



**PREMIER POLYFILM LIMITED**

**BOARD OF DIRECTORS**

Shri Amitabh Goenka  
Shri Jaspal Singh Marwah  
Shri Kamlesh Kumar Sinha  
Shri Manoj Kumar Gupta  
Shri S.P. Jain - *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**

Syndicate Bank  
Barakhamba Road,  
New Delhi - 110 001.

**REGISTERED OFFICE**

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

**HEAD OFFICE & FACTORY**

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

**REGISTRAR & SHARE TRANSFER AGENT**

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

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PREMIER POLYFILM LIMITED

## NOTICE

Notice is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of PREMIER POLYFILM LIMITED will be held on **MONDAY, THE 9TH AUGUST, 2010 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, 2010, the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri 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 resolutions 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, 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 of the Company for a period of 3 (three) years with effect from 01/04/2010.

"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. 37,433/- (Rupees Thirty Seven Thousand Four Hundred Thirty Three only) as basic salary per month in pay scale of Rs.37,000/- - Rs.60,000/- 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 paid 10% or more of basic salary in lieu of Employees provident fund per month as may be fixed by the company from time to time for senior officer(s) of the company.



**PREMIER POLYFILM LIMITED**

**(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 provide with the facility of reimbursement of actual fare but not hotel expenses incurred by him for himself and his wife and dependent children once in two years subject of maximum of one month's basic salary.

**(f) Telephone Expenses:**

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

In addition to this he shall be provide 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 provisions of the Companies Act, 1956 read with Schedule XIII to the said act as may for the time being be in force.

**(C) MINIMUM REMUNERATION**

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

Resolved further that the resolution passed by the Shareholders of the Company in The Fifteenth Annual General Meeting held on 10th September, 2007 is modified to the extent that the Term of appointment of Shri S.P. Jain would be valid upto 31/03/2010."

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

"RESOLVED that Shri Amitabh Goenka, be and is hereby appointed as a Director liable to retire by rotation."

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

"RESOLVED that the Object Clause III(C) "The Other Objects" of the Memorandum of Association of the Company be and are hereby altered in the following manner :-

RESOLVED THAT a new following clause be and is hereby inserted as sub clause III (C) 71. immediately after existing sub Clause III (C) 70.

71. To carry on the business of builders, constructors, developers, contractors or otherwise deal in houses, land, buildings, sheds, roads, bridges, highways or properties and development thereon for the purpose of building houses, apartments, offices, commercial premises/properties, factory buildings, hospitals, nursing homes, shopping mall/complex and other commercial purposes, hotel and to start business of Infrastructure project and for these purposes to acquire, purchase and sell lands, buildings, units in building/premises and to carry out work relating to these activities."



**PREMIER POLYFILM LIMITED**

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

"Resolved that pursuant to Section 149 (2A) (I) and/or any other provisions of the Companies Act, 1956 approval be and is hereby accorded to the Board of Directors of the company to take up and commence business as defined in Clause 71. of clause III (C) of the Memorandum of Association of the company listed under the heading "The Other Objects" relating to the business to carry on the business of builders, constructors, developers, contractors or otherwise deal in houses, land, buildings, sheds, roads, bridges, highways or properties and development thereon for the purpose of building houses, apartments, offices, commercial premises/ properties, factory buildings, hospitals, nursing homes, shopping mall/complex and other commercial purposes, hotel and to start business of Infrastructure project and for these purposes to acquire, purchase and sell lands, buildings, units in building/premises and to carry out work relating to these activities."

By order of the Board  
for **PREMIER POLYFILM LIMITED**

Sd/-

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

Place: New Delhi  
Date : 21/06/2010

**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 01/08/2010 to 09/08/2010 (both days inclusive).
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. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business in item No. 5 to 8 is annexed.

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

**Item No. 5**

Shri S. P. Jain was appointed Director of the company with effect from 26/06/2004 liable to retire by rotation. He was also appointed as Executive Director of the company with effect from 26/06/2004 for three years. His appointment as Director liable to retire by rotation and as an Executive Director of the Company for three years was approved by the Shareholders of the company in the Twelfth Annual General Meeting held on 20/08/2004. His terms expired on 25/06/2007. Shri Jain was reappointed for another 3 (Three) years with effect from 26/06/2007. His reappointment was approved by the Members of the Company in the Fifteenth Annual General Meeting of the company held on 10/09/2007. The present term of Shri Jain expires on 25/06/2010 but the Remuneration Committee recommended his reappointment at revised basic salary with effect from 01/04/2010. It is proposed to reappoint Shri Jain as an Executive Director for a further period of 3 (Three) years with effect from 01/04/2010. 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 Eighteenth Annual General Meeting. The Board of Directors of the company has



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approved reappointment of Shri S. P. Jain for another three years i.e. upto 31/03/2013 in their Meeting held on 21/06/2010 on the recommendation of the Remuneration Committee subject to approval by the Members of the company in the ensuing Annual General Meeting.

Remuneration of Shri S.P. Jain has been revised on reappointment as per break up and details of remuneration of Shri S.P. Jain given in the Notice convening the Eighteenth Annual General Meeting of the Company. Shri S.P. Jain hold University Degree and has over 42 years of experience as an Executive 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 Eighteenth Annual General Meeting is 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.

**Item No. 6**

Shri Amitabh Goenka was appointed as an Additional Director of the company by the Board of Directors of the company in their Meeting held on 27/01/2010 pursuant to Section 260 of the Companies Act, 1956 read with Article No. 89 of the Articles of Association of the Company. Shri Amitabh Goenka vacates office of Additional Director at the conclusion of the Eighteenth Annual General Meeting. The Company has received a Notice in writing alongwith a deposit of Rs.500/- (Rupees Five Hundred only) under Section 257 of the Companies Act, 1956 from a Member of the company signifying his intention to propose the candidature of Shri Amitabh Goenka for the office of Director. Shri Amitabh Goenka has also given his consent to act as Director of the Company. Shri Amitabh Goenka is proposed to be appointed as Director liable to retire by rotation.

Shri Amitabh Goenka is son of Shri Amar Nath Goenka, Managing Director of the company. Shri Amitabh Goenka is Commerce Graduate and has over 17 years of experience of the industry and that the company would be benefited with the rich experience of Shri Amitabh Goenka.

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

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

**Item No. 7**

The Board of Directors of the company in their Meeting held on 21/06/2010 approved insertion of a new clause in the Memorandum of Association of the Company as sub clause number 71. after the existing sub clause number 70. under the heading III(C) "The Other Objects". As per provisions of the Companies Act, 1956 such changes require approval of Shareholders in their General Meeting.

There is a vast scope in the field of infrastructure and building & construction. Huge amount is proposed to be invested in the field of infrastructure in the ensuing 5 year plan. In housing and infrastructure field there is wide scope. The company may at appropriate time start a new Department in the company to take up this object without interfering in the existing activities. At present this is only an enabling clause.

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

None of the Director is interested or concerned in this resolution.

**Item No. 8**

At the time of incorporation of the company the other objects of the company were detailed in Clause III (C) of the Memorandum of Association of the company. Now the company proposes to take up



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business to carry on the business of builders, constructors, developers, contractors or otherwise deal in houses, land, buildings, sheds, roads, bridges, highways or properties and development thereon for the purpose of building houses, apartments, offices, commercial premises/ properties, factory buildings, hospitals, nursing homes, shopping mall/complex and other commercial purposes, hotel and to start business of Infrastructure project and for these purposes to acquire, purchase and sell lands, buildings, units in building/premises and to carry out work relating to these activities to earn additional income for the company.

For adoption of New Business the approval of Shareholders is required under Section 149(2A) (1) of the Companies Act, 1956. The Board of Directors in their Meeting held on 21/06/2010 approved the item subject to approval of the same by the Shareholders of the Company in the ensuing Annual General Meeting.

At present this is only an enabling clause and this object may be undertaken at appropriate time at a later date.

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

None of the Director is interested or concerned in this resolution.

By order of the Board  
for PREMIER POLYFILM LIMITED

Sd/-

**N.K. BHANDARI**  
COMPANY SECRETARY

Place : New Delhi  
Date : 21/06/2010

**NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 VI(G) OF THE LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES.**

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 62 years old and holds degree in Commerce. He has more than 42 years of experience in business and trade. He is also director on the Board of M/s J.S.M. Estate (P) Limited and M/s Space Age Infotech (P) Limited. Shri Jaspal Singh Marwah is also Chairman of Remuneration Committee, Audit Committee and Shareholders/Investors Grievance Committee.

Shri Manoj Kumar Gupta is independent director of the company. He is 43 years old and is FCA. He has around 20 years of commercial experience. He is also director on the Board of M/s Better Home Buildtech (P) Limited and Proprietor of M/s Manoj Ambuj & Associates. Shri Manoj Kumar Gupta is also Member of Remuneration Committee, Audit Committee and Shareholders/Investors Grievance Committee.

At the ensuing Annual General Meeting Shri Amitabh Goenka is being appointed Director of your Company liable to retire by rotation and Shri S.P. Jain, being reappointed as an Executive Director. Shri Amitabh Goenka is being appointed as director under the category of Promoter of the company. He is son of Shri Amar Nath Goenka, Managing Director of the company. He is 39 years old and holds degree in Commerce. He has more than 17 years of experience in industry. He is also director on the Board of M/s Poly Beek India (P) Limited, M/s D. L. Millar & Co. Limited, M/s Kay Ess Polymers Limited and Proprietor of M/s 1000 Plus Inc. and Partner in M/s G. B. & Co.

Shri S. P. Jain is Executive Director of the company. Shri Jain is around 63 years of age. He holds University Degree and has over 42 years of commercial experience and is well versed with the matters pertaining to Factories Act, Labour Laws, Industrial Disputes Act. etc. Shri S. P. Jain is also Member of Remuneration Committee, Audit Committee and Shareholders/Investors Grievance Committee.



