



VISAGAR

you dream, we create

VISAGAR POLYTEX LIMITED



19th ANNUAL REPORT 2010-2011

Board of Directors	:	Tilokchand Kothari	Chairman & Managing Director
		Kailash Chhaparwal	Director
		Jethmal Rathi	Director
		Vishal Kumar Jain	Director
		Kamal Ahuja	Director
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 and 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 - (022) 4227 0400 Fax - (022) 2850 3748.	
Compliance Officer / Secretary	:	Ms. Kalpana Sharma	

WEB SITE : www.visagar.com**ISIN NO. : INE370E01029****Email : contact@visagar.com**

CONTENTS	Page No.
Directors' Report	2
Auditors' Report	5
Corporate Governance Report	11
Management Discussion & Analysis	22
Balance Sheet	25
Profit and Loss Account	26
Schedules	27
Notes to the Accounts	33
Cash Flow Statement	36

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

CERTIFICATES

TO,
THE MEMBERS,
VISAGAR POLYTEX LIMITED

TO,
THE MEMBERS,
VISAGAR POLYTEX LIMITED

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchange of India, for the financial year ended 30th June, 2011.

The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanation given to us by the Company.

Based on such a review, in our opinion the Company has complied with the condition of Corporate Governance, as stipulated in Clause 49 of the Listing Agreements.

We further state that, such compliance is neither an assurance as to the future viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

Sudhir M Desai

Proprietor

M. No. 41999

Place : Mumbai
Date : 30.08.2011

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 2011 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%

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 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* (i)
001	Mr. Tilokchand Kothari	Executive Chairman	5
002	Mr. Kailash Chhapparwal	Executive Director	2
003	Mr. Jethmal Rathi	Independent Director	1
004	Mr. Vishal Kumar Jain	Independent Director	Nil
005	Mr. Kamal Ahuja	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, 2011 Seven Board Meeting were held on 31/07/2010, 30/10/2010, 31/10/2010, 31/01/2011, 11/05/2011, 18/05/2011 and 30/05/2011. 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 14.12.2010
001	Mr. Tilokchand Kothari	7	Present
002	Mr. Kailash Chhapparwal	7	Present
003	Mr. Jethmal Rathi	7	Present
004	Mr. Vishal Kumar Jain	7	Present
005	Mr. Kamal Ahuja Appointed on 25.07.2011	None	Not Present

Details of the Directors retiring by rotation and seeking Re-appointment at the Annual General Meeting.
(Pursuant to clause 49 of the listing agreement)

Name	Shri Jethmal Rathi	Shri Kamal Ahuja
Date of Birth	02.10.1972	28.12.1974
Experience	12 Years Experience in Textile Market in retails.	10 Years experience in the Finance & Advisory field.
Date of First Appointment	25.03.2009	25.07.2011
List of Directorship in other Companies	One	None
List of Membership in other Companies*	Maharashtra Corporation Limited	None
No of Shares held	Nil	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 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. Vishal Kumar Jain : Chairman.
2. Mr. Jethmal Rathi : Member.
3. Mr. Kailash Chhapparwal : Member.

MEETINGS AND ATTENDANCE

During the financial year ended 30th June, 2011, Five Audit Committee Meetings were held on 31/07/2010, 30/10/2010, 31/10/2010, 31/01/2011 and 11/05/2011.

The attendance at the Audit Committee Meetings is as under :

Sr. No.	Name of the Directors	No. of Meeting attended
001	Mr. Vishal Kumar Jain	5
002	Mr. Jethmal Rathi	5
003	Mr. Kailash Chhapparwal	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.

D. REMUNERATION COMMITTEE

The Remuneration Committee of the Company comprises Three Directors.

The constitution of the Remuneration Committee is as follows :

1. Mr. Vishal Kumar Jain : Chairman.
2. Mr. Jethmal Rathi : Member.
3. Mr. Kailash Chhapparwal : Member.

The remuneration committee mainly looks after fixation of salary, perquisites and commissions etc. to the directors of the company.

REMUNERATION POLICY

The Remuneration Policy of the Company is based upon well defined performance and responsibility criterions. The Company endeavours to attract, retain, develop and motivate its high skilled and dedicated personnel through its Remuneration Policy.

The Non-Executive Directors did not draw any remuneration (other than sitting fees) from the Company during the Financial Year under review.

REMUNERATION PAID TO MANAGING AND EXECUTIVE DIRECTORS DURING THE YEAR 2010-2011:

Particulars	Mr. Tilokchand Kothari	Mr. Kailash Chhapparwal
Salary	4,00,000/-	3,00,000/-
Perquisites	NIL	NIL
Commission	NIL	NIL
Total	4,00,000/-	3,00,000/-

- Appointment, terms, conditions and payment of Remuneration to the Managing Director/ Wholetime Director/ Executive Director is governed by the resolutions passed by the Remuneration/ Compensation Committee, Board of Directors and Members of the Company, where necessary. The remuneration structure comprises salary, incentive allowances, perquisites and allowance, contribution to PF and superannuation, as per Company's policy and as applicable from time to time.
- The Company does not have any Employee Stock Option Scheme.

