

# PREMCO

## GLOBAL LTD



25th Annual Report

2008 - 2009



## BOARD OF DIRECTORS

**Mr. ASHOK B. HARJANI**  
CHAIRMAN & MANAGING  
DIRECTOR

**Mr. PREM I. GIDWANI**  
WHOLE TIME DIRECTOR

**Mr. LOKESH P. HARJANI**  
EXECUTIVE DIRECTOR

**Mr. DINESH L. BALANI**

**Mr. RAJESH MAHTANI**

**Mr. DEVENDRA SHAH**

## STATUTORY AUDITORS

S. P. JAIN & ASSOCIATES

## INTERNAL AUDITORS

P. V. KAKARIA & CO.

## BANKERS

HDFC BANK LIMITED  
STATE BANK OF INDIA

## REGISTERED OFFICE

"PREMCO HOUSE",  
A/26, MIDC,  
CENTRAL ROAD, STREET NO. 3,  
ANDHERI (EAST),  
MUMBAI 400 093.  
TEL. NO. : 091-022-2822 3232 / 3085 5000  
FAX. NO. : 091-022-2835 1812  
E-mail : admin@premcoglobal.com

## REGISTRAR & TRANSFER AGENTS

BIG SHARE SERVICES PVT. LTD.,  
E-2/3, ANSA INDS. ESTATE, SAKIVIHAR RD.,  
SAKI NAKA, ANDHERI (E), MUMBAI – 400 072.  
TEL. : 091-022-2847 0652 / 53, 4043 0200  
FAX: 091-022-2847 5207.  
E-mail: info@bigshareonline.com

## WORKS :

PLOT NO. - 41, DIWAN & SONS  
INDUSTRIAL ESTATE,  
ALIYALI VILLAGE,  
PALGHAR, MAHARASHTRA.

PLOT NO. - 202/2,  
OLD CHECK POST,  
DADRA & NAGAR HAVELI,  
UNION TERRITORY.

8, MAROL UDYOG PREMISES,  
STEELMADE INDUSTRIAL ESTATE,  
MAROL - MAROSHI ROAD,  
ANDHERI (E), MUMBAI – 400 059.

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# PREMCO GLOBAL LTD.

## NOTICE

NOTICE is hereby given that the 25th ANNUAL GENERAL MEETING of the Members of PREMCO GLOBAL LIMITED will be held on 14th September, 2009, at 9.30 a.m. At "Premco House", A/26, M.I.D.C., Central Road, Andheri (E), Mumbai - 400 093, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2009 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors of the Company.
2. To declare dividend for the financial year ended 31st March 2009
3. To elect a Director in place of Mr. Lokesh P. Harjani, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors for the financial year 2009-2010 and fix their remuneration. M/s. S. P. Jain & Associates, the retiring Auditors, are eligible for re-appointment.

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. A proxy need not be a member of the company.  
The proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. Members are requested to notify the change, if any, in their address, to the Registrar & Transfer Agents of the Company.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 08<sup>th</sup> September 2009 to Monday, the 14<sup>th</sup> September 2009 (both days inclusive).

4. Re-appointment of Director : (in pursuance of Clause 49 of Listing Agreement ) Mr. Lokesh Harjani retire by Rotation and being eligible offers himself for re-appointment & his details are as follows:
  - i ) Name : Lokesh P. Harjani
  - ii ) Age : 36
  - iii ) Nationality : Indian
  - iv ) Date of Appointment on Board: 11.11.2001
  - v ) Shareholding : 4,35,921
  - vi ) Capacity : Executive Director
  - vii ) Qualification : B.A Marketing Finance
  - viii ) Expertise in specific Functioning Area : Sales Marketing
  - ix ) Other Directorships : PIXEL PACKAGING LTD.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 9.30 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. Registrar & Transfer Agents  
(For share transfers and other communication Relating to share certificates, dividend and Change of address)

Big Share Services Pvt. Ltd.,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka  
Andheri (E), Mumbai - 400 072.  
Tel. No. : 091-022-2847 0652 / 53 / 4043 0200  
Fax No. : 091-022-2847 5207.  
E-mail : info@bigshareonline.com

BY ORDER OF THE BOARD OF DIRECTORS

**ASHOK B. HARJANI**  
CHAIRMAN & MANAGING DIRECTOR

**Regd. Office :**  
"Premco House",  
A/26, M.I.D.C., Central Road, Street No. 3,  
Andheri (East), Mumbai - 400 093.  
Date: 30th June 2009.



## DIRECTORS' REPORT

To,  
The Members,

The Directors have pleasure in presenting the 25th Annual Report and Audited accounts for the financial year ended 31st March 2009.

## FINANCIAL RESULTS

	2008-2009 Rs. In Lacs	2007-2008 Rs. In Lacs
Profit before Interest & Depreciation	357.39	290.20
Less : Depreciation	78.67	80.36
Interest	58.01	45.77
<b>Profit before Tax</b>	<b>220.71</b>	<b>164.07</b>
Provision for		
- Current Tax	85.00	59.00
- Deferred Tax	(4.75)	(3.72)
- Fringe Benefit Tax	6.82	3.50
- Short IT Provision	(6.18)	(2.25)
(F.Y.2005-06 / F.Y.2003-04)		
<b>Net Profit after Tax</b>	<b>139.82</b>	<b>107.54</b>
Less Extra Ordinary Item	-	60.73
Add: Balance in Profit & Loss Account	-	-
<b>Surplus available for appropriation</b>	<b>139.82</b>	<b>46.81</b>
<b>Appropriation :</b>		
Proposed Dividend	35.53	34.59
Tax on Proposed dividend	6.04	5.88
Dividend Tax	0.01	(0.84)
General Reserve	98.24	7.18
Balance carried to Balance Sheet	0.00	0.00
	<b>139.82</b>	<b>46.81</b>

## OPERATIONS

During the year under review turnover of the company stand at Rs.3011.43 Lacs (P.Y. Rs. 2429.98 Lacs). The profit before Interest, Depreciation and Tax at Rs. 357.39 Lacs (P. Y. Rs. 290.20 Lacs). Net profit during the year is Rs.139.82 Lacs (P.Y. Rs. 46.81 Lacs).

The management continues to pursue its efforts to further improve its capacity utilization, operating efficiencies and cost competitiveness to improve its performance in the coming year through increase in Turnover, improved domestic market and strong inroads on export front along with appropriate restructuring of products and procedures.

## DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 12 % .Total cash outflow on account of this dividend payment including distribution tax will be Rs.41.58 Lacs.The Dividend after approval by the shareholders at the forthcoming AGM will be paid to the eligible shareholder before 30<sup>th</sup> Septemebr'2009.

## PERSONNEL

The particulars required to be furnished under the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not furnished as there were no employees covered under the said category.

## CORPORATE GOVERNANCE

As required by Clause 49 of the listing agreement, Corporate Governance Report is attached as Annexure A to this report. Certificate of the Auditors regarding compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchange is also attached and forms part of Annexure A.

## DIRECTORS

Mr. Lokesh Harjani retires by rotation and you are requested to reappoint him as Director.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby state and confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) 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 that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

## ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with the provisions of section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo are given below:

# PREMCO GLOBAL LTD.

## Conservation of Energy

The Company is not a major user of energy. However, the measures taken up by the Company have resulted in improvement and saving of power. Regular preventive maintenance is carried out and this has enhanced productivity and efficiency of the equipments resulting in considerable power saving. Power to all major equipment and lighting in work-areas is put off when not required.

The required data in Form 'A' to conservation of energy as applicable to our industry is furnished below:

	2008-2009	2007-2008
<b>Electricity</b>		
Purchased (units in '000)	1941.83	1749.61
Total Amount (Rs. in Lacs)	80.03	57.43
Rates/Unit (in Rs.)	4.12	3.28
<b>Diesel</b>		
Purchased (Liters in '000)	43.34	27.32
Total Amount (Rs. in lacs)	17.12	9.82
Rates/Liters (in Rs.)	39.50	35.96

## Technology Absorption and Research and Development

The Company has not obtained any technology from outside parties either in India or abroad, nor has entered into any technical collaboration agreement with any parties from abroad. There is no research and development unit of the Company of its own.

## Foreign Exchange Earning and Outgo

	2008-2009 Rs. in Lacs	2007-2008 Rs. in Lacs
Foreign exchange earning	670.35	583.20
Foreign exchange outgo (Equivalent to Rupee value)		
• Raw material & Spares	179.59	138.12
• Capital Goods	10.63	52.45
• Travelling	35.06	10.36

## AUDITORS AND AUDITORS' REPORT

M/s. S. P. Jain & Associates, Chartered Accountants, the statutory auditors, retire at the conclusion of ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint auditors.

The notes to the accounts referred to in the auditors report are self-explanatory and therefore do not call for any further comments.

## INDUSTRIAL RELATIONS

During the period, industrial relations have been extremely cordial. The management thanks all the employees for their continued contribution towards the growth of the organisation.

## ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Banks and shareholders for their continued support during the year under review. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the Executives, Staff and Workers of the Company for its success.

For & On Behalf of the Board of Directors

**ASHOK B. HARJANI.**  
CHAIRMAN & MANAGING DIRECTOR.

Place: Mumbai.  
Date: 30th June 2009.



## REPORT ON CORPORATE GOVERNANCE (Annexure – A)

### A. COMPLIANCE OF MANDATORY REQUIREMENTS

#### 1) Company's Philosophy on code of Corporate Governance:

The Company is committed to good corporate governance. Corporate governance envisages commitment of the company towards the attainment of high level of transparency, accountability and business propriety with the ultimate objective of increasing long term shareholders value, keeping in view the needs and interests of all stakeholders.

The primary purpose of corporate leadership is to create wealth legally and ethically. This translates to bringing a high level of satisfaction to five constituencies - customers, employees, investors, vendors and the society-at-large. The raison d'être of every corporate body is to ensure predictability, sustainability and profitability of revenues year after year.

