



VINYOFLEX LIMITED
19TH ANNUAL REPORT
2011-2012

19th ANNUAL REPORTS

2011-2012

VINYOFLEX LIMITED

: Regd. office : 307, Silver Chambers,
Tagore Road,
Rajkot - 360 002.

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

AUDITORS

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

BANKERS

: State Bank of India
Gymkhana Branch,
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

**DIRECTORS APPOINTED
AS PER SEBI RULE**

: Shri Mansukhlal Jeramdas Patel (Independent)
Shri Kelvin A. Makdia (Independent)
Shri Dineshlal D. Nadapra (Independent)
Shri Chimanlal R. Chapla (Independent)
Shri Hiralal Patel (Independent)

NOTICE

Notice is hereby given that the 19th Annual General Meeting of **VINYOFLEX LIMITED** will be held at 307, Silver Chambers, Tagore Road, Rajkot on 20th September, 2012 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 2012 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 Mansukhalal 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 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 at least 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 17th September 2012 To 20th September 2012 (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 Show Room, Ashram Road, Ahmedabad - 380 009. Ph. 079 - 26582878

Date: 30.05.2012

For and on behalf of Board of Directors

Place: Rajkot

Mansukhlal Patel
Managing Director

DEMAT

Dear Shareholders

We are Pleased to Inform you That we Are Already Registered with NSDL & CDSL. To take the Benifit for The same please demat yours shares as early as possible.

Date : 30-05-2012

DIRECTOR'S REPORT

To,
The Members,
VINYOFLEX LTD.
FOR FLEXIBLE VINYL FILM

The Directors of the company have pleasure in presenting their **NINETEENTH ANNUAL REPORT** together with the Audited Statement of Accounts of your Company for the Financial Year ended on **31st March 2012.**

1. FINANCIAL PERFORMANCE:

The financial performance for the year ended on 31st March 2012 is summarized as under:

Particulars	31/03/2012	(In Rs.) 31/03/2011
Profit/Loss before Depreciation,		
Interest Taxes	17001952	14178773
Less: Interest	4297456	3554244
Depreciation	2785605	2746925
Profit before Tax	9918891	7877604
Provisions for Taxation	3660000	2800000
Profit after Tax	6258891	5077604
Add: Bal. brought forward from previous year	22232492	16869187
Add: Deferred Tax Liability (Net)	330793	284266
Less: Tax Adjustments of Previous Year	3400	1435
Balance Carried to Balance Sheet	28825576	22232492

1. 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 any dividend for the year 2011-2012.

2. PERFORMANCE:

Members would be pleased to note that the company has achieved significant growth for the year under review. During the year company has achieved the sales of Rs. 2726.22 Lacs and Net Profit After Tax Rs. 65.93 Lacs compare to pervious year sales of Rs. 2178.26 Lacs and net profit After Tax of Rs. 53.62 Lacs.

Company has increase the sales of Rs. 547.96 Lacs Net Profit After Tax of Rs. 12.31 Lacs compare to 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.

3. 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 Patel, Directors of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer, themselves for re-appointment.

4. AUDITORS OBSERVATION:

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

5. AUDITORS:

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

6. COMPLIANCE CERTIFICATE:

In terms of Section 383A(l) of the Companies Act, 1956 and companies (Compliance Certificate) Rules, 2001 the certificate issued by Company Secretary in Whole Time Practice certifying that the company has complied with all the provisions of Companies Act, 1956 is annexed to the Report.

7. 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.

8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information in accordance with the provision of Section 217(l)(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.

9. 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 have selected such accounting policies and applied them consistently and made judgments 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 31.03.2012 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.

10. 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.

11. 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.

For, and on behalf of the Board of Directors

Date: 30.05.2012

Place: Rajkot

Mansukhlal P. Patel
Chairman

ANNEXURE TO THE DIRECTOR REPORT

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	<u>2011-2012</u>
1. Electricity	
Total unit Consumed	22,26,144
Total amount (Rs.)	1,38,71,664.00
Rate/Unit (Rs.)	6.23
2. G.N. Husk and Lignites	
Total Quantity Consumed	16,60,409 Kgs.
Total amount paid	61.14,148.00
Rate per Kgs.	3.68

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.(Approx)	: 3544.847
Total Electricity Unit Consumed	: 22,26,144
(2246696/3274731) =	: 0.63
II. G.N. Husk and Lignites	
Production PVC Film Kg. (Approx)	: 3544.847
Total G.N. Husk and Lignites Kg. Consumed	: 16,60,409
(1472735/3274731)-	: 0.47
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 company shall take effective measures to minimize the loss of energy at the factory.

B. Benefits derived as a result of the above efforts

The costs of the project go down.

C. Foreign Exchange Earning & Outgo

The Company earned Foreign Exchange income of Rs.Nil/- The Company expanded Foreign Exchange of Rs. 6317041/- during the financial year 2011-2012.

**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.

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Corporate Governance for the company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our workforce is committed toward the protection of the interest of the stakeholders viz. shareholders, creditors, investors, customers, employees and the Government. Our policies consistently undergo improvements keeping in mind our goal of maximization of value of all the stakeholders.