PREMIER POLYFILM LIMITED

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Eighteenth Annual Report together with Audited Account for the year ended on 31st March, 2010.

### FINANCIAL RESULTS

(Rs. IN LACS)

| Particulars                                                      | For the year ended<br>31st March, 2010 | For the year ended<br>31st March, 2009 |
|------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Sales & Other Income                                             | 5543                                   | 8308                                   |
| Operating profit before providing for<br>interest & Depreciation | 350                                    | 469                                    |
| <b>Less:</b>                                                     |                                        |                                        |
| Interest                                                         | 51                                     | 51                                     |
| Depreciation                                                     | 176                                    | 227                                    |
| Net profit before taxation                                       | 123                                    | 246                                    |
| <b>Less:</b>                                                     |                                        |                                        |
| Provision for taxation                                           | -                                      | 4                                      |
| Fringe Benefit Tax                                               | -                                      | -                                      |
| Net profit after tax                                             | 123                                    | 242                                    |
| <b>Add:</b>                                                      |                                        |                                        |
| Interest payable to banks and Financial Institute                | -                                      | 2126                                   |
| Written back                                                     | -                                      | -                                      |
| Loan payable to banks and Financial Institute                    | -                                      | 1075                                   |
| Written back                                                     | -                                      | -                                      |
| Credit balance - Unsecured Loan written back                     | 1                                      | 47                                     |
| Credit balance - Sundry Creditors written back                   | 91                                     | 296                                    |
| <b>Less:</b>                                                     |                                        |                                        |
| Interest on Provident Fund and ESI dues                          | -                                      | 30                                     |
| Balance brought forward from previous year                       | (401)                                  | (4157)                                 |
| Balance carried to Balance sheet                                 | (186)                                  | (401)                                  |
| Basic and diluted earning per share                              | 0.59                                   | 0.58                                   |
| Face value per equity Share                                      | 5.00                                   | 2.50                                   |

### OPERATIONS

During the period under review your company produced 9598 M.T. of PVC flooring, Sheetings, Films etc. as against 9871 M.T. produced during the previous year, achieving a capacity utilization of 59% as compared to around 61% in the previous year. The Company could achieve higher capacity utilization but for non availability of Working Capital Facility from Banks and present depressed demand for products due to current recession.



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**PREMIER POLYFILM LIMITED**

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**QUALITY CONTROL**

Your Company continues to hold prestigious ISO 9001:2000 certification for quality as manufacturer and exporter of PVC products namely Marbled (Contract), Printed and Technical Flooring, Leather Cloth, Sheeting, Humidity Barrier and Geo Membrane. Bureau of Indian Standards has granted BIS certification Mark ISI for Unbacked Flexible PVC Flooring, Sheets or rolls and tiles for 1.5 mm and 2.00 mm thickness vide ISO No. 3462:1986.

**FUTURE PROSPECTS**

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

**DIVIDEND**

Due to previous year's carried over Losses incurred by the company, the Directors of your company are unable to recommend any Dividend for the year 2009-10.

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

The "NETWORTH" of the company has turned positive. However, your company continuous to be under the purview of BIFR. The approved Scheme of Rehabilitation is under implementation.

**ALTERATION IN FACE VALUE OF EQUITY SHARES**

Pursuant to the resolution passed by the Shareholders of the company in the 17th Annual General Meeting held on 21/08/2009, the company had changed face values of equity shares from existing Rs. 2.50/- per equity shares to Rs. 5.00/- per equity shares by consolidating the existing equity shares and issue 1(One) equity share for 2 (two) equity shares held by a shareholder. Fractional Share resulting from this consolidation have been transferred to a nominee of the Board of Directors of the Company who shall sell these fractional share on behalf of the shareholders and distribute money so realized after deducting therefrom the expenses incurred on such sale and distribution. This will be done after commencement of trading of the equity shares at National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

**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 on going concern basis.



## PREMIER POLYFILM LIMITED

### 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.

### REPLY OF THE BOARD TO AUDITORS'S REPORT

#### AUDITOR'S COMMENTS

#### REPLY OF THE BOARD

4. There was a liability to the tune of Rs. 67.32 lacs consisting of a demand of Rs. 37.94 lacs by P.F. Department and Rs. 29.38 lacs by ESIC Department on account of damages. The profit of company would reduced by Rs. 67.32 lacs if the damages are not waived.

Both EPF and ESIC Acts provide for waiver upto 100 percent of damages. PF Department has already recommended for 100 percent waiver of damages. In the case of ESIC the matter is under consideration. The Hon'ble BIFR has passed directions to these authorities to consider waiver of damages. In case the damages are not waived off fully or partially by the concerned authorities, the liability will be provided in the relevant year.

- 9.b The disputed Statutory dues of Sales Tax as at 31st March, 2010 have not been deposited on account of matters pending before appropriate authority.

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

### 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 Amitabh Goenka was appointed as an Additional Director of the company upto the ensuing Annual General Meeting by the Board of Directors in their Meeting held on 27/01/2010. It is now proposed to appoint him Director liable to retire by rotation. Shri S. P. Jain is being reappointed as an Executive Director of the Company for three years with effect from 01/04/2010 as per details of salary and perquisites and terms of appointment given in the Notice of the ensuing Annual General Meeting.

### PERSONNEL

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

### STOCK EXCHANGES

The equity shares of your company are listed at the Stock Exchange as per details given in the Annexure "II" and forming part of Director's Report to the Members. The trading of equity shares were suspended due to non payment of listing fee. The company could not pay listing fee due to cash crunch and sickness. The company has already paid Listing fee and submitted documents for Listing of equity shares issued and allotted by the company pursuant to the orders of Hon'ble BIFR with BSE and had requested BSE to revoke suspension of trading of equity shares of the company at their stock exchange.



## **PREMIER POLYFILM LIMITED**

However, trading of equity shares at NSE has been suspended for want of non payment of Listing fee and non completion of procedure. The company has already sent documents of non compliance and also requested NSE to allow trading of our equity shares.

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

### **CORPORATE GOVERNANCE**

The matters relating to Corporate Governance and Statutory Auditors Certificate are as per details given in Annexure "III" and are forming part of Directors' Report to the members.

### **ACKNOWLEDGMENT**

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

The Directors also record their appreciation for the sincere efforts put in buy 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 : 21-06-2010

## **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 formulation for production.<br>The Company has developed various designs and colors of flooring, sheeting & Leather Cloth.                                                                                                                                                                                                                                                         |
| 2. Benefits derived as a results of the above R & D.        | Continuous development of economical formulations has helped the company to reduce cost of manufacturing. By introducing new range of color schemes and designs of finished products the Company's products continuous to be in demand. The Company continues to develop economical formulations for production. The Company has been developing various attractive designs and colours of flooring, sheeting & Leather Cloth. |
| 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. 4.89 Lac approx                                                                                                                                                                                                                                                                                                                                                                                                            |
| c) Total                                                    | Rs. 4.89 Lac approx                                                                                                                                                                                                                                                                                                                                                                                                            |
| d) Total R&D expenditure as a percentage of total turnover  | 0.09%                                                                                                                                                                                                                                                                                                                                                                                                                          |



## PREMIER POLYFILM LIMITED

### TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- |                                                                                                                                              |                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Efforts, in brief made towards technology absorption, adoption and innovation.                                                            | 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 reduction 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 | 692           |
| 2. Outgo    | 691           |

### ANNEXURE - "II"

#### LIST OF STOCK EXCHANGES

1. National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot No. C/1, 'G' Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051. ( Code No. PREMIERPOL)
2. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 ( Code No. 14354)

### ANNEXURE - "III"

#### CORPORATE GOVERNANCE REPORT

#### (ANNEXURE TO DIRECTORS' REPORT)

#### COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company has been practicing the principles 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 to financial reporting has been obtained.

#### 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 Six (6) times. These Board Meetings were held on 30th April, 2009, 26th June, 2009, 31st July, 2009, 21st August, 2009, 29th October, 2009 and 27th January, 2010. 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 31st March, 2010 consisted of 6 (Six) Directors out of which Shri Jaspal Singh Marwah, Shri Kamlesh Kumar Sinha,



## PREMIER POLYFILM LIMITED

Shri Manoj Kumar Gupta, are three (3) independent Directors and out of remaining Three (3) Directors Shri Amar Nath Goenka and Shri Amitabh Goenka, are promoter Directors and Shri S.P. Jain, is Executive Director .

During the financial year under review, Six (6) Board Meetings were held on 30th April, 2009, 26th June, 2009, 31st July, 2009, 21st August, 2009, 29th October, 2009 and 27th January, 2010. The details of (i) Composition and Category of Directors, (ii) Attendance of each Director at the Board Meeting and last Annual General Meeting, (iii) The Directorship/Membership held by each Director, and (iv) The details of the Board Meetings are as follows :-

### 1. COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31/03/2010

| 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      | DIRECTOR           | 27-01-2010                                 |
| EXECUTIVE   | SHRI S.P. JAIN           | EXECUTIVE DIRECTOR | 26-06-2004                                 |
|             | SHRI JASPAL SINGH MARWAH | NON EXECUTIVE      | 02-09-1999                                 |
| INDEPENDENT | SHRI MANOJ KUMAR GUPTA   | NON EXECUTIVE      | 30-03-2001                                 |
|             | SHRI KAMLESH KUMAR SINHA | NON EXECUTIVE      | 19-08-2003                                 |
|             |                          |                    |                                            |

### 2. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING (AGM) HELD ON 21ST AUGUST 2009 AND NO. OF DIRECTORSHIPS IN OTHER BOARDS AND CHAIRMANSHIP/MEMBERSHIP IN OTHER BOARD , COMMITTEES.

| Name Of Director       | No. of Board Meetings held | No. of Board Meetings attended | Attendance at the last AGM | No. of Directorship in other Boards as on 31-03-2010* | No. of Membership in other Boards Committees as on 31-03-2010* |
|------------------------|----------------------------|--------------------------------|----------------------------|-------------------------------------------------------|----------------------------------------------------------------|
| SHRI A.N. GOENKA       | 6                          | 6                              | Present                    | 1                                                     | 1                                                              |
| SHRI S.P. JAIN         | 6                          | 5                              | Present                    | -                                                     | 4                                                              |
| SHRI J.S. MARWAH**     | 6                          | 6                              | Present                    | 2                                                     | 3                                                              |
| SHRI M.K. GUPTA        | 6                          | 6                              | Present                    | 1                                                     | 3                                                              |
| SHRI K.K. SINHA        | 6                          | 5                              | Present                    | 2                                                     | -                                                              |
| SHRI AMITABH GOENKA*** | 6                          | 1                              | N. A.                      | 4                                                     | -                                                              |

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

\*\* Chairman Audit Committee.

