



MD	✓		BKC	✓
CS	NA		DPY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SII	✓
YE	✓	✓		✓

TWELFTH ANNUAL REPORT 1996-97

VIRGO POLYMERS (INDIA) LTD

Registered Office : 1-B, Arcot Road
Vadapalani, Chennai - 600 026.



CHAIRMAN

SHRI. T. VIJAYARAGGHAVAN

MANAGING DIRECTOR

SHRI. A. RAMMADASS

EXECUTIVE DIRECTOR

SHRI. PRAVEEN KHANNA

DIRECTORS

SHRI. J. JINARAJADAS

SHRI. PURUSHOTTAM DAS GUPTA

SMT. R. LALITHA

MARKETING EXECUTIVE

MR. S. RAMANI.

AUDITORS

M/S. VENKAT & RANGAA

85, T.T.K. ROAD, ALWARPET

CHENNAI - 600 018.

BANKERS

THE LAKSHMI VILAS BANK LTD

62, CATHEDRAL ROAD,

CHENNAI - 600 086.

REGISTERED OFFICE

1-B, ARCOT ROAD, VADAPALANI

CHENNAI - 600 026.

FACTORIES

1. A-1-A, MMDA INDUSTRIAL ESTATE
MARAIMALAI NAGAR
KANCHEEPURAM DISTRICT
TAMIL NADU - 603 209
2. B-48, SIDCO INDUSTRIAL ESTATE
MARAIMALAI NAGAR
KANCHEEPURAM DISTRICT
TAMIL NADU - 603 209.



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VIRGO POLYMERS (INDIA) LIMITED

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the members of Virgo Polymers (India) Limited will be held at New Woodlands Hotel Private Limited, 72-75, Dr, Radhakrishnan Salai, Mylapore, Chennai - 600 004 on Friday, 26th September, 1997 at 9.30 a.m. to transact the following business .

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors there on.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri. J. Jinarajadas, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. R. Lalitha, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT pursuant to provisions of Section 198, 309, 310 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and in partial modification of resolution passed at the 8th Annual General Meeting held on 30th September, 1993, sanction be and is hereby accorded for payment of remuneration to Mr. A. Rammdass, Managing Director for the unexpired period of his present term of office namely 1st April 1997 to 30th September 1997 in the manner set out in the explanatory statement to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps that may be necessary or desirable to give effect to this resolution.

7. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT Pursuant provisions of Section 198, 309, 310 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 and in partial modification of resolution passed at the 11th Annual General meeting held on 27th September, 1996, sanction be and is hereby accorded for payment of remuneration to Mr. Praveen Khanna, Executive Director for the unexpired period of his present term of office namely 1st July 1997 to 31st October, 2000 in the manner set out in the explanatory statement to the notice convening this meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, during the currency of tenure of the Executive Director, the Company shall pay him remuneration by way of salary, perquisites and any other allowances in accordance with the scale laid down in



Section II of part II of Schedule XIII of the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective capital of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps that may be necessary or desirable to give effect to this resolution.

8. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

RESOLVED THAT pursuant to provisions of 269, 309, 198 and other applicable provisions if any of the Companies Act, 1956 and in particular Schedule XIII, thereto consent of the Company be and is hereby accorded to the re-appointment of Mr. A. Rammdass as the Managing Director of the Company for a period of 5 years with effect from 1st October, 1997, upon the terms & conditions as set out in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, during the currency of tenure of the Managing Director the Company shall pay him remuneration by way of salary, perquisites and any other allowance in accordance with the scale laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 as applicable to the Company at the relevant time depending upon the effective capital of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps that may be necessary or desirable to give effect to this resolution.

9. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :

RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 37 & Article 41 of the Company's Articles of Association be and are hereby altered in the following manner :

ARTICLE 37

The fee payable to a Director other than the Managing or Whole time Director, for attending a meeting of the Board or Committee thereof, shall be the maximum amount as may be prescribed by the Central Government pursuant to Section 310 and other applicable provisions of the Companies Act, 1956 and the rules made thereunder.

