





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.) 201010

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PREMIER POLYFILM LIMITED

NOTICE

NOTICE is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of **PREMIER POLYFILM LIMITED** will be held on **Friday, the 21st August, 2009 at 11.30 A.M. at SRI SATHYA SAI INTERNATIONAL CENTRE, INSTITUTIONAL AREA, PRAGATI VIHAR, LODHI ROAD, NEW DELHI - 110003** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet of the Company as at 31st March, 2009, 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 with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to Section 94 and all other applicable provisions of the Companies Act, 1956, if any, 6,00,00,000 Equity Shares of Rs. 2.50/- each in the Company be and are hereby consolidated into 3,00,00,000 equity shares of Rs. 5/- per equity share.

RESOLVED FURTHER THAT Clause V. of the Memorandum of Association and Article No. 3 of the Articles of Association of the Company be and are hereby substituted by the following:

"V. The Authorised Share Capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.5/- (Rupees Five) each."

"3. The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 5/- (Rupees Five) each."

RESOLVED FURTHER THAT 1 (One) Equity Share be issued for every 2 (Two) Equity Shares held by a existing Shareholder.

RESOLVED FURTHER THAT fractional Shares resulting from this consolidation be transferred to a Nominee of the Board of Directors of the Company who shall sell these fractional shares on behalf of the shareholders and distribute money realized amongst the concerned Shareholders after deducting therefrom the expenses incurred on such sale and distribution."



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6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V. of the Memorandum of Association of the company be and is hereby substituted by the following :

"V. The Authorised Share Capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.5/- (Rupees Five) each."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the existing Articles No. 3. of the Articles of Association of the company be and is hereby substituted by the following :

3. The Authorised Share Capital of the Company is Rs.15,00,00,000 (Rupees Fifteen Crores) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.5/- (Rupees Five) each."

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

Sd/-

N.K. BHANDARI
COMPANY SECRETARY

Place : New Delhi
Date : 26th June, 2009

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 16.08.2009 to 21.08.2009 (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.
5. Explanatory Statement pursuant to Section 173 (1) (b) of the Companies Act, 1956 in respect of the Special Business in item No. 5 to 7 is annexed.

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

ITEM NO. 5

At present the face value of the Equity shares of the Company is Rs.2.50/- (Rupees Two and Paise Fifty only) per Equity share. The shares of the company are listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). However, trading of equity shares at BSE continue to be suspended for want of completion of procedures, while at NSE trading of equity shares continue to be suspended due to non payment of Listing fee and completion of procedures. After paying Listing fee



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and fulfilling the other requirements of the BSE, the company requested BSE to revoke suspension so that trading of shares can commence at their Stock Exchange. However, company was informed that shares with fractional value are not permissible for trading at any stock exchange. It is proposed to change the face value of equity shares from existing Rs. 2.50/- per equity shares to Rs. 5.00/- per equity shares by consolidating the existing equity shares and issue 1 (One) equity share for every 2 (Two) equity shares held by a shareholder so that equity shares could be admitted for trading at BSE and NSE. Alteration in share capital of the company by consolidation of shares requires approval of the shareholders in General Meeting in terms of Section 94 of the Companies Act, 1956. Alteration in Memorandum and Articles of Association are consequential.

Your Board recommends the resolution be passed as a special Resolution.

None of the Directors is interested or concerned in this resolution.

ITEM NO. 6

For the reasons explained in Explanatory Statement to item No. 6 above Clause V. of the Memorandum of Association requires modification/alteration pursuant to Section 16 of the Companies Act, 1956 which requires approval of the shareholders of the companies in General Meeting.

Your Board recommends the resolution be passed as Special Resolution.

None of the Directors is interested or concerned in this resolution.

ITEM NO. 7

For the reasons explained in Explanatory Statement to item No. 6 above Article No. 3 of the Articles of Association requires modification/alteration pursuant to Section 31 of the Companies Act, 1956 which requires approval of the shareholders of the company in General Meeting.

Your Board recommends the resolution be passed as Special Resolution.

None of the Directors is interested or concerned in this resolution.

