

## VIRGO POLYMER (INDIA) LTD

NINETEENTH ANNUAL REPORTVIRGO POLYMER (I) LTDREGISTERED OFFICE

New No.10, Old No. 34  
Arunachalam Road  
Saligramam  
Chennai 600 093  
Ph: 23766975

Factories:

B-48, SIDCO Industrial Estate  
Maraimalai Nagar  
Kancheepuram Dist.  
Ph: 04114-252316

A-1-A MMDA Industrial Complex  
Maraimalai Nagar  
Kancheepuram Dist.  
Ph: 04114-254076

Bankers

1. The Lakshmi Vilas Bank Ltd  
Cathedral Road,  
Chennai – 600 083.
2. Indian Overseas Bank  
Maraimalai Nagar,  
Kancheepuram Dist.
3. ICICI Bank Ltd  
Nungambakkam  
Chennai
4. American Express Bank  
Chennai
5. Tamilnadu Mercantile Bank  
Mount Road, Chennai
6. Tamilnadu Mercantile Bank  
Bangalore

Board of Directors

Managing Director  
Sri A.Rammdass

Directors

Sri. Bishwanath Agarwal  
Sri. Ramawtar Ram Sisaria  
Sri. Chandraprakash Ram Sisaria

Audit Committee

Mr.B.N.Agarwal  
Mr.Sumit Agarwal  
Mr.Chandraprakash Ramsisaria

Auditor

M/s.Venkat and Rangaa  
Chennai

Executives

General Manager - Finance  
Mr.Sumit Agarwal  
General Manager – Production  
Mr.P.Johinder Singh

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**VIRGO POLYMER (INDIA) LTD****NOTICE**

Notice is hereby given that the 'Nineteenth' Annual General Meeting of the company will be held as specified below:

DAY : WEDNESDAY  
 DATE : 29.09.2004  
 TIME : 04.30 PM  
 VENUE : A-1-A, MMDA INDUSTRIAL COMPLEX  
 MARAIMALAI NAGAR  
 KANCHEEPURAM DISTRICT – 603 209  
 TAMILNADU

To transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report, the audited Balance Sheet as at March 31, 2004, the Profit and Loss Account for the year ended March 31, 2004 and Auditor's Report thereon.
2. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

RESOLVED that pursuant to section 224 of the Companies Act 1956, M/s.Venkat & Ranga, Chartered Accountants, Chennai the retiring auditors of the company be and are hereby re-appointed as Auditors of the company to hold office from the conclusions of this meeting until the conclusion of the next Annual General Meeting on a remuneration as may be fixed by the Board of Directors.

**SPECIAL BUSINESS :**

3. To pass with or without modifications the following resolutions as special resolution
  - a. Resolved that the equity shares of the company be and is hereby delisted from Ahmedabad, Hyderabad and Coimbatore Stock Exchange.
  - b. Resolved that the Board of Directors of the company be and is hereby authorized to take all necessary steps for getting the equity shares of the company de listed from the Ahmedabad, Hyderabad and Coimbatore Stock Exchange.
  - c. Resolved to demat the share certificate of the company and to enter in to an agreement with NSDL/CDSL for depository system.

**VIRGO POLYMER (INDIA) LTD**

- d. Resolved to appoint M/s.CAMEO CORPORATE SERVICES as registrars and assign them the task of transferring all shares to demat form and maintain the register.

Registered Office:  
New No.10, Old No.34  
Arunachalam Road,  
Saligramam  
Chennai – 600 093.

By Order of the Board of Directors,

α   
**A.RAMMDASS**  
**MANAGING DIRECTOR**

Dt. 06.09.2004

**NOTE :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF BISELF. A PROXY NEED NOT BE A MEMBER. THE PROXY FOR 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 AFORESAID MEETING.
- b) Members/Proxies are requested to bring their copy of the Annual Report and Accounts to the Meeting.
- c) Member / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
- d) Members are requested to quote their Folio Number in all their correspondence.
- e) Once the appointment of registrars is finalized & announced, Shareholders are advised to inform the registrars the particulars of share holding quoting their folio numbers, share certificate nos. and no. of shares held and take their instructions for demating.

