



**PREMIER  
POLYFILM  
LTD.**

**ANNUAL REPORT 2010-2011**



**PREMIER POLYFILM LTD.**

**BOARD OF DIRECTORS**

Shri Jaspal Singh Marwah  
Shri Kamlesh Kumar Sinha  
Shri Manoj Kumar Gupta  
Shri S.P. Jain - *Executive Director*  
Shri Amitabh Goenka - *Executive Director*  
Shri Amar Nath Goenka - *Managing Director*

**COMPANY SECRETARY**

Shri N.K. Bhandari

**AUDITORS**

De & Bose  
Chartered Accountants  
8/2, Kiran Sankar Roy Road,  
2nd Floor, Room No. 1 & 18,  
Kolkata - 700 001

**BANKERS**

The Delhi Nagrik Sehkar Bank Limited  
Pitampura  
Delhi - 110054

**REGISTERED OFFICE**

Flat No. 305, III Floor, Elite House,  
36, Community Centre,  
Kailash Colony Extension (Zamroodpur),  
New Delhi - 110 048

**HEAD OFFICE & FACTORY**

40/1A, Site IV,  
Sahibabad Industrial Area,  
Sahibabad, Ghaziabad - (U.P.) 201010

**REGISTRAR & SHARE TRANSFER AGENT**

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukh Das Mandir,  
New Delhi - 110062

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## **NOTICE**

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING of PREMIER POLYFILM LTD.** will be held on **Monday, the 19<sup>th</sup> September, 2011 at 12.30 P.M. at SHAH AUDITORIUM,2, RAJ NIWAS MARG, CIVIL LINES, DELHI 110 054** to transact the following business:

### **ORDINARY BUSINESS:**

- 1) To consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.
- 2) To appoint a Director in place of Shri K. K. Sinha who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint a Director in place of Shri S. P. Jain, who retires by rotation and being eligible, offers himself for reappointment.
- 4) To consider and, if thought fit, to pass the following resolution with or without modification(s), as an **ORDINARY RESOLUTION.**

"RESOLVED THAT M/s.De & Bose, Chartered Accountants, the retiring Auditors of the Company be and are hereby reappointed to hold such office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by Shri Amar Nath Goenka, Managing Director of the Company."

### **SPECIAL BUSINESS:**

- 5) **To consider and, if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT in accordance with the provisions of Article 116 of the Articles of Association of the company & Section 269,198,309,310 & 311 and all other applicable provisions of the Companies Act, 1956, if any, and subject to the limits specified in Schedule XIII to the said Act the Company hereby appoints Shri Amitabh Goenka as an Executive Director of the company for a period of 3 (three) years with effect from 1<sup>st</sup> November,2010.

RESOLVED THAT remuneration including perquisites payable to Shri Amitabh Goenka, Executive Director, shall be as under :

#### **(A) REMUNERATION**

##### **(i) Salary:**

The Executive Director shall be paid Rs.38,500/-(Rupees Thirty Eight Thousand Five Hundred only) as basic salary per month in pay scale of Rs.38,500/- - Rs.70,000/- with annual increment as may be decided by the Remuneration Committee and the Board of Directors of the Company.

##### **(ii) Perquisites:**

In addition to (i) above, the Executive Director shall be entitled to following perquisites:

##### **a) House Rent Allowance:**

The Executive Director shall be paid House Rent Allowance @ 30% of basic salary per month.

##### **b) Payment against Employees Provident Fund contribution:**

The Executive Director shall be paid 10% or more of basic salary in lieu of employees provident fund per month as may be fixed by the company from time to time for senior officer(s) of the company.

##### **c) Conveyance:**

The Executive Director shall be provided with the facility of company's car.



**d) Reimbursement of Medical expenses:**

The Executive Director shall be provided with the facility of reimbursement of actual medical expenses incurred by him & his family subject to a maximum of 8.33% of basic salary in a year and can be accumulated for a period of three years.

**e) Leave Travel Assistance:**

The Executive Director shall be provided with the facility of reimbursement of actual fare but not hotel expenses incurred by him for himself and his wife and dependent children once in two years subject to a maximum of one month's basic salary.

**f) Telephone Expenses :**

The Executive Director shall be paid telephone expenses on actual basis against telephone connection installed at his residence.

In addition to this he shall be provided with a cell phone on actual expenses basis.

**g) Leave and Gratuity**

The Executive Director will be also entitled to Leave/Leave Encashment and Gratuity as per rules of the Company applicable to Senior officers of the Company.

**(B) OVERALL REMUNERATION**

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 & other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

**(C) MINIMUM REMUNERATION**

In the event of loss or inadequacy of profits, the Executive Director shall be paid the same salary as mentioned in para (A)(i) above and he shall also continue to enjoy all the perquisites as mentioned in para (A)(ii) above."

**6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION.**

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956, if any, and in accordance with the provisions as contained in Schedule XIII [Part I] (c) of the Companies Act, 1956 the Company hereby accords its approval to the continuous appointment of Shri Amar Nath Goenka as Managing Director of the company even after attaining the 70 years of age on 26-12-2011 till 17-02-2013 i.e. upto the date the Members of the company have given their approval to his reappointment as Managing Director of the Company in their Meeting held on 10<sup>th</sup> September, 2007.

"RESOLVED FURTHER THAT Terms of appointment and remuneration including perquisites payable to Shri Amar Nath Goenka, Managing Director, as approved by the Shareholders of the company in their Meeting held on 10<sup>th</sup> September, 2007 shall remain unchanged."

By order of the Board  
for PREMIER POLYFILM LTD.

Sd/-

N.K.BHANDARI  
COMPANY SECRETARY

Place : New Delhi

Date : 29/07/2011

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 10/09/2011 to 19/09/2011 (both days inclusive).



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3. As a measure of economy copies of Annual Reports will not be distributed at the Meeting. Members may please bring their own copies of the Annual Report to the Meeting.
4. If a Member desires information on accounts, such request may please be made in writing so as to reach the company at least 7 (seven) days before the Meeting.
5. **MEMBERS ARE REQUESTED TO PROVIDE THEIR RESPECTIVE EMAILS SO AS TO ENABLE COMPANY TO SEND ANNUAL REPORTS BY EMAIL.**
6. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business in item No.5 to 6 is annexed.

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

**Item No.5**

Shri Amitabh Goenka was appointed as an Additional Director of the company under the category of Promoter of the company by the Board of Directors of the company in their Meeting held on 27-01-2010. The Shareholders of the company approved the appointment of Shri Amitabh Goenka as Director of the company liable to retire by rotation in 18<sup>th</sup> Annual General Meeting held on 09/08/2010. The Board of Directors of the Company in their Meeting held on 30<sup>th</sup> October, 2010 appointed Shri Amitabh Goenka Executive Director of the company for a period of 3 (Three) years on the Terms as contained in the Notice convening Nineteenth Annual General Meeting subject to the approval of the shareholders of the company. Shri Amitabh Goenka is son of Shri Amar Nath Goenka, Managing Director of the company. He is 40 years old and holds Degree in Commerce. He has more than 18 years of experience in industry. He is also director on the Board of M/s Joemillar Aquatek India Private Limited, M/s Sunhills Vinyls Private Limited, M/s D L Millar & Company Limited, M/s Kay Ess Polymers Limited, Proprietor of M/s 1000 Plus Inc. and partner in M/s G. B. & Company.

Your Board recommends the resolution to be passed as an **Ordinary Resolution**.

None of the Directors is interested or concerned in this resolution except Shri Amitabh Goenka and Shri Amar Nath Goenka, being father of Shri Amitabh Goenka.

**Item No.6**

Shri Amar Nath Goenka was reappointed as Managing Director of the company by the Shareholders of the company in their Meeting held on 10<sup>th</sup> September, 2007 under Schedule XIII of the Companies Act, 1956. Shri Amar Nath Goenka would be holding the present position of Managing Director upto 17-02-2013. However, Shri Amar Nath Goenka would be attaining 70 years on 26/12/2011. As per provisions of Schedule XIII[Part I] (c) of the Companies Act, 1956 any person can hold office of full time Director upto the age of 70 years without permission of the Central Government. However, this age limit can be relaxed and no permission of the Central Government is required if the shareholders of the company approve a special resolution approving such appointment in their General Meeting. The next Annual General Meeting of the company would be held in the year 2012 i.e. after he attains 70 years of age and hence it is proposed to pass a special resolution by the shareholders as proposed in the Notice convening 19<sup>th</sup> Annual General Meeting so as to continue his appointment as Managing Director after attaining the age of 70 years on 26-12-2011. However, the Terms of appointment and remuneration including perquisites payable to Shri Amar Nath Goenka, Managing Director, as approved by the Shareholders of the company in their Meeting held on 10<sup>th</sup> September, 2007 shall remain unchanged. Shri Amar Nath Goenka holds Commerce Degree and is also on the Board of M/s premier Polyplast & Processors Limited & M/s Sunhills Vinyls Private Limited. He has around 50 years of experience of business and Management.

Your Board recommends the resolution to be passed as a **Special Resolution**.

None of the Directors is interested or concerned in this resolution except Shri Amar Nath Goenka and Shri Amitabh Goenka, being son of Shri Amar Nath Goenka.

By order of the Board  
for PREMIER POLYFILM LTD.

Sd/-

N.K.BHANDARI  
COMPANY SECRETARY

Place : New Delhi  
Date : 29/07/2011



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the **Nineteenth Annual Report** together with Audited Account for the year ended on 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2011	For the year ended 31 <sup>st</sup> March, 2010
Sales & Other Income	5,993	5,543
Operating profit before providing for interest & Depreciation	361	350
<b>Less :</b>		
Interest	65	51
Depreciation	181	246
Net Profit before taxation	115	123
<b>Less :</b>		
Provision for taxation	24	-
Net Profit after tax	91	123
<b>Add:</b>		
Excess provision for Saels tax written back	22	-
Credit balance- Unsecured Loan written back	-	1
Credit balance- Sundry Creditors written back	-	91
<b>Less :</b>		
Damages to ESI dues	15	-
Balance brought forward from previous year	(186)	(401)
Balance carried to Balance sheet	(88)	(186)
Basic and diluted earning per share	0.43	0.59
Face value per equity Share	5.00	5.00

### OPERATIONS

During the period under review your company produced 10,656 M.T. of PVC flooring, Sheetings, Films etc. as against 9598 M.T. produced during the previous year, achieving a capacity utilization of 65.78 % as compared to around 59% in the previous year. The Company could achieve higher capacity utilization but for non availability of adequate Working capital from Banks and present depressed demand for products due to current recession.



