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PREMIER POLYFILM LIMITED

ANNUAL REPORT 1999-2000

**PREMIER POLYFILM LIMITED****BOARD OF DIRECTORS**

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 **EIGHTH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LIMITED** will be held on **MONDAY, the 20th November, 2000 at 11.30 A.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, 2000, 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 Ashok Kumar Sureka, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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

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

"RESOLVED THAT Shri Ram Bhagat Chokhani, be and is hereby appointed as a Director liable to retire by rotation."

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 15.11.2000 to 20.11.2000 (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. 4 is annexed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 4**

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 Ram Bhagat Chokhani for the office of Director. Shri Ram Bhagat Chokhani has given is consent to hold the office of Director, if appointed.

None of the Directors except Shri Ram Bhagat Chokhani is interested in this resolution.

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

Place : New Delhi
Date : 29.09.2000

(AMAR NATH GOENKA)
MANAGING DIRECTOR

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

Place : New Delhi
Date : 29.09.2000

(AMAR NATH GOENKA)
MANAGING DIRECTOR



PREMIER POLYFILM LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Eighth Annual Report together with Audited Accounts for the year ended on 31st March, 2000.

FINANCIAL RESULTS

| | (Rs. In Lacs) | |
|---|---------------------------------------|--|
| | For the year ended on 31st March 2000 | For the year ended on 31st March, 1999 |
| Sales & Other Income | 2036.87 | 2020.39 |
| Operating profit before providing for interest and Depreciation | (308.32) | (397.73) |
| Less: | | |
| Interest | 1015.39 | 825.51 |
| Depreciation | 174.64 | 172.28 |
| | 1190.03 | 997.79 |
| Net profit/(Loss) | (1498.35) | (1395.52) |
| Depreciation for the previous year | — | 164.65 |
| Export Incentive written off | 172.01 | — |
| Sales Tax liability relating to previous year | 96.73 | — |
| Balance brought forward from previous year | (4114.15) | (2553.98) |
| Balance carried to Balance Sheet | (5881.24) | (4114.15) |

DIVIDEND

Due to cash losses incurred by the company, the Directors of your company are unable to recommend any Dividend for the year 1999-2000.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

The appeal filed by Oriented Bank of Commerce before AAIFR had been dismissed and the case is again before BIFR. Industrial Development Bank of India (IDBI) as Operating Agency appointed by BIFR has presently under consideration finalization of Rehabilitation Package for revival of your Company.

OPERATIONS

During the period under review the company produced 4,606 MT of PVC flooring, sheetings, films etc. achieving a capacity utilization of 28% as compared to 25% in the previous year.

The Company could achieve much higher capacity utilization but for non-availability of working capital facility from Banks. Products of the company are well received in the market and as such market is not a constraint. In spite of this major constraint the company has achieved capacity utilization of 35% during 5 months of the current financial year.

The Company has been facing tough competition from imported finished goods which manage to get into Indian Market at prices lower than domestic products cost prices from countries like Korea, Thailand and Taiwan. Though Indian product is superior in quality as they fetch marginally higher price in international market but due to domestic

buyers fancy for imported goods the company has to face market resistance particularly on price. The company has made representations to Government for creating level playing field which is under their consideration.

FUTURE PROSPECTS

Future plans of the company largely depend upon the approval of the Rehabilitation Scheme by the Board for Industrial and financial Reconstruction (BIFR). The company has been pursuing the matter with IDBI, the Operating Agency, appointed by BIFR under Sick Industrial Companies (Special Provisions) Act, 1985, for finalization of the Rehabilitation scheme.

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

A notice Under Section 257 of the Companies Act, 1956 has been received from a Member of this company signifying his intention to propose for consideration the appointment of Shri Ram Bhagat Chokhani as a Director.

Shri Ashok Kumar Sureka, Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

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

Y2K transition was smooth.

ACKNOWLEDGEMENT

The Directors wish to place on record their sincere appreciation for the whole hearted Co-operation received by the Company from Central and State Governments, 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)
CHAIRMAN

Place : New Delhi
Date : 29.09.2000

**PREMIER POLYFILM LIMITED****ANNEXURE-I****RESEARCH AND DEVELOPMENT (R & D)**

1. Specific areas in which R&D carried out by the Company : The Company has developed various attractive designs and colours of flooring, sheeting and leather cloth.

The Company has also developed economical formulations for production.
2. Benefits derived as a result of the above R & D : Due to economical formulations, company has been able to reduce cost of raw material bringing down the cost of manufacturing.

After introducing new designs and colour scheme of flooring, sheeting and leather cloth, company was able to increase its sales volume & production.
3. Future plan of action : The company has plans to develop calendered foam material which will give better & stronger quality of leather cloth for automobile and traveller goods segments etc.

The company plans to achieve saving by replacing optimum energy consumption capacity motors by very high current carrying capacity motors.
4. Expenditure on R& D
 - a) Capital (Deferred Revenue) : Rs. 1.80 lacs
 - b) Recurring : Rs. 0.75 lacs
 - c) Total : Rs. 2.55 lacs
 - d) Total R & D expenditure as a percentage of total turnover : 0.12%

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

1. Efforts, in brief made towards technology absorption, adaptation and innovation. : No technology has been imported and the company has adopted 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 calendering line for the first time in the country by which every material is tested on lab scale resulting in reduction of wastage at larger scale. It gives extra benefits in developing economical formulations within the shortest span of time.

FOREIGN EXCHANGE EARNINGS & OUTGO

| | (Rs. in lacs) |
|-------------|---------------|
| 1. Earnings | 4.79 |
| 2. Outgo | 230.48 |

ANNEXURE II**LIST OF STOCK EXCHANGES**

- (1) The Delhi Stock Exchange Association Limited, West Plaza, I.G. Stadium, Indraprastha Estate, New Delhi.
- (2) National Stock Exchange of India Limited, Trade World, Kamala Mill Compound, 2nd Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
- (3) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- (4) Jaipur Stock Exchange Limited, 'Stock Exchange Building' Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur - 302 017
- (5) The Stock Exchange, Ahmedabad, Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad - 380 015
- (6) The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Calcutta-70 001