

PREMCO

GLOBAL LTD



26th Annual Report

2009 - 2010

BOARD OF DIRECTORS

Mr. ASHOK B. HARJANI
CHAIRMAN & MANAGING
DIRECTOR

Mr. LOKESH P. HARJANI
EXECUTIVE DIRECTOR

Mr. RAJESH M. MAHTANI

Mr. DEVENDRA K. SHAH

REGISTERED OFFICE

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

STATUTORY AUDITORS

S. P. JAIN & ASSOCIATES

INTERNAL AUDITORS

P. V. KAKARIA & CO.

BANKERS

HDFC BANK LIMITED
STATE BANK OF INDIA

REGISTRAR & TRANSFER AGENTS

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

WORKS :

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

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

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

C/O. AKAY FILTIPS PVT. LTD.
PLOT NO. A-2/23/24,
GIDC, SILVASSA ROAD,
NEAR NATHANI PAPER MILLS, VAPI - 396 195.

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NOTICE

NOTICE is hereby given that the 26th ANNUAL GENERAL MEETING of the Members of PREMCO GLOBAL LIMITED will be held on 23rd September, 2010, at 9.30 a.m. At "Premco House", A/26, M.I.D.C., Street No. 3, Andheri (E), Mumbai - 400 093, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2010 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors of the Company.
2. To declare dividend for the financial year ended 31st March 2010
3. To elect a Non Executive Director in place of Mr. Rajesh M. Mathani, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors for the financial year 2010-2011 and fix their remuneration. M/s. S. P. Jain & Associates, the retiring Auditors, are eligible for re-appointment.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. A proxy need not be a member of the company.
The proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. Members are requested to notify the change, if any, in their address, to the Registrar & Transfer Agents of the Company.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 17th September 2010 to Thursday, the 23rd September 2010 (both days inclusive).

4. Re-appointment of Director : (in pursuance of Clause 49 of Listing Agreement) Mr. Rajesh M. Mahtani retire by Rotation and being eligible offers himself for re-appointment
 - i) Name : Rajesh M. Mahtani
 - ii) Age : 39 years
 - iii) Nationality : Indian
 - iv) Date of Appointment on Board: 30.12.2005
 - v) Shareholding : Nil
 - vi) Capacity : Non - Executive Director
 - vii) Qualification : B. com, ICW Diploma in Advance Costing Technique
 - viii) Expertise in specific functioning Area : Sales / Import Sourcing
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 9.30 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
6. Registrar & Transfer Agents
Our RTA, Big Share Services Private Limited recently launched Gen-Next Investor Interface Module " i'Boss" the most advanced tool to interact with investors. Please login into i'Boss (www.bigshareonline.com] and help them to serve you better.

(For share transfers and other communication Relating to share certificates, dividend and Change of address)

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

BY ORDER OF THE BOARD OF DIRECTORS

ASHOK B. HARJANI
CHAIRMAN & MANAGING DIRECTOR

Regd. Office :
"Premco House",
A/26, M.I.D.C., Street No. 3,
Andheri (East), Mumbai - 400 093.
Date: 16th August 2010.



DIRECTORS' REPORT

To,
The Members,

The Directors have pleasure in presenting the 26th Annual Report and Audited accounts for the financial year ended 31st March 2010.

FINANCIAL RESULTS

	2009-2010 Rs. In Lacs	2008-2009 Rs. In Lacs
Profit before Interest & Depreciation	295.15	357.39
Less : Depreciation	78.80	78.67
Interest	37.09	58.01
Profit before Tax	<u>179.26</u>	<u>220.71</u>
Provision for		
- Current Tax	65.00	85.00
- Deferred Tax	3.25	(4.75)
- Fringe Benefit Tax	-	6.82
- Provision	5.69	(6.18)
Net Profit after Tax	105.32	139.82
Surplus available for appropriation	<u>105.32</u>	<u>139.82</u>
Appropriation :		
Proposed Dividend	35.53	35.53
Tax on Proposed dividend	5.90	6.04
Dividend Tax	-	0.01
General Reserve	63.89	98.24
Balance carried to Balance Sheet	0.00	0.00
	<u>105.32</u>	<u>139.82</u>

OPERATIONS

During the year under review turnover of the company stand at Rs.2,806.39 Lacs (P.Y. Rs. 3,011.43 Lacs). The profit before Interest, Depreciation and Tax at Rs. 295.15 Lacs (P. Y. Rs. 357.39 Lacs). Net profit during the year is Rs.105.32 Lacs (P.Y. Rs. 139.82 Lacs).

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The same is enclosed in Annexure A to this report.

DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 12 % .Total cash outflow on account of this dividend payment including distribution tax will be Rs.41.43 Lacs.The Dividend after approval by the shareholders at the forthcoming AGM will be paid to the eligible shareholder before 9th October' 2010.

PERSONNEL

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

CORPORATE GOVERNANCE

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

DIRECTORS

Mr. Rajesh M. Mahtani retires by rotation and you are requested to reappoint him as Non Executive Director.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts on a going concern basis.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

Conservation of Energy

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

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

	2009-2010	2008-2009
Electricity		
Purchased (units in '000)	1787.29	1941.83
Total Amount (Rs. in Lacs)	74.96	80.03
Rates/Unit (in Rs.)	4.19	4.12
Diesel		
Purchased (Liters in '000)	32.35	43.34
Total Amount (Rs. in lacs)	11.25	17.12
Rates/Liters (in Rs.)	34.78	39.50

Technology Absorption and Research and Development

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

Foreign Exchange Earning and Outgo

	2009-2010 Rs. In Lacs	2008-2009 Rs. In Lacs
Foreign exchange earning	709.44	670.35
Foreign exchange outgo (Equivalent to Rupee value)		
• Raw material & Spares	229.12	179.59
• Capital Goods	34.55	10.63
• Travelling	38.07	35.06

AUDITORS AND AUDITORS' REPORT

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

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

For & On Behalf of the Board of Directors

ASHOK B. HARJANI.

CHAIRMAN & MANAGING DIRECTOR.

Place: Mumbai.

Date: 16th August 2010.



MANAGEMENT DISCUSSION AND ANALYSIS (Annexure - A)

INDUSTRY OVERVIEW :

The elastic industry has witnessed an overall shrink in the demand due to lack of targeted growth objectives. The garment industry has witnessed a drop in sales volumes due to recessionary economic conditions, which has consequently resulted into fall in the revenues of the elastic industry.

In the year 2010-11 with an improvement in the domestic as well as global demand, it is expected that the industry would pick up & improve from the current levels.

BUSINESS OVERVIEW :

Premco Global Ltd. is one of the India's leading manufacturers of elastic. During the year 2009-10, the orders for sales have declined in the domestic market but with the management efforts & innovations it has been able to secure higher export orders as compare to earlier years. As a results the effect of such increase in export orders a large portion is expected to convert into sales in the coming financial year 2010-11. The company also expects rise in the domestic orders as well and the future prospects seems to be very bright.

The company is also considering the proposal of expanding its manufacturing facilities & increased in the installed capacities with a corresponding increase in production. For this purpose the company has identified new work location at Vapi.

SEGMENTS :

In the opinion of the management the company is mainly engaged in the business of manufacturing of Elastic Tapes and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

OUTLOOK :

On the backdrop of favorable general economic outlook, rise in the domestic demand & expansion proposals of the company, the company expects improvement in the revenue as well as operating margins in the coming year.

RISK & CONCERNS :

The company faces the risk of competition from various local manufacturers despite the fact that it has established phenomenal historical experience & goodwill in the market. The prices of raw materials are subject to significant volatility based on the various factors such as crude oil prices, international prices for rubber etc. These could correspondingly inflate the cost structure.

INTERNAL CONTROLS & THEIR ADEQUACY:

The company has well defined internal control systems. The company takes adequate care to review and monitor the working of internal control system. Internal audit in the organization is an independent appraisal activity and it measures the efficiency, adequacy and effectiveness of other controls in the organization.

