

Premier Polyfilm Limited.

Annual Report

1998 - 1999

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PREMIER POLYFILM LIMITED

BOARD OF DIRECTORS

Shri Ashish Sureka
 Shri Ashok Kumar Sureka
 Shri Jaspal Singh Marwah
 Shri Sant Ram Gupta
 Shri Shri Gopal Gupta – *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,
 Calcutta - 700001

BANKERS

Oriental Bank of Commerce
 Industrial Finance Branch,
 H-15, Connaught Circus,
 New Delhi - 110 001

Canara Bank

S. D. Area,
 New Delhi - 110 016.

UTI Bank Ltd.

Kanchenjunga Building,
 Upper Ground floor,
 18, Barakhamba Road,
 New Delhi - 110 001

REGISTERED OFFICE

C-4, Commercial Centre,
 Safdarjung Development Area,
 New Delhi - 110 016

FACTORY

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

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PREMIER POLYFILM LIMITED

NOTICE

Notice is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LIMITED** will be held on **TUESDAY, the 30th November, 1999** at 3.30 PM at **SHAH AUDITORIUM, 2, RAJ NIWAS MARG, 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, 1999, the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.

2. 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 the Managing Director of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Sant Ram Gupta, who holds the office of Additional Director upto the date of this Annual General Meeting, be and is hereby appointed as Director liable to retire by rotation."

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

"RESOLVED THAT Shri Jaspal Singh Marwah, who holds the office of Additional Director upto the date of this Annual General Meeting, be and is hereby appointed as Director liable to retire by rotation."

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

"RESOLVED that as per provisions of Section 255 and/or any other applicable provisions of the Companies Act, 1956, the appointment of Shri Ashok Kumar Sureka, Director of the Company, will henceforth be subject to retirement by rotation."

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

"RESOLVED THAT Shri Shri Gopal Gupta, who holds the office of Additional Director upto the date of this Annual General Meeting, be and is hereby appointed as Director not liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement."

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

" RESOLVED That in accordance with the provisions of Article 116 of the Articles of Association of the Company

& Section 198, 269 & 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as amended and such permissions, consents and approvals from various authorities as may be required, the Company hereby accords its approval to the appointment of Shri Shri Gopal Gupta as Executive Director for a period of 3 (three) years with effect from 19th April, 1999 on the following terms & conditions:

(A) REMUNERATION

(i) **Salary** : The Executive Director shall be paid Rs. 11500/- (Rupees Eleven Thousand Five Hundred only) as basic salary per month in the grade of 10500-1000-15500.

(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 a sum of Rs. 3,450/- (Rs. Three thousand Four Hundred Fifty only) as House Rent Allowance per month.

b) **Payment against Employees provident Fund contribution** : The Executive Director shall be paid a sum of Rs. 1,150/- (Rs. One Thousand One Hundred Fifty only) in lieu of Employees Provident Fund per month.

c) **Conveyance**: The Executive Director shall be provided with the facility of free conveyance from his residence to the factory & back.

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

e) **Leave Travel Assistance**: The Executive Director shall be provided with the facility of reimbursement of actual fare but not hotel expenses incurred by him for himself and his wife and dependent children once in two years subject to a maximum of 8.33% of basic salary of a year.

f) In addition to above he is also entitled to Leave, Gratuity and annual increment 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."

By order of the Board

for **PREMIER POLYFILM LIMITED**

(AMAR NATH GOENKA)

Place : New Delhi

Date : 2nd day of November, 1999

Managing Director

**PREMIER POLYFILM LIMITED****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 22.11.1999 to 30.11.1999 (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 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 days before the meeting.
5. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business in items No. 3 to 7 is annexed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO.3**

The Board of Directors of the Company in their meeting held on 2nd September, 1999 appointed Shri Sant Ram Gupta as Additional Director of the Company pursuant to Section 260 of The Companies Act, 1956 read with Article 89 of the Articles of Association of the company. The Company has received notice in writing together with a sum Rs. 500/- under Section 257 of The Companies Act, 1956 from a Member signifying his intention to propose the candidature of Shri Sant Ram Gupta for the office of Director.

None of the Directors except Shri Sant Ram Gupta is interested in this resolution.

ITEM NO.4

The Board of Directors of the Company in their meeting held on 2nd September, 1999 appointed Shri Jaspal Singh Marwah as Additional Director of the Company pursuant to Section 260 of The Companies Act, 1956 read with Article 89 of the Articles of Association of the company. The Company has received notice in writing together with a sum Rs. 500/- under Section 257 of The Companies Act, 1956 from a Member signifying his intention to propose the candidature of Shri Jaspal Singh Marwah for the office of Director.

None of the Directors except Shri Jaspal Singh Marwah is interested in this resolution.

ITEM NO. 5

As per provisions of section 255 of the Companies Act, 1956, the office of not less than two-thirds of the total number of Directors of a Public Limited Company should be liable to retire

by rotation. After this Annual General Meeting there will be five Directors on the Board of the Company hence the maximum number of non rotational Director works out to be two, after rounding off to the nearest, in our case. At present Shri Ashok Kumar Sureka is non rotational Directors. As Shri Ashok Kumar Sureka is no more Joint Managing Director of the Company, it is proposed to make him Director liable to retire by rotation so as comply with the provisions of Section 255 of the Companies Act, 1956. The Board recommends that the proposed resolution be passed as an ordinary resolution. None of the Directors except Shri Ashok Kumar Sureka and Shri Ashish Sureka are interested in this resolution.

ITEM NO. 6

The Board of Directors of the Company in their meeting held on 19th April, 1999 appointed Shri Shri Gopal Gupta as Additional Director of the Company pursuant to Section 260 of The Companies Act, 1956 read with Article 89 of the Articles of Association of the company. The Company has received notice in writing together with a sum Rs. 500/- under Section 257 of The Companies Act, 1956 from a Member signifying his intention to propose the candidature of Shri Shri Gopal Gupta for the office of Director.

