



**PREMIER  
POLYFILM  
LTD.**

ANNUAL REPORT 2011-2012



**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**

Kotak Mahindra Bank Limited  
Chandni Chowk, Delhi - 110006

**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

**ISIN NO.        INE 309M1012**

<b>CONTENTS</b>	
	<b>Page No.</b>
Notice.....	3
Directors' Report.....	8
Green Initiative in the Corporate Governance.....	20
Auditors Certificate on Corporate Governance.....	21
Auditors' Report.....	21
Balance Sheet.....	25
Profit & Loss Account.....	26
Cash Flow Statement.....	27
Schedules to the Accounts.....	28
Proxy Form.....	43



## **NOTICE**

**NOTICE** is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LTD.** will be held on **FRIDAY, the 24<sup>th</sup> day of AUGUST, 2012 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 31st March, 2012, the Profit & Loss Account for the period from 1st April, 2011 to 31st March, 2012 and the reports of Directors' and Auditors' thereon.
- 2) To appoint a Director in place of Shri Jaspal Singh Marwah, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint a Director in place of Shri Manoj Kumar Gupta, 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(s), the following resolution as a SPECIAL RESOLUTION.**

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956 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 by way of Special Resolution to the continuous appointment of Shri Amar Nath Goenka as Managing Director of the company till 17/02/2018 i.e. even after attaining the 70 years of age on 26/12/2011."

- 6) **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 reappoints Shri Amar Nath Goenka as Managing Director of the company for a period of Five(5) years with effect from 18/02/2013.

RESOLVED THAT remuneration including perquisites payable to Shri Amar Nath Goenka, Managing Director, shall be as under :

### **(A) REMUNERATION**

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

The Managing Director shall be paid Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) as basic salary per month.

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

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

#### **a) Housing:-**

The Managing Director shall be provided unfurnished accommodation at Delhi. The expenditure by the company on hiring of unfurnished accommodation for Managing Director will not be over 60 percent of the salary over and above 10 percent payable by the Managing Director and in case no accommodation is provided by the company, the Managing Director shall be paid House Rent Allowance @60% of his basic salary.



**b) Medical Reimbursement :-**

Expenses incurred by the Managing Director for himself and the family will be reimbursable to him subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

**c) Leave Travel Assistance :-**

For self and family, once in a year to and fro from any place in India by air/train/road as per the rules of the company.

**d) Leave :-**

The Managing Director shall be entitled to 30 days' leave on full salary for every eleven months of service and leave can be accumulated.

However, the unavailed privilege leave may be encashed by the Managing Director at the termination of his tenure as Managing Director.

The Managing Director shall be entitled to contribution to Provident Fund/Superannuation Fund or Annuity as applicable to the senior officers of the Company. He shall also be entitled to Gratuity which shall not exceed half a month's salary for each completed year of service.

The Managing Director shall be provided with Company's car for company's business and telephone at his residence. Personal long distance calls on telephone and use of car for private purpose by the Managing Director shall be billed by the company to the Managing Director.

In addition to this the Managing Director shall be provided with a cell phone on actual expense basis.

**(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 and 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 Managing Director shall be paid the same salary as mentioned in para (A)(i) above and he shall also continue to enjoy all the perquisites based on the salary mentioned in para (A) (ii) above.

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

"RESOLVED that in accordance with the provisions of Article 116 of the Articles of the Company & Section 269,198,309,310 & 311 and all other applicable provisions, if any, of the companies Act, 1956 and subject to the limits specified in Schedule XIII to the said Act the Company hereby reappoints Shri S.P. Jain as Executive Director for a period of 3 (three) years with effect from 01/04/2013.

"RESOLVED that remuneration including perquisites payable to Shri S. P. Jain, Executive Director, shall be as under:

**(A) REMUNERATION**

**(i) Salary :-**

The Executive Director shall be paid Rs. 57,000/- (Rupees Fifty Seven Thousand only) as basic salary per month in pay scale of Rs.57,000/- - Rs. 80,000/- with annual increment as may be decided by the Remuneration Committee and the Board of the 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 the Basic Salary per month.



**(b) Payment against Employees Provident Fund contribution:-**

The Executive Director shall be entitled to contribution to Provident Fund/Superannuation Fund or Annuity as applicable to the senior officers of the Company.

He shall also be entitled to Gratuity which shall not exceed half a month's salary for each completed year of service.

**(c) Conveyance:-**

The Executive Director shall be provided with the facility of company 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 buy him for himself and his wife and dependent children once in two years subject to maximum of one months 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.

**(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 provision 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 an mentioned in para (A)(ii) above.

By order of the Board  
for PREMIER POLYFILM LTD.

Sd/-

N.K.BHANDARI  
COMPANY SECRETARY

Place : New Delhi  
Date : 30/05/2012

**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 16/08/2012 to 24/08/2012 (both days inclusive).



## PREMIER POLYFILM LTD.

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. **IN COMPLIANCE WITH THE CIRCULARS OF THE MINISTRY OF CORPORATE AFFAIRS ON GREEN INITIATIVE IN THE CORPORATE GOVERNANCE THE MEMBERS ARE REQUESTED TO PROVIDE THEIR RESPECTIVE EMAILS SOAS 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.5,6 and 7 is annexed.

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

#### ITEM NO.5

Shri Amar Nath Goenka, the present Managing Director of the company, holds office of Managing Director of the company till 17/02/2013. Shri Amar Nath Goenka was reappointed as Managing Director of the Company under Schedule XIII to the Companies Act, 1956 for a period of five years with effect from 18/02/2008 by the Shareholders of the company in the 15th Annual General Meeting of the company held on 10/07/2007. Shri Goenka attained the age of 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 pass a special resolution approving such appointment in their General Meeting. In the 19th Annual General Meeting held on 19/09/2011 the Shareholders have given their approval to continuous appointment of Shri Amar Nath Goenka upto 17/02/2013 i.e. date upto which he was appointed as Managing Directors of the company by the Shareholders even after attaining the age of 70 years.

The next Annual General Meeting of the company would be held after April, 2013 i.e. after the expiry of his tenure as Managing Director on 17/02/2013 and hence it is proposed to pass a special resolution by the shareholders as proposed in the Notice convening 20th Annual General Meeting so as to continue his appointment as Managing Director even after the age of 70 years.

Shri Amar Nath Goenka is 71 years old and holds Degree in Commerce. He has more than 51 years of experience in industry. He is also director on the Board of M/s Premier Polyplast & Processors Limited and M/s Sunhills Vinyls Private Limited.

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.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Shri Amar Nath Goenka pursuant to the provisions of Section 302 of the Companies Act, 1956.

#### ITEM NO.6

Shri Amar Nath Goenka has been continuing as Managing Director of the Company since 18th February, 1993 and his last reappointment as Managing Director was approved by the Shareholders in the 15th Annual General Meeting held on 10th September, 2007 for a period of five (5) years effective from 18/02/2008 at a remuneration of Rs.40,000/- (Rupees Forty Thousand only) per month as basic salary plus perquisites admissible under Schedule XIII to the Companies Act, 1956.

Now, it is proposed to reappoint him as Managing Director for a period of Five years w.e.f. 18/02/2013 at the revised remuneration of Rs.1,25,000/-per month plus perquisites. As per provisions of the Companies Act, 1956 appointment or reappointment of Managing Director requires approval of Shareholders in their General Meeting. Further the company is to hold 21st Annual General Meeting of Shareholders by 30/09/2013. The Board of Directors approved the reappointment of Shri Amar Nath Goenka as Managing Director of the company, on the recommendation of the



## PREMIER POLYFILM LTD.

Remuneration Committee, for a period of five (5) years effective from 18/02/2013 in their Meeting held on 30/05/2012 subject to approval of the Board of Directors and Shareholders. Therefore, it is proposed to reappoint Shri Amar Nath Goenka as Managing Director at this Annual General Meeting.

Shri Amar Nath Goenka is 71 years old and holds Degree in Commerce. He has more than 51 years of experience in industry and hence the salary and perquisites proposed to be provided are considered reasonable. He is also director on the Board of M/s Premier Polyplast & Processors Limited and M/s Sunhills Vinyls Private Limited.