DISCUSSION ON FINANCIAL PERFORMANCE:

During the year under review turnover of the company stand at Rs.2,806.39 Lacs (P.Y. Rs. 3,011.43 Lacs). The profit before Interest, Depreciation and Tax at Rs. 295.15 Lacs (P. Y. Rs. 357.39 Lacs). Net profit during the year is Rs. 105.32 Lacs (P.Y. Rs. 139.82 Lacs).

MATERIAL DEVELOPMENT IN HUMAN RESOURCES (INCLUDING NO OF PEOPLES EMPLOYED):

The company believes that human recourse is one of the most vital resources and a key pillar providing the organization as competitive edge in current business environment. The work environment is very challenging and performance oriented recognizing employee potential along with providing them with opportunities. Premco Global Ltd takes adequate precautionary measures for its employee's welfare.

As on 31 March 2010, Premco Global Ltd. had staff strength of 134 on its payroll.

REPORT ON CORPORATE GOVERNANCE (Annexure – B)

A. COMPLIANCE OF MANDATORY REQUIREMENTS

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

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

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

CODE OF CONDUCT

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

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

2) Board of Directors

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

During the year Shri Prem I. Gidwani being whole time executive director has resign w.e.f. 15th September 2009. He has been the member of the board since 1994 & continuously served for such a long period. The board acknowledged and expresses its gratitude to Shri Prem I. Gidwani for such continued service.

During the year Shri Dinesh L. Balani being independent non executive director has deceased

on 21st March 2010. He has been the member of the board since 2005 & continuously served their on. The board acknowledged and expresses its deep condolence upon the sad demise & wish his soul may rest in peace.

Consequently the present strength of the board is four Directors, as explained below, headed by Executive Chairman. For the Financial Year 2009 2010, eleven meetings of the Board were held on 29th May, 2009 , 30th June 2009, 30th July 2009, 22nd August, 2009 , 11th September 2009, 30th October 2009, 10th November 2009, 26th November 2010 ,28th January 2010, 1st February, 2010 and 30th March,2010. The Company has held one meeting in every one months and the maximum time gap between any two meetings was not more than two months.

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

Name of the Director	Category	Board Meeting During The Year		Attended Last AGM as on 14.09.09	No of Director Ship in other Public Companies		No of Board Committee Positions held in other Public Companies	
		Held	Attend		Chairman	Member	Chairman	Member
Ashok B. Harjani	Executive	11	10	Yes	Nil	Nil	Nil	Nil
Lokesh P. Harjani	Executive	11	8	No	Nil	Nil	Nil	Nil
Prem I. Gidwani	Whole Time Director	11	4	No	Nil	Nil	Nil	Nil
Devendra K. Shah	Non Exec. Independent	11	9	Yes	Nil	Nil	Nil	Nil
Dinesh L. Balani	Non Exec. Independent	11	8	Yes	Nil	Nil	Nil	Nil
Rajesh M. Mahtani	Non Exec. Independent	11	9	Yes	Nil	Nil	Nil	Nil

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

Remuneration paid to Director:-

NAME OF THE DIRECTORS	SITTING FEES	SALARY & PERQUISITE
Ashok B. Harjani	NIL	Rs. 12,49,980/-
Lokesh P. Harjani	NIL	Rs. 9,29,988/-
Prem I. Gidwani	NIL	Rs. 3,28,564/-
Devendra K Shah	NIL	NIL
Dinesh L Balani	NIL	NIL
Rajesh M Mahtani	NIL	NIL

Directors retired by rotation

Shri Rajesh M. Mahtani was first appointed as the Non Executive Director of the Company on 30th December '2005 and thereafter has served the board of the company. He retires by rotation and being eligible offers himself for re-appointment. The particulars as required is given in notes to the Notice convening the 26th AGM

3) Audit Committee

The Audit Committee consisted of 3 Non Executive Directors namely Mr. Devendra K. Shah, Mr. Dinesh L. Balani, and Mr. Rajesh M. Mahtani. Upon the sad demise of Shri Dinesh L. Balani on 21st March 2010, Shri Lokesh P. Harjani executive director has been appointed as member of Audit committee thereafter. Four meetings were held during the year on 30th July 09, 30th October 09, 29th Jan.10, & 15th March.10.

Details of the meetings are as under :

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

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

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

4) Remuneration Committee

Terms of Reference:

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

5) Share Holder's Committee

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

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

Name of the Director	Position held Chairman/Member	Meeting held	Meeting attended
Ashok B. Harjani	Chairman	4	4
Dinesh L. Balani	Member	4	3
Devendra K. Shah	Member	4	4
Rajesh M. Mahtani	Member	4	4

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

Nature of Complaints	No. of Complaints		
	Received	Resolved	Pending as on 31/3/10
Non receipt of Annual Report	Nil	Nil	Nil
Complaints relating to dematerialisation of Shares	Nil	Nil	Nil
Non-receipt of Share Certificates after transfer / duplicate / name correction	Nil	Nil	Nil
Others	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil

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

6) General Body Meeting

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

Date of AGM	Financial Year	Venue/ Location	Time of Meeting	Special Resolution Passed
10/09/2007	2006-2007	Registered Office	9.30 A.M.	No
19/09/2008	2007-2008	Registered Office	9.30 A.M.	To increase remuneration of Ashok Harjani & Lokesh Harjani to Rs. 75,000 & Rs. 50,000 per-month respectively, w.e.f. 01.04.2008
14/09/2009	2008-2009	Registered Office	9.30 A.M.	No
31/07/2009 (EGM)	2009-2010	Registered Office	3.00 P.M.	To increase remuneration of Ashok Harjani & Lokesh Harjani to Rs. 1,00,000 & Rs. 75,000 per month respectively, w.e.f. 01.04.2009

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

7) Disclosures

i) Related Party Transaction :

There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest at large, the details of which have been shown in Schedule 21-Notes forming part of the Accounts for the year ended 31st March, 2010.

ii) Details of Non - Compliance :

There has been no instance of Company not complying with any matter related to Capital Markets.

iii) Disclosure about Director being appointed/reappointed :
The details & information required to be disclosed under this section is provided in Notice of the AGM.

iv) a) The independent Non Executive Director do not receive any remuneration & do not have any material pecuniary relationship or transaction with the company, its promoter, its investors, or associates which may affect their independence. They comply to all the requirements as stated in Clause 49.

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

NAME	NO. OF SHARES AS ON 31/03/2010
1) Mr.Devendra K.Shah	800
2) Mr.Rajesh M.Mahtani	-

8) Means of Communication

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

9) General Shareholder Information

26th Annual General Meeting

Date: 23/09/2010

Time: 9.30 A.M.

Venue: Registered Office

Financial Calendar: (Tentative)

Quarter ending 30th June, 2010	Last week of the July, 2010
Quarter ending 30th September, 2010	Last week of the October, 2010
Quarter ending 31st December, 2010	Last week of the January, 2011
Quarter & Annual ending 31st March, 2011	Last week of the June, 2011
Annual General Meeting for 2010-11	First week of September, 2011

Listing on Stock Exchange

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

The Annual listing fees of these exchanges have been paid by the Company for the year 2009 - 2010.

Market Price Data

The high and low prices of the Company's shares at the Stock Exchange, Mumbai (BSE) and performance in relation to the BSE Sensex form April, 2009 to March, 2010 is mentioned hereunder :

Months	High	Low
April'2009	10.56	10.12
May'2009	16.27	10.25
June'2009	18.40	15.00
July'2009	19.30	15.80

Months	High	Low
August'2009	22.55	17.60
September'2009	21.80	18.55
October'2009	25.20	19.00
November'2009	24.60	17.20
December'2009	21.50	17.00
January'2010	27.50	20.10
February'2010	27.80	22.20
March'2010	24.55	22.05

Custodian Fees to Depositories:

Pursuant to SEBI circular No. MRD/DOP/SE/DEP/CIR-4/2005 dated January 28, 2005 the issuer companies are required to pay custodial fees to the depositories with effect from April 1, 2005. Accordingly, the Company has paid custodial fees for the year 2009-10 to NSDL and CDSL on the Basis of number of Beneficial accounts maintained by them on March 31, 2010.