\*\*\* Shri Amitabh Goenka was appointed as Additional Director of the Company with effect from 27/01/2010.



**PREMIER POLYFILM LIMITED**

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, 2009 TO MARCH 31, 2010**

| DATE OF MEETINGS | BOARD STRENGTH | NUMBER OF DIRECTOR PRESENT |
|------------------|----------------|----------------------------|
| April 30, 2009   | 5              | 5                          |
| June 26, 2009    | 5              | 5                          |
| July 31, 2009    | 5              | 5                          |
| August 21, 2009  | 5              | 4                          |
| October 29, 2009 | 5              | 5                          |
| January 27, 2010 | 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 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 clarification(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, 2009 TO MARCH 31, 2010**

| NAME OF DIRECTOR             | NO. OF MEETING HELD | NO. OF MEETINGS ATTENDED |
|------------------------------|---------------------|--------------------------|
| SHRI J.S. MARWAH ( CHAIRMAN) | 5                   | 5                        |
| SHRI M.K. GUPTA              | 5                   | 5                        |
| SHRI S.P. JAIN               | 5                   | 5                        |



## PREMIER POLYFILM LIMITED

### 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 S.P. Jain, Directors of the Company. The Committee has been authorized to look after following major functions:

- 1) To ensure formation & implementation of Remuneration Policy with regard to followings:
  - 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 alongwith 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.
  - e) 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, 2009 TO MARCH 31, 2010

| NAME OF DIRECTOR             | NO. OF MEETING HELD | NO. OF MEETINGS ATTENDED |
|------------------------------|---------------------|--------------------------|
| SHRI J.S. MARWAH ( CHAIRMAN) | 1                   | 1                        |
| SHRI M.K. GUPTA              | 1                   | 1                        |
| SHRI S.P. JAIN               | 1                   | 1                        |

### DETAILS OF REMUNERATION PAID TO ALL DIRECTORS DURING APRIL 1, 2009 TO MARCH 31, 2010

| NAME OF DIRECTOR    | Sitting Fee | Salary   | House Rent Allowances/ Housing Accommodation | Other Allowances | Gas/ Electricity/ Club Fee | Medical | Leave Travel Conces | Leave Encash- ment provision | Gratuity Provision | Accident Insurance premium | Total    |
|---------------------|-------------|----------|----------------------------------------------|------------------|----------------------------|---------|---------------------|------------------------------|--------------------|----------------------------|----------|
|                     | Rs.         | Rs.      | Rs.                                          | Rs.              | Rs.                        | Rs.     | Rs.                 | Rs.                          | Rs.                | Rs.                        | Rs.      |
| AMAR NATH GOENKA    | -           | 4,80,000 | 2,88,000                                     | -                | -                          | -       | -                   | 158                          | -                  | -                          | 7,68,158 |
| JASPAL SINGH MARWAH | 24,000      | -        | -                                            | -                | -                          | -       | -                   | -                            | -                  | -                          | 24,000   |
| SHRI AMITABH GOENKA | 1,500       | -        | -                                            | -                | -                          | -       | -                   | -                            | -                  | -                          | 1,500    |
| MANOJ KUMAR GUPTA   | 24,000      | -        | -                                            | -                | -                          | -       | -                   | -                            | -                  | -                          | 24,000   |
| KAMLESH KUMAR SINHA | 7,500       | -        | -                                            | -                | -                          | -       | -                   | -                            | -                  | -                          | 7,500    |
| S P JAIN            | -           | 3,90,600 | 1,17,180                                     | 39,060           | -                          | 15,000  | -                   | 1,339                        | 23,776             | -                          | 5,86,956 |

### 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 1st April,2009 to 31st March, 2010 is as under :-

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



## PREMIER POLYFILM LIMITED

### 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 Reports, non receipt of Dividend etc. and any other investors grievance raised by any Members/Shareholders.

### COMPLIANCE OFFICER

SHRI N.K. BHANDARI, COMPANY SECRETARY

### NUMBER OF SHAREHOLDERS' COMPLAINTS RECEIVED DURING THE PERIOD APRIL 1, 2009 TO MARCH 31, 2010.

One complaint pertaining to non receipt of Share was received from a shareholder during the financial year 2009-2010 and was resolved.

### NUMBER OF COMPLAINTS PENDING WITH THE COMPANY

NIL

### NUMBER OF SHARES PENDING FOR TRANSFER

NIL

### GENERAL INFORMATION FOR SHAREHOLDERS

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REGISTERED OFFICE                                                    | 305, III FLOOR, ELITE HOUSE, 36, COMMUNITY CENTRE, KAILASH COLONY EXTENSION (ZAMROODPUR) NEW DELHI 110 048<br>PHONE 29246481 FAX 29236482<br>WEBSITE:www.premierpoly.com<br>EMAIL:premierpoly@premierpoly.com                                                                                                                                                        |
| ANNUAL GENERAL MEETING                                               | DATE : 09/08/2010 TIME : 12.30 P.M.<br>VENUE : SHAH AUDITORIUM, 2, RAJ NIWAS MARG, CIVIL LINES, DELHI-110 054                                                                                                                                                                                                                                                        |
| DATE OF BOOK CLOSING (FOR THE PURPOSE OF ANNUAL GENERAL MEETING)     | 01.08.2010 to 09.08.2010 (BOTH DAYS INCLUSIVE)                                                                                                                                                                                                                                                                                                                       |
| DIVIDEND PAYMENT DATE                                                | NOT APPLICABLE                                                                                                                                                                                                                                                                                                                                                       |
| LISTING ON STOCK EXCHANGES                                           | 1. National Stock Exchange of India Limited.(COMPANY CODE: PREMIERPOL)<br>2. Bombay Stock Exchange Limited. (COMPANY CODE: 14354)                                                                                                                                                                                                                                    |
| MARKET PRICE DATA: HIGH LOW DURING EACH MONTH IN LAST FINANCIAL YEAR | During the year under review the trading of equity shares at NSE remained suspended due to non payment of Listing fee and non-completion of procedure. The company has already sent documents of compliance. The Company had paid listing fee to BSE and submitted compliances of procedures and has requested BSE to revoke suspension of trading of equity shares. |
| REGISTRAR AND SHARE TRANSFER AGENT (RTA)                             | Beetal Financial & Computer Services (P)Ltd.<br>Beetal House, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Das Mandir, New Delhi-110062                                                                                                                                                                                                             |
| SHARE TRANSFER SYSTEM                                                | 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.                                                                                                                                                                                                                           |



# **PREMIER POLYFILM LIMITED**

## **DISTRIBUTION OF SHAREHOLDING AS ON 31/03/2010**

| CATEGORY                  | NO. OF SHARES<br>OF RS. 5.00/- EACH | % OF SHARES<br>HOLDING |
|---------------------------|-------------------------------------|------------------------|
| PROMOTERS                 | 96,24,125                           | 45.94                  |
| MUTUAL FUNDS              | 3,43,825                            | 1.64                   |
| BANKS/FIS                 | 1,12,950                            | 0.54                   |
| FOREIGN INST. INVESTOR    | -                                   | -                      |
| CORPORATE BODIES          | 58,80,000                           | 28.07                  |
| INDIVIDUAL (PUBLIC & NRI) | 49,87,595                           | 23.81                  |
| <b>TOTAL</b>              | <b>2,09,48,495</b>                  | <b>100.00</b>          |

DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON 31/3/2010 The process of dematerialisation of shares could not be started for want of "Capital Certificate" from the Stock Exchanges and non availability of ISIN number given by NSDL & CDSL.

WORKS/PLANT LOCATION 40/1A, SITE IV, SAHIBABAD INDUSTRIAL AREA, SAHIBABAD, DISTT. GHAZIABAD (UP)-201010

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

## **ANNUAL GENERAL MEETINGS**

| PARTICULARS<br>DATE & TIME | FY 2006-2007<br>10-09-2007<br>at 02.30 P.M.                          | FY 2007-2008<br>26-09-2008<br>at 3.00 P.M.                           | FY 2008-2009<br>21-08-2009<br>at 11.30 A.M.                                                                        |
|----------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| VENUE                      | SHAH AUDITORIUM<br>2, RAJ NIWAS MARG<br>CIVIL LINES,<br>DELHI-110054 | SHAH AUDITORIUM<br>2, RAJ NIWAS MARG<br>CIVIL LINES,<br>DELHI-110054 | SRI SATHYA SAI<br>INTERNATIONAL<br>CENTRE, INSTITUTIONAL<br>AREA, PRAGATI VIHAR,<br>LODHI ROAD<br>NEW DELHI-110003 |

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:**

- 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 non compliance, penalties, stricture by SEBI/Statutory Authorities/Stock Exchanges on matters relating to capital markets during the last three years.  
Our company has not paid Listing Fees to National Stock Exchange of India Ltd. where the shares of the company are listed due to sickness of the company.



