



**PREMIER
POLYFILM
LTD.**

ANNUAL REPORT 2010-2011



PREMIER POLYFILM LTD.

BOARD OF DIRECTORS

Shri Jaspal Singh Marwah
Shri Kamlesh Kumar Sinha
Shri Manoj Kumar Gupta
Shri S.P. Jain - *Executive Director*
Shri Amitabh Goenka - *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 - 700 001

BANKERS

The Delhi Nagrik Sehkari Bank Limited
Pitampura
Delhi - 110054

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

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 99, Madangir,
Behind Local Shopping Centre,
Near Dada Harsukh Das Mandir,
New Delhi - 110062

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NOTICE

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING of PREMIER POLYFILM LTD.** will be held on **Monday, the 19th September, 2011 at 12.30 P.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, 2011, 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 K. K. 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, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT in accordance with the provisions of Article 116 of the Articles of Association of the company & Section 269, 198, 309, 310 & 311 and all other applicable provisions of the Companies Act, 1956, if any, and subject to the limits specified in Schedule XIII to the said Act the Company hereby appoints Shri Amitabh Goenka as an Executive Director of the company for a period of 3 (three) years with effect from 1st November, 2010.

RESOLVED THAT remuneration including perquisites payable to Shri Amitabh Goenka, Executive Director, shall be as under :

(A) REMUNERATION

(i) Salary:

The Executive Director shall be paid Rs.38,500/- (Rupees Thirty Eight Thousand Five Hundred only) as basic salary per month in pay scale of Rs.38,500/- - Rs.70,000/- with annual increment as may be decided by the Remuneration Committee and the Board of Directors of the Company.

(ii) Perquisites:

In addition to (i) above, the Executive Director shall be entitled to following perquisites:

a) House Rent Allowance:

The Executive Director shall be paid House Rent Allowance @ 30% of basic salary per month.

b) Payment against Employees Provident Fund contribution:

The Executive Director shall be paid 10% or more of basic salary in lieu of employees provident fund per month as may be fixed by the company from time to time for senior officer(s) of the company.

c) Conveyance:

The Executive Director shall be provided with the facility of company's car.



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d) Reimbursement of Medical expenses:

The Executive Director shall be provided with the facility of reimbursement of actual medical expenses incurred by him & his family subject to a maximum of 8.33% of basic salary in a year and can be accumulated for a period of three years.

e) Leave Travel Assistance:

The Executive Director shall be provided with the facility of reimbursement of actual fare but not hotel expenses incurred by him for himself and his wife and dependent children once in two years subject to a maximum of one month's basic salary.

f) Telephone Expenses :

The Executive Director shall be paid telephone expenses on actual basis against telephone connection installed at his residence.

In addition to this he shall be provided with a cell phone on actual expenses basis.

g) Leave and Gratuity

The Executive Director will be also entitled to Leave/Leave Encashment and Gratuity as per rules of the Company applicable to Senior officers of the Company.

(B) OVERALL REMUNERATION

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 198, 309 & other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

(C) MINIMUM REMUNERATION

In the event of loss or inadequacy of profits, the Executive Director shall be paid the same salary as mentioned in para (A)(i) above and he shall also continue to enjoy all the perquisites as mentioned in para (A)(ii) above."

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

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956, if any, and in accordance with the provisions as contained in Schedule XIII [Part I] (c) of the Companies Act, 1956 the Company hereby accords its approval to the continuous appointment of Shri Amar Nath Goenka as Managing Director of the company even after attaining the 70 years of age on 26-12-2011 till 17-02-2013 i.e. upto the date the Members of the company have given their approval to his reappointment as Managing Director of the Company in their Meeting held on 10th September, 2007.

"RESOLVED FURTHER THAT Terms of appointment and remuneration including perquisites payable to Shri Amar Nath Goenka, Managing Director, as approved by the Shareholders of the company in their Meeting held on 10th September, 2007 shall remain unchanged."

By order of the Board
for PREMIER POLYFILM LTD.

Sd/-

N.K.BHANDARI
COMPANY SECRETARY

Place : New Delhi
Date : 29/07/2011

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 10/09/2011 to 19/09/2011 (both days inclusive).



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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. **MEMBERS ARE REQUESTED TO PROVIDE THEIR RESPECTIVE EMAILS SO AS TO ENABLE COMPANY TO SEND ANNUAL REPORTS BY EMAIL.**
6. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business in item No.5 to 6 is annexed.