Dematerialisation of Shares and Liquidity :

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

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

INE 001E01012

Depository Connectivity: NSDL and CDSL

Registrar and Transfer Agent (RTA):

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

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

FAX : 091-022-2847 5207.

E-mail: investor@bigshareonline.com

Contact : Shri Ansaar S.

Share Transfer System :

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

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

Secretarial & Audit Report:

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



Distribution of Shareholding as on 31st March 2010.

Category	31.03.2010		31.03.2009	
	No. of Shares	% of paid up Capital	No. of Shares	% of paid up Capital
Promoters	1849775	60.92	1842775	60.69
Mutual Fund, Institution & Bank	101300	3.34	101300	3.34
Corporate Bodies	109692	3.61	100850	3.32
NRI's	253366	8.34	252866	8.33
Public	722167	23.79	738509	24.32
TOTAL	3036300	100%	3036300	100%

Broad Shareholding Distribution

Range of Shares	Number of Shares Holders	Percentage of Shareholders	No. of Shares	Percentage
01 To 5000	1,080	82.07	240957	7.94
5001 To 10000	114	8.66	90443	2.98
10001 To 20000	49	3.72	77444	2.55
20001 To 30000	13	0.99	34785	1.14
30001 To 40000	11	0.84	38921	1.28
40001 To 50000	11	0.84	50842	1.67
50001 To 100000	14	1.06	107063	3.53
100001 & Above	24	1.82	2395845	78.91
TOTAL	1,316	100%	30,36,300	100%

Non-Mandatory Requirements:

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

Dematerialisation of Shares and Liquidity:

83.60 % of Company's Equity Shares have been dematerialised as on 31st March 2010.

Investor Correspondence:

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

Compliance Office : Mr. Mahesh Puthran
"Premco House" Compliance Officer
A/26, MIDC,
Street No. 3,
Andheri (E)
Mumbai – 400 093.
Telephone No. : 022-30855025
Fax No. : 022-28351812
Email : mahesh@premcoglobal.com

Declaration Under Clause 49

All the Board Members and senior Management have affirmed compliance to the Code of Conduct for the F. Y. 2009-2010.

Place Mumbai **Ashok B. Harjani**
Date : 16th August 2010. Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Premco Global Limited

We have examined the compliance of conditions of Corporate Governance by Premco Global Limited, for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Director and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **S. P. JAIN & ASSOCIATES**
Chartered Accountants,
FRN 103969W

KAPIL K. JAIN
PARTNER
Membership No. 108521.

Place : Mumbai.
Dated : 16th August 2010.



AUDITORS' REPORT

To,
The Members,
PREMCO GLOBAL LIMITED

We have audited the attached Balance Sheet of PREMCO GLOBAL LIMITED, as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in Annexure here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 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 accounts, as required by law, have been kept by the company, so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with mandatory accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- e) Based of written representations received and taken on record, we are of the opinion that none of the directors is disqualified as on 31st March, 2010 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 read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - (ii) In so far as it relates to of Profit & Loss Account, of the profit of Company for the year ended on that date.
 - (iii) In so far as it relates to the Cash Flow Statement, of the cash flow of Company for the year ended on that date.

For **S. P. JAIN & ASSOCIATES**
CHARTERED ACCOUNTANTS
FRN 103969W

Place: Mumbai.
Date: 16th August 2010.

KAPIL K. JAIN
PARTNER
M. No. 108521

ANNEXURE TO THE AUDITORS REPORTS

Referred to in paragraph 2 of our report of even date

1. In respect of its Fixed Assets:
 - a) The Company *is in the process of updating & maintaining* proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and the nature of assets. No material discrepancies were noticed on such physical verification.
2. In respect of its inventories:
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to information and explanations given to us, the procedures of physical verification of

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

- c) In our opinion and according to the information and explanation given to us, 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 U/s. 301 of the Companies Act, 1956;
 - a) The company has taken Loan from one party (P.Y. two parties) referred above of Rs. 41 Lacs (P.Y. Rs. 52.45 Lacs) during the year and the Closing Balance as at the end is Rs. 28 Lacs (P.Y. Rs. NIL Lacs). The company has given loan to one party (P.Y. two parties) aggregating to Rs. 0.50 Lacs (P.Y. Rs. 50.50 Lacs) and the Closing year end balance is Rs. NIL Lacs (P.Y. Rs. NIL).
 - b) In our opinion and according to the information and explanations given to us, the rate of interests, wherever applicable and other Terms and Conditions are not prima-facie prejudicial to the interest of the Company.
 - c) The Company is regular in repaying the principal amount.
 - d) There is no overdue amount in respect of loans taken and given by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, Fixed Assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in to register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of the contracts or arrangements entered in the register maintained Under Section 301 of the Companies Act 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lacs Only) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant time
6. In our opinion and according to information & explanations given to us, the company has not accepted any deposits from public during the period covered by our report.
7. The Company has an internal audit system, which in our

opinion, is commensurate with the size of the company and nature of business.

8. To the best of our knowledge and according to the explanation given to us the central Government has not prescribed maintenance of the Cost Records under Section 209 (1) (d) of the Companies Act for any products of the company. We have broadly reviewed the accounts and records of the Company in this connection and are of the Opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. In respect of the statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor, Education and Protection Fund, Employees' State Insurance, Income Tax, Sale-Tax, Wealth Tax, Customs Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid due were outstanding as at 31st March, 2010.

Status	Nature of Dues	Amount	Period Asst. Yr.	Due Date	Date of Payment
FBT	FBT	78,490	2007-08	30.09.07	10.07.10

- b) To the best of our knowledge and information provided to us no disputed statutory dues is remained outstanding as 31st March 2010.

Status	Nature of Dues	Amount	Period	Forum
Income tax	Income tax	312379	2007-08	Rectification Pending
FBT	FBT	39,130	2008-09	Rectification Pending
10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding Financial Year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that company has generally not defaulted in repayment of dues to bank.
12. In our opinion and according to the information and the explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit Fund or Nidhi / Mutual Benefit Fund / Society. Therefore, Clause 49 (xiii) of the companies (Auditors Report) Order 2003 is not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of transactions and contracts in respect in the trading in securities, debentures and other



investments and timely entries have been made therein. All shares, debentures and other investments have been held by company in its own name.

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

19. In our opinion and according to the information and explanation given to us the Company has not issued any debentures.

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

21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For **S. P. JAIN & ASSOCIATES,**
CHARTERED ACCOUNTANTS
FRN 103969W

KAPIL K. JAIN
(PARTNER)

Membership No. 108521.

Place: Mumbai
Date : 16th August 2010.

PREMCO GLOBAL LTD.

26th Annual Report 2010

BALANCE SHEET AS ON 31ST MARCH 2010.

