (022) 2850 3748, email - investor grievances@adroitcorporate.com, Website - www.adroitcorporate.com  
OR

National Securities Depository Ltd, Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013, Telephone - (022) 2499 4200, Facsimile - (022) 2497 2993 /2497 6351, email - info@nsdl.com, Website - www.nsdl.com

OR

Central Depository Services (India) Ltd, PhirozeJeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai- 400 023, Telephone - (022) 2272 3333, Facsimile - (022) 2272 3199 / 2072, email - investors@cDSLindia.com, Website - www.cdslindia.com.

Outstanding GDRs/ADRs/Warrants or any convertible instruments.  
The Company has not issued any GDR/ADR/Warrants etc.

#### **K. MANAGEMENT DISCUSSION AND ANALYSIS**

Statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

#### **NON-MANDATORY REQUIREMENTS**

##### **CHAIRMAN OF THE BOARD:**

The Company has a Executive Chairman.

##### **REMUNERATION COMMITTEE :**

The Company has constituted remuneration committee.

##### **POSTAL BALLOT:**

The provision relating to Postal Ballot will be complied with in respect of matters where applicable.

#### **DECLARATION BY THE MANAGING DIRECTOR REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

I, Tilokchand Kothari, Managing Director of Visagar Polytex Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management personnel, that:

- The Board of Directors has laid down a code of conduct for all the Board Members and Senior Management of the Company ["the Code"];
- The Code of Conduct has been posted on the website of the Company;
- All the Directors and Senior Management personnel have affirmed their compliance and adherence to the provisions of the Code of Conduct.

**For and on behalf of the Board of Directors**

Sd/-  
**Tilokchand Kothari**  
Managing Director

Place : Mumbai  
Date : 30.08.2012

## MANAGEMENT DISCUSSION & ANALYSIS

### Disclaimer

Statements made in the Management Discussion and Analysis and relating to company's objectives, projections, outlook, expectations, estimates, etc., may constitute forward looking statements within the meaning of applicable securities, laws and regulations. These statements are based on certain assumptions, which cannot be guaranteed by the Company. Several factors, over which the Company may not have any direct control, could make a significant difference to the company's operations. As such, actual results may differ materially from such projections, whether expressed or implied, since it would be beyond Company's ability to successfully implement our growth strategy. The Company undertakes no obligation or responsibility to update forward looking statements and to publicly amend, modify or revise to reflect events or circumstances after the date thereof on the basis of any subsequent development, information or events.

The management of Visagar Polytex Limited presents below its analysis on the performance of your Company during the year under review, i.e. accounting year end 30th June, 2012 (for the period July'11 to June'12).

### Economic Overview with specific reference to Textile Industry

The Indian textile industry is a global leader and thanks to the economic liberalization. Though it used to come under unorganized sector few years back, the scenario changed a large part of the industry is now in the organized sector. Contributing a hefty 14% to the country's Industrial production and 4% to the country's Gross Domestic Product (GDP) the segment also accounts for 17% of India's export earnings besides providing direct employment to over 35 million people and thus being the second largest provider of employment after agriculture in the country. While the impact of past under-performance is to be surmounted, the Industry as a whole is moving towards the path of growth. However few of the challenges & imperatives include need for continual modernization & technological up-gradation, Product development and R&D, Cost effectiveness & efficiency to face the ever increasing competition emerging out of WTO policies. While there has also been substantial inflow of FDI in the textile sector for setting up manufacturing capacities, we need to keep in mind the China is and will remain a tough adversary in the global as well as domestic market.

### Overview of the Sector & Business

The Saree market is huge, unorganized and growing at an incredible rate. The 5000 year old apparel has seen rise and fall of regimes and has dominated the apparel market not even in toughest of economic downturns (recession) but has also been growing strongly ever since. ICRA research of 2006 quotes the Saree market size at Rs. 53000 crore, though a more recent one on Ethnic wear by Technopak quotes the Sarees market in 2009 at Rs. 24000 Crore. While the research figures widely divulge from one another, both agree an over 10% compounded annual growth for Sarees in the future, outdoing all other apparel segments.

