



PREMIER SYNTHETICS LIMITED

39th
Annual Report
2008 - 2009



ANNUAL GENERAL MEETING

on Tuesday the 29th September, 2009
at 3.00 p.m. at JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai - 400 002.

Registered Office

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai - 400 002

Secretarial Division

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai 400 002.
Ph. No. 22085951-52, 2208 8736.

Plants:

- Plot No. C-29, Trans-Thane Creek,
Industrial Area,
Village - Pawne, Post Kherna,
Thane Belapur Road, Navi Mumbai
Distt. Thane (Maharashtra).
- Plot No. 9, Rungata Industrial Estate,
Village Kachigam, Daman.
- Plot No. 32-33-34, 825/4, Diwan Sons,
Udyognagar, Village Mahim,
Palghar, Dist. Thane (Maharashtra)
- Block No. 835(P), 836 & 837,
Mouje Rakanpur, Village Santej,
Taluka Kalol, Distt. Mehsana, (Gujarat)

Board of Directors

Anand Arya

(Chairman & Whole-time Director)

Suresh John

S.K. Tambawalla

Janardan Joshi

Auditors

P.C. Surana & Co.

Chartered Accountants

Contents	Page No.(s)
Notice	2
Directors' Report	4
Corporate Governance Report	6
Auditors Report	13
Balance Sheet	15
Profit & Loss Account	16
Schedules Forming part of the Balance Sheet and Profit & Loss A/c	17
Schedules	21
Cash Flow Statement	26
Statement Under Section 212	27
Subsidiary Company	28



NOTICE

To The Members,

NOTICE is hereby given that the 39th Annual General Meeting of the Members of **PREMIER SYNTHETICS LIMITED** will be held on Tuesday, the 29th September, 2009 at 3.00 p.m. at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2009 and Profit & Loss Account and Cash Flow Statement of the Company for the year ended on that date together with reports of the Board of Directors and Auditors' thereon;
2. To appoint a Director in place of Mr. Suresh John who retires by rotation and being eligible offers himself for re-appointment; and
3. To appoint M/s P.C. Surana & Co., Chartered Accountants, Mumbai as the Auditors of the Company to hold office till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:
"RESOLVED THAT Mr. S K Tambawalla, who was appointed as an Additional Director of the Company on 28.03.2009 and whose term of office expires on the conclusion of this Annual General Meeting and in respect of whom the Company has received notice from a shareholder under section 257 of the Companies Act, 1956 expressing his intention to move necessary resolution for the appointment of Mr. S K Tambawalla as a Director of the Company, be and is hereby appointed a Director of the Company."
5. To consider and, if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:
"RESOLVED THAT Mr. Janardan Joshi, who was appointed as an Additional Director of the Company on 30th June, 2009 and whose term of office expires on the conclusion of this Annual General Meeting and in respect of whom the Company has received notice from a shareholder under section 257 of the Companies Act, 1956 expressing his intention to move necessary resolution for the appointment of Mr. Janardan Joshi as a Director of the Company, be and is hereby appointed a Director of the Company."

By Order of the Board of Directors

Place : Mumbai
Date : 31st July, 2009

Anand Arya
Chairman

Registered Office :
JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai - 400 002.

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/HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Proxies in order to be valid must reach the Secretarial Department of the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday the 24th September, 2009 to Saturday the 26th September, 2009 (both days inclusive) for the purpose of Annual General Meeting.
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special business is annexed.
5. Members are requested to notify the change of address, if any, to the Company.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr. S K Tambawalla was appointed as an Additional Director of the Company with effect from 28.03.2009, and he holds office of the Director up to the conclusion of forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a notice in writing under section 257 of the Companies Act, 1956 with requisite security deposit from a shareholder expressing his intention to move necessary resolution for appointing Mr. S K Tambawalla as a Director of the Company.

Mr. S K Tambawalla is an advocate by profession with a bar standing of more than 3 decades. The Board of Directors considers that it would be in the interest of the Company to have Mr. S K Tambawalla on the Board of Directors of the Company and recommend the resolution for his appointment.

None of the Directors, except Mr. S K Tambawalla is concerned or interested in the resolution.

Item No. 5

Mr. Janardan Joshi was appointed as an Additional Director of the Company with effect from 30.06.2009, and he holds office of the Director up to the conclusion of forthcoming Annual General Meeting and is eligible for re-appointment. The Company has received a notice in writing under section 257 of the Companies Act, 1956 with requisite security deposit from a shareholder expressing his intention to move necessary resolution for appointing Mr. Janardan Joshi as a Director of the Company.

Mr. Janardan Joshi is highly experienced in financial matters and the Board considers that it would be in the interest of the Company to have Mr. Janardan Joshi on the Board of Directors of the Company and recommend the resolution for his appointment.

None of the Directors, except Mr. Janardan Joshi is concerned or interested in the resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 31st July, 2009

Anand Arya
Chairman & Whole time Director

Registered Office :
JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai - 400 002.



DIRECTORS' REPORT

To the Members,

The Directors present herewith the 39th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS:

Particulars	2008-2009	(Rs. in lakhs) 2007-2008
Income from Operation:		
Job Work	: 580.61	772.51
Trading	: 481.53	0.00
Other Income	: 16.96	24.39
Gross Income	: 1,079.10	796.90
Profit/(Loss) before Interest,		
Depreciation & tax	: (302.13)	19.62
Less : Interest	: 0.00	1.11
Less : Depreciation	: 305.65	305.81
Profit/(Loss) before Tax	: (607.78)	(287.30)
Less: Provision for Taxation-		
Fringe Benefit Tax	: 0.80	0.74
Profit/(Loss) after Tax	: (608.58)	(288.04)
Add : Excess provisions W/Back	: 0.00	0.00
Profit/(Loss) for the year	: (608.58)	(288.04)
Add: Balance of loss from previous year	: (10,035.60)	(9,747.57)
Balance carried over to Balance Sheet	: (10,644.18)	(10,035.60)

DIVIDEND

In view of loss, the Board of Directors do not recommend any dividend.

OPERATIONS

During the year under review the total income was recorded at Rs.1079.10 lacs inclusive of a trading turnover of Rs.481.53 lacs as against Rs.796.90 lacs in the previous year. The Company is mainly engaged in job-work and occasionally trades in fabric.

During the year under review, the Company recorded a net loss of Rs.608.58 lacs as against Rs.288.04 lacs in the previous year.

REFERENCE TO BIFR

The Company has been declared as a sick industrial company (based on its audited Balance Sheet as at 31st March, 2001) within the meaning of clause (o) of sub-section (1) of section (3) of the Sick Industrial Companies (Special Provisions) Act, 1985 by the Hon'ble BIFR vide their order dated 16/02/2006. IFCI has been appointed as Operating Agency (O.A.). The Company submitted its Draft Rehabilitation Scheme (DRS) to the O.A. The DRS was accepted by SASF and subsequently by IFCI Ltd. and the Federal Bank Ltd. All the three of them, viz. SASF, IFCI Ltd. and the Federal Bank Ltd. have subsequently absolutely assigned and transferred unto and in favour of Genuine Commercial Services Pvt. Ltd the financial facilities provided by them to the Company together with all underlying security interests, pledges and/or guarantees thereto. The Company has been directed by the Hon'ble BIFR to negotiate with the said Genuine Commercial Services Pvt. Ltd. and the other secured creditor, viz. Oman International Bank SAOG for settlement of their dues and to submit a revised DRS. The Company has initiated the process of negotiation with the said Genuine Commercial Services Pvt. Ltd. and Oman International Bank SAOG for settlement of their dues.

AUDITORS' QUALIFICATION

As regards Auditors' Qualification in para no.7 of the Report, your attention is drawn to Note Nos. 3 & 5 of Schedule 'K' which are self explanatory.

CURRENT YEAR

The income for the first three months of the Current year ended on 30th June, 2009 is Rs.160.64 Lacs as against Rs. 138.25 Lacs during the corresponding period in the previous year.

SUBSIDIARY COMPANY

The reports and Accounts of Premier Equity Ltd. for the year ended on 31st March, 2009 are annexed to this Report.

FIXED DEPOSITS

Your company has neither invited nor accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

DIRECTORS

Mr. Suresh John, retires by rotation and being eligible, offers himself for reappointment.

Mr. S K Tambawalla and Mr. Janardan Joshi were appointed as Additional Directors of the Company on 28.03.2009 and 30.06.2009 respectively and they hold the office as such Directors upto the conclusion of the ensuing Annual General Meeting. The Company has received notices in writing with requisite security deposit under Section 257 of the Companies Act 1956 from some shareholders proposing the candidature of Mr. S K Tambawalla and Mr. Janardan Joshi as Directors of the Company. The resolution for appointment of Mr. Tambawalla and Mr. Janardan Joshi are contained in the notice of the ensuing Annual General Meeting of the members of the Company.

Mr.V.S.Nair ceased to be Director of the Company w.e.f. 27.10.2008, due to withdrawal of his nomination by IFCI.

Mr. Kamal Dugar was appointed as an Additional Director of the Company on 27.10.2008 and resigned with effect from 28.03.2009.

Mr. Ganeshmal Surana had resigned from the office of the Director of the Company with effect from 30.06.2009.