	SCHEDULE	AS AT 31 MAR 2010	(Rs. in Lacs) AS AT 31 MAR 2009
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) Share Capital	1	301.36	301.36
b) Reserves & Surplus	2	1182.90	1,119.02
		<u>1,484.26</u>	<u>1,420.37</u>
2. LOAN FUNDS			
a) Secured Loans	3	352.87	141.59
b) Unsecured Loans	4	28.00	-
		<u>380.87</u>	<u>141.59</u>
3. DEFERRED TAX LIABILITY			
		204.19	200.92
TOTAL		<u><u>2,069.32</u></u>	<u><u>1,762.88</u></u>
II. APPLICATIONS OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	5	1,813.29	1,692.15
b) Less : Depreciation		770.22	698.06
c) Net Block		<u>1,043.07</u>	<u>994.09</u>
2. CAPITAL WORK IN PROGRESS			
		6.62	-
3. INVESTMENTS			
	6	31.98	33.15
4. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	7	432.52	330.66
b) Sundry Debtors	8	461.74	442.96
c) Cash & Bank Balances	9	136.42	72.03
d) Loans, Advances & Deposits	10	451.58	350.74
		<u>1,482.26</u>	<u>1,196.39</u>
Less : CURRENT LIABILITIES & PROVISIONS			
a) Current Liabilities	11	230.86	225.84
b) Provisions	12	263.75	234.90
		<u>494.61</u>	<u>460.74</u>
NET CURRENT ASSETS		<u><u>987.65</u></u>	<u><u>735.64</u></u>
TOTAL		<u><u>2,069.32</u></u>	<u><u>1,762.88</u></u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	21		

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As per our Annexed Report of even date

For S.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 103969W

KAPIL K. JAIN
PARTNER
Membership No. 108521.

Place : Mumbai.
Dated : 16th August, 2010

For & on behalf of the Board

ASHOK B. HARJANI
CHAIRMAN & MANAGING DIRECTOR

LOKESH P. HARJANI
DIRECTOR

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2010.**

	SCHEDULE	AS AT 31 MAR 2010	(Rs. in Lacs) AS AT 31 MAR 2009
INCOME			
Sales	13	2,806.39	3,011.43
Miscellaneous Income	14	79.44	60.10
TOTAL (A)		2,885.83	3,071.53
EXPENDITURE			
(Increase) / Decrease in Stock	15	30.09	(0.94)
Raw Material & Spares Consumed	16	1,693.38	1,903.32
Manufacturing & Other Expenses	17	283.40	255.26
Personnel Expenses	18	296.66	238.37
Selling & Admin Expenses	19	287.15	318.13
Interest & Finance Charges	20	37.09	58.01
Depreciation	5	78.80	78.67
TOTAL (B)		2,706.57	2,850.82
PROFIT BEFORE TAX		179.26	220.71
LESS: PROVISION FOR TAXATION			
Current Tax		65.00	85.00
Deferred Tax		3.25	(4.75)
Fringe Benefit Tax		-	6.82
Short Income Tax Provision		5.69	(6.18)
NET PROFIT AFTER TAX		105.32	139.82
Add : Balance brought forward from last year		-	-
PROFIT AVAILABLE FOR APPROPRIATION		105.32	139.82
APPROPRIATIONS			
Proposed dividend		35.53	35.53
Tax on proposed dividend		5.90	6.04
Short Provision of Proposed Dividend		-	0.01
Short Provision of Proposed Dividend Tax		-	0.00
Transfer to General Reserve		63.89	98.24
Balance carried to Balance Sheet		-	-
TOTAL		105.32	139.82
BASIC & DILUTED EARNING PER SHARE (IN RS.) (Face Value of Rs. 10/- Each)		3.47	4.61

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 21

As per our Annexed Report of even date

For S.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 103969W**KAPIL K. JAIN**
PARTNER
Membership No. 108521.Place : Mumbai.
Dated : 16th August, 2010

For & on behalf of the Board

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



SCHEDULES TO THE BALANCE SHEET

	AS AT 31 MAR 2010	(Rs. in Lacs) AS AT 31 MAR 2009
3. SECURED LOANS		
TERM LOANS		
From Banks	<u>189.62</u>	<u>132.84</u>
	189.62	132.84
(Instalment repayable within next 12 months Rs. 68.47 lacs (P.Y. 46.29 Lacs))		
WORKING CAPITAL LOANS		
From Bank	<u>163.26</u>	<u>8.75</u>
	<u>352.87</u>	<u>141.59</u>

Notes:

- Term Loans & working capital referred to above from Banks are secured by way of Hypothecation of first & exclusive charge on all present & future current assets inclusive of all stocks & book debts and plant & machinery along with equitable mortgage on the property situated at Plot no. 41, Survey no. 35 (PT) Diwan & sons industrial Estate, Aliyali Village, Palghar, Thane District & Survey no. 202/2, Old check post, Dadra & Nagar Haveli, Dadra along with personal guarantee of Lokesh Harjani, Ashok Harjani & Property owners
- Vehicle Loan from Bank are secured by mortgage of Respective Vehicle.

4. UNSECURED LOANS

DEPOSITS

From - Directors	-	-
- Others	<u>28.00</u>	-
	<u>28.00</u>	-

5. FIXED ASSETS

PARTICULARS	(Rs.in lacs)											
	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As At 01.04.2009	ADDI- TION	DEDU- CTION	As At 31.03.2010	As At 01.04.09	Depre on Adjustmen T/Sales	For the Year	DEDU- CTION	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009	
FREEHOLD LAND	24.13	-	-	24.13	0.00	-	-	-	-	24.13	24.13	
FACTORY BUILDING	300.35	-	-	300.35	121.25	-	10.03	-	131.28	169.06	1,79.09	
PLANT & MACHINERY	1,170.25	118.18	10.00	1,278.44	480.24	-	55.35	6.65	528.93	749.50	6,90.02	
ELECT. FITTINGS	32.65	0.75	-	33.40	17.23	-	1.56	-	18.79	14.61	15.42	
FURNITURE & FIXT.	24.30	-	-	24.30	8.88	-	1.53	-	10.41	13.89	15.42	
VEHICLE	55.80	-	-	55.80	15.17	-	5.30	-	20.47	35.33	40.63	
GENERATOR	18.72	5.68	-	24.40	9.84	-	0.97	-	10.81	13.59	8.88	
HEATING MODULE	1.21	-	-	1.21	0.61	-	0.06	-	0.67	0.54	0.59	
AIR CONDITIONER	11.10	0.62	-	11.72	3.30	-	0.54	-	3.84	7.88	7.80	
OFFICE EQUIPMENT	8.71	0.58	-	9.29	5.21	-	0.53	-	5.74	3.55	3.50	
COMPUTER	44.40	5.32	-	49.72	36.08	-	2.92	-	39.00	10.72	8.32	
LAB EQUIPMENT	0.55	-	-	0.55	0.25	-	0.02	-	0.28	0.27	0.29	
TOTAL	1,692.15	131.13	10.00	1,813.29	698.06	-	78.80	6.65	770.22	1,043.07	994.09	
PREVIOUS YEAR	1,636.90	55.25	-	1,692.15	625.60	(6.20)	78.67	-	698.06	9,94.09	1,001.31	

PREMCO GLOBAL LTD.

(Rs. in Lacs)

	AS AT 31 MAR 2010	AS AT 31 MAR 2009
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6. INVESTMENTS (AT COST)

(I) UNQUOTED:

2,417	Equity Shares of S.V.C. Bank of Rs.25/- Each Fully Paid	(P.Y.2,417)	0.61	0.61
5,000	Equity Shares of New Ind Co-op. Bank Ltd. of Rs.10/- Each, Fully Paid	(P.Y.5,000)	0.50	0.50
5,000	Equity Shares of Goldcrest Finance (I) Ltd. of Rs.10/- Each Partly Paid Up	(P.Y.5,000)	0.50	0.50
	Equity Shares of Rishi Agro Foods Ltd. of Rs.10/- Each	(P.Y.1,000)	-	0.10

(II) QUOTED:

