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**VINYOFLEX LIMITED**  
**9TH ANNUAL REPORT**  
**2001-2002**

## 9th ANNUAL REPORTS

2001-2002

<b>VINYOFLEX LIMITED</b>	:	<b>Regd. office :</b> 307, Silver Chambers, Tagore Road, Rajkot - 360 002.
		<b>Factory :</b> Survey No. 241, N H, 8-B, Near G.E.B. Sub-station, Shaper (Taluka Kotda Sangani)
<b>BOARD OF DIRECTORS</b>	:	<b>Shri Mansukhlal Premji Patel</b> ( <i>Chairman &amp; M.D.</i> ) <b>Shri Bhupatlal Lalji Tilva</b> <b>Shri Vinod Khimji Tilva</b>
<b>CONSULTING COMPANY SECRETARY</b>	:	<b>Shri Indravadan R. Patel</b> "Chanakya" 3rd Floor, Near Dinesh Hall, AHMEDABAD - 380 009.
<b>AUDITORS</b>	:	<b>M/s. Gadhia Karachiwala &amp; Co.</b> Chartered Accountants 307, Hira-Panna, 3rd Floor, Dr. Yagnik Road, Rajkot - 360 001.
<b>BANKERS</b>	:	<b>State Bank of Saurashtra</b> Gymkhana, Rajkot - 360 001.

**NOTICE**

NOTICE is hereby given that the 9th Annual General Meeting of the Members of M/s. VINYOFLEX LIMITED will be held at 307, Silver Chambers, Tagore Road, Rajkot-360 002 on 19th day of September, 2002 at 12:00 a.m. to transact the following business:-

**ORDINARY BUSINESS :**

1. To consider, approve and adopt the Balance Sheet as on 31st March, 2002, Profit and Loss Account for the year ended on that date and the reports of the Board of Directors' and Auditors' thereon.
2. To appoint the Auditors of the Company, who shall hold the office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.
3. To appoint a Director in place of Shri Bhupatlal Lalji Tilva who retires by rotation and being eligible offers himself for reappointment.

By order of the Board of Directors

Registered Office :  
307, Silver Chambers,  
Tagore Road,  
Rajkot-360 002.

Sd/-  
MANSUKHBHAI P. PATEL.  
Chairman & Managing Director

Place : Rajkot  
Dated : 10th July 2002

**NOTES**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.
2. All documents referred to in the accompanying Notice are open for inspection at the Regd. Office of the Company during the office hours on all working days between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
3. Members are requested to intimate the change, if any, in their registered address at the earliest, quoting their folio number.
4. Members are requested to bring along-with them their copy of Annual Report at the meeting.
5. Members are requested to quote Folio Number(s) in their correspondence.
6. Members are requested to send their queries, if any, atleast ten days before the date of meeting so that the information can be made available at the meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed for four days from 16th September 2002 to 19th September, 2002.
8. Members are requested to send the share transfer forms to the Company's registered office at 307, Silver Chambers, Tagore Road, Rajkot-360 002.

## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting the 9th Annual Report with the audited statements of the Company for the year ended on 31st March, 2002

## FINANCIAL RESULTS :

The financial results of the Company for the year under review are summarised below :

	(Rs. in lacs)	
	Current Year	Previous Year
	2001-2002	2000-01
Gross profit before Interest, depreciation and tax	81.71	78.28
Less : Interest	34.42	36.74
Depreciation	19.05	18.94
Profit before tax	28.24	22.60
Provision for tax	2.42	2.20
Profit after tax	25.82	20.40
Add : Bal. brought forward from previous year	(8.87)	(-11.53)
Less : Deferred Tax Liability	18.81	0.00
Amount available for Net appropriations	<u>(15.88)</u>	<u>(18.87)</u>
APPROPRIATIONS :		
Proposed Dividend	---	---
Income tax on proposed dividend	---	---
General reserve	---	---
Balance carried to Balance sheet	15.88	8.87
	<u>15.88</u>	<u>8.97</u>

## OPERATIONS :

The second year of a new century was quite satisfactory for your company. Though the sales of the company declined compared to last year, the company poised good result. The company's product PVC films is accepted by market well. The total Sales of the company during the year were Rs. 9,81,01,568.00 as against Rs.10,45,32,328.00 Which indicates decrease by Rs. 64,30,760.00. The company's operating net profit for the current year stood at Rs. 25.82 lakhs. The current Net profits of the company after tax stand at a positive figure of Rs.15.88 lacs considering the earlier years the profit of Rs.8.87 lacs and after adjusting the defer tax liability of Rs.18.81 lacs, the balance amount of profit comes to Rs. 15.88 lacs which is carried to the Balance Sheet. Your Directors are trying their best to increase market after adopting various marketing strategy and your directors are keen to maintain the well receive quality of the product and also to make, constant improvement in quality considering the changing marketing scenario.

