

VISAGAR FINANCIAL SERVICES LIMITED

20TH

ANNUAL REPORT

2012 – 2013

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS :

Shri Pramod N Goenka	:	Director
Shri Tilokchand M Kothari	:	Director
Shri Arvind G Desai	:	Independent Director
Shri Suranjan Upadhyay	:	Independent Director

AUDITORS :

M/S Sudhir M. Desai & Co.
Chartered Accountants.
Mumbai

REGISTERED OFFICE :

907-908, Dev Plaza, 9th Floor, Opp. Andheri Fire Station,
S. V. Road, Andheri (W), Mumbai – 400 058.
www.vfsl.org

REGISTRAR:

Adroit Corporate Services (P) Ltd.
19/20, Jafferbhoy Industrial Estate, 1st floor, Makwana Road,
Marol Naka, Andheri (East), Mumbai – 400 059.
Tel.No. 2859 6060/2850 3748
www.adroitcorporate.com

ISIN NO. :

INE309H01012

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Members of VISAGAR FINANCIAL SERVICES LIMITED will be held at 1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092 on Monday the 30th September, 2013 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account of the Company for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suranjan Upadhyay who retires by rotation and being eligible, offers himself for re-appointments.
3. To appoint M/s. Sudhir M Desai & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.

By Order of the Board
For Visagar Financial Services Limited
Sd/-
Arvind Desai
Director

Place : Mumbai
Date : 14.08.2013

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

NOTES

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.**
- 2 The register of members and the share transfer books of the Company will remain closed from 26.09.2013 to 30.09.2013 (both days inclusive).
- 3 Members are requested to bring their copy of the Annual Report along with them as copies of the same will not be distributed at the meeting.
- 4 Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
- 5 Members/Proxies are requested to produce the Attendance Slip at the entrance of the Hall.
- 6 Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
- 7 Your Company has implemented the Green Initiative as per the Ministry of Corporate Affairs ("MCA") Circular Nos. 17/2011 and 18/2011 dated April 21,2011 and April 29,2011, respectively, which allows the Company to serve all notices/ documents and annual reports to its shareholders through an electronic mode. Henceforth, the email addresses registered by the shareholders : (a) in respect of shareholding in demat mode - with the respective Depository Participant which will be periodically downloaded from NSDL / CDSL, and (b) in respect of physical holding - through a written request letter to the Registrar and Transfer Agent of the Company M/s. Adroit Corporate Services Private Limited; will be deemed to be the registered email address for serving all notices / documents including those covered under Section 219 read with Section 53 of the Companies Act. Members are therefore requested to keep their email addresses updated in case of electronic holding with their respective Depository Participant and in case of physical holding with the Registrar and Transfer Agent of the Company. The Annual Report of your Company for the Financial Year 2012-13 is displayed on the website of the Company i.e. www.vfsl.org. As a member of the Company you will be entitled to be furnished, free of cost, an Annual Report of the Company upon receipt of a written request from you at anytime.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

- 8 At the ensuing Annual General Meeting Shri Suranjan Upadhyay, is proposed to be appointed as a Director the detail as required under Clause 49 of the Listing Agreement is given as below:

Name	Age	Educational Qualification	Experience	No. of shares held
Shri SuranjanUpadhyay	47	Chartered Financial Analyst , Company Secretary, Cost and Works Accountant, Post Graduate from Lucknow.	Very vast experience in the field of Financial Management, Secretarial Functions, Taxation, Accounts and Administration. He is also specialized in Strategic planning and Merger & Amalgamation	NIL

By Order of the Board
For Visagar Financial Services Limited
Sd/-
Arvind Desai
Director

Place : Mumbai
Date : 14.08.2013

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

DIRECTORS REPORT

To,
THE MEMBERS,
VISAGAR FINANCIAL SERVICES LIMITED.

FINANCIAL RESULTS

The financial highlights of the Company, for the year ended are summarized below.

(Rs. in Lac)

	For the year ended	
	31st March, 2013	31st March, 2012
Total Revenue	41.60	29.38
Less: Total Expenses	25.32	20.00
Profit/ (loss) before tax	16.27	9.38
Deferred Tax Liability/(Assets)	0.05	0.04
Less: Income Tax / Provision	4.72	3.27
Profit/ (loss) after Tax	11.51	6.07
Brought forward loss from previous year	35.94	29.87
Surplus/(deficit) carried to Balance sheet	47.45	35.94

OPERATIONS

During the year under review your company has earned a gross income of Rs. 41.60 Lacs for the financial year 2012-13, as compared to Rs.29.38 Lacs in the previous year, recoding a increase of Rs. 12.22 Lacs. After considering total expenses of the company has managed profit before tax of Rs. 16.27 Lacs and the Company has managed profit after tax for the current year is Rs. 11.51 Lacs, which is 89.62% more compare to previous year. In coming year company is confident to implement its dream project.

PUBLIC DEPOSITS

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

DIRECTORS

In accordance with the requirements of the Companies Act 1956, Shri Suranjan Upadhyay will retire by rotation and, being eligible offered himself for re-appointment, which is proposed in the Notice of the ensuing Annual General Meeting.

AUDITORS

Mr. Sudhir M Desai., Chartered Accountant, the Auditor of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible; offer themselves for re-appointment to hold the office till the conclusion of the next Annual General Meeting.

The company has received the letter from auditor to the effect that their appointment would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

DEMATERIALIZATION OF SHARES

Your Company has connectivity with the National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) for dematerialization of its Equity Shares. The ISIN No. INE309H01012 has been allotted for the Company Shares. Therefore, the members and/or investors may keep their shareholdings in the electronic mode with their Depository Participant.