F. INVESTMENT (AT COST)

3,000	Equity Shares of IFCI Bank Ltd of Rs. 10/- Each Fully Paid	(P.Y. 3,000)	1.96	1.96
-	Equity Shares of Grasim Industries Ltd. of Rs. 10/- Each Fully Paid	(P.Y.100)	-	2.35
3008	Equity Shares of Reliance Petroleum Ltd. of Rs. 10/- Each Fully Paid	(P.Y.3,008)	6.32	6.32
8640	Equity Shares of Faze Three Export Ltd. (Bonus) of Rs. 10/- Each Fully Paid	(P.Y.23,100)	-	-
500	Equity Shares of Faze Three Export Ltd. of Rs. 10/- Each Fully Paid	(P.Y.500)	0.28	0.28
200	Equity Shares of Unitech Ltd. (Bonus) of Rs.2/- Each Fully Paid	(P.Y. 200)	-	-
800	Equity Shares of Unitech Ltd of Rs. 2/- Each Fully Paid	(P.Y. 200)	1.66	1.18
500	Equity Shares of Artson Engineering Ltd. of Rs. 1/- Each Fully Paid	(P.Y. 500)	0.48	0.48
250	Equity Shares of Bharat Heavy Electrical Ltd. of Rs.10/- Each Fully Paid	(P.Y. 250)	4.95	4.95
4,000	Equity Shares of Aunde Faze Three Ltd. of Rs.10/- Each Fully Paid (Bonus)	(P.Y. 6000)	-	-
2,000	Equity Shares of Nelco Ltd. of Rs. 10/- Each Fully Paid	(P.Y. 2000)	1.64	1.64
200	Equity Shares of Reliance Capital Ltd. of Rs. 10/- Each Fully Paid	(P.Y. 200)	1.78	1.78
1,000	Equity Shares of Triveni Glass Ltd. of Rs. 10/- Each Fully Paid	(P.Y. 1000)	0.50	0.50

(III) MUTUAL FUNDS:

770.594	Units of Reliance Equity Fund Growth Plan	(P.Y.770.594 Units)	2.00	2.00
20,408.26	Unit of Fidelity India Special Situations	(P.Y 18,541.95 Units)	2.40	2.20
1,727.51	Unit of HDFC Equity Fund -3829333/02	(P.Y. 1,452.31 Units)	2.60	2.20
3,782.99	Unit of Prudential ICICI Dynamic Plan -2644	(P.Y. 3,281.65 Units)	2.50	2.20
-	Unit of Relance Equity Advantage Fund	(P.Y. 977.995 Units)	-	0.10
2531.08	Unit SBI MF Magnum Global Fund 94-90350	(P.Y. 2,531.08 Units)	1.30	1.30

TOTAL

	31.98	33.15
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Note : All Investment are valued at cost price. * Received pursuant to scheme of arrangement.
Aggregate Market Value of Quoted Investments is Rs.34.57 Lacs. (P.Y. Rs.19.19 Lacs)



SCHEDULES TO PROFIT & LOSS ACCOUNT

	AS AT 31 MAR 2010	(Rs. in Lacs) AS AT 31 MAR 2009
7. INVENTORIES (As taken, valued & certified by the management)		
Raw Materials	317.57	191.97
Finished Goods	81.51	113.25
Semi-Finished Goods	15.27	13.61
Spare Parts	18.17	11.83
	<u>432.52</u>	<u>330.66</u>
8. SUNDRY DEBTORS (Considered Good) (Unsecured- Good unless otherwise stated)		
Debt Outstanding for less than six months	456.34	406.25
Other Debts	5.41	36.71
	<u>461.74</u>	<u>442.96</u>
9. CASH & BANK BALANCES		
Cash in hand	1.15	1.48
Balance with Scheduled Banks		
In Current A/C	101.39	33.98
In Unpaid Dividend A/C	4.20	2.59
In Fixed Deposits	29.67	33.98
	<u>136.42</u>	<u>72.03</u>
10. LOANS, ADVANCES & DEPOSITS (Considered - Good unless otherwise stated)		
Loans & Advance to Staff	5.39	5.80
Prepaid Expenses & Other Advances	35.14	13.02
Advance to Suppliers	11.03	4.69
Deposits	29.58	16.24
Balance with Revenue Authorities	256.13	196.68
Capital Advance	114.31	114.31
	<u>451.58</u>	<u>350.74</u>
11. CURRENT LIABILITIES		
Sundry Creditors*	123.41	140.97
Advances from Customers	20.10	5.12
Outstanding Liabilities	87.34	79.75
	<u>230.86</u>	<u>225.84</u>
12. PROVISIONS		
Provisions	263.75	234.89

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

PREMCO GLOBAL LTD.

SCHEDULES TO PROFIT & LOSS ACCOUNT

	AS AT 31 MAR 2010	(Rs. in Lacs) AS AT 31 MAR 2009
13. SALES & SERVICES		
Sales (Local)	1,899.88	2,037.05
Sales (Exports)	709.44	670.35
Inter Division Transfer	190.66	270.66
Scrap Sales	4.89	5.17
Sales Raw Material	1.52	28.21
TOTAL :	<u>2,806.39</u>	<u>3,011.43</u>
14. OTHER INCOME		
Dividend received	0.32	10.57
Dividend received from Mutual Fund	2.39	-
Duty Draw Back received	45.43	25.11
Interest Subsidy TUF	11.54	-
Sampling & Designing	2.83	2.12
Foreign Exchange Fluctuation	-	10.66
Interest Received [TDS Rs. 0.48 (PY Rs. 0.72)	5.08	9.11
Long Term Profit on Sale of Investments	2.35	-
Notice pay received	0.12	0.38
Miscellaneous Income	1.29	0.83
Sundry Balance W/Back	4.55	-
Packing Credit Refund Account	-	0.58
Short Term Gain/Loss on sale of Investment	0.40	-
Special Sales Service (Debtors)	3.15	0.74
	<u>79.44</u>	<u>60.10</u>
15. INCREASE/DECREASE IN STOCK		
Closing Stock :		
Finished Goods	81.51	113.25
Semi-finished Goods	15.27	13.61
Total (A)	<u>96.77</u>	<u>126.86</u>
Less : Opening Stock :		
Finished Goods	113.25	107.42
Semi-finished Goods	13.61	18.50
Total (B)	<u>126.86</u>	<u>125.92</u>
INCREASE/(DECREASE) IN STOCK (A-B)	<u>(30.09)</u>	<u>0.94</u>
16. RAW MATERIAL & SPARES CONSUMED		
(A) RAW MATERAIL		
Opening Stock	191.97	293.31
Add : Purchases & Divisional Transfers	1,780.89	1,758.51
	<u>1,972.85</u>	<u>2,051.82</u>
Less : Closing Stock	317.57	191.97
TOTAL (A)	<u>1,655.28</u>	<u>1,859.85</u>
(B) CONSUMPTION OF SPARES		
Opening Stock	11.83	15.00
Add : PURCHASES	44.44	40.29
	<u>56.27</u>	<u>55.30</u>
Less : CLOSING STOCK	18.17	11.83
TOTAL (B)	<u>38.10</u>	<u>43.46</u>
TOTAL :(A + B)	<u>1,693.38</u>	<u>1,903.32</u>
17. MANUFACTURING EXPENSES		
Electricity Charges & Diesel	93.69	95.76
Factory Expenses	5.27	6.00
Machinery Maintainances & Other Charges	44.94	26.98
Processing Charges	139.50	126.52
	<u>283.40</u>	<u>255.26</u>



