



**DE & BOSE**  
In association with ASH Associates UK

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To Board of Directors of Premier Polyfilm Limited

We have audited the quarterly financial results of Premier Polyfilm Limited for the quarter ended 31<sup>st</sup> March, 2016 and the year to date results for the period 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India<sup>1</sup>, as applicable and other accounting principles generally accepted in India.

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 results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31<sup>st</sup> March, 2016 as well as the year to date results for the period from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

For DE & BOSE

Chartered Accountants

Firm Registration No. 302175E

*Subrata De*

Signature

( Subrata De )

Membership Number - 054962

Place of signature : New Delhi

Date : 27.05.2016





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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF PREMIER POLYFILM LIMITED.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **PREMIER POLYFILM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

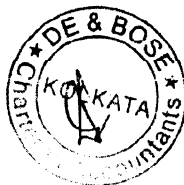
**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards of Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

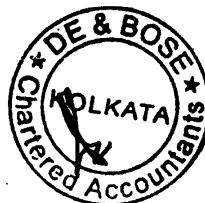
### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required 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 31<sup>st</sup> March, 2016;
- ii) in the case of the Statement of Profit and Loss , of the profit for the year ended on that date ; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the ' Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and 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 relating to the preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books;



- c. The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the financial statements ;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 2.31 & 2.45 to the financial statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company .

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

*Subrata De*

(Subrata De)

Partner

Membership No. 054962

Place: New Delhi  
Date: 27<sup>th</sup> May, 2016

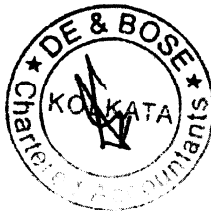
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**'Annexure A' to the Independent Auditors' Report**

Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

- 1.1 a. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets.
  - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management. No material discrepancies were noticed on such physical verification.
  - c. The lease agreements relating to leasehold land are held in the name of Company and are duly registered with the appropriate authority.
- 1.2 As explained to us, the inventories of the Company have been physically verified by the management at regular intervals during the year. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 1.3 The Company has not granted any loans, secured or unsecured, to any company, firm, limited liability partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) (a) to (c) of the Order is not applicable to the Company.
- 1.4 According to the information and explanations given to us, since the Company has not given any loan or guarantee or provided any security in connection with loan or acquired securities during the year, paragraph 3(iv) of the Order is not applicable to the Company.
- 1.5 The Company has not accepted any deposits and accordingly, the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable to the Company.



1.6 We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 made by the Central Government for maintenance of cost records under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

1.7 a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues for the year including provident fund, employees' state insurance, income tax, service tax, value added tax, customs duty, excise duty and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.

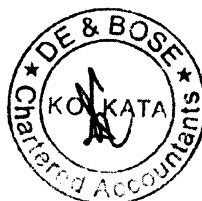
b. The disputed statutory dues as at 31st March, 2016 aggregating to Rs.15,455,289 /-, that have not been deposited on account of matters pending before appropriate authorities are as under :

Nature of the statute	Nature of the dues	Forum where dispute is pending	Amount (Rs.)
UP Trade Tax Act	Sales Tax	Allahabad High Court	13,866,816/-
Sales Tax Act	Entry Tax	Allahabad High Court	1,588,473/-

1.8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to bank. The Company has not obtained any borrowings from any financial institution, government or debenture holders during the year.

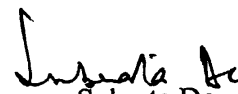
1.9 The Company has raised monies only by way of term loans and the loans are applied for the purpose for which the loans are raised.

1.10 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any incidence of fraud by the Company or on the Company by its officers or employees, nor have we been informed of any such case by the management.



- 1.11 In our opinion and according to the information and explanations given to us, managerial remuneration including the sitting fees to the directors has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 1.12 In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 1.13 According to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 & 188 of the Companies Act, 2013, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standard.
- 1.14 During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore paragraph 3(xiv) of the Order is not applicable to the Company.
- 1.15 According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors / persons connected with the directors and therefore provisions of section 192 of the Act are not applicable to the Company.
- 1.16 According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

  
Subrata De  
Partner.

Membership No. 054962

Place: New Delhi  
Date: 27<sup>th</sup> May, 2016

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## **“ANNEXURE-B” TO THE INDEPENDENT AUDITOR’S REPORT**

Referred to in Paragraph-2(f) under “Report on Other Legal & Regulatory Requirements”  
section of our report of even date

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### **Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Premier Polyfilm Limited (“the Company”) as at March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date

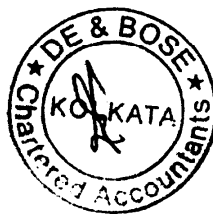
#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

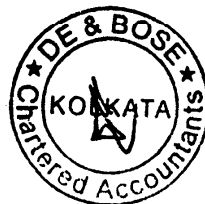
### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial



reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Subrata De  
Partner.

Membership No.054962

Place: New Delhi  
Date: 27<sup>th</sup> May, 2016

