



PREMIER SYNTHETICS LIMITED

41st

Annual Report

2010 - 2011



ANNUAL GENERAL MEETING

on Wednesday the 28th September, 2011
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
Ph. No. 2208 8736

Secretarial Division

JBF House, 2nd Floor, Old Post Office Lane,
Kalbadevi Road, Mumbai 400 002.
Ph. No. 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

Registrar & Transfer Agent

Sharex Dyamic (India) Pvt. Ltd.
Unit-1, Luthara Ind. Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai - 400 072
Tel. : 2851 5606 / 2851 5644
Fax : 2851 2885
Email Id : sharexindia@vsnl.com

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NOTICE

To The Members,

NOTICE is hereby given that the 41st Annual General Meeting of the Members of **PREMIER SYNTHETICS LIMITED** will be held on Wednesday, the 28th September, 2011 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 receive, consider and adopt the Balance Sheet as at 31st March, 2011 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. Janardan Joshi who retires by rotation and being eligible offers himself for re-appointment;
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 Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of Section 269, 309, 319 read with Schedule XII and all other applicable provisions, if any, of the Companies Act, 1956, Articles of Association and resolution passed by the Board of Directors, the Company hereby accords its approval and consent for re-appointment of Mr. Anand Arya as a Whole-time Director of the Company for a period of five years with effect from 04th June, 2011."

"FURTHER RESOLVED THAT Mr. Anand Arya as a Whole-time Director, shall not be entitled to any remuneration."

By Order of the Board Of Directors

Place : Mumbai
Date : 11th August, 2011

Anand Arya
Chairman & Whole Time Director

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 ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday the 26th September, 2011 to Tuesday the 27th September, 2011 (both days inclusive) for the purpose of Annual General Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed.
4. Members are requested to notify the change of address, if any, to the Company.

EXPLANATORY STATEMENT PURSUANT OT SECTION 173(2) IF THE COMPANIES ACT, 1956

Item No. 4

Mr. Anand Arya was appointed as a Whole-Time Director of the Company with effect from 04th June, 2006, which was approved by the shareholders at their meeting held on 30th September, 2006. The Board of Directors of the Company has passed resolution for re-appointment of Mr. Anand Arya as a Whole Time Director of the Company for a period of five years w.e.f. 04.06.2011. Mr. Arya shall not be paid any remuneration in his capacity as a Whole-time Director of the Company.

Mr. Anand Arya is Chairman and Managing Director of Blue Blends (India) Limited.

The Board considers that it would be in the interest of the Company to have Mr. Anand Arya on the Board of Directors of the Company and recommend the resolution for his re-appointment.

None of the Directors, except Mr. Anand Arya, is concerned or interested in the resolution.

The details of directors seeking re-appointment at the ensuing Annual General Meeting are given in the Corporate Governance Report.

By Order of the Board Of Directors

Anand Arya
Chairman & Whole Time Director

Place : Mumbai
Date : 11th August, 2011

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 41st Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS:

Particulars	(Rs. in lakhs)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Gross Income	974.64	824.06
Profit/(Loss) before Interest, Depreciation & tax	6.66	57.43
Less : Depreciation	295.40	305.27
Less : Interest (Net)	0.00	0.00
Profit/(Loss) before Exceptional Items & Taxes	(288.74)	(247.84)
Add: Exceptional Items	0.00	5,762.79
Profit/(Loss) before Tax	(288.74)	5,514.95
Less: Provision for Taxation-	0.00	0.00
Profit/(Loss) for the year	(288.74)	5,514.95
Add: Balance of loss from previous year	(5,129.23)	(10,644.18)
Balance carried over to Balance Sheet	<u>(5,417.98)</u>	<u>(5,129.23)</u>

DIVIDEND

Your Directors does not recommend any dividend on Equity or Preference Shares for the year ended 31st March, 2011.

OPERATIONS

During the year under review the Company recorded a total income of Rs. 9.74 Crores as against Rs.8.24 Crores in the previous year. The Company is mainly engaged in manufacturing of Cotton Yarns and presently doing manufacturing on Job Work basis for other parties and earn income by way of Job Work.

The Net Losses of the Company in the year under review stood at Rs. 288.74 Lacs against the Losses of Rs. 247.84 Lacs in the past 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 subsequently arrived at a settlement of its dues with the said Genuine Commercial Services Pvt. Ltd. and has initiated the process of negotiation with Oman International Bank SAOG for settlement of their dues. In the meantime, Hon'ble BIFR has ordered the circulation of the DRS.

AUDITORS' QUALIFICATION

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

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. Janardan Joshi, retires by rotation and being eligible, offers himself for re-appointment.

Mr. Anand Arya, was appointed as a Whole-time Director of the Company with effect from 04th June, 2006, which was approved by the shareholders at their meeting held on 30th September, 2006. The Board has re-appointed Mr. Anand Arya as a Whole-time Director of the Company for a period of five years with effect from 04th June, 2011. Mr. Arya shall not be paid any remuneration in his capacity as a Whole-time Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the Company for the year ended that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a going concern basis.

PERSONNEL

The Company has not paid any remuneration attracting the



provision of the Companies (Particulars of employees) Rules 1975 read with the Section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

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.

AUDITORS & AUDITORS REPORT

M/s P.C.Surana & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/S. P.C.Surana & Co., to the effect that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified from such appointment within the meaning of section 226 of the Companies Act, 1956.

The observations & comments given by Auditors in their report read together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

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:

- Separate energy meters have been installed for effectively monitoring the section wise energy consumption.
- Additional capacitor banks have been installed in different section.
- 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:

A. Power and Fuel Consumption

	2010-2011	2009-2010
1. Electricity		
a) Purchased Units	6522.96	6434.59
Total Amount (Rs. in lakhs)	373.56	370.88
Rate/Unit (Rs.)	5.73	5.76
b) Own Generation		
i) Through Diesel Generator		
Unit	Nil	17.26
Units per Ltr. Of Diesel Oil	Nil	4.59
Cost/Unit (Rs. in lakhs)	Nil	36.23
ii) Through steam turbine/generator		
Units	Nil	Nil
Units per Ltr. Of Oil/Gas	Nil	Nil
Cost/unit	Nil	Nil
2. Coal		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil
3. Furnace Oil		
Quantity (k.ltrs.)	Nil	Nil
Total Amount(Rs. in lakhs)	Nil	Nil
Average Rate/Unit (Rs.)	Nil	Nil
4. Others/Internal Generation		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
Consumption per Unit Production :		
	Standards (if any)	2010-11
Electricity	Meter	3.53
	Kilograms	0.11
Furnace Oil	—	—
Coal	—	—
Others	—	—

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 participation enables 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

Earnings : Nil (Previous Year Rs. Nil).
Outgo : 30.64 lakhs (Previous Year Rs. 27.57 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 : 11th August, 2011

Anand Arya
Chairman & Whole-time Director



Report on Corporate Governance

(Annexure to Directors' Report)

1. Corporate Governance:

The Company firmly believes in the principles of Corporate Governance and is committed to conduct its business in manner, which will ensure sustainable, capital-efficient and long-term growth thereby maximizing value for its shareholders, customers, employees and society at large. The Company's policies are in line with Corporate Governance guidelines prescribed under Listing Agreement/s with Stock Exchanges and the Company ensures that various disclosures requirements are complied in 'letter and Spirit' for effective Corporate Governance.

