

23rd
ANNUAL REPORT
2009-2010



VIJAY GROWTH FINANCIAL SERVICES LIMITED

**BOARD OF DIRECTORS:**

Mr. D S SANDEEP	:	Promoter and Non-Executive Director
Mr. SANTOSH KUMAR SAHU	:	Whole-Time Director
Mr. S H V RATNAM	:	Independent Director
Mr. A VENKATARAMANA	:	Independent Director

AUDIT COMMITTEE:

Mr. A VENKATARAMANA	:	Chairman
Mr. S H V RATNAM	:	Member
Mr. SANTOSH KUMAR SAHU	:	Member

INVESTOR GRIEVANCE COMMITTEE:

Mr. SANTOSH KUMAR SAHU	:	Chairman
Mr. A VENKATARAMANA	:	Member
Mr. S H V RATNAM	:	Member

REGISTERED OFFICE:

502, Maheswari Chambers,
Somajiguda, Hyderabad - 500082, AP
Phone: 040-23320728

AUDITORS:

M/s. P. S. NAGARAJU & Co.,
Chartered Accountants,
6-3-596/65, II Floor, Aadarsh Villa,
Naveen Nagar, Khairatabad,
Hyderabad - 500 004, A.P

BANKERS:

UCO Bank

LISTED AT:

Bombay Stock Exchange Limited
Ahmedabad Stock Exchange Limited
Madras Stock Exchange Limited
Calcutta Stock Exchange Limited

REGISTRARS & SHARE TRANSFER AGENT:

Sathguru Management Consultants PvtLtd
Plot No. 15, Hindi Nagar,
Panjagutta, Hyderabad – 500 034
Phone: 040- 23316426, 23316912
Fax: 040 2335 4042
Email: info@sathguru.com
Website: www.sathguru.com



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NOTICE

NOTICE is hereby given that the 23rd **Annual General Meeting** of the Members of **VIJAY GROWTH FINANCIAL SERVICES LIMITED** will be held on Thursday, the 30th day of September 2010 at 10.30 A.M at Skill Skylight Apts, Behind Sridhar Function Hall, Anand Nagar, Khairtabad, Hyderabad – 500 004, AP to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit & Loss Account for the financial year ended on that date together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S H V Ratnam, who retires by rotation and being eligible, offers himself for appointment.
3. To appoint Statutory Auditors and fix their remuneration.

**For and on behalf of the Board
For Vijay Growth Financial Services Ltd**

Hyderabad
August 11, 2010

**Sd/-
Santosh Kumar Sahu
Whole-time Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's registered office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from Wednesday, 29th September 2010 to Thursday, 30th September 2010 (both days inclusive).
3. Members are requested to quote their Folio No. in their correspondence to avoid delay in communication.
4. Members/Proxies are requested to bring their copies of Annual Report and the attendance slip duly filed in for attending the meeting. Copies of the Annual Reports will not be provided at the Meeting.

**ANNEXURE TO THE NOTICE****(In Pursuance of Clause 49 (IV) (G) (i) of the Listing Agreement)****Details of Directors seeking re-appointment at the forthcoming AGM:**

Particulars	Mr. S H V Ratnam
Date of Birth	November 07, 1980
Date of Appointment	November 29, 2003
Expertise in specific functional areas	7 years of experience in the areas of Information Technology, Enterprise Resource Planning, Accounting and Capital Markets.
Qualifications	BCA, MSC (IS)
No. of Shares held as on March 31, 2010	NIL
Directorships held in other companies (excluding private limited and foreign companies)	NIL
Positions held in mandatory committees in other companies	NIL



DIRECTORS' REPORT

To
The Members
Vijay Growth Financial Services Limited

Your Directors have the pleasure of presenting this 23rd Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the Financial Year ended 31st March 2010.

FINANCIAL PERFORMANCE:

During the year under review, your Company has recorded a gross total income of Rs.3,00,000/- and recorded a profit after tax of Rs.10,000/-.

DIVIDEND:

Your Directors do not recommend any dividend for the financial year due to accumulated losses.

DIRECTORS:

During the year Mr. S H V Ratnam retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. The Board recommends for his reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of Section 217(2AA) of the Companies Amendment Act, 2000 your directors confirm

- (i) That the directors in the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanations relating to material departures.
- (ii) That the directors had 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.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the annual accounts on the going concern basis.

FIXED DEPOSITS:

During the Financial year, company has not accepted any deposits falling with the preview of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

**AUDITORS:**

M/s. P.S. Nagaraju & Co., Chartered Accountants, Hyderabad the Statutory Auditors of the Company who retires at the conclusion of the ensuing Annual General Meeting and being eligible, expressed their willingness for re-appointment. The board recommends their re-appointment.

PARTICULARS OF EMPLOYEES:

No employee was in receipt of remuneration exceeding the limits as specified under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:

We firmly believe that technology is the genesis of innovative business practices, which in turn enable the organization to carry out business effectively and efficiently. We intend to make investments in innovative techniques for this regard.

Energy: The business in which the Company is operating does not require large quantities of energy. However, wherever possible energy saving efforts are made.