### **QUALITY CONTROL**

Your Company continues to hold prestigious ISO 9001:2008 certification for quality as manufacturer and exporter of PVC products namely Marbled (Contract), Printed and Technical Flooring, Leather Cloth, Sheeting, Humidity Barrier and Geo Membrane.

Bureau of Indian Standards has granted BIS certification Mark ISI for Unbacked Flexible PVC Flooring, Sheets or rolls and tiles for 1.5 mm and 2.00 mm thickness vide ISO No. 3462:1986.

### **FUTURE PROSPECTS**

Despite facing tough competition from imported finished goods, the products of your company are well received in the market and the market will not be a constraint after present recession is over. Barring unforeseen circumstances, your company expects to do well in future.

### **DIVIDEND**

Due to previous years' carried over Losses incurred by the company, the Directors of your company are unable to recommend any Dividend for the year 2010-11.

### **REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)**

Upon turning of Networth of your company as positive, the Hon'ble BIFR in a hearing held on 02-12-2010 discharged your company from the purview of SICA/BIFR with the directions that the un-implemented provisions of MS-08, as may be there, would be implemented by the concerned agencies and their implementation would be monitored by the company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:-

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) That your Directors have selected such accounting policies and applied them consistently and made judgment 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 the end of the financial year and of the profit or loss of the company for that period.
- (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for the assets of your company and for preventing and detecting fraud and other irregularities.
- (iv) That your Directors have prepared the annual accounts on a going concern basis

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, as prescribed Under Section 217(1)(e) of the Companies Act, 1956, are annexed as **Annexure 'I'**

### **AUDITORS**

The Auditors M/s De & Bose, Chartered Accountants, Auditors of the company retire at the ensuing Annual General Meeting and are eligible for reappointment.



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**REPLY OF THE BOARD TO AUDITOR'S REPORT**

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**AUDITORS COMMENTS**

**REPLY OF THE BOARD TO AUDITOR'S REPORT**

9.b. The disputed Statutory dues of Sales Tax as at 31st March, 2011 have not been deposited on account of matters pending before appropriate authority.

The company will make payments once the matter is decided by the appropriate authorities and as per sanctioned Scheme of Rehabilitation.

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**DIRECTORS**

Shri K. K. Sinha and Shri S. P. Jain Directors of your company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Shri Amitabh Goenka, Director of the company, was appointed as an Executive Director of the company with effect from 01/11/2010 by the Board of Directors in their Meeting held on 30/10/2010 subject to approval of the Shareholders. It is now proposed to appoint him Executive Director of the company on the Terms as given in the Notice convening Nineteenth Annual General Meeting.

Shri Amar Nath Goenka, Managing Director of the company, would be attaining 70 years on 26/12/2011. As per provisions of Schedule XIII of the Companies Act, 1956 any person can hold office of full time Director upto the age of 70 years. However, this age limit can be relaxed if the shareholders of the company approve such appointment in their General Meeting by a Special Resolution. A proposal to continue appointment of Shri Amar Nath Goenka as managing Director after attaining age of 70 years has been included in the Notice in the ensuing Annual General Meeting.

In terms of Clause 49 of the Listing Agreement notes on Director's seeking appointment/re-appointment are given in **Annexure "II"** and are forming part of the Directors' Report to the Members.

**PERSONNEL**

None of the employees of your company is covered Under Section 217(2)(A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**STOCK EXCHANGES**

The equity shares of your company are listed at the Stock Exchanges as per details given in the **Annexure "III"** and forming part of Directors' Report to the Members. The trading of equity shares were suspended due to non payment of listing fee as company could not pay listing fee due to cash crunch and sickness. The company has already paid Listing fee and submitted documents for Listing of equity shares issued and allotted by the company with BSE and had requested BSE to revoke suspension of trading of equity shares of our company at their stock exchange. BSE has approved listing of equity shares of your company issued and allotted pursuant to the directions of the Hon'ble BIFR and issued capital confirmation letter for taking up matter with NSDL and CDSL for issuance of ISIN number. Further BSE vide its letter dated 29/06/2011 has given in principle approval for revocation of suspension in trading of equity shares of your Company.

However, trading of equity shares at NSE has been suspended for want of non payment of Listing fee and non completion of procedure. The company has already sent documents of non compliance and also requested NSE to send bill towards payment of listing fee as per directions of the Hon'ble BIFR and also to issue capital confirmation letter and allow trading of our equity shares.

You company has appointed M/s Beetal Financial & Computer Services Private Limited, New Delhi as RTA. Till date the shares of your company could not be dematerialization for want of the "Capital Certificate" from NSE and ISIN number from NSDL and CDSL.





## **CORPORATE GOVERNANCE**

In terms of Clause 49 of The Listing Agreement, a report on The Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance is given in **Annexure “IV”** and is forming part of Directors' Report to the Members.

## **CEO/CFO CERTIFICATE**

The Managing Director of the Company is also CEO/CFO of the Company. In Terms of Clause 49 of The Listing Agreement a certificate with regard to Compliance with The Code of Conduct by the Board Members and Senior Management Personnel for the year ended 31<sup>st</sup> March, 2011 duly signed by the Chairman has been included in the Annual Report.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS**

In Terms of Clause 49 of The Listing Agreement notes on Management Discussions and Analysis Report is given in **Annexure “V”** and forming part of the Director's Report.

## **INDUSTRIAL RELATIONS :**

The industrial relations remained cordial during the year under review.

## **PUBLIC DEPOSIT**

The Company has not invited or accepted deposits from the public covered under section 58A of the Companies Act, 1956.

## **ACKNOWLEDGEMENT**

The Directors wish to place on record their sincere appreciation for the whole hearted Co-operation received by the Company from the Hon'ble Board for Industrial and Financial Reconstruction (BIFR), Central and State Government, The Delhi Nagrik Sehkari Bank Limited and other Government Agencies and look forward to their continuing support.

The Directors also record their appreciation for the sincere efforts put in by the employees of the Company at all levels.

For & on Behalf of the  
**BOARD OF DIRECTORS**

Sd/-  
**(AMAR NATH GOENKA)**  
**CHAIRMAN**

Place : New Delhi

Date : 29/07/2011

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## **ANNEXURE – “I”**

### **RESEARCH AND DEVELOPMENT ( R & D)**

1. Specific areas in which R& D carried out by the Company

The Company continues to develop economical formulations for production.

The Company has developed various designs and colours of flooring, sheeting & Leather Cloth.



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**PREMIER POLYFILM LTD.**

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2. Benefits derived as a result	Continuous development of economical formulations of the above R&D has helped the company to reduce cost of manufacturing. By introducing new range of colour schemes and designs of finished products the Company products continue to be in demand. The Company continues to develop economical formulations for production. The Company has been developing various attractive designs and colours of Flooring, sheeting & Leather Cloth on continuous basis .
3. Future plan of action	The company will consider future plan after funds are available .
4. Expenditure on R&D	
a) Capital	Rs. Nil
b) Recurring	Rs. 1.80 Lac approx
c) Total	Rs. 1.80Lac approx
d) Total R&D expenditure as a percentage of total turnover	0.03%

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

1. Efforts, in brief made towards technology absorption,	No technology has been imported and the company continues to adopt the indigenous technology.
2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import	The Company has installed laboratory scale calendaring line , first time in India , by which every material is tested on lab scale resulting in deduction of wastage and saving machine time. It gives extra benefits in developing economical formulations within the shortest span of time.

**FOREIGN EXCHANGE EARNINGS & OUTGO**

	(Rs. In lacs)
1. Earnings	396
2. Outgo	413

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**ANNEXURE "II"****NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES. (ANNEXURE TO DIRECTORS REPORT)**

At the ensuing Annual General Meeting Shri K K Sinha and Shri S. P. Jain , Directors of your Company, retire by rotation and being eligible offer themselves for reappointment.

Shri K K Sinha is independent director of the Company. He is 67 years of age and holds Post-graduate with degree in Law and has done certificate course in Business Management. He has experience of around 45



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**PREMIER POLYFILM LTD.**

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years in commercial affairs with specialization in marketing. He is also director on the Board of M/s Premier Irrigation Exports Limited and M/s Premierworld Technologies Limited.

Shri S. P. Jain is Executive Director of the Company. Shri Jain is around 63 years of age and holds University Degree and has over 42 years of commercial experience and is well versed with the matters pertaining to factories Act, Labour Laws, Industrial Disputes Acts etc. Shri Jain is Member of Remuneration Committee, Audit Committee, Shareholders/Investor Grievance Committee and Share Transfer Committee.

Shri Amitabh Goenka was appointed as an Executive Director of the Company by the Board of Directors of the company in their Meeting held on 30-10-2010. Shri Amitabh Goenka was appointed Director of the company by the members of the company in 18<sup>th</sup> Annual General Meeting of the Company held on 09-08-2010. Shri Amitabh Goenka was appointed under the category of Promoter of the company. He is son of Shri Amar Nath Goenka, Managing Director of the company. He is 40 years old and holds Degree in Commerce. He has more than 18 years of experience in industry. He is also director on the Board of M/s Joemillar Aquatek India Private Limited, Ms/ D L Millar & Company Limited, M/s Kay Ess Polymers Limited, M/s Sunhills Vinyls Private Limited, Proprietor of M/s 1000 Plus Inc. and partner in M/s G. B. & Company.