SITTING FEES PAID TO NON-EXECUTIVE INDEPENDENT DIRECTORS FOR THE FINANCIAL YEAR 2010-2011:

The remuneration of Non-Executive Independent Directors consists of sitting Fees not exceeding the limits prescribed under Section 309 of the Companies Act 1956, which is decided by the Board within limits approved by the shareholders. The Non-Executive Independent Directors would be paid sitting fees of Rs. 2500/- per Board Meeting or any other Committee Meetings of the Company attended subject to necessary approvals of the Board/ Regulators/ Shareholders.

E. SHAREHOLDERS' COMMITTEE

The company has constituted a "Share Transfer-cum-investors Grievance Committee" comprised of following Directors:

- | | | |
|----|-------------------------|-------------|
| 1. | Mr. Kailash Chhapparwal | : Chairman. |
| 2. | Mr. Tilokchand Kothari | : Member. |
| 3. | Mr. Jethmal Rathi | : Member. |

The Board has delegated to the committee powers to inter alia approve the transfer/transmission of share, issue of duplicate share certificate and review of all matters connected with Investors complaints/ Grievances if any and redressal of the same. The committee also approves requests for issue of new share certificates on spilt / consolidation / renewal / rematerialisation etc.

The committee also sees the overall performance of the Registrar and Share Transfer agent, and recommend to the Board of director for improvement in the investor service.

The Company Secretary is the Compliance officer. She also acts as the Secretary to the Committee and is responsible for convening and holding of the meetings of the Committee. It meets once in a fortnight to ensure proper services to the shareholders of the company.

The Minutes of the committee meeting are placed at the Board Meeting from time to time.

COMPLIANCE OFFICER

Ms Kalpana Sharma, Company Secretary is the compliance officer in terms of the listing agreement executed by the Company with the Stock Exchange.

DETAILS OF SHAREHOLDERS COMPLIANCE RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS.

Number of shareholders complaints received so far and number of complaints solved to the satisfaction of shareholders.

Sr. No.	Nature of Complaints	Received	Replied	Balance	No. of Days Taken
1.	Received from Share Holders	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	Nil	NIL	N.A.
	Non receipt of Dividend	1	1	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.
2.	Received from SEBI/Stock Exchange	NIL	NIL	NIL	N.A.
	Revalidation of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Warrants	NIL	NIL	NIL	N.A.
	Non receipt of Dividend	NIL	NIL	NIL	N.A.
	Non receipt of Share Certificates	NIL	NIL	NIL	N.A.

There is one outstanding complaints, for non receipt of Dividend.

GENERAL BODY MEETINGS :

Location and time, where last three Annual General Meetings were held is given below :

Financial Year	Date	Location of Meeting	Time
2007-2008	30/09/2008	18, Medon House, 4th Flr, Dr.M.B.Welkar Street, Chira Bazar, Mumbai - 400 002.	2:30 p.m.
2008-2009	14/12/2009	18, Medon House, 4th Flr, Dr.M.B.Welkar Street, Chira Bazar, Mumbai - 400 002.	11:00 a.m.
2009-2010	14/12/2010	18, Medon House, 4th Flr, Dr.M.B.Welkar Street, Chira Bazar, Mumbai - 400 002.	11:00 a.m.

Special Resolution was passed under Section 81(1A) of the Companies Act, 1956 in accordance with the provisions of SEBI (ICDR) Regulations, 2009, by the Board in the EGM held on June 17, 2011 - to create, offer, issue and allot up to 2,23,200 Optionally Fully Convertible Warrants (OFCW'S) with an entitlement to convert into/exchange with the equal number of Equity Shares of face value of Re.1/- each of the Company at price of Rs.224/- which includes a premium of Rs.223/- per share to the Promoters and Non-Promoters of the Company on preferential basis, which will be further entitled to the Bonus Shares in the proportion of 1:1 upon conversion.

G. CEO & CFO CERTIFICATION

The Managing Director (CEO) and the Chief Financial Officer (CFO) have certified to the Board of Directors of the Company that:

- a) They have reviewed financial statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.
- c) They accept responsibility for establishing and maintaining internal controls for Financial Reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to Financial Reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have indicated the Auditors and the Audit Committee:
 - (i) significant changes in internal control over Financial Reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over Financial Reporting.

H. DISCLOSURES

- A. The Company has not entered into any transaction of material nature with the Promoters, Directors or Management, their subsidiaries or relative that may have potential conflict with the interest of the Company at large. The register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- B. During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital market.

I. MEANS OF COMMUNICATION :

1. The quarterly and half yearly results are forthwith communicated to all the Stock Exchanges with whom the Company has listing agreement as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are published in the newspapers English and Marathi.
2. Management discussion and analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

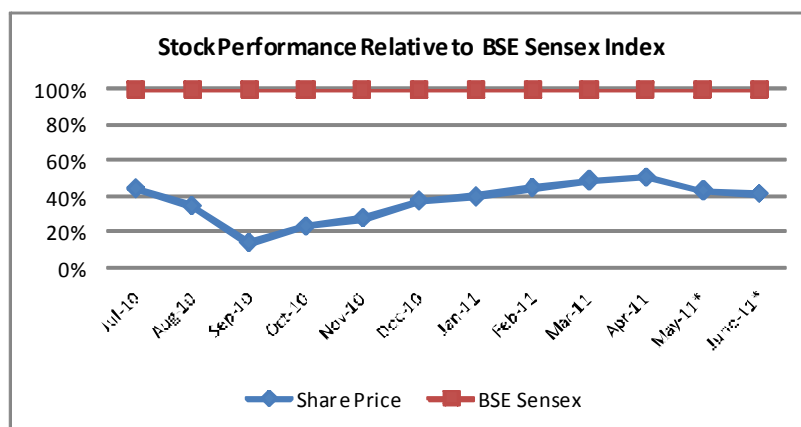
J. GENERAL SHAREHOLDERS INFORMATION:

<ul style="list-style-type: none"> Annual General Meeting Date Time Venue 	14th DECEMBER, 2011 9:30 A.M. 1008/1009, Gold Crest Centre, L T Road, Borivali - West, Mumbai - 400 092.
<ul style="list-style-type: none"> Financial Calendar Financial reporting for the quarter ending September, 2011 Financial reporting for the quarter ending December, 2011 Financial reporting for the quarter ending March, 2012 Financial reporting for the quarter ending June, 2012 	July 2011 to June 2012 OCTOBER END 2011 JANUARY END 2012 APRIL END 2012 JULY END 2012
<ul style="list-style-type: none"> Date of Book Closure 	10th December, 2011 to 14th December, 2011 (BOTH DAYS INCLUSIVE)
<ul style="list-style-type: none"> Registered office 	907/908, Dev Plaza, S V Road, Andheri - West, Mumbai - 400 058.
<ul style="list-style-type: none"> Dividend Payment Date 	Before 13th January, 2012
<ul style="list-style-type: none"> Listing on Stock Exchange 	THE STOCK EXCHANGE, MUMBAI
<ul style="list-style-type: none"> Stock Code (The Stock Exchange, Mumbai) 	506146
<ul style="list-style-type: none"> ISIN No. 	INE370E01029

Market Price Data : High Low during each month in last financial year.

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades	Net T/O (Rs.)
July 2010	141.45	164.00	131.80	142.85	4,48,553	8,333	6,90,20,557
August 2010	143.00	157.50	96.55	96.55	2,99,536	4,494	4,30,76,339
September 2010	91.75	91.75	33.30	33.30	42,567	390	26,99,153
October 2010	31.65	68.40	27.20	61.90	4,14,807	396	1,35,94,701
November 2010	58.85	75.90	50.55	75.90	5,57,838	1,167	3,73,24,677
December 2010	78.90	131.90	77.00	125.00	4,59,456	898	4,08,38,100
January 2011	125.00	138.00	112.00	122.90	3,34,115	875	4,02,91,744
February 2011	120.00	147.25	105.00	147.20	63,667	503	77,80,025
March 2011	147.00	212.30	143.00	187.35	3,33,124	2,337	6,30,43,555
April 2011	186.00	212.00	169.15	199.70	77,686	756	1,47,17,757
May 2011*	192.00	319.80	141.55	141.55	2,23,332	2,108	5,87,01,662
June 2011*	134.50	143.65	119.70	135.25	1,82,938	1,643	24,42,29,854

*Ex-Bonus

**Registrar and Share Transfer Agent****M/s Adroit Corporate Services Pvt Ltd**19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Andheri (West), Mumbai - 400 059.

Tel Nos - (022) 4227 0400

Fax - (022) 2850 3748

Email - investorgrievance@adroitcorporate.comWebsite: www.adroitcorporate.com

Share Transfer System : Share certificates received for transfer in physical form and requests for Demat are generally registered / confirmed within 15 days of receipt of the same, provided documents are clear in all respects. The Company also provides simultaneous transfer cum Demat facility to its equity shareholders.

Distribution of holding and share holding pattern as on 30th June, 2011.

No. of Equity Shares held	No. of Holders	% of Holders	No. of Shares	% of Shares
Upto - 100	196	26.59	8,182	0.05
101 - 500	107	14.52	27,404	0.17
501 - 1000	79	10.72	71,322	0.45
1001 - 2000	73	9.91	1,35,268	0.85
2001 - 3000	13	1.76	33,750	0.21
3001 - 4000	26	3.53	1,02,407	0.64
4001 - 5000	13	1.76	63,160	0.39
5001 - 10000	70	9.50	5,55,024	3.47
10001 - 20000	59	8.01	10,40,920	6.51
20001 - 50000	55	7.46	19,11,306	11.95
50001 & Above	46	6.24	1,20,51,257	75.32
Total	737	100.00	1,60,00,000	100.00

Categories of Shareholding as on June 30, 2011.

Category	No. of Shares held	Percentage of Shareholding
A Promoter's Holding		
1) Promoters		
Indian promoters:	85,21,000	53.26
Foreign Promoters:		
2) Persons acting in concert	0	0
Sub-Total	85,21,000	53.26
B Non-Promoters Holding		
3) Institutional Investors	0	0
a. Mutual Funds and UTI	0	0
b. Banking, Financial Institutions/Insurance Companies (Central/State Govt. Institutions Non-government Institutions)	0	0
c. FIIs	0	0
Sub-Total	NIL	NIL
4) Others	0	0
a. Private Corporate Bodies	16,07,259	10.05
b. Indian Public	58,62,305	36.64
c. NRIs/OCBs	1,138	0.01
d. Any other (Please Specify)	8,298	0.05
Sub-total	74,79,000	46.74
Grand Total	1,60,00,000	100.00

Particulars of Shares held in physical / Electronic form as on 30th June, 2011.

