



VINYOFLEX

VINYOFLEX LIMITED

15TH ANNUAL REPORT

2007-2008

15th ANNUAL REPORTS**2007-2008**

VINYOFLEX LIMITED	:	Regd. office : 307, Silver Chambers, Tagore Road, Rajkot - 300 002.
		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 (<i>Chairman & M.D.</i>) 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 Saurashtra Gymkhana, 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 **15th Annual General Meeting** of the Members of **VINYOFLEX LIMITED** will be held at 307, Silver Chambers, Tagore Road, Rajkot on **20th September, 2008** 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 2008 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 Mansukhlal 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 TO 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 atleast 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 15th September 2008 To 20 th September 2008 (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 Showroom, Ashram Road, Ahmedabad - 380 009. Ph. 079 - 26582878

Date : 20-06-2008

For and on behalf of Board of Directors

Sd/-

Mansukhlal Patel
Managing Director

Place : Rajkot

FORM NO. 29B (See Rule 40B)

Report under Section 115JB of the Income Tax Act, 1961 for Computing the book profits of the Company

1. We have examined the accounts and records of M/s. VINYOFLEX LIMITED, 307, Silver Chamber, 3rd Floor, Tagore Road, Rajkot - 360 001. (Permanent Account No. AACV7130M) engaged in the business of manufacturing P.V.C. in order to arrive at the book profits during the year ended 31st March, 2008
2. (a) We certify that the book profit has been computed in accordance with the provisions of this section. The tax payable under section 115J of the Income Tax Act in respect of the assessment year 2008-09 in Rs. 446532/- which has been determined on the basis of the details in Annexure "A" to this Form.
3. In our opinion and to the best of my/our knowledge and according to the explanations given to us the particulars given in Annexure A are true and correct.

Date : 20-6-2008

For Gadhia Karachiwala & Co.
Chartered Accountants

Place : Rajkot

(C. V. Gadhia)
Partner
M. No. 11504

DIRECTORS' REPORT

To,
The Members
Vinoflex Ltd.

The Directors of the company have pleasure in presenting their **FIFTEENTH ANNUAL REPORT** together with the Audited Statement of Accounts of your Company for the Financial Year ended on **31st March, 2008**.

FINANCIAL performance :

The financial performance for the year ended on 31st March, 2008 is summarized as under :

Particulars	31/03/2008	31/03/2007
Profit/Loss before depreciation, Interest and taxes	11292997	11602293
Less : Interest	4301065	3684495
Depreciation	2526616	2465400
Profit before tax	4465316	5452398
Provision for Taxation	495000	658000
Profit after tax	3970316	4794398
Add : Bal. brought forward from previous year	6808072	3872798
Less : Deferred Tax Liability	1028854	1859124
Less : Tax Adjustments of Previous Year	10070	0
Balance carried to Balance sheet	9739464	6808072

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 dividend for the year 2007-2008.

Performance :

Members would be pleased to note that the company has achieved significant growth for the year under review. During the year company has increased Net Sales by Rs. 442.62 Lacs compare to previous year and Profit Before Tax increased by Rs. 9.87 Lacs compare 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.

Further your directors please to inform to all the members that the script of the company's is revoked from BSE and Trading of Shares were continued on Bombay Stock Exchanges.

Directors :

In terms of the provisions of the Companies Act, 1956 and the Article of Association of the company, Shri Bhupatjal L. Tilva and Shri Mansukhlal P. Pate, Director of the company, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors Observation :

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

Auditors :

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

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.

Conservation of Energy, Technology Absorption and Foreign Exchange Earing and Outgo :

Information in accordance with the provision of Section 217(1)(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.

Responsibility Statement :

As required under Section-217 (2AA) of the Companies Act, 1956, the Directors of the company hereby state and confirm:

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii. That the Directors had selected such accounting policies and applied them consistently and made judgements 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 31.03.2008 and of the profit of the company for that period;
- iii. 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;
- iv. That the Directors had prepared the annual accounts on a going concerns basis.

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.

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.

Date : 20-06-2008 For and on behalf of Board of Directors

Place : Rajkot

Sd/
Mansukhlal P. Patel
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel consumption 2007-2008

1. Electricity	
Total unit Consumed	26,17,088
Total amount (Rs.)	1,34,45,960
Rate/Unit (Rs.)	5.14
2. G.N. Husk (Fotari)	
Total Quantity Consumed	11,79,575 Kgs.
Total amount paid	21,44,809
Rate per Kgs.	1.82

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.	: 4102.586
Total Electricity Unit consumed	: 2617088
(2617088/4102586) =	: 0.64
II. G.N. Husk (Fotari)	
Production PVC film Kg.	: 4102.586
Total G.N. Husk (Fotri) Kg. consumed	: 1179575
(1179575/4102586) =	: 0.29
III. Furnace Oil	
Coal (Specity 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 shall take effective measures to minimize the loss of energy at the factory.

B. Benefits derived as a result of the above efforts.

The cost of the project go down.

C. Foreign Exchange Earning & Outgo

The Company earned Foreign Exchange income of Rs. 6807000/- The Company expanded Foreign Exchange of Rs. 4657327/- during the financial year 2007 - 2008.

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.

1. The Company's philosophy on Corporate Governance :

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and all in its interactions with its stakeholders, employees and the Government. The company considers good Corporate Governance to be a pre-requested for attaining the long-term goals.