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 four Board Meetings were held on 29th April, 2010, 29th July, 2010, 29th October, 2010 and 28th January, 2011. 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 Director-ships held	No. of Meetings attended during F. Yr. 01.04.10 to 31.03.11	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	4	Yes	Chairmanship – Nil Membership – Nil
Mr. Suresh John (SJ)	Executive Director	04.06.1996	2	4	Yes	Chairmanship – Nil Membership – 3
Mr. S.K. Tambawalla (SKT)	Independent Director	28.03.2009	2	4	No	Chairmanship – 3 Membership – 5
Mr. Janardan Joshi (JJ)	Independent Director	30.06.2009	3	4	Yes	Chairmanship – 5 Membership – 8

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, 2011:

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	141,796/-*	2,000/-	143,796/-
Mr. S K Tambawalla	—	2,000/-	2,000/-
Mr. Janardan Joshi	—	2,000/-	2,000/-

*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 on 29th April 2010, 29th July 2010, 29th October 2010, 28th January, 2011 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 two Committees, viz. Audit Committee and Shareholders Grievance 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**

- a) **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 comprises of 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.

- b) The Composition of the Audit Committee as on 31st March, 2011 was as under:-

1. Mr.S K Tambawalla (SKT) - Chairman
2. Mr.Suresh John (SJ) - Member
3. Mr. Janardan Joshi (JJ) - Member

- c) Meetings and attendance during the year April 2010 to March 2011:

Date of Meeting	Attendance Recorded		
	SJ	JJ	SKT
29.04.2010	Yes	Yes	Yes
29.07.2010	Yes	Yes	Yes
29.10.2010	Yes	Yes	Yes
28.01.2011	Yes	Yes	Yes

4. **Management**

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

Disclosures by Management

- a) 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.
- b) 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.

5. **Shareholders**

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

Name of Director	Mr. Janardan Joshi	Mr. Anand Arya
Date of Birth	30.01.1960	06.04.1952
Date of Appointment	30.06.2009	26.09.1985
Expertise in specific functional areas	Accounting	Production, Marketing, Finance and Overall Management of Textile Company
Qualifications	M. Com., P.G. Diploma in Business Administration Diploma in Material Management	B.Com, LL.B.



List of other public limited Companies in which Directorship held.	Blue Blends Finance Ltd. Blue Blends Petrochemicals Ltd. Premier Equity Ltd.	Blue Blends (India) Ltd. Blue Blends Finance Ltd. Blue Blends Stocks & Securities Ltd.
Chairman/Member of the Committees of the Board of other Companies in which he is a Director	Blue Blends Finance Ltd. - Audit Committee - Chairman Remuneration and Shareholders Grievance Committee - Member Blue Blends Petrochemicals Ltd. - Audit Committee - Chairman Shareholders Grievance Committee - Member	

- b) A Committee named as Shareholder's Grievance Committee under Chairmanship of a Non Executive Director is constituted to look into the redressal of shareholders complaints. The details are as under :

Composition, names of members and Chairperson of Shareholders Grievance Committee	1. Mr. Janardan Joshi (Chairman) (Independent Director) 2. Mr. Suresh John (Member) (Executive Director)
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 complaints from the shareholders.
Number not solved to the satisfaction of shareholders	Nil
Number of pending share transfers	Nil

6. Compliance Certificate

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

7. 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.	29.09.2008	3.00 P.M.
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	29.09.2009	3.00 P.M.
JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.	28.09.2010	11.30 A.M.

- No postal ballots were used for voting at the General Meetings of Shareholders.
- No. Special Resolution was passed in any of the last 3 Annual General Meetings of the Company.

8. Disclosures:

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with interests of company at large : Nil
- Accounting Treatment: In the preparation of financial statement the Company has followed the prescribed Accounting Standards.
- Details of non compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil

Dematerialisation of securities of the Company is not completed. The Company's applications for admission of its securities into depository were rejected by NSDL and CDSL as the capital base of the Company did not fulfill the requisite criteria.

**9. Compliance with Non Mandatory Requirements****a) Remuneration Committee**

The Composition of the Remuneration Committee as on 31st March, 2011 was as under :

1. Mr. Janardan Joshi (JJ) - Chairman
2. Mr. S.K Tambawalla (SKT) - Member
3. Mr. Suresh John (SJ) - Member

Remuneration Committee is constituted to consider and approve Remuneration to Managerial Personnel. During the year, no meeting of the Remuneration Committee was held.

- b) **Whistle Blower Policy :** The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal & unethical behaviour. The Company has a Whistle Blower policy wherein the employees are free to report violation of law, rules, regulations & unethical behaviour to their immediate superior or such other persons as may be notified by the management to the work groups. The confidentiality of those reporting violations is maintained and they are not subject to any Discriminatory practice.

10. Means of Communication :

- a) The quarterly reports are published through Stock Exchanges and newspapers, namely, Free Press Journal (English) and Nav-Shakti (Marathi).
- b) The information of investors' interest is communicated either directly to the shareholders or through stock exchanges.
- c) Website of the Company is www.premiersynthetics.com
The Website of the Company is periodically updated & results (Quarterly, Half Yearly & Yearly) are posted on the same.
- d) Official news releases are also posted on the Website.

11. General Shareholder Information:

AGM : Date, time and venue	:	28 th September, 2011 at 3.00 p.m. at JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.
Financial Calendar	:	1 st April to 31 st March
Date of Book Closure	:	From 26 th September, 2011 To 27 th September, 2011 (both days inclusive)
Dividend Payment Date	:	N.A.
Listing on Stock Exchanges	:	BSE
Stock Code	:	BSE Stock Code : 509835
Market Price Data and performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc.	:	Since no trading had taken place during the year under review, the market price data and performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc. are not given.
Registrar and Transfer Agents	:	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri(East), Mumbai – 400 072. Tel. : 2851 5606, 2851 5644 Fax : 2851 2885 E-Mail ID : sharexindia@vsnl.com
Share Transfer System	:	As regards, transfer of shares held in physical form, the transfer documents can be lodged with Sharex Dynamic (India) Pvt. Ltd. at above-mentioned address. Transfer of shares in physical form is normally processed within 25-30 days from the date of receipt provided the documents are complete in all respect and the shares under transfer are not under dispute. Share Transfer Committee has been delegated authority by the Board for expediting share transfers.



