



# VISAGAR

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## VISAGAR POLYTEX LIMITED



## 19<sup>th</sup> ANNUAL REPORT 2010-2011

<b>Board of Directors</b>	<b>:</b>	<b>Tilokchand Kothari</b>	<b>Chairman &amp; Managing Director</b>
		<b>Kailash Chhaparwal</b>	<b>Director</b>
		<b>Jethmal Rathi</b>	<b>Director</b>
		<b>Vishal Kumar Jain</b>	<b>Director</b>
		<b>Kamal Ahuja</b>	<b>Director</b>
<b>Bankers</b>	<b>:</b>	<b>HDFC Bank Limited</b>	
		<b>The Pratap Co-op Bank Limited</b>	
		<b>Union Bank of India</b>	
<b>Auditors</b>	<b>:</b>	<b>M/s SUDHIR M. DESAI &amp; CO.</b>	
		<b>Chartered Accountants</b>	
		<b>B-7, Sadhicha CHS Limited, Rokadia Lane,</b>	
		<b>Borivali-West, Mumbai - 400 066.</b>	
<b>Registered Office</b>	<b>:</b>	<b>907/908, Dev Plaza, S. V. Road, Andheri - West,</b>	
		<b>Mumbai - 400 058. Tel - 022 6742 4815</b>	
<b>Registrar and Transfer Agent</b>	<b>:</b>	<b>M/s Adroit Corporate Services Pvt Ltd.</b>	
		<b>19/20, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road,</b>	
		<b>Marol Naka, Andheri - East, Mumbai - 400 059.</b>	
		<b>Tel - (022) 4227 0400 Fax - (022) 2850 3748.</b>	
<b>Compliance Officer / Secretary</b>	<b>:</b>	<b>Ms. Kalpana Sharma</b>	

**WEB SITE : [www.visagar.com](http://www.visagar.com)****ISIN NO. : INE370E01029****Email : [contact@visagar.com](mailto:contact@visagar.com)**

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**DIRECTORS' REPORT**

TO,  
THE MEMBERS,  
VISAGAR POLYTEX LIMITED

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Accounts of the Company for the year ended on 30th June, 2011.

**BUSINESS PERFORMANCE**

	Year Ended 30-06-2011 (Rs.)	Year Ended 30-06-2010 (Rs.)
Profit for the Year	11,418,905	7,987,803
Less: Short/ Excess provision for Tax	-	-
Provision for Tax	2,000,000	1,725,000
Deferred Tax	(83,409)	(82,489)
Profit after Tax	9,502,314	6,345,292
Profit / (Loss) brought from Previous Year	30,244,030	24,834,698
Profit available for appropriation	<u>39,746,344</u>	<u>31,179,990</u>
Appropriation :		
Proposed Dividend	1,600,000	800,000
Tax on Dividend	271,920	135,960
Balance carried to Balance Sheet	<u>37,874,424</u>	<u>30,244,030</u>

**PERFORMANCE :**

During the financial year 2010-2011 under review your Company has achieved a turnover of Rs. 54.22 Crore and Net Profit of Rs. 95.02 Lacs, after provision for Depreciation and Tax. The Management is very optimistic on the future prospects of your Company's businesses. We continue to deliver growth and generate significant value for our shareholders. Moreover we have pursued growth across all our businesses and into new areas; always on the basis that value must be delivered.

**DIVIDEND :**

Your Directors are pleased to recommend a dividend of Rs. 0.10 per share (10%) for the year ended 30th June, 2011, which, if approved at the ensuing Annual General Meeting. The dividend outgo for the year would amount to Rs. 16.00 Lacs. The dividend payout as proposed is in accordance with the Company's policy of paying sustainable dividend linked to long term performance.

**DIRECTORS :**

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

The Board at its meeting on 25.07.2011 appointed Mr. Kamal Ahuja as Additional Director of the Company, will hold the office upto the date of forthcoming Annual General Meeting and is eligible for appointment as Director in the Annual General Meeting.

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting and of the Additional Directors whose candidature has been proposed by the member, nature of their expertise in specific functional areas and name of Companies in which they hold directorship and/or membership/ chairmanship of Committees of the Board, as stipulated under Clause 49 of the listing agreement with the Stock Exchanges, is given in the section on Corporate Governance elsewhere in the Annual Report.

**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 NSDL & CDSL for dematerialization of its Equity Shares. The ISIN No. INE370E01029 has been allotted for the Company. Therefore, the members and / or investors may keep their shareholdings in the electronic mode with their Depository Participant.