	AS AT 31 MAR 2010	(Rs. in Lacs) ASAT 31 MAR 2009
18. PERSONNEL EXPENSES		
Salary, Wages & Bonus	250.28	202.72
Contribution to Provident Fund & other Funds	9.50	8.65
Gratuity	12.01	4.83
Staff recruitment expenses	0.70	0.43
Staff Welfare and other Amenities	24.17	21.73
	<u>296.66</u>	<u>238.37</u>
19. SELLING & ADMIN EXPENSES		
SALES & DISTRIBUTION EXPENSES		
Commision & Brokerage	17.64	22.93
Sales Promotion & Advertisement	6.39	5.70
Frieght & Forwarding Charges	46.32	44.47
Discounts	6.05	21.67
Sales Tax	0.21	0.00
Sub Total (A)	<u>76.61</u>	<u>94.77</u>
ESTABLISHMENT EXPENSES		
Bad Debts	-	41.66
Repairs & Maintainance	1.88	1.66
Internal Audit Fees	0.82	-
Statutory Audit fees	1.45	0.83
Conveyance & Travelling	61.36	61.22
Donation	12.84	6.62
Export & Import Expenses	35.83	28.59
Loss on Sale of Machinery	2.05	-
Foreign Exchange Fluctuation Loss	12.08	-
Insurance Charges	6.12	5.03
Lease Rent-Car	6.04	6.25
Legal & Professional Charges	15.38	13.80
Long Term Loss on Sale of Investments	-	3.81
Short Term Loss on Sale of Investments	-	1.35
Speculation Loss on Sale of Shares	-	0.14
Property Tax	-	0.03
Rent Paid	12.07	11.49
Other Expenses	42.62	40.15
Sub Total (B)	<u>210.54</u>	<u>222.63</u>
Total (A+B)	<u>287.15</u>	<u>317.40</u>
20. INTEREST & FINANCE CHARGES		
Bank and other Financial charges	13.24	38.89
Interest on term loan	13.85	12.05
Collection Charges	5.57	3.92
Interest on Car Loan	2.05	2.09
Interest to others	2.37	1.07
	<u>37.09</u>	<u>58.01</u>

SCHEDULE TO THE BALANCE SHEET & PROFIT & LOSS ACCOUNTS

21. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

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

2. Fixed Assets and Depreciation

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

3. Foreign Exchange Transaction

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

4. Investments

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

5. Inventories

The inventories are valued as follows:

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

6. Sales

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

7. Government Grants & Subsidies

- a) The government grants received are accounted in the year of receipt.
- b) Interest subsidy on term loans under TUF scheme is provided on accrual basis only to the extent of certainty of receipt & filling of claim in respect thereof.

8. Customs and Excise Duty

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

9. Employees Retirement and other benefits

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

10. Contingent Liabilities

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

11. Inter Divisional Transfers

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

12. Provisions for Current and Deferred Tax

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

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

13. Borrowing Cost

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

14. Impairment of Assets

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

15. Lease Rentals :

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

B. NOTES ON ACCOUNTS

- Figures of the previous year have been regrouped and rearranged, wherever considered necessary.
- Contingent Liabilities :
 - Unredeemed Bank Guarantees are Rs.15.95 Lacs (P.Y.Rs.12.95 Lacs)
 - Claims against the company not acknowledged as debts
 - Claims Rs. 503.35 lacs (P. Y. 503.35)
 - Income Tax Liability Rs. 3.51 (P.Y. 3.12)
- Estimated amount of contracts remaining to be executed (net of advances) is Rs. 347.28 lacs (P.Y. 565.21 Lacs)
- The balance confirmations in respect of debtors, creditors, advances, loans and deposits as at 31st March 2010 have been called for and are subject to confirmation & reconciliation as the necessary communication in this respect is not received from them. The management has scrutinized the accounts and the balances appearing in the Balance Sheet are correct.
- In the opinion of the management, no item of current assets, loans and advances has a value on realisation in the ordinary course of business, which is less than the amount of value at which it is stated in the Balance Sheet, unless otherwise specified.
- Dividend income is accounted on receipt basis.
- The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding :
 - Amount due and outstanding to suppliers as at the end of accounting year.
 - Interest paid during the year.
 - Interest payable at the end of the accounting year.
 - Interest accrued and unpaid at the end of the accounting year, have not been given.

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

- The capital work in progress comprises of the following expenditure incurred at new production unit to be set up at Vapi. (Rs. In Lacs)

a) Rent	1.64
b) Salary	0.20
c) Fixed Assets	2.84
d) Stamp Duty	0.75
e) Legal Charges	0.37
f) Miscellaneous	0.82
Total	6.62

- The company has identified the items of inventory, which are obsolete & non-moving items. Therefore, following the principle of Prudence, these inventories are valued at net realizable price. The details of the same are as under :

Nature of Item	Current Year		Previous Year	
	Quantity (in KGs)	Value (in Rs.)	Quantity (in KGs)	Value (in Rs.)
Nylon	6,970.70	1,39,414.00	5,112.05	1,02,240.20
Polyester	7,509.28	1,51,186.60	5,874.67	1,17,493.40
Rubber & Spandex	4,437.66	4,43,766.00	12,184.17	12,18,417.00
Others	4,645.68	92,913.60	4,118.48	82,370.40

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

Particulars	31.03.2010		31.03.2009	
	Amount (in USD \$)	Amount (in Rs.)	Amount (in USD \$)	Amount (in Rs.)
Sundry Creditors/Outstanding Letter of Credit on Import	USD \$ 82,466.43	Rs. 37,80,261.07	USD \$ 31,995.06	Rs.16,75,261.00
Sundry Debtors	USD \$ 4,26,306.25	Rs. 1,89,79,154.25	USD \$ 3,12,717.39	Rs.1,57,26,557.34
Balance in EFC A/c	USD \$ 2,23,002.36	Rs. 99,280,65.07	USD \$ 28,768.18	Rs. 14,45,321.19

11. (A) Details of Managerial Remuneration

	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
i) Salary & Allowances	23.79	20.49
ii) Bonus & Other Perquisites	1.30	0.45
iii) Gratuity Provision	5.28	-
iv) Leave encashment provision	-	-
	<u>30.37</u>	<u>20.93</u>

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

	Year ended 31st March, 2010 Rs. (Lacs)	Year ended 31st March, 2009 Rs. (Lacs)
Profit before tax	179.26	220.71
Add:		
Remuneration to Directors	30.37	20.93
Provision for doubtful debts	-	-
Net Loss/(Profit) on disposal of Investment	(2.75)	5.30
Net Profit for computation of Managerial remuneration	<u>206.88</u>	<u>246.94</u>

12. Payment to Auditors

	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
b) Audit Fees	0.55	0.55
c) Tax Audit Fees	0.22	0.22
d) Other Consultancy Matters	0.58	0.23
e) out of Pocket Expenses	0.10	0.05
	<u>1.45</u>	<u>1.05</u>

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

a) Licensed/Installed Capacities

Description of Goods	Licensed		Installed	
	2009-2010	2008-2009	2009-2010	2008-2009
Elastic Tapes (Lacs Mtrs)	N.A.	N.A.	N.A.	850.

b) Production of Finished Goods

Description	Units	Current Year	Previous Year
Elastic Tapes	Lacs Mtrs	526.46	591.30

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

I) Opening Stock of Finished Goods

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

II) Closing Stock of Finished Goods

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Elastic Tapes	Lacs Mtrs	30.61	81.51	42.40	113.25

III) Sales & Services

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Elastic Tapes	Lacs Mtrs	538.27	2,613.08	602.82	2,794.27
Others			193.31		217.16
Total			2,806.39		3,011.43

IV) Raw Material & Spares Consumed

Description	Units	Current Year		Previous Year	
		Quantity	Value (Rs. in Lacs)	Quantity	Value (Rs in Lacs)
Polyester	MT	668.69	748.47	879.06	907.52
Nylon	MT	215.25	458.21	152.28	299.76
Rubber	MT	254.65	380.00	204.98	413.93
Others			106.69		282.10
Total			1,693.37		1,903.31

V) Consumption of Imported & Indigenous Items

Description	2009-2010		2008-2009	
	Rs. (In Lacs)	% of Total Consumption	Rs. (in Lacs)	% of Total Consumption
A. Raw Material & Components				
Imported	281.88	16.65%	221.81	11.65%
Indigenous	1,373.40	81.10%	1,638.04	86.07%
Sub-Total	1,655.28	97.75%	1,859.85	97.72%
B. Stores & Spares				
Imported	-	-	-	-
Indigenous	38.09	2.25%	43.46	2.28%
Sub-Total	38.09	2.25%	43.46	2.28%
Grand Total	1,693.37	100%	1,903.31	100%

