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VISAGAR POLYTEX LIMITED

(Formerly Barasia Holding & Trading Co. Ltd.)

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ANNUAL REPORT

2006 - 2007



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BOARD OF DIRECTORS

Shri Tilok Chand Kothari
Chairman & Managing Director

Shri Jugal Kishore Kothari
Director

Shri Ramesh Kumar Bhattar
Director

Shri Kailash Chhaparwal
Director

Shri Ramavtar Kankani
Director

Shri Umesh Gawand
Director

BANKERS

The Pratap Co-op. Bank Ltd.
HDFC Bank Ltd.
Union Bank of India

AUDITORS

M/S SUDHIR M. DESAI & CO.
29/14 - D, Zaoba Wadi,
Thakurdwar, Mumbai - 400 002.

REGISTERED OFFICE

18, Medon House, 4th Floor,
Dr. M.B. Welkar Street,
Chira Bazar,
Mumbai-400002

Tel No:- 22000043/22065783

REGISTRAR & TRANSFER AGENT

M/s Adroit Corporate Services Pvt. Ltd.
19/20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400059.

Tel No:-28596060/28503748

MANUFACTURING DIVISION

Nakoda Road, Rai Ka Baugh
Jasol, Rajasthan - 344 024

Tel No:- 02988 240095

17, Roopchand Roy Street,
5th Floor, Kotkatta-700007

Tel:- 033 - 32582069

:ISIN NO.:

INE370E01011

Web site: vividhafashions.com

Email: visagarpoly@yahoo.com

VISAGAR POLYTEX LIMITED.

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Annual Report – 2006-2007**NOTICE**

NOTICE is hereby given that the 24th Annual General Meeting of the Members of **M/s Visagar Polytex Limited** will be held at the Registered Office of the Company at 18, Medon House, 4th Floor, Dr. M.B. Welkar Street, Chira Bazar, Mumbai – 400 002. on Monday, the 27th August, 2007 at 1.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account of the Company for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To Declare dividend for the year 2006-2007.
3. To appoint Auditors of the Company to hold office from conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To appoint a Director in place of Mr. Tilokchand Kothari, who retires by rotation and has offered himself for re-appointment.
5. To appoint a Director in place of Mr. Umesh Gawand, who retires by rotation and has not offered himself for re-appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification the following resolution as **an ordinary resolution**:

RESOLVED THAT Mr. Ramesh Kumar Bhattar, who was appointed as an Additional Director of the company w.e.f. 02/01/2007 by the Board of Director and who holds office up to the date of this Annual General Meeting of the company under section 260 of the Companies Act 1956 has been received from a member signifying his intention to propose Mr. Ramesh Kumar Bhattar as a candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office shall be liable to determination by retirement of directors by rotation.

7. To consider and, if thought fit, to pass, with or without modification the following resolution as **an ordinary resolution**:

RESOLVED THAT Mr. Kailash Chhapparwal, who was appointed as an Additional Director of the company w.e.f. 02/01/2007 by the Board of Director and who holds office up to the date of this Annual General Meeting of the company under section 260 of the Companies Act 1956 has been received from a member signifying his intention to propose Mr. Kailash Chhapparwal as a candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office shall be liable to determination by retirement of directors by rotation.

8. To consider and, if thought fit, to pass, with or without modification the following resolution as **an ordinary resolution**:

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RESOLVED THAT Mr. Ramavtar Kankani, who was appointed as an Additional Director of the company w.e.f. 30/07/2007 by the Board of Director and who holds office up to the date of this Annual General Meeting of the company under section 260 of the Companies Act 1956 has been received from a member signifying his intention to propose Mr. Ramavtar Kankani as a candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office shall be liable to determination by retirement of directors by rotation.

9. To consider and, if thought fit, to pass, with or without modification the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as ‘the said Act’ including any statutory modification(s), or re-enactments thereof for the time being in force), approval of the company be and is hereby accorded to the appointment of Mr. Tilokchand Kothari, Chairman and Managing Director with effect from July 30, 2007 for a period of 5 years i.e upto July 30, 2012 as approved by the Board of Directors at its meeting held on July 30, 2007 as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary and modify the said terms including salary, allowances, designation and perquisites in such manner as may be agreed to between the Board and Mr. Tilokchand Kothari.

