



**PREMIER  
POLYFILM  
LIMITED**

**ANNUAL REPORT 2004-2005**



**PREMIER POLYFILM LIMITED**

### **BOARD OF DIRECTORS**

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 - 700001

### **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 Limited**

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 - 110 048

### **FACTORY**

40/1A, Site IV,  
 Sahibabad Industrial Area,  
 Sahibabad, Ghaziabad - (U.P.) 2010101

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**PREMIER POLYFILM LIMITED**

## NOTICE

Notice is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LIMITED** will be held on **Tuesday, the 2nd August, 2005 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, 2005, 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 Kamlesh Kumar Sinha, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri S P Jain, 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 the following resolution with or without modification, as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, consent of shareholders is accorded to the Board of the Company to voluntary delisting of equity shares of the company with immediate effect from Delhi, Kolkatta, Jaipur and Ahmedabad Stock Exchanges as it would not adversarially affect the investors including Members located in the regions where the said Stock Exchanges are situated since listing of equity shares of the company will continue at National Stock Exchange of India Ltd. and Bombay Stock Exchanges to whom shareholders have access through out India for trading in equity shares of the company.

This resolution will be effective from the date it is passed by the shareholders of the company."

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

Sd/-

**N.K. BHANDARI**  
COMPANY SECRETARY

Place : New Delhi

Date : 18th June, 2005

### 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 01.08.2005 to 15.08.2005 (both days inclusive).



## PREMIER POLYFILM LIMITED

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 is annexed.

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

#### ITEM NO. 5

The Equity Shares of the Company have been suspended for trading at NSE, BSE, DSE, Jaipur Stock Exchange, Kolkata Stock Exchange and Ahmedabad Stock Exchanges since long due to non payment of listing fee. The company could not pay listing fee to these Stock Exchanges due to sickness of the company. Now the following Stock Exchanges have either fully closed their trading rings/floor or there is hardly any trading. Hence, the continued listing on the following Stock Exchanges is not considered necessary and delisting would contribute to reduction in administrative costs of the company.

1. The Delhi Stock Exchange Association Limited, New Delhi.
2. Jaipur Stock Exchange Limited, Jaipur.
3. The Stock Exchange - Ahmedabad, Ahmedabad.
4. The Calcutta Stock Exchange Association Limited, Kolkata.

No trading in the equity shares of the company has been done in these Stock Exchanges since last around five (5) years.

As per clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the company can voluntarily get the shares delisted from the stock exchanges. The consent of shareholders is required to move an application and take other steps for voluntary delisting of equity shares.

Further, the delisting on these stock exchanges would not adversely affect the Investors including Members located in the regions where the said Stock Exchanges are situated.

However, the shares of the company would continue to be listed at the National Stock Exchange of India Limited and Bombay Stock Exchange which are most popular amongst the investors because of their easy connectivity all over India.

No exit Option is required to be offered to the shareholders as the Equity Shares of the company would continue to be listed at the National Stock Exchange of India Limited and Stock Exchange Mumbai.

Your Board recommends the resolution to be passed as an Ordinary Resolution, None of the Directors is interested in this resolution except to the extent of his interest in the shareholding of the company.

By order of the Board  
for PREMIER POLYFILM LIMITED

Sd/-  
N.K. BHANDARI  
COMPANY SECRETARY

Place : New Delhi  
Date : 18th June, 2005

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

Your Directors present the Thirteenth Annual Report together with Audited Account for the year ended on 31st March, 2005.

