

**24<sup>th</sup>**  
**ANNUAL REPORT**  
**2010 - 2011**



**VIJAY GROWTH FINANCIAL SERVICES LIMITED**



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**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 VENKATA RAMANA	:	Independent Director

MR. VATTEM V SASTRY	:	Chief Financial Officer
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**AUDIT COMMITTEE:**

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

**INVESTOR GRIEVANCE COMMITTEE:**

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

**REGISTERED OFFICE:**

502, Maheswari Chambers,  
Somajiguda, Hyderabad-500082, AP  
Tel/Fax: 040-23320728  
Email: [info@vgfsl.com](mailto:info@vgfsl.com)  
Website: [www.vgfsl.com](http://www.vgfsl.com)

**AUDITORS:**

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 Pvt Ltd  
Plot No. 15, Hindi Nagar,  
Panjagutta, Hyderabad – 500 034  
Phone: 040- 23316426, 23316912  
Fax: 040 2335 4042  
Email: [info@sathguru.com](mailto:info@sathguru.com)  
Website: [www.sathguru.com](http://www.sathguru.com)



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## **NOTICE**

Notice is hereby given that the 24<sup>th</sup> **Annual General Meeting** of the Members of **VIJAY GROWTH FINANCIAL SERVICES LIMITED** will be held on Friday, the 30<sup>th</sup> day of September 2011 at 10.30 A.M at 6-3-650, 502, Maheswari Chambers, Somajiguda Main Road, Hyderabad – 500082, AP to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 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. A Venkata Ramana, 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, 2011

**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, 28th September 2011 to Friday, 30th September 2011 (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.
5. The Company has designated an exclusive e-mail ID called [info@vgfsl.com](mailto:info@vgfsl.com) for Redressal of shareholders' complaints/grievances

**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:**

<b>Particulars</b>	<b>Mr. A Venkata Ramana</b>
Date of Birth	February 16, 1979
Date of Appointment	November 29, 2003
Expertise in specific functional areas	8 years of experience in the areas of Information Technology , Accounting, Taxation and Capital Markets
Qualifications	B Com
No. of Shares held as on March 31, 2011	NIL
Directorships held in other companies (excluding private limited and foreign companies)	1) K2 Systems Ltd. 2) Knowledgeware Technologies Ltd. 3) Frontier Life Sciences Ltd.
Positions held in mandatory committees in other companies	04



## **DIRECTORS' REPORT**

To  
The Members,

Your Directors have the pleasure of presenting this 24<sup>th</sup> Annual Report along with the Audited Financial Statements and the Auditor's Report thereon for the Financial Year ended 31st March 2011.

### **FINANCIAL PERFORMANCE:**

During the year under review, your Company has recorded a gross total income of Rs. 3,08,400/- from commercial operations and recorded a profit after tax of Rs. 12,900/-.

### **DIVIDEND:**

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

### **DIRECTORS:**

During the year Mr. Mr. A Venkata Ramana 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.

**For And On Behalf Of The Board  
For Vijay Growth Financial Services Ltd**

Hyderabad  
August 11, 2011

**Sd/-  
Santosh Kumar Sahu  
Chairman**



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## **MANAGEMENT DISCUSSION AND ANALYSIS**

(Forming part of Directors' Report)

### **Industry Structure and Developments:**

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.

Overall, the US\$28 billion Indian financial sector has grown at around 15 percent and has displayed stability for the last several years, even when other markets in the Asian region were facing a crisis, according to Ministry of External Affairs, Government of India. This stability was ensured through the resilience that has been built into the system over time. The financial Services sector has kept pace with the growing needs of corporate and other borrowers. Banks, capital market participants and insurers have developed a wide range of products and services to suit varied customer requirements.

### **Segment Wise Analysis of the Industry:**

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.

### **Opportunities:**

Statistics indicate the low penetration levels in the Financial Services industry: "Only 37% of bank branches of Scheduled Commercial Banks are present in rural areas, with only around 40% of the population holding a bank account. Moreover, out of the 600,000 habitations in the country, only about 30,000 have a commercial bank branch."

Infrastructure financing is a key pillar of growth, with the banking sector playing an increasing role in building the growth momentum, the role of the private sector towards funding infrastructure development, apart from strengthening the corporate bond market and increased participation from pension funds and insurance companies.

### **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. A study by World Bank supports this by forecasting that the share of the five big emerging economies India, China, Indonesia, Brazil and Russia in 2010 will double to 16.1% from 7.8% in 1992.



**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.