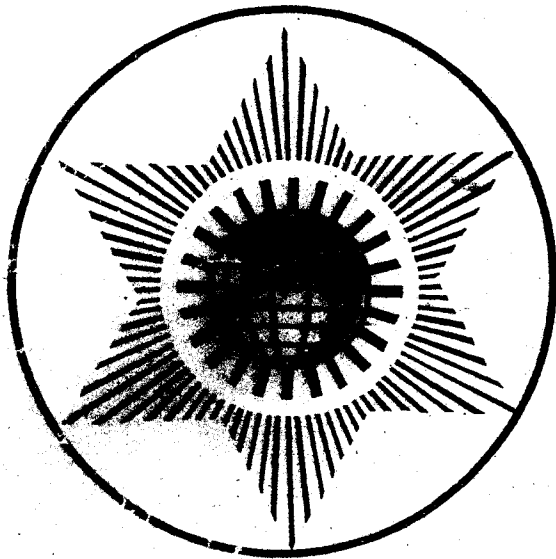


VIRGO POLYMERS (INDIA) LIMITED



TWENTY SIXTH ANNUAL REPORT

2010 - 2011



VIRGO POLYMER (INDIA) LTD.

DIRECTORS REPORT

The Directors hereby present their 26th Annual Report with the Audited Accounts of the company for the year ended 31st March 2011

PERFORMANCE AND DIVIDEND

(Rs. in lakhs)

Total sales for the year	
Export	2819.83
Domestic	2512.30

	5332.13
Other income	323.76
Increase in WIP & FG	435.91

Total Income	6091.80
Expenses	5860.89

Profit Before Int., Depreciation & tax	230.90
Int & Financial Charges	129.90
Depreciation	75.44

Profit Before Tax	25.56

Directors are to inform that your company's Turnover has decreased by 11.15% when compared 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.

Office :

New No. 10 (Old No. 34) Arunachalam Road,
Saligramam, Chennai - 600093. Tamil Nadu.
Phone + 91 44 4213 6975
Telefax + 91 44 2376 6258

Factory :

A1A, MMDA Indl Complex, Marai Malai Nagar,
Kancheepuram Dist. - 603209. Tamil Nadu, India.
Phone + 91 44 2745 2716, Fax + 91 44 2745 2916.
E-mail : info@virgopolymer.com www.virgopolymer.com



VIRGO POLYMER (INDIA) LTD.

DIRECTORS

Mr. Ramwatar Ramsisaria and Mr Vivek Ramsisaria are due for retirement by rotation and they opt themselves for reappointment. Mr Varun Ramsisaria was appointed as Additional Director by the board on 25-08-2011. His term of office is going to end on the ensuing AGM to be held on 28-09-2009. The company has received a notice from member pursuant to the provisions of section 257 of the companies Act, 1956, signifying their intention to propose the names of Mr.Varun Ramsisaria, for the post of directors. The same will be placed in the ensuing AGM for the approval of shareholders. Mr Chandra Prakash Ramnsisaria has given his resignation and the Board has accepted the same w.e.f 25/08/2011.

AUDITORS

M/s.Venkat and 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. .

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.

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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 31st March 2011, 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 2011 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.

For VIRGO POLYMERS (INDIA) LTD.

DIRECTOR

Date: 05.09.2011

Place: Chennai

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ANNEXURE I

VIRGO POLYMER (INDIA) LTD.

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

Sl No	PARTICULARS	Current Year (2010-11)	Previous Year (2009-10)
1	Earnings (Export)	28,19,83,455	17,93,03,023
2	Out Go a) Foreign Travel	Nil	5,77,366
3	b) Import of Raw Material	17,80,88,422	20,89,87,236

By order of the Board
For VIRGO POLYMERS (INDIA) LTD.

Director

Date: 05-09-2011

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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:

Sl No	PARTICULARS	Current Year (2010-11)	Previous Year (2009-10)
1	ELECTRICITY		
	(a) Purchased Unit (kwh)	2189695	2231415
	(b) Total Amount (Rs.)	1,28,17,364	1,10,12,832
	(c) Rate per Unit (Rs./kwh)	5.85	4.94
2	i) Own Generation (Generator)		
	a) Units Generated through Deisel	755699	376385
	b) Unit per Lt. of Diesel (kwh)	2.82	3.34
	c) Cost Per Unit (Rs/kwh	14.03	12.01
	ii) Through Steam	Nil	Nil
3	Coal	Nil	Nil
4	Furnace Oil	Nil	Nil
5	Other / International generation	Nil	Nil

For VIRGO POLYMERS (INDIA) LTD.

