



PREMIER POLYFILM LTD.

ANNUAL REPORT 2013-2014



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

Kotak Mahindra Bank Limited
Chandni Chowk, Delhi - 110006

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

ISIN NUMBER: INE 309M01012

CONTENTS

	Page No.
Notice	3
Directors' Report	9
Green Initiative in the Corporate Governance	22
Auditors' Certificate on Corporate Governance	22
Auditors' Report	23
Balance Sheet	27
Statement of Profit & Loss Account	28
Cash Flow Statement	29
Significant Accounting Policies	30
Notes on Accounts	31
Proxy Form	43



NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of Premier Polyfilm Ltd. will be held on Saturday, the 27th day of September, 2014 at 4.30 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, 2014, the Profit & Loss Account for the period from 1st April, 2013 to 31st March, 2014 and the reports of Directors' and Auditors' thereon.
- 2) To appoint a Director in place of Shri S P Jain, who retires by rotation and being eligible, offers himself for reappointment.
- 3) 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:

- 4) To consider and, if thought fit, to pass the following resolution as an **ordinary Resolution** :
"Resolved that Shri Jaspal Singh Marwah (DIN 00069325) be and is hereby appointed as an independent Director of the Company under the provisions of Section 149(10), 152(5) and all other applicable provisions, if any, of the Companies Act, 2013 upto 31st March, 2019."
- 5) To consider and, if thought fit, to pass the following resolution as an **ordinary Resolution** :
"Resolved that Shri Manoj Kumar Gupta (DIN 00160009) be and is hereby appointed as an independent Director of the Company under the provisions of Section 149(10), 152(5) and all other applicable provisions, if any, of the Companies Act, 2013 upto 31st March, 2019."
- 6) To consider and, if thought fit, to pass the following resolution as an **ordinary Resolution** :
"Resolved that Shri Kamlesh Kumar Sinha (DIN 00155541) be and is hereby appointed as an independent Director of the Company under the provisions of Section 149(10), 152(5) and all other applicable provisions, if any, of the Companies Act, 2013 upto 31st March, 2019."
- 7) To consider and, if thought fit, to pass the following resolution as **Special Resolution** :
"Resolved that the appointment of Shri Amitabh Goenka, Director of the Company, be and is hereby made as a Director liable to retire by rotation with effect from April 1, 2014."
- 8) To consider and if thought to fit to pass the following Resolution as a **Special Resolution**:
"RESOLVED THAT in supersession of the earlier resolution passed Under Section 293(1)(d) of The Companies Act, 1956, at the Second Annual General Meeting of the Company held on September 29, 1994 consent of Members be and is hereby accorded to the Board of Directors of the Company pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 70 Crores (Rupees Seventy Crores only) including the money already borrowed by the Company on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves."



PREMIER POLYFILM LTD.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

By order of the Board
for PREMIER POLYFILM LTD.

Sd/-
N.K.BHANDARI
COMPANY SECRETARY

Place : New Delhi

Date : 27/05/2014

NOTES:

1. The relative Explanatory Statement pursuant to Section 102(1) of The Companies Act, 2013 in respect of item numbers 4 to 8 set out in the Notice is annexed hereto and form part of the Notice.

2. 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 forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 16-09-2014 to 27-09-2014 (both days inclusive).

4. Brief resume of Directors including those proposed to be reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between director *inter-se* as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual/Directors Report. The details for re-appointment of retiring directors are given in Annexure "II" forming part of Notice for Annual General Meeting.

5. 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.

6. The Securities & Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respectively Depository Participants. Members holding shares in Physical Form shall submit their PAN details to the RTA/company.

7. 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.

8. MEMBERS ARE REQUESTED TO PROVIDE THEIR RESPECTIVE EMAILS SO AS TO ENABLE COMPANY TO SEND ANNUAL REPORTS BY EMAIL.

E-VOTING

9. Voting through electronic means (E-Voting):

1) In accordance with the applicable provisions of Listing Agreement and Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (the Rules), the Company is pleased to provide facility to its members, to cast their votes electronically for all the resolutions proposed at the Twenty Second Annual General Meeting of the Company. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide e-voting facility to its members.