**FINANCIAL RESULTS**

(RS. IN LACS)

| Particulars   | For the year ended<br>31st March, 2005 | For the year ended on<br>31st March, 2004 |
|---|--|---|
| Sales & Other Income  | 4458                                   | 3811                                      |
| Operating profit before providing for<br>interest, Depreciation & Misc expenses |  |   |
| Written off   | 133                                    | 148                                       |
| Less:   |  |   |
| Interest  | 586                                    | 618                                       |
| Depreciation  | 165                                    | 174                                       |
| Misc Expenses written off   | 12                                     | 12  |
| Net profit / (Loss)   | (630)                                  | (656)                                     |
| Add:  |  |   |
| Loss on Sale of Fixed Assets  | 2                                      | 67  |
| Less:   |  |   |
| - Reduction in Share Capital  | -                                      | 777                                       |
| - Excess provision for Sales Tax written back                                   | -                                      | 33  |
| - Interest written back   | -                                      | 4384                                      |
| - Deferred Tax Liability written back   | -                                      | 579                                       |
| Balance brought forward from previous year                                      | (6796)                                 | (11846)                                   |
| Balance carried to Balance sheet  | (7428)                                 | (6796)                                    |

**OPERATIONS**

During the period under review your company produced 9945 M.T. of PVC flooring, Sheetings, Films etc. achieving a capacity utilisation of 61.39% as compared to 54.47% 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 9001:2000 certification of 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.

**EXPORT PERFORMANCE**

Demand for products of the Company have been continuously increasing abroad and your company exported material worth Rs. 14.17 Crores (FOB) during the year under review as against Rs. 10.24 Crores last year. Your company has been given export award for Highest Export of PVC flooring by PLEX Council of India, Government of India for the year 2003-2004.

**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 constraint. However, the cash profit margin have been reduced due to increase in raw material cost and company could not pass over the difference to consumers. The other major factor for lower profitability is stiff competition from indigenous manufacturers and cheap imported goods.

**DIVIDEND**

Due to Losses incurred by the company, the Directors of your company are unable to recommend any Dividend for the year 2004-2005.

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

The Rehabilitation Scheme of your company approved by The Hon'ble BIFR could not be implemented fully due to changed industrial scenario and delay in approval of Scheme. The company has proposed One Time Settlement Scheme (OTS) to the financial institutions. The Company will take positive turn after the proposed OTS Scheme is finalised by the Financial institutions.



## PREMIER POLYFILM 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 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.
- (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 safeguarding 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 going concern basis.

### 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

| AUDITORS COMMENTS   | REPLY OF THE BOARD  |
|---|---|
| <p>9.a. TDS under Income Tax Act, 1961 for the year has not been deposited.</p> <p>There was amount outstanding as on 31st March, 2005 in respect of undisputed in respect of Provident Fund Employer's Contribution and Employee's State Insurance- Employer's contribution which were due for more than 6 months from the date they become payable.</p> | <p>Because of the constraints of funds, the company has not been able to deposit the TDS with the appropriate authorities which has been disclosed in the Rehabilitation Scheme approved by the Hon'ble BIFR and is being paid as per provisions of the sanctioned Scheme of Rehabilitation. TDS amount will be deposited by 30th June, 2005.</p> <p>Because of financial constraints, the company has not been able to deposit the amount with the appropriate authorities which has been disclosed in Rehabilitation Scheme approved by the Hon'ble BIFR and the same is being paid as per provisions of the sanctioned Scheme of Rehabilitation.</p> |
| <p>9.b. The disputed Statutory dues as at 31st March, 2005 have not been deposited on account of matters pending before appropriate authorities.</p>  | <p>The company will make payments of the amount, if any due, once the matter is decided by the appropriate authorities and as per sanctioned scheme of Rehabilitation.</p>  |

### DIRECTORS

Shri Kamlesh Kumar Sinha and Shri S P Jain Directors of your company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves 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 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 shares transfer. Till date the shares of your company could not be converted into dematerialization form due to Negative Networth and for want of the consent of the Stock Exchanges and Depositories for the same. Central Depository Services (India) Limited & National Securities Depository Limited have confirmed in writing that our Company does not fulfil admission criteria due to Negative networth of company and have advised to submit Application after networth of the company becomes positive.