The Company is actively involved in textile manufacturing, trading/ wholesaling and retailing activities. The Company comprises of 5 verticals viz. Ethnic wear (Saree/ Lehanga) wholesale, Ethnic wear (Saree/ Lehanga) Manufacturing and Retailing (own/franchise), Fabrics trading and Interlining manufacturing. The Company has a retail chain retailing designer sarees under its flagship brand Vividha, in addition to its manufacturing and wholesale branches in Kolkata & Surat under the same Vividha brand. The Company also manufactures twills i.e. interlining materials for travel bags, suitcases, ladies purse, wallets etc. at Surat (Gujarat) on contract manufacturing basis.



**Manufacturing of Ethnic Wear**

During the year under review, your Company established a state of the art Saree & Lehanga manufacturing facility at Gothan, Surat to enable in-house creations and utilize designing monopoly and pricing benefit across the Company's manufacturing to retail spectrums. Your Company is prospective of the scope of retail business of Ethnic wear and in-house manufacturing capability will enable having trendier and wider portfolio of products at significantly decreased cost which will help a long way in establishing retail chains across the country which the Company plans to pursue a few years down the line. The Company is also looking at other retail formats including franchise, shop-in-shop outlets and retailing of textile based products that are designed and manufactured in-house.

**Financial Overview**

During the year under review, the Company's Gross Income has been Rs. 594.28 Million. This represents a rise of 9.60% over the comparable period in the previous financial year (July'10 to June'11). The increase has been due to overall condition of the textile market and the expansion efforts of the Company across all its business divisions.

**Profits**

Profits before tax stood at Rs. 12.01 Million during the year under review vis-à-vis Rs. 11.42 Million, representing an increase of 5.20% over the comparable period in the previous financial year (July'10 to June'11). The increase is attributed to increase in sales and operational efficiency.

**Factors that may affect the results of operations**

Several factors may affect our result of operations that may make it difficult to predict the future financial results. Such factors are:

- Movement in Price of Fabric
- Operating cost & Efficiency
- Product and Market Mix
- Exchange Rates
- Government policies, rules and regulations relating to textile industries
- Availability of Government Benefits & Subsidies
- Ability to organise funds for projects
- Availability of skilled human forces
- Competition
- Break down of machinery or plant
- Disrupted power supply from state electricity board
- Strike by labours
- Development / Innovation / Emergence of any substitute for our products
- Natural Calamities & Disasters and other unforeseen/ unavoidable circumstances

**Development, Expansion & Future Outlook**

The Company will continue to invest wherever it seems an opportunity to get healthy sustainable results. The performance of the Company largely depends on the Textile market. The Company is concentrating at streamlining its current business activities which will allow for greater operational efficiency in future. Providing quality products at a great value has always been the Company's endeavour. The Company will take this endeavour a notch upwards by enhancing its business activities. The Company is in process to continuously upgrade its state-of-art manufacturing unit at Gothan, Surat to produce designer, value added Embroidery

Sarees & Lehengas using latest technology and employing resources in best possible manner. The Embroidery market is huge and dominated by small unorganized players in view of lower entry barriers, offering a corporate player immense opportunity for innovation and improvisation. The Management is optimistic that the Company will soon be one of the key players in the untapped and niche Lehenga segment. The clients include stockists, wholesalers, semi-wholesalers, retailers and end-users of textile products. We have not been engaged in export of our products so far, as the domestic demand itself is vast. Having said so, we would like to explore the overseas market in the near-term. The Company's aim is to build up knowledge, capital and human resources to specialize in designing, manufacturing hand/machine work Sarees & Lehengas (bridal wear) facilitating constant revival of products in innovative ways that will enable guaranteed success for our 'VIVIDHA' brand.