**PREMIER POLYFILM LIMITED**

**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 and the same is then also sent through Courier/Speed Post to the respective Stock Exchanges.

**COMPLIANCE CERTIFICATE OF THE AUDITORS**

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

**ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS HELD DURING APRIL 1, 2009 TO MARCH 31, 2010**

| NAME OF DIRECTOR | DATE OF MEETING |          |             |          |             |             |
|------------------|-----------------|----------|-------------|----------|-------------|-------------|
|                  | 1st Quarter     |          | 2nd Quarter |          | 3rd Quarter | 4th Quarter |
|                  | 30-04-09        | 26-06-09 | 31-07-09    | 21-08-09 | 29-10-09    | 27-01-10    |
| S/SHRI           |                 |          |             |          |             |             |
| A.N. GOENKA      | Present         | Present  | Present     | Present  | Present     | Present     |
| J.S. MARWAH      | Present         | Present  | Present     | Present  | Present     | Present     |
| M.K. GUPTA       | Present         | Present  | Present     | Present  | Present     | Present     |
| AMITABH GOENKA*  | N.A.            | N.A.     | N.A.        | N.A.     | N.A.        | Present     |
| S.P. JAIN        | Present         | Present  | Present     | Absent   | Present     | Present     |
| K.K. SINHA       | Present         | Present  | Present     | Present  | Present     | Absent      |

\* Shri Amitabh Goenka was appointed as an Additional Director of the Company by the Board of Directors of the Company in their Meeting held on 27-01-2010.

For & on Behalf of the  
BOARD OF DIRECTORS.  
Sd/-

**AMAR NATH GOENKA**  
CHAIRMAN

PLACE: NEW DELHI  
DATED: 21/06/2010

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

**TO  
THE MEMBERS OF PREMIER POLYFILM LIMITED**

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, 2010.

For Premier Polyfilm Limited  
Sd/-

**AMAR NATH GOENKA**  
MANAGING DIRECTOR

PLACE: NEW DELHI  
DATED: 21/06/2010



**PREMIER POLYFILM LIMITED**

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**AUDITORS'S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO**

**THE MEMBERS OF PREMIER POLYFILM LIMITED**

We have examined the compliance of conditions of corporate Governance by **PREMIER POLYFILM LIMITED**, for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India .

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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  
**SUBRATA DE**  
PARTNER  
Membership No. 54962

CAMP: NEW DELHI  
DATED: 21/06/2010

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**AUDITORS' REPORT**

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

1. We have audited the attached balance sheet of **PREMIER POLYFILM LIMITED** as at March 31, 2010, the related profit and loss account and cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. A liability to the tune of Rs.67,31,576 consisting of a demand of Rs. 37,93,367 and Rs. 29,38,209 raised by



**PREMIER POLYFILM LIMITED**

P.F. and E.S.I. Authorities respectively on account of damages. No provision has been made by the Company during the financial year 2008-09. It has been stated that the Company have moved an appeal to the Hon'ble BIFR authorities for waiver of the same. No change of status is noticed during the year under audit. If the damages are not waived, the profit of the company shall be reduced by Rs.67,31,576.

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report have complied with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of the written representations received from the Directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2010;
    - ii) in the case of profit and loss account, of the profit for the year ended on that date and
    - iii) in the case of the cash flow statement, of the cash flow for the year ended on that date.

Place: New Delhi  
Date : 21/06/2010

For & on Behalf of the  
**DE & BOSE**  
Chartered Accountants  
**SUBRATA DE**  
Partner.  
Membership No. 54962

**ANNEXURE TO THE AUDITORS' REPORT**

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

1. In respect of its fixed assets :
- a. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.



**PREMIER POLYFILM LIMITED**

- 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.
- 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. 700,000/-, year end balances - 606,702/-).
- According to the information and explanation 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, 2010 for period of more than six months from the date of becoming payable.
- b. The disputed statutory dues as at 31st March, 2010 aggregating to Rs.1,61,07,816/-, that have not been deposited on account of matters pending before appropriate authorities are as under :



**PREMIER POLYFILM LIMITED**

| Nature of the statute                                        | Nature of the dues | Forum where dispute is pending     | Amount<br>( Rs. ) |
|--------------------------------------------------------------|--------------------|------------------------------------|-------------------|
| Central Sales Tax Act and<br>Sales Tax Act of various states | Sales Tax          | Divisional level committee, Meerut | 1,61,07,816 /-    |

10. As per records, the Company has no accumulated losses at the end of financial year, more than fifty percent of its net worth and not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that during the year under audit, the Company has not defaulted in repayment of dues to financial institution and banks. As the Company has not issued any debentures, there is no dues from any debenture holder.
12. The Company has not granted any loan and advance in the nature of inter corporate deposits on the basis of security by way of pledge of shares. Therefore, the provisions of Clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others, from banks or financial institutions.
16. As per records, the Company has raised term loans during the financial year covered under audit and the loans were applied for the purpose for which the loans were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has made allotment one no. of share during the year at the time of raising face value of share from Rs. 2.50 to Rs. 5/-.
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.

PLACE : NEW DELHI  
DATED : 21/06/2010

For & on Behalf of the  
DE & BOSE  
CHARTERED ACCOUNTANTS  
SUBRATA DE  
PARTNER  
Membership No. 54962



**PREMIER POLYFILM LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

| DESCRIPTION                                                           | SCHEDULE | FOR THE YEAR<br>ENDED 31.03.2010 | FOR THE YEAR<br>ENDED 31.03.2009 |
|-----------------------------------------------------------------------|----------|----------------------------------|----------------------------------|
| <b>INCOME</b>                                                         |          |                                  |                                  |
| Sales                                                                 |          | (Rs.)                            | (Rs.)                            |
| Less : Excise Duty                                                    |          | 54,30,52,995                     | 80,75,68,233                     |
|                                                                       |          | 3,58,44,557                      | 7,01,55,114                      |
| Add : Other Income                                                    | 6        | 50,72,08,438                     | 73,74,13,119                     |
|                                                                       |          | 1,12,52,838                      | 2,31,88,379                      |
| <b>TOTAL</b>                                                          |          | <b>51,84,61,276</b>              | <b>76,06,01,498</b>              |
| <b>EXPENDITURE</b>                                                    |          |                                  |                                  |
| Manufacturing and other Expenses                                      | 7        |                                  |                                  |
| Cost of Sales                                                         |          | 35,86,96,539                     | 58,31,93,423                     |
| Manufacturing Expenses                                                |          | 4,79,90,051                      | 5,11,67,892                      |
| Employees Remuneration and Benefits                                   |          | 3,52,29,017                      | 3,19,18,728                      |
| Administrative and Other Expenses                                     |          | 1,67,29,399                      | 1,78,55,250                      |
| Selling and Distribution Expenses                                     |          | 2,47,80,356                      | 2,95,65,287                      |
| Interest                                                              |          | 48,34,25,362                     | 71,37,00,580                     |
| Depreciation                                                          | 8        | 51,41,308                        | 51,13,817                        |
| <b>TOTAL</b>                                                          |          | <b>1,75,85,100</b>               | <b>1,71,54,170</b>               |
| Profit for the year before taxation                                   |          | 50,61,51,768                     | 73,59,68,567                     |
| Less : Provision for Taxation                                         |          | 1,23,09,508                      | 2,46,32,931                      |
| Fringe Benefit ax                                                     |          | —                                | 4,17,000                         |
| Profit for the year after taxation                                    |          | 1,23,09,508                      | 2,42,15,931                      |
| Add : Interest payable to banks and financial institute written back  |          | —                                | 21,25,48,292                     |
| : Loan payable to banks and financial institute written back          |          | —                                | 10,75,45,849                     |
| : Credit Balance -- Unsecured Loan Written back                       |          | 81,825                           | 47,30,208                        |
| : Credit Balance -- Sundry Creditors written back                     |          | 90,61,205                        | 2,96,25,550                      |
| Less : Interest on PF Dues                                            |          | 2,14,52,538                      | 37,86,65,630                     |
| : Interest on ESI Dues                                                |          | —                                | 7,54,526                         |
|                                                                       |          | —                                | 22,78,567                        |
| Balance brought forward from Previous Year                            |          | 2,14,52,538                      | 37,56,32,537                     |
| <b>BALANCE CARRIED TO BALANCE SHEET</b>                               |          | <b>(4,00,30,124)</b>             | <b>(41,56,62,661)</b>            |
| Basic and Diluted Earnings per Share<br>(Refer Note 19 of Schedule 9) |          | (1,85,77,586)                    | (4,00,30,124)                    |
| Face Value per Equity Share                                           |          | 0.59                             | 0.58                             |
| <b>SIGNIFICANT ACCOUNTING POLICIES AND<br/>NOTES ON ACCOUNTS</b>      | 9        | 5.00                             | 2.50                             |

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

For DE & BOSE

Chartered Accountants

SUBRATA DE

PARTNER

Membership No. 54962

8/2 Kiran Sankar Roy Road,  
Kolkata-700 001

Camp : New Delhi

The 21st day of June, 2010.