**ISSUE OF BONUS SHARES :**

During the year under review, Your Company has issued bonus shares of Re. 1/- (Rupee One Only) each, credited as fully paid-up Equity Shares to the holders of the Equity Shares of the Company, in the proportion of 1 (One) Bonus Share of Re. 1/- (Rupee One Only) each for every 1 (One) fully paid-up Equity Share of Re. 1/- (Rupee One Only) each held by them as on the Record Date i.e. May 28, 2011.

**PARTICULARS OF EMPLOYEES :**

There is no employee covered pursuant to 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.

**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.

**COMPANY SECRETARY :**

The Board of Directors of Your Company has appointed Ms. Kalpana Sharma (ACS No. 27195) as the full time Company Secretary.

**AUDITORS REPORT :**

The observations of the Auditors in their report, read with noted annexed to accounts, 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 appointment 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, 2011 the applicable accounting standard have been followed 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 year ended on that date.
- 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) The Directors have prepared the Annual Accounts on a going concern basis.

**STATEMENT PURSUANT TO LISTING AGREEMENTS :**

The company's shares are listed with The Bombay Stock Exchange Limited. Your Company has paid the respective Annual Listing fees up to date and there are no arrears.

**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/-  
**Tilokchand Kothari**  
Managing Director

Place : Mumbai  
Date : 30.08.2011

**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, 2011, Profit & Loss A/c 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 also 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 and the Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section [3C] 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, 2011.
- b. In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date; and
- c. In the case of Cash Flow statement, of the cash flow for the year ended on that date.

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

Sd/-

**Sudhir M Desai**  
Proprietor  
M. No. 41999

Place : Mumbai  
Date : 30.08.2011

**ANNEXURE TO THE AUDITORS' REPORT**

(Statement referred to in our Report of even date on the Accounts of M/S VISAGAR POLYTEX LIMITED for the year ended on 30th June, 2011.)

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets.

As explained to us, the fixed assets of the Company are physically verified by the management at reasonable intervals, during the year in accordance with the regular program which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

The Company has not disposed off any substantial part of its Fixed Assets during the year, so as to affect its going concern.

- 2) As explained to us, inventories have been physically verified during the year by the Management. The intervals at which the inventories have been verified are, in our opinion reasonable in relation to the size of the Company and the nature of its business.

The procedures explained to us, which are followed by the Management for physical verification of inventories, are, in our opinion reasonable and adequate in relation to the size of the Company and the nature of its business

On the basis of our examination, we are of opinion that, the company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.

- 3) According to the information and explanations given to us, the Company has not granted any loan, Secured or Unsecured to Companies, Firms or other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956.

According to the information and explanations given to us, the Company has not taken any loan, Secured or Unsecured to Companies, Firms or other parties listed in the register maintained under section 301 and/or from the Companies under the same Management as defined under section 370 (1B) of the Companies Act, 1956.

- 4) In our opinion and according to the information and explanation given to us there are adequate Internal Control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, no major weakness in internal control has come to our notice.



- 5) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions in which directors were interested, and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of Rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to market prices prevailing at that time.

- 6) In our opinion and according to the information and explanations given to us the Company has not accepted any deposit from the public during the year as stated in the provisions of Section 58 A of the Companies Act, 1956.
- 7) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8) The provisions of Section 209 (1) (d) of the Companies Act, 1956 are not applicable to the Company.
- 9) According to the records of the Company, there were no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Cess and other Statutory dues applicable to it as at 30th June, 2011 for a period of more than six months from the date they became payable.
- 10) The Company, neither has accumulated losses at the end of the year ended nor has incurred cash losses, both, in the financial year under report and in the immediately preceding financial year.
- 11) On the basis of the record examine by us and the information and explanation given to us, the company has taken loans from the scheduled bank against proper hypothecation of the property.
- 12) As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares or other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund, Societies.
- 14) In our opinion, and according to the information and explanations given to us, The Company has maintained proper record of the transaction and contracts of the trading and shares, securities, debentures and other investments. All the entries with respect to investments were timely entered in the books of accounts. All investments at the close of the year are generally held in the name of the Company except in a few cases where the titles to the investments are in dispute or are in the process of transfer.

- 15) According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loan taken by others from bank or financial institutions.
- 16) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they are raised.
- 17) The Company has not made any preferential allotment of shares to the parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the financial year.
- 18) The Company has not issued any debentures during the year.
- 19) Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Sd/-

**Sudhir M Desai**  
Proprietor  
M. No. 41999

Place : Mumbai  
Date : 30.08.2011