2) The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut off date 15th August, 2014.



PREMIER POLYFILM LTD.

- 3) The voting period begins on Monday, 22nd September, 2014 at 09.30 A.M. and ends at on Wednesday, 24th September, 2014 at 5.30 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 4) Mr. Abhishek Mittal of M/s Abhishek Mittal & Associates, Practicing Company Secretaries, New Delhi has been appointed by the Board of Directors of the Company, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 5) The Procedure and Instructions for e-voting are as under:
 - i. Log on to the e-voting website www.evotingindia.com, during the voting period.
 - ii. Click on "Shareholders" tab.
 - iii. Now Enter your User ID
 - (a) For CDSL: 16 digits beneficiary ID,
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv. Next enter the Image Verification as displayed and Click on Login.
 - v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	Enter the Date of Birth (DOB) as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter any one of the details relating to DOB or Dividend Bank details in order to login. In case both the details are not recorded with the Depository or Company please enter the number of shares held by you as on the **cut off date** in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



PREMIER POLYFILM LTD.

- x. Click on the EVSN for **Premier Polyfilm Ltd.**, to vote.
 - xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and send the scan copy of the Board resolution/ POA to abhishekcs21@gmail.com.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- 6) The results of e-voting shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges.

By order of the Board
for PREMIER POLYFILM LTD.

Place : New Delhi
Date : 27/05/2014

Sd/-
N.K.BHANDARI
COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4

Shri Jaspal Singh Marwah, an independent Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting. However, after the enforcement of relevant sections of the Companies Act, 2013 which were made mandatory with effect from 01-04-2014, the Board of Directors in their Meeting held on 27-05-2014 considered the proposal on appointment/reappointment of Shri Jaspal Singh Marwah as an Independent Director of the company subject to approval of the Members of the company in the ensuing Annual General Meeting for a fixed term of five years as prescribed in the Companies Act, 2013. The Board also determined that Shri Jaspal Singh Marwah is a fit and proper person to be appointed as Independent Director on the Board of the Company. Pursuant to proviso to Section 152(5) of the Companies Act, 2013, the Board also determined that, Shri Jaspal Singh Marwah, fulfills the conditions as specified in the Companies Act, 2013 with respect to his appointment as independent Director and he is independent of the Management.



PREMIER POLYFILM LTD.

In terms of Section 160 of The Companies Act, 2013, the Company has received a notice in writing along with a deposit of Rs.1,00,000/- (Rupees One Lacs only), from a Member signifying the intention to propose the candidature of Shri Jaspal Singh Marwah for the office of independent Director. In line with provision of Section 149 (10) of the Companies Act, 2013, Shri Jaspal Singh Marwah is proposed to be appointed as independent Director upto 31st March, 2019. Shri Jaspal Singh Marwah has also given his consent to act as Independent Director upto 31st March, 2019.

Shri Jaspal Singh Marwah is 66 years old and holds degree in Commerce. He has more than 46 years of experience in business and trade. He is also director on the Board of M/s J. S. M. Estate (P) Limited. Shri Jaspal Singh Marwah is also Chairman of Nomination & Remuneration Committee, Audit Committee and Stakeholders Relationship Committee of directors of the company.

The Board of Directors recommends the adoption of the resolution as an Ordinary Resolution at item number 4 of the Notice.

No Directors ,Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution number 4 of the Notice except Shri Jaspal Singh Marwah.

Item No. 5

Shri Manoj Kumar Gupta, an independent Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting. However, after the enforcement of relevant sections of the Companies Act, 2013 which were made mandatory with effect from 01-04-2014, the Board of Directors in their Meeting held on 27-05-2014 considered the proposal on appointment/reappointment of Shri Manoj Kumar Gupta as an Independent Director of the company subject to approval of the Members of the company in the ensuing Annual General Meeting for a fixed term of five years as prescribed in the Companies Act, 2013. The Board also determined that Shri Manoj Kumar Gupta is a fit and proper person to be appointed as Independent Director on the Board of the Company. Pursuant to proviso to Section 152(5) of the Companies Act, 2013, the Board also determined that, Shri Manoj Kumar Gupta, fulfills the conditions as specified in the Companies Act, 2013 with respect to his appointment as independent Director and he is independent of the Management.