2. BOARD OF DIRECTORS : Composition of the board of Directors

The Board of Directors of the company as on 31st March 2008 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 memberships of other Board Committees	No. of other Board Committees of which the Director is a Chairperson	No. of Board meetings attended	Whether attended last AGM	Remarks
Mansukhlal P. Patel	Ex-Chairman	5	NIL	2	13	Yes	
Vinod K. Tilwa	N.Ex.	4	NIL	NIL	09	Yes	
Bhupat L. Tilwa	N.Ex.	1	NIL	NIL	11	Yes	
Mansukhlal J. Patel	N.Ex. - IND	1	NIL	NIL	09	No	
Kelvin A. Makadia	N.Ex. - IND	0	2	NIL	12	No	
Dineshlal D. Nadapra	N.Ex. - IND	0	2	NIL	07	No	
Chimanlal R. Chapla	N.Ex. - IND	0	2	NIL	09	Yes	
Hiralal Patel	N.Ex. - IND	0	NIL	NIL	09	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 13 times during the year on 28-4-2007, 05-05-2007, 28-06-2007, 16-07-2007, 30-07-2007, 17-09-2007, 30-10-2007, 01-12-2007, 29-12-2007, 31-12-2007, 30-01-2008, 29-02-2008 and 05-03-2008

Audit Committee :

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

Name	Designation	No. of Committee meetings attended
Shri Mansukhlal P. Patel	Executive (Chairman)	4
Shri Kelvin Makadia	Non Executive (Independent)	4
Shri Dineshchandra Nadapra	Non Executive (Independent)	4
Shri Chimanlal Chapla	Non Executive (Independent)	4

The minutes of the Audit committee is noted and considered by the Board of Directors at the subsequent Board meetings. The Audit Committee met 4 times during the year on 10/04/2007, 11/07/2007, 10/10/2007, and 10/01/2008

Shareholders Committee :

i. Composition

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 A. Makadia	Non Exe. (Independent)	Non-Exe. Independent Director
Shri Dineshchandra D. Nadapra	Non Exe. (Independent)	Non-Exe. Independent Director
Shri Chimanlal R. Chapla	Non Exe. (Independent)	Non-Exe. Independent Director

ii There was no Transfer / Transmission pending as on 31/03/2007.

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
2004-05	20/09/2005	11.00 A.M.	307-Silver Chambers, Tagore Road, Rajkot - 360 002
2005-06	20/09/2006	11.00 A.M.	307-Silver Chambers, Tagore Road, Rajkot - 360 002
2006-07	20/09/2007	11.00 A.M.	307-Silver Chambers, Tagore Road, Rajkot - 360 002

The company has not passed any Resolution through the Postal Ballot during the year 2007-2008

Disclosures :

i. Significant related party transactions :

There were no materially significant related party transactions, during the year-ended 31/03/2008 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 :

i. **Annual General Meeting**

Date : 20th September, 2008

Time : 11.00 A.M.

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

ii. **Dividend for the year 2007-2008**

The Board of Directors of your company do not recommend Dividend for the year 2007-2008.

iii. **Listing on the Stock Exchange**

(1) The Stock Exchange, Mumbai (2) The Ahmedabad Stock, Ahmedabad (3) The Saurashtra-Kutch Stock Exchange, Rajkot

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

v. **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

vi. **Distribution of Shareholding as on 31st March, 2008**

Number of Shareholders	% to Total	Share Holding of Nominal Value of Rs.	No. of Shares	Amount In Rs.	% To Total
2793	82.3651	Up to 5,000	742600	7426000	17.1938
339	9.9971	5,001 to 10,000	248100	2481000	5.74444
115	3.3913	10,001 to 20,000	177500	1775000	4.1097
21	0.6193	20,001 to 30,000	54000	540000	1.2503
29	.8552	30,001 to 40,000	101200	1012000	2.3431
7	0.2064	40,001 to 50,000	33300	333000	0.7710
28	0.8257	50,001 to 1,00,000	209500	2095000	4.8507
50	1.4745	1,00,001 to 5,00,000	1086900	10869000	25.1655
5	0.1474	5,00,001 to 10,00,000	422300	4223000	9.77777
4	0.1180	10,00,001 & Above	1243600	12436000	28.7937
3391	100.00	Total	4319000	43190000	100.00

vii. **Outstanding GDRs/ADRs/Warrants :**

There are no outstanding GDRs/ADRs/Warrants as on 31st March, 2008.

viii. **Facility Location :**

- Survey No. 241, National Highway 8-B, Near GEB Sub-Station, Shapar (Veraval) Dist. Rajkot.
- 307 - Silver Chambers, Tagore Road, Rajkot - 360 002.

ix. **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 :

The Company Secretary, Vinoflex Limited.

307-, Silver Chamber, Tagore Road, Rajkot - 360 002 Phone - (0281) 246 8328, 246 8776

Fax : (0281) 246 8839 Email : rotoad2@dataone.one

**AUDITORS CERTIFICATE
ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

TO THE BOARD OF DIRECTORS OF VINYOFLEX LIMITED, RAJKOT.

1. We have read the Report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by Vinoflex Limited ("the Company") for the year ended 31/03/2008, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the "Guidance Note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof adopted by the Company of ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and on the basis of our examination described above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the ended 31st March, 2008, no investor grievance was pending as per the records maintained by the Company.
5. We further state that 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.

REPORT OF THE AUDITOR'S TO THE SHARE HOLDERS

We have audited the attached Balance sheet of **VINYOFLEX LIMITED** as at 31st March, 2008, the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on those statements based on our audit.