N.K. BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR



**PREMIER POLYFILM LIMITED**

**SCHEDULE - 1 : SHARE CAPITAL**

| DESCRIPTION                                                | AS AT 31.03.2010 | AS AT 31.03.2009 |
|------------------------------------------------------------|------------------|------------------|
|                                                            | (Rs.)            | (Rs.)            |
| <b>AUTHORISED :</b>                                        |                  |                  |
| 3,00,00,000 Equity Shares of Rs. 5.00 each                 |                  |                  |
| (Previous year 6,00,00,000 equity Shares of Rs. 2.50 each) | 15,00,00,000     | 15,00,00,000     |
| <b>ISSUED :</b>                                            |                  |                  |
| 2,14,15,000 Equity Shares of Rs. 5.00 each                 | 10,70,75,000     | 10,70,75,000     |
| (Previous year 4,28,30,000 Equity Shares of Rs. 2.50 each) |                  |                  |
| <b>SUBSCRIBED :</b>                                        |                  |                  |
| 2,14,11,820 Equity Shares of Rs. 5.00 each                 | 10,70,59,100     | 10,70,59,098     |
| (Previous year 4,28,23,639 Equity Shares of Rs. 2.50 each) |                  |                  |
| <b>PAID UP :</b>                                           |                  |                  |
| 2,09,48,495 Equity Shares of Rs. 5.00 each                 | 10,47,42,475     | 10,47,42,472     |
| (Previous year 4,18,96,989 Equity Shares of Rs. 2.50 each) |                  |                  |
| Add : Shares Forfeited                                     | 11,58,313        | 11,58,313        |
|                                                            | 10,59,00,788     | 10,59,00,785     |

**SCHEDULE - 2 : LOAN FUNDS**

| DESCRIPTION            | AS AT 31.03.2010 | AS AT 31.03.2009 |
|------------------------|------------------|------------------|
|                        | (Rs.)            | (Rs.)            |
| <b>SECURED LOAN</b>    |                  |                  |
| <b>LONG TERM</b>       |                  |                  |
| Loan for vehicles      | 13,90,253        | 13,05,189        |
| <b>UNSECURED LOANS</b> |                  |                  |
| From Others            | 6,78,01,211      | 5,36,50,901      |

**NOTES :**

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



PREMIER POLYFILM LIMITED

SCHEDULE - 3 : FIXED ASSETS

0. TITLED ASSETS

| DESCRIPTION                                           | GROSS BLOCK              |               |                          | TOTAL<br>COST<br>AS ON<br>31.03.2010 | DEPRECIATION       |                 |                          | NET BLOCK          |                     |
|-------------------------------------------------------|--------------------------|---------------|--------------------------|--------------------------------------|--------------------|-----------------|--------------------------|--------------------|---------------------|
|                                                       | COST AS ON<br>01.04.2009 | ADDI-<br>TION | SALE/<br>ADJUST-<br>MENT |                                      | UPTO<br>31.03.2009 | FOR THE<br>YEAR | SALE/<br>ADJUST-<br>MENT | UPTO<br>31.03.2010 | AS AT<br>31.03.2010 |
| Land (Leasehold)                                      | (Rs.)                    | (Rs.)         | (Rs.)                    | (Rs.)                                | (Rs.)              | (Rs.)           | (Rs.)                    | (Rs.)              | (Rs.)               |
|                                                       | 6930259                  | -             | -                        | 6930259                              | 1245128            | 77,003          | -                        | 1322131            | 5608128             |
| Buildings                                             | 31841739                 | -             | -                        | 31841739                             | 12379390           | 864051          | -                        | 13243441           | 18598298            |
| Plant and Machinery                                   | 260633210                | 7163705       | -                        | 267796915                            | 179198922          | 13761433        | -                        | 192960355          | 74836560            |
| Electrical Instal-<br>lations                         | 29663515                 | -             | -                        | 29663515                             | 21228117           | 1566234         | -                        | 22794351           | 6869164             |
| Furniture, Fixture<br>and Office Equip-<br>ments etc. | 3254021                  | 997650        | 43046                    | 4208625                              | 1136143            | 344478          | 34755                    | 1445866            | 2762759             |
| Vehicles                                              | 8879443                  | 2935917       | 704812                   | 11110548                             | 1688830            | 971901          | 409429                   | 2251302            | 8859246             |
| TOTAL                                                 | 341202187                | 11037272      | 747858                   | 351551601                            | 216876530          | 17585100        | 444184                   | 234017446          | 117534155           |
| Corresponding<br>Figures as on<br>31.03.2009          | 336447397                | 4754790       | -                        | 341202187                            | 199722360          | 17154170        | -                        | 216876530          | 124325657           |



# **PREMIER POLYFILM LIMITED**

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

| DESCRIPTION                                                         | AS AT 31.03.2010    | AS AT 31.03.2009    |
|---------------------------------------------------------------------|---------------------|---------------------|
|                                                                     | (Rs.)               | (Rs.)               |
| <b>CURRENT ASSETS</b>                                               |                     |                     |
| <b>INVENTORIES</b>                                                  |                     |                     |
| Raw Materials                                                       | 3,90,23,192         | 1,63,97,354         |
| Work-in-Progress                                                    | 1,07,95,876         | 74,88,964           |
| Finished Goods                                                      | 3,44,38,523         | 2,97,84,094         |
| Stores and Spares                                                   | 25,67,499           | 22,13,382           |
| Material-in-Transit                                                 | 12, 70, 874         | 76.19.040           |
|                                                                     | <u>8,80,95,964</u>  | <u>6,35,02,834</u>  |
| <b>SUNDRY DEBTORS - UNSECURED</b>                                   |                     |                     |
| Outstanding for a Period exceeding six months                       | 1,26,51,211         | 1,16,20,237         |
| Considered Doubtful                                                 | 5,70,36,368         | 4,88,55,953         |
| Others - Considered Good                                            |                     |                     |
|                                                                     | <u>6,96,87,579</u>  | <u>6,04,76,190</u>  |
| <b>CASH AND BANK BALANCES</b>                                       |                     |                     |
| Cash in hand                                                        | 5,52,270            | 7,66,223            |
| <b>Balance with Scheduled Banks</b>                                 |                     |                     |
| - On Current Account                                                | 28.56.744           | 65,40,670           |
| - On Margin Money Account                                           | 98,77,352           | 2,55,05,840         |
| - On Fixed deposit Account                                          | 4,15.00.000         | -                   |
|                                                                     | <u>5,47.86.366</u>  | <u>3,28.12.733</u>  |
| <b>LOANS AND ADVANCES</b>                                           |                     |                     |
| (Unsecured, considered good)                                        |                     |                     |
| Advances recoverable in cash or in kind or for value to be received | 51.75.224           | 96,04,565           |
| Claims Receivable                                                   | 1,04,860            | 42,699              |
| Interest Receivable                                                 | 17,82,551           | 10,99,948           |
| Income Tax Deducted at Source                                       | 45,64,510           | 39,80,027           |
| Deposits with Government Departments and Others                     | 45,12,295           | 25,99,295           |
|                                                                     | <u>1,61,39,440</u>  | <u>1,73,26,534</u>  |
| <b>TOTAL</b>                                                        | <u>22,87,09,349</u> | <u>17,41,18,291</u> |

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

| DESCRIPTION                | AS AT 31.03.2010    | AS AT 31.03.2009   |
|----------------------------|---------------------|--------------------|
|                            | (Rs.)               | (Rs.)              |
| <b>CURRENT LIABILITIES</b> |                     |                    |
| Sundry Creditors           | 6,07,71,992         | 5,07,89,357        |
| Other Liabilities          | 3,59,37,792         | 3,54,50,717        |
| Advance from Customers     | 85,57,606           | 89,51,091          |
| Deposits from Distributors | 2,36,600            | 2,36,000           |
|                            | <u>10,55,03,390</u> | <u>9,54,27,165</u> |



**PREMIER POLYFILM LIMITED**

**SCHEDULE - 6 : OTHER INCOME**

| DESCRIPTION                                                                    | FOR THE YEAR<br>ENDED 31.03.2010 | FOR THE YEAR<br>ENDED 31.03.2009 |
|--------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Export Benefits                                                                | (Rs.)                            | (Rs.)                            |
| Commission                                                                     | -                                | 41,618                           |
| Interest [Tax deducted at source<br>Rs. 5,68,271 (Previous year Rs. 3.18.587)] | -                                | 1,00,00,000                      |
| Liabilities written back                                                       | 37,72,921                        | 15,52,836                        |
| Miscellaneous Receipts                                                         | 5,70,994                         | 8,50,740                         |
|                                                                                | 69,08,923                        | 1,07,43,185                      |
|                                                                                | 1,12,52,838                      | 2,31,88,379                      |

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

| DESCRIPTION                              | FOR THE YEAR<br>ENDED 31.03.2010 | FOR THE YEAR<br>ENDED 31.03.2009 |
|------------------------------------------|----------------------------------|----------------------------------|
| <b>(A) COST OF SALES</b>                 |                                  |                                  |
| <b>MATERIAL CONSUMED</b>                 | (Rs.)                            | (Rs.)                            |
| Stock at Opening                         |                                  |                                  |
| Add : Purchases                          | 1,63,97,354                      | 2,46,16,997                      |
|                                          | 36,95,12,836                     | 51,93,45,348                     |
| Less : Stock at Close                    | 38,59,10,190                     | 54,39,62,345                     |
|                                          | 3,90,23,192                      | 1,63,97,354                      |
| Add : Purchase of Raw Material for Sales | 34,68,86,998                     | 52,75,64,991                     |
| : Purchase of Finished Goods             | 1,00,86,271                      | 2,07,16,452                      |
| : Purchase High Seas                     | 9,79,776                         | 2,54,03,868                      |
| : Purchase of Stores & Spares for Sales  | 81,67,535                        | 50,61,485                        |
|                                          | 5,37,300                         | -                                |
| Add : Opening Stock                      | 36,66,57,880                     | 57,87,46,796                     |
| Work-in-Progress                         |                                  |                                  |
| Finished Goods                           | 74,88,964                        | 1,36,57,068                      |
|                                          | 2,97,84,094                      | 2,80,62,617                      |
| Less : Closing Stock                     | 40,39,30,938                     | 62,04,66,481                     |
| Work-in-Progress                         |                                  |                                  |
| Finished Goods                           | 1,07,95,876                      | 74,88,964                        |
|                                          | 3,44,38,523                      | 2,97,84,094                      |
|                                          | 35,86,96,539                     | 58,31,93,423                     |
| <b>(B) MANUFACTURING EXPENSES</b>        |                                  |                                  |
| Stores and Spares                        |                                  |                                  |
| Power and Fuel                           | 67,10,548                        | 80,75,679                        |
| Repairs - Building                       | 3,81,56,842                      | 4,08,15,089                      |
| - Machinery                              | 2,74,914                         | 3,26,092                         |
|                                          | 28,47,747                        | 19,51,032                        |
|                                          | 4,79,90,051                      | 5,11,67,892                      |