#### CODE OF CONDUCT

Corporate Governance rests upon the four pillars of transparency, full disclosure, independent monitoring and fairness to all, especially to minority shareholders. Your Company has always strived to promote good governance practice, which ensure that:

- A Competent Management team is at the control of affairs;
- The Board is strong with optimum combination of Executive and Non-Executive (Including Independent) directors, who represent the interest of all stake holders;
- The Board effectively monitors the management's progress, takes all key corporate decisions and is effectively in control of the company's affairs;
- The board is concerned about the Company's share holders; and
- The management and employees have stable environment.

#### 2) Board of Directors

The Composition of the Board of Directors of the Company is conformity with Clause 49 of the listing agreement entered in to with the stock exchanges. The Company has an Executive Chairman and the number of independent directors constitutes half of the Board of Directors of the Company. The Non Executive directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

The present strength of the board is six Directors, as explained below, headed by Executive Chairman. For the Financial Year 2008-2009, seven meetings of the

Board were held on 29th July 2008, 30th of September 2008, 25th October 2008, 3rd December 2008, 29th January 2009, 6th February 2009 & 20th March 2009. The Company has held one meeting in every three months and the maximum time gap between any two meetings was not more than four months.

The detailed composition of the Board and other related information is given in the table hereunder :

Name of the Director	Category	Board Meeting During The Year		Attended Last AGM as on 19.09.08	No of Director Ship in other Public Companies		No of Board Committee Positions held in other Public Companies	
		Held	Attend		Chairman	Member	Chairman	Member
Ashok B. Harjani	Executive	7	6	Yes	Nil	Nil	Nil	Nil
Lokesh P. Harjani	Executive	7	5	Yes	Nil	1	Nil	Nil
Prem I. Gidwani	Executive	7	6	Yes	Nil	1	Nil	Nil
Devendra K. Shah	Non Exec. Independent	7	6	Yes	Nil	Nil	Nil	Nil
Dinesh L. Balani	Non Exec. Independent	7	5	Yes	Nil	Nil	Nil	Nil
Rajesh M. Mahtani	Non Exec. Independent	7	5	Yes	Nil	Nil	Nil	Nil

None of the Directors hold Directorship in more than 15 companies, membership in Committee of Board in more than 10 companies and Chairmanship of Committees of Board of more than 5 committees Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.

Remuneration paid to Director:-

NAME OF THE DIRECTORS	SITTING FEES	SALARY & PERQUISITE
Ashok B. Harjani	NIL	Rs. 9,24,990/-
Lokesh P. Harjani	NIL	Rs. 6,19,992/-
Prem I. Gidwani	NIL	Rs. 5,80,086/-
Devendra K. Shah	NIL	NIL
Dinesh L. Balani	NIL	NIL
Rajesh M. Mahtani	NIL	NIL

#### Directors retired by rotation

Shri Lokesh Harjani was first appointed as the Director of the Company on 11th November 2001 and thereafter has served the board of the company. He retires by rotation and being eligible offers himself for re-appointment. The particulars as required is given in notes to the Notice convening the 25th AGM

# PREMCO GLOBAL LTD.

### 3) Audit Committee

The Audit Committee consists of 3 Non Executive Directors namely Mr. Devendra K. Shah, Mr. Dinesh L. Balani, and Mr. Rajesh M. Mahtani, Four meetings were held during the year on 29th July 08, 30th Sept. 08, 29th Jan. 09, & 20th March 09.

Details of the meetings are as under :

Name of the Director	Position held Chairman/Member	Meeting held	Meeting attended
Devendra K. Shah	Chairman	4	4
Dinesh L. Balani	Member	4	4
Rajesh M. Mahtani	Member	4	4

The terms of reference in powers of the Audit Committee are as per Clause 49 of the listing Agreement and also as per new section 292A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include review of accounting and financial policies and procedure, review of financial reporting system, internal control procedures and risk management policies.

The minutes of the Audit committee Meeting were circulated to the Board, discussed and taken note of.

### 4) Remuneration Committee

#### Terms of Reference:

The Board terms of reference of the Remuneration Committee is to fix remuneration payable to the Managers, Executive / Managing / Whole time Director in terms of Schedule XIII of the Companies Act, 1956 and refer the same to the Board.

### 5) Share Holder Committee

This committee consist of 4 Member one Executive Chairman and 3 Non-Executive Directors as Member. The committee was constituted to redress shareholders'/investors' complains related to delay in transfer of shares, demat, non-receipt of annual accounts, delay in balance sheet etc.

Composition of Committee together with meeting held and attendance as follows :

Name of the Director	Position held Chairman/Member	Meeting held	Meeting attended
Ashok B. Harjani	Chairman	4	4
Dinesh L. Balani	Member	4	4
Devendra K. Shah	Member	4	4
Rajesh M. Mahtani	Member	4	4

The Particulars of Investors grievances received and redressed during the year are furnished below :

Nature of Complaints	No. of Complaints		
	Received	Resolved	Pending as on 31/3/09
Non receipt of Annual Report	Nil	Nil	Nil
Complaints relating to dematerialisation of Shares	Nil	Nil	Nil
Non-receipt of Share Certificates after transfer / duplicate / name correction	Nil	Nil	Nil
Others	Nil	Nil	Nil
<b>TOTAL</b>	Nil	Nil	Nil

Shareholder are advised to register any change in address of communication. The address, telephone number and email address of R&T Agent is given to share holders.

### 6) General Body Meeting

the particulars of last 3 AGM of your company are as under :

Date of AGM	Financial Year	Venue/ Location	Time of Meeting	Special Resolution Passed
04/09/2006	2005 – 2006	Registered Office	09.30 A.M.	No
10/09/2007	2006 – 2007	Registered Office	09.30 A.M.	No
19/09/2008	2007 – 2008	Registered Office	09.30 A.M.	To increase remuneration of Ashok Harjani & Lokesh Harjani to Rs. 75,000 & Rs. 50,000 per month respectively, w.e.f. 01.04.2008

No special resolution was put through postal ballot last year nor proposed in the ensuing Annual General Meeting.

### 7) Disclosures

- i) Related Party Transaction :  
There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest at large , the details of which have been shown in Schedule 21-Notes forming part of the Accounts for the year ended 31st March, 2009.
- ii) Details of Non – Compliance :  
There has been no instance of Company not complying with any matter related to Capital Markets.
- iii) Disclosure about Director being appointed/reappointed :  
The details & information required to be disclosed under this section is provided in Notice of the AGM.
- iv) a) The independent Non Executive Director do not receive any remuneration & do not have any material pecuniary relationship or transaction with the company, its promoter, its investors, or associates which may affect their independence. They comply to all the requirements as stated in Clause 49.



b) The Particulars of Shares held by Non Executive Director.

NAME	NO. OF SHARES AS ON 31/03/2009
1) Mr.Devendra K.Shah	800
2) Mr.Dinesh L.Balani	-
3) Mr.Rajesh M.Mahtani	-

8) **Means of Communication**

The Company publishes its quarterly, half yearly and yearly financial results in "AFTERNOON" and in MUMBAI LAKSHYADEEP. The Company also sends the financial results to the Stock Exchanges immediately after its approval by the Board. The Company is not displaying the financial results on website. The company has not sent the half yearly report to the Shareholder. No presentations were made to the institutional investors or analysts during the year under review.

9) **General Shareholder Information**

25th Annual General Meeting

Date: 14/09/2009

Time: 9.30 A.M.

Venue: Registered Office

**Financial Calendar:** (Tentative)

Quarter ending 30th June, 2009	Last week of the July, 2009
Quarter ending 30th September, 2009	Last week of the October, 2009
Quarter ending 31st December, 2009	Last week of the January, 2010
Quarter & Annual ending 31st March, 2010	Last week of the June, 2010
Annual General Meeting for 2009-10	First week of September, 2010

**Listing on Stock Exchange**

Name of the Stock Exchange	Code No.
The Stock Exchange, Mumbai	530331
The Stock Exchange, Ahmedabad	45525

The Annual listing fees of these exchanges have been paid by the Company for the year 2008 - 2009.

**Market Price Data**

The high and low prices of the Company's shares at the Stock Exchange, Mumbai (BSE) and performance in relation to the BSE Sensex from April, 2008 to March, 2009 is mentioned hereunder :

Months	High	Low
April'2008	18.24	13.97
May'2008	19.50	14.50
June'2008	15.65	12.52
July'2008	17.60	13.90
August'2008	19.75	16.10
September'2008	17.55	14.30
October'2008	14.00	12.31
November'2008	13.49	11.60
December'2008	12.87	11.58
January'2009	12.32	10.20
February'2009	11.24	10.35
March'2009	10.92	09.95

**Custodian Fees to Depositories:**

Pursuant to SEBI circular No. MRD/DOP/SE/DEP/CIR-4/2005 dated January 28, 2005 the issuer companies are required to pay custodial fees to the depositories with effect from April 1, 2005. Accordingly, the Company has paid custodial fees for the year 2008-09 to NSDL and CDSL on the Basis of number of Beneficial accounts maintained by them on March 31, 2009.

**Dematerialisation of Shares and Liquidity :**

The Equity Shares of the Company are traded compulsorily in Demat. The Demat facility is available to all Shareholder of the Company, who request for such facility.

**ISIN No. Of the Company's Equity Shares in Demat Form :**

INE 001E01012

**Depository Connectivity:** NSDL and CDSL

**Registrar and Transfer Agent (RTA):**

Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Mumbai - 400 072.

TEL. : 091-022-2847 0652 / 53, 4043 0200

FAX : 091-022-2847 5207.

E-mail: info@bigshareonline.com

**Share Transfer System :**

Presently, the share transfers, which are received in physical form, are processed and the share certificates returned well within the stipulated period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has continued the appointment of Registrar and Transfer Agents for accepting transferring and delivering the transferred Share Certificates. All the transfers received in order, are processed within a period of 30 days from the date of receipt.

Company obtains quarterly certificate from a Company Secretary in practice with the share transfer formalities as required under Clause 47 (cc) of the Listing Agreement with Stock Exchanges(s) and files copy of the certificate with stock exchanges.