Category	No. of shares	% of shares
Paper Mode	5,60,940	3.51
NSDL	1,13,99,856	71.25
CDSL	40,39,204	25.24
TOTAL	1,60,00,000	100.00

Depository Services

For guidance on depository services, shareholders may write to:

Adroit Corporate Services Private Ltd (*RTA of the Company*), 19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059, Telephone - (022) 4227 0400, Facsimile - (022) 2850 3748, email - investorgrievances@adroitcorporate.com, Website - www.adroitcorporate.com
OR

National Securities Depository Ltd, Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai - 400 013, Telephone - (022) 2499 4200, Facsimile - (022) 2497 2993 / 2497 6351, email - info@nsdl.com, Website - www.nsdl.com
OR

Central Depository Services (India) Ltd, Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai - 400 023, Telephone - (022) 2272 3333, Facsimile - (022) 2272 3199 / 2072, email - investors@cdslindia.com, Website - www.cdslindia.com.

Outstanding GDRs/ADRs/Warrants or any convertible instruments.
The Company has not issued any GDR/ADR/Warrants etc.

K. MANAGEMENT DISCUSSION AND ANALYSIS

A statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

NON-MANDATORY REQUIREMENTS

CHAIRMAN OF THE BOARD:

The Company has a Executive Chairman.

REMUNERATION COMMITTEE :

The Company has constituted remuneration committee.

POSTAL BALLOT:

The provision relating to Postal Ballot will be complied with in respect of matters where applicable.

DECLARATION BY THE MANAGING DIRECTOR REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

I, Tilokchand Kothari, Managing Director of Visagar Polytex Limited hereby affirm and declare, to the best of my knowledge and belief, and on behalf of the Board of Directors of the Company and Senior Management personnel, that:

- The Board of Directors has laid down a code of conduct for all the Board Members and Senior Management of the Company ["the Code"];
- The Code of Conduct has been posted on the website of the Company;
- All the Directors and Senior Management personnel have affirmed their compliance and adherence to the provisions of the Code of Conduct.

For and on behalf of Board of Directors

Sd/-
Tilokchand Kothari
Managing Director

Place : Mumbai
Date : 30.08.2011

MANAGEMENT DISCUSSION & ANALYSIS

Disclaimer

Statements made in the Management Discussion and Analysis and relating to company's objectives, projections, outlook, expectations, estimates, etc., may constitute forward looking statements within the meaning of applicable securities, laws and regulations. These statements are based on certain assumptions, which cannot be guaranteed by the Company. Several factors, over which the Company may not have any direct control, could make a significant difference to the company's operations. As such, actual results may differ materially from such projections, whether expressed or implied, since it would be beyond Company's ability to successfully implement our growth strategy. The Company undertakes no obligation or responsibility to update forward looking statements and to publicly amend, modify or revise to reflect events or circumstances after the date thereof on the basis of any subsequent development, information or events.

The management of Visagar Polytex Limited presents below its analysis on the performance of your Company during the year under review, i.e. accounting year end 30th June, 2011 (for the period July'10 to June'11).

Economic Overview with specific reference to Textile Industry

The Indian textile industry is a global leader and thanks to the economic liberalization. Though it used to come under unorganized sector few years back, the scenario changed a large part of the industry is now in the organized sector. Contributing a hefty 14% to the country's Industrial production and 4% to the country's Gross Domestic Product (GDP) the segment also accounts for 17% of India's export earnings besides providing direct employment to over 35 million people and thus being the second largest provider of employment after agriculture in the country. While the impact of past under-performance is to be surmounted, the Industry as a whole is moving towards the path of growth. However few of the challenges & imperatives include need for continual modernization & technological up-gradation, Product development and R&D, Cost effectiveness & efficiency to face the ever increasing competition emerging out of WTO policies. While there has also been substantial inflow of FDI in the textile sector for setting up manufacturing capacities, we need to keep in mind the China is and will remain a tough adversary in the global as well as domestic market.

Overview of the Sector & business

The Saree market is huge, unorganized and growing at an incredible rate. The 5000 year old apparel has seen rise and fall of regimes and has dominated the apparel market not even in toughest of economic downturns (recession) but has also been growing strongly ever since. ICRA research of 2006 quotes the Saree market size at Rs. 53000 crore, though a more recent one on Ethnic wear by Technopak quotes the Sarees market in 2009 at Rs. 24000 Crore. While the research figures widely divulge from one another, both agree an over 10% compounded annual growth for Sarees in the future, outdoing all other apparel segments.

The Company is actively involved in textile manufacturing, trading/ wholesaling and retailing activities. The Company comprises of 5 verticals viz. Ethnic wear (Saree/ Lehanga) wholesale, Ethnic wear (Saree/ Lehanga) Manufacturing and Retailing (own/franchise), Fabrics trading and Interlining manufacturing. The Company has a retail chain retailing designer sarees under its flagship brand Vividha, in addition to its manufacturing and wholesale branches in Kolkata & Surat under the same Vividha brand. The Company also manufactures twills i.e. interlining materials for travel bags, suitcases, ladies purse, wallets etc. at Surat (Gujarat) on contract manufacturing basis.

Retail Business

During the year under review, the Company focused on expanding its retail presence under the brand Vividha. The Company is also looking at other retail formats including franchise, shop-in-shop outlets and luxury retailing of textile based products that are designed and manufactured in-house.