The Remuneration Committee has recommended reappointment of Shri Amar Nath Goenka as Managing Director for a period of five (5) years on the basic salary and perquisites as mentioned in the Notice of Annual General Meeting effective from 18/02/2013 subject to approval by the members of the Company in the ensuing Annual General Meeting.

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 Amar Nath Goenka and Shri Amitabh Goenka, being son of Shri Amar Nath Goenka.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Shri Amar Nath Goenka pursuant to the provisions of Section 302 of the Companies Act, 1956.

### ITEM NO. 7

Shri S. P. Jain has been continuing as Director as well as Executive Director of the Company since 26/06/2004 and his last reappointment as Executive Director was approved by the Shareholders in the 18th Annual General Meeting held on 9th August, 2010 for a period of Three (3) years effective from 01/04/2010 at a remuneration of Rs. 37,433/- (Rupees Thirty Seven Thousand Four Hundred Thirty Three only) per month as basic salary plus perquisites admissible under Schedule XIII to the Companies Act, 1956.

The present term of Shri Jain expires on 31/03/2013. The next Annual General Meeting of the company would be held by September, 2013 i.e. after the term of Shri Jain Expires. It is proposed to reappoint Shri Jain as Executive Director for a further period of 3 (Three) years with effect from 01/04/2013. It is, therefore, proposed to pass the resolution approving reappointment of Shri S. P. Jain as Executive Director for a further period of 3 (three) years on the Terms and Conditions as specified in the Notice of the Twentieth Annual General Meeting. The Board of Directors of the company has approved reappointment of Shri S. P. Jain for another three years i.e. upto 1/04/2013 in their Meeting held on 30/05/2012 on the recommendation of the Remuneration Committee subject to approval by the Members of the company in the ensuing Annual General Meeting.

Shri S.P. Jain is 66 years old and holds University Degree. Shri Jain has over 44 years of experience as Executive and hence the salary and perquisites proposed to provide to him are considered reasonable. The remuneration and perks given in the Notice convening the Twentieth Annual General Meeting are within the prescribed limits of Schedule XIII of the Companies Act, 1956. The reappointment of Shri S.P. Jain as Executive Director and terms of his reappointment are subject to approval of the shareholders. Therefore, it is proposed to approve reappointment of Shri S. P. Jain as Executive Director at this Annual General Meeting.

The Remuneration Committee has recommended reappointment of Shri S. P. Jain as Executive Director for a period of three (3) years on the basic salary and perquisites effective from 01/04/2013 as mentioned in the Notice for this Annual General Meeting,

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 S.P. Jain.

This explanation together with the accompanying Notice is, and should be treated as an abstract of the terms of appointment of Shri S. P. Jain pursuant to the provisions of Section 302 of the Companies Act, 1956.

By order of the Board  
for PREMIER POLYFILM LTD.

Place : New Delhi  
Date : 30/05/2012

Sd/-  
N.K.BHANDARI  
COMPANY SECRETARY



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the **Twentieth Annual Report** together with Audited Accounts for the year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Sales & Other Income	7016	5,993
Operating profit before providing for interest & Depreciation	514	361
<b>Less :</b>		
Interest	89	65
Depreciation	185	181
Net Profit before taxation	240	115
<b>Less :</b>		
Provision for taxation	49	24
Net Profit after tax	191	91
<b>Add:</b>		
Excess provision for Sales tax written back	-	22
<b>Less :</b>		
Damages to ESI dues	-	15
Balance brought forward from previous year	(88)	(186)
Balance carried to Balance sheet	103	(88)
Basic and diluted earning per share	0.91	0.43
Face value per equity Share	5.00	5.00

### OPERATIONS

During the period under review your company produced 12,242 M.T. of PVC flooring, Sheetings, Films etc. as against 10,656 M.T. produced during the previous year, achieving a capacity utilization of 75.57 % as compared to around 65.78% in the previous year. The Company could achieve higher capacity utilization but for present depressed demand for products due to current recession both in domestic and foreign markets.

### 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 continue to grant 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. Kotak Mahindra Bank Limited has also sanctioned and disbursed Working Capital facilities and term Loan to the company for its working capital needs. Barring unforeseen circumstances, your company expects to continue progress.

## **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 2011-12.

## **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.

## **DIRECTORS**

Shri Jaspal Singh Marwah and Shri Manoj Kumar Gupta Directors of your company , retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Shri Amar Nath Goenka, Managing Director of the company of the company , will retire on 17/02/2013 as Managing Director of the Company. The Board of Directors of the company in their Meeting held on 30/05/2012 has reappointed him for another term of 5 (Five) years at a remuneration as stated in detail in the Notice convening 20<sup>th</sup> Annual General Meeting subject to Shareholders approval.

Shri S P Jain, Executive Director of the company of the company, will retire on 31/03/2013. The Board of Directors of the company in their Meeting held on 30/05/2012 has reappointed him for another term of 3 (Three) years at a remuneration as stated in detail in the Notice convening 20<sup>th</sup> Annual General Meeting subject to Shareholders approval.

In terms of Clause 49 of the Listing Agreement notes on Directors 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.

## **NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL)**

Both NSDL and CDSL have allotted ISIN No. to your company which is appended below :

**ISIN NO. INE309M01012**

## **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 has commenced at Bombay Stock Exchange Limited (BSE).

The company has already complied with all the formalities of National Stock Exchange of India Limited (NSE) and we hope trading would commence soon at NSE .

## **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 and 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 31st March, 2012 duly signed by the Managing Director 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.

## **ACKNOWLEDGMENT**

The Directors wish to place on record their sincere appreciation for the whole hearted Co-operation received by the Company from Central and State Governments, Kotak Mahindra 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 : 30/05/2012



**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.<br><br>The Company has been continuously developing various designs and colours of flooring, sheeting & Leather Cloth.  |
| 2. Benefits derived as a result of the above R&D           | Continuous development of economical formulations 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 continuously developing various attractive designs and colours of Flooring, sheeting & Leather Cloth. |
| 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. 0.85 Lac approx  |
| c) Total   | Rs. 0.85 Lac approx  |
| d) Total R&D expenditure as a percentage of total turnover | 0.01%  |

**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 substitution etc. | 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	1,108
2. Outgo	679



**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 Jaspal Singh Marwah and Shri Manoj Kumar Gupta, Directors of your Company, retire by rotation and being eligible offer themselves for reappointment.

Shri Jaspal Singh Marwah is independent director of the Company. He is 64 years of age and holds degree in commerce. He has more than 44 years of experience in business and trade. He is also director on the Board of M/s J.S.M. Estate (P) Ltd. Shri Jaspal Singh Marwah is also Chairman of Remuneration Committee, Audit Committee and Shareholders/Investors Grievance Committee of the Company. He has been continuing as a Director on the Board of Directors of the Company since 02/09/1999.

Shri Manoj Kumar Gupta is independent director of the Company. He is 45 years of age and is FCA. He has more than 22 years of commercial experience in business and trade. He is also director on the Board of M/s Ramada Hospitality (P) Ltd. and partner in M/s M A R S & Associates. Shri Gupta is Member of Remuneration Committee, Audit Committee and Shareholders/Investor Grievance Committee of the Company. He has been continuing as a Director on the Board of Directors of the Company since 30/03/2001.

Shri Amar Nath Goenka, the present Managing Director of the company, holds office of Managing Director of the company till 17/02/2013. Now, it is proposed to reappoint him as Managing Director for a period of Five(5) years w.e.f. 18/02/2013 at a remuneration of Rs. 1,25,000/-per month plus perquisites on the recommendation of remuneration committee. As per provisions of the Companies Act, 1956 appointment or reappointment of Managing Director requires approval of Shareholders in their General Meeting. Further the company is to hold 21st Annual General Meeting of Shareholders by 30/09/2013 and next Annual General Meeting of the company will be held after April, 2013. The Board of Directors approved the reappointment of Shri Amar Nath Goenka in their Meeting held on 30/05/2012 subject to approval of Shareholders. Therefore, it is proposed to approve reappointment of Shri Amar Nath Goenka as Managing Director before the expiry of his term on 17/02/2013. He has been continuing as Managing Director of the Company since 18/02/1993.