## PREMIER POLYFILM LIMITED

Your company plans to get the equity shares delisted at the following stock exchanges as they have either fully closed their trading rings/floor or there is hardly any trading. Hence, the continued listing on the following stock exchanges is not considered necessary and delisting would contribute to reduction in administrative costs of the company.

1. The Delhi Stock Exchange Association Limited, New Delhi.
2. Jaipur Stock Exchange Limited, Jaipur.
3. The Stock Exchange - Ahmedabad, Ahmedabad.
4. The Calcutta Stock Exchange Association Limited, Kolkatta.

No trading in the equity shares of the company has been done in these Stock Exchange since last around five (5) years. As per clause 5.2 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the company can voluntary get the shares delisted from the stock exchanges. Further, the delisting on these stock exchanges would not adversely affect the Investors including Members located in the regions where the said Stock Exchanges are situated as the shares of the company would continue to be listed at the National Stock Exchange of India Ltd. and Bombay Stock Exchange which are most popular amongst the investors because of its easy connectivity all over India.

No exit Option is required to be offered to the shareholders as the Equity Shares of the company would continue to be listed at the National Stock Exchange of India Ltd. and Bombay Stock Exchange.

### 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.

### 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 for Industrial and Financial Reconstruction (BIFR), Central and State Governments, Industrial Development Bank of India, Oriental Bank of Commerce, Canara Bank, UTI Bank Limited, 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 : 18th June, 2005

### ANNEXURE - "I"

#### RESEARCH AND DEVELOPMENT (R & D) :

- |  |  |
|--|--|
| 1. Specific areas in which R&D carried out by the company  | The Company continuous to develop economical formulations for production. The Company has developed various new varieties and attractive designs of flooring, sheeting & Leather Cloth.  |
| 2. Benefits derived as a results of the above R&D          | The company continues to develop economical formulations, and has been able to reduce cost of raw material inputs resulting in reducing cost of manufacturing. By introducing new range of varieties and colour schemes and designs of finished products, the sales volume and production has increased. |
| 3. Future plan of action                                   | The company will make efforts to utilize machines including coating Line for manufacture foam leather (for sports shoes, luggage, upholstery), nylon coated material, tarpoline etc. These will replace the cotton tarpoline and are import substitution.  |
| 4. Expenditure on R&D                                      |  |
| a) Capital   | Rs. NIL  |
| b) Recurring   | Rs. 2.67 Lac approx.   |
| c) Total   | Rs. 2.67 Lac approx.   |
| d) Total R&D expenditure as a percentage of total turnover | 0.06%  |



## PREMIER POLYFILM LIMITED

### 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 helps in producing economical formulations within the shortest span of time. |

### FOREIGN EXCHANGE EARNINGS & OUTGO

|             | (Rs. in lacs) |
|-------------|---------------|
| 1. Earnings | 1416.82       |
| 2. Outgo    | 188.63        |

### ANNEXURE - "II"

#### LIST OF STOCK EXCHANGES

- The Delhi Stock Exchange Association Limited, DSE House, 3/1, Asaf Ali Road, New Delhi 110 002. (Code No. 16177)
- National Stock Exchange of India Limited, "Exchange Plaza", 5th Floor, Plot No. 6/1, 'G' Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051. (Code No. PREMIERPOL)
- The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. (Code No. 14354)
- Jaipur Stock Exchange Limited, 'Stock Exchange Building', Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur 302017. (Code No. 308)
- The Stock Exchange - Ahmedabad, Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad 380 015. (Code No. 45480)
- The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata 700 004. (Code No. -)

### ANNEXURE - "III"

### CORPORATE GOVERNANCE REPORT (ANNEXURE TO DIRECTORS' REPORT)

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

Your Company has been practicing 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.

#### RESPONSIBILITIES

The Board reserves for its consideration and decisions matters of policy, Capital expenditure, Corporate Governance and reporting to Shareholders. During the year under review, the Board met five times. These Board Meetings were held on 30th April, 2004, 26th June, 2004, 31st July, 2004, 30th October, 2004 and 31st January, 2005. The Directors ensure that their responsibility as directors of the company and their interest do not clash with the interest of the company.