#### Future plans and Outlook

- Intensifying focus on production
- Leveraging resources to deliver innovative and successful product portfolio
- To bring in efficiency through consistent and continuous improvement process throughout all the levels in the Organisation
- To develop a Customer Centric approach
- To develop a Strong Marketing Network

**BALANCE SHEET AS AT 30TH JUNE, 2012.**

PARTICULARS	NOTE NO.	AS AT 30.06.2012 (RS.)	AS AT 30.06.2011 (RS.)
<b>I EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	1	16,786,400	16,000,000
(b) Reserve & Surplus	2	209,715,732	96,514,424
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Long-term Borrowings	3	77,386,915	31,768,429
(b) Deferred Tax Liability (Net)	4	-	-
(c) Long-term provisions	5	4,563,314	3,681,681
<b>3. CURRENT LIABILITIES</b>			
(a) Short-term borrowings	6	2,920,409	9,019,691
(b) Trade Payables	7	69,179,620	97,575,403
(c) Other current liabilities	8	-	1,303,534
(d) Short-term Provisions	9	2,491,990	2,280,584
<b>TOTAL</b>		<b><u>383,044,380</u></b>	<b><u>258,143,746</u></b>
<b>II ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Fixed Asset	10		
(i) Tangible assets		68,462,345	22,515,870
(ii) Intangible assets		75,600	-
(iii) Capital work in progress		-	12,526,000
(b) Non-current investments	11	1,586,510	1,586,500
(c) Long-term loans and advances	12	10,221,571	11,460,392
(d) Deferred Tax Asset (Net)	4	358,800	165,898
<b>2. CURRENT ASSETS</b>			
(a) Inventories	13	55,643,136	42,672,610
(b) Trade receivables	14	243,304,452	153,990,599
(c) Cash and cash equivalents	15	2,734,045	1,859,944
(d) Short-term loans and advances	16	-	9,500,000
(e) Other current assets	17	657,921	1,865,923
<b>TOTAL</b>		<b><u>383,044,380</u></b>	<b><u>258,143,746</u></b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS AS PER OUR REPORT OF EVEN DATE

**FOR SUDHIR M. DESAI & CO.****FOR VISAGAR POLYTEX LIMITED**

CHARTERED ACCOUNTANTS

SD/-

SD/-

SD/-

**SUDHIR M. DESAI****(TILOK KOTHARI) (KAMAL AHUJA)**

PROPRIETOR

DIRECTOR

DIRECTOR

M. NO: 41999

PLACE : MUMBAI

DATED : 30.08.2012

**PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2012.**

PARTICULARS	NOTE NO.	YEAR ENDED 30.06.2012 (RS.)	YEAR ENDED 30.06.2011 (RS.)
<b>INCOME</b>			
Revenue from operations	18	594,284,209	542,222,897
Other Income	19	142,653	329,149
<b>Total Revenue</b>		<b><u>594,426,862</u></b>	<b><u>542,552,046</u></b>
<b>EXPENDITURE</b>			
Cost of material consumed		-	-
Purchases of Stock in Trade		541,966,954	483,097,999
Change in inventories of finished goods	20	(12,970,526)	10,529,476
Employees benefit expenses	21	6,191,936	6,744,421
Finance Cost	22	8,158,025	3,683,708
Depreciation & amortization	10	6,980,616	1,337,043
Other expenses	23	32,087,024	25,740,494
<b>Total expenses</b>		<b><u>582,414,029</u></b>	<b><u>531,133,141</u></b>
<b>Profit / (Loss) before tax</b>		<b>12,012,833</b>	<b>11,418,905</b>
<b>Tax Expenses</b>			
Current tax		2,400,000	2,000,000
Deferred Tax		(358,800)	(83,409)
<b>Total Tax Expenses</b>		<b><u>2,041,200</u></b>	<b><u>1,916,591</u></b>
<b>Profit / (Loss) before exceptional item</b>		<b><u>9,971,633</u></b>	<b><u>9,502,314</u></b>
<b>Earning per equity shares</b>			
<b>Basic</b>		<b>0.61</b>	<b>0.58</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS AS PER OUR REPORT OF EVEN DATE

