



PREMIER POLYFILM LIMITED

ANNUAL REPORT 2007-2008



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

Canara Bank
 S.D. Area,
 New Delhi - 110016.

REGISTERED OFFICE

Flat No. 305, III Floor, Elite House,
 36, Community Centre,
 Kailash Colony Extension (Zamroodpur),
 New Delhi - 110 048

HEAD OFFICE & 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 **SIXTEENTH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LIMITED** will be held on **Friday, the 26th September, 2008 at 3.00 P.M. at SHAH AUDITORIUM, 2, RAJ NIWAS MARG, CIVIL LINES, DELHI - 110054** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet of the Company as at 31st March, 2008, 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 Jaspal Singh Marwah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Manoj Kumar Gupta, 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."

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

Sd/-

N.K. BHANDARI
COMPANY SECRETARY

Place : New Delhi
Date : 20th August, 2008

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 16.09.2008 to 26.09.2008 (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 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.



PREMIER POLYFILM LIMITED

NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 VI (A) OF THE LISTING AGREEMENT ENTERED INTO WITH THE STOCK EXCHANGES.

At the ensuing Annual General Meeting, Shri Jaspal Singh Marwah and Shri Manoj Kumar Gupta retire by rotation and being eligible offer themselves for reappointment.

Shri Jaspal Singh Marwah is independent director of the company. He is 60 years old and holds degree in commerce. He has more than 40 years of experience in business and trade. He is also director on the Board of M/s J.S.M. Estate Pvt. Ltd. and M/s Space Age Infratech Pvt. Ltd.

Shri Manoj Kumar Gupta is independent director of the company. He is 41 years of age and is FCA . He has around 18 years of commercial experience. He is also Director on the board of M/s Ramada Hospitality Pvt. Ltd., M/s Triveni Infrastructure Dev. Co. Ltd., M/s Better Home Builtech Pvt. Ltd. and Prop. of M/s Manoj Ambuj & Associate, Chartered Accountants.

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

Your Directors present the Sixteenth Annual Report together with Audited Account for the year ended on 31st March, 2008.

FINANCIAL RESULTS

(RS. IN LACS)

Particulars	For the year ended 31st March, 2008	For the year ended 31st March, 2007
Sales & Other Income	6917	5038
Operating profit before providing for interest & Depreciation	539	267
Less:		
Interest	60	77
Depreciation	170	167
Misc. Expenses written off	-	-
Net profit / (Loss)	309	23
Less:		
Provision for taxation		
Fringe Benefit Tax	4	4
Add:		
Interest payable to banks written back	1905	-
Loan payable to banks written back	1148	-
Less:		
Charges on account of transitional provisions under Accounting Standard-15	9	-
Balance brought forward from previous year	(7506)	(7525)
Balance carried to Balance sheet	(4157)	(7506)
Basic and diluted earning per share	0.90	0.06

OPERATIONS

During the period under review your company produced 13013 M.T. of PVC flooring, Sheetings, Films etc. as against 10648 M.T. produced during the previous year, achieving a capacity utilisation of around 80 % as compared to around 66% 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 continues to hold prestigious ISO 9001:2000 certification for 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.

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. Barring unforeseen circumstances, your company expects to do well in future.

DIVIDEND

Due to previous years' carried over Losses incurred by the company, the Directors of your company are unable to



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recommend any Dividend for the year 2007-2008.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

In a hearing held on 03.01.2008 the Hon'ble BIFR approved the Modified Draft Rehabilitation Scheme of your company. Your company has already paid the settled One Time Settlement (ITS) dues of Canara Bank, Oriental Bank of Commerce and Axis Bank Limited (formerly known as UTI Bank Limited). The settled OTS dues of Industrial Development Bank of India, now Stressed Assets Stabilization Fund (SASF), will be paid by the company shortly. However, your company continues to be under the purview of BIFR until the Net Worth of the company turns positive. The approved Scheme of Rehabilitation is under implementation.

ALTERATION IN SHARE CAPITAL

During the year under review 80,00,000 fresh Equity Shares of Rs.2.50 each aggregating to Rs. 2,00,00,000 were issued and allotted by your company to the strategic Investors in compliance with the Orders of the Hon'ble BIFR dated 3rd January, 2008.

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
9.a. There was amount outstanding as at 31st March, 2008 in respect of undisputed amount of Employee's State Insurance - Employer's contribution which were due for more than 6 months from the date they become payable.	Because of the financial constraints, the company has not been able to deposit the amount with the appropriate authorities which has been disclosed in the Rehabilitation Scheme approved by the Hon'ble BIFR and is being paid in installments as per provisions of the sanctioned Scheme of Rehabilitation in the year 2003. This relates to the period prior to the company become sick under the provisions of SICA.
9.b. The disputed Statutory dues of Sales Tax as at 31st March, 2008 have not been deposited on account of matters pending before appropriate authority.	The company will make payments once the matter is decided by the appropriate authorities and as per sanctioned Scheme of Rehabilitation.



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DIRECTORS

Shri Jaspal Singh Marwah and 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 Arvind Goenka was appointed as Additional Director of the company by the Board in their Meeting held on 26.10.2007. Shri Arvind Goenka resigned from the Directorship of the Company w.e.f. 21.07.2008.

