





PREMIER POLYFILM LIMITED

**BOARD OF DIRECTORS**

Shri Jaspal Singh Marwah  
 Shri Kamlesh Kumar Sinha  
 Shri Manoj Kumar Gupta  
 Shri Shri Gopal Gupta - *Executive Director*  
 Shri Amar Nath Goenka - *Managing Director*

**COMPANY SECRETARY**

Shri N. K. Bhandari

**AUDITORS**

De & Bose  
 Chartered Accountants,  
 82, Kiran Sankar Roy Road,  
 2nd Floor, Room No. 1 & 18,  
 Kolkata - 700 001

**BANKERS**

Oriental Bank of Commerce  
 Industrial Finance Branch,  
 H-15, Connaught Circus,  
 New Delhi - 110001

**CANARA BANK**

S. D. Area,  
 New Delhi - 110016

**UTI Bank Ltd.**

Statesman House,  
 Ground Floor,  
 148, Barakhamba Road,  
 New Delhi - 110001

**REGISTERED OFFICE**

Flat No. 305, III Floor,  
 'Elite House'  
 36, Community Centre,  
 Kailash Colony Extension (Zamroodpur),  
 New Delhi - 110048

**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 **ELEVENTH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LIMITED** will be held on **Tuesday, the 23rd September, 2003 at 3.30 P.M. at SHAH AUDITORIUM, 2, RAJ NIWAS MARG, CIVIL LINES, Delhi - 110 054** to transact the following business :

### ORDINARY BUSINESS

- To consider and adopt the Balance Sheet of the Company as at 31st March, 2003, the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors' thereon.
- To appoint a Director in place of Shri Jaspal Singh Marwah, who retires by rotation and being eligible, offers himself for reappointment.
- To appoint a Director in place of Shri Manoj Kumar Gupta, who retires by rotation and being eligible, offers himself for reappointment.
- 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 & Boss, 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

- To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:  
"RESOLVED THAT Shri Kamlesh Kumar Sinha, who holds the Directorship of the Company as an Additional Director upto the conclusion of this Annual General Meeting, be and is hereby appointed a Director on the Board of Directors of the Company subject to retirement by rotation"
- To consider and, if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:  
"RESOLVED THAT pursuant to the provisions of Section 314 of the Companies Act, 1956 the salary of Shri Arvind Goenka, Chief Executive of the Company, be raised with effect from 1st April, 2003 from Rs. 9,100/- (Rupees Nine Thousand One Hundred Only) per month to Rs. 16,000/- (Rupees Sixteen Thousand Only) per month including value of perks in the pay scale of Rs. 15000-1000-24000 provided that the total salary per month inclusive of all allowances and perks, as per Income-tax Act, 1961 and the Rules made thereunder, shall not be more than Rs. 16,000/- per month"

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

Sd/

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

Place : New Delhi  
Date : 19.08.2003

### NOTES :

- 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.

- The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2003 to 30.09.2003 (both days inclusive).
- 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.
- 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.
- Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business in item No. 5 and 6 are annexed.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ITEM NO. 5.

The Company has received a notice in writing alongwith a deposit of Rs. 500/- under Section 257 of The Companies Act, 1956 from a Member signifying his intention to propose the candidature of Shri Kamlesh Kumar Sinha for the office of Director of the Company. Shri Kamlesh Kumar Sinha has given his consent to hold the office of Director, if appointed. Shri Sinha is around 60 years of age. He is a Post-graduate with Degree in Law and has done certificate course in Business Management. He has an experience of 37 years in commercial affairs with specialization in marketing. He was a Director on the Board of the Company from 22nd December, 1992 till 2nd September, 1999. He will be independent director on the Board of the Company. He is also Director on the Board of M/s D.L. Millar Exports Limited, Premier Irrigation Exports Limited and Premier Irrigation Equipment Limited. None of the Directors except Shri Kamlesh Kumar Sinha is concerned or interested in this resolution.