# **PREMIER POLYFILM LIMITED**

| DESCRIPTION                                    | FOR THE YEAR<br>ENDED 31.03.2010 | FOR THE YEAR<br>ENDED 31.03.2009 |
|------------------------------------------------|----------------------------------|----------------------------------|
| <b>(C) EMPLOYEES REMUNERATION AND BENEFITS</b> | (Rs.)                            | (Rs.)                            |
| Salary and Wages                               | 3,02,15,623                      | 2,72,50,802                      |
| Contribution to PF                             | 13,88,312                        | 13,18,271                        |
| Director's Remuneration                        | 13,55,113                        | 13,61,981                        |
| Employees Welfare Expenses                     | 22,69,969                        | 19,87,674                        |
|                                                | <b>3,52,29,017</b>               | <b>3,19,18,728</b>               |
| <b>(D) ADMINISTRATIVE AND OTHER EXPENSES</b>   |                                  |                                  |
| Travelling and Conveyance                      | 33,20,479                        | 38,78,447                        |
| Telephone, Telex and Postage                   | 18,18,810                        | 20,58,837                        |
| Printing and Stationery                        | 6,74,798                         | 6,02,554                         |
| Vehicle Upkeep Expenses                        | 16,10,756                        | 11,90,251                        |
| Legal and Professional Charges                 | 29,64,712                        | 32,31,932                        |
| Repair and Maintenance - Others                | 4,26,260                         | 5,49,339                         |
| Rent                                           | 4,82,454                         | 6,28,149                         |
| Plant & Machinery Hire Charges                 | 7,16,747                         | 3,54,000                         |
| Insurance Charges                              | 6,88,175                         | 7,51,978                         |
| Director's Fee                                 | 57,000                           | 54,000                           |
| Auditor's Remuneration                         |                                  |                                  |
| — As Audit Fees                                | 65,000                           | 50,000                           |
| — Out of Pocket Expenses                       | 35,448                           | 48,235                           |
| — For Tax Audit                                | 15,000                           | 10,000                           |
| — For Certificates                             | 33,500                           | 10,000                           |
| — For Service Tax                              | 11,693                           | 7,416                            |
| Loss on Sale of Fixed Assets                   | 32,674                           | —                                |
| Other Expenses                                 | 37,75,893                        | 44,30,112                        |
|                                                | <b>1,67,29,399</b>               | <b>1,78,55,250</b>               |
| <b>(E) SELLING AND DISTRIBUTION EXPENSES</b>   |                                  |                                  |
| Advertisement and Publicity                    | 18,66,822                        | 14,74,294                        |
| Discount and Commission                        | 28,73,823                        | 17,23,476                        |
| Packing and Freight Charges                    | 2,00,39,711                      | 2,63,67,517                      |
|                                                | <b>2,47,80,356</b>               | <b>2,95,65,287</b>               |
|                                                | <b>48,34,25,362</b>              | <b>71,37,00,580</b>              |

## **SCHEDULE - 8 : INTEREST**

| DESCRIPTION  | FOR THE YEAR<br>ENDED 31.03.2010 | FOR THE YEAR<br>ENDED 31.03.2009 |
|--------------|----------------------------------|----------------------------------|
|              | (Rs.)                            | (Rs.)                            |
| On Term Loan | 1,52,550                         | 4,91,692                         |
| On Others    | 41,03,506                        | 39,25,147                        |
| Bank Charges | 8,85,250                         | 6,96,978                         |
|              | <b>51,41,306</b>                 | <b>51,13,817</b>                 |



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

**ACCOUNTING POLICIES**

1. **Basis of Accounting :**  
The Company follows the Mercantile System of Accounting under historical cost convention except otherwise stated. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
2. **Use of Estimates :**  
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.
3. **Fixed Assets :**  
Fixed Assets are valued at cost of net of CENVAT less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.
4. **Inventories :**
  - i) Raw Materials and Stores & Spares are valued at lower of cost and net realisable value.
  - ii) Work-in-progress is valued at actual material cost plus estimated manufacturing cost.
  - iii) Finished Goods are valued at lower of cost and net realisable value.
5. **Revenue Recognition :**  
Revenue from the sale of goods are recognised upon passing of title to the customers, which generally coincides with their delivery.
6. **Depreciation :**  
Depreciation on Fixed Assets excepting Leasehold Land is provided on Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 (as amended upto date). However, Leasehold Land is amortised every year at a uniform rate over the period of lease.
7. **Foreign Currency Transaction :**  
Foreign currency transactions are recorded at the exchange rates prevailing on the date of transactions. Foreign currency balances of monetary items as on the balance sheet date are realigned in the accounts on the basis of exchange rates prevailing at the close of the year. Any income or expenses on account of exchange difference either on settlement or on translation is recognised as Revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
8. **Retirement Benefits :**  
The company has Defined Contribution plans for post employment benefits namely Provident Fund Contribution which is made at the prescribed rates to the Provident Fund Commissioner and is charged to the Profit and Loss Account. There are no other obligation other than the contribution payable.  
The Company has defined benefit plans namely leave encashment as compensated Absence and Gratuity for employees. The liability for Gratuity and Compensated Absence is determined on the basis of an actuarial valuation at the end of the year. Gains and losses arising out of actuarial evaluation are recognised immediately in the Profit and Loss as income or expenses.
9. **Provision for Current and Deferred Tax :**  
Provision for current Tax is to be made after taking into consideration of benefits admissible under the provisions of the Income Tax Act, 1961.  
Deferred Tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are reversible in one or more subsequent periods. Deferred Tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
10. **Impairment of Assets :**  
As asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.
11. **Provision, Contingent liabilities and Contingent assets :**  
Provision involving substantial degree of estimation in measurement are recognised when there is a present



## PREMIER POLYFILM LIMITED

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

### 12. Segment Reporting :

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

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

### NOTES ON ACCOUNTS

#### 1. Annual Capacity and Production

| Items            | Unit | Annual Capacity* |               |              |               | Actual Production |               |
|------------------|------|------------------|---------------|--------------|---------------|-------------------|---------------|
|                  |      | Licenced         |               | Installed**  |               | Current Year      | Previous Year |
|                  |      | Current Year     | Previous Year | Current Year | Previous Year |                   |               |
| PVC Films/Sheets | M.T. | 16,200           | 16,200        | 16,200       | 16,200        | 9,598             | 9,871         |

\*As Certified by the Management

\*\* On Standard Product Mix.

#### 2. Stock of Finished Goods

| Items            | Unit      | As on 01.04.2009 |             | As on 31.03.2010 |             |
|------------------|-----------|------------------|-------------|------------------|-------------|
|                  |           | Qty.             | Value (Rs.) | Qty.             | Value (Rs.) |
| PVC Films/Sheets | Mtr./Sqm. | 3,57,175         | 2,97,84,094 | 4,49,879         | 3,44,38,523 |
|                  | Kgs.      | 2,118            |             | 1,720            |             |

#### 3. Sales

| Items            | Unit      | Current Year |              | Previous year |              |
|------------------|-----------|--------------|--------------|---------------|--------------|
|                  |           | Qty.         | Value (Rs.)  | Qty.          | Value (Rs.)  |
| PVC Films/Sheets | Mtr./Sqm. | 1,50,28,471  | 52,24,57,190 | 1,34,20,766   | 75,48,94,831 |
|                  | Kgs.      | 10,18,187    |              | 17,99,012     |              |
| Others           |           | -            | 2,05,95,805  | -             | 5,26,73,402  |
|                  |           |              | 54,30,52,995 |               | 80,75,68,233 |

#### 4. Raw Material Consumed

| Items        | Current Year |              | Previous Year |              |
|--------------|--------------|--------------|---------------|--------------|
|              | Qty. (M.T.)  | Value (Rs.)  | Qty. (M.T.)   | Value (Rs.)  |
| PVC Resin    | 4390         | 17,69,94,424 | 6003          | 32,19,62,921 |
| Plasticizers | 1863         | 8,11,84,272  | 1645          | 9,35,80,614  |
| Stabilizers  | 149          | 1,58,52,398  | 163           | 2,05,49,713  |
| Pigments     | 200          | 1,92,68,825  | 351           | 2,97,36,390  |
| Lubricants   | 37           | 23,96,928    | 44            | 36,59,378    |
| Solvents     | 106          | 68,14,697    | 88            | 74,92,583    |
| Fillers      | 2992         | 1,17,60,506  | 2219          | 1,15,15,703  |
| Fabric       | 5            | 25,70,569    | -             | -            |
| PVC Sheeting | 1030         | 2,55,97,733  | 748           | 2,41,89,401  |
| Jute Felt    | 54           | 28,26,536    | 132           | 67,63,363    |
| Others       | 127          | 16,20,110    | 329           | 81,14,925    |
|              | 10953        | 34,68,86,998 | 11722         | 52,75,64,991 |