VI. CIF value of Imports:

Description	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material	229.12	179.59
Capital Goods	34.55	10.63
Stores & Spares	-	-

VII. Expenditure in Foreign Currency

Description	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travel	38.07	35.06

VIII. Earning in Foreign Currency:

Description	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Value of Exports	709.44	670.35

IX) Net Dividend remitted in Foreign Exchange

Particulars	Amount (Rs.)
Final Dividend 08-09 to 13 Shareholders on 34,000 Shares	40,800/-
Final Dividend 07-08 to 13 Shareholders on 23,500 Shares	28,200/-
Final Dividend 06-07 to 15 Shareholders on 84,733 Shares	1,01,680/-

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

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

	Gratuity Rs. (in Lacs)		Leave encashment Rs. (in Lacs)	
	31.03.10	31.03.09	31.03.10	31.03.09
Change in Benefit Obligation				
Present Value of Obligation (Opening)	31.02	27.63	8.17	6.23
Interest Cost	2.33	2.21	0.61	0.50
Current Service Cost	4.47	4.10	2.22	1.57
Past Service Cost	NIL	NIL	NIL	NIL
Benefits Paid	(14.50)	(1.45)	(4.01)	(1.10)
Actuarial (Gain) Loss on Obligation	5.21	(1.48)	2.21	0.97
Present value of Obligation (Closing)	28.53	31.02	9.20	8.17
Fair Value of Plan Assets				
Fair value of plan Assets 01/04/2009	NIL	NIL	NIL	NIL
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Contribution	14.50	1.45	4.01	1.10
Benefits paid	(14.50)	(1.45)	(4.01)	(1.10)
Actuarial (Gain) Loss on Obligation	NIL	NIL	NIL	NIL
Present value of Obligation 31/3/2010	NIL	NIL	NIL	NIL
Balance Sheet Recognition				
Present Value of Obligation	28.53	31.02	9.21	8.17
Fare value of Plan Assets	NIL	NIL	NIL	NIL
Liabilities (Assets)	NIL	NIL	NIL	NIL
Un-recognised past Service Cost	NIL	NIL	NIL	NIL
Liability (Asset) recognized in the Balance Sheet	28.53	31.02	9.21	8.17

	Gratuity Rs. (in Lacs)		Leave encashment Rs. (in Lacs)	
	31.03.10	31.03.09	31.03.10	31.03.09
Profit and Loss – Expenses Recognition				
Current Service Cost	4.47	4.10	2.22	1.57
Interest Cost	2.33	2.21	0.61	0.50
Expected Return on Plan Assets	NIL	NIL	NIL	NIL
Net Actuarial Gain (Loss) Recognised in the year	5.21	(1.48)	2.21	0.97
Expenses to be recognized in P/L Account	12.01	4.83	5.04	3.04
Assumptions :				
Discount Rate		8.00 %		8.00 %
Expected Return on Plan Assts		0.00 %		0.00 %
Mortality		LIC(1994-96) Ultimate		LIC(1994-96) Ultimate
Future Salary Increases		5.50 % PA		5. % PA
Attrition		8 % for Age (20-29), 4 % for Age (30-39) & 2 % there after .		

15. Segment Reporting

A) In the opinion of the management the company is mainly engaged in the business of manufacturing of Elastic Tapes and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

B. Secondary Business Segment:

Description	Mumbai		Dadra		Palghar	
	Rs. (in Lacs)		Rs. (in Lacs)		Rs. (in Lacs)	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Segment Revenue (Sales)						
Within india	0.00	0.64	1,625.22	1,860.06	471.74	480.38
Outside India	0.00	0.00	664.45	636.09	44.98	34.26
Total	0.00	0.64	2,289.67	2,496.15	516.72	514.64
Segment Fixed Assets(Gross)						
Within India	253.34	228.91	1,335.48	1,245.05	224.46	218.19
Outside India	-	-	-	-	-	-
Segment Assets (Gross)	253.34	228.91	1,335.48	1,245.05	224.46	218.19

16. Related Party Disclosures

a) List of Related Parties and Relationship

- Pixel Packaging Limited
- Premco Industries

Relationship
Associate Company
Associate Firm

b) Key Management Personnel

- Ashok B. Harjani
- Prem I. Gidwani
- Lokesh P. Harjani

Chairman & Managing Director
Director
Director

c) Relatives of Key Management Personnel

- Mrs. Nisha P. Harjani
Mrs. Sonia Harjani

Relative
Relative

	2009-10 Rs. (in Lacs)	2008-09 Rs. (in Lacs)
d) Related Party Transactions		
I) From Associates Enterprises		
1. Purchase of Assets	2.72	0.00
2. Sale of Goods	19.88	16.37
3. Rate Discount	0.00	5.85
4. Rent Paid	9.93	10.12
5. Loan /Advance Given (Closing Balance Rs. NIL /P.Y. Rs.NIL)	0.50	50.00
6. Loan taken (Closing Balance Rs. NIL /P.Y. Rs NIL)	0.00	18.45
II) From Key Management Persons		
1. Car Hire Charges Paid	4.77	4.98
2. Remuneration, Bonus & Perks	30.37	20.93
3. Imprest Account (Closing Balance Rs. NIL /P.Y Rs.0.40 Lacs)	2.27	3.90
4. Tour Advance (Closing Balance Rs. 0.36 Lacs/P.Y Rs. 3.60 Lacs)	29.38	29.48
5. Reimbursement of expenses	7.53	6.66
III) From Relative of Key Management Persons		
1. Loan Taken (Closing Bal Rs.28.00/P.Y Rs.Nil)	41.00	34.00
2. Loan Given (Closing Bal NIL PY NIL) -	0.00	0.50
3. Car Hire Charges Paid	1.27	1.27
4. Remuneration	6.50	4.20
5. Interest Paid	2.37	0.91
6. Imprest Account (Closing Balance Rs. NIL /P.Y Rs.NIL)	4.95	3.63
7. Tour Advance (Closing Balance Rs. NIL /P.Y Rs.NIL)	1.38	2.75
8. Reimbursement of expenses	1.48	0.97

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

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

The particulars of these leases are as follows:

(Rs. In Lacs)

PARTICULARS	2009 - 10	2008 - 10
Future Minimum lease payments obligation on non-cancelable operating leases :		
Not later than one year	48.65	12.08
Later than one year and not later than five years.	79.19	00.90
Later than five years	-	-
Lease payments recognized in Profit & Loss Account	12.07	11.49

18. Earning Per Share :

Earning per share computed in accordance with Accounting Standard 20 : 'Earning Per Share'		
Basic & Diluted :	Current Year	Previous Year
Profit after Tax as per Accounts is Rs. In lacs	105.32	139.82
No. Of Shares Issued (No. In lacs)	30.36	30.36
Basic & Diluted EPS (Rs.)	3.47	4.61



19. Major component of Deferred Tax Liabilities comprises of followings:

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
a) Deferred Tax Assets : Related to Fixed Assets	(2.76)	2.94
b) Deferred Tax Assets / (Liabilities) Dissallowance under I.T. Act.	(0.49)	1.81
c) Provision for Deferred Tax Asset / Liability (Net)	<u>(3.25)</u>	<u>4.75</u>

20. Figures of Previous are regrouped and reclassified wherever necessary.

As per our Annexed Report of even date

For S.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 103969W

KAPIL K. JAIN
PARTNER
Membership No. 108521.