LISTING OF SHARES

Equity shares of the Company are listed with The Ahmedabad Stock Exchange (Regional) and The Bombay Stock Exchange Limited, Mumbai. The Listing fees for Ahmedabad Stock Exchange Limited is pending.

PARTICULARS OF EMPLOYEES

None of the employees are paid remuneration exceeding the limit laid down under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your directors hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 31.3.2013 and of the Profit or Loss of the Company for that period;
- (iii) That to the best of their knowledge and information, they 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; and
- (iv) That they have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company.

There are no transactions involving any foreign exchange earnings & outgo.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

As required by the clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, a detailed Report on the Corporate Governance, along with the certificate of Auditor on its compliance, is attached in this Annual Report elsewhere.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

The Management Discussion and Analysis Report are also appearing in this Annual Report elsewhere and both the aforesaid Reports are incorporated as reference herein.

The Board of Directors of the Company adopted a Code of Conduct and posted the same on Web site. The Directors and Senior Management Personnel have affirmed their compliance with the said code.

AUDIT COMMITTEE

The Audit Committee has been constituted by the Company pursuant to section 292(A) of the Companies Act, 1956 and under Clause 49 of the Listing Agreement.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Banks, Government Authorities, Suppliers, Customers and all the local authorities.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the employee of the company.

For and on behalf of the Board of Directors

Sd/-

(Arvind Desai)

Director

Place: - Mumbai

Dated: - 14.08.2013

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

VISAGAR FINANCIAL IN 2012-2013 – BUSINESS & FINANCIAL PERFORMANCE

Visagar Financial services Limited (VFSL)

The Parent Company being a registered NBFC with RBI has been primarily engaged in the business of investing in securities of listed and unlisted companies. The investment portfolio of your Company is diversified across various sectors such as Financial Services, Education, Real Estate, among others.

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting Standards notified under Section 211(3C) of the Act. The management has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit / loss for the year.

The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the Annual Report.

Macroeconomic Overview

Indian Economic Environment

Economic activities in India in 2012-13 remained weak due to both domestic and global factors. The slowdown in the global growth along with continued recession in the Euro zone hurt sentiment. However, steady monetary easing, aided by fiscal austerity measures in developed economies helped to revive global growth towards the end of the year. India's GDP (Gross Domestic Product) growth decelerated continuously and steeply, moving from 9.2 per cent in the fourth quarter of 2010-11 to 4.5 per cent in third quarter of 2012-13, its slowest pace in four years.

GDP Growth

The GDP growth in the first nine months of 2012-13 was 5 per cent as compared to 6.6 per cent in the corresponding period in previous year. The slowdown in growth was broadbased across sectors. The manufacturing sector production fell from 3.6 per cent to 1.2 per cent. The growth slowdown was primarily due to the weakness in industrial activity aggravated by domestic supply bottlenecks, slowdown in the services sector reflecting weak external demand, high interest rates and low level of capital investments due to drop in overall demand. RBI expects a modest improvement in growth at 5.7 per cent in 2013-14 with a pick-up likely only in the second half of the year.

Industrial Production

In 2012-13, the Index of Industrial Production (IIP) grew at 0.9 per cent compared to 3.5 per cent in 2011-12 due to supply constraints (particularly in infrastructure), rising input costs and lower external and domestic demand.

Current Account Deficit (CAD) Imbalance in the external accounts was one of the primary concerns for investors and regulators alike, in 2012-13. CAD to GDP ratio widened to an all-time high of 6.7 per cent in the third quarter of 2012-13.

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

Although, non-oil and non-gold imports have moderated in the last few months and decline in the global prices of gold and oil provided temporary relief in the last quarter, structural impediments still remain. The government has already taken a range of initiatives to attract capital flows into the country to finance the large CAD, including liberalisation of FDI limit in various sectors, policy reforms to attract inflows from foreign investors, relaxation of FII debt limit, sharp cut in withholding tax to 5 per cent from 20 per cent on investments in domestic debt etc.

Inflation and Interest Rate

The headline wholesale price index (WPI) inflation moderated to an average of 7.3 per cent in 2012-13 from 8.9 per cent in 2011-12. WPI inflation of 6.0 per cent in March 2013 was the lowest in the last three years - much lower than RBI's expectation of 6.5 per cent. A combination of factors such as correction in the global commodity prices including oil and gold, range bound exchange rate and erosion of pricing power helped ease inflation pressure in last quarter of 2012-13. But fuel inflation averaged in double digits in 2012-13, largely due to upward revisions and deregulation of administered prices and the pass through of high international crude prices.

The retail inflation (CPI) still persists in double digits and remains a key concern. RBI expects the inflation to ease in the first half of the year on subdued pricing power of domestic producers and expected lower global commodity prices. However, upside risks to inflation in the near term are still significant in view of sectoral demand supply imbalances, the ongoing correction in diesel prices, incorporation of high coal, electricity prices and pressures from increases in minimum support prices. Inflation could inch upwards in the second half partly due to base effects and a reduction in the output gap. RBI expects WPI to be rangebound around 5.5 per cent during 2013-14. RBI will endeavour to bring inflation to a level of 5.0 per cent by March 2014.

RBI reduced policy interest rate and the statutory liquidity ratio (SLR) by 100 basis points in 2012-13. Also, the cash reserve ratio (CRR) was decreased by 75 basis points. The calibrated reduction in the policy rates and other liquidity easing measures were aimed at stemming the slowdown in growth, restraining inflationary pressures and stimulating demand. Muted growth and softening inflation provided the space for RBI for a third consecutive rate cut in May. However, in its forward guidance, RBI remained cautious and indicated that there is little space for further monetary easing.