Shri Amar Nath Goenka is 71 years old and holds Degree in Commerce. He has more than 51 years of experience in industry and hence the salary and perquisites proposed to provide to him are very reasonable. Further the remuneration and perks given in the Notice Convening the Twentieth Annual General Meeting are within the prescribed limits of schedule XIII of the Companies Act, 1956. He is also director on the Board of M/s Premier Polyplast & Processors Limited and M/s Sunhills Vinyls Private Limited.

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 Amar Nath Goenka and Shri Amitabh Goenka, been his son.

Shri S. P. Jain, Executive Director of the company, holds office of the Executive Director of the company upto 31/03/2013. Now, it is proposed to reappoint him as Executive Director for a period of Three (3) years w.e.f. 01/04/2013 at the remuneration and perks/perquisites as given in the Notice convening Twentieth Annual General Meeting. As per provisions of the Companies Act, 1956 appointment or reappointment of Executive Director requires approval of Shareholders in their General Meeting. Further the company is to hold 21st Annual General Meeting of Shareholders by 30/09/2013 i.e after the period of his appointment expires. The Board of Directors approved the reappointment of Shri S P Jain in their Meeting held on 30/05/2012 subject to approval of Shareholders. Therefore, it is proposed to approve reappointment of Shri S P Jain as Executive Director before the expiry of his term on 31/03/2013. He has been continuing as Executive Director of the Company since 26/06/2004

Shri S.P. Jain is 66 years old and holds University Degree. Shri Jain has over 44 years of experience as an Executive and hence the salary and perquisites proposed to be provided to him are very reasonable. Further



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**PREMIER POLYFILM LTD.**

the remuneration and perks given in the Notice convening the Twentieth Annual General Meeting are within the prescribed limits of Schedule XIII of the Companies Act, 1956. The reappointment of Shri S.P. Jain as an Executive Director and terms of his reappointment are subject to approval of the shareholders.

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 S.P. Jain

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

1. National Stock Exchange of India Limited, “Exchange Plaza”, 5 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 Four(4) times. These Board Meetings were held on 30th April, 2011, 29th July, 2011, 29th October, 2011 and 28<sup>th</sup> January, 2012. The Directors ensure that their responsibility as Directors of the company and their interest do not clash with interest of the company.

**BOARD OF DIRECTORS**

Shri Amar Nath Goenka is the Managing Director of the company. The Board as on 31<sup>st</sup> March, 2012 consisted of Six(6) 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, Managing Director and Shri Amitabh Goenka, Executive Director are promoter Directors and Shri S.P. Jain, is Executive Director. During the financial year under review, the Board met 4 (Four) times. These Board Meetings were held on 30th April, 2011, 29th July, 2011, 29th October, 2011 and 28<sup>th</sup> January, 2012. The details of (i) Composition and Category of Directors, (ii) Attendance of each Director at the Board Meeting and at last Annual General Meeting, (iii) The Directorship/Membership held by each Director and (iv) The details of the Board Meetings are as follows :-



**PREMIER POLYFILM LTD.**

**(i) COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31/03/2012**

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

**(ii), (iii) & (iv) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING (AGM) HELD ON 19TH SEPTEMBER, 2011 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 31/03/2012*	No. of Membership in other Board committees as 31/03/2012*
SHRI A . N. GOENKA	4	4	Present	2	1
SHRI S.P. JAIN	4	4	Present	-	3
SHRI J.S. MARWAH**	4	4	Present	1	3
SHRI M.K. GUPTA	4	3	-	1	3
SHRI K.K. SINHA	4	4	Present	2	1
SHRI AMITABH GOENKA	4	4	Present	4	-

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

\*\* Chairman Audit Committee.

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, 2011 TO MARCH 31, 2012**

DATE OF MEETINGS	BOARD STRENGTH	NUMBER OF DIRECTOR PRESENT
April 30, 2011	6	6
July 29, 2011	6	6
October 29, 2011	6	6
January 28, 2012	6	5



**COMMITTEES OF BOARD**

**A) AUDIT COMMITTEE**

Audit Committee of the Board consist of three(3) 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, if required, 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, 2011 TO MARCH 31, 2012**

<b>NAME OF DIRECTOR</b>	<b>NO. OF MEETING HELD</b>	<b>NO. OF MEETINGS ATTENDED</b>
SHRI J.S. MARWAH (CHAIRMAN)	4	4
SHRI M.K. GUPTA	4	3
SHRI S.P. JAIN	4	4

**B) REMUNERATION COMMITTEE**

The Remuneration Committee of the board consist of three (3) Directors of the company, i.e. Shri Jaspal Singh Marwah, Chairman of Remuneration Committee, Shri Manoj Kumar Gupta and Shri Kamlesh Kumar Sinha, 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:-
  - a) All elements of remuneration package of all the Directors i.e. Salary, benefits, bonuses, stock options, pension etc.
  - b) Details of fixed component and performance linked incentives along with the performance criteria.
  - c) Service contracts, notice period , severance fees.
  - d) Stock option details, if any – and whether issued at a discount as well as the period over which accrued and over which exercisable.
- 2) Any other matter related to remuneration/perks to Directors.

**DETAILS OF COMPOSITION, NAMES OF MEMBERS, NO. OF MEETINGS HELD AND ATTENDANCE OF REMUNERATION COMMITTEE DURING THE YEAR APRIL 1, 2011 TO MARCH 31, 2012**

<b>NAME OF DIRECTOR</b>	<b>NO. OF MEETING HELD</b>	<b>NO. OF MEETINGS ATTENDED</b>
SHRI J.S. MARWAH (CHAIRMAN)	2	2
SHRI M.K. GUPTA	2	2
SHRI S.P. JAIN*	2	2
SHRI KAMLESH KUMAR SINHA**	-	*



**PREMIER POLYFILM LTD.**

\*Shri S.P. Jain was removed from the Membership of the Remuneration Committee by the Board of Directors of the Company in their Meeting held on 28/01/2012.

\*\* Shri K.L. Sinha was appointed as a Member of the Remuneration Committee with effect from 28/01/2012 by the Board of Directors of the Company in their Meeting held on 28/01/2012.

**DETAILS OF REMUNERATION PAID TO ALL DIRECTORS DURING APRIL, 2011 TO MARCH, 2012**

NAME OF DIRECTOR	Sitting Fee	Salary	House Rent Allowances/ Housing Accommodation	Other Allowances	Gas / Electricity/ Club Fee	Medical	Leave Travel Concession	Leave Encashment provision	Gratuity Provision	Accidental Insurance premium	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SHRI AMAR NATH GOENKA	-	4,80,000	2,88,000	-	-	-	-	(646)	23,140	-	7,90,494
SHRI JASPAL SINGH MARWAH	21,000	-	-	-	-	-	-	-	-	-	21,000
SHRI AMITABH GOENKA	-	4,62,000	1,38,600	46,200	-	-	-	29,643	21,356	-	6,97,799
SHRI MANOJ KUMAR GUPTA	16,500	-	-	-	-	-	-	-	-	-	16,500
SHRI KAMLESH KUMAR SINHA	6,000	-	-	-	-	-	-	-	-	-	6,000
SHRI S P JAIN	-	5,16,576	1,54,968	51,648	-	15,000	-	6,410	58,105	-	8,02,707

**C) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

Names of members of the Shareholders/Investors Grievance Committee alongwith numbers of meetings held and attended by the Committee Members during the year 1st April, 2011 to 31st March, 2012 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	3
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, 2011 TO MARCH 31, 2012.**

Two complaints were received from shareholders during the financial year 2011-2012 which were settled immediately.