# **PREMIER POLYFILM LIMITED**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |        |                      |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------|----------------------|--------|
| <b>5. Import (CIF)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Current Year</b> |        | <b>Previous Year</b> |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Rs.)               |        | (Rs.)                |        |
| Raw Materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 6,82,31,935         |        | 6,04,16,503          |        |
| Capital Goods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 3,37,341            |        | 82,953               |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>6.85.69.276</b>  |        | <b>6,04,99,456</b>   |        |
| <b>6. Expenditure in Foreign Currency</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Current Year</b> |        | <b>Previous Year</b> |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Rs.)               |        | (Rs.)                |        |
| Travelling                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4,91,359            |        | 11,64,151            |        |
| <b>7. Consumption of Raw Materials, Stores &amp; Spares</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Current Year</b> |        | <b>Previous Year</b> |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Rs.)               | %      | (Rs.)                | %      |
| a) Imported                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                     |        |                      |        |
| Raw Materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 7,62,56,048         | 21.98  | 6,92,40,721          | 13.12  |
| Stores & Spares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | —                   | —      | —                    | —      |
| b) Indigenous                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                     |        |                      |        |
| Raw Materials                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 27,06,30,950        | 78.02  | 45,83,24,270         | 86.88  |
| Stores & Spares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 67,10,548           | 100.00 | 80,75,679            | 100.00 |
| <b>8. Earnings in foreign Exchange</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Current Year</b> |        | <b>Previous Year</b> |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Rs.)               |        | (Rs.)                |        |
| Export (FOB)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 6,92,42,575         |        | 14,85,62,171         |        |
| <b>9. Contingent Liabilities not provided for, in respect of :</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Current Year</b> |        | <b>Previous Year</b> |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (Rs.)               |        | (Rs.)                |        |
| a) Unredeemed Bank Guarantees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 3,73,977            |        | 1,95,000             |        |
| b) Bonds Executed in favour of Central Excise Department                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,50,00,000         |        | 1,50,00,000          |        |
| <b>10. 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.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     |        |                      |        |
| The Company has filed an appeal for the balance amount of Rs. 237.97 Lacs in the court of Trade Tax Tribunal, Lucknow, U.P. The case been reverted to the Divisional Level Committee, Meerut for re-consideration. The Divisional Level Committee, Meerut allowed Rs. 32.13 Lacs.                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |        |                      |        |
| The Company has filed another appeal for the balance amount of Rs. 205.84 Lacs in the court of Trade Tax Tribunal, Lucknow, U.P. and by its order dated 24.06.2004 the case has been reverted to the Divisional Level Committee, Meerut for re-consideration and the matter is still pending before the Divisional Level Committee, Meerut.                                                                                                                                                                                                                                                                                                                                                                                 |                     |        |                      |        |
| <b>11. 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), Customs and Central Excise, Ghaziabad. The appeal of company had been allowed by Commissioner (Appeals). The department had made an appeal before CESAT against the order of Appellate Commissioner who had directed to Commissioner (Appeal) for reconsider the order. The Appellate Commissioner in his order dated 6th June, 2005 has again allowed the company's appeal. Aggrieved with the order, the department has made another appeal before CESAT, which was communicated to the company on 17th January 2006.</b> |                     |        |                      |        |



# **PREMIER POLYFILM LIMITED**

12. Export benefits are taken on realisation basis.

13. Remuneration to Managing Director and whole time Director Charged to accounts :

| <u>Particulars</u>                                         | <u>For the year ended 31.03.2010</u> | <u>For the year ended 31.03.2009</u> |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                            | (Rs.)                                | (Rs.)                                |
| a) Salaries                                                | 8,70,600                             | 8,42,000                             |
| b) Housing accomodation/<br>House Rent and other allowance | 4,44,240                             | 4,32,800                             |
| c) Other Perquisites                                       | 15,000                               | 46,500                               |
| d) Provision for Gratuity and Leave encashment             | 25,273                               | 40,681                               |
|                                                            | <u>13,55,113</u>                     | <u>13,61,981</u>                     |

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

15. The trading of the equity shares of the Company continue to be suspended at The Bombay Stock Exchange Limited (BSE) due to non completion of procedures while trading of equity shares of the company at National Stock Exchange of India Limited (NSE) continue to be suspended due to non payment of Listing Fee and non Completion of procedures.

16. Break up of Escise duty

| <u>Particulars</u>                        | <u>For the year ended 31.03.2010</u> | <u>For the year ended 31.03.2009</u> |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | (Rs.)                                | (Rs.)                                |
| On Sales for the year                     | 3,48,90,395                          | 7,14,49,623                          |
| Add: On closing Stock of Finished Goods   | 32,69,136                            | 23,14,974                            |
| Less : On Opening Stock of Finished Goods | 23,14,974                            | 36,09,483                            |
|                                           | <u>3,58,44,557</u>                   | <u>7,01,55,114</u>                   |

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

I. Related Party disclosures

a. Associates

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

b. Key Management Personnel

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



# PREMIER POLYFILM LIMITED

## c. Relative of Key Management Personnel

- Mrs. Indira Goenka
- Mrs. NiSHa 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)

|                                            | Current Year | Previous Year |
|--------------------------------------------|--------------|---------------|
|                                            | (Rs.)        | (Rs.)         |
| Purchase of goods                          |              |               |
| - Associates                               | 8,04,56,766  | 15,35,50,377  |
| Sales of goods                             |              |               |
| - Associates                               | 6,91,47,671  | 4,84,78,647   |
| Remuneration                               |              |               |
| - Management Personnel                     | 13,55,113    | 13,61,981     |
| Rent Paid                                  |              |               |
| - Relative to Key Management Personnel     | 3,56,000     | 4,26,000      |
| - Associates                               | 30,000       | 30,000        |
| Commission on Consignment Sales            |              |               |
| - Associates                               | 2,07,551     | 1,23,137      |
| Interest on Loan                           |              |               |
| - Associates                               | 52,447       | 22,093        |
| - Key Management                           | 34,200       | -             |
| Machinery Hire Charges                     |              |               |
| - Associates                               | 3,54,000     | 3,54,000      |
| Outstanding Balance as at 31st March, 2010 |              |               |
| - Associates - Creditors                   | 3,46,920     | 3,17,538      |
| - Debtors                                  | 16,65,929    | -             |
| - Liabilities Payable                      | 8,68,312     | 1,03,761      |
| - Loans                                    | 11,47,202    | 5,00,000      |
| - Key Management Personnel                 |              |               |
| - Liabilities Payable                      | 38,670       | 2,06,300      |
| - Loans                                    | 4,10,780     | 3,80,000      |

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



## PREMIER POLYFILM LIMITED

18. (a) No provision for Current Tax is made due to unabsorbed business losses and depreciation as well as no tax liability under section 115 JB of the Income Tax Act, 1961.
- (b) 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 :

|                                                                                  | As on<br>01.04.09<br>(Rs.) | (Charges) Credit<br>for the year<br>(Rs.) | As on<br>31.03.10<br>(Rs.) |
|----------------------------------------------------------------------------------|----------------------------|-------------------------------------------|----------------------------|
| A. Deferred Tax Liability                                                        | 3,07,76,464                | 44,51,368                                 | 2,63,25,096                |
| B. Deferred Tax Assets on account of Unabsorbed business losses and depreciation | 3,07,76,464                | (44,51,368)                               | 2,63,25,096                |
| C. Deferred Tax Assets/Liabilities (Net) A-B                                     | -                          | -                                         | -                          |

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

| <u>Particulars</u>                                  | <u>2009-2010</u><br>(Rs.) | <u>2008-2009</u><br>(Rs.) |
|-----------------------------------------------------|---------------------------|---------------------------|
| (a) Profit before Tax as per Accounts               | 1,23,09,508               | 2,46,32,931               |
| Less : Provision for Taxation                       | -                         | 4,17,000                  |
| Profit after Tax                                    | 1,23,09,508               | 2,42,15,931               |
| (b) Weighted Average Number of equity shareholders  | 2,09,48,495               | 4,18,96,989               |
| (c) Basic and Diluted Earnings per share            | 0.59                      | 0.58                      |
| (d) Basic and Diluted Earnings per share (Restated) | -                         | 1.16                      |

20. Miscellaneous Receipts under the Head "Other Income" of Schedule- 6 includes Rs. 10,12,818 related to Exchange Fluctuation. (Previous year Rs. 10,01,233)
21. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
22. A demand of Rs. 37,93,367 and Rs. 29,38,209 is raised by the P.F. and E.S.I.C. Authorities against the old dues for which the company has appealed to the Hon'ble BIFR for waiver of damages amounting to Rs. 37,93,367 of P.F. Authority and Rs. 29,38,209 of E.S.I.C. Authority respectively.
23. The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

### Defined Contribution Plan

|                                           | <u>Current Year</u><br>(Rs.) | <u>Previous Year</u><br>(Rs.) |
|-------------------------------------------|------------------------------|-------------------------------|
| Employer's contribution to Provident Fund | 12,55,642                    | 11,92,415                     |