About Visagar Financial Services Limited

During the year under review your company has earned a gross income of Rs. 41.60 Lacs for the financial year 2012-13, as compared to Rs.29.38 Lacs in the previous year, recoding a increase of Rs. 12.22 Lacs. After considering total expenses of the company has managed profit before tax of Rs. 16.27 Lacs and the Company has managed profit after tax for the current year is Rs. 11.51 Lacs, which is 89.62% more compare to previous year. In coming year company is confident to implement its dream project.

Regulatory risk

As a non-deposit taking NBFC, the Company is subject to regulations by Indian governmental authorities, including the Reserve Bank of India. Also, as the Company operates in various lines of businesses, it is governed by different Indian regulators across these businesses. Their laws and regulations impose numerous requirements on the Company, including asset classifications and prescribed levels of capital adequacy, solvency requirements and liquid assets. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect the Company's performance.

Economic risk

Any slowdown in economic growth in India could cause the business of the Company to suffer. Recently, the growth in industrial production has been variable. Any slowdown in the Indian economy, and in particular in the demand for housing and infrastructure, could adversely affect the Company's business. Similarly, any sustained volatility in global commodity prices, including a significant increase in the prices of oil and petroleum products, could once again spark off a new inflationary cycle, thereby curtailing the purchasing power of the consumers. VFSL manages these risks by maintaining a conservative financial profile and following prudent business and risk management practices.

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

Opportunities

- Low retail penetration of financial services / products in India
- Tremendous brand strength and extensive distribution reach
- Opening of the financial sector in India in near future
- Opportunity to cross sell services
- Increasing per-capita GDP
- Changing demographic profile of the country in favour of the young

Threats

- Inflationary pressures and slowdown in policy making
- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Attraction and retention of human capital

Outlook

Globally, 2012-13 was another difficult year, impacted by the ongoing Euro debt crisis and slow global growth. However, global growth is expected to improve by the second half of 2013-14. Domestically, the investor sentiment improved significantly by second half of last fiscal as the Government undertook several initiatives to alleviate concerns regarding the policy and tax environment in India as well as continuing on the path of fiscal consolidation. With central banks in advanced economies remaining in easing mode, inflows of foreign capital increased. But improvement in domestic growth will be slow and gradual with some pick-up in second half of the year, assuming normal monsoon. Growth momentum can be increased by improving governance, easing the supply bottlenecks, and stepping up public investment, alongside continuing commitment to fiscal consolidation.

The financial sector achieved mixed success in 2012-13. New business premiums for the life insurance sector remained flat. Lending margins improved marginally as benefits from the lowering of interest rates by the RBI were partially offset by flat yields, while growth in profitability was limited by low credit offtake amid slow industrial recovery. Mutual Fund industry AUMs rose in the later part of the year, driven by favourable regulations, improved capital market sentiment and rise in the retail debt penetration. Broking revenues continued to be weak due to low retail interest. Investors expect a continuance of the growth-oriented regulatory changes, initiated in the second half of 2012-13, for 2013-14 to fare significantly better than the previous one.

CAUTIONARY STATEMENT:

The Statements in this Management's Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual Result might differ materially from those expressed or implied.

The Company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

CERTIFICATES

**TO,
THE MEMBERS,
VISAGAR FINANCIAL SERVICES 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 31st March, 2013.

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: 14.08.2013

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

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 REQUIREMENTS

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 dovetailed for enhancing corporate performance and maximizing shareholder value in the long term.

B. BOARD OF DIRECTORS

COMPOSITION AND CATEGORY

1. Promoter, Executive Directors.
2. Independent, Non-Executive Directors.
3. Executive Director

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2013, the total strength of the Board is 4 Directors with an Promoter Executive Director. The Board comprises of 2 Independent Directors (50%), 2 Executive Directors (50.00%).

The Company has benefited from the professional expertise of the Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges

The 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	Number of other Directorships (i)
1	Tilokchand M Kothari	Promoter, Executive Director	Five
2	Pramod Goenka	Executive Director	Nil
3	Arvind G Desai	Independent, Non-Executive	One
4	Suranjan Upadhyay	Independent, Non-Executive	Nil

- (i) Excludes Directorship in Indian Private Limited Companies, membership of Managing Committees of various bodies.

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

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

During the financial year ended 31st March, 2013 Eight Board Meeting were held on 05/04/2012, 29/05/2012, 13/07/2012, 14/08/2012, 11/10/2012, 15/11/2012, 06/12/2012, and 13/02/2013. 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 Board Meetings attended	Attendance at last AGM held on 30.09.2012
001	Tilokchand M Kothari	8	Present
002	Pramod N Goenka	8	Present
003	Arvind G Desai	8	Present
004	Suranjan Upadhyay	6	Present

C. AUDIT COMMITTEE

BOARD 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.

COMPOSITION

The Audit Committee of the Company comprises three Directors, of which, one is Non-Executive Director and rest are Independent, Non-executive Directors. All these Directors possess knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is a Non-Executive, Independent 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 constitution of the Audit Committee is as follows :

1. Mr. Arvind Desai : Chairman.
2. Mr. Suranjan Upadhyay : Member.
3. Mr. Pramod Goenka : Member.

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

MEETINGS AND ATTENDANCE

During the financial year ended 31st March, 2013, Four Audit Committee Meetings were held on 29/05/2012, 14/08/2012, 15/11/2012 and 31/02/2013.