Shri Amar Nath Goenka is Managing Director of the company. The present tenure of Shri Amar Nath Goenka as Managing Director of the Company is upto 17-02-2013. However he would be attaining the age of 70 years on 26/12/2011. As per provisions of Schedule XIII of the Companies Act, 1956 any person can hold office of full time Director upto the age of 70 years. However, this age limit can be relaxed if the shareholders of the company approve such appointment in their General Meeting by a Special Resolution. A proposal to continue appointment of Shri Amar Nath Goenka as managing Director after attaining age of 70 years has been included in the Notice in the ensuing Annual General Meeting. Shri Amar Nath Goenka holds Commerce Degree and is also on the Board of M/s Premier Polyplast & Processors Limited and M/s Sunhill Vinyls Private Limited. He has around 50 years of experience of business and management.

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**ANNEXURE – “III”****LIST OF STOCK EXCHANGES**

1. National Stock Exchange of India Limited, “Exchange Plaza”, 5<sup>th</sup> Floor, Plot No. C/1, ‘G’ Block, Bandra Kula Complex, Bandra East, Mumbai – 400051. ( Code No. PREMIERPOL)
  2. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Toweres, Dalal Street, Mumbai- 400001( Code No. 514354)
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**ANNEXURE – “IV”****CORPORATE GOVERNANCE REPORT****(ANNEXURE TO DIRECTORS REPORT)****COMPANYS’ PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your Company has been practicing the principle of good Corporate Governance. The Board of Director supports the broad principles of corporate governance. In addition to the basic governance issues the Board lays strong emphasis on transparency, accountability, integrity, customer satisfaction and efforts for maximization of Shareholders wealth.

**CEO/CFO CERTIFICATION**

In terms of Clause 49 of the Listing Agreement, the certification by the Managing Director & CEO and CFO on the financial statements and internal controls relating to financial reporting has been obtained. The Managing Director is also CEO and CFO of the Company.

**RESPONSIBILITIES**

The Board reserves for its consideration and decisions in the matters of policy, capital expenditure, Corporate Governance and reporting to Shareholders. During the year under review, the Board met 5 (Five) times. These Board Meetings were held on 30<sup>th</sup> April, 2010, 21<sup>st</sup> June, 2010, 30<sup>th</sup> July, 2010, 30<sup>th</sup> October, 2010 and 24<sup>th</sup> January, 2011. The Directors ensure that their responsibility as Directors of the company and their interest do not clash with interest of the company.



## PREMIER POLYFILM LTD.

### BOARD OF DIRECTORS

Shri Amar Nath Goenka is the Managing Director of the company. The Board as on 31<sup>st</sup> March, 2011 consisted of 6 (Six) Directors including the Managing Director out of which Shri Jaspal Singh Marwah, Shri Kamlesh Kumar Sinha, Shri Manoj Kumar Gupta, are three (3) independent Directors and out of remaining Three (3) Directors Shri Amar Nath Goenka and Shri Amitabh Goenka, are promoter Directors and Shri S.P. Jain, is Executive Director.

During the financial year under review, 5 (Five) Board Meetings were held on 30<sup>th</sup> April, 2010, 21<sup>st</sup> June, 2010, 30<sup>th</sup> July, 2010, 30<sup>th</sup> October, 2010 and 24<sup>th</sup> January, 2011

The details of (i) Composition and Category of Directors, (ii) Attendance of each Director at the Board Meeting and last Annual General Meeting, (iii) The Directorship/Membership held by each Director, and (iv) The details of the Board Meetings are as follows :-

#### 1. COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31/03/2011

CATEGORY	NAME OF DIRECTOR	STATUS	DATE OF APPOINTMENT
PROMOTER	SHRI AMAR NATH GOENKA	MANAGING DIRECTOR	SINCE INCEPTION OF COMPANY I.E. 17-07-1992
	SHRI AMITABH GOENKA	EXECUTIVE DIRECTOR	27-01-2010
EXECUTIVE	SHRI S.P. JAIN	EXECUTIVE DIRECTOR	26-06-2004
INDEPENDENT	SHRI JASPAL SINGH MARWAH	NON EXECUTIVE	02-09-1999
	SHRI MANOJ KUMAR GUPTA	NON EXECUTIVE	30-03-2001
	SHRI KAMLESH KUMAR SINHA	NON EXECUTIVE	19-08-2003

#### 2. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING (AGM) HELD ON 9<sup>th</sup> AUGUST 2010 AND NO. OF DIRECTORSHIPS IN OTHER BOARDS AND CHAIRMANSHIP/MEMBERSHIP IN OTHER BOARD, COMMITTEES.

Name Of Director	No. of Board meeting held	No. of Board meeting attended	Attendance at the last AGM	No. of Directorship in other Boards as on 31-03-2011*	No. of Membership in other Board committees as 31-03-2011*
SHRI A. N. GOENKA	5	5	Present	2	1
SHRI S.P. JAIN	5	5	Present	-	4
SHRI J.S. MARWAH**	5	5	Present	2	3
SHRI M.K. GUPTA	5	5	Present	1	3
SHRI K.K. SINHA	5	5	Present	2	-
SHRI AMITABH GOENKA	5	4	Present	4	-

\*Directorship in Foreign Companies and Private Limited Companies & Partnership companies have not been included in the above table/details.

\*\* Chairman Audit Committee.



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No Director of the company was a member in more than 10 Committees or acted as Chairperson of more than five Committees across all companies in which he was a Director.

**DETAILS OF THE BOARD MEETINGS HELD DURING THE YEAR APRIL 1, 2010 TO MARCH 31,2011**

<b>DATE OF MEETINGS</b>	<b>BOARD STRENGTH</b>	<b>NUMBER OF DIRECTOR PRESENT</b>
April 30,2010	6	6
June 21,2010	6	6
July 30, 2010	6	6
October 30, 2010	6	6
January 24, 2011	6	5

**COMMITTEES OF BOARD**

**A) AUDIT COMMITTEE**

Audit Committee of the Board consist of 3 (three) Directors of the company, i.e. Shri Jaspal Singh Marwah, chairman of Audit Committee, Shri Manoj Kumar Gupta and Shri S.P. Jain, Directors of the company. The Audit Committee has been authorized to look after the following major functions:

- 1) To ensure internal control system
- 2) To have discussions with the auditors periodically about the internal control system, the scope of audit including the observations of the auditors.
- 3) To review the quarterly and the annual financial statements before submission to the Board.
- 4) To investigate into any matter in relation to the items specified in Section 292 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice if necessary.
- 5) The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.
- 6) If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the Shareholders.
- 7) The Chairman of the Audit Committee shall attend the Annual General Meetings of the company to provide any clarifications(s) on the matters relating to audit.

**DETAILS OF COMPOSITION, NAMES OF MEMBERS, NO. OF MEETINGS HELD AND ATTENDANCE OF AUDIT COMMITTEE DURING THE YEAR APRIL 1, 2010 TO MARCH 31, 2011**

<b>NAME OF DIRECTOR</b>	<b>NO. OF MEETING HELD</b>	<b>NO. OF MEETINGS ATTENDED</b>
SHRI J.S. MARWAH (CHAIRMAN)	5	5
SHRI M.K. GUPTA	5	5
SHRI S.P. JAIN	5	5

**B) REMUNERATION COMMITTEE**

The Remuneration Committee of the board consist of 3 (three) Directors of the company, i.e. Shri Jaspal Singh Marwah, Chairman of Remuneration Committee, Shri Manoj Kumar Gupta and Shri S.P. Jain, Directors of the Company. The Committee has been authorized to look after following major functions:

- 1) To ensure formation & implementation of Remuneration Policy with regard to followings:
- 2) All elements of remuneration package of all the Directors i.e. Salary, benefits, bonuses, stock options, pension etc.
- 3) Details of fixed component and performance linked incentives along with the performance criteria



**PREMIER POLYFILM LTD.**

- 4) Service contracts, notice period , severance fees.
- 5) Stock option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable.
- 6) Any other matter related to remuneration/perks to Directors.

**DETAILS OF COMPOSITION, NAMES OF MEMBERS, NO. OF MEETINGS HELD AND ATTENDANCE OF REMUNERTION COMMITTEE DURING THE YEAR APRIL 1, 2010 TO MARCH 31, 2011**

NAME OF DIRECTOR	NO. OF MEETING HELD	NO. OF MEETINGS ATTENDED
SHRI J.S. MARWAH ( CHAIRMAN)	2	2
SHRI M.K. GUPTA	2	2
SHRI S.P. JAIN	2	2

**DETAILS OF REMUNERATION PAID TO ALL DIRECTORS DURING APRIL,2010 TO MARCH, 2011**

NAME OF DIRECTOR	Sitting Fee	Salary	House Rent Allowances/ Housing Accommodation	Other Allowances	Gas / Electricity/ Club Fee	Medical	Leave Travel Conces- sion	Leave Encash- ment provision	Gratuity Provision	Accident Insurance premium	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SHRI AMAR NATH GOENKA	-	4,80,000	2,88,000	-	-	-	-	1,624	68,230	-	8,37,854
SHRI JASPAL SINGH MARWAH	24,000	-	-	-	-	-	-	-	-	-	24,000
SHRI AMITABH GOENKA*	6,000	1,92,500	57,750	19,250	-	-	-	4,893	8,343	-	2,88,736
SHRI MANOJ KUMAR GUPTA	24,000	-	-	-	-	-	-	-	-	-	24,000
SHRI KAMLESH KUMAR SINHA	7500	-	-	-	-	-	-	-	-	-	7,500
SHRI S P JAIN	-	4,49,196	1,34,760	44,916	-	15,000	37,433	6,859	47,653	-	7,35,817

\* Shri Amitabh Goenka was appointed Executive Director of the company with effect from 01-11-2010 and hence sitting fee as shown above is upto 30-10-2010 and salary and perks have been taken with effect from 01-11-2010.

**C) SHAREHOLDERS/INVESTORS GRIEVENCE COMMITTEE**

Names of members of the Shareholders/Investors Grievance Committee alongwith numbers of meetings held and attended by the Committee Members during the year 1<sup>st</sup> April,2010 to 31<sup>st</sup> March, 2011 is as under :-

NAME OF DIRECTOR	NO. OF MEETING HELD	NO. OF MEETINGS ATTENDED
SHRI J.S. MARWAH ( CHAIRMAN)	4	4
SHRI M.K. GUPTA	4	4
SHRI S.P. JAIN	4	4

**BROAD TERMS OF REFERENCE TO SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

To review and advise the Company on any grievance in relation to non transfer of shares, non receipt of Annual Report, non receipt of Dividend etc. and any other investors grievances raised by any Members/Shareholders.