**FOR SUDHIR M. DESAI & CO.**

CHARTERED ACCOUNTANTS

SD/-

**SUDHIR M. DESAI**

PROPRIETOR

M. NO: 41999

PLACE : MUMBAI

DATED : 30.08.2012

**FOR VISAGAR POLYTEX LIMITED**

SD/-

SD/-

**(TILOK KOTHARI) (KAMAL AHUJA)**

DIRECTOR

DIRECTOR

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30th JUNE 2012.**

PARTICULARS	30.06.2012	30.06.2011
<b>A. Cash Flow from operating activities :</b>		
Net Profit before Tax as per P & L A/c	12012833	11418905
<b>Add : Adjusted for</b>	-	-
Misc Income	-	-
Interest Income	-	-
Depreciation	6980616	1137043
Income tax Paid	-	(1477595)
Operating Profit Before Working Capital Changes	18993450	11278353
<b>Add : Adjusted for</b>		
Other Current Assest	(12903586)	10529476
Sundry Debtors	(89313853)	(51474312)
Loans & Advances	10738821	3813308
Current Liabilities	(29699317)	41996352
Wip	12526000	(9500000)
Net Cash Inflow/Outflow Operations ( A )	(108651935)	(4635176)
<b>B. Cash Flow from Investing Activities :</b>		
Fixed Assets	(53002693)	(23720769)
Investments	-	69636
Net Cash Flow from Investing Activities ( B )	(53002693)	(23651133)
Share Capital	786400	8000000
Share Premium	105193600	(8000000)
Deposits/Unsecured Loans	39519204	19284744
Income Tax Paid	(1963925)	(1873700)
Net Cash Flow from Financing Activities ( C )	143535279	17411044
<b>Net Cash Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	874101	403088
<b>Opening Balances of Cash &amp; Cash Equivalent</b>	1859944	1456856
<b>Closing Balances of Cash &amp; Cash Equivalent</b>	2734045	1859944
<b>NET INFLOW</b>	874101	403088

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS AS PER OUR REPORT OF EVEN DATE

**FOR SUDHIR M. DESAI & CO.**

CHARTERED ACCOUNTANTS

SD/-

**SUDHIR M. DESAI**

PROPRIETOR

M. NO: 41999

PLACE : MUMBAI

DATED : 30.08.2012

**FOR VISAGAR POLYTEX LIMITED**

SD/-

SD/-

**(TILOK KOTHARI) (KAMAL AHUJA)**

DIRECTOR

DIRECTOR

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

NOTE	PARTICULARS	AS AT 30.06.2012 (RS.)	AS AT 30.06.2011 (RS.)														
<b>1</b>	<b>SHARE CAPITAL</b>																
	<b>AUTHORISED</b>																
	50,000,000 Equity Shares of Re. 1/- Each (P.Y. 50,000,000 Equity Shares of Re. 1/- Each)	<b>50,000,000</b>	<b>50,000,000</b>														
	<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>																
	16,786,400 Equity Shares of Re. 1/- Each (P.Y. 16,000,000 Equity Shares of Re. 1/- Each)	<b>16,786,400</b>	<b>16,000,000</b>														
	<b>1.1 The reconciliation of the number of shares outstanding is set out below :</b>	<b>No of Shares</b>	<b>No of Shares</b>														
	Equity Shares at the beginning of the year	16,000,000	8,000,000														
	Add: Shares issued during the year	786,400	8,000,000														
	Equity Shares at the end of the year	<b>16,786,400</b>	<b>16,000,000</b>														
	<b>1.2 Terms / rights attached to equity shares</b>																
	The company has only one class of equity shares having a par value of Re. 1/- per share.																
	<b>1.3 Details of shareholders holding more than 5% shares in the company</b>																
		<table border="1"> <thead> <tr> <th rowspan="2">Name of shareholder</th> <th colspan="2">As at 30<sup>th</sup> June 2012</th> <th colspan="2">As at 30<sup>th</sup> June 2011</th> </tr> <tr> <th>No of shares held</th> <th>% of Holding</th> <th>No of shares held</th> <th>% of Holding</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>		Name of shareholder	As at 30 <sup>th</sup> June 2012		As at 30 <sup>th</sup> June 2011		No of shares held	% of Holding	No of shares held	% of Holding	-	-	-	-	-
Name of shareholder	As at 30 <sup>th</sup> June 2012		As at 30 <sup>th</sup> June 2011														
	No of shares held	% of Holding	No of shares held	% of Holding													
-	-	-	-	-													
<b>2</b>	<b>RESERVE &amp; SURPLUS</b>																
	<b>Capital Reserve</b>																
	As per last Balance Sheet	-	-														
	(a)	<b>-</b>	<b>-</b>														
	<b>Security Premium Account</b>																
	As per last Balance Sheet	163,833,600	58,640,000														
	(b)	<b>163,833,600</b>	<b>58,640,000</b>														
	<b>General Reserve</b>																
	As per last Balance Sheet	-	-														
	(c)	<b>-</b>	<b>-</b>														
	<b>Statement of Profit &amp; Loss</b>																
	As per last Balance Sheet	37,874,424	30,244,030														
	Add : profit / (Loss) for the year	9,971,633	9,502,314														
	Less : Proposed Dividend	1,678,640	1,600,000														
	Less : Tax on Proposed Dividend	285,285	271,920														
	(d)	<b>45,882,132</b>	<b>37,874,424</b>														
	<b>Total reserve &amp; surplus</b>	<b>(a+b+c+d)</b>	<b>209,715,732</b>														
		<b>209,715,732</b>	<b>96,514,424</b>														