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

Item No.5

Shri Amitabh Goenka was appointed as an Additional Director of the company under the category of Promoter of the company by the Board of Directors of the company in their Meeting held on 27-01-2010. The Shareholders of the company approved the appointment of Shri Amitabh Goenka as Director of the company liable to retire by rotation in 18th Annual General Meeting held on 09/08/2010. The Board of Directors of the Company in their Meeting held on 30th October, 2010 appointed Shri Amitabh Goenka Executive Director of the company for a period of 3 (Three) years on the Terms as contained in the Notice convening Nineteenth Annual General Meeting subject to the approval of the shareholders of the company. Shri Amitabh Goenka is son of Shri Amar Nath Goenka, Managing Director of the company. He is 40 years old and holds Degree in Commerce. He has more than 18 years of experience in industry. He is also director on the Board of M/s Joemillar Aquatek India Private Limited, M/s Sunhills Vinyls Private Limited, M/s D L Millar & Company Limited, M/s Kay Ess Polymers Limited, Proprietor of M/s 1000 Plus Inc. and partner in M/s G. B. & Company.

Your Board recommends the resolution to be passed as an **Ordinary Resolution**.

None of the Directors is interested or concerned in this resolution except Shri Amitabh Goenka and Shri Amar Nath Goenka, being father of Shri Amitabh Goenka.

Item No.6

Shri Amar Nath Goenka was reappointed as Managing Director of the company by the Shareholders of the company in their Meeting held on 10th September, 2007 under Schedule XIII of the Companies Act, 1956. Shri Amar Nath Goenka would be holding the present position of Managing Director upto 17-02-2013. However, Shri Amar Nath Goenka would be attaining 70 years on 26/12/2011. As per provisions of Schedule XIII [Part I] (c) of the Companies Act, 1956 any person can hold office of full time Director upto the age of 70 years without permission of the Central Government. However, this age limit can be relaxed and no permission of the Central Government is required if the shareholders of the company approve a special resolution approving such appointment in their General Meeting. The next Annual General Meeting of the company would be held in the year 2012 i.e. after he attains 70 years of age and hence it is proposed to pass a special resolution by the shareholders as proposed in the Notice convening 19th Annual General Meeting so as to continue his appointment as Managing Director after attaining the age of 70 years on 26-12-2011. However, the Terms of appointment and remuneration including perquisites payable to Shri Amar Nath Goenka, Managing Director, as approved by the Shareholders of the company in their Meeting held on 10th September, 2007 shall remain unchanged. Shri Amar Nath Goenka holds Commerce Degree and is also on the Board of M/s Premier Polyplast & Processors Limited & M/s Sunhills Vinyls Private Limited. He has around 50 years of experience of business and Management.

Your Board recommends the resolution to be passed as a **Special Resolution**.

None of the Directors is interested or concerned in this resolution except Shri Amar Nath Goenka and Shri Amitabh Goenka, being son of Shri Amar Nath Goenka.

By order of the Board
for PREMIER POLYFILM LTD.

Sd/-

N.K.BHANDARI
COMPANY SECRETARY

Place : New Delhi
Date : 29/07/2011



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DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the **Nineteenth Annual Report** together with Audited Account for the year ended on 31st March, 2011.

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Sales & Other Income	5,993	5,543
Operating profit before providing for interest & Depreciation	361	350
Less :		
Interest	65	51
Depreciation	181	246
Net Profit before taxation	115	123
Less :		
Provision for taxation	24	-
Net Profit after tax	91	123
Add:		
Excess provision for Saels tax written back	22	-
Credit balance- Unsecured Loan written back	-	1
Credit balance- Sundry Creditors written back	-	91
Less :		
Damages to ESI dues	15	-
Balance brought forward from previous year	(186)	(401)
Balance carried to Balance sheet	(88)	(186)
Basic and diluted earning per share	0.43	0.59
Face value per equity Share	5.00	5.00

OPERATIONS

During the period under review your company produced 10,656 M.T. of PVC flooring, Sheetings, Films etc. as against 9598 M.T. produced during the previous year, achieving a capacity utilization of 65.78 % as compared to around 59% in the previous year. The Company could achieve higher capacity utilization but for non availability of adequate Working capital from Banks and present depressed demand for products due to current recession.



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QUALITY CONTROL

Your Company continues to hold prestigious ISO 9001:2008 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 the market will not be a constraint after 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 2010-11.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

Upon turning of Networth of your company as positive, the Hon'ble BIFR in a hearing held on 02-12-2010 discharged your company from the purview of SICA/BIFR with the directions that the un-implemented provisions of MS-08, as may be there, would be implemented by the concerned agencies and their implementation would be monitored by the company.

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 judgment 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 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.



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REPLY OF THE BOARD TO AUDITOR'S REPORT

AUDITORS COMMENTS	REPLY OF THE BOARD TO AUDITOR'S REPORT
9.b. The disputed Statutory dues of Sales Tax as at 31st March, 2011 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.