**COMPLIANCE OFFICER**

SHRI N.K. BHANDARI, COMPANY SECRETARY

**NUMBER OF SHAREHOLDERS COMPLAINTS RECEIVED DURING THE PERIOD APRIL 1, 2010 TO MARCH 31, 2011.**

No complaint was received from any shareholder during the financial year 2010-2011.

**PREMIER POLYFILM LTD.****NUMBER OF COMPLAINTS PENDING WITH THE COMPANY**

NIL

**NUMBER OF SHARES PENDING FOR TRANSFER**

NIL

**GENERAL INFORMATION FOR SHAREHOLDERS**

<b>REGISTERED OFFICE</b>	305, III FLOOR, ELITE HOUSE, 36, COMMUNITY CENTRE, KAILASH COLONY EXTENSION, (ZAMROODPUR) NEW DELHI 110 048 PHONE 29246481 FAX 29236482 WEBSITE:www.premierpoly.com EMAIL:investor@premierpoly.com
<b>ANNUAL GENERAL MEETING</b>	DATE : 19-09-2011 TIME :12.30 P.M. VENUE : SHAH AUDITORIUM, 2 RAJ NIWAS MARG CIVIL LINES, DELHI - 110054
<b>DATE OF BOOK CLOSING</b> (FOR THE PURPOSE OF ANNUAL GENERAL MEETING)	10-09-2011 TO 19-09-2011 (BOTH DAYS INCLUSIVE)
<b>DIVIDEND PAYMENT DATE</b>	NOT APPLICABLE
<b>LISTING ON STOCK EXCHANGES</b>	1. National Stock Exchange of India Limited (COMPANY CODE: PREMIERPOL) 2. Bombay Stock Exchange Limited. (COMPANY CODE: 514354)
<b>MARKET PRICE DATA: HIGH LOW DURING EACH MONTH IN LAST FINANCIAL YEAR</b>	During the year under review the trading in the shares of the company remained suspended due to non payment of Listing Fee to NSE and pending compliance of procedures in NSE.
<b>REGISTRAR AND SHARE TRANSFER AGENT (RTA)</b>	Beetal Financial & Computers Services(P)Ltd. Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir , New Delhi-110062
<b>SHARE TRANSFER SYSTEM</b>	Share transfer requests in physical form are to be sent to RTA of the company which are processed within 30 days from the date of receipt.

**DISTRIBUTION OF SHAREHOLDING AS ON 31-03-2011**

CATEGORY	NO. OF SHARE OF RS. 5.00/- EACH	% OF SHARES HOLDING
PROMOTERS	96,25,375	45.95
MUTUAL FUNDS	3,18,825	1.52
BANKS/FIS	1,12,950	0.54
FOREIGN INST. INVESTOR	72,500	0.35
CORPORATE BODIES	88,80,200	42.39
INDIVIDUAL (PUBLIC & NRI)	19,38,645	9.25
TOTAL	2,09,48,495	100.00



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**PREMIER POLYFILM LTD.**

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**DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31-3-2011** The process of dematerialisation of shares could not be started for want of "Capital Certificate" from NSE and non availability of ISIN number from NSDL and CDSL.

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**WORKS/PLANT LOCATION** 40/1A, SITE IV, SAHIBABAD INDUSTRIAL AREA, SAHIBABAD, DISTT. GHAZIABAD(UP)

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**ADDRESS FOR CORRESPONDENCE** 305, III FLOOR, ELITE HOUSE, 36, COMMUNITY CENTRE, KAILASH COLONY EXTENSION, (ZAMROODPUR), NEW DELHI 110 048

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**ANNUAL GENERAL MEETINGS**

PARTICULARS DATE & TIME	FY 2007-2008 26-09-2008 at 3.00 P.M.	FY 2008-2009 21-08-2009 at 11.30 A.M.	FY 2009-10 09-08-2010 12.30 P. M.
VENUE	SHAH AUDITORIUM 2, RAJ NIWAS MARG CIVIL LINES DELHI 110054	SHRI SATHYA SAI INTERNATIONAL CENTRE, INSTITUTIONAL AREA, PRAGATI VIHAR, LODHI ROAD NEW DELHI-110003	SHAH AUDITORIUM 2, RAJ NIWAS MARG CIVIL LINES DELHI 110054

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No special resolution(s) was/were passed through postal ballot at the last Annual General Meeting.

No Special resolution(s) is/are proposed through postal ballot at the forthcoming Annual General Meeting.

**DISCLOSURES:**

- i) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, or their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. The Company does not have any related party transactions, which may have potential conflict with the interest of the Company at large.
- ii) Details of non compliance, penalties, stricture by SEBI/Statutory Authorities/Stock Exchanges on matters relating to capital markets during the last three years.

Our company has not paid Listing Fees to National Stock Exchange of India Limited due to non receipt of details Listing fee arrears payable. The company has paid listing fees to Bombay Stock Exchange Limited and has also complied with pending non compliances.

**MEANS OF COMMUNICATION:**

The Notice of Board Meetings for consideration of Unaudited Financial results and the financial results are published in the "THE MINT" and "HARI BHOOMI", the vernacular (Hindi) Newspaper.

All material information about the company is promptly sent to the stock exchanges where its equity shares are listed through fax, email and the same is then also sent through Speed Post/Registered Post/Courier to the respective Stock Exchanges.

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

The company has obtained a Certificate from the Statutory Auditors regarding Compliance of the conditions of Corporate Governance as stipulated in Clause 49 and the same is annexed.





**PREMIER POLYFILM LTD.**

**ATTENDANCE OF DIRECTORS AT THE BOARD MEETING HELD DURING APRIL 1, 2010 TO MARCH 31, 2011**

NAME OF DIRECTOR	DATE OF MEETING				
	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
	30-04-2010	21-06-2010	30-07-2010	30-10-2010	24-01-2011
A.N. GOENKA	Present	Present	Present	Present	Present
J.S. MARWAH	Present	Present	Present	Present	Present
M.K. GUPTA	Present	Present	Present	Present	Present
AMITABH GOENKA	Present	Present	Present	Present	Absent
S.P. JAIN	Present	Present	Present	Present	Present
K.K. SINHA	Present	Present	Present	Present	Present

For & on Behalf of the  
BOARD OF DIRECTORS.  
Sd/-  
AMAR NATH GOENKA  
CHAIRMAN

PLACE: NEW DELHI  
DATED:29/07/2011

**ANNEXURE "V"**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT  
(ANNEXURE TO DIRECTORS REPORT)**

**INDUSTRY**

The company is engaged in the manufacture of vinyl flooring, sheeting and artificial leather cloth. The products of the company are used for a variety of industrial and consumer applications. Overall growth rate of the market size is 5 % to 10% annually.

The image of the company, built though decades of quality is the major strength of the company. The company has a significant share of the vinyl flooring, sheeting and artificial leather cloth market and is the quality leader in the vinyl flooring market.

**RISK AND CONCERNS**

PVC resin is the most important raw material for the company. Demand for PVC resin in the country has been increasing every year. Additional capacity for manufacture of PVC resin was commissioned in the year 2010 but the supply is still not adequate to meet the demand. Further, for certain grade of resin, there is only one manufacturer in the country. Hence any disruption in the supply from this source can effect the operations of the company.

There is severe competition in the market for the company's products. The overall capacity in the industry is significantly more than the demand. This can affect adversely their margins in sale of products.

**FINANCIAL PERFORMANCE**

Net Sales for the year was Rs. 5,487 Lacs which was Rs. 5,185 Lacs for the previous year. Profit margins and Sales was low due to dumping of imported material in the market and unhealthy competition from domestic manufacturers due to over capacity.



**PREMIER POLYFILM LTD.**

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### **EXPORT PERFORMANCE**

The Company could Export the products to the tune of Rs. 396 Lacs during the current year as against Rs. 692 Lacs during the previous year. The reasons for sharp decline in the exports is globally general economic recession.

### **INTERNAL CONTROL SYSTEM**

The Company has proper and adequate internal control system to ensure that its assets are safeguarded and that transactions are properly authorised, reported and recorded. The Company has also a system of internal audit and management reviews to ensure compliance with the prescribed procedure and authority level. M/s D.D. Bansal and Associates, Chartered Accountants, are Internal Auditor of the company to look after the job of Internal Auditor.

### **HUMAN RESOURCES**

The Company appreciate the efforts of its dedicated team of employees. Industrial relations were cordial during the year. The Company accords very high priority to safety in all aspects of its operations. The employees are trained in various aspects of safety. Regular safety audits are conducted to ensure high safety standards.

### **DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 (D)(D)(II) OF THE LISTING AGREEMENT**

**TO**

#### **THE MEMBERS OF PREMIER POLYFILM LTD.**

I hereby declare that to the best of my knowledge and belief, all the members of the Board and senior management personnel of the Company have affirmed their respective compliance for the year ended March 31, 2011.

For Premier Polyfilm Ltd.

Sd/-

AMAR NATH GOENKA

CHAIRMAN

PLACE: NEW DELHI

DATED:29/07/2011

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### **GREEN INITIATIVE IN THE CORPORATE GOVERNANCE**

Dear Members,

Date: 29/07/2011

The Ministry of Corporate Affairs vide its Circular No. 17/2011 dated 21st April, 2011 followed by Circular No 18/2011 dated 29th April, 2011 has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies through electronic mode and introduced e-mail as one of the modes of sending communication to the Members under Section 53 of the Companies Act, 1956.

To implement the said Circulars, the Company proposes to send to the Members various documents including Notices, Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report etc. onwards in electronic form/mode to the email addresses of the Members provided by the them and/or made available to the Company or to the Registrar and Share Transfer Agent (RTA) of the Company i.e. M/s Beetal Financial & Computer Services Private Limited .