**Secretarial & Audit Report:**

The Secretarial & Audit Report of the Company prepared in term of SEBI Circular No.D&CC/FITC/CIR-16/2002 dated December 31, 2002, reconciling the total share held in both the depositories, viz. NSDL and CDSL and Physical Form with total issued/ paid-up capital of the Company is placed before Board of Directors and duly submitted to the Stock Exchange(s) for every quarter.

**Distribution of Shareholding as on 31st March 2009.**

Category	31.03.2009		31.03.2008	
	No. of Shares	% of paid up Capital	No. of Shares	% of paid up Capital
Promoters	1842775	60.69	1812360	59.69
Mutual Fund, Institution & Bank	101300	3.34	101300	03.34
Corporate Bodies	100850	3.32	160256	05.28
NRI's	252866	8.33	165700	05.45
Public	738509	24.32	796684	26.24
<b>TOTAL</b>	<b>3036300</b>	<b>100.00%</b>	<b>3036300</b>	<b>100.00%</b>



# PREMCO GLOBAL LTD.

## Broad Shareholding Distribution

Range of Shares	Number of Shares Holders	Percentage of Shareholders	No. of Shares	Percentage
01 To 5000	1112	81.82	251566	8.29
5001 To 10000	119	8.76	94764	3.12
10001 To 20000	54	3.97	83579	2.75
20001 To 50000	15	1.10	41134	1.35
30001 To 40000	13	0.96	46045	1.52
40001 To 50000	10	0.74	46546	1.53
50001 To 100000	15	1.10	115906	3.82
100001 & Above	21	1.55	2356760	77.62
<b>TOTAL</b>	<b>1359</b>	<b>100%</b>	<b>3036300</b>	<b>100%</b>

### Non-Mandatory Requirements:

The Company at present has not adopted the Non-Mandatory requirements with regard to maintenance of Non-executive Chairman's Office, sending of half yearly performance to the shareholders to their residence etc.

### Dematerialisation of Shares and Liquidity:

83.48 % of Company's Equity Shares have been dematerialised as on 31st March 2009.

### Investor Correspondence:

All inquiries, clarifications and correspondence should be addressed to the Compliance Officer at the following address:

**Compliance Office** : Mr. Mahesh Puthran  
"Premco House" Compliance Officer

A/26, MIDC,  
Central Road,  
Andheri (E)  
Mumbai - 400 093.

Telephone No. : 022-30855025

Fax No. : 022-28351812

Email : mahesh@premcoglobal.com

### Declaration Under Clause 49

All the Board Members and senior Management have affirmed compliance to the Code of Conduct for the F. Y. 2008-2009.

Place Mumbai

Date : 30th June, 2009.

**Ashok B. Harjani**

Chairman & Managing Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members**  
**Premco Global Limited**

We have examined the compliance of conditions of Corporate Governance by Premco Global Limited, for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 explanations given to us and the representations made by the Directors and Management, we certify that the

Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records 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 **S. P. JAIN & ASSOCIATES**  
Chartered Accountants,

**KAPIL K. JAIN**  
PARTNER

Membership No. 108521.

Place : Mumbai.

Dated : 30th June 2009



## AUDITORS' REPORT

To,  
The Members,  
**PREMCO GLOBAL LTD.**

We have audited the attached Balance Sheet of PREMCO GLOBAL LTD, as at 31st March 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date. 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.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with mandatory the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- e) Based of written representations received and taken on record, we are of the opinion that none of the directors 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;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view: -
  - (i) In the case of Balance Sheet of the state of Affairs of the Company as at 31st March, 2009 and;
  - (ii) In the case of Profit & Loss Account for the year ended on that date.
  - (iii) In the case of Cash Flow Statement of the cash flow of the Company for the year Ended on that date.

For **S. P. JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**Place:** Mumbai.  
**Date:** 30th June 2009.

**KAPIL K. JAIN**  
PARTNER  
M. No. 108521

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## ANNEXURE TO THE AUDITORS REPORTS

Referred to in paragraph 2 of our report of even date

1. In respect to its Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion in reasonable, having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such

physical verification.

- c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of company is not affected.
2. In respect of its inventories:
    - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
    - b) In our opinion and according to information and explanations given to us, the procedures of physical verification of

# PREMCO GLOBAL LTD.

inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.

3. 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 U/s. 301 of the Companies Act, 1956;

- a) The company has taken Loan from two parties (P.Y. one party) referred above of Rs. 52.45 Lacs (P.Y. Rs. 12 Lacs) during the year and the Closing Balance as at the end is Rs. Nil Lacs (P.Y. Rs. 0.36 Lacs). The company has given loan to two parties aggregating to Rs. 50.50 Lacs (P.Y. Rs. 54.01 Lacs) and the Closing year end balance is Rs. Nil Lacs ( P.Y. Rs. 4.57 Lacs).
- b) In our opinion and according to the information and explanations given to us, the rate of interests, wherever applicable and other Terms and Conditions are not prima facie prejudicial to the interest of the Company.
- c) The Company is regular in repaying the principal amount.
- d) There is no overdue amount in respect of loans taken and given by the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, Fixed Assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.

5. In respect of transactions covered under Section 301 of the Companies Act, 1956:

- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in to register maintained under section 301 of the Companies Act, 1956 have been entered.
- b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of the contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs Only) in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time

6. In our opinion and according to information & explanations given to us, the company has not accepted any deposits from public during the period covered by our report.

7. *The internal Audit by Independent Auditor, has not been carried out during the year, but the company has an internal audit system commensurate with it's size and the nature of it's business.*

8. To the best of our knowledge and according to the explanation given to us the central Government has not prescribed maintenance of the Cost Records under Section 209 (1) (d) of the Companies Act for any products of the company. We have broadly reviewed the accounts and records of the Company in this connection and are of the Opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

9. In respect of the 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, Sale-Tax, Wealth Tax, Customs Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the afore said due were outstanding as at 31st March, 2009 for a period of more than six month from the date of becoming payable.

b) To the best of our knowledge and information provided to us no disputed statutory dues is remained outstanding as 31st March 2009.

Statutes	Nature of Dues	Amount	Period	Forum
Incometax	Incometax	312379	2007-08	Rectification Pending

10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceeding Financial Year.

11. Based on our audit procedures and according to the information and explanation given to us we are of the opinion that company has not defaulted in repayment of dues to bank.

12. In our opinion and according to the information and the explanation given to us, the company has not granted any Loans and advances 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 Nidhi / Mutual Benefit Fund / Society. Therefore, Clause 49 (xiii) of the companies (Auditors Report) Order 2003 is not applicable to the Company.

14. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of transactions and contracts in respect in the trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by company in its own name.



15. According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The company has received new term loan during the year and the same has been utilized and applied for the purpose for which they were obtained other than the amounts temporarily invested, pending utilization of the same for intended use.
17. According to information and explanation given to us, and on an overall explanation of the Balance Sheet of the Company, we are of the opinion that the company has not utilized any fund from Short Term Sources towards Long Term Purposes..
18. During the year, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanation given to us the Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanation 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 **S. P. JAIN & ASSOCIATES,**  
CHARTERED ACCOUNTANTS

**KAPIL K. JAIN**  
(PARTNER)

Membership No. 108521.

Place: Mumbai  
Date: 30th June 2009

# PREMCO GLOBAL LTD.

25th Annual Report 2009

## BALANCE SHEET AS ON 31ST MARCH 2009.

	SCHEDULE	AS AT 31 MAR 2009	(Rs. in Lacs) AS AT 31 MAR 2008
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	301.36	297.40
b) Reserves & Surplus	2	1,119.01	1,006.87
		<u>1,420.37</u>	<u>1,304.27</u>
<b>2. LOAN FUNDS</b>			
a) Secured Loans	3	141.59	175.89
b) Unsecured Loans	4	-	0.36
		<u>141.59</u>	<u>176.25</u>
<b>3. DEFERED TAX LIABILITY</b>			
		200.92	205.68
<b>TOTAL</b>		<u>1,762.88</u>	<u>1,686.21</u>
<b>II. APPLICATIONS OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
a) Gross Block	5	1,692.15	1,636.90
b) Less : Depreciation		698.06	625.60
c) Net Block		<u>994.09</u>	<u>1,011.31</u>
<b>2. INVESTMENTS</b>			
	6	33.15	33.77
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Inventories	7	330.66	434.24
b) Sundry Debtors	8	443.28	411.82
c) Cash & Bank Balances	9	72.03	50.80
d) Loans, Advances & Deposits	10	350.04	222.84
		<u>1,196.02</u>	<u>1,119.70</u>
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>			
a) Current Liabilities	11	225.47	297.39
b) Provisions	12	234.90	181.18
		<u>460.37</u>	<u>478.57</u>
<b>NET CURRENT ASSETS</b>		<u>735.64</u>	<u>641.13</u>
<b>TOTAL</b>		<u>1,762.88</u>	<u>1,686.21</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	21		

As per our Annexed Report of even date

**For S.P. JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**KAPIL K. JAIN**  
PARTNER  
Membership No. 108521.

Place : Mumbai.  
Dated : 30th June, 2009

For & on behalf of the Board

**ASHOK B. HARJANI**  
CHAIRMAN & MANAGING DIRECTOR

**PREM I. GIDWANI**  
WHOLETIME DIRECTOR

# PREMCO GLOBAL LTD.



Regd.Off. : Premco House, A/26, MIDC Central Road, Andheri (East), Mumbai - 400 093.

## FORM OF PROXY

I/We \_\_\_\_\_

being a member/members of the above named company hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Annual General meeting of the Company to be held at 9.30 am. on Monday 14th September 2009.

Dated \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

Revenue  
Stamp  
1 Rupee

\_\_\_\_\_  
Signature

- Note : 1. Proxy need not be a member.  
2. Proxy Forms must reach the Company's Registered Office not less than 48 hours before the meeting

# PREMCO GLOBAL LTD.



Regd.Off. : Premco House, A/26, MIDC Central Road, Andheri (East), Mumbai - 400 093.