**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
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<b>ANNUAL GENERAL MEETING</b>	DATE : 24/08/2012 TIME :12.30 P.M. VENUE : SHAH AUDITORIUM, 2 RAJ NIWAS MARG CIVIL LINES, DELHI - 110054
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**PREMIER POLYFILM LTD.**

<b>DATE OF BOOK CLOSING</b> (FOR THE PURPOSE OF ANNUAL GENERAL MEETING)	16/08/2012 TO 24/08/2012 (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>	Only 1500 equity shares were traded at BSE on 30-03-2012 @Rs.5/- per equity shares and hence high low rates are the same.		
<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. The shares in dematerialized form can be presently traded at BSE done through their Depositories by the shareholders.		
<b>DISTRIBUTION OF SHAREHOLDING AS ON 31/03/2012</b>			
	<b>CATEGORY</b>	<b>NO. OF SHARE OF RS. 5.00/- EACH</b>	<b>% OF SHARES HOLDING</b>
	PROMOTERS	95,94,250	45.80
	MUTUAL FUNDS	3,18,825	1.52
	BANKS/FIS	1,12,950	0.54
	CORPORATE BODIES	89,00,200	42.49
	INDIVIDUAL (PUBLIC & NRI)	20,22,270	9.65
	<b>Total</b>	<b>2,09,48,495</b>	<b>100.00</b>
<b>DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31-3-2012</b>	Both NSDL and CDSL have allotted ISIN No. INE309M01012 to the company and at present shares can be traded at BSE in dematerialized form. Trading is expected to commence soon at NSE. The company share are in compulsory Demat mode.		
<b>WORKS/PLANT LOCATION</b>	40/1A, SITE IV,SAHIBABAD INDUSTRIAL AREA, SAHIBABAD, DISTT. GHAZIABAD(UP)		
<b>ADDRESS FOR CORRESPONDENCE</b>	305, III FLOOR, ELITE HOUSE, 36, COMMUNITY CENTRE, KAILASH COLONY EXTENSION, (ZAMROODPUR), NEW DELHI 110 048		
<b>ANNUAL GENERAL MEETINGS</b>			
<b>PARTICULARS DATE &amp; TIME</b>	FY 2008-2009 21/08/2009 at 11.30 A.M.	FY 2009-10 09/08/2010 at 12.30 P. M.	FY 2010-11 19/09/2011 at 12.30 P.M.
<b>VENUE</b>	SHRI SATHYA SAI INTERNATIONAL CENTRE, 2, RAJ NIWAS MARG INSTITUTIONAL AREA PRAGATI VIHAR, LODHI ROAD NEW DELHI-110003	SHAH AUDITORIUM CIVIL LINES DELHI 110054	SHAH AUDITORIUM 2, RAJ NIWAS MARG CIVIL LINES DELHI 110054



## PREMIER POLYFILM LTD.

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. Details of general related party transactions are given in the Balance Sheet.

- 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 Fee to National Stock Exchange of India Limited due to non receipt of final bill towards Listing Fee payable till 31<sup>st</sup> March, 2013.

### 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. Such information is also hoisted at the website of the company.

### 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.

### ATTENDANCE OF DIRECTORS AT THE BOARD MEETING HELD DURING APRIL 1, 2011 TO MARCH 31, 2012

NAME OF DIRECTOR	DATE OF MEETING			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
S/SHRI	30-04-2011	29-07-2011	29-10-2011	28-01-2012
A.N. GOENKA	Present	Present	Present	Present
J.S. MARWAH	Present	Present	Present	Present
M.K. GUPTA	Present	Present	Present	Absent
AMITABH GOENKA	Present	Present	Present	Present
S.P. JAIN	Present	Present	Present	Present
K.K. SINHA	Present	Present	Present	Present

For & on Behalf of the  
BOARD OF DIRECTORS.

Sd/-

AMAR NATH GOENKA  
CHAIRMAN

PLACE: NEW DELHI  
DATED:30/05/2012



**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 through 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 main manufacturer in the country. Hence any disruption in the supply from this source can affect 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 Turnover for the year was Rs 6469/- Lacs which was Rs.5,487/- 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.

**EXPORT PERFORMANCE**

The Company could Export the products to the tune of Rs.1,108/- Lacs during the current year as against Rs.396/- Lacs during the previous year.

**PROFITABILITY & BUSINESS**

The Company is operating on paper thin margins. The cost of Raw Material in the end product is 73-75%. With ever increasing cost elements of manufacturing there is very little the company can do to increase profits. In view of the domestic and imported products competition the company can not even increase price of its products unilaterally.

Further Plant and Machinery of the company is very old and requires replacements/major overhauling of almost all the vital machines. The company is unable to meet huge expenses on replacements/overhauling of machines from its own resources and additional borrowing from the Bank if available, will increase the burden of interest which will be difficult to service from this thin margin. Break downs in the Plant & Machinery affect the production capacity adversely.

Foreseeing such a situation, the Board of Directors of the company is thinking of adding/changing some new business activity of the company in the interest of the company and shareholders. The company would approach shareholders for restructuring or reconstruction of the Company at appropriate time.

**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



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**PREMIER POLYFILM LTD.**

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, 2012.

For Premier Polyfilm Ltd.

Sd/-

AMAR NATH GOENKA  
MANAGING DIRECTOR

PLACE: NEW DELHI

DATED:30/05/2012

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**GREEN INITIATIVE IN THE CORPORATE GOVERNANCE**

Dear Members,

Date: 30/05/2012

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 LTD.**  
We have examined the compliance of conditions of Corporate Governance by **PREMIER POLYFILM LTD.** for the year ended on March 31, 2012 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  
Firm Registration No.302175E**

**Sd/-  
SUBRATA DE  
PARTNER  
Membership No. 054962**

**CAMP : NEW DELHI  
DATED : 30/05/2012**

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**AUDITORS' REPORT**

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

1. We have audited the attached balance sheet of **PREMIER POLYFILM LTD.** as at March 31, 2012, the related statement of profit and loss and the 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, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the balance sheet, the statement of profit and loss and the 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
    - ii) in the case of the statement of profit and loss, 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

Sd/-  
SUBRATA DE  
Partner.

Membership No. 054962

Place: Camp New Delhi  
Date: 30/05/2012

## **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. 298,814/- , year end balances – Nil ).
- According to the information 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, 2012 for period of more than six months from the date of becoming payable.
- b. The disputed statutory dues as at 31st March, 2012 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.**

10. As per records, the Company has no accumulated losses at the end of financial year and neither incurred any cash losses during the financial year covered by our audit nor 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

Sd/-  
SUBRATA DE  
Partner.  
Membership No. 054962

Place: Camp New Delhi  
Date:30/05/2012





**PREMIER POLYFILM LTD.**

**BALANCE SHEET AS AT 31ST MARCH, 2012**

DESCRIPTION	Note	AS AT		AS AT		
		31.03.2012		31.03.2011		
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>EQUITY AND LIABILITIES</b>						
<b>1. Shareholders' Funds</b>						
(a) Share Capital	2.1	105,900,788		105,900,788		
(b) Reserves and Surplus	2.2	<u>94,868,733</u>	<u>200,769,521</u>	<u>75,797,490</u>		181,698,278
<b>2. Non-Current Liabilities</b>						
(a) Long-term Borrowings	2.3	-		255,505		
(b) Long-term Provisions	2.4	<u>10,990,253</u>	<u>10,990,253</u>	<u>10,482,035</u>		10,737,540
<b>3. Current Liabilities</b>						
(a) Short-term borrowings						
(i) Loans repayable on demand	2.5 & 2.6	<u>83,920,879</u>		43,145,004		
(ii) Loans from related parties	2.7	<u>14,935,000</u>		14,534,343		
(iii) Deposits	2.8	<u>211,000</u>	<u>99,066,879</u>	<u>236,000</u>		57,915,347
(b) Trade Payables	2.9	<u>61,542,644</u>				50,397,194
(c) Other Current Liabilities	2.10	<u>53,245,199</u>				45,830,236
(d) Short-term Provisions	2.11	<u>10,673,398</u>	<u>224,528,120</u>	<u>4,654,859</u>		158,797,636
<b>TOTAL</b>			<u>436,287,894</u>			<u>351,233,454</u>
<b>ASSETS</b>						
<b>1. Non-current Assets</b>						
(a) Fixed Assets						
Tangible Assets	2.12	<u>116,418,267</u>		101,530,704		
(b) Long-term Loans and Advances	2.13	<u>4,002,723</u>				2,586,600
(c) Other Non-Current Assets	2.14	<u>1,129,179</u>	<u>121,550,169</u>	<u>24,758,333</u>		128,875,637
<b>2. Current Assets</b>						
(a) Inventories	2.15	<u>146,600,490</u>		101,291,499		
(b) Trade Receivables	2.16	<u>87,916,633</u>		70,006,876		
(c) Cash and Cash Equivalents	2.17	<u>62,781,931</u>		36,293,793		
(d) Short-term loans and advances	2.18	<u>11,912,717</u>		13,185,655		
(e) Other Current Assets	2.19	<u>5,525,954</u>	<u>314,737,725</u>	<u>1,579,994</u>		222,357,817
<b>TOTAL</b>			<u>436,287,894</u>			<u>351,233,454</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2					