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 reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in para 1 above :
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief where necessary for the purpose 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 & Loss Account dealt with by the report are in agreement with books of accounts of the Company.
 - (d) In our opinion and to the best of our information the Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company dealt with by this report have been prepared in compliance with the applicable Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - (e) As per the information and explanation given to us, none of the directors of the Company is disqualified from being appointed as director under clause (g) of subsection (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 read with the notes thereon, 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 :
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008 :
 - (ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date :and
 - (iii) In the case of Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

For Gadhia Karachiwala & Co.
Chartered Accountants

Place : Rajkot
Dated : 20th June, 2008

Sd/-
C.V.GADHIA
Partner

Annexure to the Auditor's Report

Statement referred to in paragraph 3 of the Auditors' Report of even date to the Members of VINOFLX LIMITED on the accounts for the year ended 31st March, 2008

The comments given herein below are based on the data compiled by the Company in order to comply with the requirements of the new order from the effective date. On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under :

- (i) (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management as per the policy of conducting the verification. No material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable, having regards to the size of the Company and nature of its business.
- (c) During the year Company has not disposed off any substantial/major part of fixed assets.
- (ii) (a) Physical verification of inventories has been conducted at reasonable intervals during the year by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. In our opinion, discrepancies noticed on physical verification of inventory as compared to book records are not material and they have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loans secured or unsecured, to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
The Company has taken unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The number of parties and amount involved in the transactions is as follow :-

Number of parties	Amount of loans given Rs. Lacs	Amount of loans taken involved (Balance as at 31.03.08)
1	Rs. 35.00 lac	Rs. 35.00 Lacs

- (b) In our opinion, the rate of interest and other terms and conditions of unsecured loans taken by the Company, are not prima facie, prejudicial to the interest of the Company;
- (c) In respect of unsecured loans taken by the Company, where stipulations have been made, the repayments of the principal amount and interest have been regular.
- (d) There is no overdue amount outstanding of the unsecured loans taken by the Company or interest thereon as the date of the Balance Sheet.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses has been noticed in internal control.
- (v) (a) According to information and explanation given to us, the transaction made in pursuance of contracts or arrangements, that need to be entered into the register maintained under Section 301, of the Companies Act, 1956 have been recorded in the register.
- (b) According to information and explanation given to us, the transaction referred to under sub clause (a) above, which exceeds Rs. 500000/- in each case have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has complied with the provision of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vii) The Company has an internal audit system, which in our opinion, commensurate with the size and the nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of subsection (1) of section 209 of the Companies Act, 1956.
- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. There are no arrears of outstanding statutory dues as at the last date of the financial year for a period of more than six months from the date those became payable.
- (x) The Company does not have any accumulated loss as on 31st March, 2008. The Company has not incurred any cash losses during the financial year covered by our audit and in immediately preceding financial year.
- (xi) Based on our audit procedure and on the information and explanations given by the management, we are of opinion that the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore the question of maintenance of documents and records in respect thereof does not arise.
- (xiii) Clause (xiii) of the Order is not applicable to the Company as the Company is not a chit fund company or nidhi/mutual benefit fund/society.
- (xiv) Clause (xiv) of the Order is not applicable as the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank of financial institution.
- (xvi) According to information and explanations given to us no fresh term loan has been obtained by the Company during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flows statement of the Company and after placing reliance on reasonable assumptions made by the Company for classification of long term and short term usages of the fund, we report that the Company has not utilised funds raised on short term basis for long term investments.
- (xviii) The Company has not made any preferential allotment of shares during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has no debentures.
- (xx) The Company has not raised any money by public issues during the year covered by our report.
- (xxi) Based on the audit procedures performed and according to the information and explanation given and representations made by the Management, we report that no fraud on or by the Company has been noticed or reported during the year.

For Gadhia Karachiwala & Co.
Chartered Accountants
Sd/-
C.V.GADHIA
Partner

BALANCE SHEET AS AT 31ST MARCH 2008

PARTICULARS	SCHE DULE	AMOUNT RS.	31-03-2008 RS.	31-03-2007 RS.
SOURCES OF FUNDS :				
SHAREHOLDER'S FUNDS:				
Share Capital	01	43190000.00		43190000.00
Reserve & Surplus	02	<u>9739463.74</u>	52929463.74	<u>6808071.79</u>
				49998071.79
LOANS				
Secured Loans	03	27013687.71		19445804.24
Unsecured Loans	04	<u>13592839.61</u>		<u>13092839.61</u>
			40606527.32	32538643.85
DEFERRED TAX LIABILITY :				
	06		6463208.00	5434354.00
TOTAL Rs.			<u>99999199.06</u>	<u>87971069.64</u>
APPLICATION OF FUNDS :				
FIXED ASSETS				
Gross Block	05	57393733.00		56720527.00
Less : Depreciation		<u>23676022.00</u>		<u>21149406.00</u>
Net Block			33717711.00	35571121.00
INVESTMENTS				
CURRENT ASSETS, LOANS AND ADVANCE	07		17000.00	17000.00
Inventories	08	37846080.00		21697604.00
Sundry Debtors	09	66197623.21		59664113.00
Cash and Bank Balance	10	5547770.06		3151553.41
Loans and Advances	11	8330517.00		3568371.00
		<u>117921990.27</u>		<u>88081641.41</u>
Less CURRENT LIABILITIES AND PROVISION	12			
Sundry Creditors		47464022.00		32088822.00
Other Liabilities		425878.26		508358.14
Provision		2870025.95		1735891.63
Statutory Liabilities		897576.00		1365621.00
		<u>51657502.21</u>		<u>35698692.77</u>
NET CURRENT ASSETS			66264488.08	52382948.64
TOTAL Rs.			<u>99999199.06</u>	<u>87971069.64</u>