By order of the Board
For **PREMIER POLYFILM LIMITED**
Sd/-

N.K. BHANDARI
COMPANY SECRETARY

Place : New Delhi
Date : 26th June, 2009

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 Kamlesh Kumar Sinha and Shri S. P. Jain, Directors of your Company, retire by rotation and being eligible offer themselves for reappointment.

Shri Kamlesh Kumar Sinha is independent director of the company. He is 66 years old. He is a Post-graduate with degree in Law and has done certificate course in Business Management. He has experience of 43 years in commercial affairs with specialisation in marketing. He is also director on the Board of M/s Premier Irrigation Exports Limited and Premierworld Technologies Limited.

Shri S. P. Jain is Executive Director of the company. Shri Jain is around 62 years of age. He holds University Degree and has over 41 years of commercial experience and is well versed with the matters pertaining to Factories Act, Labour Laws, Industrial Disputes Act etc.



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DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the Seventeenth Annual Report together with Audited Account for the year ended on 31st March, 2009.

FINANCIAL RESULTS

(RS. IN LACS)

| Particulars | For the year ended 31st March, 2009 | For the year ended 31st March, 2008 |
|--|--|--|
| Sales & Other Income | 8308 | 6917 |
| Operating profit before providing for interest & Depreciation | 469 | 539 |
| Less: | | |
| Interest | 51 | 60 |
| Depreciation | 172 | 170 |
| Net profit before tax | 246 | 309 |
| Less: | | |
| Provision for taxation | | |
| Fringe Benefit Tax | 4 | 4 |
| Net profit after tax | 242 | 305 |
| Add : | | |
| Interest payable to banks and Financial Institute written back | 2126 | 1905 |
| Loan payable to banks and Financial Institute written back | 1075 | 1148 |
| Credit Balance-Unsecured Loan written back | 47 | - |
| Credit Balance - Sundry Creditors written back | 296 | - |
| Less : | | |
| Charges on account of transitional provisions under Accounting Standard-15 | | 9 |
| Interest on Provident Fund and ESI dues | 30 | |
| Balance brought forward from previous year | (4157) | (7506) |
| Balance carried to Balance sheet | (401) | (4157) |
| Basic and diluted earning per share | 0.58 | 0.90 |

OPERATIONS

During the period under review your company produced 9871 M.T. of PVC flooring, Sheetings, Films etc. as against 13013 M.T. produced during the previous year, achieving a capacity utilisation of around 61% as compared to around 80% in the previous year. The Company could achieve higher capacity utilisation but for non availability of Working Capital facility from Banks and present depressed demand for products due to current recession.

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.



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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 will not be a constraint after the present recession is over. 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 recommend any Dividend for the year 2008-2009.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

Your company has already paid the settled One Time Settlement (OTS) dues of Secured Creditors i.e. Canara Bank, Oriental Bank of Commerce and Axis Bank Limited (formerly known as UTI Bank Limited) and Industrial Development Bank of India [now Stressed Assets Stabilization Fund (SASF)]. These Secured Creditors have vacated their charges over the assets of the Company and also released personal Guarantees of the Guarantors. The NETWORTH of the company has turned positive. However, your company continues to be under the purview of BIFR. The approved Scheme of Rehabilitation is under implementation.

ALTERATION IN FACE VALUE OF EQUITY SHARES.

The face value of the equity shares was reduced from the Rs.10/- per equity share to Rs.2.50 per equity share pursuant to the Scheme of Rehabilitation approved by the Hon'ble BIFR in the year 2003. The shares of the company are listed at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Trading of equity shares at BSE continue to be suspended for want of completion of procedures, while at NSE trading of equity shares continue to be suspended due to non payment of Listing fee and non completion of procedures. After paying Listing fee and fulfilling the other requirements of the BSE, the company requested BSE to revoke suspension so that trading of shares can commence at their Stock Exchange. However, company was informed that shares with fractional value are not permissible for trading at any stock exchange. It is, therefore, proposed to change the face value of equity shares from existing Rs. 2.50/- per equity shares to Rs. 5.00/- per equity shares by consolidating the existing equity shares and issue 1 (One) equity share for every 2 (Two) equity shares held by a shareholder so that equity shares could be admitted for trading at BSE and NSE. Fractional Shares resulting from this consolidation will be transferred to a Nominee of the Board of Directors of the Company who shall sell these fractional shares on behalf of the shareholders and distribute money realized amongst the concerned Shareholders after deducting therefrom the expenses incurred on such sale and distribution.