Foreign Exchange Earning & Outgo:

Foreign Exchange Earning : Nil
Foreign Exchange Outgo : Nil

CORPORATE GOVERNANCE:

A report on Corporate Governance, in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges is set out separately for the information of the shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis is set out separately for the information of the shareholders.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to record their appreciation for the continuous support and co-operation extended by the customers and bankers. The Directors also acknowledge the confidence reposed by the investors and shareholders in the Company.

Hyderabad
August 11, 2010

**For and on behalf of the Board
For Vijay Growth Financial Services Ltd**

**Sd/-
Santosh Kumar Sahu
Chairman**



MANAGEMENT DISCUSSION AND ANALYSIS

(Forming part of Directors' Report)

Industry Structure and Developments:

India's financial services sector will enjoy generally strong growth during coming years, driven by rising personal incomes, corporate restructuring, financial sector liberalization and the growth of a more consumer-oriented, credit-oriented culture. This should lead to increasing demand for financial products, including consumer loans (especially for cars and homes), as well as for insurance and pension products. India's financial services sector is expected to enjoy generally strong growth during coming years, driven by rising personal incomes, corporate restructuring, financial sector liberalization and the growth of a more consumer-oriented, credit-oriented culture. This is expected to lead to increasing demand for financial products, including consumer loans (especially for cars and homes), as well as for insurance and pension products.

The Indian financial services industry is in a process of rapid transformation. Reforms are continuing as part of the overall structural reforms aimed at improving the productivity and efficiency of the economy. The role of an integrated financial infrastructure is to stimulate and sustain economic growth.

Segment Wise Analysis of the Industry:

Financial services sector will enjoy generally strong growth during coming years, driven by rising personal incomes, corporate restructuring, financial sector liberalization and the growth of a more consumer-oriented, credit-oriented culture. This should lead to increasing demand for financial products, including consumer loans (especially for cars and homes), as well as for insurance and pension products. India's financial services sector is expected to enjoy generally strong growth during coming years, driven by rising personal incomes, corporate restructuring, financial sector liberalization and the growth of a more consumer-oriented, credit-oriented culture. This is expected to lead to increasing demand for financial products, including consumer loans (especially for cars and homes), as well as for insurance and pension products.

Opportunities:

Financial sector in India has experienced a better environment to grow with the presence of higher competition. The financial system in India is regulated by independent regulators in the field of banking, insurance, mortgage and capital market. Government of India plays a significant role in controlling the financial market in India.

Outlook:

With a population of more than a billion, a mere 1% of the population participates in capital markets, and of that only a fraction is active. Emerging markets like India have exhibited a strong growth momentum, driven by a robust demand, consumption and savings rate.

Financial institutions have combated the reduction in interest rates and pressure on their margins by constantly innovating and targeting attractive consumer segments. Banks and trade financiers have also played an important role in promoting foreign trade of the country.



Challenges, Risks and Concerns:

A huge challenge for financial institutions today is functioning and retaining their efficiency in such uncertain times. Business models are undergoing a structural change to accommodate the changing regulations and foster growth. There needs to be a well-defined framework which will withstand disruptions and lead the financial markets towards growth and progression.

Human Resources Development and Industrial Relations:

Vijay Growth Financial Services Ltd firmly believes that the Human Assets are more critical than physical and financial assets as they are the ones who manage and sustain the growth of physical and financial assets of the company. The Company is well on its way in establishing an integrated system of workforce, which endeavors to develop the capability of its employees that clearly aligns with the business objectives and performance.

Further, we also encourage individual and team awards to sustain and institutionalize the various workforce practices. This helped in giving lots of encouragement to the workforce who have been striving hard to achieve various goals.

Cautionary Statement:

Statement in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Certain observations made on the industry and other players also reflect on opinion by the management and the management accepts no liability on such opinions. Actual results might differ materially from those either expressed or implied.



REPORT ON CORPORATE GOVERNANCE

(Forming part of Directors' Report)

The Company committed to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent.

I. BOARD OF DIRECTORS:

Composition of Board:

As on March 31, 2010 Board consists of 4 Members of whom 2 are Independent Directors.

II. BOARD MEETINGS:

The Board of Directors met 6 times during the year on 30-04-2009, 31-07-2009, 17-08-2009, 31-10-2009, 31-01-2010 and 31-03-2010. The company has held at least one Board meeting in every three months. The maximum gap between any two meetings was less than four months, as stipulated under Clause 49

The details of directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

Name of the Director	Category	No. of meetings held during the Tenure	No. of meetings Attended	Whether Attended Last AGM	No. of other directors hips *
Mr. D S Sandeep	Non Executive Promoter Director	6	5	NO	01
Mr. Santosh Kumar Sahu	Whole Time Director	6	6	YES	-
Mr. S H V Ratnam	Independent Director	6	6	YES	-
Mr. A Venkata Ramana	Independent Director	6	6	YES	03

* excluding private, foreign and companies registered under Section 25 of the Companies Act, 1956.

The Board has adopted Code of Conduct for all its Directors and members of Senior Management. The same has been displayed on the Company's website.

All the Directors and members of Senior Management have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2010.