



VISAGAR

you dream. we create.

VISAGAR POLYTEX LIMITED



30TH ANNUAL REPORT 2012-13

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 - 2013

CONTENTS

1.	<i>Company Information.....</i>	<i>1</i>
2.	<i>Directors' Report.....</i>	<i>2</i>
3.	<i>Corporate Governance Report.....</i>	<i>5</i>
4.	<i>Management Discussion & Analysis.....</i>	<i>19</i>
5.	<i>CEO Certification.....</i>	<i>22</i>
6.	<i>Auditor's Certificate.....</i>	<i>23</i>
7.	<i>Auditor's Report.....</i>	<i>24</i>
8.	<i>Annexure to the Auditor's Report.....</i>	<i>25</i>
9.	<i>Annual Accounts</i>	<i>27</i>
10.	<i>Notes to Accounts.....</i>	<i>38</i>

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Tilok Chand Kothari
Chairman & Managing Director

Mr. Kamal Ahuja
Director

Mr. Shivesh Anugrah Singh
Director

Ms. Pooja Bharadwaj
Director

Mr. Kanwarlal Rathi
Director
(w.e.f. 11.10.2012)

BANKERS

HDFC Bank Limited

The Pratap Co-op Bank Limited

Union Bank of India

AUDITORS

M/s. SUDHIR M. DESAI & CO.
Chartered Accountants
B-7, Sadhicha CHS Limited,
Rokadia Lane, Borivali-West,
Mumbai – 400 066.

REGISTERED OFFICE

907/908, Dev Plaza, S. V. Road,
Andheri – West, Mumbai – 400 058
Tel – 022-6742 4815

REGISTRAR & TRANSFER AGENT

M/s Adroit Corporate Services Pvt Ltd.
19/20, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri – East, Mumbai – 400 059.
Tel – 2859 6060 Fax – 2850 3748.

WEB SITE: www.visagar.com

ISIN NO. – INE370E01029

email – contact@visagar.com

Compliance Officer / Secretary – Mr. Alok Jain

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

DIRECTORS' REPORT

TO,
THE MEMBERS,
VISAGAR POLYTEX LIMITED

Your Directors have pleasure in presenting the 30th Annual Report and the Audited Accounts for the year ended on 30th June, 2013.

BUSINESS PERFORMANCE:

BUSINESS PERFORMANCE	Year Ended 30-06-2013 (Rs.)	Year Ended 30-06-2012 (Rs.)
Gross Income	627,898,297	594,426,862
Total Expenditure	616,478,469	582,414,029
Profit for the Year	11,419,818	12,012,833
Less: Short/ Excess provision for Tax		
Provision for Tax	2,000,000	2,400,000
Deferred Tax	-	(358,800)
Profit after Tax	9,419,818	9,971,633
Profit / (Loss) brought from Previous Year	45,882,132	37,874,424
Profit available for appropriation	55,301,950	47,846,057
Appropriation :		
Proposed Dividend	1,678,640	1,678,640
Tax on Dividend	285,285	285,285
Balance carried to Balance Sheet	53,338,025	45,882,132

PERFORMANCE

During the year under review your Company has achieved a turnover of Rs. 6278.98 Lacs as compared to turnover of previous year, i.e., Rs. 5944.27 Lacs. Likewise, the Profit after tax has come to Rs. 94.20 Lacs, after provision for Depreciation and Tax which reflects decrease of 5.86% over the previous year profit of Rs. 99.72 Lacs. 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, 2013, which shall be distributed, if approved at the ensuing Annual General Meeting. The dividend outgo for the year would amount to Rs. 16.79 Lacs. The dividend payout as proposed is in accordance with the Company's policy of paying sustainable dividend linked to long term performance.

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

DIRECTORS

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

A brief resume of the Director retiring by rotation at the ensuing Annual General Meeting and of the Additional Director whose candidature has been proposed by the member, nature of expertise in specific functional areas and name of Companies in which he 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.

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.

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:

- a. in the preparation of the Annual Account for the financial year ended 30th June, 2013 the applicable accounting standard have been followed along with proper explanations relating to material departures.

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

- b. 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.
- c. 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.
- d. the Directors have prepared the Annual Accounts on a going concern basis.

LISTING ON NSE

During the year under review, the securities of the Company have also been listed on National Stock Exchange (NSE). Your Company has received trading permission from NSE w.e.f. 21st May 2013.

STATEMENT PURSUANT TO LISTING AGREEMENTS

The Company's shares are listed with The Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE). 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 : 28.08.2013

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

MANDATORY REQUIREMENTS

A. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its inter-action with employees, shareholders, creditors, consumers and institutional and other lenders and place due emphasis on regulatory compliance.

The Company believes that its system and actions must be followed for enhancing corporate performance and maximizing shareholder value in the long term.

In compliances with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Security & Exchange Board of India:

- Code of Conduct for prevention of Insider Trading; or regulation in dealings of the Directors and Employees of the Company possessing or likely to possess price-sensitive information, in the securities of the Company;
- Code of Conduct for the Board of Directors and Senior Management.