All the Members are requested to immediately register their e-mail addresses mentioning their Folio Numbers with RTA of the Company or directly with the company .

For PREMIER POLYFILM LTD.

SD/-

(COMPANY SECRETARY)



**PREMIER POLYFILM LTD.**

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**AUDITORS'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

**THE MEMBERS OF PREMIER POLYFILM LIMITED**

We have examined the compliance of conditions of Corporate Governance by **PREMIER POLYFILM LIMITED**, for the year ended on March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India .

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidelines Note on Certification of Corporate Governance ( as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures 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 explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 & on Behalf of the  
DE & BOSE  
CHARTERED ACCOUNTANTS**

Sd/-.

**SUBRATA DE  
PARTNER**

**Membership No. 54962**

**CAMP: NEW DELHI  
DATED:29/07/2011**

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**AUDITORS' REPORT**

**TO THE MEMBERS OF PREMIER POLYFILM LIMITED.**

1. We have audited the attached balance sheet of **PREMIER POLYFILM LIMITED** as at March 31, 2011, the related profit and loss account and cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.



4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report have complied with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon/attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
    - ii) in the case of profit and loss account, of the profit for the year ended on that date and
    - iii) in the case of the cash flow statement, of the cash flow for the year ended on that date.

For & on behalf of  
DE & BOSE  
Chartered Accountants  
Firm Registration No.302175E

Place: Camp New Delhi  
Date:29/07/2011

Sd/-  
Partner.  
Membership No. 54962

### **ANNEXURE TO THE AUDITORS' REPORT**

Referred to in Paragraph 3 of the our report of even date.

1. In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year, 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 any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories :
  - a. As explained to us, the said inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures for 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.



**PREMIER POLYFILM LTD.**

- c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
- The Company has not granted any loans to any company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956.
- The Company has taken unsecured loans from company, firm or other party covered in the register maintained under Section 301 of the Companies Act, 1956 ( number of parties – 1 , maximum outstanding during the year – Rs. 606,702/- , year end balances – 298,814/- ).
- According to the information and explanation and explanations given to us, we are of the opinion that the rate of interest and terms and conditions of unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories , fixed assets and also for the sale of goods and services. Further, on the basis of our examination of the books and the records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956 :
- a. According to the information and explanations given to us, particulars 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, each of these transactions aggregating during the year to Rs.5,00,000/- ( Rupees Five Lacs only ) or more in respect of any party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public under Sections 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed thereunder.
7. 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, to the Company.
9. In respect of statutory dues :
- a. According to the information and explanations given to us and the records of the Company produced before us, the Company is generally regular in depositing the undisputed statutory dues for the year including Provident Fund, Employees' State Insurance, Sales Tax , Customs Duty , Excise Duty and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there is no undisputed amounts outstanding as at 31st March, 2011 for period of more than six months from the date of becoming payable.
- b. The disputed statutory dues as at 31st March, 2011 aggregating to Rs. 1,38,66,816 /-, that have not been deposited on account of matters pending before appropriate authorities are as under :

Nature of the statute	Nature of the dues	Forum where dispute is pending	Amount( Rs. )
Central Sales Tax Act and Sales Tax Act of various states	Sales Tax	Trade Tax Tribunal, Lucknow.	1,38,66,816 /-



**PREMIER POLYFILM LTD.**

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10. As per records, the Company has no accumulated losses at the end of financial year, more than fifty percent of its net worth and not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that during the year under audit, the Company has not defaulted in repayment of dues to financial institution and banks . As the Company has not issued any debentures, there is no dues from any debenture holder.
12. The Company has not granted any loan and advance in the nature of inter corporate deposits on the basis of security by way of pledge of shares . Therefore, the provisions of Clause 4 (xii ) of the Order are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii ) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv ) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others, from banks or financial institutions.
16. As per records, the Company has raised term loans during the financial year covered under audit and the loans were applied for the purpose for which the loans were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any allotment of share during the financial year covered under audit.
19. The Company has not issued any debentures. Accordingly, the provisions of Clause 4 (xix ) of the Order are not applicable to the Company.
20. The company has not raised any money by way of public issue during the financial year covered under audit.
21. During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company ,noticed or reported during the year, nor have we been informed of any such case by the management.

For & on behalf of  
DE & BOSE  
Chartered Accountants  
Firm Registration No.302175E

Place: Camp New Delhi  
Date:29/07/2011

Sd/-  
Partner.  
Membership No. 54962



**PREMIER POLYFILM LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

DESCRIPTION	SCHEDULE	AS AT 31.03.2011 (Rs.)	AS AT 31.03.2010 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share Capital	1	105,900,788	105,900,788
<b>RESERVES AND SURPLUS</b>			
Share Premium Account		84,573,640	84,573,640
<b>LOAN FUNDS</b>			
Secured Loans	2	27,665,484	1,390,253
Unsecured Loans		41,107,972	67,801,211
<b>TOTAL</b>		<b>259,247,884</b>	<b>259,665,892</b>
<b>APPLICATIONS OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	353,217,645	351,551,601
Less: Depreciation		251,686,941	234,017,446
Net Block		101,530,704	117,534,155
Capital Work-in- Progress		—	348,192
		101,530,704	117,882,347
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	4	101,291,499	88,095,964
Sundry Debtors		70,006,876	69,687,579
Cash and Bank Balances		61,052,126	54,786,366
Loans and Advances		17,352,249	16,139,440
		249,702,750	228,709,349
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	5	98,336,720	105,503,390
Provisions		2,425,000	—
<b>NET CURRENT ASSETS</b>		<b>148,941,030</b>	<b>123,205,959</b>
<b>PROFIT AND LOSS ACCOUNT</b>		<b>8,776,150</b>	<b>18,577,586</b>
<b>TOTAL</b>		<b>259,247,884</b>	<b>259,665,892</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>			
	9		

The Schedules referred to above form an integral part of the Balance Sheet. This is the Balance Sheet referred to in our report of even date.

For DE & BOSE

CHARTERED ACCOUNTANTS

SUBRATA DE

PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 54962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 29th day of July, 2011



**PREMIER POLYFILM LTD.**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

DESCRIPTION	SCHEDULE	FOR THE YEAR ENDED 31.03.2011	FOR THE YEAR ENDED 31.03.2010
<b>INCOME</b>		(Rs.)	(Rs.)
Sales		587,836,177	543,052,995
Less: Excise Duty		<u>50,663,408</u>	<u>35,844,557</u>
		537,172,769	507,208,438
Add: Other Income	6	<u>11,486,599</u>	<u>11,252,838</u>
<b>TOTAL</b>		<u>548,659,368</u>	<u>518,461,276</u>
<b>EXPENDITURE</b>			
<b>Manufacturing and other Expenses</b>	7		
Cost of Sales		371,962,354	358,696,539
Manufacturing Expenses		52,958,410	47,990,051
Employees Remuneration and Benefits		43,924,982	35,229,017
Administrative and Other Expenses		18,801,755	16,729,399
Selling and Distribution Expenses		<u>24,912,910</u>	<u>24,780,356</u>
		512,560,411	483,425,362
Interest	8	6,499,551	5,141,306
Depreciation		<u>18,144,815</u>	<u>17,585,100</u>
<b>TOTAL</b>		<u>537,204,777</u>	<u>506,151,768</u>
Profit for the year before taxation		11,454,591	12,309,508
Less: Provision for Taxation :		<u>2,425,000</u>	—
Profit for the year after taxation		9,029,591	12,309,508
Add : Excess Provision for Sales Tax written back		2,241,000	—
: Credit Balance - Unsecured Loan written back		—	81,825
: Credit Balance - Sundry Creditors written back		—	9,061,205
		<u>11,270,591</u>	<u>21,452,538</u>
Less : Damages on ESI Dues		<u>1,469,155</u>	—
		9,801,436	21,452,538
Balance brought forward from previous year		<u>(18,577,586)</u>	<u>(40,030,124)</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>(8,776,150)</u>	<u>(18,577,586)</u>
Basic and Diluted Earnings per Share			
(Refer Note 19 of Schedule 9)		0.43	0.59
Face Value per Equity share		5.00	5.00
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	9		

The Schedules referred to above form an integral part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our report of even date.

For DE & BOSE

CHARTERED ACCOUNTANTS

SUBRATA DE  
PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 54962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 29th day of July, 2011



**PREMIER POLYFILM LTD.****SCHEDULE - 1 : SHARE CAPITAL**

<b>DESCRIPTION</b>	<b>AS AT 31.03.2011</b>	<b>AS AT 31.03.2010</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>AUTHORISED :</b>		
3,00,00,000 Equity Shares of Rs.5.00 each	<u>150,000,000</u>	<u>150,000,000</u>
<b>ISSUED :</b>		
2,14,15,000 Equity Shares of Rs.5.00 each	<u>107,075,000</u>	<u>107,075,000</u>
<b>SUBSCRIBED :</b>		
2,14,11,820 Equity Shares of Rs.5.00 each	<u>107,059,100</u>	<u>107,059,100</u>
<b>PAID UP :</b>		
2,09,48,495 Equity Shares of Rs.5.00 each	<u>104,742,475</u>	<u>104,742,475</u>
Add: Share forfeited	<u>1,158,313</u>	<u>1,158,313</u>
	<u>105,900,788</u>	<u>105,900,788</u>

**SCHEDULE - 2 : LOAN FUNDS**

<b>DESCRIPTION</b>	<b>AS AT 31.03.2011</b>	<b>AS AT 31.03.2010</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>SECURED LOANS</b>		
<b>LONG TERM</b>		
Loan for vehicles	<u>645,135</u>	<u>1,390,253</u>
<b>CASH CREDIT</b>		
From Delhi Nagrik Sehkari Bank Limited	<u>27,020,349</u>	<u>—</u>
	<u>27,665,484</u>	<u>1,390,253</u>
<b>UNSECURED LOANS</b>		
From Others	<u>41,107,972</u>	<u>67,801,211</u>

**NOTES :**

1. The Company has taken Vehicle Loans from banks which are secured by way of hypothecation of the vehicles.
2. Cash credit facility from Delhi Nagrik Sehkari Bank Limited is secured by hypothecation of Raw Material, Work-in-Progress, Finished Goods, Stores & Spares and Book Debts. This Loan is collaterally secured by Personal gurantee of Mr. Amar Nath Goenka, Managing Director and Mr. Amitabh Goenka, Director of the Company.