## ATTENDANCE SLIP

To be filled in and handed over at the entrance of the Meeting Hall

Regd. Folio No \_\_\_\_\_

No. of Shares \_\_\_\_\_

\_\_\_\_\_  
Name of the attending Member (in BLOCK LETTERS)

\_\_\_\_\_  
Name of the Proxy. (in BLOCK LETTERS)  
To be filled in the Proxy attends instead of the Members)

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company being held at "Premco House, A/26, MIDC, Central Road, Andheri (East), Mumbai - 400 093. on Monday 14th September 2009 at 9.30 a.m.

\_\_\_\_\_  
Signature



**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2009.**

	SCHEDULE	31 MAR 2009	(Rs. in Lacs) 31 MAR 2008
<b>INCOME</b>			
Sales	13	3,011.43	2,429.98
Miscellaneous Income	14	60.10	46.39
<b>TOTAL (A)</b>		<u>3,071.53</u>	<u>2,476.37</u>
<b>EXPENDITURE</b>			
Increase / (Decrease) in Stock	15	(0.94)	73.72
Raw Material & Spares Consumed	16	1,903.32	1,500.15
Manufacturing & Other Expenses	17	255.26	202.34
Personnel Expenses	18	238.37	207.51
Selling & Admin Expenses	19	318.13	202.46
Interest & Finance Charges	20	58.01	45.77
Depreciation	5	78.67	80.36
<b>TOTAL (B)</b>		<u>2,850.82</u>	<u>2,312.30</u>
<b>PROFIT BEFORE EXTRA ORDINARY ITEMS</b>		220.71	164.07
<b>LESS: EXTRA ORDINARY ITEMS</b>		-	60.73
<b>PROFIT BEFORE TAX</b>		220.71	103.34
<b>LESS: PROVISION FOR TAXATION</b>			
Current Tax		85.00	59.00
Deferred Tax		(4.75)	(3.72)
Fringe Benefit Tax		6.82	3.50
Short Income Tax Provision (F.Y.2005-06 / F.Y.2003-04)		(6.18)	(2.25)
<b>NET PROFIT AFTER TAX</b>		139.82	46.81
Add : Balance brought forward from last year		-	-
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<u>139.82</u>	<u>46.81</u>
<b>APPROPRIATIONS</b>			
Proposed dividend		35.53	34.59
Tax on proposed dividend		6.04	5.88
Short Provision of Proposed Dividend		0.01	-
Short Provision of Proposed Dividend Tax		0.00	-
Reversal of Proposed dividend on partly paid up shares		-	(0.73)
Reversal of Proposed Dividend on Tax		-	(0.12)
Transfer to General Reserve		98.24	7.18
Balance carried to Balance Sheet		-	-
<b>TOTAL</b>		<u>139.82</u>	<u>46.81</u>
<b>BASIC &amp; DILUTED EARNING PER SHARE (IN RS.)</b> (Face Value of Rs. 10/- Each )		4.61	1.54

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 21

As per our Annexed Report of even date

For **S.P. JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**KAPIL K. JAIN**  
PARTNER  
Membership No. 108521.

Place : Mumbai.  
Dated : 30th June, 2009

For & on behalf of the Board

**ASHOK B. HARJANI**  
CHAIRMAN & MANAGING DIRECTOR

**PREMI. GIDWANI**  
WHOLETIME DIRECTOR

# PREMCO GLOBAL LTD.

## SCHEDULES TO THE BALANCE SHEET

	AS AT 31 MAR 2009	(Rs. in Lacs) AS AT 31 MAR 2008
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
40,00,000 Equity Shares of Rs. 10/- each (P.Y. 40,00,000)	<u>400.00</u>	<u>400.00</u>
<b>ISSUED</b>		
30,36,300 Equity Shares of Rs. 10/- each (P.Y. 30,36,300)	<u>303.63</u>	<u>303.63</u>
<b>SUBSCRIBED &amp; PAID UP</b>		
30,36,300 Equity Shares of Rs. 10/- each	<b>303.63</b>	303.63
Less : Call in arrears - Director	-	-
- Others	<b>2.27</b>	6.23
	<u><b>301.36</b></u>	<u>297.40</u>
<b>Of the above Equity Shares :</b>		
(a) 1,50,000 Shares were allotted as Bonus Shares by capitalisation of Reserves.		
(b) 6,97,000 Shares were allotted pursuant to Schemes of Amalgamation without payment being received in cash.		
<b>2. RESERVES &amp; SURPLUS</b>		
<b>SHARE PREMIUM ACCOUNT (Net of Arrears)</b>	<u>392.76</u>	<u>384.85</u>
	<b>392.76</b>	384.85
<b>CAPITAL RESERVE</b>		
As per last Balance sheet	<b>22.78</b>	22.78
<b>Add : Received During the year</b>	<u>-</u>	<u>-</u>
	<b>22.78</b>	22.78
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	<b>599.24</b>	600.18
Less : Call Money Adjusted in Earlier Year	(0.21)	-
Add : Reversal of Excess Depreciation Charges in Earlier Year	6.20	-
Less : Leave Encashment Liability (Earlier Years)	-	(8.12)
Add : Transferred From Profit & Loss A/C	<b>98.24</b>	7.18
	<u><b>703.47</b></u>	<u>599.24</u>
<b>TOTAL</b>	<u><b>1,119.01</b></u>	<u>1,006.87</u>





## SCHEDULES TO THE BALANCE SHEET

	AS AT 31 MAR 2009	(Rs. in Lacs) AS AT 31 MAR 2008
<b>3. SECURED LOANS</b>		
<b>TERM LOANS</b>		
From Banks	132.84	162.54
	<u>132.84</u>	<u>162.54</u>
(Instalment repayable within next 12 months Rs. 46.29 lacs (P.Y. 55.98 Lacs))		
<b>WORKING CAPITAL LOANS</b>		
From Bank	8.75	13.35
	<u>141.59</u>	<u>175.89</u>

### Notes:

- (i) Term Loans referred to above from Banks are secured by way of first charge on the Land & Building of the Company's factory situated at Palghar, Dadra & Nagar Haveli on paripassu basis and first charge on plant & machinery and other assets purchased out of bank finance.
- (ii) Working Capital Loan From Bank are secured by hypothecation of the Company's stock of raw materials, stock in process, stores & spares, finished goods and books debts & other current asstes. and second charge on Land & Building of the Company's factory Situated at Palghar, Dadra & Nagar Haveli, plant & Machinery at factories & new Plant & Machinery purchased out of bank finance alongwith personal gurantees of directors.

## 4. UNSECURED LOANS

### DEPOSITS

From - Directors	-	-
- Others	-	0.36
	<u>-</u>	<u>0.36</u>

## 5. FIXED ASSETS

PARTICULARS	(Rs.in lacs)										
	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As At 01.04.2008	ADDI- TION	DEDU- CTION	AsAt 31.03.2009	AsAt 01.04.08	Depre on Adjustmen T/Sales	For the Year	DEDU- CTION	Upto 31.03.2009	AsAt 31.03.2009	As At 31.03.2008
FREEHOLD LAND	24.13	-	-	24.13	-	-	-	-	-	24.13	24.13
FACTORY BUILDING	295.32	5.02	-	300.35	111.31	-	9.94	-	121.25	179.09	184.01
PLANT & MACHINERY	1,138.53	31.73	-	1,170.25	425.42	-	54.81	-	480.24	690.02	1,138.52
ELECT. FITTINGS	32.37	0.28	-	32.65	15.67	-	1.57	-	17.23	15.42	16.71
FURNITURE & FIXT.	22.15	2.15	-	24.30	7.33	-	1.55	-	8.88	15.42	14.82
VEHICLE	46.47	9.32	-	55.80	10.75	-	4.42	-	15.17	40.63	35.72
GENERATOR	18.61	0.11	-	18.72	8.96	-	0.88	-	9.84	8.88	9.65
HEATING MODULE	1.21	-	-	1.21	0.56	-	0.06	-	0.61	0.59	0.65
AIR CONDITIONER	8.67	2.43	-	11.10	2.82	-	0.48	-	3.30	7.80	5.85
OFFICE EQUIPMENT	8.40	0.31	-	8.71	4.49	-	0.72	-	5.21	3.50	3.91
COMPUTER	40.50	3.90	-	44.40	38.06	(6.20)	4.22	-	36.08	8.32	2.44
LABEQUIPMENT	0.55	-	-	0.55	0.23	-	0.02	-	0.25	0.29	0.32
<b>TOTAL</b>	<b>1,636.90</b>	<b>55.25</b>	<b>-</b>	<b>1,692.15</b>	<b>625.60</b>	<b>(6.20)</b>	<b>78.67</b>	<b>-</b>	<b>698.06</b>	<b>994.09</b>	<b>1,436.72</b>
PREVIOUS YEAR	1,692.56	150.59	206.25	1,636.90	661.03	0.00	80.36	115.79	625.60	1,011.31	1,031.53

# PREMCO GLOBAL LTD.

(Rs. in Lacs)

AS AT  
31 MAR 2009 AS AT  
31 MAR 2008

## 6. INVESTMENTS (AT COST)

### (I) UNQUOTED:

2,452	Equity Shares Of S.V.C. Bank Of Rs.25/- Each Fully Paid	(P.Y.2,452)	0.61	0.61
5,000	Equity Shares Of New Ind Co-op. Bank Ltd. Of Rs.10/- Each, Fully Paid	(P.Y.5,000)	0.50	0.50
5,000	Equity Shares Of Goldcrest Finance (I) Ltd. Of Rs.10/- Each Partly Paid Up	(P.Y.5,000)	0.50	0.50
1,000	Equity Shares Of Rishi Agro Foods Ltd. Of Rs.10 Each	(P.Y.1,000)	0.10	0.10