PREMIER SYNTHETICS LIMITED

Shareholding Pattern as on 31.03.2011

Sr. No.	Category	No. of shares held	Percentage of shareholding	No. of Shares Pledged	% of Pledged Shares
A.	Promoter's holding				
1.	Promoters				
	- Indian Promoters	25,37,819	69.66	3,68,057	14.50
	- Foreign Promoters	Nil	N.A		
2.	Persons acting in concert	Nil	N.A	N.A	N.A
	Sub - Total	25,37,819	69.66	3,68,057	14.50
B.	Non-Promoter's Holding				
3.	Institutional Investors	Nil	N.A	N.A	N.A
a.	Mutual Funds and UTI	1,56,375	4.29	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central/State Gov.Institutions/Non-Government Institutions)	6,99,650	19.21	Nil	Nil
c.	FIs	Nil	N.A	N.A	N.A
	Sub - Total	8,56,025	23.50	Nil	
4.	Others				
a.	Private Corporate Bodies	49,500	1.36	Nil	Nil
b.	Indian Public	1,99,856	5.49	Nil	Nil
c.	NRIs/OCBs	Nil	N.A	Nil	Nil
d.	Any other (Please specify)				
	Sub - Total	2,49,356	6.84	Nil	Nil
	GRAND - TOTAL	36,43,200	100	3,68,057	10.10
	TOTAL FOREIGN HOLDING	Nil	Nil	N.A	N.A

Distribution of Shareholding as on 31.03.2011

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	288	70.762	322650	---	---	322650	0.886
2,501 -	5,000	52	12.776	181160	---	---	181160	0.497
5,001 -	10,000	25	6.143	178500	---	---	178500	0.490
10,001 -	20,000	12	2.948	180500	---	---	180500	0.495
20,001 -	30,000	7	1.720	173600	---	---	173600	0.477
30,001 -	40,000	1	0.246	37500	---	---	37500	0.103
40,000 -	50,000	1	0.246	48000	---	---	48000	0.132
50,001 -	1,00,000	3	0.737	225000	---	---	225000	0.618
1,00,001 &	above	18	4.423	35085090	---	---	35085090	96.303
		407	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 :	:	as given on the back side of cover page
Address for correspondence:	:	Premier Synthetics Ltd. JBF House, 2 nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai - 400 002. Tel. 2208 8736
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, 2011 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - 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 2010-11 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:
- significant changes in internal control during the year ended 31st March, 2011.
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 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	Suresh John
Chairman & Whole Time Director	Director

Place : Mumbai

Date : 11th August, 2011



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, 2011 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
(Registration No. 110631W)

Sunil Bohra
Partner
M.No.39761

Place : Mumbai.
Dated : 11th August, 2011



MANAGEMENT DISCUSSION AND ANALYSIS REPORT – 2011

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		Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
Gross Income	:	974.64	824.06
Profit/(Loss) before Interest,			
Depreciation & tax	:	6.66	57.43
Less ; Depreciation	:	295.40	305.27
Less : Interest (Net)	:	0.00	0.00
Profit/(Loss) before			
Exceptional Items & Taxes	:	(288.74)	(247.84)
Add: Exceptional Items	:	0.00	5,762.79
Profit/(Loss) before Tax	:	(288.74)	5,514.95
Less: Provision for Taxation-	:	0.00	0.00
Profit/(Loss) for the year	:	(288.74)	5,514.95
Add: Balance of loss from			
previous year	:	(5,129.23)	(10,644.18)
Balance carried over			
to Balance Sheet	:	(5,417.98)	(5,129.23)

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 : 11th August, 2011

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, 2011 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 under the direction of the Hon'ble BIFR the Company has submitted a 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, 2011 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 J" :-
Note No. 3 regarding non-provision in respect of doubtful Sundry Debtors of Rs. 1867.03 lakhs.
Note No. 5 regarding non- provision of interest liability of Rs.1790.39 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, 2011,
 - (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 off substantial part of fixed assets during the year except in its manufacturing Unit at Rakhanpur where it has replaced some machineries with technological advance machineries taken on hire basis and the going concern status of the Company are not affected.
 - (ii) In respect of its inventories:
 - (a) As explained to us, the management has physically verified inventories during the year. In our opinion the frequency of verification is reasonable
 - (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 years, 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, 2011 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us there are no disputed dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax and Excise & Custom Duty.
- (x) The Company has accumulated losses of Rs. 54.18 Crores at the end of the financial year. It did not incur any cash loss during the financial year under report as well as 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 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
(Registration No.110631W)

Sunil Bohra
Partner
M. No. 39761

Place : Mumbai.
Dated : 11th August, 2011



BALANCE SHEET AS AT 31ST MARCH, 2011

	Sch.	As at 31st March, 2011		As at 31st March, 2010	
		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	776,684,701		776,684,701	
b) Unsecured	D	17,597,466		17,594,817	
			794,282,167		794,279,518
TOTAL			967,924,167		967,921,518
Application of Funds					
1. Fixed Assets	E				
a) Gross Block		674,912,561		705,364,495	
b) Less : Depreciation		389,517,589		387,666,051	
c) Net Block			285,394,972		317,698,444
2. Investments	F		54,726,105		54,726,105
3. Current Assets, Loans & Advances	G				
a) Inventories		5,983,861		3,865,572	
b) Sundry Debtors		191,576,012		192,532,504	
c) Cash & Bank Balances		2,991,562		2,844,962	
d) Loans & Advances		19,095,764		17,268,656	
		219,647,199		216,511,694	
Less: Current Liabilities & Provisions	H				
a) Current Liabilities		130,418,322		131,263,805	
b) Provisions		3,223,580		2,673,799	
		133,641,902		133,937,604	
Net Current Assets			86,005,297		82,574,090
4 Profit & Loss Account			541,797,793		512,922,879
TOTAL			967,924,167		967,921,518
Significant Accounting Policies & Notes forming Part of A/cs					
	J				

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

Sunil Bohra
Partner
M. No: 39761

Place :- Mumbai
Date:- 11th August, 2011

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, 2011

INCOME	Sch.	Year Ended 31.03.2011		Year Ended 31.03.2010	
		Rs.	Rs.	Rs.	Rs.
1 Sales & Service Charges received		96,393,968		81,413,831	
2 Miscellaneous Income		1,069,980		991,687	
3 Increase/(Decrease) in stock in trade		<u>54,368</u>		<u>87,178</u>	
			97,518,316		82,492,696
Expenditures					
4 Manufacturing & Other Expenses	I	96,653,594		76,660,394	
5 Trade Purchases		198,740		90,055	
6 Depreciation		<u>29,539,788</u>		<u>30,526,569</u>	
			126,392,122		107,277,018
7 Profit/(Loss) before Exceptional Items & Taxes		(28,873,806)		(24,784,322)	
8 Add : Exceptional Items		-		576,279,378	
9 Profit / (Loss) before Taxes		(28,873,806)		551,495,056	
10 Less: Provision for taxation					
Deferred tax		-		-	
Current tax		-		-	
11 Profit / (Loss) after Tax		(28,873,806)		551,495,056	
Add : Adjustment in taxation of earlier years		1,108		-	
12 Profit / (Loss) for the Year		(28,874,914)		551,495,056	
13 Add : Balance of Loss from Prev. Year		(512,922,879)		(1,064,417,935)	
14 Balance carried over to Balance Sheet		<u>(541,797,793)</u>		<u>(512,922,879)</u>	
Earning Per Share (Basic & Diluted)		(7.93)		151.38	
15 Significant Accounting Policies & Notes Forming Part of Accounts	J				