The attendance at the Audit Committee Meetings is as under :

Sr. No	Name of the Directors	No. of Meeting attended
001	Mr. Arvind Desai	4
002	Mr. Suranjan Updhyay	3
003	Mr. Pramod Goenka	4

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 composition of the Remuneration Committee is as follows:

1. Shri Pramod Goenka : Chairman.
2. Shri Arvind Desai : Member.
3. Shri SuranjanUpadhyay : Member.

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

E. SHAREHOLDERS' COMMITTEE

The Board has constituted a Committee of Directors consisting of three members, chaired by a Executive Director. The Committee meets twice a month to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and reviews the status of investors' grievances and redressal mechanism and recommend measure to improve the level of investor services. Details of shares, transfers/transmissions approved by the Committee are placed at the Board Meetings from time to time.

COMPOSITION

The constitution of the Committee of Directors is as under :

1. Mr. Suranjan Upadhyay : Chairman.
2. Mr. Arvind Desai : Member.
3. Mr. Pramod Goenka : Member.

COMPLIANCE OFFICER

Shri Arvind Desai is the compliance officer in terms of the listing agreement executed by the Company with the Stock Exchange.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

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
1.	Received from Share Holders	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.
2.	Received from SEBI/Stock Exchange	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 were no outstanding complaints, pending share transfers or pending requests for dematerializations as on 31st March, 2013.

F. 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
2009-2010	30/09/2010	Regd. Office	11.00 a.m.
2010-2011	28/09/2011	1008/1009, Gold Crest Business Centre, L T Road, Borivali (West), Mumbai – 400 092.	10.00 a.m.
2011-2012	28/09/2012	1008/1009, Gold Crest Business Centre, L T Road, Borivali (West), Mumbai – 400 092.	10.00 a.m.

(b) Resolution passed through Postal Ballot during the year

The Postal Ballot Notice dated October 11, 2012, issued pursuant to Section 192A(2) of the Companies Act, 1956, for passing a Special Resolution by postal ballot, was dispatched to the Members of the Company on October 15, 2012.

The Board of Directors at its meeting held on October 11, 2012 has approved the appointment of Ms. Chandanbala Jain of M/s Chandanbala Jain & Associates, Practicing Company Secretaries, as Scrutinizer to receive and scrutinize the completed ballot forms received from the Members and for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Forms and the self-addressed business reply envelopes were also sent for use of Members. The shareholders were requested to return the postal ballot forms duly completed along with the assent (for) or dissent (against), so as to reach the scrutinizer before the close of working hours on or before November 15, 2012.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

After due scrutiny of all the postal ballot forms received by Ms. Chandanbala Jain up to the close of working hours of November 16, 2012 (being last date fixed for return of the Postal Ballot forms duly filled in by the Members), Ms. Chandanbala Jain submitted her report dated November 17, 2012 as under:

Details of voting pattern were as under :

Increase in Authorised Share Capital & consequent Alteration of Memorandum of Association of the Company

	Particulars	No. of Postal Ballot forms	No. of Shares	% to total paid up capital	% to total Votes Polled
A	Total Postal Ballot Forms Received	60	9439543	58.07	100
B	Postal Ballot Votes Invalid for Resolution	0	0	0	0
C	Net valid Postal Ballot Forms (A-B)	60	9439543	58.07	100
D	Postal Ballot Forms Assenting to Resolution	57	9431443	58.02	99.91
E	Postal Ballot Forms Dissenting to Resolution	3	8100	0.05	0.09

Alteration of Articles of Association of the Company

	Particulars	No. of Postal Ballot forms	No. of Shares	% to total paid up capital	% to total Votes Polled
A	Total Postal Ballot Forms Received	60	9439543	58.07	100
B	Postal Ballot Votes Invalid for Resolution	0	0	0	0
C	Net valid Postal Ballot Forms (A-B)	60	9439543	58.07	100
D	Postal Ballot Forms Assenting to Resolution	57	9431443	58.02	99.91
E	Postal Ballot Forms Dissenting to Resolution	3	8100	0.05	0.09

Issue of Bonus Shares

	Particulars	No. of Postal Ballot forms	No. of Shares	% to total paid up capital	% to total Votes Polled
A	Total Postal Ballot Forms Received	60	9439543	58.07	100
B	Postal Ballot Votes Invalid for Resolution	0	0	0	0
C	Net valid Postal Ballot Forms (A-B)	60	9439543	58.07	100
D	Postal Ballot Forms Assenting to Resolution	57	9431443	58.02	99.91
E	Postal Ballot Forms Dissenting to Resolution	3	8100	0.05	0.09

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

Commencement of New Business

	Particulars	No. of Postal Ballot forms	No. of Shares	% to total paid up capital	% to total Votes Polled
A	Total Postal Ballot Forms Received	60	9439543	58.07	100
B	Postal Ballot Votes Invalid for Resolution	0	0	0	0
C	Net valid Postal Ballot Forms (A-B)	60	9439543	58.07	100
D	Postal Ballot Forms Assenting to Resolution	57	9431443	58.02	99.91
E	Postal Ballot Forms Dissenting to Resolution	3	8100	0.05	0.09

G. Certification

The company is not having Managing Director and the Chief Financial Officer, the Director, Arvind Desai have certified on behalf of the Board of Directors of the Company that :

- A. He 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. He accept responsibility for establishing and maintaining internal controls for Financial Reporting and that they have evaluated the effectiveness of the internal controls 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. He have indicated to 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 as 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.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

- 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 Exchange 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 Hindi.
2. Management discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