### (II) QUOTED:

#### F. INVESTMENT (AT COST)

3,000	Equity Shares of IFCI Bank Ltd Of Rs. 10/- Each Fully Paid	(P.Y. Nil)	1.96	-
-	Equity Shares Of Faze Three Export Ltd. Of Rs. 10/- Each Fully Paid	(P.Y.4,000)	-	4.89
23,100	Equity Shares Of Faze Three Export Ltd. (Bonus) Of Rs. 10/- Each Fully Paid	(P.Y.23,100)	-	-
500	Equity Shares Of Faze Three Export Ltd. Of Rs. 10/- Each Fully Paid	(P.Y.500)	0.28	0.28
5,000	Equity Shares Of Goldcrest Finance Ltd. Of Rs.10/- Each Partly Paid Up	(P.Y.5,000)	-	-
100	Equity Shares Of Grasim Industries Ltd. Of Rs.10/- Each Fully Paid	(P.Y. Nil)	2.35	-
3,008	Equity Shares Of Reliance Petroleum Ltd Of Rs. 10/- Each Fully Paid	(P.Y. 3,000)	6.32	6.00
200	Equity Shares Of Unitech Ltd (Bonus) Of Rs. 2/- Each Fully Paid	(P.Y. Nil)	-	-
200	Equity Shares Of Unitech Ltd Of Rs. 2/- Each Fully Paid	(P.Y. 400)	1.18	1.18
500	Equity Shares Of Artson Engineering Ltd. Of Rs. 1/- Each Fully Paid	(P.Y. 500)	0.48	0.48
250	Equity Shares Of Bharat Heavy Electrical Ltd. Of Rs.10/- Each Fully Paid	(P.Y. 100)	4.95	2.21
-	ECL Finance Ltd.	(P.Y. 63)	-	0.50
6,000	Equity Shares Of Aunde Faze Three Ltd. Of Rs.10/- Each Fully Paid (Bonus)	(P.Y. 6000)	-	-
-	Equity Shares Of Maxwell Newyork Life Ltd. Of Rs.2/- Each Fully Paid	(P.Y. 8000)	-	2.03
2,000	Equity Shares Of Nelco Ltd. Of Rs. 10/- Each Fully Paid	(P.Y. 300)	1.64	0.58
-	Equity Shares Of Power Grid Corporation Ltd. Of Rs. 10/- Each Fully Paid	(p.Y. 1000)	-	1.29
200	Equity Shares Of Reliance Capital Ltd. Of Rs. 10/- Each Fully Paid	(P.Y. 50)	1.78	1.00
-	Equity Shares Of Reliance Industries Ltd. Of Rs. 10/- Each Fully Paid	(P.Y. 200)	-	5.01
1,000	Equity Shares Of Triveni Glass Ltd. of Rs. 10/- Each Fully Paid	(P.Y. 1000)	0.50	0.50

### (III) MUTUAL FUNDS:

770.594	Units Of Reliance Equity Fund Growth Plan	(P.Y.770.594 Units)	2.00	2.00
18541.95	Unit Of Fidelity India Special Situations	(P.Y 6404.902 Units)	2.20	1.00
1452.31	Unit Of HDFC Equity Fund -3829333/02	(P.Y: 533.109 Units)	2.20	1.00
3281.65	Unit Of Prudential ICICI Dynamic Plan -2644	(P.Y. 1258.856 Units)	2.20	1.00
977.995	Unit Of Relance Equity Advantage Fund	(P.Y. 977.995 Units)	0.10	0.10
2531.08	Unit SBI MF Magnum Global Fund 94-90350	(P.Y. 1885.420 Units)	1.30	1.00

### TOTAL

33.15 33.77

Note : All Investment are valued at cost price. \* Received pursuant to scheme of arrangement.

Aggregate Market Value of Quoted Investments is Rs.19.19 Lacs. (P.Y. Rs.55.99- )



## SCHEDULES TO PROFIT & LOSS ACCOUNT

	AS AT 31 MAR 2009	(Rs. in Lacs) AS AT 31 MAR 2008
<b>7. INVENTORIES</b>		
<b>(As taken, valued &amp; certified by the management)</b>		
Raw Materials	191.97	293.31
Finished Goods	113.25	107.42
Semi-Finished Goods	13.61	18.50
Spare Parts	11.83	15.00
	<u>330.66</u>	<u>434.24</u>
<b>8. SUNDRY DEBTORS (Considered Good)</b>		
<b>(Unsecured- Good unless otherwise stated)</b>		
Debt Outstanding for less than six months	406.25	329.78
Other Debts	37.03	82.04
	<u>443.28</u>	<u>411.82</u>
<b>9. CASH &amp; BANK BALANCES</b>		
Cash in hand	1.48	0.98
<b>Balance with Banks in</b>		
Current Accounts	39.13	26.71
Margin Accounts	31.42	23.11
	<u>72.03</u>	<u>50.80</u>
<b>10. LOANS, ADVANCES &amp; DEPOSITS</b>		
<b>(Considered - Good unless otherwise stated)</b>		
Loans & Advance to Staff	5.80	9.17
Prepaid Expenses & Other Advances	13.02	18.49
Advance to Suppliers	3.99	12.63
Deposits	16.24	12.45
Balance with Revenue Authorities	196.68	170.10
Capital Advance	114.31	-
	<u>350.04</u>	<u>222.84</u>
<b>11. CURRENT LIABILITIES</b>		
Sundry Creditors*	140.27	213.07
Advances from Customers	5.45	18.50
Outstanding Liabilities	79.75	65.82
	<u>225.47</u>	<u>297.39</u>
<b>12. PROVISIONS</b>		
Provisions	234.89	181.18

\* Disclosure regarding Micro, Small & Medium Enterprise/undertaking to whom amounts are due have not been made as the necessary information is not available with the Company

# PREMCO GLOBAL LTD.

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## SCHEDULES TO PROFIT & LOSS ACCOUNT

	AS AT 31 MAR 2009	(Rs. in Lacs) AS AT 31 MAR 2008
<b>13. MISCELLANEOUS INCOME</b>		
Sales (Local)	- 2,037.05	1,713.87
Sales (Exports)	670.35	583.20
Inter Division Transfer	270.66	120.98
Scrap Sales	5.17	10.68
Sales R.material	28.21	1.26
<b>TOTAL :</b>	<u>3,011.43</u>	<u>2,429.98</u>
<b>14. MISCELLANEOUS INCOME</b>		
Dividends received	10.57	1.49
Sampling & Designing Charges	2.12	-
Speculation Profit on Sale of Shares	-	0.44
Other Income	1.41	0.77
Foreign Exchange Fluctuation	10.66	-
Notice pay received	0.38	0.27
Interest Received [TDS Rs.0.72 Lacs (P.Y. Rs.0.33)]	9.11	1.86
Duty drawback received	25.11	38.45
Profit on Sale of Investments	-	2.48
Sundry Balances w/back	-	0.64
Special Sales Services (Debtors)	0.74	-
	<u>60.10</u>	<u>46.39</u>
<b>15. INCREASE/DECREASE IN STOCK</b>		
<b>Closing Stock :</b>		
Finished Goods	113.25	107.42
Semi-finished Goods	13.61	18.50
Total (A)	<u>126.86</u>	<u>125.92</u>
<b>Less : Opening Stock :</b>		
Finished Goods	107.42	183.13
Semi-finished Goods	18.50	16.51
Total (B)	<u>125.92</u>	<u>199.64</u>
INCREASE/(DECREASE) IN STOCK (A-B)	<u>0.94</u>	<u>(73.72)</u>
<b>16. RAW MATERIAL &amp; SPARES CONSUMED</b>		
<b>( A ) RAW MATERAIL</b>		
Opening Stock	293.31	307.91
Add : Purchases & Divisional Transfers	1,758.51	1,458.15
	<u>2,051.82</u>	<u>1,766.06</u>
Less : Closing Stock	191.97	293.31
<b>TOTAL ( A )</b>	<u>1,859.85</u>	<u>1,472.75</u>
<b>( B ) CONSUMPTION OF SPARES</b>		
Opening Stock	15.00	15.43
Add : PURCHASES	40.29	26.97
Less : CLOSING STOCK	11.83	15.00
<b>TOTAL ( B )</b>	<u>43.46</u>	<u>27.40</u>
<b>TOTAL :(A + B)</b>	<u>1,903.32</u>	<u>1,500.15</u>
<b>17. MANUFACTURING EXPENSES</b>		
Electricity Charges & Diesel	95.76	70.88
Factory Expenses	6.00	4.29
Machinery Maintainances & Other Charges	26.98	15.64
Processing Charges	126.52	111.54
	<u>255.26</u>	<u>202.34</u>



	<b>AS AT</b>	(Rs. in Lacs)
	<b>31 MAR 2009</b>	AS AT 31 MAR 2008
<b>18. PERSONNEL EXPENSES</b>		
Salary, Wages & Bonus	202.72	178.65
Contribution to Provident Fund & other Funds	8.65	9.63
Gratuity,	4.83	7.03
Staff recruitment expenses	0.43	0.57
Staff Welfare and other Amenities	21.73	11.63
	<u>238.37</u>	<u>207.51</u>
<b>19. SELLING &amp; ADMIN EXPENSES</b>		
<b>SALES &amp; DISTRIBUTION EXPENSES</b>		
Commision & Brokerage	22.93	17.31
Sales Promotion & Advertisement	5.70	3.03
Frieght & Forwarding Charges	44.47	41.77
Discounts	21.67	6.78
Sales Tax	0.74	1.90
Service Tax	-	0.59
<b>Sub Total (A)</b>	<u>95.50</u>	<u>71.38</u>
<b>ESTABLISHMENT EXPENSES</b>		
Bad Debts	41.66	8.87
Repairs & Maintainance	1.66	1.77
Internal Audit Fees	-	0.34
Statutory Audit fees	0.83	0.94
Conveyance & Travelling	61.22	27.62
Donation	6.62	1.74
Export & Import Expenses	28.59	20.60
Foreign Exchange Fluctuation	-	2.66
Insurance Charges	5.03	0.87
Lease Rent-Car	6.25	6.53
Legal & Professional Charges	13.80	6.71
Long Term Loss on Sale of Investments	3.81	4.49
Short Term Loss on Sale of Investments	1.35	-
Speculation Loss on Sale of Shares	0.14	-
Property Tax	0.03	0.22
Rent Paid	11.49	9.36
Other Expenses	40.15	38.31
<b>Sub Total (B)</b>	<u>222.63</u>	<u>131.06</u>
Total (A+B)	<u>318.13</u>	<u>202.44</u>
<b>20. INTEREST &amp; FINANCE CHARGES</b>		
Bank and other Financial charges	38.89	34.02
Interest on term loan	12.05	10.73
Collection Charges	3.92	-
Interest on Car Loan	2.09	-
Interest to others	1.07	1.03
	<u>58.01</u>	<u>45.77</u>

# PREMCO GLOBAL LTD.

## SCHEDULE TO THE BALANCE SHEET & PROFIT & LOSS ACCOUNTS

### 21. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of preparation of Financial Statements

- a) The financial statements have been prepared under historical cost convention, in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) The preparation of financial statements requires estimates and assumption to be made that effect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. The Difference between the actual and estimate are recognized in the period in which results are known/materialized.