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

Sunil Bohra
Partner
M. No: 39761

Place:- Mumbai
Date:- 11th August, 2011

For and on behalf of the Board

Anand Arya
Chairman & Wholetime Director

Suresh John
Executive Director



Cash Flow Statement for the year ended 31st March 2011.
Pursuant to Clause 32 of the Listing Agreement

(Amount in "000)

	March 31, 2011	March 31, 2010
A. Cash Flow from Operating Activities		
Net Profit After Tax	(28,875)	551,495
Depreciation	29,540	30,527
Advances / Sundry debtors W/off	-	456
Loss on Sale of Fixed Assets	5,765	-
Operating Profit before working capital changes	6,430	582,478
Adjustment for:-		
Trade and other receivables	(871)	1,620
Inventories	(2,118)	(77)
Trade Payables	(296)	(8,200)
Cash Generated From Operations	3,145	575,821
Interest Paid	-	-
Net cash from operative activities	3,145	575,821
B. Cash Flow from investing activities		
Purchase of Fixed Assets	(3,881)	(72)
Sale of Fixed Assets	880	-
Sale of Investments	-	-
Net Cash used in Investing Activities	(3,001)	(72)
C. Cash Flow from Financing activities:		
Secured Loan re-paid	-	(576,279)
Unsecured Loan Taken	2	71
Interest Paid	-	-
Net cash from Financing Activities	2	(576,208)
Net Increase/(Decrease) in cash	146	(459)
Opening Balance of Cash & Cash equivalents	2,845	3,304
Closing Balance of Cash & Cash equivalents	2,991	2,845

As per our report of even date

For P.C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

Sunil Bohra
Partner
M. No: 39761

Place :- Mumbai
Date:- 11th August, 2011

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, 2011		As at 31st March, 2010	
	Rs.	Rs.	Rs.	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. 6,80,000 15% Redeemable Cumulative Non Convertible Preference share of Rs.100/- each		68,000,000		68,000,000
b. 2,70,000 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	32,210,000	32,210,000	32,210,000	32,210,000
Debenture Redemption Reserve				
As per last Balance Sheet	10,000,000	10,000,000	10,000,000	10,000,000
		<u>10,000,000</u>		<u>10,000,000</u>
		<u>42,210,000</u>		<u>42,210,000</u>

SCHEDULE "C" SECURED LOANS

A) Debentures				
950,000 17% Non Convertible Debentures of Rs.100/-each	95,000,000	95,000,000	95,000,000	95,000,000
B) Term Loans				
From Financial Institutions	-	-	-	-
From Bodies Corporates	373,411,773	373,411,773	373,411,773	373,411,773
C) Working Capital Loans				
From Banks		308,272,928		308,272,928
		<u>776,684,701</u>		<u>776,684,701</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. in the F. Y. 2008-09) were redeemable in 3 equal annual installments from the expiry of 4th Year from the date of allotment i.e. 12th April, 2000. However no instalment has been been paid till the year
- The Non-Convertible Debentures issued to and Term Loan from IFCI (since assigned to M/s Genuine Commercial Services Pvt. Ltd. in the F.Y. 2008-09) and IDBI (SASF) (since assigned to M/s Genuine Commercial Services Pvt. Ltd. in the F.Y. 2009-10) are secured by first pari-passu charge on the fixed assets of the Company. (Also refer to note no. 6 of Schedule "J")
- Loans under Project Finance Scheme from IFCI (since assigned to M/s Genuine Commercial Services Pvt. Ltd. In the F.Y. 2008-09) are secured by hypothecation of movable properties and inventories and first pari-passu mortgage on the immovable properties of the Company.
- Working Capital Loans of Rs. 5,01,99,712/- from The Federal Bank Ltd.(since assigned to M/s Genuine Commercial Services Pvt. Ltd. in the F. Y. 2009-10) and Working capital loan of Rs. 25,80,73,216/- including overdue interest from Oman International 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 .



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "D" - UNSECURED LOANS

Short Term Loans

from Bodies Corporates

from Others

As at 31st March, 2011

Rs.

12,597,466

5,000,000

17,597,466

As at 31st March, 2010

Rs.

12,594,817

5,000,000

17,594,817

'SCHEDULE "E" - FIXED ASSETS

(Amount in Rs.)

Description of asset	Gross Block				Depreciation				Net Block	
	As at 01.04.2010 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.2011 Rs.	Upto 31.03.2010 Rs.	For the Year Rs.	Adjustments Del./Add. Rs.	Upto 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
FREE HOLD LAND	3,185,086	-	-	3,185,086	-	-	-	-	3,185,086	3,185,086
LEASE HOLD LAND	1,668,510	-	-	1,668,510	-	-	-	-	1,668,510	1,668,510
FACTORY BUILDING	78,964,203	1,245,780	-	80,209,983	32,297,382	2,609,073	-	34,906,455	45,303,529	46,666,820
PLANT AND MACHINERY	594,018,488	2,069,665	33,095,819	562,992,334	336,581,347	25,723,161	26,523,027	335,781,481	227,210,853	257,437,139
ELECTRIC INSTALLATION	21,968,231	420,356	439,081	21,949,506	14,847,423	938,858	426,075	15,360,206	6,589,300	7,120,807
FURNITURE AND FIXTURES	2,533,537	60,752	211,172	2,383,117	1,844,326	136,945	181,080	1,800,191	582,926	689,211
VEHICLE	1,546,700	19,000	308,334	1,257,366	1,123,222	77,521	292,917	907,826	349,540	423,477
OFFICE EQUIPMENT	640,586	35,050	50,205	625,431	315,464	24,763	47,695	292,552	332,879	325,103
COMPUTER	527,749	30,975	-	558,724	429,485	25,111	-	454,596	104,128	98,265
AIR CONDITIONER	311,405	-	228,900	82,505	227,381	4,356	217,455	14,282	68,223	84,026
WIP	-	-	-	-	-	-	-	-	-	-
Total	705,364,495	3,881,578	34,333,511	674,912,562	387,666,050	29,539,788	27,688,249	389,517,589	285,394,973	317,698,444
Previous Year	705,292,495	72,000	-	705,364,495	357,139,481	30,526,569	-	387,666,050	317,698,446	-

SCHEDULE "F" - INVESTMENTS

As at 31st March, 2011

Rs.