The Board of Directors place on record its deep appreciation for the valuable support and co-operation extended to the Company by Mr. V S Nair, Mr. Kamal Dugar and Mr. Ganeshmal Surana during the tenure of their office.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31st March, 2009 the applicable accounting standards have been followed along with proper explanation relating to material departure;
- That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and 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 of the Company for the year under review.

- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate 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 have prepared the accounts for the financial year ended 31st March, 2009 on a "going concern" basis.

PERSONNEL

There was no employee drawing Rs.2,00,000/- or more per month as salary during the year and therefore, information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not given. The relation with the employees remained cordial throughout the year. The Directors wish to place on record their thanks for the support and co-operation received from the employees at all levels.

LISTING FEES

The Company has paid up to date listing fees to BSE.

CORPORATE GOVERNANCE

In terms of clause 49 of the Listing Agreement with the Stock Exchanges a report on the Corporate Governance is appended as annexure to this report.

AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors as required under Section 292A of the Companies Act, 1956. Some of the terms of reference of Audit Committee are to review the financial reporting process and to examine accountancy, taxation, and disclosure aspect of significant transactions.

AUDITORS

M/s.P.C.Surana & Co., Chartered Accountants, Mumbai hold the office as Auditors of the Company till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Board of Directors recommends their appointment.

PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the relevant information is given below:-

A. CONSERVATION OF ENERGY :-

a) Energy Conservation Measures Taken:

Energy conservation remains one of the most important areas of plant's performance and is being continuously monitored. Some of the measures taken are:

- i. Separate energy meters have been installed for effectively monitoring the section wise energy consumption.

- ii. Additional capacitor banks have been installed in different section.

- iii. We have made optimum use of electrical motors and day light resources at plant.

- b) Additional investments and proposals, if any being implemented for reduction in consumption of energy : Re-sizing of the motors is being done to run the motors at full load conditions.
- c) Impact of measures at (a) and (b) above for reduction in energy and consequent impact on the cost of production of goods: Energy conservation measures have led to reduction in the cost of production
- d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the schedule thereto:

	2008-2009	2007-2008
1. Electricity		
a) Purchased Units (in '000)	5466.84	1805.35
Total Amount (Rs. In lakhs)	314.65	123.92
Rate/Unit (Rs.)	5.76	6.86
b) Generated Units (in '000)	9.93	0.00
Total diesel Consumed (Ltrs. In '000)	2.64	0.00
Total amount (Rs. In lakhs)	1.01	0.00
Rate/Unit (Rs.)	38.07	0.00
2. Steam Generated		
Total LPG Gas Consumed (Kg. In '000)	NIL	1473.15
Total amount (Rs. In lakhs)	NIL	279.08
Rate/Unit (Rs.)	NIL	18.94

B. TECHNOLOGY ABSORPTION :

The Company is regularly getting its products tested by Ahmedabad Textile Industry Association (ATIRA), one of the premier textile research bodies at Ahmedabad. The Company is also sending its delegates from time to time to participate in the seminars and conferences organized by ATIRA to share information pertaining to research and development and innovations in the textile products. Such participations enable the Company to absorb and adopt the latest available technology in the industry. The Company is not using imported technology in the manufacturing process.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings were Rs. Nil (Previous Year Rs. Nil) as against outgo of Rs. 22.70 lakhs (Previous Year Rs. 14.92 lakhs).

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude, the co-operation and assistance given by the Financial Institutions, Bankers and Customers of the Company during the year under review.

For and on behalf of the board

Place : Mumbai
Date : 31st July, 2009

Anand Arya
Chairman & Whole-time Director



Report on Corporate Governance

(Annexure to Directors' Report)

1. Corporate Governance:

- A. Corporate Governance requirements as contained in Clause 49 of the Listing Agreement are comprehensive & valuable tool for the investors.
- B. Company's philosophy on Corporate Governance: The Company's Philosophy of Corporate Governance is aimed at conducting the business of the Company in efficient manner and meeting its obligations towards various constituents, namely Shareholders, customers, lenders, employees etc. The company has always envisaged to attain high level of transparency, accountability and integrity. The Company has endeavored to seek greater and active participation by the shareholders at the General Meetings for better interaction with the shareholders.

2. Board of Directors:

- A) The Board of Directors comprises Executive and Non-Executive Directors. The Executive and Non-Executive Directors are expert professionals in their respective fields. The provisions for appointment of Directors, their powers and meetings are contained in the Articles of Association of the Company. The Company has not entered into any materially significant transaction with its promoters, Directors, the management, their subsidiaries or any relatives thereof that may have potential conflict with the interest of the Company at large.

During the previous financial year five Board meetings were held on 30th April, 2008, 31st July, 2008, 27th October, 2008, 30th January, 2009 and 28th March, 2009. The particulars of Board of Directors, its meetings and Annual General Meetings attended by Directors are given hereunder:-

Name of the Director	Category	Date of Appointment	No. of other Directorships held	No. of Meetings attended during F. Yr. 01.04.08 to 31.03.09	Attendance at the last A.G.M.	No. of Membership/ Chairmanship in Committees across all the Companies
Mr. Anand Arya (AA) (Promoter)	Chairman & Whole Time Director	26.09.1985	5	5	Yes	Chairmanship - Nil Membership - Nil
Mr. Suresh John (SJ)	Executive Director	04.06.1996	2	5	Yes	Chairmanship - Nil Membership - 3
Mr. V.S. Nair (VSN) (IFCI Nominee)	Independent Director	28.04.2006	-	Nil	No	Chairmanship - Nil Membership - 2
Mr. Ganeshmal Surana (GS)	Independent Director	30.04.2005	2	3	Yes	Chairmanship - 3 Membership - 4
Mr. Kamal Dugar (KD)	Independent Director	27.10.2008	-	2	N.A	Chairmanship - Nil Membership - Nil
Mr. S.K. Tambawalla (SKT)	Independent Director	28.03.2009	2	1	N.A	Chairmanship - 2 Membership - 5
Mr. Janardan Joshi (JJ)	Independent Director	30.06.2009	3	N.A	N.A	Chairmanship - 5 Membership - 3

VSN ceased to be a Director of the Company w.e.f. 27.10.2008, due to withdrawal of his nomination by IFCI.

KD was appointed as a Director of the Company w.e.f. 27.10.2008 and ceased from Directorship w.e.f. 28.03.2009.

GS ceased to be a Director of the company w.e.f. 30.06.2009

Note : No Extraordinary General Meeting took place during the previous financial year.

B) Details of sitting fees, remuneration, etc. paid/payable to Directors during the year ended 31st March, 2009:

Name of the Directors	Remuneration paid during the year (Rs.)	Sitting Fees paid during the year (Rs.)	Total (Rs.)
Mr. Anand Arya (Chairman & Whole-Time Director)	---	---	---
Mr. Suresh John	1,42,127/-*	2,500/-	1,44,627/-
Mr. Ganeshmal Surana	---	1,500/-	1,500/-
Mr. Kamal Dugar	---	500/-	500/-

*Includes salary, bonus and benefits. No other fixed component or performance-linked incentives or stock option are paid.



C] Other Provisions as to Board and Committee:

The Board Meetings are held at least four times in a year with a maximum time gap of four months between any two meetings. None of the Directors of the Company is a member of more than ten Committees or acts as a Chairman of more than five Committees across all Companies in which he is a Director. For the purpose of considering the limits of the Committees on which a Director can serve, only the three Committees, viz. Audit Committee, Shareholders Committee and Remuneration Committee are considered. Every Director has informed the Company about Committee positions he occupies in other Companies.

D] Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the current year.

3. Audit Committee

Brief description of terms of reference: To review the financial reporting process and financial statements, the accounting policies and practices and to examine the accounting, taxation and disclosure aspect of significant transactions and other items as per clause 49 II (D) of the Listing Agreement. The Audit Committee ensures effective internal control, safeguarding of assets and adequacy of provisions for liabilities, management information and compliance with all relevant listing and other requirements.

The Audit Committee comprises three Directors with majority of them being Independent Directors. The Chairman of the Audit Committee is an Independent Director having financial and accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting to answer shareholders' queries.

The Composition of the Audit Committee as on 31st March, 2009 was as under:-

1. Mr.Ganeshmal Surana (GS) - Chairman
2. Mr.Suresh John (SJ) - Member
3. Mr.S K Tambawalla (SKT) - Member

Meetings and attendance during the year April 2008 to March 2009:

Date of Meeting	Attendance Recorded			
	GS	SJ	VSN	KD
30.04.2008	Yes	Yes	No	N.A
31.07.2008	Yes	Yes	No	N.A
27.10.2008	Yes	Yes	---	Yes
30.01.2009	No	Yes	---	Yes

The Audit Committee was reconstituted on 27.10.2008, 28.03.2009 and 30.06.2009..

Presently Composition of the Audit Committee is as under :-

1. Mr. S K Tambawalla — Chairman
2. Mr. Suresh John — Member
3. Mr. Janardan Joshi — Member

At the invitation of the Committee, representative of Statutory Auditors and other Departmental heads also attend the Audit Committee meetings to clarify queries raised.