NOTES TO THE ACCOUNTS

22

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of the Board

For **Gadhia Karachiwala & Co.**
Chartered Accountants
Sd/-

M. P. Patel Chairman (M.D.)

Vinod K. Tilva Director

C.V.Gadhia
Partner

B.L. Tilva Director

Place : Rajkot
Date : 20-06-2008

PROFIT AND LOSS A/C FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCHE DULE	AMOUNT RS.	31-03-2008 RS.	31-03-2007 RS.
INCOME				
Sales	13		219404981.75	175140698.61
Interest	14		171568.24	186768.61
Other Income	15		363203.32	849032.00
Increase decrease in stock	16		8413162.00	(982625.00)
		TOTAL RS.	<u>228352915.31</u>	<u>175193874.22</u>
EXPENDITURE				
Raw Material Consumption	17	191805954.00		142928671.00
Power & Fuel	18	15590829.19		12979229.18
Manufacturing Expenses	19	6131448.00		5820424.00
Administrative & Other Exp.	20	2610129.17		1863257.45
Interest	21	4301065.00		3684495.00
Excise Expenses		921558.00		0.00
Depreciation	5	2526616.00		2465400.00
			<u>223887599.36</u>	<u>169741476.63</u>
Profit before Tax			4465315.95	5452397.59
Provision for				
Income Tax		470000.00		635000.00
Deferred Tax (Net)		1028854.00		1859124.00
Fringe Benefit Tax		25000.00		23000.00
			<u>1523854.00</u>	<u>2517124.00</u>
Profit after tax			2941461.95	2935273.59
Tax adjustments of previous years			(10070.00)	0.00
			<u>2931391.95</u>	<u>2935273.59</u>
Add: surplus Brought forward			<u>6808071.79</u>	<u>3872798.20</u>
Balance carried to Balance Sheet			<u>9739463.74</u>	<u>6808071.79</u>
NOTES TO THE ACCOUNTS	22			

Schedules referred to above and notes attached there to form an integral part of the profit & Loss Account.

As per our report of even date
For **Gadhia Karachiwala & Co.**
Chartered Accountants
Sd/-
C.V.Gadhia
Partner
Place : Rajkot
Date : 20-07-2008

For and on behalf of the Board
M. P. Patel Chairman (M.D.)
Vinod K. Tilva Director
B.L. Tilva Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31-03-2008

PARTICULARS	AMOUNT RS.	31-03-2008 RS.	31-03-2007 RS.
SCHEDULE-1 : SHARE CAPITAL			
AUTHORISED :			
50,00,000 Equity Shares (Previous Year 50,00,000) of Rs. 10/- each		<u>50000000.00</u>	<u>50000000.00</u>
ISSUED, SUBSCRIBED & PAID UP :			
43,19,000 Equity Shares (Previous year 43,19,000) of Rs. 10/- each fully paid up		<u>43190000.00</u>	<u>43190000.00</u>
SCHEDULE - 2 :			
RESERVE & SURPLUS			
Profit and Loss Account		<u>9739463.74</u>	<u>6808071.79</u>

SCHEDULE - 3
SECURED LOANS

CASH CREDIT & BOOK DEBITS

From State Bank of Saurashtra (Against hypothecation of Raw materials, finished goods. work-in-process & guaranted by all directors)	27013687.71	19445804.24
	<u>27013687.71</u>	<u>19445804.24</u>

SCHEDULES - 4 : UNSECURED LOANS

Deposit from Shareholders	10005000.00	9505000.00
From Corporate Body	3500000.00	3500000.00
Loan From Shareholders	<u>87839.61</u>	<u>87839.61</u>
	<u>13592839.61</u>	<u>13092839.61</u>

SCHEDULE - 5 : FIXED ASSETS

ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31-3-2008

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 31-3-2007	Addition Transfer	Sold\ Transfer	Balance as at 31-3-2008	Up to 31-3-2007	For the year	On sold\ Transfer	Up to 31-3-2008	As at 31-3-2008	As at 31-3-2007
1. Land & Development	534960	0	0	534960	0	0	0	0	534960	534960
2. Building	13430102	0	0	13430102	4753540	448565	0	5202105	8227997	8676562
3. Plant & Machinery	38413863	590562	6368	38998057	14290640	1831323	0	16121963	22876094	24123223
4. Electric Installation	3394756	3820	0	3398576	1769288	161254	0	1930542	1468034	1625468
5. Vehicles	787408	0	0	787408	297154	74804	0	371958	415450	490254
6. Furniture & Fixtures	36638	0	0	41138	22974	2510	0	25484	15654	13664
7. Computer	60930	73932	0	134862	11133	4093	0	15226	119636	49797
8. Air Condition	41800	0	0	41800	4029	2584	0	6613	35187	37771
9. Telephone Instrument	20070	6760	0	26830	648	1483	0	2131	24699	19422
Total Rs.	56720527	679574	6368	57393733	21149406	2526616	0	23676022	33717711	35571121
Previous Year	(55740241)	(1377774)	(397488)	(56720527)	(18868873)	(246540)	(184867)	(21149406)	(35571121)	(36871368)

VINYOFLEX LIMITED

PARTICULARS	AMOUNT RS.	31-03-2008 RS.	31-03-2007 RS.
SCHEDULE - 6 :			
Deferred Tax Liability	6463208.00		5434354.00
		<u>6463208.00</u>	<u>5434354.00</u>
SCHEDULE - 7 : INVESTMENTS (AT COST)			
UNQUOTED			
200Equity Shares of B.O.B	17000.00		17000.00
		<u>17000.00</u>	<u>17000.00</u>
SCHEDULE - 8 : INVENTORIES			
Finished Goods	11659850.00		3872514.00
Goods in process	4860757.00		4240931.00
Raw Materials	20949934.00		13273220.00
Stock of other items	375539.00		310939.00
		<u>37846080.00</u>	<u>21697604.00</u>
<p>(Raw material and goods in process is valued at cost and estimated cost respectively or net realisable value which ever is lower. Finished goods is valued at selling price or net realisable value which ever is lower.) As per inventory taken, valued & certified by the Directors.</p>			
SCHEDULE -9 SUNDRY DEBTORS (Unsecured considered good)			
-Debts outstanding for more than six months	1751892.00		1439180.00
-Other Debts	64445731.00		58224933.00
		<u>66197623.21</u>	<u>59664113.00</u>
SCHEDULE -10 CASH & BANK BALANCES			
Cash on Hand	91908.39		45707.39
State Bank of Saurashtra-Delhi	0.00		25526.86
State Bank of Saurashtra-FD	5000.00		5000.00
State Bank of Hyderabad-Bombay	6000.00		6000.00
IDBI Bank	3943861.67		1643319.16
State Bank of Saurashtra-FD	1501000.00		1426000.00
		<u>5547770.06</u>	<u>3151553.41</u>
SCHEDULE -11 LOANS AND ADVANCES (Unsecure considered good)			
Telephone Deposits	19000.00		19000.00
G.E.B Deposits	379008.00		379008.00
G.E.B. Deposits	1488173.00		1331537.00
Gas Deposits	3900.00		3900.00
Advances to others	6440436.00		1834926.00
		<u>8330517.00</u>	<u>3568371.00</u>
SCHEDULE - 12 : CURRENT LIABILITIES & PROVISION			
CURRENT LIABILITIES :			
Sundry Creditors for goods	47464022.00		32088822.00
Other liabilities	425878.26		508358.14
Statutory Liabilities	897576.00		1365621.00
		<u>48787476.26</u>	<u>33962801.14</u>
PROVISIONS :			
For Expenses	2816275.95		1696591.63
For Audit Fees	53750.00		39300.00
		<u>2870025.95</u>	<u>1735891.63</u>