**VIRGO POLYMER (INDIA) LTD****DIRECTORS REPORT**

The Directors hereby present their 19<sup>th</sup> Annual Report with the Audited Accounts of the company for the year ended 31<sup>st</sup> March 2004.

**PERFORMANCE AND DIVIDEND**

	<b><u>(Rs. in lakhs)</u></b>
Total sales for the year	2655.18
Other income	521.75
Expenses	2829.10
	-----
PB Int. & Dep.	347.83
	-----
Int. & Financial Charges	98.01
Dep.	47.47
	-----
Profit Before Tax	202.35
	-----

Profit of your company increased from Rs.115.88 lakhs to Rs.202.35 lakhs. This was possible because of measures taken to rationalize consumption levels and reduce manufacturing expenses. Your company is aiming to achieve a production capacity of 500 MT with the same manufacturing cost and improve the profitability. Towards this company has to make capital investments for replacing technically upgraded and high capacity extruder in place of an old one at a cost of Rs.145.00 lakhs. Further company intends to invest in a windmill project at a cost of Rs.360.00 lakhs. Towards margin requirement, company is forced to skip dividends this year.

**INSURANCE**

Your company's assets have been adequately covered under insurance for various normal risks.

**DIRECTORS**

Smt.R.Lalita resigned from the Board in March'04 on personal grounds and the resignation has been accepted. Company places on record high gratitude for her services and values highly her association with the company. To comply with SEBI stipulation two independent directors are proposed to be included in to the board.

**PROFILES OF TWO PROPOSED DIRECTORS:**

1. Mr.Sunil Saraf s/o Mr.Narayan Saraf is a commerce graduate aged 28 years and is placed at Bangalore. He hails from a reputed business family and in PP granules trading for more than 5 years.
2. Mr.Mahesh Bohra S/o Mr.Bhagwandas Bohra aged 30 years is a commerce graduate and is in PP granules trading for more than 5 years. He belongs to a well recognized family of businessmen associated with PP granules trading.

## **VIRGO POLYMER (INDIA) LTD**

### **AUDITORS**

M/s.Venkat & Ranga, auditors of the company, at this Annual General Meeting and are eligible for re-appointn.ent.

### **PERSONNEL**

The relationship between the management and the employees continue to be cordial.

### **FIXED DEPOSITS**

Your company has not accepted any Fixed Deposits during the year.

### **TECHNOLOGY UPGRADATION**

Having technically upgraded weaving with 'SULZER' and 8 shuttle looms, company is proposing to concentrate on the 'EXTRUSION' and is planning to replace the old extruder with technically upgraded and high capacity extruder. Company is constantly taking efforts to improve the quality of their products and maintain international standards.

### **ENERGY TECHNOLOGY & FOREIGN EXCHANGE**

Information in accordance with provision of Section 217(I)(a) of the Companies Act, 1956, read with companies (Disclosure of particulars in report of Board of Directors) rules, 1988 regarding conversion of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure I and II forming part of this repot.

### **GENERAL**

As regards the observation of the Anditors on provision for excise duty on stock of finished goods and customs duty on stock of raw materials, these have not been provided for in line with the practice adopted so far. As mentioned in the Notes to the Accounts, these have no impact on the profit for the year.

### **CORPORATE GOVERNANCE**

Your Company's philosophy is to achieve total Quality Standards in all its products by which it can improve it's market share to increase its profitability and provide the Share Holders value for their investment. Your Company is taking all efforts to comply with the code of Corporate Governance as enumerated in clause 19 of the listing agreement.

**VIRGO POLYMER (INDIA) LTD**

**DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217 (2AA) of the Companies Amendment Act 2000 with respect to Director Responsibility Statement, it is hereby confirmed

1. That in the presentation of the annual accounts for the financial year ended 31<sup>st</sup> March 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were responsible 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 and of the profit or loss's of the company for the year under review.
3. 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.
4. That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2004 on a going concern basis.