Director

Chennai
Dated: 05.09.11

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VENKAT & RANGAA

Chartered Accountants

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Virgo Polymers (India) Limited
Chennai

We have examined the compliance of corporate Governance by Virgo Polymers (I) Limited, for the year ended on 31st March 2011 as stipulated in clause 49 of listing Agreement of the said company with the stock exchange.


The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures & implementations thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

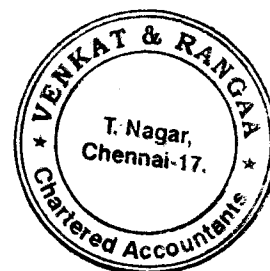
In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management and we certify that the Company has complied with the conditions of corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

We further state such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 05.09.2011
Place: Chennai

For Venkat & Rangaa,
Chartered Accountants


S. Mohan Raajan
Partner
M No. 206393



Report on corporate governance:

1.Company’s philosophy on code of governance:

By good corporate Governance, Company aims at inculcating a culture of transparency, accountability and integrity across the company and ensures effective monitoring of management by the strategic guidance of the Board. Company is in process of complying with all the requirements of the corporate Governance code as laid down by regulatory Authorities.

2.Board of Directors & Committees:

The Board consists of eminent persons who have proven experience in the field of PP Woven sacks particularly FIBC’s (Flexible Intermediate Bulk Container). Mr.Ramawatar Ram Sissaria and Mr.Chandra Prakash Ramsissaria are graduates with vast corporate exposures. They have wide experience in this Industry and are associated with textile industry and real estate also.

Director Name	Category	Number of Membership in Other Committes.	Attendance at	
			Board Meeting	AGM
Mr Vivek Ramsisaria	Promoter Executive	2	10	Yes
Mr Chandra Prakash Ramsisaria	Promoter Executive	-	8	Yes
Mr Ram Awtar Ramsisaria	Promoter Executive	-	4	No
Mr Sunil Saraf	Independent	1	4	Yes
Mr Mahesh Bohra	Independent	1	8	No
Mr Alok Sethia	Independent	2	8	Yes
Mr Varun Ramsisaria	Executive Director	-	-	Yes

3. Audit Committee

Mr.Vivek Ramsisaria, Mr Sunil Saraf & Mr Alok Sethia they met once in a quarter and their findings are immediately attended by Finance and Accounts Department.

4. Remuneration Committee

At present the company has not constituted any remuneration committee.

5. Share Holders investors grievance committee

Share holders investors grievance committee is constituted with Mr.Vivek Ramsisaria, Mr Alok Sethia & Mr Mahesh Bohra as Member of the committee. There is no investors' grievance that has not been attended during the year. One of the cases is pending for some verification and details sought from the investor.

6. Disclosures and Means of Communication

We have our own website and display periodic unaudited and audited financial results on the same.

VIRGO POLYMERS (INDIA) LTD.,

ANNEXURE MANAGEMENT DISCUSSION AND ANALYSIS

- (a) M/s. Virgo Polymers (India) Ltd, which was started in a small way in 1985, with a production capacity of 20 MT per month for P.P. Woven Sacks, has today grown to have a production capacity of more than 350 MT per month. From P.P. Woven Sacks it has enlarged its products base to FIBCs, Jumbo bags and Small bags and ventilated bags one of the prime product. Today our Company is catering to packing requirement of major Chemical, Garnet and Refractory Industries. It's export has grown consistently and in 2011, Company has an export turnover of Rs.28.20 crores. Which is 52.89% of Total Turnover of the Company.

- (b) Opportunities and Threats

With sustained marketing efforts, Virgo has earned for itself good reputation and is recognized as a major player in the field of packing Industry mainly FIBCs. 'Sulzer' technology introduced by itself for the first time in India in PP Woven Sack Industry provided better quality advantage for the company.

While slow down in Indian Economy and Industrial stagnation, is a threat for the Company in domestic market, Anti dumping duty proposed by the European council will affect the exports of the Company forcing the Company to reduce the margin to be competitive.

Company is concentrating on better volumes to overcome this threat.

- (C) Incomes

Sales	Amount	% of Total
Domestic	251,229,266	47.11
Exports	281,983,455	52.89
Total	533,212,721	100.00

Note : Exports contribute to 52.89% of manufacturing sales.

Particulars	Amount	% of Total
Export Incentive	17,029,528	52.26
Processing Charges	13,673,266	42.23
Other Income	1,673,319	5.17
Total	32,376,113	100.00