J. GENERAL SHAREHOLDERS INFORMATION :

*	Annual General Meeting	
	Date	30TH SEPTEMBER, 2013
	Time	10.30 A.M.
	Venue	1008/1009, Gold Crest Business Centre, L T Road, Borivali (West), Mumbai – 400 092.
*	Financial Calendar	
	Financial reporting for the quarter ending June, 2013	SECOND WEEK OF AUGUST 2013
	Financial reporting for the quarter ending September, 2013	SECOND WEEK OF NOVEMBER 2013
	Financial reporting for the quarter ending December, 2013	SECOND WEEK OF FEBRUARY 2013
	Financial reporting for the quarter ending March, 2014	FOURTH WEEK OF MAY 2014
*	Date of Book Closure	26 TH SEPTEMBER, 2013 TO 30 TH SEPTEMBER, 2013 (BOTH DAYS INCLUSIVE)
*	Dividend Payment date	NOT APPLICABLE
*	Registered office	907-908, Dev Plaza, 9 th Floor, S. V. Road, Andheri – West, Mumbai – 400 059.
*	Listing on Stock Exchange	The Bombay Stock Exchange Limited The Ahmedabad Stock Exchange
*	Stock Code	
	The Stock Exchange, Mumbai	531025

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

Date	Open	High	Low	Close
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
April 2012	129.85	151.90	110.75	134.60
May 2012	138.90	160.00	57.40	57.40
June 2012	55.05	55.90	38.85	51.20
July 2012	53.30	57.00	43.65	44.30
August 2012	44.25	52.15	41.20	45.55
September 2012	42.50	67.00	32.15	36.15
October 2012	36.90	39.70	19.45	19.45
November 2012	18.50	19.70	14.10	15.60
December 2012	15.45	15.45	4.05	4.45
January 2013	4.67	5.39	3.75	3.79
February 2013	3.95	4.01	3.03	3.04
March 2013	3.03	3.15	2.28	2.54

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

Registrar and Share Transfer Agent

Adroit Corporate Services Pvt Ltd.

Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Andheri (West), Mumbai – 400 059.
Tel Nos – 2859 6060.
Fax : 2850 3748.

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 31st March, 2013.

No. of Equity Shares held	No of Holders	% of Holders	No. of Shares	% of Shares
Upto 5000	2279	73.87	1582107	4.87
5001-10000	455	14.75	2004248	6.17
10001-20000	157	5.09	1189542	3.66
20001-30000	41	1.33	525329	1.62
30001-40000	29	0.94	552187	1.70
40001-50000	15	0.49	353990	1.09
50001-100000	33	1.07	1184083	3.64
100001 and above	76	2.46	25117514	77.26
Total	3085	100.00	32509000	100.00

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

Categories of Shareholding as on March 31, 2013.

Sr. No	Category	No. of Shares held	Percentage Of Shareholding
A	Promoter's Holding		
1.	Promoters		
	Indian Promoters	1986000	6.11
	Foreign Promoters	NIL	NIL
2	Persons acting in concert		
	Sub-Total	1986000	6.11
B	Non-Promoters Holding		
3	Institutional Investors	NIL	NIL
a.	Mutual Funds and UTI	NIL	NIL
b.	Banking, Financial Institutions/Insurance Companies	NIL	NIL
c.	FIs	NIL	NIL
	Sub-Total	NIL	NIL
4	Others		
a.	Private Corporate Bodies	19319356	59.43
b.	Indian Public	11042268	33.97
c.	NRIs/OCBs	46878	0.14
d.	Any other (Please Specify)	114498	0.35
	Sub-total	30523000	93.89
	Grand Total	32509000	100.00

Particulars of Shares held in physical / Electronic form as on 31st March, 2013.

Category	No. of shares	% of shares
PAPER MODE	3985770	12.26
NSDL	12775346	39.30
CDSL	15747884	48.44
TOTAL	32509000	100.00

Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company has not issued any GDR/ADR/Warrants etc.

K. MANAGEMENT DISCUSSION AND ANALYSIS

A 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 REQUIRMENTS

CHAIRMAN OF THE BOARD:

The Company has a Non-Executive Chairman and reimburses expenses incurred by him in performance of his duty.

REMUNERATION COMMITTEE:

The Company has not constituted remuneration committee.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

SHAREHOLDER RIGHTS:

As the Company's half yearly results are published in English newspapers having circulation all over India and in Marathi newspapers widely circulated in Mumbai, the same are not sent to each household of shareholders.

POSTAL BALLOT:

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

For and on behalf of the Board of Directors

Sd/-

(Arvind Desai)

Director

Place: - Mumbai

Dated: - 14.08.2013

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

AUDITORS' REPORT

To,
THE MEMBERS,
VISAGAR FINANCIAL SERVICES LIMITED

We have audited the attached Balance Sheet of **VISAGAR FINANCIAL SERVICES LIMITED** as at 31st March, 2013 and Profit & Loss A/c 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standard require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor Report) order, 2003 (amended) by the central Gov. of India in terms of Section 227(4A) of the Companies Act, 1956. We give in the annexure hereto a statement on the matters specified in the said order.

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 and the Profit & Loss Account dealt with by this report are in agreement with the books of accounts and comply with the accounting standards referred to in sub-section [3C] of Section 211 of the Companies Act. 1956.
4. 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.
5. 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 31st March, 2013.
 - b. In the case of Profit & Loss Account of the Profit of the Company for year ended that date.
 - c. In the case of Cash Flow statement, of the cash flow for the year ended on that date.