THE GOAL IS ACHIEVED THROUGH:

1. Infusion of the best expertise in the Board
2. Consistent monitoring and improvement of the human and physical resources.
3. Introducing regular checks and continuous improvements in already well defined systems and procedures.
4. Board / Committee meetings at short intervals to keep the board informed of the recent happenings.

BOARD OF DIRECTORS: Composition of the Board of Directors

The Board of Directors of the company as on 31st March 2012 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 membership of other Board Committees	No. of other Board Committees of with the Director is a Chairperson	No. of Board meeting attended	Whether attended last AGM	Remarks
Mansukhlal P. Patel	Ex-Chairman	5	NIL	2	32	Yes	
Vinod K. Tilwa	N.Ex-	4	NIL	NIL	25	Yes	
Bhupat L. Tilwa	N.EX-	1	NIL	NIL	30	Yes	
Mansukhlal J. Patel	N.Ex-IND	1	NIL	NIL	16	No	
Kelvin Makadia	N.Ex-IND	0	2	NIL	18	No	
Dineshlal Nadapara	N.Ex-IND	0	2	NIL	22	No	
Chimanlal Chapla	N.Ex-IND	0	2	NIL	29	No	
Hiralal Patel	N.Ex-IND	0	NIL	NIL	14	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 32 times during the year.

Audit Committee:

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

Name	Designation	No. of Committee meetings attended
Shri Mansukhlal P. Patel	Executive(Chairman)	11
Shri Kelvin Makadia	NonExecutive(Independent)	8
Shri Dineshchandra Nadapra	NonExecutive(Independent)	9
Srhi Chimanlal Chapla	NonExecutive(Independent)	6

The minutes of the Audit committee is noted and considered by the Board of directors at the subsequent Board meetings. The Audit Committee met 11 times during the year.

Shareholders Committee

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 Makadia	Non Executive(Independent)	Non-Exe. Independent Director
Shri Dineshchandra Nadapra	Non Executive (Independent)	Non-Exe. Independent Director
Srhi Chimanlal Chapla	Non Executive (Independent)	Non-Exe. Independent Director

There was no Transfer/ Transmission pending as on 31.03.2012.

General Body Meetings:

The details of the date, location and time of the last three Annual General Meeting (AGM) of the company are given below:

Fin. Year	Date of AGM	Time	Venue
2008-09	20.09.2009	11.00 am	307-Silver Chambers, Tagore Road, Rajkot - 360 002.
2009-10	20.09.2010	11.00 am	307-Silver Chambers, Tagore Road, Rajkot - 360 002.
2010-11	20.09.2011	11.00 am	307-Silver Chambers, Tagore Road, Rajkot - 360 002.

The company has not passed any Resolution through the Postal Ballot during the year 2011-2012.

Disclosures:

Significant related party transactions:

There were no materially significant related party transactions, during the year-ended 31.03.2012 that may have any potential conflict with the interest of the company at large. Attention of the Members is drawn to the Disclosures of Transactions with Related Parties set out in Schedule-22 to the Accounts, forming part of the Annual Report.

Means of Communications:

The Quarterly Results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The results are published in English and Gujarati edition of Western times.

General Shareholders information :

1. Annual General Meeting

Date : 20th September, 2012

Time : 11.00A.M.

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

2. Dividend for the year 2010-2011

The Board of Directors of your company do not recommend Dividend for the year 2011-2012.

3. Listing on the Stock Exchange

(1) The Stock Exchange, Mumbai (2) The Ahmedabad Stock, Ahmedabad

(3) The Saurashtra-Kutch Stock Exchange, Rajkot

Listing Fees: The Company has paid Listing Fees to all the Stock Exchanges where securities are listed.

4. Registrar and Share Transfer Agent

M/s. M.C.S. Ltd., 101-Shatdal Complex, 1st Floor, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009 Ph-079-26582878

5. Distribution of Shareholding as on 31st March, 2012

Number of Shareholders	% Holder	Share Holding of Nominal Value of Rs.	No. of Shares	Amount in Rs.	% To Total
3072	96.55	Up to 5,000	1303200	13032000	30.17
34	1.07	5,001 to 10,000	254300	2543000	5.89
58	1.82	10,001 to 50,000	1267100	1267100	29.34
16	0.50	50,001 to 100000	1240800	12408000	28.73
2	0.06	And Above	253600	2536000	5.87
3182	100.00	TOTAL	4319000	431900000	100.00

6. Outstanding GDRs/ADRs/Warrants:

There are no outstanding GDRs/ADRs/Warrants as on 31st March, 2012

7. Facility Location;

1. Survey No. 241, National Highway 8-B, Near GEB Sub-Station Shapar (Veraval) Dist. Rajkot.

2. 307-, Silver Chambers, Tagore Road, Rajkot -360 002.

8. Address for Correspondence:

The shareholders may correspond to the RTA on the above mentioned address and/or to the Company at Registered office of the company, as given below quoting Folio No./Client ID:

9. The Company Secretary, Vinyoflex Limited.

307-, Silver Chamber, Tagore Road, Rajkot -360 002

Phone -(0281) 246 0692, 246 8776 Fax: (0281) 246 8839

Email: rotoad2@sancharnet.in