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

NOTE	PARTICULARS	AS AT 30.06.2012 (RS.)	AS AT 30.06.2011 (RS.)
<b>3</b>	<b>LONG TERM BORROWINGS</b>		
	<b>Secured</b>		
	Cash Credit/ Overdrafts	50,051,012	31,768,429
	Term Loan	27,335,903	-
		<b>77,386,915</b>	<b>31,768,429</b>
<b>4</b>	<b>DEFERRED TAX ASSET / (LIABILITY) NET</b>		
	i. Deferred Tax liability on account of: Timing Difference on Depreciation	-	-
	ii. Deferred Tax Asset on account of: Disallowances under Income Tax Act: Unabsorbed Depreciation Allowance Business Loss	358,800 - -	165,898 - -
		<b>358,800</b>	<b>165,898</b>
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for Tax	4,563,314	3,681,681
	Provision for sub-assets		
		<b>4,563,314</b>	<b>3,681,681</b>
<b>6</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>Secured</b>		
	Working Capital facilities from Bank	-	-
	<b>Total</b>	-	-
	<b>Unsecured</b>		
	Inter Corporate Loan (refer note 6.1)	2,920,409	9,019,691
	<b>Total</b>	2,920,409	9,019,691
		<b>2,920,409</b>	<b>9,019,691</b>
	6.1 - Loans are repayable on demand		
<b>7</b>	<b>TRADE PAYABLES</b>		
	Due to Micro small & medium Enterprises	69,179,620	97,575,403
	Due to others	-	-
		<b>69,179,620</b>	<b>97,575,403</b>
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Employees Benefits payable	-	-
	Provision for sub-assets	-	1,303,534
		-	<b>1,303,534</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

NOTE	PARTICULARS	AS AT 30.06.2012 (RS.)	AS AT 30.06.2011 (RS.)
<b>9</b>	<b>SHORT TERM PROVISIONS</b>		
	Standard Debts	528,065	408,664
	Proposed Dividend	1,678,640	1,600,000
	Tax on proposed Dividend	285,285	271,920
		<b>2,491,990</b>	<b>2,280,584</b>