RESOLVED FURTHER THAT notwithstanding anything here in above stated where in any financial year, during the currency of the term of Mr. Tilokchand Kothari as Chairman & Managing Director, the Company has no profits or its profits are inadequate, the company shall pay remuneration by way of salary and perquisites as specified in Section II of Part II of Schedule XIII to the said Act or such other limits as may be prescribed by the Central Government from time to time as Minimum Remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution.”

10. To consider and, if thought fit, to pass, with or without modification the following resolution as an **ordinary resolution**:

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 the consent of the company be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time with or without security and upon such terms and conditions as they may think fit not with standing that the monies to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Banker's in the ordinary course of business may exceed the 100% of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, that the total amount so borrowed by the Board of Directors shall at any time exceed the aggregate of Share Capital and Free Reserve of the Company i.e Rs. 2 Crores (Rupees Two Crores) or equivalent amount in any other foreign currency, borrowed and to be borrowed from Indian / Foreign Banks/ Financial Institutions/ Mutual Funds/ Development Agencies.

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11. To consider and, if thought fit, to pass, with or without modification the following resolution as an **ordinary resolution**:

RESOLVED THAT in pursuance of Section 293 (1)(a) and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals as may be necessary and subject to such conditions and modifications as may be prescribed, required or directed in granting any such approvals or consents and which the Board of Directors be and is hereby authorized to accept, consent of the company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in any manner whatsoever of all movables and immovable properties of the Company where soever situated, present or future and the whole of the undertaking of the Company, together with power to takeover the management of the business and concern of the company in certain events for securing any loans and/or advances for borrowing of a sum not exceeding Rs. 2 Crores (Rupees Two Crores) outstanding at any one time as loans from Banks, Financial Institutions, Insurance Companies or elsewhere.

12. To consider and, if thought fit, to pass, with or without modification the following resolution as a **Special resolution**:

RESOLVED THAT the Authorised Share Capital of the Company be and is hereby increased from Rs. 25,00,000 (Rupees Twenty – Five Lacs) divided into 250,000 Equity Shares of Rs. 10/- each to Rs. 125,00,000/- (Rupees One Crore Twenty Five Lacs) divided into 12,50,000 Equity shares of Rs. 10/- each ranking pari passu with the existing Equity Shares.”

RESOLVED FURTHER THAT clause V of the Memorandum of Association and relevant clause 5 in the Articles of Association of the Company be and hereby amended by substituting them respectively with the following.

Memorandum of Association

The Authorised share capital of the company is Rs. 1,25,00,000/- (Rupees One Crore Twenty – Five Lakh only) divided into 12,50,000 (Rupees Twelve Lacs Fifty Thousand only) Equity Shares of Rs. 10/- each.

Articles of Association

The Authorised share capital of the company is Rs. 1,25,00,000/- (Rupees One Crore Twenty – Five Lakh only) divided into 12,50,000 (Rupees Twelve Lacs Fifty Thousand only) Equity Shares of Rs. 10/- each.

13. To consider and, if thought fit, to pass, with or without modification the following resolution as a **Special resolution**:

RESOLVED THAT in accordance with the provisions of the Section 81 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company and subject to such other approval, permissions, sanction as may be necessary and subject to such modifications and conditions as the Board of Directors may consider expedient to make or as may be stipulated while granting such approvals, sanctions and permissions and which may be agreed by the Board of Directors of the Company, the consent of the company be and is hereby accorded to the Board of Directors of the Company to the issue of an Equity Shares for an amount not exceeding

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Rs. 49,60,000 to be offered to the shareholders and/or to such persons whether shareholders of the company or not as the Board of Directors of the Company may in their absolute discretion deem fit."

RESOLVED THAT any action already taken and acts done in this regard by and with the authority of the Board be and is hereby confirmed, approved and ratified."

RESOLVED THAT 4,96,000 Equity shares of Rs. 10/- each in the Share Capital of the Company, be and are hereby issued to the persons who at the record date of the offer are holders of the Equity Shares of the Company in proportion of 2 Equity Shares for every 1 Equity Shares held on the aforesaid date inter-alia, on the following terms and conditions:

- i) That the Rs.10/- per share be made payable on application.
- ii) The offer for new Equity Shares now being made shall be limited to those person who, as on record date of the offer are holders of the Equity Shares of the Company. Such persons are however, entitled to apply for additional shares out of those shares not taken up by any of the existing shares holders in the proportion to be decided by the Board of Directors at its discretion having regard to the proportion such equity shareholders have to the paid-up Equity Capital of the Company.
- iii) The offer aforesaid shall include a right exercisable by the persons to renounce the shares now being offered in favour of any other persons provided such renunciation is made before the time not being less than fifteen days from the date of the offer.
- iv) Any fractional certificates and/or the Equity Shares offer will be round off nearest to one out of the Promoters Quota of the Company.
- v) Directors of the company will fix the record date for Right Issue after consulting The Bombay Stock Exchange Limited and that all the shareholders as on the said date will be entitled to offer the Right Shares."