For M/S Sudhir M Desai & Co.
Chartered Accountants
Sd/-
Sudhir M. Desai
Proprietor
M.No: 41999

Place : Mumbai
Date : 30.05.2013

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ANNEXURE TO THE AUDITORS REPORT

(Statement referred to in paragraph 1 of our Report of even date on the Accounts of VISAGAR FINANCIAL SERVICES LIMITED for the year ended 31st March, 2013.)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets, which is in the process of updation. The fixed assets of the Company have been physically verified by the management 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 Fixed Assets during the year.
- 2)
 - a) The inventories have been physically verified by the management at reasonable intervals during the years and at the close of the year.
 - b) As explained to us, the procedure followed by Management for physical verification of the above referred stocks are in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) According to the records produced to us for our verification, there were no material discrepancies noticed on physical verification of the inventory as compared to book records and the same have been properly dealt with in the books of account.
- 3) The Company has not taken any loan secured or unsecured from Companies, Firms and 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. In view of this sub clause (b), (c) and (d) of the clause (iii) of the Companies (Auditors' Report) Order, 2003 are not applicable.
- 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.
- 5) In our opinion and according to the information and explanations given to us The Company has not done any transaction that needs to be entered in the register maintained under Section 301 of the Act.
- 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 , 58AA and other relevant provision 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)
 - a) 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, Service Tax, Custom Duty, Excise Duty, and other Statutory dues applicable to it as at 31st March, 2013 for a period of more than six months from the date they became payable except Service Tax payment is pending of Rs. 197338.00.
- 10) The company has not taken any loans from Bank or Financial Institution.
- 11) The Company has not made any loans and advances granted on the basis of security by way of pledge of shares and other securities.
- 12) 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.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

- 13) The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are held in the name of the Company.
- 14) The Company has not given any guarantee for loan taken by others from bank or financial institutions.
- 15) The company has not taken any term loan, during the financial year.
- 16) The Company has not raised any fund, long term or short term during the year.
- 17) The Company has issued and allotted 16,254,500 Bonus Shares of Rs. 2/- (Rupee Two Only) each, credited as fully Paid-up Equity Shares to the holders of the Equity Shares of the Company, in the proportion of 1 (one) Bonus Share of Rs. 2/- (Rupee Two Only) each for every 1 (One) fully paid-up Equity Share of Rs. 2/- (Rupee Two Only) each held by the shareholders.
- 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 : 30.05.2013

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

BALANCE SHEET AS AT 31ST MARCH, 2013.

PARTICULARS	NOTE NO.	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
I EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
(a) Share Capital	1	65,018,000	32,509,000
(b) Reserve & Surplus	2	64,760,882	95,119,003
2. NON-CURRENT LIABILITIES			
(a) Long-term provisions	3	1,072,338	835,164
(b) Deffered Tax Liability		4,417	
3. CURRENT LIABILITIES			
(a) Short-term borrowings	4	12,990,440	43,761,440
(b) Trade Payables	5	340,247	340,247
(c) Other current liabilities	6	236,025	13,000
TOTAL		144,422,349	173,577,854
II ASSETS			
1. NON-CURRENT ASSETS			
(a) Fixed Asset	7		
(i) Tangible assets		119,541	171,441
(ii) Intangible assets			
(b) Non-current investments	8	82,496,127	119,056,910
(c) Long-term loans and advances	9	61,650,478	52,339,126
(d) Deferred Tax Asset (Net)	10	-	1,989
2. CURRENT ASSETS			
(a) Inventories	11	-	-
(b) Trade receivables	12	-	917,106
(c) Cash and cash equivalents	13	68,003	992,057
(d) Other current assets	14	88,200	99,225
TOTAL		144,422,349	173,577,854

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 : 28.05.2013

For **Visagar Financial Services Limited**

Sd/-

(Tilok Kothari)

Director

Sd/-

(Arvind Desai)

Director

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2013 (RS.)	YEAR ENDED 31.03.2012 (RS.)
<u>INCOME</u>			
Revenue from operations	15	4,160,427	2,937,897
Other Income		-	-
Total Revenue		4,160,427	2,937,897
<u>EXPENDITURE</u>			
Cost of material consumed		-	-
Purchases of Stock in Trade		-	-
Change in inventories of finished goods	16	-	-
Employees benefit expenses	17	1,181,392	1,162,819
Depreciation & amortization		51,900	67,056
Other expenses	18	1,299,474	770,405
Total expenses		2,532,766	2,000,280
Profit / (Loss) before tax		1,627,661	937,617
Tax expenses		-	46,630
Current tax		500,000	280,000
Deferred Tax		4,782	3,951
Income Tax for Earlier years		(28,000)	-
Profit / (Loss) before exceptional item		1,150,879	607,036
Earning per equity shares			
(1) Basic		0.07	0.04

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 : 28.05.2013

For **Visagar Financial Services Limited**

Sd/-

(Tilok Kothari)

Director

Sd/-

(Arvind Desai)

Director

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2013.

PARTICULARS	31/03/2013	31/03/2012
A. Cash Flow from operating activities :		
Net Profit before Tax as per P & L A/c		
Adjusted for	1627661	937617
Misc Income	NIL	NIL
Interest Income	NIL	NIL
Depreciation	51900	67056
Proposed Dividend & Tax	NIL	NIL
Operating Profit Before Working Capital Changes	1679561	1004673
Add : Adjusted for		
Other Current Assets	11025	14976
Sundry Debtors	917106	2534781
Loans & Advances	-9311352	3725222
Current Liabilities	466605	-323679
Net Cash Inflow/Outflow Operations (A)	-6237055	-1499144
B. Cash Flow from Investing Activities :		
Fixed Assets	NIL	-146258
Investments	36560783	-63166445
Net Cash Flow from Investing Activities (B)	36560783	-63312703
C. Cash Flow from Financial Activities:		
Share Capital	NIL	NIL
Share Application Money	NIL	NIL
Deposits/Unsecured Loans	-30771000	43490000
Income Tax Paid	-476782	323318
Net Cash Flow from Financing Activities (C)	-31247782	43813318
Net Cash Increase in Cash & Cash Equivalents (A + B + C)	-924054	-19993856
Opening Balances of Cash & Cash Equivalents	992057	20985913
Closing Balances of Cash & Cash Equivalents	68003	992057
NET INFLOW	924054	-19993856