**10 FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 01.07.2011	ADD/DED DURING	AS AT 30.06.2012	UPTO 01.07.2011	PROVIDED DURING	UPTO 30.06.2012	AS AT 30.06.2012	AS AT 30.06.2011
<b>Tangible Assets</b>								
Land & Building	7,523,730	28,337,852	35,861,582	-	2,443,127	2,443,127	33,418,455	7,523,730
Office Premises	332,270	-	332,270	-	-	-	332,270	332,270
Plant & Machinery	8,585,000	19,859,478	28,444,478	-	2,875,387	2,875,387	25,569,091	8,585,000
Electrical Installation	44,950	-	44,950	19,685	3,514	23,199	21,751	25,265
Furniture & Fixture	7,792,097	3,637,203	11,429,300	3,353,634	1,056,440	4,410,074	7,019,226	4,438,463
Office Equipments	981,529	387,559	1,369,088	358,427	128,563	486,990	882,098	623,102
Vehicles	1,006,826	436,301	1,443,127	424,725	247,938	672,663	770,464	582,101
Computer	1,082,090	218,300	1,300,390	676,152	175,247	851,399	448,990	405,938
<b>Intangible Assets</b>								
Computer Software	126,000	-	126,000	-	50,400	50,400	75,600	-
<b>TOTAL RS.</b>	<b>27,474,492</b>	<b>52,876,693</b>	<b>80,351,185</b>	<b>4,832,623</b>	<b>6,980,616</b>	<b>11,813,239</b>	<b>68,537,945</b>	<b>22,515,869</b>

NOTE	PARTICULARS	AS AT 30.06.2012 (RS.)	AS AT 30.06.2011 (RS.)
<b>11</b>	<b>NON CURRENT INVESTMENTS</b>		
	Unquoted	25,000	25,000
	Quoted	1,536,510	1,536,510
	Share Application Money	25,000	25,000
		<b>1,586,510</b>	<b>1,586,510</b>
<b>12</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	(Unsecured and Considered good)		
	Loans (Inclusive interest accrues thereon)	7,358,814	7,519,500
	Deposit	2,781,009	3,889,527
	Advance Payment of Tax (Net of provision)	81,748	51,365
		<b>10,221,571</b>	<b>11,460,392</b>



## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

NOTE	PARTICULARS	AS AT 30.06.2012 (RS.)	AS AT 30.06.2011 (RS.)
<b>13</b>	<b>INVENTORIES</b>		
	Finished Goods	55,643,136	42,672,610
		<b>55,643,136</b>	<b>42,672,610</b>
<b>14</b>	<b>TRADE RECEIVABLES</b>		
	(Unsecured and Considered good)		
	Outstanding for a period exceeding Six Months	1,607,550	37,419,715
	Others	241,696,902	116,570,884
		<b>243,304,452</b>	<b>153,990,599</b>
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in Hand	978,098	547,973
	Balance with bank in current account	1,492,350	1,060,729
		A	2,470,445
	<b>OTHER BALANCES</b>		
	Unpaid Dividend	B	263,600
			251,242
			263,600
			251,242
	Total	<b>2,734,045</b>	<b>1,859,944</b>
<b>16</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	Advance to Suppliers	-	9,500,000
		-	9,500,000
<b>17</b>	<b>OTHER CURRENT ASSETS</b>		
	Pre operative expenses	657,921	1,865,923
		<b>657,921</b>	<b>1,865,923</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

NOTE	PARTICULARS	YEAR ENDED 30.06.2012 (RS.)	YEAR ENDED 30.06.2011 (RS.)
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sales	594,284,209	542,222,897
		<b>594,284,209</b>	<b>542,222,897</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Dividend/Interest Received	142,653	267,177
	Profit / (Loss) on sale of Shares	-	(15,634)
	Other Receipt	-	77,606
		<b>142,653</b>	<b>329,149</b>
<b>20</b>	<b>CHANGE IN INVENTORIES</b>		
	Balance as on commencement of the Year :		
	Finished Goods	42,672,610	53,202,086
	Less:		
	Balance as on end of the Year :		
	Finished Goods	55,643,136	42,672,610
		<b>(12,970,526)</b>	<b>10,529,476</b>
<b>21</b>	<b>EMPLOYEE BEBENEFIT EXPENSES</b>		
	Salaries	5,866,306	6,475,287
	Staff Welfare Expenses	325,630	269,134
		<b>6,191,936</b>	<b>6,744,421</b>
<b>22</b>	<b>FINANCE COST</b>		
	Interest on :		
	Borrowing from Banks	7,069,721	3,307,947
	Bank Charges and Processing Charges	-	-
	Short term borrowings from bank	1,088,304	375,761
		<b>8,158,025</b>	<b>3,683,708</b>