For and on behalf of Board of Directors

**Sd/-
DIRECTOR**

Place : Mumbai

Date : 01.08.2007

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER.
- 2) The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencements of the Meeting.
- 3) The relevant Explanatory Statement in respect of the Special Business set out by Sec. 173 (2) of the Companies Act, 1956, in respect of item Nos. 6 to 13 of the Notice set out above, is annexed hereto.
- 4) The share Transfer Books and Members Register of the Companies will remain closed from 24th August, 2007 to 27th August, 2007 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.

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- 5) The Share holders are requested to notify changes in these respective addresses if any to the Registered Office quoting their folio no.
- 6) Dividend, if declared, at the Annual General Meeting, will be payable to those members whose name appear on the Company's Register of Members as on a record date to be fixed hereinafter with the consultation with BSE, and to those members whose shares are held in physical form after giving effect to all valid share transfers lodged with the company at the end of the business hours on the record date as approved above and in respect of shares held in the electronic form to those "Deemed Members" whose names appear in the Statement of Beneficial ownership furnished by the Central Depository Services (India) Ltd (CDSL).

You are advised to encash your dividend warrants immediately as the dividend amount remaining unclaimed unpaid at the expiry of 7 years from the date that becomes due for payment are required to be transferred by the company to the Investor Education and Protection Fund established under section 205C in terms of section 205A of the Companies Act, 1956.

It may be noted that no claim will lie against the company or the Investor Education and Protection Fund in respect of the said unclaimed dividend amount transferred to the fund.

ANNEXURE TO THE NOTICE

Explanatory Statement under section 173(2) of the Companies Act, 1956.

Item No. 6

Shri Ramesh Kumar Bhattar was appointed by the Board of Directors of your company in their meeting held on 02.01.2007 as an Additional Director of your company w.e.f. 02.01.2007 in terms relevant clause in Articles of Association of your company.

Your company has received a notice under section 257 of the Companies Act, 1956 from a shareholder of your company, signifying his intention to propose the name of Shri Ramesh Kumar Bhattar for appointment as a Director of your company.

None of the Directors other than Shri Ramesh Kumar Bhattar is concerned or interested in this resolution.

Your Directors recommend the resolution as at item no. 6 for your approval.

Item No. 7

Shri Kailash Chhapparwal was appointed by the Board of Directors of your company in their meeting held on 02.01.2007 as an Additional Director of your company w.e.f. 02.01.2007 in terms relevant clause in Articles of Association of your company.

Your company has received a notice under section 257 of the Companies Act, 1956 from a shareholder of your company, signifying his intention to propose the name of Shri Kailash Chhapparwal for appointment as a Director of your company.

None of the Directors other than Shri Kailash Chhapparwal is concerned or interested in this resolution.

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Your Directors recommend the resolution as at item no. 7 for your approval.

Item No. 8

Shri Ramavtar Kankani was appointed by the Board of Directors of your company in their meeting held on 30.07.2007 as an Additional Director of your company w.e.f. 30.07.2007 in terms relevant clause in Articles of Association of your company.

Your company has received a notice under section 257 of the Companies Act, 1956 from a shareholder of your company, signifying his intention to propose the name of Shri Ramavtar Kankani for appointment as a Director of your company.

None of the Directors other than Shri Ramavtar Kankani is concerned or interested in this resolution.

Your Directors recommend the resolution as at item no. 8 for your approval.

Item No. 9

The Board of Directors of the Company at its meeting held on July 30, 2007 appointed Mr. Tilokchand kothari as the Chairman and Managing Director of the company for a period of five years. The salient features of the appointment of Mr. Tilokchand Kothari as the Chairman and Managing Director are as follows:

1) Period

Five years from July 30, 2007 to July 30, 2012.

2) Salary

Rs. 2,50,000/- per annum (in the scale of Rs. 2,50,000 to 3,50,000)

The Annual increments, effective April 1, each year, will be decided by the Board and will be merit based and after taking into account the Company's performance.