The notes 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

Firm Registration No. 302175E

SUBRATA DE  
PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 054962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 30th day of May, 2012

CEO & CFO



**PREMIER POLYFILM LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

DESCRIPTION	Note	YEAR ENDED 31.03.2012 (Rs.)	YEAR ENDED 31.03.2011 (Rs.)
<b>REVENUE</b>			
Revenue from Operations	2.20	<b>625,756,374</b>	539,947,815
Other Income	2.21	<b>21,134,104</b>	8,711,553
<b>TOTAL REVENUE</b>		<b>646,890,478</b>	<b>548,659,368</b>
<b>EXPENSES</b>			
Cost of Material Consumed	2.22	<b>456,608,413</b>	373,061,474
Purchase of Stock-in-trade	2.23	<b>8,714,394</b>	22,341,786
Changes in inventories of Finished Goods and Work-in-Progress	2.24	<b>(26,525,306)</b>	(23,440,906)
Employee Benefits Expenses	2.25	<b>50,713,087</b>	43,924,982
Finance Cost	2.26	<b>8,935,044</b>	6,499,551
Manufacturing Expenses	2.27	<b>52,859,873</b>	52,958,410
Administrative and Other expenses	2.28	<b>22,010,764</b>	18,801,755
Selling and Distribution Expenses	2.29	<b>31,106,528</b>	24,912,910
Depreciation	2.12	<b>18,496,438</b>	18,144,815
<b>TOTAL EXPENSES</b>		<b>622,919,235</b>	<b>537,204,777</b>
<b>Profit before exceptional Items and Tax</b>		<b>23,971,243</b>	11,454,591
Exceptional items	2.30	<b>-</b>	771,845
<b>Profit before taxation</b>		<b>23,971,243</b>	12,226,436
Tax Expense :			
Current Tax		<b>4,900,000</b>	2,425,000
<b>Profit for the year</b>		<b>19,071,243</b>	<b>9,801,436</b>
Basic and Diluted Earnings per Share	2.40	<b>0.91</b>	0.43
Face Value per Share		<b>5.00</b>	5.00
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	<b>1 &amp; 2</b>		

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

For DE & BOSE  
CHARTERED ACCOUNTANTS  
Firm Registration No. 302175E

SUBRATA DE  
PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 054962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 30th day of May, 2012



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

Description	Year Ended 31.3.2012 (Rs.)	Year Ended 31.3.2011 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	23,971,243	11,454,591
Adjusted for :		
Loss on sale of fixed assets	46,632	298,952
Depreciation	18,496,438	18,144,815
Interest expenses	8,038,484	5,743,785
Interest income	(5,372,977)	(4,222,037)
Liabilities written back	(383,147)	(503,630)
Operating profit before working capital changes	<u>44,796,673</u>	<u>30,916,476</u>
Adjusted for :		
(Increase)/decrease in trade and other receivables	(17,909,756)	(319,297)
(Increase)/decrease in inventories	(45,308,991)	(13,195,535)
(Increase)/decrease in loans and advances	4,256,009	(3,436,542)
Increase/(decrease) in current liabilities	16,798,969	(6,663,040)
Cash generated from operations	<u>2,632,904</u>	<u>7,302,062</u>
Income tax paid / (Refund) (Net)	4,434,598	(2,026,078)
Net cash (used in )/ from operating activities	<u>(1,801,694)</u>	<u>9,328,140</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(33,523,232)	(2,799,452)
Sale of fixed assets	92,600	359,136
Interest income	1,462,421	4,470,996
Net cash (used in )/ from investing activities	<u>(31,968,211)</u>	<u>2,030,680</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	(389,630)	(590,340)
Proceeds from short term borrowings	56,621,349	47,130,349
Repayment of short term borrowings	(15,444,817)	(51,519,922)
Interest paid	(4,158,013)	(113,147)
Net cash from /(used in ) financing activities	<u>36,628,889</u>	<u>(5,093,060)</u>
Net increase in cash and cash equivalents	<u>2,858,984</u>	<u>6,265,760</u>
Opening balance of cash and cash equivalents	61,052,126	54,786,366
Closing balance of cash and cash equivalents	<u>63,911,110</u>	<u>61,052,126</u>
	<u>2,858,984</u>	<u>6,265,760</u>

As per our report of even date.  
For DE & BOSE  
CHARTERED ACCOUNTANTS  
Firm Registration No. 302175E

SUBRATA DE  
PARTNER  
Membership No. 054962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 30th day of May, 2012

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR



## **NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 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.

### **1.2 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.

### **1.3 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.

### **1.4 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.

### **1.5 Revenue Recognition :**

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

### **1.6 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.

### **1.7 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.

### **1.8 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.

### **1.9 Provision for Current and Deferred Tax :**

Provision for Current Tax is made for an amount of Rs. 4,900,000 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.

### **1.10 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.

### **1.11 Provision, Contingent liabilities and Contingent assets :**

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



## PREMIER POLYFILM LTD.

### 1.12 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.

1.13 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.

## NOTE - 2 : NOTES ON ACCOUNTS

### 2.1: SHARE CAPITAL

(Figures in Rs.)

DESCRIPTION	AS AT 31.03.2012		AS AT 31.03.2011	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs.5.00 each	<u>30,000,000</u>	<u>150,000,000</u>	30,000,000	150,000,000
<b>Issued Capital</b>				
Equity Shares of Rs. 5.00 each fully paid up As per Last Balance Sheet	<u>21,415,000</u>	<u>107,075,000</u>	21,415,000	107,075,000
<b>Subscribed Capital</b>				
Equity Shares of Rs. 5.00 each fully paid up As per Last Balance Sheet	<u>21,411,820</u>	<u>107,059,100</u>	21,411,820	107,059,100
<b>Paid up Capital</b>				
Equity Shares of Rs. 5.00 each fully paid up As per Last Balance Sheet	<u>20,948,495</u>	<u>104,742,475</u>	20,948,495	104,742,475
<b>Forfeited Shares</b>				
As per Last Balance Sheet		<u>1,158,313</u>		1,158,313
<b>TOTAL</b>		<u>105,900,788</u>		<u>105,900,788</u>

### 2.1.1 : Details in respect of shares in the Company held by each Shareholder holding more than 5% shares:

NAME OF THE SHAREHOLDER	AS AT 31.03.2012		AS AT 31.03.2011	
	Number of shares of the Company held by the shareholder	% holding	Number of shares of the Company held by the shareholder	% holding
D.L.Millar & Company Ltd	2,449,000	11.69	2,449,000	11.69
Premier Polyplast and Processors Ltd.	2,669,875	12.75	2,669,875	12.75
Aajiwani Industries Ltd.	-	-	3,000,000	14.32
Sri Vishvanath Enterprises Ltd.	4,361,600	20.82	4,361,600	20.82
Amitabh Goenka	1,808,925	8.64	-	-
Sanghai Holding (P) Ltd.	3,000,000	14.32	-	-



**PREMIER POLYFILM LTD.**

**2.2: RESERVES AND SURPLUS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
<b>Securities Premium Account</b>				
As per Last Balance Sheet		<b>84,573,640</b>		84,573,640
<b>Surplus as per Statement of Profit and Loss</b>				
At the commencement of the year	<b>(8,776,150)</b>		(18,577,586)	
Add / (Less) : Changes during the year	<b>19,071,243</b>	<b>10,295,093</b>	9,801,436	(8,776,150)
<b>TOTAL</b>		<b>94,868,733</b>		<b>75,797,490</b>

**2.3: SECURED LOANS - LONG TERM**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
Term Loan from Banks		-		255,505
<b>TOTAL</b>		-		<b>255,505</b>

2.3.1 The Company has taken Vehicle Loans from banks which are secured by way of hypothecation of Vehicles.

**2.4 : LONG TERM PROVISIONS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
Provision for Employee Benefits-Gratuity		<b>9,638,125</b>		9,264,215
Provisions for Employee Benefits – Leave Encashment		<b>1,352,128</b>		1,217,820
<b>TOTAL</b>		<b>10,990,253</b>		<b>10,482,035</b>

**2.5 : LOANS FROM BANK - SECURED**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
Cash Credit Account		<b>29,906,698</b>		27,020,349
<b>TOTAL</b>		<b>29,906,698</b>		<b>27,020,349</b>

2.5.1 Cash credit facility from Delhi Nagrik Sehkari Bank Limited is secured by hypothecation of Raw Materials, Work-in-Progress, Finished Goods, Stores & Spares and Book Debts. This Loan is collaterally secured by Personal Guarantee of Mr. Amar Nath Goenka, Managing Director and Mr. Amitabh Goenka, Director of the Company.