Subsidiary Company

One independent Director of the Company has been appointed as a Director on the Board of Directors of Subsidiary Company. The minutes of the Board Meetings of the unlisted Subsidiary Company are placed at the Board Meeting of the company for review.

5. Remuneration Committee:

The Composition of the Remuneration Committee as on 31st March, 2009 was as under:-

1. Mr.Ganeshmal Surana — Chairman
2. Mr.Suresh John — Member
3. Mr. S K Tambawalla — Member

The Remuneration Committee was reconstituted on 27.10.2008, 28.03.2009 and 30.06.2009

Presently Composition of the Remuneration Committee is as under:-

1. Mr. Janardan Joshi — Chairman
2. Mr. S K Tambawalla — Member
3. Mr. Suresh John — Member.

Remuneration Committee is constituted to consider and approve remuneration to Managerial personnel. During the year no meeting of the Remuneration Committee was held. Appointment of Whole-time Director is on non-contractual basis and there is no provision about any notice period or severance fees. He is not paid any remuneration or benefit or other fixed component or performance linked incentive or stock options.



PREMIER SYNTHETICS LIMITED

6. Management

Management Discussion and Analysis, forming part of Directors' Report, contains discussion on the required matters.

Disclosures by Management

All details of financial and commercial transactions where Directors may have an interest are provided to the Board and interested Directors neither participate in the discussion, nor do they vote on such matters. There are no transactions of material nature with the promoters, Directors or their relatives, etc. that may have potential conflict with the interests of the Company.

As required by Accounting Standard AS-18, details of related party transactions are given in Schedule containing notes forming part of Balance Sheet and Profit & Loss Account.

7. Shareholders

Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting are given hereunder:

Name of Director	Mr. S K Tambawalla	Mr. Janardan Joshi	Mr. Suresh John
Date of Birth	17.06.1941	30.01.1960	29.07.1951
Date of Appointment	28.03.2009	30.06.2009	04.06.1996
Expertise in specific functional areas	Legal	Accounting	Purchase, Commercial, Managerial & Administration
Qualifications	B. Com., L.L.B.	M.Com., P.G. Diploma in Business Administration, Diploma in Material Management	B. Com
List of other public limited Companies in which Directorship held.	Blue Blends (India) Ltd. Blue Blends Equity Ltd.	Blue Blends Petrochemicals Ltd. Blue Blends Finance Ltd. Premier Equity Ltd.	Blue Blends Holding Ltd. Blue Blends Equity Ltd.
Chairman/Member of the Committees of the Board of other Companies in which he/she is a Director	Blue Blends (India) Ltd.- Audit Committee- Member, Remuneration and Shareholders Committee – Chairman	Blue Blends Petrochemicals Ltd.- Audit Committee, Shareholders Committee-Chairman Blue Blends Finance Ltd. Audit Committee-Chairman Remuneration and Shareholders Committee – Member	NIL

A Committee under the chairmanship of a Non Executive Director is constituted to look into the redressal of shareholders' complaints.

The Composition of the Shareholders Grievance Committee as on 31.03.2009 is as under :

1. Mr. Ganeshmal Surana — Chairman
2. Mr. Suresh John — Member

The Shareholders Grievance Committee was reconstituted on 30.06.2009

Presently Composition of the Shareholders Grievance Committee is as under :-

1. Mr. Janardan Joshi — Chairman
2. Mr. Suresh John — Member

Name and designation of Compliance Officer	:	Mr. Suresh John
Number of shareholders complaints received so far	:	There is no pending grievance of shareholders. During the year the Company had not received any complaint from Shareholders.
Number not solved to the satisfaction of shareholders	:	Nil
Number of pending share transfers	:	Nil

8. Compliance Certificate

Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

9. General Body Meetings

Location and time of last three AGMs held:

Location	Date	Time
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	30.09.2006	3.00 P.M.
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	28.09.2007	3.00 P.M.
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	29.09.2008	3.00 P.M.

No postal ballots were used for voting at the general meetings of shareholders.



PREMIER SYNTHETICS LIMITED

Distribution of Shareholding as on 31.03.2009

Share holding of nominal value of (Rs.)	Shareholders		SHARE AMOUNT				
	Number	% to Total (In Rs.)	Physical (In Rs.)	Nsdl Demat (In Rs.)	Cdsl Demat (In Rs.)	Total (In Rs.)	% to Total
Upto - 2,500	289	70.316	324150	—	—	324150	0.890
2,501 - 5,000	52	12.652	181160	—	—	181160	0.497
5,001 - 10,000	25	6.083	178500	—	—	178500	0.490
10,001 - 20,000	16	3.893	227000	—	—	227000	0.623
20,001 - 30,000	7	1.703	173600	—	—	173600	0.477
30,001 - 40,000	1	0.243	37500	—	—	37500	0.103
40,000 - 50,000	0	0.000	0	—	—	0	0.000
50,001 - 1,00,000	3	0.730	225000	—	—	225000	0.618
1,00,001 & above	18	4.380	35085090	—	—	35085090	96.303
TOTAL	411	100.000	36432000	—	—	36432000	100.000

Dematerialisation of shares and liquidity: The share capital of the Company is not dematerialised.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity: Nil

Plant Locations :

- ❖ Plot No.C-29,Trans-Thane Creek, Industrial Area, Village Pawne, Post Kherna, Thane Belapur Road, Navi Mumbai, Dist. Thane, (Maharashtra).
- ❖ Plot No. 9, Rungata Industrial Estate, Village Kachigam, Daman.
- ❖ Plot No. 32-33-34,825/4, Diwan Sons, Udyognagar, Village Mahim, Palghar, Dist.Thane (Maharashtra)
- ❖ Block No.835(P), 836 & 837, Mouje- Rakhanpur, Village Santej, Taluka Kalol, Dist. Mehsana,(Gujarat).

Address for correspondence:

Premier Synthetics Ltd.

JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai - 400 002.
Tel. 2208 5951/52

Name of the Contact Person: Mr. Tapan Maulik



CODE OF CONDUCT DECLARATION

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board Members and Senior Management personnel of the Company.

CEO/CFO CERTIFICATION

We, in our official capacity do hereby confirm and certify that:-

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2009 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the financial year 2008-09 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that there are no:
- i. significant changes in internal control during the year ended 31st March 2009.
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For PREMIER SYNTHETICS LTD.

Anand Arya
Chairman & Whole Time Director

Suresh John
Director

Place : Mumbai

Date : 31st July, 2009

CERTIFICATE

To,

The Members of

Premier Synthetics Ltd.

We have examined the compliance of conditions of corporate governance by Premier Synthetics Ltd., for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, Mumbai.

The Compliance of conditions for corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with all the material conditions on Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders/Investors Grievance Committee.

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.

For P. C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner
M.No.39761

Place: Mumbai.

Dated : 31st July, 2009



MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2009

a) Industry Structure & Development:

The Indian Textile Industry is one of the oldest and largest industries in the country. It contributes about 15% of the Industrial Production in the country. It offers employment opportunities to substantial number of skilled and unskilled manpower and is considered to be second largest employment generator after agriculture.

The Indian Textile Industry is having fragmented structure with dominance of small manufacturers spread across the country. Due to various constraints faced by small-scale operators the industry faces low margins and productivity. There is immense competition amongst the players. The fragmentation of supply base is a great barrier in achieving integration amongst various links in the supply chain though availability of raw materials like cotton, man-made fibre, jute and silk and availability of low cost skilled manpower in abundance are positive strength of the Indian textile industry.

b) Segment-wise or Product-wise Performance:

The Company is having weaving, processing, texturising and spinning units. The weaving and spinning units of the Company are engaged only on jobwork and performance of both the units was adversely affected due to sluggish demand in denim industry. The processing and the texturising units of the Company continue to remain closed during the year under review.

c) Outlook, Opportunities, Threats, Risks & Concerns:

The immediate outlook for the industry in which the Company is operating is not enthusiastic due to immense competition and sluggish demand in the denim and texturising segment, though the company is optimistic about the long term prospects of the industry.

d) Internal Control System and their adequacy:

The Company has a proper and adequate system of internal control to ensure that all resources are put to efficient use and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded and reported correctly.