Financial Overview

During the year under review, the Company's Gross Income has been Rs. 585.22 Million. This represents a rise of 29.60% over the comparable period in the previous financial year (July'09 to June'10). The increase has been due to overall condition of the textile market and the expansion efforts of the Company across all its business divisions.

Profits

Profits before tax stood at Rs. 11.42 Million during the year under review vis-à-vis Rs. 7.99 Million, representing an increase of 42.93% over the comparable period in the previous financial year (July'09 to June'10). The increase is attributed to increase in sales and operational efficiency.

Factors that may affect the results of operations

Several factors may affect our result of operations that may make it difficult to predict the future financial results. Such factors are:

- Movement in Price of Fabric
- Operating cost & Efficiency
- Product and Market Mix
- Exchange Rates
- Government policies, rules and regulations relating to textile industries
- Availability of Government Benefits & Subsidies
- Ability to organise funds for projects
- Availability of skilled human forces
- Competition
- Break down of machinery or plant
- Disrupted power supply from state electricity board
- Strike by labours
- Development / Innovation / Emergence of any substitute for our products
- Natural Calamities & Disasters and other unforeseen/ unavoidable circumstances

Development, Expansion & Future Outlook

The Company will continue to invest wherever it seems an opportunity to get healthy sustainable results. The performance of the Company largely depends on the Textile market. The Company is concentrating at streamlining its current business activities which will allow for greater operational efficiency in future. Providing quality products at a great value has always been the Company's endeavour. The Company will take this endeavour a notch upwards by enhancing its business activities. The Company is in process to establishing a state of art manufacturing unit at Gothan, Surat to produce designer, value added Embroidery Sarees & Lehengas. The Embroidery market is huge and dominated by small unorganized players in view of lower entry barriers, offering a corporate player immense opportunity for innovation and improvisation. The Management is optimistic that the Company will soon be one of the key players in the untapped and niche Lehenga segment. The clients include stockists, wholesalers, semi-wholesalers, retailers and end-users of textile products. We have not been engaged in export of our products so far, as the domestic demand itself is vast. Having said so, we would like to explore the overseas market in the near-term. The Company's aim is to build up knowledge, capital and human resources to specialize in designing, manufacturing hand/machine work Sarees & Lehengas (bridal wear) facilitating constant revival of products in innovative ways that will enable guaranteed success for our 'VIVIDHA' brand.

Future plans and Outlook

- Intensifying focus on production
- Leveraging resources to deliver innovative and successful product portfolio
- To bring in efficiency through consistent and continuous improvement process throughout all the levels in the Organisation
- To develop a Customer Centric approach
- To develop a Strong Marketing Network

BALANCE SHEET AS AT 30th JUNE, 2011.

Particulars	Schedule	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
<u>SOURCE OF FUND</u>			
SHAREHOLDER'S FUNDS:			
Share Capital	1	16,000,000	8,000,000
Reserve & Surplus	2	96,514,424	96,884,030
LOAN FUNDS:			
Secured Loans	3	31,768,429	10,688,222
Unsecured Loans		9,019,691	10,815,154
		40,788,120	21,503,376
		153,302,544	126,387,406
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	27,348,492	16,153,723
Less: Accumulated Depreciation		4,832,622	3,495,579
Net Block		22,515,870	12,658,144
Capital Work-in-progress		12,526,000	-
Total		35,041,870	12,658,144
INVESTMENTS			
DEFERRED TAX ASSET	5	1,586,510	1,656,146
CURRENT ASSETS, LOANS & ADVANCES		165,898	82,489
Inventories	6	42,672,610	53,202,086
Sundry Debtors	7	153,990,599	102,516,287
Cash & Bank Balances	8	1,859,944	1,456,856
Loans & Advances	9	20,960,392	15,273,701
		219,483,545	172,448,930
Less: CURRENT LIABILITIES & PROVISION			
Current Liabilities	10	98,878,937	57,354,185
Provisions	11	5,962,265	3,492,446
		104,841,202	60,846,631
Net Current Assets		114,642,343	111,602,299
Miscellaneous Expenditure (To the extent not written off or adjusted)		1,865,923	388,328
		153,302,544	126,387,406
NOTES ON ACCOUNTS			
The Schedules referred to herein form an integral part of the Balance Sheet	17		

As per our Report of even date
For **Sudhir M. Desai & Co.**
Chartered Accountants

Sd/-
Sudhir M. Desai
Proprietor
M. No. 41999
Place : Mumbai
Dated : 30.08.2011

For Visagar Polytex Limited

Sd/-
Tilokchand Kothari
Managing Director
Sd/-
Kalpna Sharma
Company Secretary

Sd/-
Kailash Chhaparwal
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 2011.

Particulars	Schedule	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
INCOME			
Sales / Income from Operations		542,222,897	398,376,450
Other Receipts	12	329,149	(46,946)
Increase/(Decrease) in Stock	13	(10,529,476)	17,643,845
TOTAL		532,022,570	415,973,349
EXPENDITURE			
Purchases		483,097,999	370,483,298
Employees Remuneration & Benefits	14	6,744,421	5,614,362
Administration & Other Expenses	15	15,702,025	13,332,569
Direct Expenses	16	13,722,177	16,964,327
Depreciation		1,337,043	1,590,990
TOTAL		520,603,665	407,985,546
Profit before Tax		11,418,905	7,987,803
Provision for Tax		2,000,000	1,725,000
Deferred Tax		(83,409)	(82,489)
Profit after Tax		9,502,314	6,345,292
Balance brought forward from previous year		30,244,030	24,834,698
Profit available for appropriation		39,746,344	31,179,990
Appropriations :			
Proposed Dividend		1,600,000	800,000
Provision for Taxation on Dividend		271,920	135,960
Net Profit Carried over to Balance Sheet		37,874,424	30,244,030
Earning Per Shares (Rs.)		0.87	0.68

NOTES ON ACCOUNTS

17

As per our Report of even date

For Sudhir M. Desai & Co.