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 : 28.05.2013

For Visagar Financial Services Limited

Sd/-

(Tilok Kothari)

Director

Sd/-

(Arvind Desai)

Director

VISAGAR FINANCIAL SERVICES LIMITED

ANNUAL REPORT 2012 – 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE NO.	PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
1	SHARE CAPITAL		
	AUTHORISED		
	35,000,000 Equity Shares of Rs. 2/- Each (P.Y. 25,000,000 Equity Shares of Rs. 2/- Each)	70,000,000	50,000,000
	ISSUED, SUBSCRIBED & PAID UP		
	32,509,000 Equity Shares of Rs. 2/- Each (P.Y. 16,254,500 Equity Shares of Rs. 2/- Each)	65,018,000	32,509,000
		65,018,000	32,509,000
1.1	The reconciliation of the number of shares outstanding is set out below :	As at 31.03.2013	As at 31.03.2012
	Equity Shares at the beginning of the year	No of Shares 16,254,500	No of Shares 15,004,500
	Add: Shares issued during the year	16,254,500	1,250,000
	Equity Shares at the end of the year	32,509,000	16,254,500
1.2	Terms / rights attached to equity shares		
	The company has only one class of equity shares having a par value of Rs. 2/- per share.		
1.3	Details of shareholders holding more than 5% shares in the company		
	Name of shareholder	As at 31 st March 2013	As at 31 st March 2012
		No of shares held % of Holding	No of shares held % of Holding
	Pawanshiv Tradelink Pvt.Ltd	2,951,604 9.08%	- -
	Global Films & Broadcasting Limited	- -	1,405,346 5.13%
	VHM Impex Pvt Ltd		1,146,065 7.05%
	Progressive Share Brokers Pvt Ltd		1,079,263 6.64%
	BMA Welth Creators Pvt Ltd		838,124 5.16%

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
2 RESERVE & SURPLUS		
Capital Reserve		
As per last Balance Sheet	-	-
(a)	<hr/>	
Security Premium Account		
As per last Balance Sheet	59,991,000	92,500,000
(b)	59,991,000	92,500,000
<hr/>		
General Reserve		
As per last Balance Sheet	24,791	24,791
(c)	24,791	24,791
<hr/>		
Statement of Profit & Loss		
As per last Balance Sheet	3,594,212	2,987,176
Add : profit / (Loss) for the year	1,150,879	607,036
(d)	4,745,091	3,594,212
(a+b+c+d)	64,760,882	96,119,003

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
3 LONG TERM PROVISIONS		
Provision for Tax	977,338	740,164
Provision for sub-assets	95,000	95,000
	1,072,338	835,164

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
4 SHORT TERM BORROWINGS		
Secured		
Working Capital facilities from Bank	-	-
Total	-	-
<hr/>		
Unsecured		
Inter Corporate Loan (refer note 4.1)	12,990,440	43,761,440
Total	12,990,440	43,761,440
<hr/>		
4.1 – Loans are repayable on demand.		

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
5 TRADE PAYABLES		
Due to Micro small & medium Enterprises	340,247	340,247
Due to others	-	-
	340,247	340,247

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
6 OTHER CURRENT LIABILITIES		
Employees Benefits payable	-	-
Provision for sub-assets	236,025	13,000
	236,025	13,000

7 FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS AT 01.04.2012	ADD/DED DURING	AS AT 31.03.2013	UPTO 01.04.2012	PROVIDED DURING	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
Tangible Assets								
Computer	307334	-	307334	205686	40660	246346	60987	101647
Electrical Installation	35888	-	35888	2640	4625	7265	28623	33248
Furniture & Fixture	41320	-	41320	4774	6615	11389	29931	36546
Intangible Assets								
TOTAL RS.	384542	-	384542	213100	51900	265000	119541	171441

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
8 NON CURRENT INVESTMENTS		
Unquoted	14,000,000	13,720,000
Quoted	65,296,127	41,636,910
Share Application Money	32,00,000	63,700,000
	82,496,127	119,056,910

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
9 LONG-TERM LOANS AND ADVANCES (Unsecured and Considered good)		
Loans (Inclusive interest accrues thereon)	60,667,031	50,378,275
Deposit	-	1,500,000
Advance Payment of Tax (Net of provision)	983,447	460,851
	61,650,478	52,339,126

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
10 DEFERRED TAX ASSET / (LIABILITY) NET		
i. Deferred Tax liability on account of:		
Timing Difference on Depreciation	4,417	1,989
ii. Deferred Tax Asset on account of:		
Disallowances under Income Tax Act:	-	-
Unabsorbed Depreciation Allowance	-	-
Business Loss	-	-
	4,417	1,989

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
11 INVENTORIES		
Stock of Shares	-	-
	-	-

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
12 TRADE RECEIVABLES		
(Unsecured and Considered good)		
Outstanding for a period exceeding Six Months	-	-
Others	-	917,106
	-	917,106

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
13 CASH AND BANK BALANCES		
Cash in Hand	43,123	108,231
Balance with bank in current account	24,880	883,826
	68,003	992,057

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
14 OTHER CURRENT ASSETS		
Pre operative expenses	88,200	99,225
	88,200	99,225

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
15 REVENUE FROM OPERATIONS		
Operating Income	-	-
Other Operating Income		
Commission received	-	-
Consultancy Service	1,596,584	600,000
Dividend Received	503,877	12,154
Interest Received	3,602,103	3,330,284
Profit / (Loss) on sale of Shares	(1,775,637)	(1,035,102)
Short term capital gain	-	5,855
Student fees	228,500	24,706
Misc Receipts	5,000	-
	4,160,427	29,37,897

