

# VISAGAR FINANCIAL SERVICES LIMITED

19TH

ANNUAL REPORT

2011 – 2012

**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, 9<sup>th</sup> Floor, Opp. Andheri Fire Station,  
S. V. Road, Andheri (W), Mumbai – 400 058.

**REGISTRAR:**

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

**ISIN NO. :**

**INE309H01012**

**VISAGAR FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT 2011 – 2012**

**NOTICE**

**NOTICE** is hereby given that the 19<sup>th</sup> 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 Friday the 28<sup>th</sup> September, 2012 at 10.00 a.m. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 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. Pramod N Goenka 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.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Suranjan Upadhyay, who was appointed as an Additional Director of the Company by the Board of Director, who holds office under Section 260 of the Companies Act, 1956, until the date of the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of a Director, who has given his consent to act as director and declaration in form DD-A, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

Place : Mumbai  
Date : 14.08.2012

**VISAGAR FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT 2011 – 2012**

---

**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 Explanatory Statements Pursuant to Section 173 (2) of the Companies Act 1956, relating to the special business is annexed herewith.
- 3 The register of members and the share transfer books of the Company will remain closed from 26.09.2012 to 28.09.2012 (both days inclusive).
- 4 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.
- 5 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.
- 6 Members/Proxies are requested to produce the Attendance Slip at the entrance of the Hall.
- 7 Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
- 8 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 2011-12 is displayed on the website of the Company i.e. [www.vfsl.org](http://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.
- 9 At the ensuing Annual General Meeting Shri Pramod N Goenka retires by rotation and being proposed for re-appointment as Director and 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:

**VISAGAR FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT 2011 – 2012**

Name	Age	Educational Qualification	Experience	No. of shares held
Shri Pramod N Goenka	54	Graduate	25 years experience in the field of finance.	51,500
Shri SuranjanUpadhyay	46	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 : 14.08.2012

**VISAGAR FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT 2011 – 2012**

---

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACTS, 1956**

ITEM NO. 4.

The Board of Director of the company, at its meeting held on 13th July 2012, appointed shri Suranjan Upadhyay as an additional director with effect from July 13<sup>th</sup> 2012, pursuant of section 260 of the company act, 1956 and Article No. 68 of the Articles of Association of the Company. The Company has received notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of shri Suranjan Upadhyay for the office of Directorship under the provisions of Section 257 of the Companies Act, 1956.

Except shri Suranjan Upadhyay, None of the Directors are concerned or interested in this resolution.

**VISAGAR FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT 2011 – 2012**

**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, 2012	31st March, 2011
Total Revenue	29.38	228.65
Less: Total Expenses	20.00	201.81
Profit/ (loss) before tax	9.38	26.84
Deferred Tax Liability/(Assets)	0.04	(0.06)
Less: Income Tax / Provision	3.27	6.99
Profit/ (loss) after Tax	6.07	19.91
Brought forward loss from previous year	29.87	9.96
Surplus/(deficit) carried to Balance sheet	35.94	29.87

**OPERATIONS**

During the year under review your company has earned a gross income of Rs.29.38 Lacs for the financial year 2011-12, as compared to Rs.228.65 Lacs in the previous year, recoding a decrease of Rs. 199.27 Lacs. Also, due decreased in total expenses company has managed profit before tax of Rs. 9.38 Lacs and the Company has managed profit after tax for the current year if Rs. 6.07 Lacs. 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 Pramod N Goenka will retire by rotation and, being eligible offered himself for re-appointment, which is proposed in the Notice of the ensuring Annual General Meeting.

Shri Suranjan Upadhyay, who is appointed as an Additional Director and whose term of office expires at this Annual General Meeting are proposed to be appointed as Director of the Company.

During the year Shri Jasraj H Rathi and Shri Dhananjay N Pathak were resigned from the post of Director of the company.

**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 2011 – 2012**

#### **DEMATERIALISATION 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 31.3.2012 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 transaction involving any foreign exchange earning & 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 2011 – 2012**

---

**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: - 14.08.2012

# **VISAGAR FINANCIAL SERVICES LIMITED**

## **ANNUAL REPORT 2011 – 2012**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **VISAGAR FINANCIAL IN 2011-2012 – 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.

On a Standalone Basis, the revenue from the investing activity stood at 29.38 Lacs as compared to 228.65 Lacs in the previous year. The profit before Tax is 9.38 Lacs as against 26.84 Lacs in the previous year.

The FY 2011-2012 was an extremely difficult and uncertain year for Companies operating in the financial space. Both the global macroeconomic conditions as well as domestic market conditions converged simultaneously to create strong headwinds. There was perceptible impact on margins and profitability for most companies in the financial space.

The year saw mixed trends in the credit environment, Some sectors underwent stress while others continued to show growth. Your Company focused mainly on the growth sectors. The year saw a stable trend in credit demand from the corporate and mid market business segments for working capital and term facilities.

##### **ECONOMIC & INDUSTRY OVERVIEW:**

The global economic environment in FY 2011-12 was challenging. Prolonged uncertainty around the resolution of the euro zone sovereign debt crisis, rating downgrades of sovereigns and slow recovery of the US economy increased risks to global growth. The macro-economic environment in India is also impacted by global cues and the economy is passing through a slowdown and moderation in economic activity during Fiscal 2012. India was also caught between conflicting challenges of managing economic growth v/s inflation throughout the year.

India achieved GDP of around 6.5% in FY 2011-12, compared to a healthy 8.4% in FY in 2010-11. Apart from global macro factor the slowdown in the economy can be attributed due to decline in investments, high rate of inflation, tight monetary policy, decline in business confidence, slippage in fiscal and current account deficit, During this period, the industrial sector grew by 3.3% compared to 7.0% in the corresponding period of the previous year. The services sector grew by 8.8%, similar to the growth in the previous year, while the agriculture sector grew by 3.2% compared to 6.8%. The index of industrial Productions (IIP) recorded a growth of 2.8% year-on-year(y-o-y) during the Fiscal Year 2012 compared to 8.1% increase in the corresponding period of Fiscal Year 2011. During this period, production in the mining sector declined by 2.1%, while the manufacturing sector recorded a growth of 3.7% and electricity sector of 8.7%, as compared to growth of 5.8%,8.7% and 5.3% respectively in the Fiscal 2011. Wholesale Price Index (WPI) remained above 9.0% levels between April – November 2011 but moderated from thereon to end the year at 6.9% in march 2012. Average inflation for Fiscal 2012 was 8.8% as compared to 9.5% in Fiscal 2011. The decrease was largely driven by falling inflation in food articles, which declined from 15.8% in Fiscal 2011 to 7.4% in Fiscal 2012. Manufactured product inflation initially went up to above 8.0% levels till November 2011, but moderated to 4.9% by March 2012.

Due to the current scenario, the global investors are skeptical on the Indian growth story and are cautious on making new investments.

Fiscal 2013 for India would be challenging and the Government would need to take some strong steps to boost the investor's and business confidence for reviving the economy.