SCHEDULE - 3 FIXED ASSETS		GROSS BLOCK		DEPRECIATION			NET BLOCK				
		COST AS ON 01.04.2010	ADDITION	SALE/ ADJ.	TOTAL COST AS ON 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	SALE/ ADJ.	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
DESCRIPTION	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land (Leasehold)	6930259	—	—	6930259	1322131	77003	—	1399134	5531125	5608128	
Buildings	31841739	—	—	31841739	13243441	864051	—	14107492	17734247	18598298	
Plant & Machinery	267796915	814703	—	268611618	192960355	14139677	—	207100032	61511586	74836560	
Electrical Installations	29663515	—	—	29663515	22794351	1566234	—	243660585	5302930	6869164	
Furniture, Fixture and office equipments etc	4208625	731335	—	4939960	1445866	432930	—	1878796	3061164	2762759	
Vehicles	11110548	1253414	1133408	11230554	2251302	1064920	475320	2840902	8389652	8859246	
<b>Total</b>	<b>351551601</b>	<b>2799452</b>	<b>1133408</b>	<b>353217645</b>	<b>234017446</b>	<b>18144815</b>	<b>475320</b>	<b>251686941</b>	<b>101530704</b>	<b>117534155</b>	
Corresponding Figures as on 31.03.2010	341202187	11097272	747858	351551601	216876530	17585100	444184	234017446	117534155		



**PREMIER POLYFILM LTD.**

**SCHEDULE - 4 : CURRENT ASSETS, LOANS AND ADVANCES**

DESCRIPTION	AS AT 31.03.2011	AS AT 31.03.2010
	(Rs.)	(Rs.)
<b>CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
Raw Materials	29,196,956	39,023,192
Work-in-Progress	17,223,500	10,795,876
Finished Goods	51,451,805	34,438,523
Stores and Spares	3,419,238	2,567,499
Material-in-Transit	—	1,270,874
	<u>101,291,499</u>	<u>88,095,964</u>
<b>SUNDRY DEBTORS - UNSECURED</b>		
Outstanding for a Period exceeding six months		
Considered Doubtful	11,975,638	12,651,211
Others - Considered Good	58,031,238	57,036,368
	<u>70,006,876</u>	<u>69,687,579</u>
<b>CASH AND BANK BALANCES</b>		
Cash in hand	260,308	552,270
<b>Balance with Scheduled Banks</b>		
- On Current Account	4,300,645	2,856,744
- On Margin Money account	13,555,970	9,877,352
- On Fixed Deposit Account	42,935,203	41,500,000
	<u>61,052,126</u>	<u>54,786,366</u>
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	8,448,271	5,175,224
Claims Receivable	268,355	104,860
Interest Receivable	1,579,994	1,782,551
Income Tax Deducted at Source	2,543,334	4,564,510
Deposits with Government Departments and Others	4,512,295	4,512,295
	<u>17,352,249</u>	<u>16,139,440</u>
<b>TOTAL</b>	<u>249,702,750</u>	<u>228,709,349</u>

**SCHEDULE - 5 : CURRENT LIABILITIES AND PROVISIONS**

DESCRIPTION	AS AT 31.03.2011	AS AT 31.03.2010
	(Rs.)	(Rs.)
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	52,038,792	60,771,992
Other Liabilities	38,496,171	35,937,792
Advance from Customers	7,565,757	8,557,606
Deposits from Distributors	236,000	236,000
	<u>98,336,720</u>	<u>105,503,390</u>
<b>PROVISIONS</b>		
Income Tax	2,425,000	—
	<u>2,425,000</u>	<u>—</u>



**PREMIER POLYFILM LTD.**

**SCHEDULE - 6 : OTHER INCOME**

DESCRIPTION	FOR THE YEAR	FOR THE YEAR
	ENDED 31.03.2011	ENDED 31.03.2010
	(Rs.)	(Rs.)
Export Benefits	702,283	—
Interest {(Tax deducted at source Rs. 3,38,671) (Previous year Rs. 5,68,271)}	4,222,037	3,772,921
Liabilities Written back	503,630	570,994
Miscellaneous Receipts	6,058,649	6,908,923
	<u>11,486,599</u>	<u>11,252,838</u>

**SCHEDULE - 7 : MANUFACTURING AND OTHER EXPENSES**

DESCRIPTION	FOR THE YEAR	FOR THE YEAR
	ENDED 31.03.2011	ENDED 31.03.2010
	(Rs.)	(Rs.)
<b>(A) COST OF SALES</b>		
<b>MATERIAL CONSUMED</b>		
Stock at Opening	39,023,192	16,397,354
Add: Purchases	363,235,238	369,512,836
	<u>402,258,430</u>	<u>385,910,190</u>
Less: Stock at Close	29,196,956	39,023,192
	<u>373,061,474</u>	<u>346,886,998</u>
Add: Purchase of Raw material for Sales	10,812,760	10,086,271
Add: Purchase of Finished Goods	4,592,428	979,776
Add: Purchase - High Seas	6,146,954	8,167,535
Add: Purchase of Stores & Spares for Sales	789,644	537,300
	<u>395,403,260</u>	<u>366,657,880</u>
Add: Opening Stock		
Work-in-Progress	10,795,876	7,488,964
Finished Goods	34,438,523	29,784,094
	<u>440,637,659</u>	<u>403,930,938</u>
Less: Closing Stock		
Work-in-Progress	17,223,500	10,795,876
Finished goods	51,451,805	34,438,523
	<u>371,962,354</u>	<u>358,696,539</u>
<b>(B) MANUFACTURING EXPENSES</b>		
Stores and Spares	9,082,151	6,710,548
Power and Fuel	40,226,774	38,156,842
Repairs - Building	329,218	274,914
- Machinery	3,320,267	2,847,747
	<u>52,958,410</u>	<u>47,990,051</u>
<b>(C) EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary and Wages	37,330,778	30,215,623
Contribution to Provident Fund	1,846,369	1,388,312
Director's Remuneration	1,856,407	1,355,113
Employees Welfare Expenses	2,891,428	2,269,969
	<u>43,924,982</u>	<u>35,229,017</u>



**PREMIER POLYFILM LTD.**

DESCRIPTION	FOR THE YEAR ENDED 31.03.2011	FOR THE YEAR ENDED 31.03.2010
	(Rs.)	(Rs.)
<b>(D) ADMINISTRATIVE AND OTHER EXPENSES</b>		
Travelling and Conveyance	3,649,397	3,320,479
Telephone, Telex and Postage	1,993,178	1,818,810
Printing and Stationery	675,820	674,798
Vehicle Upkeep Expenses	2,607,883	1,610,756
Legal and Professional Charges	1,790,111	2,964,712
Repair and Maintenance - Others	789,708	426,260
Rent	815,918	482,454
Plant and Machinery Hire Charges	551,250	716,747
Insurance Charges	807,129	688,175
Director's Fee	61,500	57,000
Auditor's Remuneration		
- As Audit Fees	65,000	65,000
- Out of Pocket Expenses	18,679	35,448
- For Tax Audit	15,000	15,000
- For Certificates	26,500	33,500
- For Service Tax	—	11,693
Loss on Sale/Theft of Fixed Assets	298,952	32,674
Other Expenses	4,635,730	3,775,893
	<u>18,801,755</u>	<u>16,729,399</u>
<b>(E) SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement & Publicity	1,667,619	1,866,822
Discount and Commission	2,128,145	2,873,823
Packing, Forwarding and Freight etc.	21,117,146	20,039,711
	<u>24,912,910</u>	<u>24,780,356</u>
<b>TOTAL</b>	<u><b>512,560,411</b></u>	<u><b>483,425,362</b></u>

**SCHEDULE - 8 : INTEREST**

DESCRIPTION	FOR THE YEAR ENDED 31.03.2011	FOR THE YEAR ENDED 31.03.2010
	Rs.	Rs.
On Term Loan	113,147	152,550
On Others	5,630,638	4,103,506
Bank Charges	755,766	885,250
	<u>6,499,551</u>	<u>5,141,306</u>



## SCHEDULE-9-: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### ACCOUNTING POLICIES

**1 Basis of Accounting:**

The Company follows the Mercantile system of Accounting under historical cost convention except otherwise stated. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year

**2 Use of Estimates**

The Preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**3 Fixed Assets :**

Fixed Assets are valued at cost of net of CENVAT less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.

**4 Inventories :**

- i) Raw Materials and Stores & Spares are valued at lower of cost and net realisable value.
- ii) Work-in-progress is valued at actual material cost plus estimated manufacturing cost.
- iii) Finished Goods are valued at lower of cost and net realisable value.

**5 Revenue Recognition:**

Revenue from the sale of goods are recognised upon passing of title to the customers which generally coincides with their delivery.

**6 Depreciation :**

Depreciation on Fixed assets excepting Leasehold Land is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 (as amended upto date). However, Leasehold Land is amortised every year at a uniform rate over the period of lease.

**7 Foreign Currency Transaction :**

Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of transactions.

Foreign currency balance of monetary items as on the balance sheet date are realigned in the accounts on the basis of exchange rates prevailing at the close of the year. Any income or expenses on account of exchange difference either on settlement or on translation is recognised as Revenue except in cases where they relate to acquisition of fixed assets in which cases they are adjusted to the carrying cost of such assets.

**8 Retirement Benefits :**

The Company has Defined Contribution plans for post employment benefits namely provident Fund Contribution which is made at the prescribed rates to the Provident Fund Commissioner and is charged to the Profit and Loss Account. There are no other obligation other than the contribution payable.

The Company has defined benefit plans namely leave encashment as Compensated Absence and Gratuity for employees. The liability for Gratuity and Compensated Absence is determined on the basis of an actuarial valuation at the end of the year. Gains and losses arising out of actuarial evaluation are recognised immediately in the Profit and Loss as income or expenses.