### ITEM NO. 6

Shri Arvind Goenka Chief Executive of the Company is son of Shri Amar Nath Goenka, Managing Director of the Company and at present drawing salary amounting to Rs. 9,100/- per month inclusive of perquisites. Shri Arvind Goenka has been associated with the company since incorporation and drawing on meager salary. Further the cost of living has gone up considerably over the years and Shri Arvind Goenka has been shouldering heavy responsibilities. Many senior officers of the Company reporting to Shri Arvind Goenka draw salaries higher than Shri Arvind Goenka. It is only just, fair and equitable that he may be compensated by way of increase in his salary as proposed. The Board recommends that the resolution be passed as a Special Resolution.

None of the Directors except Shri Amar Nath Goenka is concerned or interested in the resolution.

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

Sd/

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

Place : New Delhi  
Date : 19.08.2003

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

Your Directors present the Eleventh Annual report together with Audited Account for the year ended on 31st March, 2003.

**FINANCIAL RESULTS**

(Rs. in Lacs)			
Particulars	For the year ended on 31st March, 2003		For the year ended on 31st March, 2002
Salas & Other Income	3515		3185
Operating profit before providing for interest, Depreciation & Misc expenses Written off	139		112
Less :			
Interest	1976		1648
Depreciation	175		175
Misc Expenses Written off	12	2163	66 1889
Net profit/ (Loss)	(2024)		(1777)
Add :			
i) Provision for taxation			
a) Deferred Tax liability for the year	(29)		22
b) Deferred Tax liability prior to 1.04.2001	-		586
ii) Sales Tax Liability relating to earlier year	4		-
iii) Expenses relating to earlier year (Gratuity & Leave encashment)	-		26
Less :			
- Excess provision for Sales tax written back	16		9
- Credit balance relating to earlier year written back	-		53
Balance brought forward from previous year	(9863)		(7514)
Balance carried to Balance sheet	(11846)		(9863)

**OPERATIONS**

During the period under review, your company produced 7918 M.T. of PVC flooring, Sheetings, Films etc. achieving a capacity utilisation of 49% as compared to 45% in the previous year. The Company could achieve higher capacity utilisation but for non availability of Working Capital facility from Banks.

**QUALITY CONTROL**

Your Company has been awarded prestigious ISO 9002 : 1994

certification of quality as manufacturer and exporter of PVC products namely marbled (Contract), Printed and Technical Leather Cloth, Sheeting, Humidity Barrier and Eco 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 IS No. 3462 : 86.

Your company has also complied with the formalities for getting prestigious ISO 9001 : 2000 certification. The company is likely to be awarded with the ISO 9001:2000 certification very soon.

**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 is not a constraint. The rehabilitation Scheme of your company is under active consideration of The Hon'ble BIFR and is likely to be sanctioned soon. The Company will take turn for the better after the Rehabilitation Scheme is sanctioned and implemented.

**DIVIDEND**

Due to Losses incurred by the company, the Directors of your company are unable to recommend any Dividend for the year 2002-2003.

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

In the last hearing held on 16.6.2003, for approval of Rehabilitation Scheme, the Hon'ble BIFR approved the Rehabilitation Scheme and order is likely to be received soon.

**DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state : -

- That in the preparation of the annual accounts, the applicable accounting standards have been followed.
- That your Directors have selected such accounting policies and applied them consistently and made judgement 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.
- 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 safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.
- That your Directors have prepared the annual accounts on a 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 AUDITOR'S REPORT

<u>Auditor's Comments</u>	<u>Reply of the Board</u>
(xvi) The Company has not deposited Provident Fund Employees dues (Employer's Shares) and Employees State Insurance dues (Employer's Share) to the appropriate authorities.	Because of constraint of funds, the Company has not been able to deposit the arrears of Provident Fund dues of Employer's Share & State Insurance dues (Employer's Shares) with the appropriate authorities which has been disclosed in the Rehabilitation Scheme submitted to BIFR and will be paid to the appropriate authorities in terms of Rehabilitation Scheme as may be approved by BIFR.
(xvii) There was amount outstanding on 31st March, 2003 in respect of undisputed Income Tax (TDS) and Sales Tax which were due for more than 6 months from the date they become payable.	Because of constraint of funds, the Company has not been able to deposit the TDS and Sales Tax with the appropriate authorities which has been disclosed in the Rehabilitation Scheme submitted to BIFR and will be paid to the appropriate authorities in terms of Rehabilitation Scheme as may be approved by BIFR.