Shri Shri Gopal Gupta who vacates the office of Director at the this Annual General Meeting is proposed to be appointed as a Director not liable to retire by rotation. His appointment as such will be within the number of non retiring Directors permissible under the provisions of the Companies Act, 1956 and Articles of Association of the Company.

None of the Directors except Shri Shri Gopal Gupta is interested in this resolution.

ITEM NO. 7

Shri Shri Gopal Gupta was appointed as an Executive Director of the Company for a period of three years with effect from 19th April, 1999 at a remuneration of Rs. 11500/- per month plus perquisites under Schedule XIII of the Companies Act, 1956 as per details given in the Notice of the Annual General Meeting by the Board of Directors subject to such permissions, consents and approvals from various authorities as may be required and also subject to approval of Members of the company in the ensuing Annual General Meeting.

Shri Shri Gopal Gupta has over 24 years of experience as an Executive and hence the salary and perquisites proposed to be provided to him are very reasonable and the Board recommends that the resolution be passed as an Ordinary Resolution.

None of the Directors except Shri Shri Gopal Gupta is interested in this resolution.

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

Place : New Delhi

(AMAR NATH GOENKA)

Date : 2nd day of November, 1999 Managing Director

**PREMIER POLYFILM LIMITED****DIRECTORS' REPORT TO THE MEMBERS**

Your Directors present the Seventh Annual report together with Audited Account for the year ended on 31st March, 1999.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	For the year ended on 31st March 1999	For the year ended on 31st March, 98
Sales & Other Income	2020.39	2496.93
Operating profit before providing for interest and Depreciation	(397.73)	(1143.56)
Less:		
Interest	825.51	682.36
Depreciation	172.28	997.79
Net profit/(Loss)	(1395.52)	(1825.92)
Depreciation for the previous year	164.65	-
Transfer from General Reserves	-	-
Balance brought forward from previous year	(2553.98)	(84.43)
Export Incentive written off	-	(643.63)
Balance carried to Balance sheet	(4114.15)	(2553.98)

DIVIDEND

Due to cash losses incurred by the company, the Directors of your company are unable to recommend any Dividend for the year 1998-99.

REFERENCE TO THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR) AND APPELLATE AUTHORITY FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (AAIFR)

In the hearing held on 21st January, 1999, the Hon'ble BIFR had declared your Company as Sick Industrial Company under the provisions of The Sick Industrial Companies (Special Provisions) Act, 1985. Rehabilitation proposal for the revival of the company has been filed with BIFR and Industrial Development Bank of India (IDBI), Operating Agency (OA). Oriental Bank of Commerce had filed an appeal before the Appellate Authority for Industrial And Financial Reconstruction (AAIFR) for quashing the Orders of Hon'ble BIFR and in the hearing held on 07th Sept., 1999, the Hon'ble Bench of AAIFR passed the Orders instructing your Company to deposit an amount Rs. 7.50 Lacs per month in a "No Lien" account to be opened with Oriental Bank of Commerce (Lead Bank). The appeal of Oriental Bank of Commerce is pending before AAIFR. Rehabilitation package will be considered by IDBI (OA) on disposal of the said appeal pending before Hon'ble AAIFR. The Company is expected to turn corner once the Rehabilitation Package is approved and implemented.

MARKETING

Your Company has been able to develop materials for the companies like Escorts, Maruti Udyog, Hero Honda, Teico etc. which is providing regular market for your company's products. For want of Working Capital facilities from the Banks, your

company is operating at a capacity of around 25%. Capacity utilization will increase once full Working Capital facilities are available to the Company on approval of Rehabilitation Package by BIFR.

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

DIRECTORS

During the period under review Shri Ashok Kumar Sureka ceased to be a Joint Managing Director of the Company since 2nd August, 1999. Shri Ashok Kumar Sureka, however, continues to be Director of the Company.

Shri Ravi Prakash Khaitan, Shri Rajinder Prasad Agarwal, Shri Shri Gopal Gupta, Shri Ashish Sureka, Shri Arvind Goenka, Shri Sant Ram Gupta and Shri Jaspal Singh Marwah were appointed as additional Directors of the Company to hold office till the ensuring Annual General Meeting.

Shri Shri Gopal Gupta was also appointed as Executive Director of the Company not subject to retire by rotation.

Shri Manohar Lal Baheti, Shri K.K. Sinha, Shri Nand Lal Sanghai, Shri Rajiv Sonker, Shri Ravi Prakash Khaitan, Shri Rajinder Prasad Agarwal and Shri Arvind Goenka resigned from the Directorship of the Company during the period under review.

PERSONNEL

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

STOCK EXCHANGES

The Company could not submit the Listing fees to the stock exchanges due to cash crunch. The Equity Shares of the Company are listed at the Stock Exchanges as per details given in the Annexure II and forming the part of Director's report to the Members.

Y2K COMPLIANCE

The Company has reviewed its internal systems and assessed the risks and drawn up implementation plans as regards to Y2K compliance. The Company aims to be fully Y2K compliant by end November, 1999.

ACKNOWLEDGEMENT

The Directors wish to place on record their sincere thanks for the whole hearted Co-operation received by the Company from Central and State Governments, Industrial Development Bank of India, Asian Finance and Investment Corporation Ltd., Manila, Oriental Bank of Commerce, Canara Bank, U.T.I. Bank Ltd. and other Government Agencies and look forward to their continuing support.

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

For & on behalf of the
BOARD OF DIRECTORS
(AMAR NATH GOENKA)

Place : New Delhi

Date : 2nd day of November, 1999

Chairman