DIRECTORS

Shri K. K. 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.

Shri Amitabh Goenka, Director of the company, was appointed as an Executive Director of the company with effect from 01/11/2010 by the Board of Directors in their Meeting held on 30/10/2010 subject to approval of the Shareholders. It is now proposed to appoint him Executive Director of the company on the Terms as given in the Notice convening Nineteenth Annual General Meeting.

Shri Amar Nath Goenka, Managing Director of the company, would be attaining 70 years on 26/12/2011. As per provisions of Schedule XIII of the Companies Act, 1956 any person can hold office of full time Director upto the age of 70 years. However, this age limit can be relaxed if the shareholders of the company approve such appointment in their General Meeting by a Special Resolution. A proposal to continue appointment of Shri Amar Nath Goenka as managing Director after attaining age of 70 years has been included in the Notice in the ensuing Annual General Meeting.

In terms of Clause 49 of the Listing Agreement notes on Director's seeking appointment/re-appointment are given in **Annexure "II"** and are forming part of the Directors' Report to the Members.

PERSONNEL

None of the employees of your company is covered Under Section 217(2)(A) 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 "III"** and forming part of Directors' Report to the Members. The trading of equity shares were suspended due to non payment of listing fee as company could not pay listing fee due to cash crunch and sickness. The company has already paid Listing fee and submitted documents for Listing of equity shares issued and allotted by the company with BSE and had requested BSE to revoke suspension of trading of equity shares of our company at their stock exchange. BSE has approved listing of equity shares of your company issued and allotted pursuant to the directions of the Hon'ble BIFR and issued capital confirmation letter for taking up matter with NSDL and CDSL for issuance of ISIN number. Further BSE vide its letter dated 29/06/2011 has given in principle approval for revocation of suspension in trading of equity shares of your Company.

However, trading of equity shares at NSE has been suspended for want of non payment of Listing fee and non completion of procedure. The company has already sent documents of non compliance and also requested NSE to send bill towards payment of listing fee as per directions of the Hon'ble BIFR and also to issue capital confirmation letter and allow trading of our equity shares.

You company has appointed M/s Beetal Financial & Computer Services Private Limited, New Delhi as RTA. Till date the shares of your company could not be dematerialization for want of the "Capital Certificate" from NSE and ISIN number from NSDL and CDSL.



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CORPORATE GOVERNANCE

In terms of Clause 49 of The Listing Agreement, a report on The Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of the Corporate Governance is given in **Annexure “IV”** and is forming part of Directors' Report to the Members.

CEO/CFO CERTIFICATE

The Managing Director of the Company is also CEO/CFO of the Company. In Terms of Clause 49 of The Listing Agreement a certificate with regard to Compliance with The Code of Conduct by the Board Members and Senior Management Personnel for the year ended 31st March, 2011 duly signed by the Chairman has been included in the Annual Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS

In Terms of Clause 49 of The Listing Agreement notes on Management Discussions and Analysis Report is given in **Annexure “V”** and forming part of the Director's Report.

INDUSTRIAL RELATIONS :

The industrial relations remained cordial during the year under review.

PUBLIC DEPOSIT

The Company has not invited or accepted deposits from the public covered under section 58A of the Companies Act, 1956.

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 Government, The Delhi Nagrik Sehkari Bank Limited 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 : 29/07/2011

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 designs and colours of flooring, sheeting & Leather Cloth.



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2. Benefits derived as a result	Continuous development of economical formulations of the above R&D has helped the company to reduce cost of manufacturing. By introducing new range of colour schemes and designs of finished products the Company products continue to be in demand. The Company continues to develop economical formulations for production. The Company has been developing various attractive designs and colours of Flooring, sheeting & Leather Cloth on continuous basis .
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. 1.80 Lac approx
c) Total	Rs. 1.80Lac approx
d) Total R&D expenditure as a percentage of total turnover	0.03%

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts, in brief made towards technology absorption,	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	The Company has installed laboratory scale calendaring line , first time in India , by which every material is tested on lab scale resulting in deduction 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	396
2. Outgo	413

ANNEXURE "II"

NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER CLAUSE 49 IV (G) OF THE LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES.**(ANNEXURE TO DIRECTORS REPORT)**

At the ensuing Annual General Meeting Shri K K Sinha and Shri S. P. Jain , Directors of your Company, retire by rotation and being eligible offer themselves for reappointment.

Shri K K Sinha is independent director of the Company. He is 67 years of age and holds Post-graduate with degree in Law and has done certificate course in Business Management. He has experience of around 45