### DIRECTORS

Shri Jaspal Singh Marwah & 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 Sant Ram Gupta resigned from the Directorship of your company with effect from 05.07.2003 due to his ill health. Shri Ashok Kumar Sureka ceased to be Director of the company on the conclusion the Tenth Annual General Meeting held on 29.10.2003 as his reappointment was not

approved by the Shareholders. Shri Kamlesh Kumar Sinha was appointed as an Additional Director by the Board of Directors in their meeting held on 19.8.2003. Shri Kamlesh Kumar Sinha holds office of Director till the conclusion of this Annual General Meeting and is proposed to be appointed a Director subject to retirement by rotation.

### 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 equity shares of your company are listed at the Stock Exchanges as per details given in the Annexure "II" and forming part of Directors' Report to the Members. The Company could not pay Annual listing fee to the Stock exchanges due to cash crunch resulting in suspension of trading of Equity shares of your company. Your company has "IN-HOUSE" facility of share transfer. Till date the shares of your company could not be converted into dematerialization form due to cash crunch. suspension of shares at all the stock Exchanges and their consent for the same.

### CORPORATE GOVERNANCE

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

### ACKNOWLEDGEMENT

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 Industrial and Financial Reconstruction (BIFR), Central and State Governments, Industrial Development Bank of India, Oriental Bank of Commerce, Canara Bank, UTI Bank Limited, PICUP, Asian Finance and Investment Corporation Ltd, Manila, and other government Agencies, and look forward to their continuing support.

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

For & on Behalf of the  
BOARD OF DIRECTORS.

Sd/-  
(AMAR NATH GOENKA)  
CHAIRMAN

Place : New Delhi  
Date : 19.08.2003

**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 also developed economical formulations of production.

2. Benefits derived as a result of the above R&D

The Company has developed various attractive designs and colours of flooring, sheeting & Leather Cloth.

3. Future plan of action

Due to economical formulations, company has been able to reduce cost of raw material resulting in reducing cost of manufacturing.

By introducing new range of colour schemes and designs of finished products, the sales volume and production was increased.

The company will utilise machines including coating Line for manufacture foam leather (for sports shoes, luggage, upholstery), nylon coated material, Carpoline etc. These will replace the cotton larpoline and are import substitute.

4. Expenditure on R&D

a) Capital	Rs. —
b) Refurring	Rs. 1.95 Lacs approx.
c) Total	Rs. 1.95 Lacs approx.
d) Total R&D expenditure as a percentage of total turnover	0.055 %

**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, first time in India, by which every material is tested on lab scale resulting in reduction of wastage at large scale 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	757.16
2. Outgo	72.85

**ANNEXURE - II****LIST OF STOCK EXCHANGES**

1. The Delhi Stock Exchange Association Limited, DSE House, 3/1 Asaf Ali Road, New Delhi 110 002. (Code No. 6904)
2. National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, 'G' Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051. (Code No. PREMIERPOL)
3. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. (Code No. 14354)
4. Jaipur Stock Exchange Limited, 'Stock Exchange Building', Jawahar Lal Nehru Marg, Malviya Nagar, jaipur 302 017. (Code No. 308)
5. The Stock Exchange - Ahmedabad, Kamdhenu Complex, Near Polytechnic, Panjara Pole. Ahmedabad 380 015. (Code No. 45480)
6. The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata 700 001. (Code No. - )



PREMIER POLYFILM LIMITED

### ANNEXURE III TO DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

#### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company has been practising the principles of good Corporate Governance. The Board of Directors 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.

#### 2. RESPONSIBILITIES

The Board reserves for its consideration and decisions on matters of policy, Capital expenditure, Corporate Governance and reporting to Shareholders. During the year under review, the Board met four times. The four Board Meetings were held on 25th June, 2002, 24th September, 2002, 31st December, 2002 and 31st January, 2003. The Directors ensure that their responsibility as directors of the company and their interest do not clash with the interest of the company.