PARTICULARS	AMOUNT	31-03-2008	31-03-2007
	RS.	RS.	RS.
SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2008			
SCHEDULE - 13 SALES			
-P.V.C Film		219404981.75	175140698.61
SCHEDULE - 14 INTEREST INCOME			
Interest		171568.24	186768.61
SCHEDULE- 15 OTHER INCOME			
- Rebate Kasar	686.32		1676.00
- Vat Credit	0.00		197400.00
- Other sale	361317.00		360204.00
- Foreign Exchange Rate Diff.	0.00		42568.00
- DEPB / DFRC sales	0.00		14320.00
- Profit on sale of Vehicles	0.00		45001.00
- Excess Provision written back	0.00		2461.00
- Excise Expenses	0.00		184402.00
- Dividend	1200.00		1000.00
		<u>363203.32</u>	<u>849032.00</u>
SCHEDULE - 16 : (INCREASE) : DECREASE IN FINISHED GOODS AND WORK IN PROCESS			
CLOSING STOCK			
Finished Goods	11659850.00		3872514.00
Work in Process	4860757.00		4240931.00
Stock of other items	42000.00		36000.00
		16562607.00	8149445.00
Less : OPENING STOCK :-			
Finished Goods	3872514.00		5219426.00
Work in Process	4240931.00		3858344.00
Stock of other items	36000.00		54300.00
		<u>8149445.00</u>	<u>9132070.00</u>
		<u>8413162.00</u>	<u>(982625.00)</u>
SCHEDULE -17 : RAW MATERIAL CONSUMPTION			
Opening Stock	13273220.00		15038496.00
Add : Purchases	199482668.00		141163395.00
	212755888.00		156201891.00
Less : Closing stock	20949934.00		13273220.00
		<u>191805954.00</u>	<u>142928671.00</u>

PARTICULARS	AMOUNT RS.	31-03-2008 RS.	31-03-2007 RS.
SCHEDULE - 18 : POWER & FUEL			
Electric Power	13445960.19		11412610.18
Fotari	2144869.00		1566619.00
		<u>15590829.19</u>	<u>12979229.18</u>
SCHEDULE - 19 : MANUFACTURING EXPENSES			
Freght	2131134.00		1891110.00
Import Kharajat	484687.00		758677.00
Wages	1498613.00		1305344.00
Bonus	91232.00		91661.00
Insurance	235653.00		363911.00
Factory Exps.	873737.00		712088.00
Repairs & Maintenance	816392.00		697633.00
		<u>6131448.00</u>	<u>5820424.00</u>
SCHEDULE -20 : ADMINISTATIVE & OTHER EXPENSES			
Salary to Director	60000.00		60000.00
Postages & Telegram	191906.00		142213.00
Telephone	127637.19		120205.00
Vehicles	191658.00		194600.00
Travelling (Including Rs. Nil for directors,Previous Year Rs. Nil)	63650.00		0.00
Security Services	146400.00		120692.00
Printing & Stationery	83350.00		46047.00
Bank Commission & Charges	140468.98		135301.45
Legal & Professional fees	233893.00		52695.00
Advertisement	39049.00		37040.00
Office Rent	15000.00		15000.00
Listing fees	147700.00		27500.00
Freight outward	100726.00		21922.00
Export Kharajat	192159.00		156068.00
Other Expenses	442148.00		385571.00
Sales Tax	9220.00		64792.00
Share Transfer Agent fees	24000.00		23354.00
Cash discount	204702.00		40092.00
Quality Allowance	116825.00		132095.00
Ele. Charges	24887.00		44912.00
Service Tax Interest	1000.00		3858.00
Payment to Auditor's			
Audit fees	40000.00		32500.00
Fees for other services	13750.00		6800.00
		<u>2610129.17</u>	<u>1863257.45</u>
SCHEDULES - 21 : INTEREST			
On w.c.	2680465.00		2094704.00
On deposit	1200600.00		1140600.00
Interest to Suppliers	420000.00		449191.00
		<u>4301065.00</u>	<u>3684495.00</u>

