



**VINYOFLEX**

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**VINYOFLEX LIMITED**  
**15TH ANNUAL REPORT**  
**2007-2008**

**15th ANNUAL REPORTS****2007-2008**

<b>VINYOFLEX LIMITED</b>	:	<b>Regd. office :</b> 307, Silver Chambers, Tagore Road, Rajkot - 300 002.
		<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>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.
<b>SHARE TRANSFER AGENT</b>	:	<b>M.C.S. LTD.</b> 101, Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009. Phone : (079) 26582878
<b>DIRECTORS APPOINTED AS PER SEBI RULE</b>	:	<b>Shri Mansukhlal Jeramdas Patel</b> (Independent) <b>Shri Kelvin A. Makdia</b> (Independent) <b>Shri Dineshlal D. Nadapra</b> (Independent) <b>Shri Chimanlal R. Chapla</b> (Independent) <b>Shri Hiralal Patel</b> (Independent)

**NOTICE**

NOTICE is hereby given that the **15th Annual General Meeting** of the Members of **VINYOFLEX LIMITED** will be held at 307, Silver Chambers, Tagore Road, Rajkot on **20<sup>th</sup> September, 2008** at 11:00 a.m. to transact the following business:-

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2008 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 Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 2008 To 20 th September 2008 (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 : 20-06-2008

For and on behalf of Board of Directors  
Sd/-**Mansukhlal Patel**  
Managing Director

Place : Rajkot

**FORM NO. 29B** (See Rule 40B)

Report under Section 115JB of the Income Tax Act, 1961 for Computing the book profits of the Company

1. We have examined the accounts and records of M/s. VINYOFLEX LIMITED, 307, Silver Chamber, 3rd Floor, Tagore Road, Rajkot - 360 001. (Permanent Account No. AACV7130M) engaged in the business of manufacturing P.V.C. in order to arrive at the book profits during the year ended 31st March, 2008
2. (a) We certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115J of the Income Tax Act in respect of the assessment year 2008-09 in Rs. 446532/- which has been determined on the basis of the details in Annexure "A" to this Form.
3. In our opinion and to the best of my/our knowledge and according to the explanations given to us the particulars given in Annexure A are true and correct.

Date : 20-6-2008

For Gadhia Karachiwala & Co.  
Chartered Accountants

Place : Rajkot

(C. V. Gadhia)  
Partner  
M. No. 11504

## DIRECTORS' REPORT

To,  
The Members  
Vinoflex Ltd.

The Directors of the company have pleasure in presenting their **FIFTEENTH ANNUAL REPORT** together with the Audited Statement of Accounts of your Company for the Financial Year ended on **31<sup>st</sup> March, 2008**.

**FINANCIAL performance :**

The financial performance for the year ended on 31<sup>st</sup> March, 2008 is summarized as under :

Particulars	31/03/2008	31/03/2007
<b>Profit/Loss before depreciation, Interest and taxes</b>	<b>11292997</b>	<b>11602293</b>
Less : Interest	4301065	3684495
Depreciation	2526616	2465400
<b>Profit before tax</b>	<b>4465316</b>	<b>5452398</b>
Provision for Taxation	495000	658000
<b>Profit after tax</b>	<b>3970316</b>	<b>4794398</b>
Add : Bal. brought forward from previous year	6808072	3872798
Less : Deferred Tax Liability	1028854	1859124
Less : Tax Adjustments of Previous Year	10070	0
Balance carried to Balance sheet	9739464	6808072

**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 2007-2008.

**Performance :**

Members would be pleased to note that the company has achieved significant growth for the year under review. During the year company has increased Net Sales by Rs. 442.62 Lacs compare to previous year and Profit Before Tax increased by Rs. 9.87 Lacs compare to previous year. Your company hopes to increase its presence in the business in whole market in the coming years, which will significantly increase the top line and also its profitability.

Further your directors please to inform to all the members that the script of the company's is revoked from BSE and Trading of Shares were continued on Bombay Stock Exchanges.

**Directors :**

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

**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 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.

**Responsibility Statement :**

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

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- 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 31.03.2008 and of the profit of the company for that period;
- 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;
- 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 : 20-06-2008 For and on behalf of Board of Directors

Place : Rajkot

Sd/  
Mansukhlal P. 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 2007-2008

1. Electricity	
Total unit Consumed	26,17,088
Total amount (Rs.)	1,34,45,960
Rate/Unit(Rs.)	5.14
2. G.N. Husk (Fotari)	
Total Quantity Consumed	11,79,575 Kgs.
Total amount paid	21,44,809
Rate per Kgs.	1.82

## 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.	: 4102.586
Total Electricity Unit consumed	: 2617088
(2617088/4102586) =	: 0.64
II. G.N. Husk (Fotari)	
Production PVC film Kg.	: 4102.586
Total G.N. Husk (Fotri) Kg. consumed	: 1179575
(1179575/4102586) =	: 0.29
III. Furnace Oil	
Coal ( Specity 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 &amp; Outgo

The Company earned Foreign Exchange income of Rs. 6807000/- The Company expanded Foreign Exchange of Rs. 4657327/- during the financial year 2007 - 2008.

## 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 31<sup>st</sup> March 2008 consists of eight members. The Board comprises of 1 (one) Executive Director and 7 (Seven) 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	2	13	Yes	
Vinod K. Tilwa	N.Ex.	4	NIL	NIL	09	Yes	
Bhupat L. Tilwa	N.Ex.	1	NIL	NIL	11	Yes	
Mansukhlal J. Patel	N.Ex. - IND	1	NIL	NIL	09	No	
Kelvin A. Makadia	N.Ex. - IND	0	2	NIL	12	No	
Dineshlal D. Nadapra	N.Ex. - IND	0	2	NIL	07	No	
Chimanlal R. Chapla	N.Ex. - IND	0	2	NIL	09	Yes	
Hiralal Patel	N.Ex. - IND	0	NIL	NIL	09	No	

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 28-4-2007, 05-05-2007, 28-06-2007, 16-07-2007, 30-07-2007, 17-09-2007, 30-10-2007, 01-12-2007, 29-12-2007, 31-12-2007, 30-01-2008, 29-02-2008 and 05-03-2008

#### 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 (Chairman)	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 10/04/2007, 11/07/2007, 10/10/2007, and 10/01/2008

#### 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.