As at 31st March, 2010

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.

5,269,165

5,269,165

4,70,000 (Prev. year- 4,70,000) Fully paid up Equity Shares of Rs.10/- each in Blue Blends (India) Ltd

12,450,000

12,450,000

2,00,000 (Prev. year - 2,00,000) Fully paid up Preference Shares of Rs.100/- each in Blue Blends (India) Limited

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

54,726,105

Notes :

1. Aggregate value of quoted investments

Cost

37,719,165

37,719,165

Market Value

N.A.

N.A.

Blue Blends Finance Ltd.

1,514,142

1,521,828

Others

N. A.

N. A.

2. Aggregate value of Unquoted Investments

17,006,940

17,006,940

3. 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	M/s Genuine Commercial Services Pvt. Ltd.
2	Blue Blends (India) Ltd.	Equity	270,000	Oman International Bank S. A. O.G.
3	Blue Blends (India) Ltd.	Preference	120,000	M/s Genuine Commercial Services Pvt. Ltd.



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE "G" - CURRENT ASSETS, LOANS & ADVANCES

	As At 31st March, 2011		As At 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
Current Assets				
Inventories (At cost, except otherwise stated)				
(As valued & certified by the Management)				
Finished Goods	141,546		87,178	
(At lower of cost or net realisable value)				
Stores & Spare parts	5,042,848		3,361,063	
Packing Material	785,067		387,890	
Dyes, Chemicals & Lubricants	14,400		29,441	
		5,983,861		3,865,572
Sundry Debtors				
(Unsecured)				
Over Six months				
Considered Good	258,144		4,556,663	
Considered Doubtful	186,702,675		186,758,630	
Others (Consider good)	4,615,193		1,217,211	
		191,576,012		192,532,504
Cash & Bank Balances				
Cash in hand	178,377		97,971	
Bank balance with Scheduled Banks;				
In Current Accounts	224,411		386,246	
In Margin Deposits / Fixed Deposits	2,091,650		2,091,650	
Interest Accrued on Fixed Deposit	497,124		269,095	
		2,991,562		2,844,962
Loans & Advances				
(Unsecured, considered good)				
Advances recoverable in cash or in				
kind for value to be received	11,763,902		12,291,179	
Advance payment of tax & tax deducted at source	176,150		204,792	
Deposits with Public bodies	7,155,712		4,772,685	
		19,095,764		17,268,656
		219,647,199		216,511,694
Schedule "H" - Current Liabilities & Provisions				
Current Liabilities				
Sundry Creditors				
for Goods	13,685,595		9,447,151	
for Expenses	4,849,041		3,833,795	
Other Liabilities	107,249,590		117,982,859	
Temporary overdraft from Bank	4,634,096		-	
		130,418,322		131,263,805
Provisions				
for F. B. T.	-		72,148	
for Gratuity	3,223,580		2,601,651	
		3,223,580		2,673,799
		133,641,902		133,937,604



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Rs.	Rs.	Rs.	Rs.
Schedule "I" - Manufacturing & Other Expenses				
Raw- Material Consumed		2,177,227		-
Hank Yarn Obligation		5,262,572		998,434
Stores & Spares consumed		9,017,182		7,697,291
Dyes ,Chemicals & Lubricants		354,628		349,743
Testing Expenses		7,214		1,500
Labour & Job Charges		7,896,072		5,344,763
Manufacturing Expenses		95,742		48,135
Power & Water Charges		37,356,041		37,254,287
Repairs & Maintenance				
- Buildings	423,300		144,992	
- Plant & Machinery	1,310,325		865,930	
- Others	75,547		89,634	
		1,809,172		1,100,556
Sales & Distribution Expenses				
Packing Materials	2,849,974		2,932,276	
Sales Promotion & Advertisement Expenses	30,162		113,896	
Brokerage,Commission & Discount	59,922		43,796	
Freight & Forwarding Charges	1,595,292		1,554,309	
		4,535,350		4,644,277
Administrative Expenses				
Payments & Provisions for Employees				
Salaries, Wages & Bonus	13,546,742		12,289,940	
Contribution to Provident Fund & Other Funds	948,761		948,831	
Employees Welfare & Other Amenities	829,948		697,643	
Provision for Gratuity	815,457		631,135	
		16,140,908		14,567,549
Establishment Expenses				
Rent, Rates & Taxes	1,353,088		390,692	
Machinery Hire Charges	900,000		-	
Postage & Telephone	134,716		135,385	
Printing & Stationery	208,573		174,750	
Travelling & Conveyance	600,161		719,657	
Legal & Professional Charges	725,348		488,309	
Bank Charges	35,538		73,314	
Annual Listing Fees	435,848		35,848	
Director's Sitting Fees	6,000		5,000	
Sundry Drs. Written off	-		456,107	
Sundry Expenses	486,451		524,503	
Loss on Sale of Assets	5,764,882		-	
Insurance Premium	375,272		277,218	
Security Charges	729,459		767,926	
Business Compensation	191,000		550,000	
Auditors' Remuneration	55,150		55,150	
		12,001,486		4,653,859
		96,653,594		76,660,394



SCHEDULE 'J' - 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 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 31.3.11 (Rs. In lakhs)	As at 31.3.10 (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	250.36	250.36
3. The Company has determined the Sundry Debtors to the extent of Rs.1867.02 lakhs (Previous Year Rs. 1867.59 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 lender Oman International Bank S.A.O.G. for settlement of its dues in respect of working capital facilities provided by them and as the Company does not foresee any further liability in respect of interest and overdue interest on such working capital facilities, it has not provided such interest amounting to Rs. 1790.39 lakhs (Previous Year: Rs. 1472.96 lakhs).		
6. (i) All the Secured Term Loans from IFCI and Debentures privately placed with them including interest accrued and due together with underlying security interests, all rights, pledges and/or guarantee thereto, have been absolutely assigned and transferred unto in favour of Genuine Commercial Services Pvt. Ltd. in the F.Y. 2008-09 and all the secured loans from SASF (IDBI) and working capital loans from T. Federal Bank Ltd. Including interest accrued and due thereon together with all underlying security interests, all rights, pledges and guarantee thereto have been absolutely assigned and transferred unto in favour of Genuine Commercial Services Pvt. Ltd. in the F.Y. 2009-10.		
(ii) Exceptional items credited to Profit & Loss Account includes Rs. Nil in the current year (Rs. 57.63 Crores in the previous year) of write back of interest liabilities due on loans assigned to M/s Genuine Commercial Services Pvt. Ltd. which were waived as per the negotiations made with them in the previous year.		
(iii) Adjustments in Principal amount of such assigned loans, if any, will be made at the time of final settlement/negotiation with M/s. Genuine Commercial Service Pvt. Ltd.		
7. Machineries in Company's Fabric Processing Unit at New Bombay have scraped and have been sold during the year.		
8. 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 reasonable necessary.		
9. 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 7 th year from the date of allotment i.e. 18 th December 1996. However installments of redemption due by the year end date have not been paid.		
(ii) 0 % Redeemable Cumulative Non Convertible Preference Shares were redeemable at par on the expiry of 10 th year from the date of allotment i.e. on 4 th November, 2009. However, the Company has not paid anything to such Preference Shareholders till the year end.		
10. (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		

		2010-11 (Rs.)	2009-10 (Rs.)
a	Salary	1,41,796	1,38,321
b	Contribution to Provident Fund and Other funds	9,360	9,360
c	Perquisites & Others	6,000	5,000
		1,57,156	1,53,681

11. The Company has not provided depreciation on fixed assets situated in its units at Baroda, Panoli & Daman, which are closed.