Chartered Accountants

Sd/-

Sudhir M. Desai

Proprietor

M. No. 41999

Place : Mumbai

Dated : 30.08.2011

For Visagar Polytex Limited

Sd/-

Tilokchand Kothari

Managing Director

Sd/-

Kalpana Sharma

Company Secretary

Sd/-

Kailash Chhapparwal

Director

SCHEDULE FORMING PART OF THE BALANCE SHEET

Particulars	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED		
50,000,000 Equity Shares of Rs.1/- each (Prev Yr. : 50,000,000 Equity Shares of Rs.1/-each)	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
ISSUED, SUBSCRIBED & PAID UP		
16,000,000 Equity Shares of Rs. 1/- each (8,000,000 Equity Shares issued as Bonus during the Year) (Prev Yr. : 8,000,000 Equity Shares of Rs.1/- each)	16,000,000	8,000,000
	<u>16,000,000</u>	<u>8,000,000</u>
SCHEDULE : 2		
RESERVE & SURPLUS		
Share Premium	66,640,000	66,640,000
Less : Bonus Shares issued in ratio 1:1	(8,000,000)	-
Profit & Loss Account	37,874,424	30,244,030
	<u>96,514,424</u>	<u>96,884,030</u>
SCHEDULE : 3		
SECURED LOANS		
Banks		
Cash Credits/Overdrafts	31,647,029	10,367,622
Others		
Others	121,400	320,600
	<u>31,768,429</u>	<u>10,688,222</u>
UNSECURED LOANS		
Inter - Corporate Loans	866,000	636,000
Loan from Directors & Associates	300,000	300,000
Other Loans	7,853,691	9,879,154
	<u>9,019,691</u>	<u>10,815,154</u>
	<u>40,788,120</u>	<u>21,503,376</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET**SCHEDULE -4 :
FIXED ASSETS**

Particulars	Gross Block		Depreciation			Net Block	
	As at 01.07.2010	ADD/DED DURING	As at 30.06.2011	Upto 01.07.2010	PROVIDED DURING	Upto 30.06.2011	As at 30.06.2011 As at 30.06.2010
Land & Buildings	5993675	1530055	7523730	-	-	-	7523730 5993675
Office Premises	332270	-	332270	-	-	-	332270 332270
Plant & Machinery	-	8585000	8585000	-	-	-	8585000 -
Mobile Phones	101711	7750	109461	27329	11425	38754	70707 74382
Computers & Software	877845	204245	1082090	541690	134462	676152	405938 336155
Furniture & Fixtures	7148772	643325	7792097	2452348	901286	3353634	4438463 4696424
Office Equipments	64782	20000	84782	20072	10448	30520	54262 44710
Electrical Fittings	44950	-	44950	15603	4082	19685	25265 29347
Air Conditioners	734676	52610	787286	217167	71986	289153	498133 517509
Motor Vehicles	855042	151784	1006826	221370	203355	424725	582101 633672
TOTAL RS.	16153723	11194769	27348492	3495579	1337043	4832622	22515870 12658144
Previous Year	14459005	1694718	14459005	1904589	1590990	3495579	12658144 12554416

SCHEDULE FORMING PART OF THE BALANCE SHEET

PARTICULARS	FACE VALUE	PERIOD ENDED		PERIOD ENDED	
		30.06.2011		30.06.2010	
	Rs.	No of Shares	Amount Rs.	No of Shares	Amount Rs.
SCHEDULE : 5					
INVESTMENTS (At Cost)					
Quoted Shares					
Brijlaxmi Leas & Fin Ltd	1/-	1000	510	1000	510
Osiajee Housing Dev Ltd	10/-	192000	15,36,000	200125	16,01,000
Paras Patrofiles Ltd	1/-			10644	29,636
			15,36,510		16,31,146
Un-Quoted Shares					
The Pratap Co-op Bank Ltd		250	25,000		-
			25,000		-
Share Application Money					
Trisha Trading Co Pvt Ltd			25,000		25,000
			25,000		25,000
			15,86,510		1,656,146

Aggregate Market Value of Quoted Investment as on 30.06.2011 is Rs. 15,36,200/-.