The Company's internal control systems are periodically tested and certified by the Company's statutory as well as the internal auditors.

e) Financial Performance :

(Rs. in lakhs)

Particulars		2008-2009	2007-2008
Income from Operation:			
Job Work	:	580.61	772.51
Trading	:	481.53	0.00
Other Income	:	16.96	24.39
Gross Income	:	1,079.10	796.90
Profit/(Loss) before Interest, Depreciation & tax	:	(302.13)	19.62
Less : Interest	:	0.00	1.11
Less : Depreciation	:	305.65	305.81
Profit/(Loss) before Tax	:	(607.78)	(287.30)
Less: Provision for Taxation- Fringe Benefit Tax	:	0.80	0.74
Profit/(Loss) after Tax	:	(608.58)	(288.04)
Add : Excess provisions W/Back	:	0.00	0.00
Profit/(Loss) for the year	:	(608.58)	(288.04)
Add: Balance of loss from previous year	:	(10,035.60)	(9,747.57)
Balance carried over to Balance Sheet	:	(10,644.18)	(10,035.60)

f) Human Resources:

The company considers human resources as one of the vital and important factors for sustained growth. The human resources strategy is to attract talent in the industry, develop and upgrade their skill and competence on the job and ensure employees satisfaction through reward, appreciation and development of environment based on culture and values nurtured by the Group over the years.

g) Cautionary Statement :

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking" statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 31st July, 2009

Anand Arya

Chairman & Whole-Time Director



AUDITORS' REPORT

To,
The members of
Premier Synthetics Limited,

We have audited the attached Balance Sheet of M/s. Premier Synthetics Limited, as at 31st March, 2009 and also 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 these financial 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principals 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. We report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, the Company has kept proper books of accounts as required by law, so far, as appears from our examination of the books of account.
3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of account.
4. In our opinion the Profit & Loss Account and Balance Sheet have complied with the Accounting Standards referred to in Sub Section 3 C of Section 211 of the Companies Act, 1956.
5. *The Company is a Sick Industrial Company since 31 March, 2001 within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and it has been declared so by the Hon'ble Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 vide their order dated 16, Feb. 2006. The Company has been presently directed by the Hon'ble BIFR to submit a fresh Draft Rehabilitation Scheme (DRS) to IFCI (Operating Agency) and other secured creditors after assignment of financial facilities by certain secured creditors to other parties and the same is under consideration.*
6. In our opinion and on the basis of the information & explanations given to us and on the basis of the written representations received from the Directors and taken on record, none of the directors of the company is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
7. Attention is drawn to the following notes in "Schedule "K" :-
Note No. 3 regarding non-provision in respect of doubtful Sundry Debtors of Rs. 1870.09 lakhs.

Note No. 5 regarding non-provision of interest liability of Rs. 4284.08 lakhs

8. Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together 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;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date, and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
9. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state on the matters specified in paragraphs 4 and 5 of the said Order that:
 - (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full Particulars details including quantitative details and situation of fixed assets.
 - (b) As explained to us, the management during the year has Physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed of Substantial part of fixed assets during the year and the going concern status of the Company are not affected.
 - (ii) In respect of its inventories:
 - (a) As explained to us, the management at regular intervals during the year has physically verified inventories.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories 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 has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification as compared to the book records.
 - (iii) In respect of loans, secured or unsecured granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) The Company has neither granted nor taken any loans to/ from such parties during the year.



- (b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions in respect of loans given or taken to/from such parties in earlier year, are prima facie not prejudicial to the interest of the Company.
- (c) In respect of loan granted by the Company to one party, the loan is interest free and is repayable on demand. In respect of loans taken by the Company, the loan is interest free and the principal amount is repayable on demand.
- (d) There is no overdue amount in respect of loans taken by the Company. In respect of loans given by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) In respect of transactions covered under section 301 of the Companies Act, 1956:
- (a) In our opinion and according to the information given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion the internal audit system of the Company is adequate commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of products of the Company.
- (ix) In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
- (b) According the information and explanations given to us there are no disputed dues in respect of Sales Tax/ Income Tax/ Wealth Tax and any other material statutory dues.
- (x) The Company has accumulated losses of Rs. 106.44 Crores and it cash losses of Rs. 3.03 Crores during the financial year covered by our audit. But it did not incur any cash losses in the immediately preceding financial year.
- (xi) According to the explanations and information given to us, the Company has defaulted in repayment of its dues to Financial Institutions, Banks and Debenture-holders.
- (xii) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- (xv) The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xvi) The Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has acquired some fixed assets out of the sources generated by its business operating activities. No amount has been paid toward Term Loans during the year.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has created securities in respect of Debentures issued.
- (xx) The Company has not raised any money by way public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For P.C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner
M. No. 39761

Place : Mumbai.
Dated : 31st July, 2009



BALANCE SHEET AS AT 31ST MARCH, 2009

	Sch.	As at 31st March, 2009		As at 31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
Sources of Funds					
1. Shareholders' Funds					
a) Capital	A	131,432,000		131,432,000	
b) Reserves & Surplus	B	42,210,000		42,210,000	
			173,642,000		173,642,000
2. Loan Funds					
a) Secured	C	1,352,964,079		1,362,196,531	
b) Unsecured	D	17,523,275		12,542,275	
			1,370,487,354		1,374,738,806
TOTAL			1,544,129,354		1,548,380,806
Application of Funds					
1. Fixed Assets	E				
a) Gross Block		705,292,495		705,062,072	
b) Less : Depreciation		357,139,481		326,574,119	
c) Net Block			348,153,014		378,487,954
2. Investments	F		54,726,105		54,726,105
3. Current Assets, Loans & Advances	G				
a) Inventories		3,788,231		3,563,371	
b) Sundry Debtors		195,843,971		191,808,586	
c) Cash & Bank Balances		3,304,481		6,152,718	
d) Loans & Advances		16,032,929		16,608,667	
		218,969,612		218,133,342	
Less: Current Liabilities & Provisions	H				
a) Current Liabilities		139,729,922		104,781,342	
b) Provisions		2,407,390		1,745,427	
		142,137,312		106,526,769	
Net Current Assets			76,832,300		111,606,573
4 Profit & Loss Account			1,064,417,935		1,003,560,174
TOTAL			1,544,129,354		1,548,380,806
Significant Accounting Policies & Notes forming Part of A/cs					
	K				

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner
Membership No: 39761

Place :- Mumbai
Date:- 31 st July, 2009

For and on behalf of the Board

Anand Arya
Chairman & Wholetime Director

Suresh John
Executive Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

INCOME	Sch.	Year Ended 31.03.2009		Year Ended 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
1 Sales & Service Charges received		106,214,689		77,251,408	
2 Miscellaneous Income		<u>1,695,564</u>		<u>2,438,681</u>	
			107,910,253		79,690,089
Expenditures					
3 Manufacturing & Other Expenses	I	90,174,197		77,727,792	
4 Trade Purchases		47,948,942		-	
5 Interest	J	-		110,645	
6 Depreciation		<u>30,565,363</u>		<u>30,581,036</u>	
			168,688,502		108,419,473
7 Profit / (Loss) before Taxes			(60,778,249)		(28,729,364)
8 Less: Provision for taxation					
Deferred tax			-		-
Current tax			-		-
Fringe Benefit Tax			79,512		73,644
9 Profit / (Loss) after Tax			(60,857,761)		(28,803,028)
Add : Excess Provisions W/Back			-		-
10 Profit / (Loss) for the Year			(60,857,761)		(28,803,028)
11 Add : Balance of Loss from Prev. Year			(1,003,560,174)		(974,757,146)
12 Balance carried over to Balance Sheet			<u>(1,064,417,935)</u>		<u>(1,003,560,174)</u>
Earning Per Share (Basic & Diluted)			(16.70)		(7.91)
13 Significant Accounting Policies & Notes Forming Part of Accounts	K				

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner
Membership No: 39761

Place :- Mumbai
Date:- 31 st July,2009

For and on behalf of the Board

Anand Arya
Chairman & Wholetime Director

Suresh John
Executive Director



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "A" - SHARE CAPITAL

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
Authorised		
1,00,00,000 Equity shares of Rs.10/- each	100,000,000	100,000,000
20,00,000 Preference shares of Rs.100/-each	200,000,000	200,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid-up		
a. 6,60,000 15% Redeemable Cumulative Non Convertible Preference share of Rs.100/- each	68,000,000	68,000,000
b. 270,000 0% Redeemable Cumulative Non Convertible Preference share of Rs.100/- each	27,000,000	27,000,000
c. 36,43,200 Equity shares of Rs.10/- each Fully Paid -up (of the above Equity Shares 12,14,400 shares were allotted as fully paid up bonus shares by capitalisation of share premium)	36,432,000	36,432,000
	<u>131,432,000</u>	<u>131,432,000</u>

SCHEDULE "B" - RESERVES & SURPLUS

Share Premium		
As per last Balance Sheet	<u>32,210,000</u>	<u>32,210,000</u>
	32,210,000	32,210,000
Debenture Redemption Reserve		
As per last Balance Sheet	<u>10,000,000</u>	<u>10,000,000</u>
	10,000,000	10,000,000
	<u>42,210,000</u>	<u>42,210,000</u>

SCHEDULE "C" SECURED LOANS

A) Debentures		
17% 950,000 Non Convertible Debentures of Rs.100/-each	<u>95,000,000</u>	<u>95,000,000</u>
	95,000,000	95,000,000
B) Term Loans		
From Financial Institutions	46,289,633	382,631,773
From Body Corporates	<u>327,122,140</u>	<u>373,411,773</u>
Interest Accrued & Due on above Financial Institutions	144,837,755	532,515,392
Body Corporates	<u>387,677,637</u>	<u>532,515,392</u>
C) Working Capital Loans		
From banks	352,036,914	352,036,914
D) Others (Vehicle Loan)	-	12,452
	<u>1,352,964,079</u>	<u>1,362,196,531</u>

Notes :-

- 17% 950,000 Non Convertible Debentures of Rs.100/- each privately placed with I F C I (since assigned to M/s Genuine Commercial Services Pvt. Ltd. during the year) are redeemable in 3 equal annual installments from the expiry of 4th Year from the date of allotment i.e. 12th April, 2000. However instalments due till the year end have not been paid.
- The Non-Convertible Debentures issued to and Term Loan from IFCI (since assigned to M/s Genuine Commercial Services Pvt. Ltd. during the Year) and IDBI (SASF) are secured by first pari-passu charge on the fixed assets of the Company. (Also refer to note no. 6 of Schedule "K")
- Loans under Project Finance Scheme from IFCI (since assigned to M/s Genuine Commercial Services Pvt. Ltd. during the year) are secured by hypothecation of movable properties and inventories and 1st pari-passu mortgage on the immovable properties of the Company.
- Working Capital Loans from Bank are secured by hypothecation of Stocks and Book Debts and 2nd pari-passu charge on the fixed assets of the Company.
- All the above loans are personally guaranteed by Promoter Director of the Company and M/s. Blue Blends (India) Ltd.