12. Related Party Transactions

Disclosures as required by Accounting Standard AS 18 "Related Party Disclosure" in respect of transaction for the year ended 31st March, 2011 are as under:-

a) Relationship

(i) Subsidiary Company

➤ Premier Equity Ltd.



(ii) Associates

- Blue Blends (India) Ltd.
- Blue Blends Leasing Pvt. Ltd.
- Silvassa Span Yarn Industries.
- Blue Blends Petrochemicals Ltd.
- Cressida Traders Pvt. Ltd.
- Blue Blends Equity Ltd.
- Mrs. Indu Anand Arya
- Bindal Synthetics Pvt. Ltd.
- Agrawal Synthetics.
- Blue Blends Stocks & Securities Ltd.
- Blue Blend Finance Ltd.
- Murbad Syntex Pvt. Ltd.
- Blue Blends Holdings Ltd.

(iii) Key Persons

- Wholetime Director : Mr. Anand Arya
- Executive Director : Mr. Suresh John
- Non-Executive Director : Mr. S.K.Tambawalla
- Non- Executive Director : Mr. Janardan Joshi

b) The Following transaction was carried out with the related parties in the ordinary course of business during the year:

A. Subsidiary Company	:	Advance Re- paid	Rs. 0.10 Lacs (Rs. 0.70 Lacs)
B. Associates	:	Job charges received	Rs. 937.21 Lacs (Rs. 814.10 Lacs)
	:	Job charges Paid	Rs. 18.80 Lacs (Rs. 12.32 Lacs)
	:	Rent paid	Rs. 2.51 Lacs (Rs. 2.15 Lacs)
C. Key Management Personnel	:	Remuneration	Rs. 1.57 Lacs (Rs. 1.53 Lacs)

(Note: Figures in brackets are of previous year)

13. Company's entire networth stands eroded and it is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. In the opinion of the Board, considering the present circumstances, reasonable certainty may not be expected about the future profitability of the Company.

In view of above, no provision has been made for deferred tax assets arising on account of timing differences due to carry forward accumulated business losses.

14. Segment Information

Textile business is the Company's only business segment; hence disclosure of segment-wise information is not applicable.

15. In absence of any business activity carried out by the only subsidiary company, consolidated financial statements have not been prepared.

16. Basic and Diluted Earnings per share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share."

Particulars			31.03.2011	31.03.2010
a)	Numerator			
	Profit/ (Loss) after tax	Rs.	(2,88,74,914)	55,14,95,056
b)	Denominator			
	Weighted average number of equity shares		3,643,200	3,643,200
c)	Earnings Per Share (Basic & Diluted)			
	= Numerator/Denominator	Rs.	(7.93)	151.38

17. Payment to Auditors

	2010-11 (Rs.)	2009-10 (Rs.)
For Audit	38,605	38,605
For Tax Audit	5,515	5,515
For Taxation Matters	11,030	11,030
	55,150	55,150



18. 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	2011	2010
a) Weaving Looms	Nos.	42	42
b) Texturising Machines	Nos.	3	3
c) Fabrics Processing House	Lakhs Mtrs.	—	121.8
d) Spinning Machines (Rotors)	Nos.	2,256	2,256
B. ACTUAL PRODUCTION			
Yarn (on Self & Job Basis), Ahmedabad	M.T.	3,985.71	4,233.59
Fabrics (on Job Basis), Paighar	Mtrs.	8,19,585	5,61,760

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

	Unit	2010-11		2009-10	
		Qty.	Value(Rs.)	Qty.	Value (Rs.)
Opening Stock :					
Garment (Traded)	Pcs.	438	87,178	Nil	Nil
Cotton	MT.	Nil	Nil	Nil	Nil
Closing Stock :					
Garment (Traded)	Pcs.	673	1,41,546	438	87,178
Cotton	MT.	Nil	Nil	Nil	Nil
Purchases :					
Garment (Traded)	Pcs.	919	198,740	452	90,055
Sales :					
Garment (Traded)	Pcs.	684	1,50,454	14	3,371
Cotton Yarn	MT.	22.32	25,22,857	Nil	Nil
Job Charges Received :			9,37,20,657		8,14,10,460

20. Expenditure in Foreign Currency:

- a) Stores & Spare parts Imported
on C I F basis : Rs. 24.21 Lacs (Prev.yr. Rs. 22.66 Lacs.)
- b) Remittance in foreign currency
on account of dividend. : Rs. Nil (Prev. yr. Rs. Nil)

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

22. Value of Imports & Indigenous Material Consumption

	2010-11		2009-10	
	Value (Rs.)	% of cons	Value (Rs.)	% of cons
A. Raw Material				
Indigenous	21,77,227	100	Nil	N
Imported	Nil	Nil	Nil	N
Total	21,77,227	100	Nil	N
B. Stores & Spares				
Indigenous	64,83,131	71.89	50,06,173	65.04
Imported	25,34,051	28.11	26,91,118	34.96
Total	90,17,182	100.00	76,97,291	100.00

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



PREMIER SYNTHETICS LIMITED

24. 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

3 1 0 3 2 0 1 1

II. Capital Raised during the year (Amount Rs. in Thousands)

Direct Subscription

N I L

Right Issue

N I L

Bonus Issue

N I L

App. Money

N I L

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

Total Liabilities

9 6 7 9 2 4 . 1 7

Total Assets

9 6 7 9 2 4 . 1 7

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

7 7 6 6 8 4 . 7 0

Unsecured Loans

1 7 5 9 7 . 4 7

Application of Funds

Net Fixed Assets

2 8 5 3 9 4 . 9 7

Investments

5 4 7 2 6 . 1 1

Net Current Assets

8 6 0 0 5 . 3 0

Misc. Expenditure

N I L

Accumulated Losses

5 4 1 7 9 7 . 7 9

IV. Performance of Company (Amount Rs. in Thousands)

Turnover

9 6 3 9 3 . 9 7

Total Expenditure

9 6 8 5 2 . 3 3

Profit/(Loss) Before Tax

(2 8 8 7 3 . 8 1)

