

VALLABH POLY PLAST INTERNATIONAL LIMITED

❖ Regd. Office ❖

194, Jawahar Nagar, Road No. 3, Goregaon (W), Mumbai - 400 062.



**FOURTEENTH ANNUAL REPORT
2007-2008**

VALLABH POLY PLAST INTERNATIONAL LTD. FOURTEENTH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

Director Shri Satish D. Jain

Director Shri Kiran U. Rathod

Director Shri Vinod U. Rathod

Auditors M/s. DAMANI & SHAH
Chartered Accountant, Mumbai.

Registered Office 194, Jawahar Nagar,
Road No. 3, Goregaon (W),
Mumbai - 400 062.

CONTENTS

	Pg. No.
1. Director's Reports	03-06
2. Auditor's Report	07 - 12
3. Balance Sheet	13
4. Profit & Loss Account	14
5. Schedules, Cash Flow Statement & Notes to Accounts	15-28

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of **VALLABH POLY PLAST INTERNATIONAL LIMITED** will be held at its Registered Office at 194, Jawahar Nagar, Road No. 3, Goregaon (W), Mumbai: 400 062 on Monday, September 29, 2008 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Kiran U. Rathod, who retire by rotation, and being eligible, offers himself for reappointment.
3. To appoint the Auditors' and to fix their remuneration.

 For and on behalf of the
Board of Directors

Place: Mumbai
Date : 01st September, 2008

SATISH D. JAIN
DIRECTOR.

REGISTERED OFFICE:

194, Jawahar Nagar, Road No. 3,
Goregaon (W),
Mumbai: 400 062.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 25, 2008 to Monday, September 29, 2008 (both days inclusive.)

3. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.

4. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.

5. For convenience of members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.

6. Members are requested to bring their copies of the reports to Annual General Meeting.

7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Company.

8. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to the Registered Office of the Company.

DIRECTORS' REPORT

Your Directors hereby present the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL HIGHLIGHTS:

	(Rs. In lacs)	
	31/03/2008	31/03/2007
Profit/Loss before interest & depreciation & before extra ordinary items	6.07	6.03
Less: Depreciation & Interest	4.34	1.49
Net Profit before Tax	1.73	4.54
Less: Provision for Tax	NIL	NIL
Less: Provision for FBT	NIL	0.04
Impairment Loss	NIL	NIL
Extra ordinary item	2.40	406.69
Profit/(Loss) Available for Appropriation	4.12	410.88
Balance carried to Balance Sheet	4.12	410.88

DIVIDENDS:

The Company has not earned any divisible profits for the year under review. However, the profits which are earned the Director have decided to Plough back in the business, so as to strengthen the company's financial position for the years to come. Hence, the Board do not recommend any dividend during the year under review.

OPERATIONS:

During the financial year under review, no production took place at the Company's factory at Daman. As explained earlier in the last year's Directors Report that to full fill the OTS timely, Directors have taken loan from their friends, relatives in the month of July 07 & to pay the said loan taken & to save the Company from interest burden on the said loan after passing of resolution by Postal Ballot on 25th March, 2008. Director's sold the Land & Buildings and Plant & Machinery at Daman as per the details mentioned in the resolution passed through the medium of Postal Ballot.

Your Board of Directors further wishes to inform you that vide BIFR Order dated 18/12/2007 on the hearing held on 14/11/2007 your Company is Deregistered from the purview of The Sick Industrial Companies (Special Provisions) Act, 1985, with immediate effect. Further, vide the final hearing dated 14/02/2008. Honourable

Bombay High Court has discharged the Provisional Official Liquidator with immediate effect.

AUDITOR'S REMARKS UNDER SECTION 217(3):

AS REGARDS NOTE NO. 4 (V) OF THE AUDITORS REPORT.

Due to the Bank OTS and no liability of the unsecured loan, the interest burden on the Company became nil. Moreover, due to the change in circumstances, Company is planning to have joint ventures with other Companies to manufacture some other value added products. Discussion is also going on with various strategic investors who are interested in investing in your Company. Board of Directors of your Company is hopeful of reviving your Company in the near future.

DIRECTORS:

Shri Kiran U. Rathod retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

FIXED DEPOSITS:

The Company has not accepted deposits from public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo forms part of this report and is given by way of Annexure.

AUDITORS:

M/s. Damani & Shah, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE:

Due to grim financial position of the Company it was difficult for your Company to attract independent eminent persons having considerable experience and expertise on the Board of your Company. Hence, it was not possible for your Board to comply with the provisions of Clause 49 of the Corporate Governance.

PARTICULARS OF EMPLOYEES:

The Company has no employees of the specified categories under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended up to date.

DIRECTORS' RESPONSIBILITY STATEMENT, pursuant to Sec. 217(2AA) of the Companies Act, 1956:

- (i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

APPRECIATION:

Your Directors express their warm appreciation to the Company's Bankers for their continued support and co-operation.

**For and on behalf of the
Board of Directors**

**Place: Mumbai
Date : 01st September 2008**

**SATISH D. JAIN
DIRECTOR**

**KIRAN U. RATHOD
DIRECTOR**

ANNEXURE TO DIRECTORS' REPORT

Information in terms of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

Company uses electricity as major source of energy. Adequate steps for power factor improvement have been taken wherever feasible.

FORM A

Form for disclosure of particulars with respect to conservation of energy:

Particulars	Current Year (31/03/2008)	Previous Year (31/03/2007)
1. Power & Fuel Consumption:		
1. Electricity Unit		
Purchased (KWH)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL
4. Others		
II. Consumption Per Unit of Production:		
Plastic, Layflat Tubings (Rolls)/Bags/Kg.	NIL	NIL

B. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings : NIL

Outgo: NIL

For and on behalf of the
Board of Directors

Place: Mumbai
Date : 01st September, 2008

SATISH D. JAIN
DIRECTOR

KIRAN U. RATHOD
DIRECTOR

AUDITOR'S REPORT

The Members of
Vallabh Poly-Plast International Ltd.

- 1 We have audited the attached balance sheet of **Vallabh Poly-Plast International Ltd.**, as at 31st March 2008, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable, subject to Note **No.II-5, II-7 & II-8** of Schedule N.
 - (v) As mentioned in note No.I-1 of Schedule N, the accounts of the Company have been prepared on the basis that the company is a going concern. As stated in note II - 6 of schedule N, all the fixed assets including factory land & building have been sold. There exists a substantial doubt that without replacement of fixed assets, the company will be able to continue as a going concern for the foreseeable future. Consequently, adjustments may be required to the recorded amount of assets and classification of