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 trading of equity shares were suspended for non payment of listing fee as company could not pay listing fee due to cash crunch. The Hon'ble BIFR vide its Orders dated 03.01.2008 had directed the Stock Exchanges to allow trading of Equity Shares on their respective floors. The Company has already approached the Stock Exchanges for their permissions/NOC for restoration of trading. Your company has already paid arrears of Listing fee to Bombay Stock Exchange Limited but has yet to pay the Listing Fee to the National Stock Exchange of India Limited. Your company has "IN-HOUSE" facility of shares transfer. Till date the shares of your company could not be dematerialized due to Negative Net worth and for want of the consent of the Stock Exchanges and Depositories for the same.

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, Stressed Assets Stabilization Fund, Canara Bank 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 : 20.08.2008

ANNEXURE - "I"

RESEARCH AND DEVELOPMENT (R & D) :

- | | |
|---|---|
| 1. Specific areas in which R&D carried out by the company | The Company continues to develop economical formulations for production. The Company has developed various attractive designs and colours of flooring, sheeting & Leather Cloth. |
| 2. Benefits derived as a results of the above R&D | Continuous development of economical formulations has helped the Company to reduce cost of manufacturing.
By introducing new range of colour schemes and designs of finished products the Company's products continue to be in demand. |
| 3. Future plan of action | The company will consider future plan after company's Net Worth becomes positive. |

**PREMIER POLYFILM LIMITED****4. Expenditure on R&D**

a) Capital	Rs. NIL
b) Recurring	Rs. 6.30 Lac approx.
c) Total	Rs. 6.30 Lac approx.
d) Total R&D expenditure as a percentage of total turnover	0.10 %

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

- Efforts, in brief made towards technology absorption, adaptation and innovation. No technology has been imported and the company continues to adopt the indigenous technology.
- 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 scale 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	1589
2. Outgo	379

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

- 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)
- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. (Code No. 14354)

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 Four (4) times. These Board Meetings were held on 28th April, 2007, 30th July, 2007, 26th October, 2007 and 31st January, 2008. 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, 2008, consisted of Six (6) Directors out of which Shri Jaspal Singh Marwah, Shri Manoj Kumar Gupta and Shri Kamlesh Kumar Sinha are three (3) independent Directors and out of remaining Three (3), Shri Amar Nath Goenka is promoter Director, Shri S P Jain is Executive Director and Shri Arvind Goenka is son of Shri Amar Nath Goenka.

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During the financial year under review, four (4) meetings of The Board of Directors were held on 28th April, 2007, 30th July, 2007, 26th October, 2007 and 30th January, 2008.

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:-

1. COMPOSITION AND CATEGORY OF DIRECTORS AS ON 31/03/2008

CATEGORY	NAME OF DIRECTOR	STATUS	DATE OF APPOINTMENT
PROMOTER	SHRI AMAR NATH GOENKA	EXECUTIVE	SINCE INCEPTION OF COMPANY I.E. 17-07-1992
	SHRI ARVIND GOENKA	DIRECTOR	26-10-2007
EXECUTIVE	SHRI S P JAIN	EXECUTIVE DIRECTOR	26-06-2004
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

2. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING (AGM) HELD ON 10TH SEPTEMBER 2007 AND NO. OF DIRECTORSHIPS 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 31.03.2008*	No. of Membership in other Board Committees as on 31.03.2008*
SHRI A N GOENKA	4	4	Present	1	1
SHRI S P JAIN	4	4	Present	-	4
SHRI J S MARWAH**	4	4	Present	2	3
SHRI M K GUPTA	4	4	Present	4	3
SHRI K K SINHA	4	3	Present	1	-
SHRI ARVIND GOENKA***	2	2	N.A.	4	-

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

** Chairman Audit Committee.

*** Shri Arvind Goenka was appointed as an Additional Director of the company on 26.10.2007 i.e. after the last Annual General Meeting.

DETAILS OF THE BOARD MEETINGS HELD DURING THE YEAR APRIL 1, 2007 TO MARCH 31, 2008

DATE OF MEETING	BOARD STRENGTH	NUMBER OF DIRECTOR PRESENT
APRIL 28, 2007	5	5
JULY 30, 2007	5	5
OCTOBER 26, 2007	6	5
JANUARY 30, 2008	6	6

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. The Company has been

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authorized to look after the following major functions:

- (1) To ensure 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 quarterly 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 communicate 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, 2007 TO MARCH 31, 2008.

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 P JAIN	4	4

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 Manoj Kumar Gupta, Shri S P Jain, Directors of the Company. The Committee has been authorized to look after following major functions:

- (1) To ensure formation & implementation of Remuneration Policy with regard to followings :
 - (a) All elements of remuneration package of all the Directors i.e. Salary, benefits, bonuses, Stock options, pension etc.
 - (b) Details of fixed component and performance linked incentives along with the performance criteria.
 - (c) Service contracts, notice period, severance fees.
 - (d) Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.
 - (e) Any other matter related to remuneration/perks to Directors.

DETAILS OF COMPOSITION, NAMES OF MEMBERS, NO. OF MEETINGS HELD AND ATTENDANCE OF REMUNERATION COMMITTEE DURING THE YEAR APRIL 1, 2007 TO MARCH 31, 2008.

NAME OF DIRECTOR	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
SHRI J S MARWAH (CHAIRMAN)	3	3
SHRI M K GUPTA	3	3
SHRI S P JAIN	3	3