Profit/(Loss) After Tax

(2 8 8 7 4 . 9 1)

Earning Per Share

(7 . 9 3)

Dividend rate %

N I L

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 J

As per our report of even date
For P.C. Surana & Co.
Chartered Accountants
(Registration No. 110631W)

Sunil Bohra
Partner
Membership No: 39761

Place :- Mumbai
Date:- 11th August, 2011

For and on behalf of the Board

Anand Arya
Chairman & Wholetime Director

Suresh John
Executive Director



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, 2011
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. : 17,00,694 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, 2011. : (Rs. 9,231)
ii. For the previous financial years of the subsidiary since it became the holding company's subsidiary : (Rs. 55,30,057)
b. Dealt with the holding company's accounts :
i. For the financial year ended 31st March, 2011. : 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.
Dated : 11th August, 2011



NOTICE TO MEMBERS

Notice is hereby given that the 15th Annual General Meeting of the Members of **Premier Equity Limited**, will be held on Tuesday, the 19th day of July, 2011 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, 2011, Profit and 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 Shri Vinod Khandelwal 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.

By order of the Board

VINOD KHADELWAL
Director

Registered Office

JBF House, 13, Old Post Office Lane,
Kalbadevi Road, Mumbai - 400 002.
Place: Mumbai.
Date : 21st June, 2011

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

**DIRECTORS' REPORT**

To the Members,

The Directors present herewith the 15th Annual Report along with the Audited Accounts of the Company for the year ended on 31st March, 2011.

FINANCIAL RESULTS

(Amount in Rupees)

Particulars	Year Ended 31 st March, 2011	Year Ended 31 st March, 2010
Gross Income	—	—
Total Expenditure	9,231	9,839
Profit/(Loss) for the year before taxes	(9,231)	(9,839)
Less : Provision for taxation	—	—
Profit/(Loss) for the year after taxes	(9,231)	(9,839)
Add/(Less): Balance of Profit/(Loss) brought forward from previous year	(55,30,057)	(55,20,218)
Balance Carried over to Balance Sheet	(55,39,288)	(55,30,057)

DIVIDEND

Your Directors have not recommended any dividend on Equity Shares for the year under review.

OPERATIONS

The Company has applied to the Reserve Bank of India for cancellation of Registration of the Company as a Non Banking Financial Institution and the application is pending with the Bank.

DIRECTORS

Shri Vinod Khandelwal retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

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.

PERSONNEL

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of employees) Rules 1975 read with the section 217 (2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

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 that :

- i) in the preparation of the accounts, for the financial year ended 31st March, 2011 the applicable accounting standards have been followed;

- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2011 and of the loss of the company for the year ended that date;
- iii) 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 and
- iv) the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

AUDITORS & AUDITORS REPORT

M/s P.C.Surana & Co., Statutory Auditors of the Company, hold office up to the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from M/s. P.C.Surana & Co., to the effect that their appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified from such appointment within the meaning of section 224 (1B) of the Companies Act, 1956.

The observations & comments given by Auditors in their report together with notes to accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1) Information in accordance with the provisions of Section 217(1)(g) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of energy & technology absorption, being not applicable, are not given.
- 2) Foreign Exchange earnings & Outgo :
- Earnings : Nil
- Outgo : Nil

SECRETARIAL COMPLIANCE CERTIFICATE

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

ACKNOWLEDGEMENT

Your Directors wish to place on record their immense appreciation for the continued support & co-operation of the shareholders.

For and on behalf of the Board of Directors

Vinod Khandelwal
Director

Place: Mumbai
Date : 21st June, 2011



COMPLIANCE CERTIFICATE

Registration No. of the Company : 11-098010
Nominal Share Capital : Rs. 25000000

To,
The Members
Premier Equity Limited
JBF House, Old Post Office Lane
K.D. Road,
Mumbai – 400 002, Maharashtra.

We have examined the registers, records, books and papers of **Premier Equity Limited**, (the company) as required to be maintained under the Companies act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended 31st March 2011 (Financial Year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries have been recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra, within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company the comments in respect of minimum prescribed paid up capital and maximum Number of members are not required.
4. The Board of Directors met (5) five times respectively on 21st May, 2010, 22nd June, 2010, 14th September, 2010, 21st December, 2010, and 23rd March, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close/ closed its Register of Members or Debenture Holders during the financial year.
6. The annual general meeting for the financial year ended on 31st March 2010 was held on 20th July, 2010, after giving due notice to the members of the Company and the resolutions passed thereat were recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies as referred in section 295 of the Act is not applicable.
9. As per information and explanation received the Company has not entered into any contracts attracting the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company :
 - (i) has not allotted / transfer / transmission of securities during the financial year;
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
 - (iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year; and
 - (iv) was not required to transfer any amounts to Investor Education and Protection Fund;
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There were no outstanding preference shares or debentures during the financial year and accordingly, there was no redemption of preference shares or debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares & bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The borrowing of the company are within the limit as per the resolutions passed by the company.
25. The Company, has not made any loans or advances or given any guarantee or provided securities to other bodies corporate and consequently no entries were made.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from employees during the financial year.
33. The company has not deducted any contribution towards Provident Fund during the financial year.

For Milan Mehta & Associates.
Company Secretaries

Place : Mumbai
Date : 21st June, 2011

Milan Mehta
Proprietor
(C. P. No. 4826)

**Registers maintained by the Company:-****Statutory and Other Registers**

1. Register of Members U/s. 150
2. Register of Directors, Managing Directors, Manager and Secretary U/s. 303
3. Register of Director's Share Holding U/s. 307 of the Act.
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested U/s. 297, 299, 301 and 302 of the Act.
5. Minutes Book of the General Meeting & Board Meeting U/s. 193 of the Act.
6. Register of Transfers
7. Register of Directors Attendance
8. Register of Fixed Assets

Forms and Returns as filed by the Company with the Registrar of Companies, Maharashtra during the financial year ended March 2011.