## PREMIER POLYFILM LIMITED

### 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.

|                                                                                 | Gratuity<br>(Unfunded)   |                           | Leave Encashment<br>(Unfunded) |                           |
|---------------------------------------------------------------------------------|--------------------------|---------------------------|--------------------------------|---------------------------|
|                                                                                 | Current<br>Year<br>(Rs.) | Previous<br>Year<br>(Rs.) | Current<br>Year<br>(Rs.)       | Previous<br>Year<br>(Rs.) |
| A. Reconciliation of opening and closing balances of Defined Benefit Obligation |                          |                           |                                |                           |
| Defined Benefit obligation at beginning of the year                             | 73,29,418                | 57,81,658                 | 14,82,974                      | 27,25,864                 |
| Current Service Cost                                                            | 10,92,716                | 9,97,025                  | 10,73,914                      | 9,57,953                  |
| Interest Cost                                                                   | 6,14,716                 | 4,29,701                  | 72,238                         | 1,02,412                  |
| Actuarial Losses/(Gain)                                                         | (6,54,898)               | 2,25,646                  | (8,62,865)                     | (6,26,102)                |
| Benefits Paid                                                                   | (1,94,924)               | (1,04,612)                | (94,055)                       | (16,77,153)               |
| Defined Benefit Obligation at year end                                          | 81,86,728                | 73,29,418                 | 16,72,206                      | 14,82,974                 |
| B. Reconciliation of opening and Closing balances of fair value of Plan Assets. |                          |                           |                                |                           |
| Fair value of Plan Assets at the beginning of the year                          | -                        | -                         | -                              | -                         |
| Expected return on Plan Assets                                                  | -                        | -                         | -                              | -                         |
| Actuarial Gain/(Losses)                                                         | -                        | -                         | -                              | -                         |
| Contributions by Employer                                                       | -                        | -                         | -                              | -                         |
| Benefits Paid                                                                   | -                        | -                         | -                              | -                         |
| Fair value of Plan Assets at year end                                           | -                        | -                         | -                              | -                         |
| 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                                      | 81,86,728                | 73,29,418                 | 16,72,206                      | 14,82,974                 |
| Amount recognized in Balance Sheet                                              | 81,86,728                | 73,29,418                 | 16,72,206                      | 14,82,974                 |
| D. Expenses recognised during the year                                          |                          |                           |                                |                           |
| Current Service Cost                                                            | 10,92,416                | 9,97,025                  | 10,73,914                      | 9,57,953                  |
| Interest Cost                                                                   | 6,14,716                 | 4,29,701                  | 72,238                         | 1,02,412                  |
| Expected return on Plan Assets                                                  | -                        | -                         | -                              | -                         |
| Actuarial (Gain)/Loss                                                           | (6,54,898)               | 2,25,646                  | (8,62,865)                     | (6,26,102)                |
| Net Cost                                                                        | 10,52,234                | 16,52,372                 | 2,83,287                       | 4,34,263                  |
| E. Investment details % invested as at year end                                 |                          |                           |                                |                           |
| Unfunded                                                                        | N.A                      | N.A                       | N.A                            | N.A                       |
| F. Actuarial assumptions                                                        |                          |                           |                                |                           |
| Mortality Table                                                                 | LIC 1994-96<br>Ultimate  | LIC 1994-96<br>Ultimate   | LIC 1994-96<br>Ultimate        | LIC 1994-96<br>Ultimate   |
| Discount rate (Par annum)                                                       | 8.50%                    | 7.50%                     | 8.50%                          | 7.50%                     |
| Expected Rate of Return on Assets (Par annum)                                   | N.A                      | N.A                       | N.A                            | N.A                       |
| Salary Escalation (Par annum)                                                   | 10.00%                   | 10.00%                    | 10.00%                         | 10.00%                    |

24. Previous Year figures have been regrouped/rearranged/reclassified wherever considered necessary.

For DE & BOSE

Chartered Accountants

SUBRATA DE

PARTNER

Membership No. 54962

8/2 Kiran Sankar Roy Road,

Kolkata-700 001

Camp : New Delhi

The 21st day of June, 2010.

N.K. BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR



**PREMIER POLYFILM LIMITED**

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

|                                                                                      |                          |
|--------------------------------------------------------------------------------------|--------------------------|
| <b>1. Registration Details</b>                                                       |                          |
| Registration No.                                                                     | L25209 DL1992 PLC 049590 |
| State Code                                                                           | 55                       |
| Balance Sheet Date                                                                   | 31.03.2010               |
| <b>2. Capital Raised during the Year (Amount in Rs. Thousands )</b>                  |                          |
| Public Issue                                                                         | -                        |
| Rights Issue                                                                         | -                        |
| Bonus Issue                                                                          | -                        |
| Private Placement                                                                    | -                        |
| <b>3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)</b> |                          |
| Total Liabilities                                                                    | 3,65,169                 |
| Total Assets                                                                         | 3,65,169                 |
| <b>Sources of Funds</b>                                                              |                          |
| Paid-up Capital                                                                      | 1,05,901                 |
| Reserves and Surplus                                                                 | 84,574                   |
| Secured Loans                                                                        | 1,390                    |
| Unsecured Loans                                                                      | 67,801                   |
| <b>Application of Funds</b>                                                          |                          |
| Net Fixed Assets                                                                     | 1,17,882                 |
| Net Current Assets                                                                   | 1,23,206                 |
| Accumulated Losses                                                                   | 18,578                   |
| <b>4. Performance of Company (Amount in Rs. Thousands)</b>                           |                          |
| Turnover                                                                             | 5,18,461                 |
| Total Expenditure                                                                    | 5,06,152                 |
| Profit/(Loss) before Tax                                                             | 12,309                   |
| Profit/(Loss) after Tax                                                              | 12,309                   |
| Basic Earning per Share in Rs.                                                       | 0.59                     |
| Dividend                                                                             | -                        |
| <b>5. Generic Names of Principal Products of the Company (as per Monetary Terms)</b> |                          |
| Item Code No. (ITC Code)                                                             | -                        |
| Product Description                                                                  | PVC Films/Sheets         |

N.K. BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR



# PREMIER POLYFILM LIMITED

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2010

| DESCRIPTION                                        | YEARENDED<br>31.03.2010 | YEARENDED<br>31.03.2009 |
|----------------------------------------------------|-------------------------|-------------------------|
|                                                    | (Rs.)                   | (Rs.)                   |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>      | <b>1,23,09,508</b>      | <b>2,46,32,931</b>      |
| Profit before Tax and Extraordinary Items          |                         | -                       |
| Adjusted for:                                      | 32,674                  | 1,71,54,170             |
| Loss on Sale of Fixed Assets                       | 1,75,85,100             | 44,16,839               |
| Depreciation                                       | 42,56,056               | (15,52,836)             |
| Interest Expenses                                  | (37,72,921)             | (8,50,740)              |
| Interest Income                                    | (5,70,994)              |                         |
| Liabilities Written back                           |                         | 4,38,00,364             |
| Operating profit before working capital changes    | 2,98,39,423             |                         |
| Adjusted for:                                      | (92,11,389)             | 1,52,42,916             |
| (Increase)/decrease in trade and other receivables | (2,45,93,130)           | 1,33,97,921             |
| (Increase)/decrease in inventories                 | 24,54,180               | (8,21,747)              |
| (Increase)/decrease in loans and advances          | 1,97,08,424             | (1,02,34,256)           |
| Increase/(decrease) in current liabilities         |                         | 6,13,85,198             |
| Cash generated from operations                     | 1,81,97,508             | 19,66,626               |
| Income Tax Paid (Net)                              | 5,84,483                |                         |
| Net Cash from operating activities                 | 1,76,13,025             | 5,94,18,572             |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>      | <b>(90,61,856)</b>      | <b>(47,54,790)</b>      |
| Purchase of Fixed Assets                           | -                       | (23,83,608)             |
| Cost of capital Work-in-Progress                   | 2,71,000                |                         |
| Sale of Fixed Assets                               | 30,90,318               | 4,52,888                |
| Interest Income                                    |                         | (66,85,510)             |
| Net Cash (used in) investing activities            | (57,00,538)             |                         |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>      | <b>3</b>                | <b>-</b>                |
| Proceeds from fresh issue of Share Capital         | 11,20,000               | (14,73,481)             |
| Proceeds from Long Term Borrowings                 | (10,34,936)             | 67,16,612               |
| Repayment of Long Term Borrowings                  | 1,07,00,000             | (2,20,77,971)           |
| Proceeds from Short Term Borrowings                | (1,20,477)              | (86,17,025)             |
| Repayment of Short Term Borrowings                 | (6,03,444)              |                         |
| Interest paid                                      |                         | (2,54,51,865)           |
| Net cash from (used in) financing activities       | 1,00,61,146             | 2,72,81,197             |
| Net increase in cash and cash equivalents          | 2,19,73,633             |                         |
| Opening balance of cash and cash equivalents       | 3,28,12,733             | 55,31,536               |
| Closing balance of cash and cash equivalents       | 5,47,86,366             | 3,28,12,733             |
|                                                    | 2,19,73,633             | 2,72,81,197             |

This is the Cash Flow Statement referred to in our Report of even date.

For DE & BOSE

Chartered Accountants  
SUBRATA DE  
PARTNER

N.K. BHANDARI  
COMPANY SECRETARY

AMAR NATH GOENKA  
MANAGING DIRECTOR  
CEO & CFO

JASPAL SINGH MARWAH  
DIRECTOR

Membership No. 54962  
8/2 Kiran Sankar Roy Road,  
Kolkata-700 001  
Camp : New Delhi  
The 21st day of June, 2010.



**PREMIER POLYFILM LIMITED**

**PREMIER POLYFILM LIMITED**

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

**PROXY FORM**

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

I/We .....  
of ..... in the district of .....  
being a Member/Members of PREMIER POLYFILM LIMITED hereby appoint ..... in the district of .....  
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 Eighteenth Annual General Meeting of the  
Company to be held on Monday, the 9<sup>th</sup> day of August, 2010 at 12.30 P.M. at SHAH AUDITORIUM, 2, RAJ  
NIWAS MARG, CIVIL LINES, DELHI 110 054 and at any adjournment thereof.

Signed this ..... day of ..... 2010

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 LIMITED**

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

Name of the attending Member  
(in Block Letters) .....

Member's 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 EIGHTEENTH ANNUAL GENERAL MEETING being held on Monday,  
the 9<sup>th</sup> day of August, 2010 at 12.30 P.M. at SHAH AUDITORIUM, 2 RAJ NIWAS MARG, CIVIL LINES,  
DELHI-110054.

Member's / Proxy's Signature .....

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

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