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



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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

AUDITOR'S COMMENTS

3.1 No provisions of liability to the tune of Rs. 67,31,576/- consisting of a demand of Rs. 37,93,367/- and Rs. 29,38,209/- raised by P.F. and E.S.I.C. Authorities respectively on account of damages has been made during the year under review. It has been stated that the company have moved an Appeal before the Hon'ble BIFR authorities for waiver of the same. However, if the damages are not waived the profit of the company shall be reduced by Rs. 67,31,576/-.

9.b. The disputed Statutory dues of Sales Tax Authority as at 31st March, 2009 have not been deposited on account of matters pending before appropriate authority.

REPLY OF THE BOARD

The damages are generally waived of by P.F. and E.S.I.C. Authorities in the case of company registered with the Hon'ble BIFR and whose Rehabilitation Scheme is approved. In our case the Scheme of Rehabilitation has been approved and we have already moved an application before the Hon'ble BIFR for passing directions for waiver of damages. In case the damages are not waived off fully or partially by the concerned authorities. The liability will be provided in the relevant year.

The company will make payments once the matter is decided by the appropriate authority as per provisions of sanctioned Scheme of Rehabilitation.

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 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. However, trading of equity shares at BSE continue to be suspended for want of completion of procedures, while at NSE trading of equity shares continue to be suspended due to non payment of Listing fee and non completion of procedures. After paying Listing fee and fulfilling the other requirements of the BSE, the company requested BSE to revoke suspension so that trading of shares can commence at their Stock Exchange. However, company was informed that shares with fractional value are not permissible for trading at any stock exchange. It is, therefore, proposed to change the face value of equity shares from existing Rs. 2.50/- per equity shares to Rs. 5.00/- per equity shares by consolidating the existing equity shares and issue 1 (One) equity share for every 2 (Two) equity shares held by a shareholder so that equity shares could be admitted for trading at BSE and NSE.

Your company has "IN-HOUSE" facility of shares transfer. Till date the shares of your company could not be dematerialization for want of the consent of the Stock Exchanges and Depositories for the same.



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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 : 26.06.2009

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 | 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 funds are available. |
| 4. Expenditure on R&D | |
| a) Capital | Rs. NIL |
| b) Recurring | Rs. 07.20 Lac approx. |
| c) Total | Rs. 07.20 Lac approx. |
| d) Total R&D expenditure as a percentage of total turnover | 0.87 % |

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

- | | |
|--|---|
| 1. Efforts, in brief made towards technology absorption, adaptation and innovation. | No technology has been imported and the company continues to adopt 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 scale calendering line, first time in India, by which every material is tested on lab scale resulting in reduction of wastage 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 | 1486 |
| 2. Outgo | 617 |

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ANNEXURE - "II"
LIST OF STOCK EXCHANGES

1. 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)
2. 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 in the matters of policy, Capital expenditure, Corporate Governance and reporting to Shareholders. During the year under review, the Board met Five (5) times. These Board Meetings were held on 29th April, 2008, 31st July, 2008, 20th August, 2008, 31st October, 2008 and 27th January, 2009. 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, 2009, consisted of Five (5) 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 Two (2), Shri Amar Nath Goenka is promoter Director and Shri S P Jain is Executive Director.

During the financial year under review, five (5) Meetings of The Board of Directors were held on 29th April, 2008, 31st July, 2008, 20th August, 2008, 31st October, 2008 and 27th January, 2009.

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 31/03/2009

| CATEGORY | NAME OF DIRECTOR | STATUS | DATE OF APPOINTMENT |
|-----------------|--------------------------|--------------------|--|
| PROMOTER | SHRI AMAR NATH GOENKA | EXECUTIVE | SINCE INCEPTION OF COMPANY I.E. 17-07-1992 |
| 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 |