**9. Provision for Current and Deferred Tax:**

Provision for Current Tax is made for an amount of Rs. 24,25,000 after taking into consideration of benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred Tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are reversible in one or more subsequent periods. Deferred Tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**10. Impairment of Assets**

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

**11. Provision, Contingent liabilities and Contingent assets**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present



## PREMIER POLYFILM LTD.

obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### 12. Segment Reporting :

The Company is mainly engaged in manufacturing and sale of PVC Films and Sheets. From the operations of the Company, it is considered as a single business Products and accordingly segment reporting on business segment is not required. The company has identified its geographical segments based in the areas in which the customers of the company are located. However, it is not feasible to maintain the accounts on the basis of geographical segments. Hence, segment reporting on geographical segments is not prepared.

13. The Balance Sheet and Profit and Loss Account have complied the accounting standards according to sub-section (3C) of Section 211 of the Companies Act, 1956.

### NOTES ON ACCOUNTS

#### 1 Annual Capacity and Production

Items	Unit	Annual Capacity *				Annual Production	
		Licenced		Installed **		Current Year	Previous Year
		Current Year	Previous Year	Current Year	Previous Year		
Pvc Films/Sheets	M.T.	16,200	16,200	16,200	16,200	10,656	9,598

\* As Certified by the Management.

\*\* On Standard Product Mix

#### 2 Stock of Finished Goods

Items	Unit	As on 31.03.2010		As on 31.03.2011	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Pvc Films/Sheets	Mtr./Sqm.	449,879	34,438,523	505,925	51,451,805
	Kgs.	1,720		8,215	

#### 3 Sales

Items	Unit	Current Year		Previous Year	
		Qty.	Value(Rs.)	Qty.	Value(Rs.)
Pvc Films/Sheets	Mtr./Sqm.	17,222,822	564,757,844	15,028,471	522,457,190
	Kgs.	626,173		1,018,187	
Others		—	23,078,333	—	20,595,805
			587,836,177		543,052,995

#### Raw Material Consumed

Items	Current Year		Previous Year	
	Qty. (M.T.)	Value (Rs.)	Qty. (M.T.)	Value (Rs.)
PVC Resin	4,329	182,251,859	4,390	176,994,424
Plasticizers	1,812	86,867,698	1,863	81,184,272
Others	5,427	103,941,917	4,700	88,708,302
TOTAL	11,568	373,061,474	10,953	346,886,998



**PREMIER POLYFILM LTD.**

<b>5</b>	<b>Import (CIF)</b>	<b>Current Year</b>		<b>Previous Year</b>	
		<b>(Rs.)</b>		<b>(Rs.)</b>	
	Raw Materials	40,617,864		68,231,935	
	Capital Goods	276,800		337,341	
		<u>40,894,664</u>		<u>68,569,276</u>	
<b>6</b>	<b>Expenditure in Foreign Currency</b>	<b>Current Year</b>		<b>Previous Year</b>	
		<b>(Rs.)</b>		<b>(Rs.)</b>	
	Travelling	452,470		491,359	
<b>7.</b>	<b>Consumption of Raw Materials, Stores &amp; Spares</b>	<b>Current Year</b>		<b>Previous Year</b>	
		<b>(Rs.)</b>	<b>%</b>	<b>(Rs.)</b>	<b>%</b>
a)	<b>Imported</b>				
	Raw Materials	46,738,573	12.53	76,256,048	21.98
	Stores & Spares	—	—	—	—
b)	<b>Indigenous</b>				
	Raw Materials	326,322,901	87.47	270,630,950	78.02
	Stores & Spares	9,082,151	100.00	6,710,548	100.00
<b>8.</b>	<b>Earning in Foreign Exchange</b>	<b>Current Year</b>		<b>Previous Year</b>	
		<b>(Rs.)</b>		<b>(Rs.)</b>	
	Export (FOB)	39,607,615		69,242,575	
<b>9.</b>	<b>Contingent Liabilities not provided for in respect of :-</b>	<b>Current Year</b>		<b>Previous Year</b>	
		<b>(Rs.)</b>		<b>(Rs.)</b>	
a)	Unredeemed Bank Guarantees	3,552,595		373,977	
b)	Bonds Executed in favour of Central Excise Department	15,000,000		15,000,000	
<b>10.</b>	The Company has claimed Trade Exemption U/S 4-A of The U.P.Trade Tax Act, 1948 amounting to Rs. 709.14 Lacs from the Divisional Level Committee, Meerut (U.P.) and the Divisional Level Committee allowed Rs. 471.17 Lacs.				
	The Company has filed an appeal for the balance amount of Rs. 237.97 Lacs in the Court of Trade Tax Tribunal, Lucknow, U.P.. The case been reverted to the Divisional Level Committee, Meerut for re-consideration. The Divisional Level Committee, Meerut allowed Rs. 32.13 Lacs.				
	The Company has filed another appeal for the balance amount of Rs. 205.84 Lacs in the Court of Trade Tax Tribunal, Lucknow, U.P. and by its order dated 24.06.2004 the case has been reverted to the Divisional Level Committee, Meerut for re-consideration. The Divisional Level Committee, Meerut further allowed Rs. 22.41 Lacs vide its order dated 11.08.2010. Now the Company has filed another appeal for the balance amount of Rs. 183.43 Lacs in the Court of Trade Tax Tribunal, Lucknow, U.P. and the matter is still awaited before the Trade Tax Tribunal, Lucknow, U.P.				
<b>11.</b>	A Demand amounting to Rs. 14,00,756 was raised by Addl. Commissioner (Preventive), Central Excise, Ghaziabad against which the company had made an appeal before Commissioner (Appeals), Custom and Central Excise, Ghaziabad. The appeal of the Company had been allowed by Commissioner (Appeals). The department had made an appeal before CESAT against the order of Appellate Commissioner who had directed to Commissioner (Appeal) for reconsider the order. The Appellate Commissioner in his order dated 6th June, 2005 has again allowed the company's appeal. Aggrieved with the order, the department has made another appeal before CESAT, which was communicated to the company on 17th January 2006.				
<b>12.</b>	Exports benefits are taken on realisation basis.				





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13. Remuneration to Managing Director and whole time Directors charged to accounts:

<u>Particulars</u>	<u>For the year ended 31.3.2011</u>	<u>For the year ended 31.3.2010</u>
	(Rs.)	(Rs.)
a) Salaries	1,121,696	870,600
b) Housing accommodation/ House Rent and other allowance	544,676	444,240
c) Other Perquisites	52,433	15,000
d) Provision for Gratuity and Leave encashment	137,602	25,273
	<u>1,856,407</u>	<u>1,355,113</u>

14 Sales Tax liabilities amounting to Rs. 1,38,66,816 (Previous year: 1,61,07,816) related to prior years have not been paid to the appropriate authorities as on Balance Sheet date as the liabilities are disputed.

15 The trading of the Equity Shares of the Company continue to be suspended at The Bombay Stock Exchange Limited (BSE) due to non allotment of ISIN Number by NSDL and CDSL for dematting of equity Shares which is held up for want of issue of Capital Certificate by National Stock Exchange of India Limited (NSE). Trading of Shares at NSE continue to be suspended as NSE is yet to complete procedures.

16 **Break up of Excise duty**

<u>Particulars</u>	<u>For the year ended 31.03.2011</u>	<u>For the year ended 31.03.2010</u>
	(Rs.)	(Rs.)
On Sales for the year	49,088,920	34,890,395
Add: on Closing Stock of Finished Goods	4,843,624	3,269,136
Less: On Opening Stock of Finished goods	<u>3,269,136</u>	<u>2,314,974</u>
	<u>50,663,408</u>	<u>35,844,557</u>

17. Information on Related Parties as required by Accounting Standard - As 18 "Related Party disclosures"

I. Related party Disclosures

a. Associates

- Premier Polyplast & Processers Ltd .
- RMG Polyvinyl India Ltd.
- D.L.Millar & Company Ltd
- 1000 Plus Trading Inc.
- Poly Beek India Pvt Ltd
- G.B. & Company
- Shri Amar Nath Goenka HUF

b. Key Management Personnel :

- Mr. Amar Nath Goenka - Managing Director
- Mr. Amitabh Goenka- Executive Director
- Mr. S.P.Jain - Executive Director

c. Relative of Key Management Personnel

- Mrs Indira Goenka
- Mrs. Nisha Goenka
- Mrs. Manavi Goenka



**PREMIER POLYFILM LTD.**

II. Details of Transactions with Related Parties

(Financial Transactions have been carried at in the ordinary course of business and / or in discharge of contractual obligation )

	<u>Current Year</u> (Rs.)	<u>Previous Year</u> (Rs.)
Purchase of goods		
- Associates	74,869,098	80,456,766
Sales of goods		
- Associates	74,471,746	69,147,671
Remuneration		
- Management Personnel	1,856,407	13,55,113
Rent Paid		
- Relative to Key Management Personnel	510,000	3,56,000
- Associates	210,000	30,000
Commission on Consignment Sales		
- Associates	94,433	2,07,551
Interest on Loan		
- Associates	84,121	52,447
- Key Management	36,970	34,200
Machinery Hire Charges		
- Associates	402,000	3,54,000
Outstanding Balance as at 31st March, 2011		
- Associates - Creditors	47,040	3,46,920
- Debtors	873,739	16,65,929
- Liabilities Payable	250,562	8,68,312
- Loans	737,253	11,47,202
- Key Management Personnel		
- Liabilities Payable	—	38,670
- Loans	444,053	4,10,780

The above related party information is disclosed to the extent such parties have been identified by the management on the basis of information available.

18. The Company has significant amount of carried forward losses and depreciation under the Income Tax Act, 1961. However, as a matter of prudence, deferred tax assets amount has been recognised to the extent of deferred tax liability and as such there is no impact of the same in these account.

