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VINYOFLEX LIMITED
14TH ANNUAL REPORT
2006-2007

14th ANNUAL REPORTS

2006-2007

VINYOFLEX LIMITED

Regd. office : 307, Silver Chambers,
Tagore Road,
Rajkot - 300 002.

Factory : Survey No. 241, N H, 8-B,
Near G.E.B. Sub-station,
Shaper (Taluka Kotda Sangani)

BOARD OF DIRECTORS

Shri Mansukhlal Premji Patel (*Chairman & M.D.*)
Shri Bhupatlal Lalji Tilva
Shri Vinod Khimji Tilva
Shri Mansukhlal Jeramdas Patel (*Independent*)
Shri Kelvin A. Makadia (*Independent*)
Shri Dineshlal D. Nadapra (*Independent*)
Shri Chimanlal R. Chapla (*Independent*)

AUDITORS

M/s. Gadhia Karachiwala & Co.
Chartered Accountants
307, Hira-Panna, 3rd Floor,
Dr. Yagnik Road,
Rajkot - 360 001.

BANKERS

State Bank of Saurashtra
Gymkhana,
Rajkot - 360 001.

SHARE TRANSFER AGENT

M.C.S. LTD.
101, Shatdal Complex,
1st Floor, Opp. Bata Show Room,
Ashram Road, Ahmedabad - 380 009.
Phone : (079) 26582878

NOTICE

NOTICE is hereby given that the **14th Annual General Meeting** of the Members of **VINYOFLEX LIMITED** will be held at 307, Silver Chambers, Tagore Road, Rajkot on **20th September, 2007** at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2007 and Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To Appoint a Director in place of Shri Bhupatlal L. Tilva, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To Appoint a Director in place of Shri Mansukhlal B. Makadia, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director Shri Hiralal M. Patel, who appointed as a additional non executive director as on 05.05.2007
5. To Appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. All documents referred to in the accompanying Notices 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. up to 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 quote Folio Number(s) in their correspondence.
5. 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.
6. The Register of Members and Share Transfer Book will remain closed from 15th September 2007 To 20 th September 2007 (Both days inclusive).
7. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
8. Members are requested to bring their Attendance Slip alongwith the copy of the Annual Report at the meeting. The Members are further requested to send all their communication relating to the share registry work to the Share Transfer and Registrar Agent of the Company M/s. M. C. S. Ltd., 1st Floor, Opp. Bata Showroom, Ashram Road, Ahmedabad - 380 009. Ph. 079 - 26582878

Date : 28-06-2007

For and on behalf of Board of Directors

Sd/-

Mansukhbhai Patel
Managing Director

Place : Rajkot

DIRECTORS' REPORT

To,
The Members
Vinoflex Ltd.

The Directors of the company have pleasure in presenting their **FOURTEENTH ANNUAL REPORT** together with the Audited Statement of Accounts of your Company for the Financial Year ended on **31st March, 2007**.

FINANCIAL performance :

The financial performance for the year ended on 31st March, 2007 is summarized as under :

Particulars	31/03/2007	31/03/2006
Profit/Loss before depreciation,		
Interest and taxes	11602293	10733508
Less : Interest	3684495	3533887
Depreciation	2465400	2143928
Profit before tax	5452398	5055693
Provision for Taxation	658000	455500
Profit after tax	4794398	4600193
Add : Bal. brought forward		
from previous year	3872798	1160110
Less : Deferred Tax Liability	1859124	1887505
Balance carried to		
Balance sheet	6808072	3872798

Dividend :

In view of the Company's profitable performance, the Board of Directors desire to retain the profit for the purposes of the plugging back into the business operations and hence do not recommend dividend for the year 2006-2007.

Performance :

The Company has been able to achieved 26 % growth in sales and 8 % growth in profits after tax as compared to previous year. In future Company will try to achieve more sales and profit.

Directors :

In terms of the provisions of the Companies Act, 1956 and the Article of Association of the company, Shri Bhupatlal L. Tilva and Shri Mansukhlal B. Makadia, Director of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

During the Mr. Hiralal M. Patel appointed as non executive director.

Auditors Observation :

Relevant notes to the accounts concerning Auditors Observations thereon are self explanatory.

Auditors :

M/s. Gadhia Karachiwala, Chartered Accountants, the Auditors of the company, retire at the ensuring Annual General Meeting and being eligible offer, offer themselves for re-appointment.

Particulars of Employees :

Since there are no employees drawing salary as specified in Section- 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, the particulars is not given.

Conservation of Energy, Technology Absorption and Foreign Exchange Earing and Outgo :

Information in accordance with the provision of Section 21(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.

Responsibility Statement :

As required under Section-217 (2AA) of the Companies Act, 1956, the Directors of the company hereby state and confirm:

i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;

ii. That the Directors had 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 the affairs of the company at the end of the financial year ended 31.03.2007 and of the profit 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 the Companies Act, 1956 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 concerns basis.

Corporate Governance :

A detailed report on Corporate Governance along with Auditor's Certificate on its compliance is attached as a part of the Annual Report.

Appreciation :

Your Directors take this opportunity to thank all investors, banks, regulatory and the governmental authorities for their continued co-operation during the year. Your Directors sincerely acknowledges the significant contribution made by all the employees for their dedicated services to the Company.