PREMIER SYNTHETICS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "D" - UNSECURED LOANS

Short Term Loans

from Body Corporates
from Others

As at 31st March, 2009

Rs.

12,523,275

5,000,000

17,523,275

As at 31st March, 2008

Rs.

12,542,275

12,542,275

SCHEDULE "E" - FIXED ASSETS

(Amt in Rs.)

Description of Assets	Gross Block			Depreciation				Net Block	
	As at 1.04.2008	Additional/ (Deletion)	As at 31.03.2009	Up to 31.03.2008	For the Year	Adjustment	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
FREEHOLD LAND	3,185,086	-	3,185,086	-	-	-	-	3,185,086	3,185,086
LEASEHOLD LAND	1,668,510	-	1,668,510	-	-	-	-	1,668,510	1,668,510
FACTORY BUILDING	78,778,081	186,122	78,964,203	27,120,775	2,587,311	-	29,708,086	49,256,117	51,657,305
PLANT AND MACHINERY	594,018,488	-	594,018,488	283,209,259	26,689,993	-	309,899,252	284,119,236	310,809,229
ELECTRIC INSTALLATION	21,968,231	-	21,968,231	12,922,668	971,467	-	13,894,135	8,074,096	9,045,563
FURNITURE AND FIXTURES	2,528,687	4,850	2,533,537	1,558,954	146,936	-	1,705,890	827,647	969,733
VEHICLE	1,546,700	-	1,546,700	914,400	104,411	-	1,018,811	527,889	632,300
OFFICE EQUIPMENT	606,836	33,750	640,586	267,249	23,918	-	291,167	349,419	339,587
COMPUTER	504,549	5,700	510,249	370,449	28,027	-	398,476	111,773	134,100
AIR CONDITIONER	256,905	-	256,905	210,364	13,300	-	223,664	33,241	46,536
WIP	-	-	-	-	-	-	-	-	-
Total	705,062,073	230,422	705,292,495	328,574,118	30,565,363	-	357,139,481	348,153,014	378,487,949
Prev. Year	708,848,685	(3,786,612)	705,062,073	298,902,744	30,581,036	2,909,661	326,574,119	378,487,950	

SCHEDULE "F" - INVESTMENTS

As at 31st March, 2009
Rs.

As at 31st March, 2008
Rs.

Trade Investments Long - term (at cost)

Shares (Quoted)

2,56,200 (Prev. year -2,56,200) - Fully paid up Equity Shares of Rs.10/- each in Blue Blends Finance Ltd.
4,70,000 (Prev. year- 4,70,000) Fully paid up Equity Shares of Rs.10/- each in Blue Blends(India) Ltd
2,00,000 (Prev. year - 2,00,000) Fully paid up Preference Shares of Rs.100/- each in Blue Blends (India) Limited

5,269,165

5,269,165

12,450,000

12,450,000

20,000,000

20,000,000

37,719,165

37,719,165

Investments in Subsidiary Company

17,00,694 (Prev. year -1,700, 694) Fully paid up Equity Shares of Rs.10/- each in Premier Equity Ltd. (Unquoted)

17,006,940

17,006,940

17,006,940

17,006,940

Total Investments

54,726,105

54,726,355

Notes :

- Aggregate value of quoted investments
Cost 37,719,165 37,719,165
Market Value not available not available
- Aggregate value of Unquoted Investments 17,006,940 17,006,940
- Out of above Investment, shares pledged against loans granted to other companies for which counter guarantees are available with the company :-

Sr. No.	Name of Scrip	Type of shares	No. of Shares	Pledged with
1	Blue Blends Finance Ltd.	Equity	256,200	IFCI Ltd.
2	Blue Blends (India) Ltd.	Equity	270,000	Oman International Bank S. A. O.G.
3	Blue Blends (India) Ltd.	Preference	120,000	IFCI Ltd.



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "G" - CURRENT ASSETS, LOANS & ADVANCES

	As At 31st March, 2009		As At 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
Current Assets				
Inventories (At cost, except otherwise stated)				
(As valued & certified by the Management)				
Stores & Spare parts	3,115,897		2,962,743	
Packing Material	665,408		584,580	
Dyes, Chemicals & Lubricants	6,926		16,048	
		3,788,231		3,563,371
Sundry Debtors				
(Unsecured)				
Over Six months				
Considered Good	70,955			
Considered Doubtful	187,008,670		191,087,631	
Others (Considered good)	8,764,346		720,955	
		195,843,971		191,808,586
Cash & Bank Balances				
Cash in hand	98,236		55,242	
Bank balance with Scheduled Banks;				
In Current Accounts	1,114,595		618,726	
In Margin Deposits / Fixed Deposits	2,091,650		5,478,750	
		3,304,481		6,152,718
Loans & Advances				
(Unsecured, considered good)				
Advances recoverable in cash or in				
kind for value to be received	12,403,522		11,998,823	
Advance payment of tax & tax deducted at source	262,045		216,839	
Deposits with Public bodies	3,367,362		4,393,005	
		16,032,929		16,608,667
		218,969,612		218,133,342
Schedule "H" - Current Liabilities & Provisions				
Current Liabilities				
Sundry Creditors				
for Goods	3,003,942			
for Expenses	136,725,980	139,729,922	104,781,342	104,781,342
Provisions				
for F. B. T.	225,802		215,552	
for Gratuity	2,181,588		1,529,875	
		2,407,390		1,745,427
		142,137,312		106,528,769



PREMIER SYNTHETICS LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year Ended 31.03.2009		Year Ended 31.03.2008	
	Rs.	Rs.	Rs.	Rs.
Schedule "I" - Manufacturing & Other Expenses				
Hank Yarn Obligation		635,619		828,187
Stores & Spares consumed		7,371,497		8,256,007
Dyes, Chemicals & Lubricants		55,584		549,968
Testing Expenses		4,916		9,360
Labour & Job Charges		1,974,587		3,588,274
Power & Water Charges		31,566,328		40,302,898
Repairs & Maintenance				
- Buildings	182,603		25,284	
- Plant & Machinery	760,099		1,186,305	
- Others	86,180		71,923	
		1,028,882		1,283,512
Sales & Distribution Expenses				
Packing Materials	1,955,090		2,692,266	
Sales Promotion & Advertisement Expenses	26,831		21,157	
Brokerage, Commission & Discount	35,335		32,842	
Freight & Forwarding Charges	1,337,203		1,441,734	
		3,354,459		4,187,999
Administrative Expenses				
Payments & Provisions for Employees				
Salaries, Wages & Bonus	11,326,181		11,326,917	
Contribution to Provident Fund & Other Funds	931,740		954,420	
Employees Welfare & Other Amenities	260,773		303,665	
Provision for Gratuity	736,051		415,154	
		13,254,745		13,000,156
Establishment Expenses				
Rent, Rates & Taxes	226,382		302,773	
Postage & Telephone	125,802		265,002	
Printing & Stationery	178,900		252,075	
Travelling & Conveyance	715,503		642,212	
Legal & Professional Charges	300,873		508,613	
Bank Charges	156,854		71,950	
Listing Fees	36,022		23,500	
Director's Sitting Fees	4,500		4,500	
Food & Beverage	303,564		360,372	
Loss on Sale of Fixed Assets	-		1,140,640	
Sundry Drs. Written off	-		474,288	
Sundry Expenses	467,269		477,491	
Insurance Premium	294,919		393,394	
Security charges	879,812		748,441	
Business Compensation	27,181,000		-	
Auditors' Remuneration	56,180		56,180	
		30,927,580		5,721,431
		90,174,197		77,727,792
Schedule "J" - Interest				
Interest		-		110,645
		-		110,645



SCHEDULE 'K' - NOTES FORMING PART OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under historical cost convention on an accrued basis and comply with the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) referred to in Section 211 (3C) of the Companies Act, 1956.

a) General

- i) Accounting policies not specifically referred to otherwise be in consistence with earlier years and in consonance with generally accepted accounting principles.
- ii) Expenses and income considered payable and receivable respectively are accounted for on accrual basis.

b) Sales

- i) Sales are accounted on mercantile basis, when the sale of goods is completed.
- ii) Service charges are accounted when the goods are dispatched to the customers.

c) Valuation of Inventories

- i) Inventories of Raw materials and Work in progress are valued at cost.
- ii) Stocks in Trade and Stock of Finished Goods are valued at lower of cost and net realisable value.

d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchases price and any attributable cost of bringing the assets to its working condition for its intended use. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use.

e) Depreciation / Amortization

- i) Depreciation on the fixed assets is charged on Straight Line Method at the rates prescribed by Schedule XIV to the Companies Act, 1956, which are based on the estimated useful lives of the assets.
- ii) Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis with reference to the month of addition or deletion.
- iii) No amortization is made for leasehold land, which are under perpetual lease.

f) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of such investments.

g) Foreign Currency Transactions

Foreign Currency transactions are recorded in the books by applying the exchange rates as on the date of the transaction. Foreign Currency Assets & Liabilities are converted at the exchange rate prevailing on the date of the Balance Sheet and the resultant exchange difference is adjusted to the profit & Loss account except in the case of Foreign Currency Liabilities arising on account of acquisition of Fixed Assets, where such exchange difference is adjusted to the cost of the assets.

h) Retirement Benefits

Staff benefits arising out of retirement/ death comprising of contributions to Provident Fund, Gratuity Scheme and other post separation benefits are accounted for on the basis of the schemes or by an independent actuarial valuation at the year-end as the case may be.

i) Taxes on Income

- i) Income Tax is computed in accordance with Accounting Standard 22, "Accounting for Taxation on Income" issued by the ICAI.
- ii) Provision for current income tax and fringe benefit tax is made in accordance with the provisions of Income tax Act, 1961.
- iii) The differences between taxable income and net profit or loss before tax for the year, as per the financial statements, are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences i.e. differences that originate in one accounting period and reverse in another.
- iv) Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.



2. Contingent Liabilities and commitments not provided for:-

	As at 31.3.09 (Rs. In lakhs)	As at 31.3.08 (Rs. In lakhs)
i) Guarantees extended by the Company on behalf of other companies	2400.00	2400.00
ii) Bank Guarantees given by the Company	20.80	20.80
iii) Claims by parties/customers not acknowledged as debts	2.00	2.00

3. The Company has determined the Sundry Debtors to the extent of Rs.1870.09 lakhs (Previous Year Rs. 1910.88 lakhs) as doubtful debts. However the Company has not made any provision for the same in expectation of the recovery.

4. Balances of Sundry Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation, if any.

5. The Company has been negotiating with its sundry creditors for settlement of its dues in respect of loan and working capital facilities from them and as the Company does not foresee any liability in respect of interest and overdue interest on such loans and working capital facilities, it has not provided such interest amounting to Rs. 4284.08 lakhs (Previous Year: Rs. 3,553.14 lakhs).

6. Stressed Assets Stabilization Fund (I D B I) vide its letter no. by SASF/ PSL/no. 700 dated 24.06.2009 has informed the company that it has absolutely assigned and transferred unto and in favour of Genuine Commercial Services Pvt. Ltd. the financial facilities provided by it to the Company together with all underlying security interests, all rights, pledges and/or guarantees thereto.

7. Except otherwise mentioned herein, in the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business and the provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

8. The terms of Redemption of Preference Shares: -

i) 15% Redeemable Cumulative Non Convertible Preference Shares were redeemable at par in three equal annual installments from the end of 7th year from the date of allotment i.e. 18th December 1996. However installments of redemption due by the year end date have not been paid.

ii) 0% Redeemable Cumulative Non Convertible Preference Shares are redeemable at par at the end of 10th year from the date of allotment, i.e. 4th November 1999.

9. i) The computation of Net Profit for the purpose of calculation of directors' remuneration under section 349 of the Companies Act, 1956 is not enumerated, since no commission has been paid to any director.

ii) Directors' Remuneration

		2008-09 (Rs.)	2007-08 (Rs.)
i.	Salary	1,42,127	1,43,702
ii.	Contribution to Provident Fund and Other funds	9,360	9,360
iii.	Perquisites	Nil	Nil
		1,51,487	1,53,062

10. The Company has not provided deprecation on fixed assets situated at Baroda, Panoli & Daman, which are closed.

11. Related Party Transactions

Disclosures as required by Accounting Standard AS 18 "Related Party Disclosure" in respect of transaction for the year ended 31st March, 2009 are as under:-

a) Relationship

(I) Subsidiary Company

> Premier Equity Ltd.

(II) Associates

> Blue Blends (India) Ltd.

> Bindal Synthetics Pvt. Ltd

> Blue Blends Leasing Pvt. Ltd.

> Agrawal Synthetics.



PREMIER SYNTHETICS LIMITED

16. Payment to Auditors

	<u>2008-09</u>	<u>2007-08</u>
	(Rs.)	(Rs.)
For Audit	40,562	40,562
For Tax Audit	5,618	5,618
For Taxation Matters	10,000	10,000
	56,180	56,180

17. The Company was not required to obtain any license under Industries (Development and Regulation) Act, 1951. Therefore, the details of license capacity are not applicable.

A. INSTALLED CAPACITY (As certified by the management)

	Unit	<u>2009</u>	<u>2008</u>
a) Weaving Looms	Nos.	42	42
b) Texturising Machines	Nos.	3	3
c) Fabrics Processing House	Lakhs Mtrs.	121.8	121.8
d) Spinning machines (Rotors)	Nos.	2,256	2,256

B. ACTUAL PRODUCTION

Yarn (on Job Basis), Ahmedabad	M.T.	3870.67	4,539.26
Fabrics (on Job Basis), Palghar	Mtrs.	Nil	2,51,825

18. Quantitative information in respect of Opening Stock, Closing Stock, Purchases, Sales and Raw Material Consumption Manufacturing activities

The Company during the year as well as in the previous year carried out the manufacturing activity for other parties only on job charges basis. Hence information as to opening stock, closing stock, purchases, sales of finished goods and raw-material consumption are not applicable.

	Unit		<u>2008-09</u>		<u>2007-08</u>
		Qty.	Value(Rs.)	Qty.	Value (Rs.)
Opening Stock :					
Fabrics (Traded)	Mtrs.	Nil	Nil	Nil	Nil
Closing Stock :					
Fabrics (Traded)	Mtrs.	Nil	Nil	Nil	Nil
Purchases :					
Fabrics (Traded)	Mtrs.	818040	47948942	Nil	Nil
Sales :					
Fabrics (Traded)	Mtrs.	818040	48153450	Nil	Nil
Job Charges received :			58061239		77251408

19. Expenditure in Foreign Currency:

a) Stores & Spare parts imported on C I F basis	Rs18.20 Lacs (Prev.yr. Rs 11.01Lacs.)
b) Remittance in foreign currency on account of dividend.	Rs. Nil (Prev. yr. Rs. Nil)

20. Earnings in foreign exchange : Rs. Nil (Prev. yr. Rs. Nil)

21. Value of Imports & Indigenous Material Consumption

	<u>2008-09</u>		<u>2007-08</u>	
	Value (Rs.)	% of cons	Value (Rs.)	% of cons
Stores & Spares				
Indigenous	51,58,838	69.98	68,20,129	82.61
Imported	22,12,659	30.02	14,35,876	17.39
	73,71,497	100.00	82,56,007	100.00

22. Previous years figures have been regrouped and recasted wherever necessary.



23. Information required as per part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No.

1 4 8 2 6

State Code

1 1

Balance Sheet Date

31st March, 2009**II. Capital Raised during the year (Amount in Thousand)**

Direct Subscription

NIL

Right Issue

NIL

Bonus Issue

NIL

App. Money

NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Thousand)

Total Liabilities

1 5 4 4 1 2 9 . 3 5

Total Assets

1 5 4 4 1 2 9 . 3 5

Source of Funds

Paid-up Capital

1 3 1 4 3 2 . 0 0

Reserves & Surplus

4 2 2 1 0 . 0 0

Secured Loans

1 3 5 2 9 6 4 . 0 8

Unsecured Loans

1 7 5 2 3 . 2 7

Application of Funds

Net Fixed Assets

3 4 8 1 5 3 . 0 1

Investments

5 4 7 2 6 . 1 1

Net Current Assets

7 6 8 3 2 . 3 0

Misc. Expenditure

NIL

Accumulated Losses

1 0 6 4 4 1 7 . 9 3

IV. Performance of Company (Amount in Thousand)

Turnover

1 0 7 9 1 0 . 2 5

Total Expenditure

1 6 8 6 8 8 . 5 0

Profit/(Loss) Before Tax

(6 0 7 7 8 . 2 5)

Profit/(Loss) After Tax

(6 0 8 5 7 . 7 6)

Earning Per Share

(1 6 . 7 0)

Dividend rate %

NIL

V. Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No. (ITC Code)