**2.6 : LOANS FROM OTHER PARTIES - UNSECURED**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
Others		<b>54,014,181</b>		16,124,655
<b>TOTAL</b>		<b>54,014,181</b>		<b>16,124,655</b>

**2.7 : LOANS FROM RELATED PARTIES - UNSECURED**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>		<b>AS AT 31.03.2011</b>	
Directors		-		380,000
Others (Refer to Note No. 2.38)		<b>14,935,000</b>		14,154,343
<b>TOTAL</b>		<b>14,935,000</b>		<b>14,534,343</b>



**PREMIER POLYFILM LTD.**

**2.8 : DEPOSITS** (Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
From Distributors	211,000	236,000
<b>TOTAL</b>	<b>211,000</b>	<b>236,000</b>

**2.9 : TRADE PAYABLES** (Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Sundry Creditors – Other than Micro, Small and Medium Enterprises	61,542,644	50,397,194
<b>TOTAL</b>	<b>61,542,644</b>	<b>50,397,194</b>

**2.10 : OTHER CURRENT LIABILITIES** (Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Current Maturities of Long Term Debts (Refer to Note No. 2.3)	255,505	389,630
Interest Accrued and due on Unsecured Loan {Including on related parties, Refer to Note No. 2.3}	14,329,446	10,448,974
Sundry Creditors - Expenses	2,682,129	1,641,598
Other Liabilities	28,872,452	25,784,277
Advance from Customers	7,105,667	7,565,757
<b>TOTAL</b>	<b>53,245,199</b>	<b>45,830,236</b>

**2.10.1 LOAN FOR VEHICLES** (Figures in Rs.)

<b>Term Loan from</b>	<b>Period of Maturity w.r.t. Balance Sheet Date</b>	<b>Amount of Instalments due</b>
HDFC Bank Ltd.	3 months	49,604
ICICI Bank Ltd.	11 months	205,901
<b>TOTAL</b>		<b>255,505</b>

**2.10.2** The Company has taken Vehicle Loans from banks which are secured by way of hypothecation of the vehicles.

**2.11 : SHORT TERM PROVISIONS** (Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Provision for Employee Benefits-Gratuity	2,729,120	1,682,849
Provisions for Employee Benefits – Leave Encashment	619,278	547,010
Provision for Taxation	7,325,000	2,425,000
<b>TOTAL</b>	<b>10,673,398</b>	<b>4,654,859</b>

## 2.12: FIXED ASSETS

(Figures in Rs.)

PARTICULARS	GROSS CARRYING AMOUNT (A)			DEPRECIATION / AMORTISATION (B)			NET CARRYING AMOUNT (A-B)	
	BALANCE AS ON 31.03.2011	ADDITION	DISPO- SAL /ADJ.	BALANCE AS ON 31.03.2011	ADDITION	DISPO- SAL /ADJ.	BALANCE AS ON 31.03.2012	BALANCE AS ON 31.03.2011
<b>Tangible Assets -</b>								
Leasehold Land	6,930,259	28,391,631	-	1,399,134	77,003	-	1,476,137	33,845,753
Buildings	31,841,739	1,190,966	-	14,107,492	893,940	-	15,001,432	18,031,273
Plant and Machinery	288,611,618	926,473	-	207,100,032	14,213,525	-	221,313,557	48,224,534
Electrical Installations	29,663,515	-	-	24,360,585	1,566,234	-	25,926,819	3,736,696
Furniture, Fixture and Office Equipments etc.	4,939,960	768,071	222,660	1,878,796	559,297	83,428	2,354,665	3,130,706
Vehicles	11,230,554	2,246,092	-	2,840,902	1,186,439	-	4,027,341	9,449,305
<b>TOTAL</b>	<b>353,217,645</b>	<b>33,523,233</b>	<b>222,660</b>	<b>251,686,941</b>	<b>18,496,438</b>	<b>83,428</b>	<b>270,099,951</b>	<b>116,418,267</b>
Previous Year	351,551,601	2,799,452	1,133,408	234,017,446	18,144,815	475,320	251,686,941	101,530,704

2.12.1 In case of newly acquired Leasehold Land during the year, the Lease Deed has not been executed in favour of the Company. Hence, no amortisation is made on newly acquired Leasehold Land.



PREMIER POLYFILM LTD.





**PREMIER POLYFILM LTD.**

**2.13 : LONG TERM LOANS AND ADVANCES**

(Secured and Considered Good)

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Deposit with Government Authorities and Others	<u>4,002,723</u>	<u>2,586,600</u>
<b>TOTAL</b>	<b><u>4,002,723</u></b>	<b><u>2,586,600</u></b>

**2.14 : OTHER NON-CURRENT ASSETS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
<b>Balances with Banks</b>		
Term Deposit under Lien having remaining maturity of more than 12 months from the reporting date *	<u>1,129,179</u>	<u>11,758,333</u>
Term Deposit having remaining maturity of more than 12 months from the reporting date	-	<u>13,000,000</u>
<b>TOTAL</b>	<b><u>1,129,179</u></b>	<b><u>24,758,333</u></b>

\* Rs. Nil (10,000,000) under lien for L.C. Margin

\* Rs. 1,129,179(1,758,333) under lien for Bank Guarantee Margin

**2.15: INVENTORIES**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Raw Materials	<u>47,092,336</u>	<u>29,196,956</u>
Work-in-Progress	<u>26,736,000</u>	<u>17,223,500</u>
Finished Goods	<u>68,464,611</u>	<u>51,451,805</u>
Stores and Spares	<u>4,307,543</u>	<u>3,419,238</u>
<b>TOTAL</b>	<b><u>146,600,490</u></b>	<b><u>101,291,499</u></b>

**2.16: TRADE RECEIVABLES (Unsecured)**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Outstanding for a period exceeding six months		
Considered doubtful	<u>13,134,963</u>	<u>11,975,638</u>
Others – Considered good	<u>74,781,670</u>	<u>58,031,238</u>
<b>TOTAL</b>	<b><u>87,916,633</u></b>	<b><u>70,006,876</u></b>

**2.17: CASH AND CASH EQUIVALENTS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
<b>Balances with Banks</b>		
- In Current Accounts	<u>1,993,083</u>	<u>4,300,645</u>
- In Term Deposit with maturity period within 3 months from the reporting date	<u>13,000,000</u>	<u>22,000,000</u>
Cash in Hand	<u>341,920</u>	<u>260,308</u>



**PREMIER POLYFILM LTD.**

Other Balances with Banks		
- In Term Deposit under lien with maturity period within 3 months from the reporting date *	<b>10,308,258</b>	478,066
- In Term Deposit having maturity period more than 3 months but less than 12 months from the reporting date.	<b>28,000,000</b>	7,935,203
- In Term Deposit under Lien having maturity period more than 3 months but less than 12 months from the reporting date #	<b>9,138,670</b>	1,319,571
<b>TOTAL</b>	<b><u>62,781,931</u></b>	<u>36,293,793</u>

\* Rs. 1,308,258 (478,066) under lien for Bank Guarantee Margin

\* Rs. 9,000,000 ( Nil ) under lien for LC Margin

# Rs.4,138,670 (1,319,571) under lien for Bank Guarantee Margin

# Rs.5,000,000 ( Nil ) under lien for LC Margin

**2.18: SHORT TERM LOANS AND ADVANCES**

(Unsecured – Considered Good)

( Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Advances	<b>2,138,482</b>	8,448,271
Advance Income Tax ( Including Tax Deducted at Source)	<b>6,977,932</b>	2,543,334
Deposit with Government Authorities and Others	<b>2,550,425</b>	1,925,695
Others	<b>245,878</b>	268,355
<b>TOTAL</b>	<b><u>11,912,717</u></b>	<u>13,185,655</u>

**2.19: OTHER CURRENT ASSETS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Interest Accrued but not due		
On Term Deposit	<b>5,335,954</b>	1,425,398
On Security Deposit	<b>190,000</b>	154,596
<b>TOTAL</b>	<b><u>5,525,954</u></b>	<u>1,579,994</u>

**2.20: REVENUE FROM OPERATIONS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Sale of Goods	<b>677,971,414</b>	587,836,177
Other Operating Revenues		
- Export Benefits	-	702,283
- Sale of Scrap	<b>2,460,281</b>	2,072,763
Less : Excise Duty	<b>54,675,321</b>	50,663,408
<b>TOTAL</b>	<b><u>625,756,374</u></b>	<u>539,947,815</u>

**2.21: OTHER INCOME**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Commission	<b>10,266,654</b>	-
Interest Income	<b>5,989,186</b>	4,222,037
Freight Received	<b>3,760,192</b>	2,884,651
Liabilities Written Back	<b>383,147</b>	503,630
Other Non - operating Income	<b>734,925</b>	1,101,235
<b>TOTAL</b>	<b><u>21,134,104</u></b>	<u>8,711,553</u>



**PREMIER POLYFILM LTD.**

**2.21.1 INTEREST INCOME**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
<b>Interest Income</b>		
On Term Deposits with Banks	5,372,976	3,319,156
From Customers on amounts overdue	204,833	76,861
On Security Deposits	190,000	463,788
On Income Tax Refund	221,377	362,232
<b>TOTAL</b>	<b>5,989,186</b>	<b>4,222,037</b>

**2.22: COST OF MATERIAL CONSUMED**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Opening Stock of Raw Materials	29,196,956	39,023,192
Add : Purchase	474,503,793	363,235,238
Less : Closing Stock of Raw Materials	47,092,336	29,196,956
<b>TOTAL</b>	<b>456,608,413</b>	<b>373,061,474</b>

**2.23: PURCHASE OF STOCK-IN-TRADE**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Raw Materials	5,029,391	10,812,760
Finished Goods	1,025,640	4,592,428
High Seas Goods	1,973,170	6,146,954
Stores and Spares	686,193	789,644
<b>TOTAL</b>	<b>8,714,394</b>	<b>22,341,786</b>

**2.24: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK- IN - PROGRESS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Opening Stock		
Finished Goods	51,451,805	34,438,523
Work-in-Progress	17,223,500	10,795,876
Less: Closing Stock		
Finished Goods	68,464,611	51,451,805
Work-in-Progress	26,736,000	17,223,500
<b>TOTAL</b>	<b>(26,525,306)</b>	<b>(23,440,906)</b>

**2.25: EMPLOYEE BENEFITS EXPENSES**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Salary and Wages	45,825,173	39,187,185
{Including Director's Remuneration, Refer to Note No. 2.38}		
Contribution to Provident and Pension Fund	2,038,893	1,846,369
Staff Welfare Expenses	2,849,021	2,891,428
<b>TOTAL</b>	<b>50,713,087</b>	<b>43,924,982</b>



**PREMIER POLYFILM LTD.**

**2.26: FINANCE COST** (Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Interest Expenses	8,057,807	5,743,785
Other Finance Expenses	877,237	755,766
<b>TOTAL</b>	<b>8,935,044</b>	<b>6,499,551</b>

**2.27: MANUFACTURING EXPENSES** (Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Stores and Spares	6,585,636	9,082,151
Power and Fuel	43,324,154	40,226,774
Repairs - Building	313,044	329,218
- Machinery	2,637,039	3,320,267
<b>TOTAL</b>	<b>52,859,873</b>	<b>52,958,410</b>

**2.28: ADMINISTRATIVE AND OTHER EXPENSES** (Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Travelling and Conveyance	4,003,526	3,649,397
Telephone, Telex and Postal Expenses	2,072,507	1,993,178
Vehicle Upkeep Expenses	3,008,248	2,607,883
Legal and Professional Charges	4,230,786	1,790,111
Rent	985,609	815,918
Plant and Machinery Hire Charges	396,000	551,250
Insurance Charges	946,428	807,129
Auditors Remuneration	125,489	125,179
Loss on Sale / Theft of Fixed Assets	46,632	298,952
Other Expenses	6,195,539	6,162,758
<b>TOTAL</b>	<b>22,010,764</b>	<b>18,801,755</b>

**2.28.1 AUDITORS REMUNERATION** (Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Audit Fees	65,000	65,000
Tax Audit Fees	15,000	15,000
Certification Fees	18,000	26,500
Out of Pocket Expenses	27,489	18,679
<b>TOTAL</b>	<b>125,489</b>	<b>125,179</b>

**2.29: SELLING AND DISTRIBUTION EXPENSES** (Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Advertisement and Publicity	1,440,205	1,667,619
Discount and Commission	4,153,557	2,128,145
Packing , Forwarding and Freight etc.	25,512,766	21,117,146
<b>TOTAL</b>	<b>31,106,528</b>	<b>24,912,910</b>



**PREMIER POLYFILM LTD.**

**2.30: EXCEPTIONAL ITEMS**

(Figures in Rs.)

<b>PARTICULARS</b>	<b>YEAR ENDED ON 31.03.2012</b>	<b>YEAR ENDED ON 31.03.2011</b>
Excess provision of Sales Tax written back	-	2,241,000
Less : Damages on ESI Dues	-	1,469,155
<b>TOTAL</b>	<b>-</b>	<b>771,845</b>

**2.31.** 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 Commercial 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 Commercial 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.

The Company has filed another appeal for the balance amount of Rs. 183.43 Lacs in the Court of commercial Tax Tribunal, Lucknow, U.P. The Tribunal has allowed Rs. 47.50 Lacs by its order dated 10.08.2011 and has directed to The Divisional Level Committee to issue the order in favour of the Company.

**2.32.** 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.

**2.33.** Exports benefits are taken on realisation basis.

**2.34.** During the year the Company has filed an appeal before the Ld CIT (Appeals) against addition of Rs. 66,50,000 for the Assessment year 2004-05.

**2.35** Sales Tax liabilities amounting to Rs. 13,866,816 (Previous year -13,866,816) related to prior years have not been paid to the appropriate authorities as on Balance Sheet date as the liabilities are disputed.

**2.36** Both National Securities Depository Limited and Central Depository Services Limited have issued ISIN Number to the company. The trading of equity shares of the Company has commenced at The Bombay Stock Exchange Limited (BSE) only on physical trading basis as SEBI'S compliance condition pertaining to conversion of 50% Public Shareholding into dematerialized form could not be fulfilled. This is likely to be complied within shortly, Once this condition is complied with, the trading in equity shares of the company at BSE would commence in dematerialized form. Trading at National Stock Exchange of India Limited continue to be suspended as NSE is yet to complete the procedure for revoking suspension in trading of equity shares of the Company.