Place : Mumbai.
Dated : 16th August, 2010

For & on behalf of the Board

ASHOK B. HARJANI
CHAIRMAN & MANAGING DIRECTOR

LOKESH P. HARJANI
DIRECTOR

21. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. 40911 State 11

Balance Sheet Date 31-03-2010

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

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

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

Total Liabilities	Total Assets
2,069.32	2,069.32

Sources of Funds

Paid Up Capital	Reserves & Surplus
301.36	1,182.90
Secured Loan	Unsecured Loan
352.87	28.00
Deferred Tax Liabilities	
204.19	

Application of Funds

Net Fixed Assets	Investments
1,043.07	31.98
Net Current Assets	Misc. Expenditure
987.65	Nil
Accumulated Losses	Capital Work in Progress
Nil	6.62

IV. Performance of Company (Amount Rs. In Lacs)

Turnover	Total Expenditure
2,885.83	2,706.57
(Incl. other Income)	(Incl. Adjustment on account of stock changes)
Profit Before Tax	Profit After Tax
179.26	105.32
Earning Per Share	Proposed Dividend (Inclusive of Tax)
3.47	41.43

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

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

As per our Annexed Report of even date

For S.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 103969W

KAPIL K. JAIN
PARTNER
Membership No. 108521.

Place : Mumbai.
Dated : 16th August, 2010

For & on behalf of the Board

ASHOK B. HARJANI
CHAIRMAN & MANAGING DIRECTOR

LOKESH P. HARJANI
DIRECTOR



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010.

	AS AT 31 MAR 2010	Rs. in Lacs) AS AT 31 MAR 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	179.26	220.71
Adjustments for :		
Depreciation	78.80	78.67
Loss on Sale of Machinery	2.05	-
Loss on Sale of Investments	0.00	5.30
Profit on Sale of Investments	(2.75)	-
Financial Expenses	37.09	58.01
Interest Received	(5.08)	(9.11)
Dividend Received	(2.71)	(10.57)
	<u>107.42</u>	<u>122.30</u>
Operating Profit before Working Capital changes	<u>286.67</u>	<u>343.01</u>
Adjustments for :		
Current Assets		
a) Inventories	(101.86)	103.58
b) Debtors	(18.79)	(31.46)
c) Loans & Advances	(100.83)	(127.20)
Current Liabilities	33.87	(18.21)
Increase/Decrease in Net Current Assets	(187.61)	(73.30)
Less : Current Taxes Paid	70.68	(85.64)
	<u>28.38</u>	<u>184.08</u>
Cash generated from operations	<u>28.38</u>	<u>184.08</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in Progress	(6.62)	-
(Purchase) / Sale of Investments	3.91	(4.68)
Purchase of Fixed Assets	(131.13)	(55.25)
Dividend Received	2.71	10.57
Sale of Fixed Assets	1.30	-
	<u>(129.83)</u>	<u>(49.36)</u>
Net cash used in investing activities	<u>(129.83)</u>	<u>(49.36)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Calls in arrears recd	-	3.89
Premium on Calls in arrears recd	-	7.77
Loan Borrowed (Repayments)	239.29	(34.67)
Interest Received	5.08	9.11
Dividend & Tax Thereon	(41.43)	(41.58)
Financial Expenses	(37.09)	(58.01)
	<u>165.84</u>	<u>(113.50)</u>
Net increase in Cash and Cash equivalents	64.39	21.23
Opening Balance of Cash and Cash equivalents	72.03	50.80
Closing Balance of Cash and Cash equivalents	<u>136.42</u>	<u>72.03</u>

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

As per our Annexed Report of even date

For S.P. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 103969W

KAPIL K. JAIN
PARTNER

Membership No. 108521.

Place : Mumbai.

Dated : 16th August, 2010

For & on behalf of the Board

ASHOK B. HARJANI
CHAIRMAN & MANAGING DIRECTOR

LOKESH P. HARJANI
DIRECTOR

PREMCO GLOBAL LTD.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Sales	2,806.39	3,011.43	2,429.98	2,295.23	2,070.42	2,121.37	1,830.92	1,699.57	2,050.20	1,962.24
Total Income	2,873.75	3,071.53	2,476.38	2,329.41	2,068.17	2,010.56	1,844.83	1,705.31	2,105.89	1,971.04
Operating Profit	295.15	357.39	290.20	261.37	220.66	229.83	222.10	226.38	265.92	255.92
Interest	37.09	58.01	45.77	80.02	53.26	67.43	81.66	94.50	101.01	132.65
Depreciation	78.80	78.67	80.36	75.11	70.02	68.07	65.36	7,098.00	69.64	57.81
Profit Before Tax	179.26	220.71	164.07	106.24	97.38	94.33	75.08	60.90	95.27	65.46
Provision for Taxation	70.69	78.82	56.75	36.29	34.88	14.00	5.15	4.63	5.50	-
Profit After Tax	108.57	141.89	107.32	70.24	62.50	80.33	69.63	56.27	89.77	65.46
Provision for Deferred Tax	3.25	(4.75)	(3.72)	(11.20)	(11.52)	(2.22)	(3.08)	(1.59)	4.11	-
Provision for Fringe Benefit Tax	-	6.82	3.50	3.00	4.33	-	-	-	-	-
Extra Ordinary Item	-	-	60.73	-	-	-	-	-	-	-
Net Profit (+) /Loss (-)	105.32	139.82	46.81	78.15	69.69	82.55	73.01	57.86	85.66	65.46
Equity Dividend %	0.12	0.12	0.12	0.08	-	-	-	-	-	-
Dividend Payout	35.53	35.53	34.59	23.79	-	-	-	-	-	-
Paid up Share Capital	301.36	301.36	297.40	297.40	297.40	297.40	297.40	297.40	297.40	297.40
Reserve & Surplus	1,182.90	1,119.02	1,006.87	1,007.81	1,179.00	1,109.31	1,010.36	937.35	879.48	718.51
Differed Tax Liability	204.19	200.93	205.68	209.40	-	-	-	-	-	-
Net Worth	1,688.45	1,621.31	1,509.95	1,514.61	1,476.40	1,406.71	1,307.76	1,234.75	1,176.88	1,015.91
Gross Fixed Assets	1,813.29	1,692.15	1,636.90	1,692.56	1,528.64	1,458.66	1,381.28	1,372.79	1,379.99	1,360.57
Net Fixed Assets	1,043.07	994.09	1,011.31	1,031.53	932.92	932.96	921.70	971.27	1,038.05	1,088.11
E.P.S.- Rs.	3.47	4.61	1.54	2.57	2.30	2.72	2.40	1.91	2.82	2.16
Book Value - Rs.	55.61	53.40	49.73	50.29	48.63	46.33	43.08	40.67	38.76	33.46
Debt : Equity Ratio	0.20:1	0.08:1	0.10:	10.16:1	0.20:1	1.01:1	0.59:1	0.44:1	0.54:1	0.50:1
Number of Investors	1,316	1,395	1,395	1,487	1,606	1,872	1,853	1,884	1,894	1,903
Number of Employees	134	131	138	129	131	143	124	124	124	122

The Company Shares are listed in Mumbai & Ahmedabad Stock Exchange, The requisite listing fees have been paid.

ECS MANDATE FORM

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

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

Dated : _____

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

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

Certificate of the Shareholder's Bank

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

Bank Stamp :

Signature of the authroised
official of the Bank

Date : _____

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

PREMCO GLOBAL LTD.



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

FORM OF PROXY

I/We _____

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

_____ of _____

_____ of _____

as my/our proxy to vote for me/us on my/our behalf at the Annual General meeting of the Company to be held at 9.30 am. on Thursday, 23rd September 2010.

Dated _____

Folio No. _____

No. of Shares _____

Revenue
Stamp
1 Rupee

Signature

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

PREMCO GLOBAL LTD.



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

ATTENDANCE SLIP

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

Regd. Folio No _____

No. of Shares _____

Name of the attending Member (in BLOCK LETTERS)

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

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company being held at "Premco House, A/26, MIDC, Street No. 3, Andheri (East), Mumbai - 400 093. on Monday Thursday, 23rd September 2010. at 9.30 a.m.

Signature

Book - Post

If undelivered please return to :

PREMCO GLOBAL LTD.

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