## DIVIDEND :

Though the company had made profit, in order to augment the resources, the directors of your company regret their inability to recommend any dividend to the Equity Shareholders of the Company for the year under consideration.

## DIRECTORS :

Pursuant to Articles of Association of the Company read with Section 256 of the Companies act, 1956 Shri Bhupatlal Lalji Tilva the Director of the company is due to retire at the ensuing Annual General Meeting and being eligible offers himself for the reappointment.

## FIXED DEPOSITS :

Fixed deposit from the shareholders at the end of the Financial year stood at Rs. 84,05,000 which was Rs. 81,05,000 in the last year.

## INSURANCE :

All the properties of the Company including building, plant and machineries and stocks have been adequately insured against fire, earthquake, strike and riot damages/risks etc.

## AUDITORS :

M/s. Gadhia Karachiwala & Co., Chartered Accountants, Rajkot retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment as the Auditors of the Company, offer themselves for re-appointment.

## PARTICULARS OF EMPLOYEES :

Since there is no employee drawing salary as specified in section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 the particulars required to be given under the said Rules are not applicable.

## DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the Companies' Act, 1956, as amended by the Companies' (Amendment) Act, 2000, your Directors state:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgements and estimates 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 ended on 31-3-2002;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared annual accounts on a going concern basis.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS &amp; OUTGO :

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

## VINYOFLEX LIMITED

**ACKNOWLEDGEMENT :**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Bankers, Particularly Bank of Baroda and State Bank of Saurashtra and various Government organisations of Central as well as State levels during the year under review.

Your Directors would also like to place on record the appreciation of the valued customers of the company's product for continuous support and also giving valuable suggestions for product setting. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives and employees of the company for implementation of the company's challenging project with diligence and co-operation.

For and behalf of the Board of Directors,  
**FOR VINYOFLEX LIMITED**

Sd/-

**MANSUKHBHAI P. PATEL**

*Chairman & Managing*

Place : Rajkot

Dated : 10th July, 2002

*Director*

2.	Coal (Specify quality and where used)	
	Quantity	Nil
	Total Cost (Rs. in thousands)	
	Average rate	
3.	Furnace oil	
	Quantity (k.ltrs.)	
	Total amount	Nil
	Average rate	
4.	Others / internal generation (please give details)	
	Quantity	
	Total cost	Nil
<b>B.</b>	<b>Consumption per unit of Production</b>	
	Products (with details) unit	
	For the production of 1 Kg. PVC Film	
I.	Electricity	
	Production PVC Film Kg.	23,40,183
	Total Electricity Unit	
	consumed	16,75,344
	(16, 64, 216/ 2147,013) =	0.72 Units
II.	G.N. Husk (Fotari)	
	Production PVC Film Kg.	23,40,183
	Total G.N. Husk (Fotri)	
	Kg. consumed	5,77,131
	-(740310/2147013) =	0.25
	Furnace Oil	
	Coal (Specify quality)	Not
	Others (Specify)	Applicable

**ANNEXURE TO THE DIRECTORS' REPORT****FORM "A"**

Form for disclosure of particulars with respect to conservation of energy

**A. Power and Fuel consumption 2001-2002**

1.	Electricity	
	Total unit Consumed	16,75,344
	Total amount (Rs.)	86,61,814
	Rate/Unit (Rs.)	5.17
2.	G.N. Husk (Fotari)	
	Total Quantity Consumed	5,77,131 Kgs.
	Total amount paid	4,23,689.00
	Rate per Kgs.	0.73
	Total Production of PVC Film	2340.183 Qty (M.T)
b)	Own Generation	
1)	Through Diesel	
	Generator Unit (Nos.)	Nil
	Unit per ltr. of diesel Oil (Nos.)	Nil
	Cost/ Unit (Rs.)	Nil
2)	Through wind turbine/generator	
	Units (Nos.)	Nil
	Cost/ Unit (Rs.)	Nil
	Amount (Rs.)	

**FORM-B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

Research and Development Nil

**A. Technology Absorption. Adoption and Innovation**

The Company had imported plant & machineries at a very competitive price. By making slight variation, to meet our requirement, the erection was completed and more than expected production could be achieved.

The company lays great emphasis on saving of energy. Achieving reduction of energy per unit of production is an ongoing exercise in the company. The company shall take effective measures to minimise the loss of energy at the factory.

**B. Benefits derived as a result of the above efforts**

The cost of the project with higher capacity go down.

**C. Foreign Exchange Earning & Outgo**

The Company earned Foreign Exchange income of Rs 7,63,285.00 The Company expended Foreign Exchange of Rs. 2,758,043 during the financial year 2001-2002.

**4. Expenditure on Research & Development - Nil**