##### 2. Fixed Assets and Depreciation

- a) Fixed assets stated at cost of acquisition or construction or less accumulated depreciation. All costs, including financial cost till commencements of commercial production, net charges on Foreign Exchange Contracts and adjustments arising from exchange rate variations relating to specific borrowings attributable to the fixed assets are capitalized.
- b) Depreciation on fixed assets provided on straight-line method at the rates prescribed by Schedule XIV of the Companies Act, 1956.

##### 3. Foreign Exchange Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Outstanding balances are valued at the rate prevailing on the Balance Sheet date.

##### 4. Investments

The Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

##### 5. Inventories

The inventories are valued as follows:

- a) Raw materials, Stores, Spares and Stock in transit are valued at cost.
- b) Stock in process is valued at cost.
- c) Finished goods are valued at cost or market value whichever is lower.

##### 6. Sales

Sales include Inter-division transfers, related services, and Taxes.

##### 7. Government Grants

The government grants received are accounted in the year of receipt.

##### 8. Customs and Excise Duty

Custom Duty is accounted for as and when paid on the clearance of the goods for home consumption.

##### 9. Employees Retirement and other benefits

- a) The contribution of the Company towards Provident Fund and Employee State Insurance, which are, defined contributions plans are charged to revenue.
- b) The Employee's Gratuity and Leave Encashment are the company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on Acturial Valuation using the Projected Unit Credit Method.

##### 10. Contingent Liabilities

Contingent liabilities are not provided for and are disclosed by way of notes.

##### 11. Inter Divisional Transfers

Inter divisional transfers of goods and services for internal use of captive consumption in plant located at different places/states are shown as contra items in the Profit and Loss Account to reflect the true economical value of the production inter-se the divisions. Any unrealized profit on unsold stocks is ignored while valuing inventories. This accounting treatment has no impact on the profit of the company.



## 12. Provisions for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to the extent that there is a reasonable and virtual certainty that the assets will be realised in future.

## 13. Borrowing Cost

Borrowing cost incurred in relation to the acquisition, construction of assets are capitalized as the part of cost of such assets up to date which such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

## 14. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

## 15. Lease Rentals :

Lease Rentals for assets taken on operating lease are recognized as on expenses in Profit and Loss Account over the lease term on accrual basis.

## B. NOTES ON ACCOUNTS

- Figures of the previous year have been regrouped and rearranged, wherever considered necessary.
- Contingent Liabilities :
  - Unredeemed Bank Guarantees are Rs.12.95 Lacs (P.Y.Rs.10.81 Lacs)
  - Letter of Credit Negotiation & Bills Discounted for Rs. NIL (P.Y. 86.33 Lacs) being contingent liability.
  - Claims against the company not acknowledged as debts
    - Claims Rs. 503.35 lacs (P. Y. NIL)
    - Income Tax Liability Rs. 3,12,379/- (P.Y. NIL)
- Uncalled liability on partly paid Shares is Rs. 0.25 lacs (P.Y. Rs. 0.25 lacs)
- Estimated amount of contracts remaining to be executed (net of advances) is Rs. 565.21 lacs (P.Y. NIL)
- The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 31st March 2009 have not been called for but the management has scrutinized the accounts and the balances appearing in the Balance Sheet are correct.
- In the opinion of the management, no item of current assets, loans and advances has a value on realisation in the ordinary course of business, which is less than the amount of value at which it is stated in the Balance Sheet, unless otherwise specified.
- Dividend income is accounted on receipt basis.
- The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding :
  - Amount due and outstanding to suppliers as at the end of accounting year.
  - Interest paid during the year.
  - Interest payable at the end of the accounting year.
  - Interest accrued and unpaid at the end of the accounting year, have not been given.

The Company is making efforts to get the confirmations from the suppliers as regards their status under the Act.

- During the year the company has reversed the provision for Depreciation on Computers to the extent of Rs. 6,20,365 on account of excess depreciation provided in the earlier years. Accordingly, the net block of Computers as on 01.04.2008, has been reinstated by the same amount and correspondingly, the general reserve is also increased, by the same amount.
- The company has identified the items of inventory, which are obsolete & non-moving items. Therefore, following the principle of Prudence, these inventories are valued at net realizable price. The details of the same are as under :

Nature of Item	Quantity (in KGs)	Value
Nylon	5,112.05 kg	Rs.1,02,240.20
Polyester	5,874.67 kg	Rs. 1,17,493.40
Rubber & Spandex	12,184.17 kg	Rs. 12,18,417.00
Others	4,118.48 kg	Rs. 82,370.40

# PREMCO GLOBAL LTD.

11 Foreign Currency exposure that are not hedged by derivative instruments or otherwise are as follows:

Particulars	31.03.2009		31.03.2008	
	Amount (in USD \$)	Amount (in Rs.)	Amount (in USD \$)	Amount (in Rs.)
Sundry Creditors/Outstanding Letter of Credit on Import	USD \$ 31,995.06	Rs. 16,75,261.00	USD \$ 40,675.82	Rs.16,27,032.00
Sundry Debtors	USD \$ 3,12,717.39	Rs. 1,57,26,557.34	USD \$ 65,900.00	Rs.26,12,929.00

12. (A) Details of Managerial Remuneration

	2008-09 (Rs. In Lacs)	2007-08 (Rs. In Lacs)
(i) Salary & Allowances	20.49	11.02
(ii) Bonus & Other Perquisites	00.45	0.80
	<u>20.93</u>	<u>11.82</u>

(B) Computation of net profit in accordance with Section 349 of the Companies Act, 1956, read in accordance with Section 198 of the Act.

	Year ended 31st March, 2009 Rs. (Lacs)	Year ended 31st March, 2008 Rs. (Lacs)
Profit before tax and after Extra Ordinary Items	220.71	103.34
Add:		
Remuneration to Directors	20.93	11.82
Net Loss/(Profit) on disposal of Investment	5.30	2.01
Loss on Sales of Assets (Extra Ordinary Items)	-	60.73
Net Profit for computation of Managerial remuneration	<u>246.94</u>	<u>177.90</u>

13. Payment to Auditors

	2008-09 (Rs. In Lacs)	2007-08 (Rs. In Lacs)
b) Audit Fees	0.55	0.39
c) Tax Audit Fees	0.22	0.22
d) Other Consultancy Matters	0.23	0.36
e) out of Pocket Expenses	0.05	0.04
	<u>1.05</u>	<u>1.01</u>

14. Information pursuant to Para 3 & 4 of Part II of Schedule VI of the Companies Act, 1956 (to the extent available and as certified by the management ) is as under :-

a) Licensed/Installed Capacities

Description of Goods	Licensed		Installed	
	2008-2009	2007-2008	2008-2009	2007-2008
Elastic Tapes (Lacs Mtrs)	N.A.	N.A.	N.A.	850.
Woven Labels (Lacs Nos)	N.A.	N.A.	N.A.	N.A.

b) Production of Finished Goods

Description	Units	Current Year	Previous Year
Elastic Tapes	Lacs Mtrs	591.30	501.49
Woven Labels	Lacs Nos	000.00	000.00





**C. Quantitative information in respect of Opening Stock, Closing Stock, Sales and Consumption of Raw Materials (As Certified by Management)**

**I) Opening Stock of Finished Goods**

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Elastic Tapes	Lacs Mtrs	53.93	107.42	58.01	182.59
Woven Labels	Lacs Nos	0.00	0.00	1.57	0.54

**II) Closing Stock of Finished Goods**

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Elastic Tapes	Lacs Mtrs	42.40	113.25	53.93	107.42
Woven Labels	Lacs Nos	NIL	NIL	NIL	NIL

**III) Sales & Services**

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Elastic Tapes	Lacs Mtrs	602.82	2794.27	505.57	2314.62
Woven Labels	Lacs Nos	0.00	0.00	1.57	1.49
Others			217.16		113.87
<b>Total</b>			<b>3011.43</b>		<b>2429.48</b>

**IV) Raw Material & Spares Consumed**

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Polyester	MT	879.06	907.52	554.68	598.01
Nylon	MT	152.28	299.76	174.17	456.41
Rubber	MT	204.98	413.93	168.45	342.03
Others			282.10		103.70
<b>Total</b>			<b>1903.31</b>		<b>1,500.15</b>

**V) Consumption of Imported & Indigenous Items**

Description	2008-2009		2007-2008	
	Rs. (In Lacs)	% of Total Consumption	Rs. (in Lacs)	% of Total Consumption
<b>A. Raw Material &amp; Components</b>				
Imported	221.81	11.65%	223.49	14.90%
Indigenous	1638.04	86.07%	1249.26	83.28%
<b>Sub-Total</b>	<b>1859.85</b>	<b>97.72%</b>	<b>1472.75</b>	<b>98.18%</b>
<b>B. Stores &amp; Spares</b>				
Imported	-	-	-	-
Indigenous	43.46	2.28%	27.40	1.82%
<b>Sub-Total</b>	<b>43.46</b>	<b>2.28%</b>	<b>29.70</b>	<b>1.82%</b>
<b>Grand Total</b>	<b>1903.31</b>	<b>100%</b>	<b>1500.15</b>	<b>100%</b>

# PREMCO GLOBAL LTD.

## VI. CIF value of Imports:

Description	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material	179.59	138.12
Capital Goods	10.63	52.45
Stores & Spares	-	-

## VII. Expenditure in Foreign Currency

Description	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travel	35.06	10.36

## VIII. Earning in Foreign Currency:

Description	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Value of Exports	670.35	583.20

## IX) Net Dividend remitted in Foreign Exchange

Particulars	Amount (Rs.)
Final Dividend 07-08 to 13 Shareholders on 23,500 Shares	28,200/-
Final Dividend 06-07 to 15 Shareholders on 84,733 Shares	1,01,680/-

15. Consequent to the adoption of Accounting standard on Employee benefits (AS 15) (Revised 2005) issued by the institute of Chartered Accountants of India, the following disclosures have been made by the Standard :

a) The details on Company's Gratuity and Leave Encashment liabilities employees are given below which is certified by the actuary and relied upon by the auditors.