The Component of deferred tax assets and liabilities are as follows :

	<u>As on</u> <u>01.04.10</u> (Rs.)	<u>(Charges) Credit</u> <u>for the year</u> (Rs.)	<u>As on</u> <u>31.03.11</u> (Rs.)
A. Deferred Tax Liability	26,325,096	5,354,285	20,970,811
B. Deferred Tax Assets on account of unabsorbed business losses and depreciation	26,325,096	(53,54,285)	20,970,811
C. Deferred Tax Assets/Liabilities (Net) A-B	—	—	—



**PREMIER POLYFILM LTD.**

19. Basic and Diluted Earnings per Share["EPS"] computed in accordance with Accounting Standard (AS) 20 " Earnings per Share":

<b>Particulars</b>	<b>2010-11 (Rs.)</b>	<b>2009-10 (Rs.)</b>
(a) Profit before Tax as per Accounts	11,454,591	12,309,508
Less: Provision for Taxation	2,425,000	-
Profit after Tax	9,029,591	12,309,508
(b) Weighted Average Number of equity shareholders	20,948,495	20,948,495
(c) Basic and Diluted Earnings per share	0.43	0.59

20. Miscellaneous Receipts under the Head "Other Income" of Schedule-6 includes Rs. 9,97,643 related to Exchange Fluctuation. (Previous year Rs. 10,12,818).

21. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

22. The disclosures required under Accounting Standard 15" Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

**Defined Contribution Plan**

	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
Employer's Contribution to Provident Fund	1,686,523	1,255,642

**Defined Benefit Plan**

The present value of obligation of Gratuity and Compensated Absence is determined based on actuarial valuation using the Projected Unit Credit method.

	<b>Gratuity (Unfunded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
A. Reconciliation of opening and closing balances of Defined Benefit Obligation.				
Defined Benefit Obligation at beginning of the year	8,186,728	7,329,418	1,672,206	1,482,974
Current Service Cost	1,232,668	1,092,716	1,238,169	1,073,914
Interest Cost	661,922	614,716	86,515	72,238
Actuarial Losses/(Gain)	1,664,561	(654,898)	(957,276)	(862,865)
Benefits Paid	(798,815)	(194,924)	(274,784)	(94,055)
Defined Benefit Obligation at year end	10,947,064	8,186,728	1,764,830	1,672,206

B. Reconciliation of opening and closing balance of fair value of Plan Assets.

Fair value of plan Assets at the beginning of the year	—	—	—	—
Expected return on Plan Assets	—	—	—	—
Actuarial Gain/ (Losses)	—	—	—	—
Contributions by Employer	—	—	—	—
Benefits Paid	—	—	—	—
Fair value of Plan Assets at year end	—	—	—	—



**PREMIER POLYFILM LTD.**

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
C. Reconciliation of fair value of assets and obligations				
Fair value of Plan Assets as at year end	—	—	—	—
Present value of Obligation as at year end	10,947,064	8,186,728	1,764,830	1,672,206
Amount recognized in Balance Sheet	10,947,064	8,186,728	1,764,830	1,672,206
D. Expenses recognised during the year				
Current Service Cost	1,232,668	1,092,416	1,238,169	1,073,914
Interest Cost	661,922	614,716	86,115	72,238
Expected return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss	1,664,561	(654898)	(957276)	(862865)
Net Cost	3,559,151	1,052,234	367,408	283,287
E. Investment details % invested as at year end				
Unfunded	N.A	N.A	N.A	N.A
F. Actuarial assumptions				
Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Discount rate ( Per annum)	8.50%	8.50%	8.50%	8.50%
Expected Rate of Return on Assets (Per annum)	N.A	N.A	N.A	N.A
Salary Escalation (Per Annum)	10.00%	10.00%	10.00%	10.00%

23. Previous year figures have been regrouped/rearranged/reclassified wherever considered necessary.

For DE & BOSE

CHARTERED ACCOUNTANTS  
SUBRATA DE  
PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 54962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 29th day of July, 2011



**PREMIER POLYFILM LTD.**

**BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE**

<b>1. Registration Details</b>	
Registration No.	L25209 DL1992 PLC 049590
State Code	55
Balance Sheet Date	31.3.2011
<b>2. Capital Raised during the Year (Amount in Rs. Thousands)</b>	
Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-
<b>3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b>	
Total Liabilities	3,60,009
Total Assets	3,60,009
<b>Sources of Funds</b>	
Paid - up Capital	1,05,901
Reserves and Surplus	84,574
Secured Loans	27,665
Unsecured Loans	41,108
<b>Application of Funds</b>	
Net Fixed Assets	1,01,531
Net Current Assets	1,48,941
Accumulated Losses	8,776
<b>4. Performance of Company (Amount in Rs. Thousands)</b>	
Turnover	5,48,659
Total Expenditure	5,37,205
Profit /(Loss) before Tax	11,454
Profit /(Loss) after Tax	9,029
Basic Earning per Share in Rs.	0.43
Dividend	-
<b>5. Generic Names of Principal Products of the Company (as per Monetary Terms)</b>	
Item Code No. (ITC Code)	-
Product Description	PVC Films/Sheets

**N.K.BHANDARI**  
**COMPANY SECRETARY**

**AMAR NATH GOENKA**  
**MANAGING DIRECTOR**  
**CEO & CFO**

**JASPAL SINGH MARWAH**  
**DIRECTOR**



**PREMIER POLYFILM LTD.**

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2011**

Description	Year Ended 31.3.2011 (Rs.)	Year Ended 31.3.2010 (Rs.)
<b>A. Cash Flow From Operating Activities</b>		
Profit before Tax and Extraordinary Items	11,454,591	12,309,508
<b>Adjusted for:</b>		
Loss on Sale/theft of Fixed Assets	298,952	32,674
Depreciation	18,144,815	17,585,100
Interest Expenses	5,743,785	4,256,056
Interest Income	(4,222,037)	(3,772,921)
Liabilities Written back	(503,630)	(570,994)
Operating profit before working capital changes	<u>30,916,476</u>	<u>29,839,423</u>
<b>Adjusted for:</b>		
(Increase)/decrease in trade and other receivables	(319,297)	(9,211,389)
(Increase)/decrease in inventories	(13,195,535)	(24,593,130)
(Increase)/decrease in loans and advances	(3,436,542)	2,454,180
(Increase)/decrease in current liabilities	<u>(6,663,040)</u>	<u>19,708,424</u>
Cash generated from operations	<u>7,302,062</u>	<u>18,197,508</u>
Income Tax refund/Paid (Net)	<u>2,026,078</u>	<u>584,483</u>
Net Cash from operating activities	<u>9,328,140</u>	<u>17,613,025</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,799,452)	(9,061,856)
Sale of Fixed Assets	359,136	271,000
Interest Income	<u>4,470,996</u>	<u>3,090,318</u>
Net Cash (used in) investing activities	<u>2,030,680</u>	<u>(5,700,538)</u>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from fresh issue of Share Capital	—	3
Proceeds from Long Term Borrowings	27,020,349	1,120,000
Repayment of Long Term Borrowings	(590,340)	(1,034,936)
Proceeds from Short Term Borrowings	20,110,000	10,700,000
Repayment of Short Term Borrowings	(51,519,922)	(120,477)
Interest paid	(113,147)	(603,444)
Net cash used in financing activities	<u>(5,093,060)</u>	<u>10,061,146</u>
Net increase in cash and cash equivalents	<u>6,265,760</u>	<u>21,973,633</u>
Opening balance of cash and cash equivalents	<u>54,786,366</u>	<u>32,812,733</u>
Closing balance of cash and cash equivalents	<u>61,052,126</u>	<u>54,786,366</u>
	<u>6,265,760</u>	<u>21,973,633</u>

This is the Cash Flow statement referred to in our report of even date.

For DE & BOSE

CHARTERED ACCOUNTANTS

SUBRATA DE  
PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
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JASPAL SINGH MARWAH  
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Membership No. 54962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 29th day of July, 2011



**PREMIER POLYFILM LTD.**

**PREMIER POLYFILM LTD.**

**Registered Office : Flat No. 305, III Floor, 'Elite House'  
36, Community Centre, Kailash Colony Extension (Zamroodpur)  
New Delhi - 110 048**

**PROXY FORM**

Regd. Folio No.

I/We .....  
of.....in the district of .....  
being a Member/Members of PREMIER POLYFILM LTD. hereby appoint.....  
.....of.....in the district of  
.....or failing him.....of  
..... in the district of ..... as my/our proxy  
to attend and to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the  
Company to be held on Monday, the 19th day of September, 2011 at 12.30 P.M. at SHAH AUDITORIUM,  
2, RAJNIWAS MARG, CIVIL LINES, DELHI 110 054 and at any adjournment thereof.

Signed this.....day of.....2011

Signature.....

Affix a  
Thirty paise  
Revenue  
Stamp

Address.....

**Note :** This proxy and the Power of Attorney (if any) under which it is signed or a notarially certified copy of that power of attorney must be deposited at the Registered Office of the Company at 305, III Floor, 'Elite House', 36, Community Centre, Kailash Colony Extension (Zamroodpur), New Delhi-110048 not less than 48 hours before the time for holding the Meeting.

**THIS ATTENDANCE SLIP DULY FILLED INTO BE HANDED OVER AT  
THE ENTRANCE OF THE MEETING HALL**

**PREMIER POLYFILM LTD.**

**Registered Office : Flat No. 305, III Floor, 'Elite House' 36, Community Centre,  
Kailash Colony Extension (Zamroodpur), New Delhi - 110 048**

Name of the attending Member  
(in BlockLetters).....

Members Folio No.....

Name of Proxy (in Block Letters, to be filled in if the  
Proxy attends instead of the Member).....

No. of shares held.....

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING being held on Monday, the 19th day of September, 2011 at 12.30 P.M. at SHAH AUDITORIUM, 2 RAJ NIWAS MARG, CIVIL LINES, DELHI - 110054

\*To be signed at the time of handing over this slip.

Member's / Proxy's Signature

## BOOK POST

*If undelivered, please return to:.*

**PREMIER POLYFILM LTD.**

305, 'Elite House', III Floor,

36, Community Centre,

Kailash Colony Extension (Zamroodpur)

New Delhi - 110 048