SCHEDULE - 22 : NOTES AND ADDITIONAL INFORMATION FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2008

1. Accounting Policies :

- a. **FIXED ASSETS :**
All fixed Assets are valued at Historical cost less depreciation.
 - b. **DEPRECIATION :**
Depreciation is provided on Straight Line Basis at the rate provided by schedule XIV of the Companies Act.
 - c. **INVENTORIES :**
Raw Materials are valued at cost or net realisable value whichever is lower, but net of Cenvat.
Goods in process is valued at estimated cost or net realisable value whichever is lower.
Finished goods are valued at sales price or net realisable value which ever is lower and include excise duty payable.
 - d. **SALES :**
Sales are stated net of excise duty and sales tax.
 - e. **EXCISE DUTY :**
Liability for excise duty on finished good is duly accounted for.
 - f. **CENVAT:**
Cenvat benefit is accounted for an purchases of raw material and appropriated against payment of excise duty on clearance of finished goods. Purchases, stock of raw materials etc. are exclusive of such duty.
 - g. **PRELIMINARY & PUBLIC ISSUE EXPENSES**
Preliminary and public issue expenses are shown under the head Miscellaneous Expenditure to the extent not written off. 1/10th is written off every year to the profit and loss account.
 - h. **INVESTMENTS :**
Investments are valued at cost.
 - I. **GRATUITY :**
No provision for gratuity has been made in the books of account.
 - J. **RECOGNITION OF INCOME & EXPENDITURE :**
The company is following accrued method of accounting except bonus, non rourring & misc. income and expenditures as the impact of non provision is not material on the profit and loss of the Company.
2. Previous year figures have been regrouped where ever necessary.
 3. Sundry debtors, Creditors and Loans and Advances are shown as appearing in the accounts and same are subject to confirmation.
 4. Installed production capacity is as per certified by the directors and has not been verified by Auditors, this being technical matter.
 5. **Dues to SSI Unots :**
Sunday creditors include Rs. 7512022/- being amount payable to SSI undertakings in excess of Rs. 1.00 lacs and outstanding for more than 30 days. This amount has been determined to the extent such parties are identified by the Company on the basis of information available with them and has been relied upon by the Auditors.
 6. **Director's Remuneration :**
- | | | |
|-----------------------------|----------|---------------|
| Salary to Managing Director | 63500.00 | (Rs.63500\/-) |
|-----------------------------|----------|---------------|

7. Auditor's Remuneration

	2007-08	2006-07
For Audit fees	40000.00	32500.00
For Other Matters	13750.00	6800.00
	<u>53750.00</u>	<u>39300.00</u>

8. Computation of Earning per share :

	2007-2008	2006-2007
Net Profit for the year	2931392.00	0.68
No. of Shares	<u>4319000.00</u>	<u>4319000.00</u>

9. Related Party Transactions are as follows;

Name of the Party	Relationship	Nature of transactions	(2007-08) Amount	(2006-07) Amount
Shri M. P. Patel	Director	Salary Bonus	63500.00	63500.00
Shri K. L. Tilva	See note no. 1	Salary Bonus	67100.00	63500.00
Roto Screentech Pvt. Ltd.	See note no. 2	Purchase	0.00	4029000.00
Roto Screentech Pvt. Ltd.	See note no. 2	Rent	15000.00	15000.00
Roto Screentech Pvt. Ltd.	See note no. 2	Interest	420000.00	449191.00
Rahul M. Patel	See note no. 1	Interest	90000.00	90000.00
Dipa R. Patel	See note no. 1	Interest	36000.00	36000.00
Nirmala M. Patel	See note no. 1	Interest	54000.00	54000.00
Bhupatlal Lalji	See note no. 1	Interest	36000.00	36000.00
Shanta B. Tilva	See note no. 1	Interest	42000.00	30000.00
Uday Ranchoddas	See note no. 1	Interest	36000.00	36000.00
Nila Udaykumar	See note no. 1	Interest	96000.00	72000.00
Jayaben Ranchoddas	See note no. 1	Interest	54000.00	42000.00
Mitul D. Tilva	See note no. 1	Interest	60000.00	60000.00
Rishit D. Tilva	See note no. 1	Interest	60000.00	48000.00
Narmada K. Tilva	See note no. 1	Interest	174000.00	174000.00
Kasturben Ratilal	See note no. 1	Interest	36000.00	36000.00
Ratilal Premji	See note no. 1	Interest	66000.00	66000.00
Dharmishthaben	See note no. 1	Interest	66600.00	66600.00
Bharat Ratilal	See note no. 1	Interest	36000.00	36000.00

- Note : 1. Relative of some of the directors of the Company.
2. Some the directors of the Company are director in the Company.

10. Income Tax Provision

(a) Income tax provision has been made on the basis of Minimu Alternative Tax.

(b) Deferred Taxation :

Break up of net deferred tax assets/liabilities into major components of the respective balances are as follows :

	As at 01.04.2007	Current year	As at 31.03.2008
Deferred Tax Liability :			
Excess of net block of assets over written down value as per Provisions of Income Tax Act, 1961.			
Sub total	6575379.00	(112171.00)	6463208.00
	<u>6575379.00</u>	<u>(112171.00)</u>	<u>6463208.00</u>
Deferred Tax Assets :			
Unabsorbed Depreciation	1141025.00	(1141025.00)	0.00
Unabsorbed Losses	0.00	0.00	0.00
P. & P. and Public Issue Exps.	0.00	0.00	0.00
Sub total	<u>1141025.00</u>	<u>(1141025.00)</u>	<u>0.00</u>
Net Deferred Liability	5434354.00	1028854.00	6463208.00

11. Since the Company operates in a single segment i.e. "PVC Film" Accounting Standard (AS) 17" Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

12. **Foreign Exchange Transactions :**

Foreign Exchange transactions are accounted for at the rates prevailing on the day of transactions and the difference on the actual realisation through bank is transferred to foreign exchange difference account. The amount outstanding, if any, as at 31.03.2008 is translated at the rate as on that day.

13. Information pursuant to the provision of paragraph 3 & 4 of the part II of the Schedule IV of the Companies Act is as under :

1. Particulars of Licence capacity, installed capacity and production.

	<u>Particulars</u>	<u>Class of Goods</u>	<u>Mtrs.</u>
a.	Licence Capacity	PVC Film	No licence is required
b.	Installed Capacity	PVC Film	6000 Mts. P.A. on tripal Shift basis
c.	Production	PVC Film	4102.586 Mts. (3226.445 Mts.)