	Gratuity Rs. (in Lacs)		Leave encashment Rs. (in Lacs)	
	31.03.09	31.03.08	31.03.09.	31.03.08
<b>Change in Benefit Obligation</b>				
Present Value of Obligation (Opening)	27.63	29.24	6.23	8.12
Interest Cost	2.21	2.34	0.50	0.65
Current Service Cost	4.10	3.58	1.57	1.42
Past Service Cost	NIL	NIL	NIL	NIL
Benefits Paid	(1.45)	(8.71)	(1.10)	(4.54)
Actuarial (Gain) Loss on Obligation	(1.48)	1.18	0.97	0.58
Present value of Obligation (Closing)	31.02	27.63	8.17	6.24
<b>Fair Value of Plan Assets</b>				
Fair value of plan Assets 01/04/2008	NIL	NIL	NIL	NIL
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Contribution	1.45	8.71	1.10	4.54
Benefits paid	(1.45)	(8.71)	(1.10)	(4.54)
Actuarial (Gain) Loss on Obligation	NIL	NIL	NIL	NIL
Present value of Obligation 31/3/2009	NIL	NIL	NIL	NIL
<b>Balance Sheet Recognition</b>				
Present Value of Obligation	31.02	27.63	8.17	6.24
Fare value of Plan Assets	NIL	NIL	NIL	NIL
Liabilities (Assets)	NIL	NIL	NIL	NIL
Un-recognised past Service Cost	NIL	NIL	NIL	NIL
Liability (Asset) recognized in the Balance Sheet	31.02	27.63	8.17	6.24



	Gratuity Rs. (in Lacs)		Leave encashment Rs. (in Lacs)	
	31.03.09	31.03.08	31.03.09	31.03.08
<b>Profit and Loss – Expenses Recognition</b>				
Current Service Cost	4.10	3.58	1.57	1.42
Interest Cost	2.21	2.34	0.50	0.65
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Net Actuarial Gain (Loss) Recognised in the year	(1.48)	1.17	0.97	0.58
Expenses to be recognized in P/L Account	4.83	7.10	3.04	2.65
<b>Assumptions :</b>				
Discount Rate		7.50 %		7.50 %
Expected Return on Plan Assts		0.00 %		0.00 %
Mortality		LIC(1994-96) Ultimate		LIC(1994-96) Ultimate
Future Salary Increases		5 % PA		5 % PA
Attrition		8 % for Age (20-29), 4 % for Age (30-39) & 2 % there after .		

#### 16. Segment Reporting

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organization structure and internal reporting system. The Company's operations predominantly relate to manufacture of Elastic Tape. Other business segment is Woven Label. The expenses, Assets and Liabilities that are not directly attributable to the business segment are shown as unallocated corporate costs, assets and liabilities respectively.

#### SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH 2009

	Elastic Tape Rs. In Lacs		Woven Label Rs. In Lacs		Consolidated Rs. In Lacs	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>A Primary Business Segment</b>						
<b>Segment Revenue</b>						
Sales	3011.43	2314.62	-	1.49	3011.43	2316.11
Other Sales			-			113.87
Other Income	60.10	-	-	-	60.10	46.39
<b>Total Revenue</b>	<b>3071.53</b>	<b>2314.62</b>	<b>-</b>	<b>1.49</b>	<b>3071.53</b>	<b>2476.38</b>
Less: Allocated Expenditure	2714.14	2177.36	-	8.81	2714.14	2186.17
Less: Depreciation	78.67	74.19	-	6.17	78.67	80.36
Less: Extra Ordinary Item		0.69	-	60.04		60.73
<b>Segment Result</b>	<b>278.72</b>	<b>62.38</b>	<b>-</b>	<b>(73.53)</b>	<b>278.72</b>	<b>149.12</b>
Less: Interest	58.01	-	-	-	58.01	45.77
Profit / (Loss) before Tax	220.71	-	-	-	220.71	103.34
Income Taxes - Current Tax	85.00	-	-	-	85.00	56.75
- Deferred Tax	(4.75)	-	-	-	(4.75)	(3.72)
- Fringe Benefit Tax	6.82	-	-	-	6.82	3.50
Profit / (Loss) after Tax	139.82	-	-	-	139.82	46.81
<b>Other Information</b>						
Segment Assets	2223.25	2164.78	-	-	2223.25	2164.78
<b>Total Assets</b>	<b>2223.25</b>	<b>2164.78</b>	<b>-</b>	<b>-</b>	<b>2223.25</b>	<b>2164.78</b>
Segment Liabilities	601.95	654.82	-	-	601.95	654.82
<b>Total Current Liabilities</b>	<b>601.95</b>	<b>654.82</b>	<b>-</b>	<b>-</b>	<b>601.95</b>	<b>654.82</b>
Capital Employed (During the Year)	1621.30	1509.96	-	-	1621.30	1509.96

# PREMCO GLOBAL LTD.

## B. Secondary Business Segment:

Description	Mumbai		Dadra		Palghar	
	Rs. (in Lacs)		Rs. (in Lacs)		Rs. (in Lacs)	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Segment Revenue (Sales)						
Within india	00.64	3.44	1860.06	1457.08	480.38	386.26
Outside India	00.00	11.03	636.09	546.66	34.26	25.51
Total	00.64	14.47	2496.15	2003.74	514.64	411.77
Segment Fixed Assets(Gross)						
Within India	228.91	224.51	1245.05	1194.87	218.19	217.52
Outside India						
Segment Assets (Gross)	228.91	224.51	1245.05	1194.87	218.19	217.52

### 17. Related Party Disclosures

#### a) List of Related Parties and Relationship

1. Pixel Packaging Limited	Relationship Associate Company
2. Premco Industries	Associate Firm

#### b) Key Management Personnel

1. Ashok B. Harjani	Chairman & Managing Director
2. Prem I. Gidwani	Director
3. Lokesh P. Harjani	Director

#### c) Relatives of Key Management Personnel

Mrs. Nisha P. Harjani	Relative
Mrs. Sonia Harjani	Relative

#### d) Related Party Transactions

	2008-09 Rs. (in Lacs)	2007-08 Rs. (in Lacs)
I) <u>From Associates Enterprises</u>		
1. Purchase of Goods	0.00	8.61
2. Sale of Goods	16.37	4.26
3. Rate Discount	5.85	0.00
4. Rent Paid	10.12	6.74
5. Loan /Advance Given (Closing Balance Rs. NIL /P.Y. Rs.4.57)	50.00	54.01
6. Loan taken (Closing Balance Rs. NIL /P.Y. Rs NIL)	18.45	0.00
II) <u>From Key Management Persons</u>		
1. Car Hire Charges Paid	04.98	4.98
2. Remuneration, Bonus & Perks	20.93	11.82
III) <u>From Relative of Key Management Persons</u>		
1. Loan Taken (Closing Bal NIL /P.Y. Rs. 0.36)	34.00	12.00
2. Loan Given (Closing Bal NIL /P.Y. NIL)	0.50	0.00
3. Car Hire Charges Paid	1.27	1.27
4. Remuneration	4.20	1.20
5. Interest paid	0.91	0.81

### 18. Information (to the extent applicable) pursuant to AS 19 :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, restaurant premises etc.). These leasing arrangements which are not non-cancellable range between 11 months and 5 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under schedule "O".



The particulars of these leases are as follows:

(Rs. In Lacs)

PARTICULARS	2008 - 09	2007 - 08
Future Minimum lease payments obligation on non-cancelable operating leases :		
Not later than one year	12.08	12.73
Later than one year and not later than five years.	0.90	50.56
Later than five years	-	-
Lease payments recognized in Profit & Loss Account	11.49	9.36

**19. Earning Per Share :**

Earning per share computed in accordance with Accounting Standard 20 : 'Earning Per Share'

Basic & Diluted :	Current Year	Previous Year
Profit after Tax as per Accounts is Rs. In lacs	139.82	46.81
No. Of Shares Issued (No. In lacs)	30.36	30.36
Basic & Diluted EPS (Rs.)	4.61	1.54

**20. Major component of Deferred Tax Liabilities comprises of followings:**

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
A Deferred Tax Assets :		
Related to Fixed Assets	2.94	8.18
B Deferred Tax Liability		
Dissallowance under I.T. Act.	1.81	(4.46)
Provision for Deferred Tax (Net)	<u>4.75</u>	<u>3.72</u>

**21. DISCONTINUE OPERATION :**

The company has disposed of the Woven Label Division and discontinued its operation w.e.f. 3<sup>rd</sup> December, 2007. All the Assets & Liabilities of the said Division are NIL & the process of discontinuance has been completed in the Previous Year. The following statement shows the revenue and expenses of continuing and discontinuing operation

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Particulars	Continuing Operations (Elastic Tapes Division)		Discontinuing Operations (Woven Label Division)		Total	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Turnover	3071.53	2474.89	Nil	1.49	3071.53	2476.38
Operating Expenses	2714.14	2177.36	Nil	0.54	2714.14	2177.90
Employee Compensation	NIL	-	Nil	8.27	Nil	8.27
Extra Ordinary Item	Nil	0.69	Nil	60.04	Nil	60.73
Operating Profit	357.39	296.84	Nil	(67.36)	357.39	229.48
Financial Expenses	58.01	45.77	Nil	-	58.01	45.77
Depreciation	78.67	74.19	Nil	6.17	78.67	80.36
Profit (Loss) before Tax	220.71	176.88	Nil	(73.53)	220.71	103.35
Income Tax Expense	80.89	(61.12)	Nil	4.59	80.89	56.54
Profit (Loss) after Tax	139.82	115.76	Nil	(68.94)	139.82	46.81