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
16 CHANGE IN INVENTORIES		
Balance as of commencement of the Year :		
Stock of investments	-	-
Less:		
Balance as of end of the Year :		
Stock of Investments	-	-
	-	-

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
17 EMPLOYEE BEBENEFIT EXPENSES		
Salaries	1,133,658	1,104,849
Staff Welfare Expenses	47,734	57,970
	1,181,392	1,162,819

PARTICULARS	AS AT 31.03.2013 (RS.)	AS AT 31.03.2012 (RS.)
18 OTHER EXPENSES		
Advertisement Expenses	25,617	10,236
Commission & Brokerage	23,413	600
Conveyance Expenses	50,560	48,568
General Expenses	1,014,023	522,575
Legal & Professional Charges	55,981	65,267
Printing & Stationary	111,880	105,159
Remuneration to Auditors		
Audit Fees	18,000	18,000
	1,299,474	770,405

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE – 19

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 Capitalised 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.

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

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 19 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 : 30.05.2013

For **Visagar Financial Services Limited**

Sd/-
(Tilok Kothari)
Director

Sd/-
(Arvind Desai)
Director

VISAGAR FINANCIAL SERVICES LIMITED**ANNUAL REPORT 2012 – 2013****ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

Annexure A (refre Note : 8)

NON CURRENT INVESTMENTS**QUOTED**

<u>Sr.No.</u>	<u>Script</u>	<u>31.03.2013</u>	<u>31.03.2013</u>	<u>31.03.2012</u>	<u>31.03.2012</u>
		<u>No.of Share</u>	<u>Amount</u>	<u>No.of Share</u>	<u>Amount</u>
1	Birla Precision Technologies Ltd.	191935	2339129	191935	2339129
2	Brijlaxmi Leasing & Finance Ltd.	300	75	300	75
3	Chattisgarh Industries Ltd.	90181	705045	90181	705045
4	Everlon Synthetics Ltd.	22244	51079	5019	67974
5	Film City Media Limited	110000	3750000	0	0
6	Finaventures Capital Limited.	870	53826	870	53826
7	Inventure Growth	5000	67616	0	0
8	Maharashtra corporation Ltd.	18443	227771	18443	227771
9	Steel Authority of India	50	14925	50	14925
10	Melstar Information Technologies Ltd.	11647	95505	11657	95505
11	Monnet Ispat & Energy Ltd.	17	8603	17	8603
12	Nouvue Global Ventures Ltd.	30000	6307748	300000	6307748
13	Rashel Agrotech Ltd.	129769	163508	129769	163508
14	Santowin Corporation Limited.	907668	25873054	107668	3185918
15	Satra Properties (India) Limited.	63330	628689	113330	1295188
16	Shalimar Productions Limited	1000113	2460277	100011	2460277
17	Speciality Paper Ltd.	11500	96600	11500	96600
18	Terasoftware Ltd.	150000	12000000	150000	12000000
19	Truimp India international Finance Ltd.	5000	42150	5000	42150
20	Vantage Corporate Limited.	43877	420699	43877	420699
21	Visagar Polytex Ltd.	26320	1082389	24320	682389
22	Zenith Birla Ltd.	248844	2244572	248844	2244572
23	Bse Limited	32500	6662500	45000	9225000
	Total		65296127		41636910

UNQUOTED / SHARE APPLICATION MONEY

<u>Sr.No.</u>	<u>Script</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
		<u>Amount</u>	<u>Amount</u>
1	Visagar Media Limited.	-	57700000
2	Sai Entech Pvt.Ltd.	3000000	3000000
3	Unitech Fibres Pvt.Ltd.	3000000	3000000
4	Anupam Stationery Limited.	-	2720000
5	Sagar Portfolio Services Limited.	2500000	2500000
6	Visagar Textiles Pvt.Ltd.	8500000	8500000
7	Visagar Gharat Education Pvt.Ltd.	200000	-
	Total	17200000	77420000

VISAGAR FINANCIAL SERVICES LIMITED
ANNUAL REPORT 2012 – 2013

Visagar Financial Services Limited

Regd. Office: 907/908, Dev Plaza, 9th Floor, Opp. Andheri Fire Station, S.V Road, Andheri (W), Mumbai -400 058.

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholder may obtain additional slip on request.

D.P. Id*	Folio No.
Client Id*	No. of Share/(s) held
NAME OF THE SHAREHOLDER:	NAME OF THE PROXY:

I hereby record my presence at 20th ANNUAL GENERAL MEETING of the Company held at 1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092 on 30th September, 2013 at 10.30 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

Visagar Financial Services Limited

Regd. Office: 907/908, Dev Plaza, 9th Floor, Opp. Andheri Fire Station, S.V Road, Andheri (W), Mumbai -400 058.

PROXY FORM

D.P. Id*	Folio No.
Client Id*	No. of Share/(s) held

I/We of in the district of being a Member/Members of the above-named company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the 20th ANNUAL GENERAL MEETING of the Company held at 1008/1009, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai – 400092 on 30th September, 2013 at 10.30 a.m.

Signed this day of. ... 2013

Affix 15 Paise
 or more
 Revenue
 Stamp

*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Book – Post
(Under Postal Certificate)

To, _____

If Undelivered please return to :
VISAGAR FINANCIAL SERVICES LIMITED
907/908 , Dev Plaza, 9th Floor,
Opp. Andheri Fire Station,
Andheri (West), Mumbai – 400 059.