Date : 28-06-2007 For and on behalf of Board of Directors

Place : Rajkot

Sd/-
Mansukhbhai Patel
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel consumption 2006-2007

1. Electricity	
Total unit Consumed	22,49,632
Total amount (Rs.)	1,14,12,610
Rate/Unit(Rs.)	5.07
2. G.N. Husk (Fotari)	
Total Quantity Consumed	9,64,140 Kgs.
Total amount paid	15,66,619
Rate per Kgs.	1.62

b) Own Generation

1) Through Diesel	
Generator Unit (Nos.)	Nil
Unit per ltr. of diesel Oil (Nos.)	Nil
Cost/ Unit (Rs.)	
2) Through wind turbine/generator	
Units / Nos.	Nil
Total Cost (Rs. in thousands)	
Average Rate (Rs.)	
3) Coal (Specify quality and where used)	
Units/Nos.	Nil
Cost/Unit (Rs.)	
Amount (Rs.)	
4) Furnace Oil	
Quantity (k.litres.)	
Total amount	Nil
Average Rate	
5) Others / internal generation (please give details)	
Quantity	
Total cost	Nil

B. Consumption per unit of Production

Products (with details) unit

For the production of 1 Kg. PVC Film

I. Electricity	
Production PVC Film Kg.	: 3226.445
Total Electricity Unit consumed	: 2249632
(2249632/3226.445) =	: 0.70
II. G.N. Husk (Fotari)	
Production PVC film Kg.	: 3226.445
Total G.N. Husk (Fotri) Kg. consumed	: 964140
(964140/3226.445) =	: 0.34
III. Furnace Oil	
Coal (Specify quality)	:
Others (Specify)	: Not applicable

FORM-B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Research and Development Nil

A. Technology Absorption. Adoption and Innovation

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

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

The cost of the project go down.

C. Foreign Exchange Earning & Outgo

The Company earned Foreign Exchange income of Rs. 3550340/- The Company expanded Foreign Exchange of Rs. 8243453/- during the financial year 2006 - 2007.

ANNEXURE TO DIRECTORS' REPORT

Corporate Governance

The Securities and exchange Board of India (SEBI) has instituted mandatory standards of Corporate Governance for Companies listed on Indian Stock Exchanges. These standards have been enshrined in the Clause-49 of the Listing Agreement with the Stock Exchanges.

1. The Company's philosophy on Corporate Governance :

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and all in its interactions with its stakeholders, employees and the Government. The company considers good Corporate Governance to be a pre-requested for attaining the long-term goals.

2. BOARD OF DIRECTORS : Composition of the board of Directors

The Board of Directors of the company as on 31st March 2007 consists of Seven members. The Board comprises of 1 (one) Executive Director and 6 (Six) are Non-Executive Directors. The composition of the Board and other relevant details relating to Directors are given below :-

Name of Director	Category	No. of other Director Ship	No. of memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson	No. of Board meetings attended	Whether attended last AGM	Remarks
Mansukhlal P. Patel	Ex-Chairman	5	NIL	NIL	5	Yes	
Vinod K. Tilwa	N.Ex.	4	NIL	NIL	5	Yes	
Bhupat L. Tilwa	N.Ex.	1	NIL	NIL	4	Yes	
Mansukhlal J. Patel	N.Ex. - IND	1	NIL	NIL	5	No	
Kelvin A. Makadia	N.Ex. - IND	0	NIL	NIL	5	Yes	
Dineshlal D. Nadapra	N.Ex. - IND	0	NIL	NIL	5	No	
Chimanlal R. Chapla	N.Ex. - IND	0	NIL	NIL	5	Yes	

Ex-Chairman means Executive Chairman, N.Ex-NI means Non-Executive Non Independent Director, N.Ex.-IND means Non-Executive Independent Director.

Board Meetings

The Board of Directors met 13 times during the year on 29-4-2006, 28-06-2006, 08-07-2006, 10-07-2006, 29-07-2006, 30-09-2006, 16-10-2006, 30-10-2006, 30-11-2006, 30-01-2007, 31-01-2007, 15-02-2007 and 28-03-2007

Audit Committee :

The Composition of the Audit Committee and details of the meetings as attended by the Members of Committee are as given below :

Name	Designation	No. of Committee meetings attended
Shri Mansukhlal P. Patel	Executive (Independent)	4
Shri Kelvin Makadia	Non Executive (Independent)	4
Shri Dineshchandra Nadapra	Non Executive (Independent)	4
Shri Chimanlal Chapla	Non Executive (Independent)	4

The minutes of the Audit committee is noted and considered by the Board of Directors at the subsequent Board meetings. The Audit Committee met 4 times during the year on 10/04/2006, 11/07/2006, 10/10/2006, and 10/01/2007

Shareholders Committee :

i. Composition

Your company has constituted Shareholders Committee, for looking after and redressing the shareholders' complaints.

The members of the committee are as follows :

Name of Member	Designation	Category
Shri Mansukhlal P. Patel	Executive (Chairman)	Promoter
Shri Kelvin A. Makadia	Non Exe. (Independent)	Non-Exe. Independent Director
Shri Dineshchandra D. Nadapra	Non Exe. (Independent)	Non-Exe. Independent Director
Shri Chimanlal R. Chapla	Non Exe. (Independent)	Non-Exe. Independent Director

ii There was no Transfer / Transmission pending as on 31/03/2007.