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

NOTE	PARTICULARS	YEAR ENDED 30.06.2012 (RS.)	YEAR ENDED 30.06.2011 (RS.)
<b>23</b>	<b>OTHER EXPENSES</b>		
	Commission & Brokerage	757,698	1,432,887
	Conveyance & Travelling expenses	496,511	-
	General expenses	2,460,345	3,803,632
	Insurance Premium	106,294	75,527
	Discount & Rate Difference	1,861,415	1,888,813
	Legal & Professional Charges	241,141	47,527
	Printing, Stationary & Communication expenses	522,082	1,838,023
	Electricity Charges (Factory)	1,423,296	-
	Rent, Rate & Taxes	2,934,367	2,909,848
	Job Works	13,587,091	12,435,893
	Packing & Folding Expenses	290,136	385,383
	General Expenses (Factory)	2,274,893	618,570
	Wages & Bonus	5,109,695	282,331
	Remuneration to Auditors	-	-
	Audit Fees	22,060	22,060
		<b>32,087,024</b>	<b>25,740,494</b>

**NOTE – 24****NOTES TO ACCOUNT & SIGNIFICANT POLICIES**

## 1. Significant Accounting Policies

**FIXED ASSETS**

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

**DEPRECIATION**

Depreciation is calculated on Fixed Assets on straight line method in accordance with schedule XIV of the Companies Act, 1956.

**INVENTORIES**

Stock is Valued at cost. The closing stock of film produced is valued at Actual Cost by allocating all direct expenses which are related to the production. The fixed expenses under which the allocation was necessary as per the management discretion is allocated to the respective projection to arrive at its Actual cost of production

The Work – in – Progress is valued accordingly as per the completion of the projection. All expenses which can be related directly are all Capitalized and added to the cost.

**INVESTMENTS**

Investments are valued at cost, any diminution in the value of investments, if considered permanent, is provided for.

**INCOME FROM INVESTMENTS / DEPOSITS**

Income from investments / Deposits is credited to revenue in the year in which it accrues expect Dividend which is accounted for on Cash basis.

**RECOGNITION OF INCOME & EXPENDITURE**

All income and expenditure are accounted for on accrual basis.

**RETIRMENT BENEFITS**

Provision for Payment of Gratuity Act, 1972 is not applicable and as such no provision is made. Leave Encashment, if any, would be accounted for as and when paid.

2. In the opinion of the Board the value of Current Assets, Loans & Advances have a value in ordinary course of business at least equal to that stated in the Balance Sheet except in case of those show in doubtful. Loans & Advances, Sundry Debtors & Sundry creditors are subject to confirmation from the parties.
3. No Interest has been provided for the year on loans & advances made by the Company during the year in many cases.
4. Estimated Amount of Contracts Remaining to be executed on Capital Accounts and not provide for Rs. NIL.

5. Additional information Pursuant to the Provision of Paragraph 3, 4C and 4D of part II of the Schedule VI of the Companies Act, 1956.
- A. Particulars of Purchase, Turnover and Stock of Goods traded in –
- B. Other additional information – NIL (Previous Year NIL)
- C. Earning & Expenditure in Foreign Currency – NIL ( Previous Year NIL)
6. Previous Year's Figure have been Regrouped and rearrange wherever found necessary.

Signature to the Schedule 1 to 24 forming part of the Balance Sheet & Profit & Loss Account.

AS PER OUR REPORT OF EVEN DATE  
**FOR SUDHIR M. DESAI & CO.**  
CHARTERED ACCOUNTANTS  
SD/-  
**SUDHIR M. DESAI**  
PROPRIETOR  
M. NO: 41999  
PLACE : MUMBAI  
DATED : 30.08.2012

**FOR VISAGAR POLYTEX LIMITED**

SD/-                      SD/-  
**(TILOK KOTHARI) (KAMALAHUJA)**  
DIRECTOR              DIRECTOR

Book Post  
(Under Postal Certificate)



## VISAGAR POLYTEX LIMITED

Regd. Off. : 907/908, Dev Plaza, S. V. Road, Andheri (W), Mumbai 400 058.  
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