#### BOARD OF DIRECTORS

Shri Amar Nath Goenka is the Managing Director of the company. The Board as on 31st March, 2005, consisted of 5 Directors out of which Shri Jaspal Singh Marwah, Shri Manoj Kumar Gupta and Shri Kamlesh Kumar Sinha are 3 independent Directors and out of remaining 2, Shri Amar Nath Goenka is promoter Director and Shri S P Jain is Executive Director.

During the financial year under review, five meetings of The Board of Directors were held on 30th April, 2004, 26th June, 2004, 31st July, 2004, 30th October, 2004 and 31st January, 2005.

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 other Directorship/Membership held by each Director; and (iv) The details of the Board Meetings are as follows:-



**PREMIER POLYFILM LIMITED****(i) COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31-03-2005**

| CATEGORY               | NAME OF DIRECTOR         | STATUS        | DATE OF APPOINTMENT                                      |
|------------------------|--------------------------|---------------|--|
| PROMOTER               | SHRI AMAR NATH GOENKA    | EXECUTIVE     | SINCE INCEPTION OF COMPANY I.E. 17-07-1992<br>26-06-2004 |
| EXECUTIVE*<br>DIRECTOR | SHRI S P JAIN            | EXECUTIVE     |  |
| INDEPENDENT            | SHRI JASPAL SINGH MARWAH | NON EXECUTIVE | 02-09-1999   |
|                        | SHRI MANOJ KUMAR GUPTA   | NON EXECUTIVE | 30-03-2001   |
|                        | SHRI KAMLESH KUMAR SINHA | NON EXECUTIVE | 19-08-2003   |

\* Shri Shri Gopal Gupta, Executive Director, resigned from the Directorship of the company with effect from 30-06-2004 and Shri S P Jain was appointed as Executive Director of the company with effect from 26-06-2004 by the Board in their Meeting held on 26-06-2004.

**(ii) & (iii) Attendance of each Director at the Board Meetings and the Last Annual General Meeting (AGM) held on August 20, 2004 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 31.03.2005* | No. of Membership in other Board Committees as on 31.03.2005* |
|--------------------|----------------------------|--------------------------------|----------------------------|---|---|
| SHRI A N GOENKA    | 5                          | 5                              | Present                    | 2   | 1   |
| SHRI S P JAIN**    | 4                          | 4                              | Present                    | -   | -   |
| SHRI J S MARWAH*** | 5                          | 5                              | Present                    | -   | -   |
| SHRI M K GUPTA     | 5                          | 4                              | Absent                     | -   | -   |
| SHRI K K SINHA     | 5                          | 3                              | Present                    | 3   | -   |
| SHRI S G GUPTA**** | 2                          | 2                              | -                          | 2   | 1   |

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

\*\* Joined Board with effect from 26-06-2004.

\*\*\* Chairman Audit Committee.

\*\*\*\* Resigned with effect from 30-06-2004.

**(iv) DETAILS OF THE BOARD MEETINGS HELD DURING THE YEAR APRIL 1, 2004 TO MARCH 31, 2005**

| DATE OF MEETING  | BOARD STRENGTH | NUMBER OF DIRECTOR PRESENT |
|------------------|----------------|----------------------------|
| APRIL 30, 2004   | 5              | 5                          |
| JUNE 26, 2004    | 6              | 6                          |
| JULY 31, 2004    | 5              | 5                          |
| OCTOBER 30, 2004 | 5              | 3                          |
| JANUARY 31, 2005 | 5              | 4                          |

**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. Shri S P Jain was inducted in the Committee with effect from 26-06-2004 on resignation of Shri S G Gupta from the Directorship of the company with effect from 30-06-2004. The Committee has been authorized to look after following major functions: