

VISAGAR POLYTEX LIMITED



a product of VISAGAR POLYTEX LIMITED

25TH ANNUAL REPORT
For the Year 2007-2008

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

CONTENTS

	Page No.
Notice.....	1
Director's Report.....	5
Auditor's Report.....	7
Report on Corporate Governance....	11
Balance Sheet.....	19
Profit and Loss Account.....	20
Schedules.....	21
Notes to the Accounts.....	25
Cash Flow Statement.....	28

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

HDFC Bank Ltd.
The Pratap Co-op. 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

UTI Building, 4A chetan Sheth Street,
5th Floor, Kolkata-700007

Tel:- 033 - 32582069

:ISIN NO.:

Web site: vividhafashions.com

INE370E01011

Email: visagarpoly@yahoo.com

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

NOTICE

NOTICE is hereby given that the 25th 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 Tuesday, the 30th September, 2008 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2008 (fifteen months) and Profit & Loss Account of the Company for the period ended on that date and the Reports of Directors and Auditors thereon.
2. To Declare dividend for the year 2007-2008.
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. Kailash Chhaparwal, who retires by rotation and has offered himself for re-appointment.
5. To appoint a Director in place of Mr. Ramesh Kumar Bhattar, 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 pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or reenactments thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 1956 and in suppression of all the resolution passed in this regard, the company hereby accords its consent to the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose) to borrow any sum or sums of money from time to time from anyone or more of the Company’s Bankers and / or from any one or more other persons, firms, Bodies Corporate, or Financial Institutions whether by way of Cash Credit, Advances or Deposits, Loans or Bill Discounting, or otherwise including external Commercial Borrowings / Foreign Currency Convertible Bonds and whether Unsecured or Secured by Mortgage, Charge, Hypothecation, or Lien or pledge of the Company’s Assets and Properties whether Movable or Stock in trade (including raw materials, stock in process, finished goods, store, spare parts and components in stock or in transit) and Work in Progress and all or any of the Undertakings of the company notwithstanding that money’s to be borrowed, together with monies already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) will or may exceed 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, but, so however, that the total amount upto which the monies may be borrowed by the Board and outstanding at any time shall not exceed sum of Rs. 4 Crore over and above the Total Paid – up Capital of the company and its Free Reserves, exclusive of interest, and the Board is hereby, further authorized to execute such deed of Mortgage, charge, hypothecation, lien, Promissory notes, Depository Receipts and other Deeds and

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

Instruments or Writings as they may think fit and containing such conditions and covenants as the Board may think fit.

"RESOLVED FURTHER THAT" for the purpose of giving effect to this resolution, the Board of the Directors of the company be and is hereby authorized to take all such steps and actions and give such direction as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

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

RESOLVED THAT the company do hereby accord its consent under Section 293 (1)(a) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) to mortgaging and/or charging by the Board of Directors of the company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of all or any of the Immovable or movable properties of the Company wherever situate, both present and future, the whole or substantially whole of the undertaking(s) of the company in such form and in such manner as the Board may think fit, for Securing any loans and / or advances already obtained or that may be obtained from any Financial Institutions / Banks / Insurance Companies or person or persons, and / or to secure any Debenture / Bonds issued or that may be issued and all interests, compound / additional interest. Commitment charges, costs, charges, expenses and all other monies payable by the company to the concerned lenders within the overall limits specified under section 293(1)(d) of the Companies Act, 1956.

"RESOLVED FURTHER THAT" for the purpose of giving effect to this resolution, the Board of the Directors of the company be and is hereby authorized to take all such steps and actions and give such direction as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard."

For and on behalf of Board of Directors
Sd/-
DIRECTOR

Place : Mumbai

Date : 30.08.2008

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 & 7 of the Notice set out above, is annexed hereto.
- 4) The share Transfer Books and Members Register of the Companies will remain closed from 27th September, 2008 to 30th September, 2008 (both days inclusive) in terms of the provision of Section 154 of the Companies Act, 1956.
- 5) The Share holders are requested to notify changes in these respective addresses if any to the Registered Office quoting their folio no.

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

- 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

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. 4 Crores over and above the aggregate of the paid-up Capital of the Company and its free reserves.

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. 4 Crores (Rupees Four 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. 7

The company proposes a resolution authorizing Board to borrow loans upto maximum of Rs. 4 Crores (Rupees Four 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

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

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. 4 Crores (Rupees Four Crores)

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

For and on behalf of Board of Directors

Sd/-

DIRECTOR

Place : Mumbai

Date : 30.08.2008

Report  junction.com

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

DIRECTORS' REPORT

TO,
THE MEMBERS,
VISAGAR POLYTEX LIMITED.

Your Directors have pleasure in presenting the 25th Annual Report and the Audited Accounts for the period ended 30th June 2008.

BUSINESS PERFORMANCE:

	2007 - 2008 (Rs.) (15 months)	2006 - 2007 (Rs.) (12 months)
Gross Income	273,895,820	60,032,207
Total Expenditure	259,144,569	52,862,029
Profit for the Year	14,751,251	7,170,178
Less : Provision For Tax	1,000,851	829,128
Profit after Tax	13,750,400	6,341,050
Less : Proposed Dividend & Tax thereon	870,443	289,738
Profit/(Loss) brought from Previous Year	7,540,089	1,488,777
Balance carried to Balance Sheet	20,420,046	7,540,089

OPERATIONS :

The financial year of the company has been changed from April - March to July to June, hence the figures for the financial year 2007-2008 comprised of 15 months period commencing from 1st April, 2007 to 30th June, 2008 and the same are not comparable with the figures of the previous financial year.

Your Directors are pleased to inform you that your Company has achieved spectacular growth during the year under review. Turnover has increase by 100% and Profit After Tax has increased considerably. Spectacular growth has been achieved due to the efforts and hard work put in Previous years by the management. The company has opened its branches at various places and is also keen in opening more branches at various places in the country. The Management is very optimistic to have more better results in the coming year. The resources of the Company were optimally utilized to maximize the return with minimum risk.

DIVIDEND :

The Board of Directors has proposed 10% final dividend for the Financial Year 2007-08.

DIRECTORS :

Mr. Kailash Chhapparwal , Director of the Company retires by rotation, and being eligible offers himself for re-appointment.

Mr. Ramesh Kumar Bhattar , Director of the Company retires by rotation, and being eligible offers himself for re-appointment.

FIXED DEPOSITS :

The Company did not invite/accept/renew any fixed deposits during the year under review.

DEMATERIALISATION OF SHARES :

Your Company has connectivity with the CDSL and NSDL for dematerialization of its Equity Shares. The ISIN No. INE370E01011 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.

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

PARTICULARS OF EMPLOYEES :

As required by the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended vide Notification no. GSR 839 (c) dated 25/10/2000, as there are no such employees.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Details of Energy, conservation research and development activities undertaken by the Company along with the information in accordance with provisions of Section 217(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in respect of Board of Directors), Rules, 1998 is given in the Annexure.

AUDITORS REPORT :

The observations of the Auditors in their report, read with noted annexed to account, are self explanatory and therefore do not call for the any further comment and explanation under section 217(3) of the Companies Act, 1956.

AUDITORS :

M/s Sudhir M. Desai & Co., the Auditors retire at the ensuing Annual General Meeting but being eligible offer themselves for reappointed. The Company has received the letter from Auditors to the effect that their remuneration if made it would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956. Your Directors recommend reappointment of M/s Sudhir M. Desai & Co. as the Auditors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956 relating to the Directors Responsibility Statement, it is hereby confirmed that:

- 1) In the preparation of the Annual Account for the financial year ended 30th June, 2008 the applicable accounting standard have been allowed along with proper explanations relating to material departures.
- 2) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for the period of 15 months under review.
- 3) The Directors 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.
- 4) These accounts for the financial year ended 30th June, 2008, have been prepared on "going concern" basis.

ACKNOWLEDGEMENT

The Directors wish to place on records their appreciation of the contributions made by the employees at the all levels, whose continued commitment and dedication helped the Company to achieve better results. The Directors also wish to thank customers, bankers, etc. for their continued support. Finally your Directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us in your Co-operation & never failing support.

For and on behalf of Board of Directors
Sd/-
DIRECTORS

Place : Mumbai
Date : 30/08/2008

VISAGAR POLYTEX LIMITED.

Annual Report 2007 - 2008

AUDITORS' REPORT

**TO,
THE MEMBERS,
VISAGAR POLYTEX LIMITED**

We have audited the attached Balance Sheet of **M/S VISAGAR POLYTEX LTD.** as at 30th June, 2008, Profit & Loss A/c for the fifteen months ended on that date, and also the Cash Flow Statement for the year ended on that date. 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 the Auditing Standards generally accepted in India. These standards require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. 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 estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure statement on the matters specified therein. We further report that:

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, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
4. In our opinion the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section 3 C of Section 211 of the Companies Act, 1956.
5. 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.
6. 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 30th June, 2008.
 - b. In the case of Profit & Loss Account of the Profit of the Company for fifteen months ended on that date.
 - c. In the case of Cash Flow statement, of the cash flow for the fifteen months ended on that date.

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

Sd/-

Sudhir M Desai

Proprietor

M. No. 41999

Place: Mumbai

Date: 30/08/2008