**2.37 Break up of Excise Duty**

<b>PARTICULARS</b>	<b>FOR YEAR ENDED ON 31.03.2012</b>	<b>FOR YEAR ENDED ON 31.03.2011</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
On sales for the year	51,815,958	49,088,920
Add: on Closing Stock of Finished Goods	7,702,987	4,843,624
Less: on Opening Stock of Finished Goods	4,843,624	3,269,136
	<b>54,675,321</b>	<b>50,663,408</b>



## PREMIER POLYFILM LTD.

### 2.38 Information on Related Parties as required by Accounting Standard - As 18 "Related Party disclosures"

#### I. Related Party Disclosurers

##### a. Associates

- Premier Polyplast & Processors Ltd.
- RMG Polyvinyl India Ltd.
- D.L. Millar & Company Ltd.
- 1000 Plus Trading Inc.
- Poly Beek India Pvt. Ltd.
- Sri Vishvanath Enterprises 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 to Key Management Personnel

- Mrs. Indira Goenka
- Mrs. Manavi Goenka

#### 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>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
	Rs.	Rs.
Purchase of Goods		
- Associates	79,861,200	74,869,098
Sale of Goods		
- Associates	52,343,086	74,471,746
Remuneration		
- Management Personnel	2,291,000	1,856,407
Rent Paid		
- Relative to Key Management Personnel	570,000	510,000
- Associates	300,000	210,000
Commission on Consignment Sale		
- Associates	179,810	94,433
Interest on Loan		
- Associates	868,351	508,819
- Key Management	3,504	36,970
Machinery Hire Charges		
- Associates	354,000	402,000
Outstanding Balances as at 31 <sup>st</sup> , March		
Associates		
- Creditors	10,034,195	47,040
- Debtors	314,723	873,739
- Liabilities	161,829	250,562
- Loans	15,737,403	14,278,826
Key Management Personnel		
- Liabilities	166,866	158,306
- Loans	-	444,053



## PREMIER POLYFILM LTD.

2.39 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>Particulars</u>	As on	( Charges ) / Credit	As on
	01.04.2011	for the year	31.03.2012
	Rs.	Rs.	Rs.
A. Deferred Tax Liability on account of Depreciation	20,970,811	4,348,228	16,622,583
B. Deferred Tax Assets on account of unabsorbed business losses and depreciation	20,970,811	(4,348,228)	16,622,583
C. Deferred Tax Assets / Liabilities ( Net ) A - B	-	-	-

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

<u>Particulars</u>	2011-12	2010-11
	Rs.	Rs.
a) Profit before Tax as per Accounts	23,971,243	11,454,591
Less : Provision for Taxation	4,900,000	2,425,000
Profit after Tax	19,071,243	9,029,591
b) Weighted Average Number of Equity Share	20,948,495	20,948,495
c) Basic and Diluted Earnings per Share	0.91	0.43
d) Face Value per Share	5.00	5.00

2.41 Other Non - operating Income under the Head "Other Income" of Note 2.21 includes Rs. 506,121 (Previous Year Rs. 997,643) related to Exchange Fluctuation.

2.42 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,2012. 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.

### 2.43 Consumption of Raw Materials

<u>Items of Raw Materials</u>	2011 -12	2010-11
	Rs.	Rs.
PVC Resin	171,508,789	182,251,859
Plasticizers	123,786,073	86,867,698
Others	161,313,551	103,941,917
<b>TOTAL</b>	<b>456,608,413</b>	<b>373,061,474</b>

### 2.44 Goods Purchase for Trading

<u>Goods Purchase</u>	2011 -12	2010-11
	Rs.	Rs.
PVC Resin / Plasticisers / Stabilisers	7,002,561	16,959,714
Paper Tube / Adhesive etc.	686,193	789,644
PVC Flooring etc	1,025,640	4,592,428
<b>TOTAL</b>	<b>8,714,394</b>	<b>22,341,786</b>



**PREMIER POLYFILM LTD.**

**2.45 Sale of Goods**

<u>Particulars</u>	<u>Sales Values</u>	<u>Closing Inventory</u>	<u>Opening Inventory</u>
	Rs.	Rs.	Rs.
A. Manufactured Goods			
PVC Films / Sheets	668,354,203 (564,757,844)	68,464,611	51,451,805
B. Traded Goods			
PVC Resin / Plasticisers / Stabilisers	7,854,499 (17,656,755)		
Paper Tube / Adhesive etc.	737,072 (829,150)		
PVC Flooring etc	1,025,640 (4,592,428)		
Total (B)	9,617,211 (23,078,333)		
Total (A+B)	677,971,414 (587,896,177)		

**2.46 Value of Import ( CIF Basis )**

<u>Particulars</u>	<u>2011 -12</u>	<u>2010-11</u>
	Rs.	Rs.
Raw Materials	66,850,785	40,617,864
Capital Goods	379,735	276,800
	<u>67,230,520</u>	<u>40,894,664</u>

**2.47 Expenditure in Foreign Currency**

<u>Particulars</u>	<u>2011 -12</u>	<u>2010-11</u>
	Rs.	Rs.
Travelling	671,483	452,470

**2.48 Consumption of Raw Materials, Stores and Spares**

<u>Particulars</u>	<u>2011-12 (Rs.)</u>		<u>2010-11 (Rs.)</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
<b>Imported</b>				
Raw Materials	54,110,486	11.85	46,738,573	12.53
Stores and Spares	-	-	-	-
<b>Indigeneous</b>				
Raw Materials	402,497,927	88.15	326,322,901	87.47
Stores and Spares	6,585,636	100.00	9,082,151	100.00

**2.49 Earning in Foreign Exchange**

<u>Particulars</u>	<u>2011-12</u>	<u>2010-11</u>
	Rs.	Rs.
Export of Goods ( FOB )	110,756,159	39,607,615





**PREMIER POLYFILM LTD.**

**2.50 Contingent Liabilities not provided for in respect of :**

<u>Particulars</u>	<u>2011-12</u>	<u>2010-11</u>
	Rs.	Rs.
Unredeemed Bank Guarantees	6,572,732	3,552,595
Bonds Executed in favour of Central Excise Department	15,000,000	15,000,000

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

**Defined Contribution Plan**

<u>Particulars</u>	<u>2011-12</u>	<u>2010-11</u>
	Rs.	Rs.
Employer's Contribution to Provident Fund	1,876,543	1,686,523

**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.

<u>Particulars</u>	<u>Gratuity (Unfunded)</u>		<u>Leave Encashment (Unfunded)</u>	
	<u>2011-12</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2010-11</u>
	Rs.	Rs.	Rs.	Rs.

**A. Reconciliation of opening and closing**

**balances of Defined Benefit Obligation**

Defined Benefit Obligation at the beginning of the year	10,947,064	8,186,728	1,764,830	1,672,206
Current Service Cost	1,360,494	1,232,668	1,414,200	1,238,169
Interest Cost	910,678	661,922	92,057	86,515
Actuarial Losses / (Gain)	227,647	1,664,561	(968,191)	(957,276)
Benefits Paid	(1,078,638)	(798,815)	(331,490)	(274,784)
Defined Benefit Obligation at the year end	12,367,245	10,947,064	1,971,406	1,764,830

**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 the year end	-	-	-	-

**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	12,367,245	10,947,064	1,971,406	1,764,830
Amount recognized in Balance Sheet	12,367,245	10,947,064	1,971,406	1,764,830



**PREMIER POLYFILM LTD.**

Particulars	Gratuity ( Unfunded )		Leave Encashment ( Unfunded )	
	2011-12	2010-11	2011-12	2010-11
	Rs.	Rs.	Rs.	Rs.
<b>D. Expenses recognized during the year</b>				
Current Service Cost	1,360,494	1,232,668	1,414,200	1,238,169
Interest Cost	910,678	661,922	92,057	86,115
Expected return on plan assets	-	-	-	-
Actuarial ( Gain ) / Loss	227,647	1,664,561	(968,191)	(957,276)
Net Cost	2,498,819	3,559,151	538,066	367,408
<b>E. Investment details</b>				
% Investment as at year end				
Unfunded	-	-	-	-
<b>F. Actuarial assumptions</b>				
Mortality Table	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
	Ultimate	Ultimate	Ultimate	Ultimate
Discount rate (per annum)	8.75%	8.50%	8.75%	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%

**2.52** The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

For DE & BOSE

CHARTERED ACCOUNTANTS

Firm Registration No. 302175E

SUBRATA DE  
PARTNER

N.K.BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 054962  
8/2 Kiran Sankar Roy Road,  
Kolkata- 700001  
CAMP : New Delhi  
The 30th day of May, 2012



**PREMIER POLYFILM LTD.**

**PREMIER POLYFILM LTD.**

**Registered Office : 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 Twentieth Annual General Meeting of the  
Company to be held on Friday, the 24th day of August, 2012 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..... 2012

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 : 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 TWENTIETH ANNUAL GENERAL MEETING being held on Friday, the 24th day of August, 2012 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

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