3) Perquisites

- a In addition to the salary and Commission payable the Chairman and Managing Director shall be entitled to perquisites like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with utilities thereof such as gas, electricity, water, furnishing, repairs, servants salaries, society charges and property tax; medical reimbursement, medical / accident insurance, leave travel concession for himself and his family, club fees etc in accordance with the rules of the company or as may be agreed to by the Board of Directors, such perquisites to be restricted to 50% of the salary.
- b For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income – Tax rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

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Provided, use of Company's car for official duties and telephone at residence (including payment for local calls and long distance calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- c Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income – Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid

4) Commission

Such remuneration by way of commission, in addition to the above salary and perquisites, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of Directors of the Company or a Committee thereof, at the end of each financial year, subject to the overall ceilings stipulated in Section 198 and 309 of the Companies Act, 1956. The specific amount payable to the Chairman and Managing Director will be based on certain performance criteria to be laid down by the Board or a Committee thereof and will be payable annually after the Annual Accounts have been approved by the Board of Directors.

5) Minimum Remuneration

During the currency of the tenure of the Chairman and Managing Director, if the company has no profits or its profits are inadequate in any financial year, the company shall pay remuneration by way of Salary and Perquisites not exceeding the limits specified in Section II of Part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

The Board recommends the resolution as set out in item no. 9

None of the Directors is interested in the resolution except Mr. Tilokchand Kothari.

Item No. 10

Under Section 293(1)(d) of the Companies Act, 1956 the Board of Directors cannot, except, with the consent of the shareholders in the General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose.

In view of the requirement of additional funds to meet the cost of the Company's Capital Expenditure Programs viz. new projects, expansion, diversification, modernization/renovation and replacement schemes of which the members are broadly aware as also additional working capital requirements of the company, the Board of Directors feel that it will be necessary for the Company to raise monies from various sources which may exceed the aggregate of the Company's paid up Capital and free reserves subject to a limit of Rs. 2 Crores over and above the aggregate of the paid-up Capital of the Company and its free reserves.

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The Consent of the Shareholders is therefore sought in accordance with the provisions of Section 293 (1)(d) of the Companies Act, to enable the Directors to borrow monies subject to a limit of Rs. 2 Crores (Rupees Two Crores). The proposed borrowing will be in a phased manner it is expected that even with the proposed increased borrowings, the debt equity ratio of the company should be within reasonable limits.

Item No. 11

The company proposes a resolution authorizing Board to borrow loans upto maximum or Rs. 2 Crores (Rupees Two Crores). The loan may be secured by creation of mortgage/charges on properties/undertakings of the Company in favour of the Lenders and/or their Agents and/or Trustees for Debentures holders of the Company. Mortgaging by the Company of its properties of the whole or substantially the whole or any or all of the undertakings of the Company in favour of the lenders and/or their agents and/or trustees in order to secure debt financing, within the overall limit of the borrowing powers of the Board of Directors may be regarded as disposal of the Company's properties in terms of Section 293(1)(a) of the Companies Act, 1956. It is therefore considered necessary for the members to authorized the Board of Directors to create mortgage/charge in the manner as they deem fit, to secure the loans to be taken by the Company to the extent of the borrowing powers of the Board of Directors i.e. Rs.2 Crores (Rupees Two Crores)

None of the Directors of the Company is directly or indirectly interested in this resolution.

Item No. 12

It is proposed to increase the Authorised Share Capital from Rs. 25,00,000/- (Rupees Twenty – Five Lakhs only) to Rs. 1,25,00,000/- (Rupees one Crore Twenty – Five Lakhs only) divided into 12,50,000 Equity Shares of Rs. 10/- each to enable the company to issue Right Shares.

The Proposed increase in share Capital will also take care of any further issue of shares that the company may wish to make.

The proposed increase in the Authorised Capital requires alteration of Memorandum and Articles of Association of the Company is required which needs the approval of the members of the Company.

None of the Directors is interested in this resolution except a s shareholders.

Item No. 13

Your Company intends to raise further Share Capital amounting to Rs. 49,60,000 (Rupees Forty – Nine Lacs Sixty – Thousand only) to part finance its requirement for expansion and diversification and way of allotment to the persons who may be shareholders of the company as on Record Date fixed by the Board of Directors after consulting with The Stock Exchange, Mumbai subject to the approval of the Shareholders taken at the meeting.