Product

5 4 0 3 2 0 0 0

TEXTURISED YARN

5 4 0 7 1 1 0 0

SYNTHETICS FABRICS

5 2 0 5 1 1 0 0

COTTON YARN

Signatures to Schedules A to K

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner
Membership No: 39761

Place :- Mumbai
Date :- 31 st July, 2009

For and on behalf of the Board

Anand Arya
Chairman & Wholtime Director

Suresh John
Executive Director



PREMIER SYNTHETICS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARY COMPANY, VIZ. PREMIER EQUITY LIMITED

1. The Financial year of the subsidiary company ended on : 31st March, 2009
2. Date from which it became subsidiary : 20th June, 1996
3. a. No. of shares held by Premier Synthetics Limited (holding company) with its nominee in the subsidiary at the end of the financial year of the subsidiary. : 17,00,700 Equity Shares of Rs.10/- each fully paid up.
b. Extent of interest of holding company at the end of the financial year of subsidiary : 100%
4. The net aggregate amount of the subsidiary's Profits so far as it concerns the members of the holding company :
a. Not dealt with the holding company's accounts :
i. For the financial year ended 31st March, 2009. : (Rs. 10,412/-)
ii. For the previous financial years of the subsidiary since it became the holding company's subsidiary : (Rs. 55,09,806)
b. Dealt with the holding company's accounts :
i. For the financial year ended 31st March, 2009. : Not Applicable.
ii. For the previous financial years of the subsidiary since it became the holding company's subsidiary : Not Applicable.
5. Changes in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year : Not Applicable
6. Material changes between the end of the financial year of the subsidiary and the end of the holding company's financial year in respect of :
a. Fixed Assets : Not Applicable
b. Investments : Not Applicable
c. Moneys lent by the subsidiary company : Not Applicable
d. Moneys borrowed by the subsidiary company for any purpose other than that of meeting current liabilities : Not Applicable

For and On behalf of the Board

ANAND ARYA
Chairman & Whole Time Director

SURESH JOHN
Director

Place : Mumbai.
Date : 31st July, 2009

**NOTICE TO MEMBERS**

Notice is hereby given that the 13th Annual General Meeting of the Members of Premier Equity Limited, will be held on Thursday, the 20th day of August, 2009 at 11:30 a.m. at the Registered Office of the Company situated at JBF House, 13, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002 to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet as at 31st March, 2009 and Profit and Loss Account of the Company for the year ended on that date together with reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Shrichand Dugar who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modification(s), an Ordinary Resolution :

"RESOLVED THAT Shri Janardan Joshi was appointed as an Additional Director of the Company on 25th June, 2009 and whose term of office expires on the conclusion of forthcoming Annual General Meeting and in respect thereof the Company has received notice from some shareholder under section 257 of the Companies Act, 1956 expressing his intention necessary resolution for his appointment as a Director of the Company, be and is hereby appointed as a Director of the Company.

By order of the Board

VINOD KHANDELWAL
Director

Registered Office
JBF House, 13, Old Post Office Lane,
Kalbadevi Road, Mumbai - 400 002.
Place: Mumbai.
Date : 22nd July, 2009

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/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

DIRECTORS' REPORT

To the Members,

The Directors present herewith the 13th Annual Report along with the Audited Accounts of the Company for the year ended on 31st March, 2009.

FINANCIAL RESULTS

(Amount in Rupees)

Particulars	2008-2009	2007-2008
Loss for the year before taxes	10,412	9,134
Add : Provision for taxation	—	—
Loss for the year after taxes	10,412	9,134
Add: Balance brought forward		
from previous year	55,09,806	55,00,672
Balance Carried over to Balance Sheet :	55,20,218	55,09,806

DIVIDEND

In view of loss, your Directors do not recommend any dividend for the year.

INVESTMENT

During the year under review the company has not made any investment.

OPERATIONS

During the year under review the Company did not carry on substantial business activities.

DIRECTORS

Shri Shrichand Dugar retires by rotation and being eligible offers himself for re-appointment.

Shri Janardan Joshi was appointed as an Additional Director of the Company with effect from 25th June, 2009 and he holds the office of director of the Company till the conclusion of the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act 1956 from some Shareholder expressing his intention to propose the candidature of Shri Janardan Joshi for his appointment to the office of Director of the Company at the forthcoming Annual General Meeting.

Shri Ganeshmal Surana had resigned from the office of Director of the Company with effect from 25th June, 2009. The Board of Directors place on records its deep appreciation for the support and co-operation extended to the company by the outgoing Director of the Company during the tenure of their office.

FIXED DEPOSIT

The Company has neither invited nor accepted any deposit from the



public within the meaning of Section 58A of the Companies Act, 1956 and Rules made thereunder.

EMPLOYEES

The Company had no employee of the category under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules 1975 as amended and hence particulars in respect thereof are not given.

SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The foreign exchange earnings/outgoings were Nil. Since the Company does not own any manufacturing facility, the other particulars under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts, for the financial year ended 31st March, 2009 the applicable accounting standards have been followed along with proper explanation relating to material departure;
- ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and 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 of the company for the year under review.
- iii) That the directors have taken proper and sufficient care for the maintenance of adequate 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 have prepared the accounts for the financial year ended 31st March, 2009 on a "going concern" basis.

AUDITORS

The Auditors M/s. P.C. Surana & Co, Chartered Accountants, Mumbai retire and being eligible offer themselves for re-appointment.

SECRETARIAL COMPLIANCE CERTIFICATE

A Copy of Secretarial Compliance Certificate is attached to this report.

For and on behalf of the Board of Directors

Place: Mumbai

Date : 22nd July, 2009

Vinod Khandelwal

Director

AUDITORS' REPORT

To,

The members of

Premier Equity Limited,

We have audited the attached Balance Sheet of M/s. Premier Equity Limited, as at 31st March, 2009 and also the Profit & Loss Account 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 these financial 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principals 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. We report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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 the books of accounts.
3. The Balance Sheet and Profit & Loss Account dealt with this report are in agreement with the books of account.
4. In our opinion the Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in Sub Section 3C of Section 211 of the Companies Act, 1956.
5. In our opinion and on the basis of the information & explanations given to us and on the basis of the written representations received from the Directors and taken on record, none of the directors of the Company is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - i) in the case of the Balance Sheet, of the state of affairs of the



Company as at 31st March, 2009 and

ii) in the case of the Profit & Loss Account, of the loss of the Company for the year ended on the date.

7. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state on the matters specified in paragraphs 4 and 5 of the said Order that;

1. In respect of its fixed assets:

The Company does not own any fixed assets.

2. In respect of its inventories: Not applicable as the Company did not carry out any operations during the year.

3. The Company has not granted or taken any secured or unsecured loan from / to companies, firms or other parties covered in the register maintained as compared under section 301 of the Companies Act, 1956:

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. Company has not entered into any transactions with firm, companies and other parties covered under section 301 of the Companies Act, 1956.

6. The Company has not accepted any deposits from the public.

7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.

8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of products of the Company.

9. In respect of statutory dues:

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues, whatever applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.

10. The Company has accumulated losses of Rs. 55.20 lakhs and has

incurred cash losses of Rs. 0.10 lakhs during the financial year covered by our audit and of Rs 0.09 lakhs in the immediately preceding financial year.

11. According to the explanations and information given to us that the Company has no borrowings from Financial Institutions, Banks and debenture-holders.

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clauses 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.

15. The Company has not given any guaranty for loans taken by others from banks or financial institutions. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

16. The Company has not raised any term loans during the year. There is no outstanding term loan outstanding at the beginning of the year.

17. The Company has not acquired any fixed assets and no term loan was repayable by the Company, hence our reporting on utilization of short term sources generated by the Company is not required.

18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any Debentures during the year.

20. The Company has not raised any money by way public issue during the year.

21. In our opinion and according to the information explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

for P.C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner
M. No.39761

Place : Mumbai.

Date : 22nd July, 2009



Balance Sheet as at 31st March, 2009

	Sch.	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
Sources of Funds			
Shareholders' Funds			
a) Capital	A	17,007,000	17,007,000
b) Reserves & Surplus		17,007,000	17,007,000
Loan Funds			
a) Secured		-	-
b) Unsecured		-	-
TOTAL		<u>17,007,000</u>	<u>17,007,000</u>
Application of Funds			
Fixed Assets			
a) Gross Block		-	-
b) Less : Depreciation		-	-
c) Net Block		-	-
Investments	B	5,178,890	5,178,890
Current Assets,			
Loans & Advances	C		
a) Inventories		-	-
b) Sundry Debtors		-	-
c) Cash & Bank Balances		12,353	12,610
d) Loans & Advances		6,300,000	6,310,000
		<u>6,312,353</u>	<u>6,322,610</u>
Less : Current Lia. & Provisions	D		
a) Current Liabilities		4,461	4,306
b) Provisions		-	-
		<u>4,461</u>	<u>4,306</u>
Net Current Assets		<u>6,307,892</u>	<u>6,318,304</u>
Balance of profit and loss a/c		<u>5,520,218</u>	<u>5,509,806</u>
Total Assets		<u>17,007,000</u>	<u>17,007,000</u>

Significant Accounting Policies & Notes forming Part of A/cs F

As per our Report of even date for P.C. Surana & Co. Chartered Accountants

for and on behalf of the Board

Vinod Khandelwal }
 }
 } Directors
Janardan Joshi }

Sunil Bohra
Partner
Membership No. 39781

Place : Mumbai
Dated : 22nd July, 2009.

Profit and Loss Account for the year ended on 31st March, 2009

	Sch.	Year Ended 31st March, 2009 Rs.	Year Ended 31st March, 2008 Rs.
INCOME			
Dividend		-	-
Miscellaneous Income		-	-
Expenditures			
Admin. & Other Expenses	E	10,412	9,134
Loss before Taxes		<u>10,412</u>	<u>9,134</u>
Less : Provision for Taxation		-	-
Loss after Tax		<u>10,412</u>	<u>9,134</u>
Add : Balance of Loss from Prev. Year		<u>5,509,806</u>	<u>5,509,672</u>
		<u>5,520,218</u>	<u>5,509,806</u>
Less: Earlier Years' Taxation provision		-	-
Debit Balance carried over to Balance Sheet		<u>5,520,218</u>	<u>5,509,806</u>
Significant Accounting Policies & Notes Forming Part of Accounts	F		

As per our Report of even date for P.C. Surana & Co. Chartered Accountants

for and on behalf of the Board

Vinod Khandelwal }
 }
 } Directors
Janardan Joshi }

Sunil Bohra
Partner
Membership No. 39781

Place : Mumbai
Dated : 22nd July, 2009.



Schedules forming part of the Balance Sheet

Sch.	As at 31st March, 2009 Rs.	Rs.	As at 31st March, 2008 Rs.	Rs.
Schedule "A" - Share Capital				
Authorised				
25,00,000 Equity shares of Rs. 10/- each	25,00,000		25,00,000	
	<u>25,00,000</u>		<u>25,00,000</u>	
Issued, Subscribed and Paid-up				
17,00,700 Equity shares of Rs. 10/- each Fully Paid-up	17,00,700		17,00,700	
	<u>17,00,700</u>		<u>17,00,700</u>	
All the above equity shares are held by Premier Synthetics Ltd., the Holding Company, along with its nominees.				
Schedule "B" - Investments				
QUOTED				
Trade Long - term (at cost)				
50,000 (Prev. Year 50,000) 15% Redeemable cum. Preference shares of Rs. 100/- each (fully paid up) in Blue Blends (India) Limited (Aggregate Market Value of above Quoted Investments Not Available since not traded)	5,00,000		5,00,000	
	<u>5,00,000</u>		<u>5,00,000</u>	
UNQUOTED (at Cost)				
4,000 (Prev. Year 4,000) Equity Shares of Rs. 10/- each fully paid up in Bindal Synthetics Pvt. Ltd.	108,540		108,540	
2,000 (Prev. Year 2,000) Equity Shares of Rs. 10/- each fully paid up in Blue Blends Leasing Pvt. Ltd.	70,350		70,350	
	<u>178,890</u>		<u>178,890</u>	
	<u>6,178,890</u>		<u>5,178,890</u>	
Schedule 'C' - Current Assets, Loans & Advances				
Current Assets				
Cash & Bank Balances				
Cash in hand	988		7,582	
Bank balance with Scheduled Banks: In Current Accounts	11,387		5,028	
	<u>12,375</u>		<u>12,610</u>	
Loans & Advances				
(Unsecured, considered good)				
Advances recoverable in cash or in kind for value to be received	6,300,000		6,310,000	
Advance payment of tax & tax deducted at source	-		-	
	<u>6,300,000</u>		<u>6,310,000</u>	
	<u>6,312,375</u>		<u>6,322,610</u>	
Schedule 'D' - Current Liabilities & Provisions				
Current Liabilities				
Sundry Creditors for expenses	4,461		4,306	
	<u>4,461</u>		<u>4,306</u>	
Provisions				
For Taxation	-		-	
	<u>4,461</u>		<u>4,306</u>	

Schedules forming part of the Profit and Loss Account

Schedule "E" - Administrative & Other Expenses

	Year Ended 31st March, 2009 Rs.	Rs.	Year Ended 31st March, 2008 Rs.	Rs.
Establishment Expenses				
Secretarial Audit Fees	1,841		1,500	
Bank Charges	1,337		-	
Legal & Professional Charges	-		400	
Audit Fees	5,818		5,818	
Filing Fees	1,816		1,616	
	<u>10,412</u>		<u>9,134</u>	
	<u>10,412</u>		<u>9,134</u>	

SCHEDULE - F- NOTES FORMING PART OF THE ACCOUNTS.

1. ACCOUNTING POLICIES

GENERAL

- Accounting Policies not specifically referred to otherwise are consistent with earlier years and in consonance with generally accepted accounting principles.
- Expenses & Income considered payable & receivable respectively are accounted for on accrual basis, except dividend on investment which is accounted on receipt basis.

INVESTMENTS

- Long Term Investments are stated at cost plus brokerage and stamp charges. Provision for diminution in the value of long -term investments is made only when such a decline is other than temporary in the opinion of the management.
- Current Investments are valued at the lower of cost and market value.

TAXES ON INCOME

- Income Tax is computed in accordance with AS 22, Accounting for Taxation on Income issued by the ICAI.
 - Provision for current income tax is made on the tax liability is payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and net profit or loss before tax for the year, as per the financial statements, are identified and the tax effect of the deferred tax asset of deferred tax liability is recorded for timing differences i.e. differences that originate in one accounting period and reverse in another.
- Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

- Previous year's figures have been regrouped & recast wherever necessary.
- In the opinion of the Board, Current Assets Loans & Advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- Balances of Loans & Advances are subject to confirmation & reconciliation, if any.
- Payment to Auditors for Audit Fees Rs. 5,618/- (including Service Tax) & secretarial Audit Fees Rs. 1,616/-
- In view of the Long Term prospects of the investments made by the Company in shares etc., provision of any depreciation in their value has not been considered by the management of the Company
- Related Party Transactions.**
The list of related parties and nature of their relationship is furnished below:
Related parties with whom transactions have taken place during the year:

A. Key Management Personnel:

Director	Mr. Vinod Khandelwal
Director	Mr. Shrichand Dugar
Director	Mr. Janaradan Joshi

B. Associates

- > Blue Blends Holdings Ltd.
- > Blue Blends Petrochemicals Ltd.
- > Blue Blends Finance Ltd.

C. Holding Company : Premier Synthetics Ltd.

Transactions taken place during the year with related parties:

A. Key Management Personnel	: Nil
B. Associates	: Nil
C. Holding Company	: Advances Received Back : 0.10 Lacs

- Segment Information:**
The Company does not have any reportable segment.
 - Basic and Diluted Earnings per share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share."
- | Particulars | 31.03.2009 | 31.03.2008 |
|--|----------------|------------|
| a. Numerator | | |
| Profit/ (Loss) after tax | Rs. (10,412) | (9,134) |
| b. Denominator | | |
| Weighted average number of equity shares | Nos. 17,00,700 | 17,00,700 |
| c. Earnings per Share (Basic & Diluted) | | |
| = Numerator/Denominator | Rs. NIL | NIL |
- Other additional information pursuant to Schedule VI – Part II to the Companies Act, 1956 has not been furnished as the same are not applicable.



11. Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No

9 8 0 1 0

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 0 9

II. Capital Raised during the year (Amount in Thousand)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Thousand)

Total Liabilities

1 7 0 0 7

Total Assets

1 7 0 0 7

Source of Funds

Paid-up Capital

1 7 0 0 7

Reserves & Surplus

NIL

Secured Loans

NIL

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

NIL

Investments

5 1 7 8 . 8 9

Net Current Assets

6 3 0 7 . 8 9

Misc. Expenditure

NIL

Accumulated Losses

5 5 2 0 . 2 2

IV. Performance of Company (Amount in Thousand)

Turnover

NIL

Total Expenditure

1 0 . 4 1

Loss Before Tax

1 0 . 4 1

Loss After Tax

1 0 . 4 1

Earning Per Share in Rs.

NIL

Dividend rate %

NIL

V. Generic Names of Three Principal Products/Services of Company

(as per monetary terms)

Item Code No.

N . A .

(ITC Code)

N . A .

As per our report of even date
for P.C. Surana & Co.
Chartered Accountants

Sunil Bohra
Partner.
M. No. 39761

Place: Mumbai.
Date: 22nd July, 2009

For and On Behalf of the Board

Vinod Khandelwal

}

Janardan Joshi

}

Directors



PREMIER SYNTHETICS LTD.

Registered Office : JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall.

Name of the Shareholder (In Block Letters) _____

Member's Follo Number _____

Name of the Proxy (In Block Letters) to be filled if the Proxy attends instead of the Member _____

Number of Shares held _____

I hereby record my presence, at the Annual General Meeting held on Tuesday, 29th September, 2009 at 3.00 p.m. at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002.

Member's / Proxy's Signature

1. To be signed at the time of handing over this slip.
2. Shareholders are requested to advise, indicating their folio number, the change of their address, if any, to the Company.



PREMIER SYNTHETICS LTD.

Registered Office: JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002

PROXY

Member's Folio Number	
No. of Shares	

I/We _____

of _____

being a member/members of the above named Company, hereby appoint _____

of _____

or failing him _____

as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 29th September, 2009 at 3.00 p.m. at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002.

Signed at _____ this _____ day of _____ 2009.

Revenue
Stamp
One Rupee

Notes :

1. This instrument of Proxy should be deposited at the Secretarial Department of the Company, not less than 48 hours before the holding of the meeting.
2. The form should be signed across the stamp as per the specimen signature registered with the company.
3. A Proxy need not be a member.

BOOK - POST

TO

If undelivered, Please return to :

PREMIER SYNTHETICS LIMITED

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai – 400002