#### 3. BOARD OF DIRECTORS

Shri Amar Nath Goenka is the Managing Director of the company. the Board as on 31st March, 2003 consisted of 5 Directors out of which Shri Jaspal Singh Marwah, Shri Manoj Kumar Gupta and Shri Sant Ram Gupta are 3 independent Directors and out of remaining 2, Shri Amar Nath Goenka is promoter Director and Shri Shri Gopal Gupta is Executive Director. Shri Sant Ram Gupta resigned as Director with effect from 05.07.2003 due to ill health. During the financial year under review, meetings of The Board of Directors were held on 25th June, 2002, 24th September, 2002, 31st December, 2002 and on 31st January, 2003.

The details of (i) Composition and Category of Directors; (ii) Attendance of each Director at the Board Meetings and Last Annual General Meeting; (iii) The other 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 31.03.2003

CATEGORY	NAME OF DIRECTOR	STATUS	DATE OF APPOINTMENT
PROMOTER	SHRI AMARANTH GOENKA	EXECUTIVE	SINCE INCEPTION OF COMPANY
	SHRI ASHOK KUMAR SUREKA	SHAREHOLDER	CEASED TO BE A DIRECTOR OF THE COMPANY ON CONCLUSION OF THE LAST ANNUAL GENERAL MEETING HELD ON 29.10.2002 AS HIS REAPPOINTMENT WAS NOT APPROVED AT THE AGM.
EXECUTIVE DIRECTOR	SHRI SHRI GOPAL GUPTA	EXECUTIVE	19.04.1999
INDEPENDENT	SHRI SANT RAM GUPTA *	NON EXECUTIVE	02.09.1999
	SHRI JASPAL SINGH MARWAH	NON EXECUTIVE	02.09.1999
	SHRI MANOJ KUMAR GUPTA	NON EXECUTIVE	30.03.2001

\* Resigned with effect from 5.07.2003 due to ill health.

**PREMIER POLYFILM LIMITED**

2. Attendance of each Director at the Board Meetings and the Last Annual General Meeting (AGM) held on October 29, 2002 and No. of Directorship 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 31.03.2003*	NO. OF MEMBERSHIP IN OTHER BOARD COMMITTEES AS* ON 31.03.2003
SHRI A. N GOENKA	4	4	Present	3	-
SHRI A. K SUREKA**	4	-	Absent	2	-
SHRI S. G. GUPTA	4	4	Present	1	-
SHRI J. S. MARWAH	4	4	Present***	1	3
SHRI M. K. GUPTA	4	3	Absent	2	3
SHRI S. R. GUPTA****	4	-	Absent	1	3

\* Directorship in Foreign companies and Private Limited Companies & Partnership companies have been included in the above table/details.

\*\* Shri Sureka was director of the company till 29.10.2002.

\*\*\* Chairman Audit Committee

\*\*\*\* Resigned with effect from 5.07.2003.

**DETAILS OF THE BOARD MEETINGS HELD DURING THE YEAR APRIL 1, 2002 TO MARCH 31, 2003**

DATE OF MEETING	BOARD STRENGTH	NUMBER OF DIRECTOR PRESENT
JUNE 25, 2002	6	4
SEPTEMBER 24, 2002	6	4
DECEMBER 31, 2002	5	3
JANUARY 31, 2003	5	4

**3. 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 Sant Ram Gupta and Shri Manoj Kumar Gupta, Directors of the Company. The Committee has been authorized to look after following major functions :

- (1) To ensure of 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 half yearly 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 communication 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, 2002 TO MARCH 31, 2003.**

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
SHRI J S MARWAH (Chairman)	4	4
SHRI M K GUPTA	4	4
SHRI S R GUPTA	-	-

**(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 Sant Ram Gupta and Shri Manoj Kumar Gupta, Directors of the Company. The Committee has been authorized to look after following major functions :

- (1) To ensure formation & implementation of Remuneration