Particulars	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
SCHEDULE : 6		
INVENTORIES		
(As taken valued and certified by the management)		
Stock in Hand	42,672,610	53,202,086
	42,672,610	53,202,086
SCHEDULE : 7		
SUNDRY DEBTORS		
Debtors over Six Months	37,419,715	24,152,837
Other Debtors	116,570,884	78,363,450
	153,990,599	102,516,287
SCHEDULE : 8		
CASH & BANK BALANCES		
Cash in Hand (As Certified by Management)	547,973	1,030,307
Bank Balances	1,311,971	426,549
	1,859,944	1,456,856

SCHEDULE FORMING PART OF THE BALANCE SHEET

Particulars	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
SCHEDULE : 9		
LOANS & ADVANCES		
Advanced to Creditors for Goods	9,500,000	-
Advance recoverable in cash or in kind/or For values to be received	7,570,865	11,607,086
Deposits	3,889,527	3,666,615
	<u>20,960,392</u>	<u>15,273,701</u>
SCHEDULE : 10		
CURRENT LIABILITIES		
Sundry Creditors	97,575,403	57,354,185
Other Liabilities	1,303,534	-
	<u>98,878,937</u>	<u>57,354,185</u>
SCHEDULE : 11		
PROVISIONS		
Salary Payable	112,640	42,000
Proposed Dividend	1,600,000	-
Unpaid Dividend	251,904	-
Provision for Audit Fees	44,120	22,060
Provision for Taxation	3,953,601	2,675,000
Other Provisions	-	753,386
	<u>5,962,265</u>	<u>3,492,446</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT.

Particulars	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
SCHEDULE : 12		
OTHER INCOME		
Profit/Loss on sale of Shares	(15,634)	(197,925)
Dividend & Interest	267,177	113,295
Other Receipts	77,606	37,684
	<u>329,149</u>	<u>(46,946)</u>
SCHEDULE : 13		
INCREASE/(DECREASE) IN STOCK		
Opening Stock	53,202,086	35,558,241
Closing Stock	42,672,610	53,202,086
Increase/(Decrease)	<u>(10,529,476)</u>	<u>17,643,845</u>
SCHEDULE : 14		
EMPLOYEES REMUNARATION AND BENEFITS		
Salaries	6,475,287	5,390,427
Conveyance	176,897	109,404
Welfare Expenses	92,237	114,531
	<u>6,744,421</u>	<u>5,614,362</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT.

Particulars	As at 30-06-2011 Rupees	As at 30-06-2010 Rupees
SCHEDULE : 15		
ADMINISTRATIVE EXPENSES		
Advertisement Expenses	509,623	781,947
Audit Fees	22,060	22,060
Bank Charges	216,674	220,813
Brokerage Expenses	967,421	667,114
Claim	363,213	414,148
Commission Expenses	465,466	524,933
Computer Maintenance	49,568	69,184
Demat & RTA Charges	26,255	11,922
Discounts & Rate Difference	1,888,813	130,563
Finance Charges	375,761	394,140
General Expenses	2,333,278	2,914,176
Insurance Charges	75,527	55,372
Interest Paid to Bank & Others	3,307,947	2,159,045
Labour Charges	13,793	94,298
Legal & Professional Charges	47,527	232,257
Motor Hire Charges	69,993	35,750
Postage & Telegram	230,816	278,592
Printing & Stationery	104,787	179,491
Rent, Rate & Taxes	2,909,848	2,666,308
Repair & Maintenance	221,235	260,510
Telephone & Mobile Charges	320,961	304,823
Transport & Packing Charges	791,285	628,326
Traveling Expenses	390,174	286,797
	<u>15,702,025</u>	<u>13,332,569</u>
SCHEDULE : 16		
DIRECT EXPENSES		
Piping, Dyeing, Stitch & Finishing	618,570	1,149,064
Jobwork Charges	12,435,893	15,083,575
Packing & Folding Expenses	385,383	731,688
Wages & Bonus	282,331	-
	<u>13,722,177</u>	<u>16,964,327</u>

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2011.

SCHEDULE - 17:

NOTES TO ACCOUNT & SIGNIFICANT POLICIES

1. Significant Accounting Policies

FIXED ASSETS

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties and taxes and incidental expenses related to acquisition.

DEPRECIATION

Depreciation is calculated on Fixed Assets and the company follows the Written Down Value method which is in accordance with schedule XIV of the Companies Act, 1956.

INVENTORIES

Stock is valued at cost.

INVESTMENTS

Investments are valued at cost, any diminution in the value of investments, if considered permanent, is provided for.

INCOME FROM INVESTMENTS / DEPOSITS

Income from investments / Deposits is credited to revenue in the year in which it accrues except Dividend which is accounted for on Cash basis.

RECOGNITION OF INCOME & EXPENDITURE

All income and expenditure are accounted for on accrual basis.

RETIREMENT BENEFITS

Provision for Payment of Gratuity Act, 1972 is not applicable and as such no provision is made. Leave Encashment, if any, would be accounted for as and when paid.

2. In the opinion of the Board the value of Current Assets, Loans & Advances have a value in ordinary course of business at least equal to that stated in the Balance Sheet except in case of those shown as doubtful.
3. No Interest has been provided for the year on LOANS & ADVANCES made by the Company in few cases.
4. Estimated Amount of Contracts Remaining to be executed on Capital Accounts and not provide for Rs. NIL.

5. Additional information Pursuant to the Provision of Paragraph 3, 4C and 4D of part II of the Schedule VI of the Companies Act, 1956.