Sr. No.	Form No./ Return	Filed Under Section	For	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Annual Return	159	20/07/10	16/08/10	Yes	No
2.	Balance Sheet	220	31/03/10	05/08/10	Yes	No
3.	Compliance Certificate	383A	31/03/10	27/07/10	Yes	No



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, 2011 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, 2011 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, 2011 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, 2011 for a period of more than six months from the date of becoming payable.
10. The Company has accumulated losses of Rs. 55.39 lakhs and has incurred cash losses of Rs. 0.09 lakhs during the financial year covered by our audit and of Rs 0.10 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 of public issue during the year.
21. In our opinion 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 P.C. Surana & C
Chartered Accountants
(Registration No. 110631)

Sunil Bol
Partner
M. No.397

Place : Mumbai.
Date : 21st June, 2011



Balance Sheet as at 31st March, 2011

	Sch.	As at 31st March, 2011		As at 31st March, 2010	
		Rs.	Rs.	Rs.	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		20,822		20,259	
d) Loans & Advances		6,270,000		6,280,000	
		<u>6,290,822</u>		<u>6,300,259</u>	
Less : Current Lia. & Provisions	D				
a) Current Liabilities		2,000		2,206	
b) Provisions		-		-	
		<u>2,000</u>		<u>2,206</u>	
Net Current Assets			6,288,822		6,298,053
Balance of profit and loss a/c			5,539,288		5,530,057
Total Assets			<u>17,007,000</u>		<u>17,007,000</u>

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

Profit and Loss Account for the year ended on 31st March, 2011

	Sch.	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Dividend		-		-	
Miscellaneous Income		-		-	
Expenditures					
Admin. & Other Expenses	E	9,231		9,839	
			9,231		9,839
Loss before Taxes			9,231		9,839
Less : Provision for Taxation			-		-
Loss after Tax			9,231		9,839
Add : Balance of Loss from Prev. Year			5,530,057		5,520,218
			<u>5,539,288</u>		<u>5,530,057</u>
Less: Earlier Years' Taxation provision			-		-
Debit Balance carried over to Balance Sheet			<u>5,539,288</u>		<u>5,530,057</u>
Significant Accounting Policies & Notes Forming Part of Accounts	F				

As per our Report of even date for P.C. Surana & Co. Chartered Accountants (Registration No. 110631W)

for and on behalf of the Board

Vinod Khandelwal }
 }
 } Directors
Janardan Joshi }

Sunil Bohra
Partner
Membership No. 39761

Place : Mumbai
Dated : 21st June, 2011

As per our Report of even date for P.C. Surana & Co. Chartered Accountants (Registration No. 110631W)

for and on behalf of the Board

Vinod Khandelwal }
 }
 } Directors
Janardan Joshi }

Sunil Bohra
Partner
Membership No. 39761

Place : Mumbai
Dated : 21st June, 2011



Cash Flow Statement for the year ended 31, March 2011

	For the Year ended 31st March, 11 Rs.	For the Year ended 31st March, 10 Rs.
A. Cash Flow from Operating Activities		
Net profit/ (loss) before tax	(9,231)	(9,839)
Loss /(Profit) on sale of investments	-	-
Operating Profit/ (Loss) before Working Capital Changes	(9,231)	(9,839)
(Increase)/ Decrease in Receivables	10,000	20,000
Increase/(Decrease) in Current Liabilities	(206)	(2,255)
Cash Generated From Operations	563	7,906
Interest Paid	-	-
Net cash from Operative Activities	563	7,906
B. Cash Flow from Investing Activities		
Purchase of Investments	-	-
Sale of Investments	-	-
Net Cash Generated from Investing Activities	-	-
C. Cash Flow from Financing Activities:		
Loans Received	-	-
Net Cash from Financing Activities	-	-
Net Increase/(Decrease) in Cash	563	7,906
Cash Opening	20,259	12,353
Cash Closing	20,822	20,259

As per our report of even date
for **P.C. Surana & Co.**
Chartered Accountants
(Registration No. 110631W)

Sunil Bohra
Partner.
M. No. 39761

Place: Mumbai.
Dated : 21st June, 2011

For and On Behalf of the Board

Vinod Khandelwal	}	
	}	
Janardan Joshi	}	Directors



PREMIER EQUITY LIMITED

Schedules forming part of the Balance Sheet

Sch.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
Schedule "A" - Share Capital		
Authorised		
25,00,000 Equity shares of Rs. 10/- each	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Paid-up		
17,00,700 Equity shares of Rs. 10/- each Fully Paid-up	17,007,000	17,007,000
	<u>17,007,000</u>	<u>17,007,000</u>
All the above equity shares are held by Premier Synthetics Ltd. the Holding Company, along with its nominees		
Schedule "B" - Investments		
Long - term (at cost)		
QUOTED		
Trade Investments		
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)	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
UNQUOTED		
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>5,178,890</u>	<u>5,178,890</u>
Schedule "C" - Current Assets, Loans & Advances		
Current Assets		
Cash & Bank Balances		
Cash in hand	3,904	2,904
Bank balance with Scheduled Banks in Current Accounts	16,918	17,355
	<u>20,822</u>	<u>20,259</u>
Loans & Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind for value to be received	6,270,000	6,280,000
Advance payment of tax & tax deducted at source	-	-
	<u>6,270,000</u>	<u>6,280,000</u>
	<u>6,290,822</u>	<u>6,300,259</u>
Schedule "D" - Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors for Expenses	2,000	2,206
	<u>2,000</u>	<u>2,206</u>
Provisions		
For Taxation	-	-
	<u>2,000</u>	<u>2,206</u>

Schedules forming part of the Profit and Loss Account

Schedule "E" - Administrative & Other Expenses

	Year Ended 31st March, 2011 Rs.	Year Ended 31st March, 2010 Rs.
Establishment Expenses		
Audit Fees	5,515	5,515
Bank Charges	216	56
Filing Fees	1,500	2,062
Secretarial Audit Fees	2,000	2,206
	<u>9,231</u>	<u>9,839</u>
	<u>9,231</u>	<u>9,839</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. 5,515/- & secretarial Audit Fees Rs. 2,000/- (including Service Tax)
- 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.

7. 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 Khandeival
Director	Mr. Shrichand Dugar
Director	Mr. Janaradan Joshi

B. Associates

Premier Synthetics Ltd.

C. Holding Company

Premier Synthetics Ltd.

Transactions taken place during the year with related parties:

Key Management Personnel : Nil

Associates & : Advances Received Back : 0.10 Lacs

Holding Company (Advances Received Back : 0.70 Lacs)

(Note: Figures in brackets are of previous year)

8. 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	31.03.2011	31.03.2010
a. Numerator		
Profit/ (Loss) after tax	Rs. (9,231)	(9,839)
b. Denominator		
Weighted average number of equity shares	Nos. 17,00,700	17,00,700
c. Earnings per Share		
(Basic & Diluted) =		
Numerator/Denominator	Rs. (0.0054)	(0.0058)

- 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 COMPANYS 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 1 1

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 2 8 8 . 8 2

Misc. Expenditure

NIL

Accumulated Losses

5 5 3 9 . 2 9

IV. Performance of Company (Amount in Thousand)

Turnover

NIL

Total Expenditure

9 . 2 3

Loss Before Tax

9 . 2 3

Loss After Tax

9 . 2 3

Earning Per Share in Rs.

0 . 0 0 5 4

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
(Registration No. 110631W)

Sunil Bohra
Partner.
M. No. 39761

Place: Mumbai.
Dated : 21st June, 2011

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 Folio 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 Wednesday the 28th September, 2011 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 Wednesday the 28th September, 2011 at 3.00 p.m. at JBF House, 2nd Floor, Old Post Office Lane, Kalbadevi Road, Mumbai – 400 002.

Signed at _____ this _____ day of _____ 2011.

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