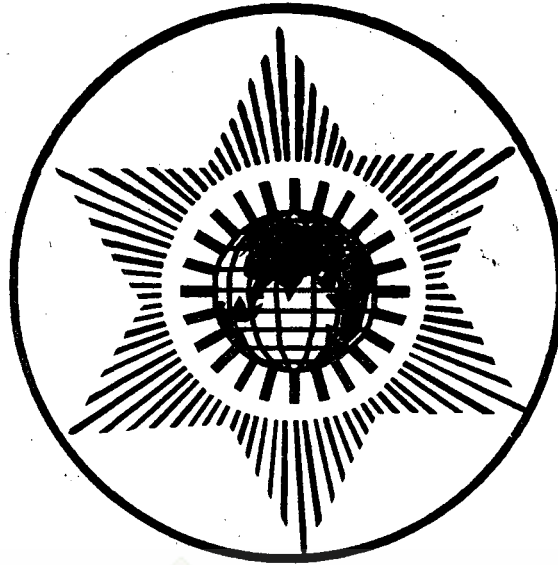



VIRGO POLYMERS (INDIA) LIMITED



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For VIRGO POLYMERS (INDIA) LIMITED


KESHAV. P.
Compliance Officer

TWENTY THIRD ANNUAL REPORT

2007 - 2008

VIRGO POLYMERS (INDIA) LTD

TWENTY THIRD ANNUAL REPORT OF VIRGO POLYMERS (INDIA) LTD

REGISTERED OFFICE

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

Factories:

A-1-A MMDA Industrial Complex
Maraimalai Nagar
Kancheepuram Dist.
PH. 044-27454076/27452716

B-48, SIDCO Industrial Estate
Maraimalai Nagar
Kancheepuram Dist.
Ph: 044-27452316.

B33 & B34, SIDCO Industrial Estate
Maraimalai Nagar
Kancheepuram Dist.
Ph. 044-47400299

Bankers

1. State Bank of India
Commercial Branch
Rajaji Nagar
Bangalore
2. State Bank of India
Commercial Branch
Guindy, Chennai.

*

Non Executive Chairman

Sri Chandraprakash Ramsisaria

*

Directors

Sri. Ramawatar Ramsisaria
Sri. Vivek Ramsisaria
Sri. Sunil Saraf
Sri. Mahesh Bohra

*

Audit Committee

Mr. Chandraprakash Ramsisaria
Mr. Sunil Saraf
Mr. Keshav P.

*

Auditor

M/s.Venkat & Rangaa
12, Krishnapuri, Second Street
Raja Annamalai Puram, Chennai -28

*

General Manager - Production

Mr. P.M. Thomas

•

Corporate Manager

Mr.Keshav P.

*

Contents

1. Notice to Shareholders
2. Report of the Directors &
Annexure I & II
3. Report of the Auditors
4. Balance Sheet
5. Profit and Loss Account
6. Schedules
7. Note on Account
8. Cash flow statement
9. Management Discussion &
Analysis Report
10. Note on Corporate Governance
11. Balance sheet Abstract and General
Business Profile

VIRGO POLYMERS (INDIA) LTD**NOTICE**

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

DAY : MONDAY
 DATE : 29.09.2008
 TIME : 03.15 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, 2008, the Profit and Loss Account for the year ended March 31, 2008 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 :

1. No Special Business

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

By Order of the Board of

Sd/-
 DIRECTOR

Dt. 01.09.2008

VIRGO POLYMERS (INDIA) LTD**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) In the Last AGM Your Directors inform you that shares of Rs. 10.00 each (issued capital Rs.34,000,000) issued by your company, is admitted in to CDSL, vide ISIN-INE 464 H 01015 and has been made live in CDSL System from March 16,2006. Share holders who are desirous of holding the shares of the company in electronic form are requested to contact their respective depository for dematerialization of their share holdings. In NSDL it will be admitted within very short period.
- f) The register of members and share transfer books shall remain closed from 26.09.2008 to 29.09.2008 (Both days inclusive) for the purpose of the 23rd Annual General Meeting.
- g) Members seeking any information with regard to accounts are requested to write to the company at least seven days in advance of the meeting so as to enable the management to keep the information ready.

VIRGO POLYMERS (INDIA) LTD

DIRECTORS REPORT

The Directors hereby present their 23rd Annual Report with the Audited Accounts of the company for the year ended 31st March 2008

PERFORMANCE AND DIVIDEND

	<u>(Rs. in lakhs)</u>
Total sales for the year	
Export	2620.98
Domestic	2213.93

	4834.91
Other income	394.66
Increase in WIP & FG	(80.99)

Total Income	5148.58
Expenses	4970.73

Profit Before Int., Depreciation & tax	177.85
Int & Financial Charges	73.01
Depreciation	81.37

Profit Before Tax	23.47

Directors are Pleased to inform that your company's Turnover increased 21.65% of compare to last year. This year your company has planned to improve the volume to compensate the decline in margin. Your company in order to increase the capacity, is working on a project to increase the capacity at minimum operational cost towards capital investment anticipated for this purpose, your company is not proposing payment of any dividend this year.

INSURANCE

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

VIRGO POLYMERS (INDIA) LTD**DIRECTORS**

Mr. Sunil Saraf and Mr. Mahesh Bohra are due for retirement by rotation and they opt themselves for reappointment.

AUDITORS

M/s. Venkat & Rangaa Auditors of the Company retiring at this Annual General Meeting and are eligible for reappointment.

PERSONNEL

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

FIXED DEPOSITS

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

TECHNOLOGY UPGRADATION

Company is constantly taking efforts to improve the quality of their products and maintain international standards.

ENERGY TECHNOLOGY & FOREIGN EXCHANGE

Though the strengthening rupee was favorable for imports, export realization was affected. This year, your company is taking due measures to arrest the loss due to exchange fluctuation by taking proper cover. Whenever necessary machines are technically upgraded to increase the efficiency and for maximum output at minimized cost.

CORPORATE GOVERNANCE

Your Company's philosophy is to achieve total Quality Standards in all its products by which it can improve its 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 POLYMERS (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 31st March 2008, 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 31st March 2008 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.

Sd/-
DIRECTOR

Date : 01.09.2008
Place : Chennai

VIRGO POLYMERS (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 (2007-08)	Previous Year (2006-07)
Earnings	26,20,98,217	27,88,38,577
Out go :		
1. On account of travel	80,140	3,54,189
2. On account of raw material	13,51,21,180	17,31,99,069

By order of the Board)
CHENNAI

Date : 01.09.2008

Sd/-
Director

VIRGO POLYMERS (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)	25,19,757.00	34,94,486.00
(b) Total Amt (Rs.)	1,34,87,756.00	1,69,61,965.00
(c) Rate Unit (Rs./Kwh)	5.35	4.85
(2) Own Generation		
(i) Through Diesel	3,78,367.00	1,61,174.00
(j) Generator		
Unit per Lr of Diesel (Kwh)	3.35	3.24
Cost per Unit (Rs./Kwh)	10.01	10.31
(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

Sd/-
DirectorChennai
Dated:01.09.2008

VIRGO POLYMERS (INDIA) LTD**AUDITORS' REPORT**

To the Members of VIRGO POLYMERS (INDIA) LIMITED.

1. We have audited the attached Balance Sheet and Profit and Loss Account of VIRGO POLYMER (INDIA) LIMITED, New No.10, Old No.34, Arunachalam Road, Saligramam, Chennai 600 093 as at 31st March, 2008. 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account 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 Gratuity as required under AS 15 issued by ICAI (Refer Point No. (f) of Major Accounting Policies.