A. Other additional information - NIL (Previous Year NIL)

B. Earning & Expenditure in Foreign Currency - NIL (Previous Year NIL)

6. Auditors' Remuneration

Particulars	30.06.2011
Audit Fees	15,000
Tax Audit Fees	5,000
Other Services	N.A.
TOTAL	20,000

Director Remuneration

Particulars	Mr. Tilokchand Kothari	Mr. Kailash Chhapparwal
Salary	4,00,000/-	3,00,000/-
Perquisites	NIL	NIL
Commission	NIL	NIL
Total	4,00,000/-	3,00,000/-

7. Earnings Per Shares
- | | | |
|---------------------------|---|-----------------|
| Net Profit for the Year | : | 7,630,394 |
| Number of Equity Shares | : | 16,000,000 |
| Nominal Value of Shares | : | Re. 1/- |
| Earnings per Shares (Rs.) | : | 0.87 annualised |
8. Related Party Disclosures : NIL
9. Previous Year Figure has been Regrouped & Rearranged wherever found necessary.
10. Schedules 1 to 16 form an integral part of the Balance Sheet & Profit & Loss Account.

As per our Report of even date

For **Sudhir M. Desai & Co.**

Chartered Accountants

Sd/-

Sudhir M. Desai

Proprietor

M. No. 41999

Place : Mumbai

Dated : 30.08.2011

For **Visagar Polytex Limited**

Sd/-

Tilokchand Kothari

Managing Director

Sd/-

Kalpana Sharma

Company Secretary

Sd/-

Kailash Chhapparwal

Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I	REGISTRATION DETAILS			
	Registration No.	30215	State Code	11
	Balance Sheet Date	30-06-2011		
II	CAPITAL RAISED DURING THE YEAR (Amount in Rs. Lacs)			
	Public Issue	NIL	Right Issue	NIL
	Promoters Equity	NIL	Bonus Issue	80.00
III	POSITION OF MOBILISATION & DEPLOYMENT OF FUND (Amount in Rs. Lacs)			
	Total Liability	1533.03	Total Assets	1533.03
IV	SOURCE OF FUNDS (Amount in Rs. Lacs)			
	Paid-up Capital	160.00	Unsecured Loan	90.20
	Reserves and Surplus	965.23	Secured Loan	317.68
V	APPLICATIONS OF FUNDS (Amount in Rs. Lacs)			
	Net Fixed Assets (incl. Capital WIP)	350.42	Investments	15.87
	Net Current Assets	1148.08	Misc. Expenditure	18.66
VI	PERFORMANCE OF COMPANY (Amount in Rs. Lacs)			
	Turnover (incl. Other Income)	5425.52	Total Expenditure	5206.04
	Opening Stock	532.02	Closing Stock	426.73
	Profit before Tax	114.19	Profit after Tax	95.02
	Earnings per Share	0.87		
VII	GENERIC NAMES OF THEE PRINCIPAL PRODUCTS / SERVICES OF COMPANY: ---			
	Product Description: Textile Manufacturing & Trading			

As per our Report of even date

For **Sudhir M. Desai & Co.**

Chartered Accountants

Sd/-

Sudhir M. Desai

Proprietor

M. No. 41999

Place : Mumbai

Dated : 30.08.2011

For Visagar Polytex Limited

Sd/-

Tilokchand Kothari

Managing Director

Sd/-

Kalpana Sharma

Company Secretary

Sd/-

Kailash Chhapparwal

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30TH JUNE 2011.

PARTICULARS	30/06/2011	30/06/2010
A. Cash Flow from operating activities :		
Net Profit before Tax as per P & L A/c		
Adjusted for	11418905	7987803
1. Misc Income	NIL	NIL
2. Interest Income	NIL	NIL
3. Misc. Expenses W. off	NIL	2204
4. Depreciation	1337043	1590990
5. Proposed Dividend & Tax	-1477595	935960
Operating Profit Before Working Capital Changes	11278353	10516957
Add : Adjusted for		
1. Closing Stock	10529476	-15343639
2. Sundry Debtors	-51474312	-47780256
3. Loans & Advances	3813308	-6445504
4. Current Liabilities	41996352	-4924543
5. WIP	-9500000	-
Net Cash Inflow/Outflow Operations (A)	-4635176	-74493942
B. Cash Flow from Investing Activities :		
1. Fixed Assets	-23720769	-1694718
2. Investments	69636	1657375
Net Cash Flow from Investing Activities (B)	-23651133	-37343
C. Cash Flow from Financial Activities:		
Share Capital (Call Money)	8000000	560000
Share Application Money	-8000000	66640000
Deposits/Unsecured Loans	19284744	-1304906
Tax Paid	-1873700	-
Net Cash Flow from Financing Activities (C)	17411044	65895094
Net Cash Increase in Cash & Cash Equivalents (A + B + C)	403088	1880766
Opening Balances of Cash & Cash Equivalents	1456856	3337622
Closing Balances of Cash & Cash Equivalents	1859944	1456856
NET INFLOW	403088	1880766

AUDITORS' CERTIFICATE

We have examined the attached statement of VISAGAR POLYTEX LIMITED for the year ended 30.06.2011 (previous year ended 30.06.2010). The Statement has been prepared by the Company in accordance with the requirements of Listing with the Stock Exchange and is based on and agreement with Profit & Loss Account and Balance Sheet of the Company covered by our report of

As per our Report of Even Date
For Sudhir M Desai & Co.
Chartered Accountants
Sd/-

Sudhir M Desai
Proprietor
M. No. 41999

Place : Mumbai
Date : 30.08.2011

Book Post
(Under Postal Certificate)



VISAGAR POLYTEX LIMITED

Regd. Off. : 907/908, Dev Plaza, S. V. Road, Andheri (W), Mumbai 400 058.
Tel.: (022) 6742 4815 Email: contact@visagar.com Website: www.visagar.com