II. Particulars of Opening Stock, Production, Turnover and Closing Stock of Finished Product.

Class of Goods	Opening Stock		Product		Sales		Closing Stock	
	Qty. (Mts.)	Value	Qty. (Mts.)	Value	Qty. (Mts.)	Value	Qty.(Mts.)	Value
PVC Film	61.61	3872514.00	4102.586	----	3977.446	219404982.00	186.75	11659850.00
	[102.32]	[5219426.00]	[3226.445]	----	[3267.150]	[175140699.00]	[61.61]	[3872514.00]

Note: The above quantity Mts. Production, Sales and Closing stock which includes quantity of certain items produced and measure but the same is converted into Mts.(Kgs.) on approximate basis for uniformity.

III Particulars of Raw-materials consumed:-

Class of Raw Materials	Unit	Opening stock		Purchases		Consumption		Closing Stock	
		Qty.	Value	Qty.	Value	Qty	Value	Qty.	Value
--P.V.C Resin	M.T.	48.405	2178957.00	2096.050	94702970.00	1950.33	87254146.00	194.13	9627781.00
		[181.705]	[6835059.00]	[1385.00]	[56173061.00]	[1518.300]	[60829163.00]	[48.405]	[2178957.00]
-Plastisizers	M.T.	40.020	3186939.00	698.296	52768955.00	714.768	54111541.00	23.548	1844353.00
		[37.151]	[2205399.00]	[550.370]	[40862247.00]	[547.501]	[39880707.00]	[40.020]	[3186939.00]
-Stabilisers	M.T.	11.955	1173108.00	73.270	8510215.00	72.930	8056971.00	12.295	1626352.00
		[7.860]	[772194.00]	[69.865]	[6287653.00]	[65.770]	[5886739.00]	[11.955]	[1173108.00]
-Colours	M.T.	10.586	3230130.00	27.854	8305588.00	28.185	8037571.00	10.255	3498147.00
		[8.190]	[2246833.00]	[26.848]	[7021942.00]	[24.452]	[6038645.00]	[10.586]	[3230130.00]
-Titanium Dioxide	M.T.	5.075	544294.00	27.00	2597161.00	23.900	2290683.00	8.175	850772.00
		[3.880]	[372930.00]	[20.000]	[2102880.00]	[18.800]	[1931516.00]	[5.075]	[544294.00]
-Other Chemicals	M.T.	10.325	1488226.00	82.058	7307344.00	83.126	7272289.00	9.257	1523281.00
		[5.190]	[515921.00]	[70.344]	[6046716.00]	[65.209]	[5074411.00]	[10.325]	[1488226.00]
-Clorinated Parafin	M.T.	8.099	247020.00	197.080	7115856.00	201.835	7234132.00	3.344	128744.00
		[10.935]	[322583.00]	[154.280]	[4944613.00]	[157.116]	[5020176.00]	[8.099]	[247020.00]
-Caleum Carbonate	M.T.	41.750	376447.00	836.500	7154783.00	830.350	7161570.00	47.900	369660.00
		[57.090]	[453539.00]	[681.000]	[5775714.00]	[696.340]	[5852806.00]	[41.750]	[376447.00]
- PVC Waste	M.T.	19.300	386000.00	331.882	6679489.00	324.762	6537089.00	26.420	528400.00
		[33.000]	[660000.00]	[378.350]	[8001448.00]	[392.050]	[8275448.00]	[19.300]	[386000.00]
- Other Misc. Items ---		0.00	462099.00	0.00	4340307.00	0.00	3849962.00	0.00	952444.00
		0.00	[654038.00]	0.00	[3947121.00]	0.00	[4139060.00]	0.00	[462099.00]
		195.515	13273220.00	4369.990	199482668.00	4230.186	191805954.00	335.319	20949934.00
		[345.001]	[15038496.00]	[3336.057]	[141163395.00]	[3485.538]	[142928671.00]	[195.515]	[13273220.00]

Note : (1) The above quantity details of purchases and Closing stock does not includes the quantity and value of stock in transit as at 31-03-2008. (2) Purchases includes Rs. 652172.00 of sales return. (2.0) Since the company operates in a Single Segment i.e. "P.V.C. Film", Accounting Standard (AS) 17 "Segment Reporting" issued by the institute of chartered Accountants of India is not applicable.

IV. Value of imported & Indigenous Raw-Materials and Stores & Spares consumed and percentage there of :-

A. <u>RAW-MATERIALS</u>	<u>VALUE</u>		<u>PERCENTAGE</u>	
1. Imported	4602016.00	(8739887.00)	2.40%	[0.05%]
2. Indigenous	187203938.00	(134188784.00)	97.60%	[95%]
	<u>191805954.00</u>	<u>(142928671.00)</u>	<u>100%</u>	<u>(100%)</u>
B. STORES & SPARES				
1. Imported	Nil	(Nil)	Nil	(Nil)
2. Indigenous	Nil	(Nil)	Nil	(Nil)
	<u>Nil</u>	<u>(Nil)</u>	<u>Nil</u>	<u>(Nil)</u>
V. CIF value of import				
a. Raw materials	4657327.00		(7876398.00)	
b. Capital Goods	Nil		(367055.00)	
VI Earning in foreign currency				
FOB Value of export	6807000.00		(3550340.00)	
VII Expenditure incurring in Foreign currency.				
			Nil	(Nil)
VIII Earning in Foreign Currency				
			Nil	(Nil)
IX Salary & Wages included salary to Managing Director				
			Rs 63500/-	(63500.00)
X Breakup of Expenditure on employee :-				
(1) Employees who are in receipt of remuneration at rate which in aggregate was not less than Rs.24000000/- per year when employed throughout the financial year.			Nil	(Nil)
(2) Employee who were employed for part of the year and whose remuneration was not less than Rs. 200000/- per month			Nil	(Nil)

As per our report of even date

For **Gadhia Karachiwala & Co.**
Chartered Accountants
Sd/-
C. V. Gadhia
Partner

For and on behalf of the Board

M. P. Patel Chairman (M.D.)
Vinod K. Tilva Director
B.L. Tilva Director

Place : Rajkot

Date : 20-06-2008

Statement pursuant to Part IV of Schedule VI of Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details :