**22. Figures of Previous are regrouped and reclassified wherever necessary.**

As per our Annexed Report of even date

For & on behalf of the Board

**For S.P. JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**ASHOK B. HARJANI**  
CHAIRMAN & MANAGING DIRECTOR

**KAPIL K. JAIN**  
PARTNER  
Membership No. 108521.

**PREM J. GIDWANI**  
WHOLETIME DIRECTOR

Place : Mumbai.  
Dated : 30th June, 2009

# PREMCO GLOBAL LTD.

## 23. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

Registration No. 40911 State 11

Balance Sheet Date 31-03-2009

### II. Capital Raised During the year (Amount in Rs. Lacs)

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

### III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	Total Assets
1762.88	1762.88

#### Sources of Funds

Paid Up Capital	Reserves & Surplus
301.36	1119.01
Secured Loan	Unsecured Loan
141.59	0.00
	Deferred Tax Liabilities
	200.93

#### Application of Funds

Net Fixed Assets	Investments
994.09	33.15
Net Current Assets	Misc. Expenditure
735.64	Nil
Accumulated Losses	
Nil	

### IV. Performance of Company (Amount Rs. in Lacs)

Turnover	Total Expenditure
3011.43	2850.82
(Incl. other Income)	(Incl. Adjustment on account of stock changes)
Profit Before Tax	Profit After Tax
220.71	139.82
Earning Per Share	Proposed Dividend (Inclusive of Tax)
4.61	41.57

### V. Generic Names of Three Principal Products of Company (as per monetary terms)

Item Code No.	Product Description
5606200	Woven Narrow Fabrics
6002100	Narrow Knitted Fabrics
5807100	Woven Labels

As per our Annexed Report of even date

**For S.P. JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**KAPIL K. JAIN**  
PARTNER  
Membership No. 108521.

Place : Mumbai.  
Dated : 30th June, 2009

For & on behalf of the Board

**ASHOK B. HARJANI**  
CHAIRMAN & MANAGING DIRECTOR

**PREM I. GIDWANI**  
WHOLETIME DIRECTOR



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009.

	31 MAR 2009	(Rs. in Lacs) 31 MAR 2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	220.71	103.34
Adjustments for :		
Depreciation	78.67	80.36
Earlier Year Leave Encashment provided in Reserves	-	(8.12)
Loss on Sale of Investments	-	60.73
Profit on Sale of Investments	5.30	4.49
Loss on Sale of Fixed Assets	-	(2.48)
Financial Expenses	58.01	45.77
Interest Received	(9.11)	(1.86)
Reversal of Proposed Dividend and Tax thereon	-	0.85
Dividend Received	(10.57)	(1.49)
	<u>122.30</u>	<u>178.25</u>
<b>Operating Profit before Working Capital changes</b>	<u>343.01</u>	<u>281.60</u>
Adjustments for :		
Current Assets		
a) Inventories	103.58	88.74
b) Debtors	(31.46)	(93.01)
c) Loans & Advances	(127.20)	(7.41)
Current Liabilities	(18.21)	84.82
Increase/Decrease in Net Current Assets	(73.30)	73.14
Less : Current Taxes Paid	(85.64)	(60.25)
<b>Cash generated from operations</b>	<u>(184.08)</u>	<u>294.48</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase) / Sale of Investments	(4.68)	15.31
Purchase of Fixed Assets	(55.25)	(150.60)
Purchase of return of Fixed Assets	-	0.97
Dividend Received	10.57	1.49
Sale of Fixed Assets	-	28.77
<b>Net cash used in investing activities</b>	<u>(49.36)</u>	<u>(104.06)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Calls in arrears recd	3.89	0
Premium on Calls in arrears recd	7.77	0
Loan Borrowed (Repayments)	(34.67)	(107.52)
Interest Received	9.11	1.86
Dividend & Tax Thereon	(41.58)	(39.63)
Financial Expenses	(58.01)	(45.77)
	<u>(113.50)</u>	<u>(191.07)</u>
Net increase in Cash and Cash equivalents	21.23	(0.65)
Opening Balance of Cash and Cash equivalents	50.80	51.45
Closing Balance of Cash and Cash equivalents	<u>72.03</u>	<u>50.80</u>

Notes a) Cash & Cash equivalent include : cash and Bank balance in Current Account and margin account b) the cash flow statement as been prepared under the "Indirect method" of AS - 3 "cash flow statement issued by the Institute of Chartered account of India.

As per our Annexed Report of even date

**For S.P. JAIN & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**KAPIL K. JAIN**  
PARTNER

Membership No. 108521.

Place : Mumbai.

Dated : 30th June, 2009

For & on behalf of the Board

**ASHOK B. HARJANI**  
CHAIRMAN & MANAGING DIRECTOR

**PREMI I. GIDWANI**  
WHOLETIME DIRECTOR

# PREMCO GLOBAL LTD.

## FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
Sales	3,011.43	2,429.98	2,295.23	2,070.42	2,121.37	1,830.92	1,699.57	2,050.20	1,962.24	1,721.19
Total Income	3,071.53	2,476.38	2,329.41	2,068.17	2,010.56	1,844.83	1,705.31	2,105.89	1,971.04	1,708.76
Operating Profit	357.39	290.20	261.37	220.66	229.83	222.10	226.38	265.92	255.92	252.89
Interest	58.01	45.77	80.02	53.26	67.43	81.66	94.50	101.01	132.65	170.61
Depreciation	78.67	80.36	75.11	70.02	68.07	65.36	7,098.00	69.64	57.81	56.10
Profit Before Tax	220.71	164.07	106.24	97.38	94.33	75.08	60.90	95.27	65.46	26.18
Provision for Taxation	78.82	56.75	36.29	34.88	14.00	5.15	4.63	5.50	-	-
Profit After Tax	141.89	107.32	70.24	62.50	80.33	69.63	56.27	89.77	65.46	26.18
Provision for Deferred Tax	(4.75)	(3.72)	(11.20)	(11.52)	(2.22)	(3.08)	(1.59)	4.11	-	-
Provision for Fringe Benefit Tax	6.82	3.50	3.00	4.33	-	-	-	-	-	-
EXTRA ORDINARY ITEM	-	60.73	-	-	-	-	-	-	-	-
Net Profit (+) /Loss (-)	139.82	46.81	78.15	69.69	82.55	73.01	57.86	85.66	65.46	26.18
Equity Dividend %	0.12	0.12	0.08	-	-	-	-	-	-	-
Dividend Payout	35.53	34.59	23.79	-	-	-	-	-	-	-
Paid up Share Capital	301.36	297.40	297.40	297.40	297.40	297.40	297.40	297.40	297.40	297.40
Reserve & Surplus	1,119.02	1,006.87	1,007.81	1,179.00	1,109.31	1,010.36	937.35	879.48	718.51	653.05
Deffered Tax Liability	200.93	205.68	209.40	-	-	-	-	-	-	-
Net Worth	1,621.31	1,509.95	1,514.61	-	1,406.71	1,307.76	1,234.75	1,176.88	1,015.91	950.45
Gross Fixed Assets	1,692.15	1,636.90	1,692.56	1,528.64	1,458.66	1,381.28	1,372.79	1,379.99	1,360.57	1,324.47
Net Fixed Assets	994.09	1,011.31	1,031.53	932.92	932.96	921.70	971.27	1,038.05	1,088.11	1,107.25
E.P.S.- Rs.	4.61	1.54	2.57	2.30	2.72	2.40	1.91	2.82	2.16	0.86
C.E.P.S.-Rs.	-	3.05	5.05	4.63	4.99	4.56	4.29	5.12	4.06	2.71
Book Value - Rs.	53.40	49.73	50.29	48.63	46.33	43.08	40.67	38.76	33.46	31.31
Debt : Equity Ratio	0.08:1	010:1	0.16:1	0.20:1	1.01:1	0.59:1	0.44:1	0.54:1	0.50:1	0.68:1
Number of Investors	1395	1395	1,487.00	1,606.00	1,872.00	1,853.00	1,884.00	1,894.00	1,903.00	1,907.00
Number of Employees	131	138	129.00	131.00	143.00	124.00	124.00	124.00	122.00	108.00

The Company's Shares are listed in Mumbai & Ahmedabad Stock Exchanges. The requisite listing fees have been paid.



# ECS MANDATE FORM

1. Shareholder's name ( in Block Letters) : \_\_\_\_\_  
: (First holder)  
: \_\_\_\_\_  
: Joint holder)
2. Folio Number (for Physical shares) : \_\_\_\_\_
3. Number of Shares : \_\_\_\_\_
4. Bank Name : \_\_\_\_\_
5. Branch Name & Address : \_\_\_\_\_
6. Status of Investor : Resident  Non-Resident   
(Mark " " in the appropriate box)
7. Account Type : SB A/C  Current A/C   
(Mark " " in the appropriate box)  
Other
8. Account Number : \_\_\_\_\_
9. Ledger Folio No. of the A/C  
(If appearing on Cheque Book) : \_\_\_\_\_
10. Nine digit code number of Bank  
and Branch appearing on the Cheque : 

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I/we hereby declare that the particulars given above are correct and complete. If credit is not effected for reasons of incomplete or incorrect information, I/we would not hold the Company responsible.

Dated : \_\_\_\_\_

\_\_\_\_\_  
Signature of the First holder  
(as appearing in the Company's records)

**Note : In case, shares are held in electronic form, kindly submit ECS particulars to your Depository Participants. (DPs)**

## Certificate of the Shareholder's Bank

Certified that the particulars of the Bank Account furnished above are correct as per our records.

Bank Stamp :

\_\_\_\_\_  
Signature of the authorised  
official of the Bank

Date : \_\_\_\_\_

Note : Please attach a photocopy of cheque issued by your bank relating to your above account for verifying the accuracy of the code number.

Book - Post

*If undelivered please return to :*

**PREMCO GLOBAL LTD.**

Regd.Off. : Premco House, A/26, MIDC,  
Central Road, Street No. 3, Andheri (East),  
Mumbai - 400 093.