**ACKNOWLEDGEMENTS:**

The directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from Government Authorities, Financial Institutions Banker and other agencies.

Your directors wish to thank the Executives, Staffs and Workers of the Company for their devoted service in the success of the company.

For and on behalf of the Board of Directors.



A. RAMMDASS  
MANAGING DIRECTOR  
CHENNAI

06/09/2004

## VIRGO POLYMER (INDIA) LTD

**ANNEXURE I**

Information as required under Section 217(1) (e) read with Companies.

(Disclosures of particulars in the report of Board of Directors) Rules 1988:

1. **CONSERVATION OF ENERGY**

(a) Energy Conservation Measures taken

- (1) Installation of Power Saving Capacitors
- (2) Minimization of frictional and head losses.

(b) Additional investments and Proposals, if any, being implement for reduction of steam and energy: NIL

(c) Impact of the measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods - Above measures have helped the company in stabilizing consumption.

(d) Total energy consumption and energy per unit of production as per Form A is given in Annexure II.

2. **TECHNOLOGY ABSORPTION**

NIL

3. **TECHNOLOGY ABSORPTION ADAPTATION AND INNOVATION**

NIL

4. **FOREIGN EXCHANGE EARNINGS AND OUT GO**

	Current Year (2003-04)	Previous Year (2002-03)
Earnings	16,97,33,294	8,75,61,337
Out go :		
1. On account of travel	11,16,064	9,22,944
2. On account of raw material	4,60,89,383	1,24,20,659

(By order of the Board)  
CHENNAI

Date :

  
A. RAMMDASS  
Managing Director

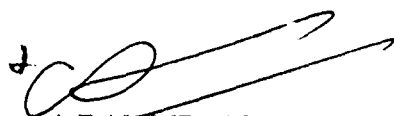
VIRGO POLYMER (INDIA) LTD

**ANNEXURE II****FORM A****(Rule 2)**

Form of disclosure of particulars with respect to conservation of Energy :

**(A) Power and Fuel Consumption**

(1) Electricity		
(a) Purchased Unit (Kwh)	39,21,538.00	32,52,372.00
Total Amt (Rs.)	1,68,79,154.00	1,28,80,089.00
Rate Unit (Rs./Kwh)	4.30	3.96
(2) Own Generation		
(i) Through Diesel Generator	2,95,756.00	1,56,820.00
Unit per Lr of Diesel (Kwh)	3.18	3.24
Cost per Unit (Rs./Kwh)	10.35	7.98
(ii) Through Steam Turbine / Generator	NIL	NIL
Unit (Kwh)		
(2) Coal (Specify quality and where used)	NIL	NIL
(3) Furnace Oil	NIL	NIL.
(4) Others / International Generation	NIL	NIL.



A. RAMMDASS  
Managing Director

Chennai



## AUDITORS' REPORT

To the Members of VIRGO POLYMER (INDIA) LIMITED.

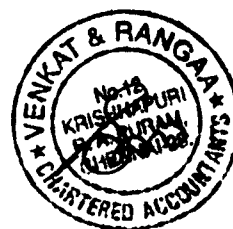
1. We have audited the attached Balance Sheet of VIRGO POLYMER (INDIA) LIMITED, New No.10, Old No.34, Arunachalam Road, Saligramam, Chennai 600 093 as at 31<sup>st</sup> March, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, *except in case of Accounting for Graduity as required under AS 15 issued by ICAI (Refer Point No. (f) of Major Accounting Policies and in the case of Inventories as required under AS 2 issued by ICAI (Refer Point No.d[c]).*



- e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2004, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March, 2004 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India *subject to accounting of graduity on cash baisi (Refer Point No.(f)) and stock of finished goods vauled at cost (Refer Point No.d[c].*
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2004 and
- ii) In the case of the Profit and loss account of the profit for the year ended on that date.

Place : Chennai  
Date :

For Venkat & Rangaa  
Chartered Accountants



*S. Mohan Raajan*  
S. Mohan Raajan  
Partner