B. BOARD OF DIRECTORS

COMPOSITION AND CATEGORY

1. Executive Directors.
2. Independent, Non-Executive Directors.

The Company believes that an active, well informed and independent Board of Directors is vital to achieve the apex standards of Corporate Governance. The Board of Directors of the Company comprises of an optimal combination of executive, non-executive and independent directors so to preserve and maintain the independence of the Board and Composition as on 30th June 2013 was as follows:

Particulars	Composition of the Board	
	No. of Directors	% to the Board
Promoter & Managing Director - Executive	1	20%
Executive Director	1	20%
Independent, Non-Executive Director	3	60%
Total	5	100%

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

The Composition of the Board of Directors is in accordance with the requirements of the revised Clause 49 of the Listing Agreement, the Companies Act, 1956 and the Articles of Association of the Company.

Independent Directors are Directors, who apart from receiving Directors' Remuneration do not have any other material pecuniary relationship or transactions with the Company.

The Present composition of the Board of Directors and also the number of other Board of Directors or Board Committees of which he is a member/Chairman are as under:

Sr. No.	Name of Director	Category of Directorship	No. of other Directorships*
1	Mr. Tilokchand Kothari	Executive Chairman	5
2	Mr. Kanwarlal Rathi	Executive Director	1
3	Mr. Kamal Ahuja	Independent Director	2
4	Mr. Shivesh Singh	Independent Director	Nil
5	Ms. Pooja Bharadwaj	Independent Director	Nil

**Excludes Directorship in Indian Private Limited Companies, membership of Managing Committees of various bodies.*

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING

During the financial year ended 30th June, 2013 Eleven Board Meeting were held on 25/07/2012, 30/08/2012, 28/09/2012, 11/10/2012, 15/11/2012, 20/11/2012, 14/02/2013, 12/04/2013, 17/04/2013, 15/05/2013 and 06/06/2013. The attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under:

Sr. No.	Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 15.12.2012
1	Mr. Tilokchand Kothari	11	Present
2	Mr. Kanwarlal Rathi**	8	Present
3	Mr. Kamal Ahuja	11	Absent
4	Mr. Shivesh Singh	11	Present
5	Ms. Pooja Bharadwaj	11	Absent

***Appointed on 11th October 2012.*

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

Details of Directors appointed or re-appointment at the Annual General Meeting (Pursuant to clause 49 of the listing agreement)

Name	Mr. Kamal Ahuja
Date of Birth	28.12.1974
Experience	12 Years Experience in Finance & Advisory Sector
Qualification	Company Secretary
List of Directorship in other Companies*	Two
No. of Shares held	Nil

**Excludes Directorship in Indian Private Limited Companies, membership of Managing Committees of various bodies*

C. AUDIT COMMITTEE

BROAD TERMS OF REFERENCE

The terms of reference of this Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee include the following:

- Reviewing the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of statutory auditors, fixation of audit fees and also to approve payment for other services.
- Reviewing the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements concerning financial statements.
- Reviewing the adequacy of internal control systems and internal audit function, ensuring compliance of internal control systems and reviewing the Company's financial and risk management policies.
- Reviewing the reports furnished by the statutory auditors and ensure suitable follow-ups thereon.

The role of the Audit Committee is to supervise the Company's reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about adequacy of internal control systems, the scope of Audit including the observations of the Auditors, major accounting policies, practices and entries, compliances with accounting standards and listing agreement with the stock exchanges, reviewing with the management the annual financial statements before

VISAGAR POLYTEX LIMITED

ANNUAL REPORT 2012 – 2013

submission of the same to the Board for approval with reference to matters to be included in the Directors Responsibility Statement, adjustments to be made in the financial statements arising out of Audit findings, qualifications in the Draft Audit Report, Disclosure of any related party transaction and other legal requirements concerning financial statements, if any, to review the Company's financial and risk management policies and discuss with the internal auditors and significant findings for follow-up thereon, to review the quarterly, half yearly and annual financial statements before they are submitted to the Board of Directors.

As per the recent circular issued by the ministry of corporate affairs and better operations, the audit committee is also assigned the task of recommending the appointment of cost auditors, to ensure their independence, scope of work, review their performance etc.

COMPOSITION

The Audit Committee of the Company comprises three Directors. All these Directors possess knowledge of corporate finance, accounts and Company law. The Chairman of the Committee is a Non-Executive, Director nominated by the Board. The statutory Auditors and the Executives in the Finance Department are invitees to the Meetings.

The Board of Directors at the subsequent Board Meeting notes the minutes of the Audit Committee Meetings.

The constitution of the Audit Committee is as follows:

1	Mr. Shivesh Singh	:	Chairman.
2	Ms. Pooja Bharadwaj	:	Member.
3	Mr. Tilokchand Kothari	:	Member.

MEETINGS AND ATTENDANCE

During the financial year ended 30th June, 2012, Five Audit Committee Meetings were held on 25/07/2012, 30/08/2012, 20/11/2012, 14/02/2013 and 15/05/2013.

The attendance at the Audit Committee Meetings is as under:

Sr. No.	Name of the Directors	No. of Meetings attended
1	Mr. Shivesh Singh	5
2	Ms. Pooja Bharadwaj	5
3	Mr. Tilokchand Kothari	5

INTERNAL AUDITORS

The Company has in-built system of internal checks and to review the internal control systems of the Company and to report thereon. The report of such reviews is being submitted to the Audit Committee.