ARTICLE 41

Article 41 shall be deleted and the following shall be substituted, therefor :

Subject to provisions to the Act, the Directors may from time to time appoint one or more of their body to the office of the Managing Director or Whole time Director or Manager for such term and at such remuneration (whether by way of salary, or commission, or participation in profits or partly in one and partly in another) as they may think fit and a Director so appointed shall not, while holding that office be subject to retirement by rotation or taken into account in determining the rotation of retirement of Director, but his appointment shall be subject to determination ipso facto if he ceased from any cause to be a Director, or if the Company in General Meeting resolved that his tenure of office of Managing Director or Whole time Director or Manager be determined.

VIRGO POLYMERS (INDIA) LIMITED

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps that may be necessary or desirable to give effect to this resolution.

Registered Office :

1-B, Arcot Road,
Vadapalani

By order of the Board of Directors

Chennai - 600 026.

Dated : 30th June 1997

A. RAMMDASS

Managing Director

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a member. The Proxy form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of commencement of the meeting.
2. Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of items of Special Business is annexed hereto :
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th September 1997 to Friday, 26th September 1997 (Both days inclusive).
4. Dividends will be paid to those shareholders whose names are registered as on 26th September, 1997
5. Members are requested to notify any change in their address to the Company.
6. Members / Proxies are requested to bring their copy of the Annual Report and Accounts to the meeting.
7. Members / Proxies should bring the attendance slip sent herewith dully filled in for attending the meeting.
8. Members are requested to quote their Folio number in all their correspondence.
9. Members who are holding shares in identical order of names in more than one account (Folio Number) are requested to intimate to the Company, the ledger folios of such accounts together with share certificates to enable the Company to consolidate all the holdings into one account. The share certificates will be returned to the members after making necessary endorsements.
10. Shareholders may please note that no gifts are proposed to be distributed at the meetings.



ANNEXURE TO NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956

ITEM NO. 6

Mr. A. Rammdass, was appointed as the Managing Director of the Company for a period of 5 years from 1st October 1992 and his appointment and remuneration were approved by the members at the 8th Annual General Meeting held on 30th September, 1993. By notification dated 1st February, 1994 the Central Government has amended Schedule XIII of the Companies Act, 1956, allowing payment of remuneration to the Managerial Personnel without any restriction on the nature or quantum of remuneration payable by a Company having adequate profits so long as such remuneration is within the prescribed percentage limits on net profits (i.e. 5% of Net profits if it has one and 10% of net profits if it has more than one managerial person on net profits as stipulated in Section 309 of the said Act), net profits to be calculated in accordance with Section 198 and 309 of the Companies Act, 1956.

In view of the increase in responsibilities arising out of various expansion and diversification plans underway, it is thought fit that the remuneration payable to the Managing Director should be commensurate with the level of responsibilities being shouldered by him. The Board of Directors at the meeting held on 29th March, 1997 increased the remuneration payable to him for the unexpired period of his present term of office namely 1st April, 1997 to 30th September, 1997 in the manner set out below, subject to the approval of the shareholders in General Meeting. The Board therefore seeks the approval of the shareholders for payment of increased remuneration to Mr. A. Rammdass, Managing Director of the Company.

A. SALARY

Rs. 25,000/- per month including dearness and all other allowances.

B. PERQUISITES

Perquisites may be allowed in addition to salary. These shall be restricted to an amount equal to the annual salary or Rs. 4,50,000 per Annum, whichever is less. Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B', 'C' as follows :-

CATEGORY A

This will comprise house rent allowance, leave travel concession, medical reimbursement, fees on clubs and personal accident insurance. These may be provided for as under :

- (i) Housing I : The Expenditure by the Company on hiring furnished accommodation for the appointee will be subject to the following ceiling.
Sixty percent of the salary, over and above ten percent payable by the appointee.
- Housing II : In case the accommodation is owned by the Company ten percent of the salary of the appointee shall be deducted by the Company.
- Housing III : In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the appointee.

ii) Medical Reimbursement : Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.