Registration no. :- 19830
 Balance Sheet Date :-

State Code:- 04

31 03 2008
 Date Month Year

2. Capital Raised During the year (Amount in Rs. Thousand) :-

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

3. Position of Mobilisation Fund and Deployment of Funds :-
 (Amount in Rs. thousand)

Total Liabilities	99999	Total Assets	99999
Sources of Funds			
Paid up Capital	43190	Reserve & Surplus	9739
Secured Loans	27014	Unsecured Loans	20056
Application of Funds			
Net Fixed Assets	33718	Investments	17
Net Current Assets	66264	Misc. Expenditure	Nil
Accumulated Losses	Nil		

4. Performance of Company (Amount in Rs. Thousands) :-

Turnover	219940	Total Expenditure	215474
Profit / Loss Before Tax	4466	Profit / Loss After Tax	2942

5. Generic Names of Three Principal Product / Services of Company.
 (As per monetary terms)

Items Code no. (ITC Code) :- 3920.11 to 3920.19

Products Description :- PVC Sheet / Film

CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH, 2008

(Figures Rs. in Lacs)

	2007-2008		2006-2007	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit after tax as per Profit and Loss Account		39.70		47.94
Adjustment for :				
Tax Provision of Income Tax & Fringe Benefit Tax	4.95		6.58	
Profit / (Loss) on Sale of Discarded Assets	0.00		(0.45)	
Depreciation	25.27		24.65	
Effect of Exchange Rate Change	0.00		(0.43)	
Profit on sale of Investments	0.00		0.00	
Interest income	(1.72)		(1.87)	
Dividend	(0.01)		(0.01)	
Interest & Finance Charges	43.01		36.84	
		71.50		65.31
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE :		111.20		113.25
Adjustment for :				
Trade & other receivable	(65.34)		(103.00)	
Inventories	(161.48)		26.32	
Trade payable and other liabilities	159.59		15.10	
		(67.23)		(61.58)
CASH GENERATED FROM OPERATION		43.97		51.67
Net Prior year Adjustment		(0.10)		0.00
Taxes Paid		(4.95)		(6.58)
NET CASH FROM OPERATING ACTIVITIES		38.92		45.09
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets and others		(6.80)		(13.78)
Sales of Fixed Assets/Modvat utilised on Capital Goods		0.06		2.58
Change in Loans and Advances		(47.62)		(5.82)
Purchase of Investments		0.00		0.00
Sales of Investements		0.00		0.00
Movement in investment Management Account		0.00		0.00
Interest / Investment Income		1.72		1.87
NET CASH USED IN INVESTING ACTIVITIES :		(52.64)		(15.15)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital (net)		0.00		0.00
Dividend income		0.01		0.01
Issue of warranty Equity shares		0.00		0.00
Increase in Securities premium Account		0.00		0.00
Proceeds from Long Term Borrowings		0.00		0.00
Repayment of Long Term Borrowings		0.00		0.00
Short term Loans		75.68		20.46
Unsecured Loans		5.00		(12.66)
Interest & Finance charges		(43.01)		(36.84)
Effect of exchange rate change		0.00		0.43
NET CASH USED IN FINANCING ACTIVITIES		37.68		(28.60)
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)		23.96		(1.34)
CASH & CASH EQUIVALENTS AS AT 1ST APRIL (Operating Balance)		31.52		30.18
CASH & CASH EQUIVALENTS AS AT 31ST MARCH (Closing Balance)		55.48		31.52

Notes : (1)The above cash flow statement has been prepared pursuant to Clause 32 of Listing Agreement with Stock exchange and under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India. (2) Figures in the bracket indicates cash out flow. (3) Notes and additional information (schedule No. 24) from a intgral part of the Cash Flow Statement. (4) Previous year figures have been regrouped/reclassified to confirm current year's classification. This is the Cash Flow Statement referred to in our report of even date.

For	Gadhia Karachiwala & Co. Chartered Accountants Sd/- C. V. Gadhia Partner	For and on behalf of the Board M. P. Patel Chairman (M.D.) Vinod K. Tilva Director B.L. Tilva Director
Place	: Rajkot	
Date	: 20-06-2008	

VINYOFLEX LIMITED

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

PROXY FORM

I / We _____
of _____ being
a Member / Members of VINYOFLEX LIMITED hereby appoint Shri/Smt. _____
_____ of _____ or failing
him/her Shri/Smt _____

_____ of _____ as my/our proxy to attend and vote for
me/us and on my/our, behalf at the Annual General Meeting of the Company, to be held at : 307
Silver Chamber, Tagore Marg, Rajkot on 20th of September, 2008 at 11:00 a.m. and at any
adjournment thereof.

Signed this _____ day of _____ 2008

Affix
30 Paise
Revenue
Stamp

Registered Folio No. _____

No. of Shares held _____

Signature (s) of Member (s)

Notes : This instrument of Proxy, after being duly filled in must be deposited at the Registered Office
of the Company not later than 48 hours before the time for holding the meeting.

----- Tear Here -----

VINYOFLEX LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF
THE MEETING HALL ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT
AT THE MEETING.

Full Name of Shareholder / Proxy : _____
(IN BLOCK LETTER)

If Proxy, fill name of Shareholder : _____
(UN BLOCK LETTER)

I hereby record my presence at the Annual General Meeting of the Company at : 307, Silver
Chamber, Tagore Road, Rajkot on 20th day of September, 2008 at 11:00 a.m.

Registered Folio No. _____

No. of Shares held _____

Signature of the
Shareholder / Proxy-holder

Tear Here

BOOK-POST
PRINTED MATTER

If undelivered please return to :

VINYOFLEX LIMITED

307, Silver Chamber, 3rd Floor,
Tagore Road,
Rajkot - 360 002.

SHARDA-RAJKOT. PH-2461797