In terms of Section 160 of The Companies Act, 2013, the Company has received a notice in writing along with a deposit of Rs.1,00,000/- (Rupees One Lacs only), from a Member signifying the intention to propose the candidature of Shri Manoj Kumar Gupta for the office of independent Director. In line with provision of Section 149 (10) of the Companies Act, 2013, Shri Manoj Kumar Gupta is proposed to be appointed as independent Director upto 31st March, 2019. Shri Manoj Kumar Gupta has also given his consent to act as Independent Director upto 31st March, 2019.

Shri Manoj Kumar Gupta is 47 years old and is Fellow Chartered Accountants. He has around 24 years of commercial experience. He is also director on the Board of M/s Ramada Hospitality (P) Limited and Partner in M/s M A R S & Associates. Shri Manoj Kumar Gupta is also Member of Nomination & Remuneration Committee, Audit Committee and Stakeholders Relationship Committee of directors of the company.

The Board of Directors recommends the adoption of the resolution as an Ordinary Resolution at item number 5 of the Notice.

No Directors ,Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution number 5 of the Notice except Shri Manoj Kumar Gupta.

Item No. 6

Shri Kamlesh Kumar Sinha, an independent Director of the Company, is liable to retire by rotation at the next ensuing Annual General Meeting. However, after the enforcement of relevant sections of the new Companies Act, 2013 which were made mandatory with effect from 01-04-2014 that, the Board of Directors in their Meeting held on 27-05-2014 considered the proposal on appointment/reappointment of Shri Kamlesh Kumar Sinha as an Independent Director of the company subject to approval of the Members of the company in the ensuing Annual General Meeting for a fixed term of five years as prescribed in the Companies Act, 2013. The Board also determined that Shri Kamlesh Kumar Sinha is a fit and proper person to be appointed as Independent Director on the Board of the Company. Pursuant to proviso to Section 152(5) of the Companies Act, 2013, the Board also determined that, Shri Kamlesh Kumar Sinha, fulfills the conditions as specified in the Companies Act, 2013 with respect to his appointment as independent Director and he is independent of the Management.

In terms of Section 160 of The Companies Act, 2013, the Company has received a notice in writing along with a deposit of Rs.1,00,000/- (Rupees One Lacs only), from a Member signifying the intention to propose the candidature of Shri Kamlesh



PREMIER POLYFILM LTD.

Kumar Sinha for the office of independent Director. In line with provision of Section 149 (10) of the Companies Act, 2013, Shri Kamlesh Kumar Sinha is proposed to be appointed as independent Director upto 31st March, 2019. Shri Kamlesh Kumar Sinha has also given his consent to act as Independent Director upto 31st March, 2019.

Shri Kamlesh Kumar Sinha is 67 years of age and is a Post Graduate with Degree in Law and has done certificate course in Business Management. He has experience of around 48 years in commercial affairs with specialization in marketing. He is also director on the Board of M/s Premier Irrigation Exports Limited and M/s Premierworld Technologies Limited. Shri Kamlesh Kumar Sinha is also member of Nomination & Remuneration Committee of directors of the company.

The Board of Directors recommends the adoption of the resolution as an Ordinary Resolution at item number 6 of the Notice.

No Directors ,Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution number 6 of the Notice except Shri Kamlesh Kumar Sinha.

Item No. 7

At present the total strength of the Board is of six Directors. Out of which Shri Amar Nath Goenka and Shri Amitabh Goenka are Promoter Directors of the Company and are non-rotational Directors on the Board. Shri S P Jain is Executive Director of the company and is liable to retire by rotation. The remaining three independent Directors having fifty percent strength of the Board are not to be included in the total number of Directors for determining the number of Directors liable to retire by rotation in terms of explanation to Section 152(6) of the Companies Act, 2013.

To comply with the condition of Section 152(6) of the companies Act, 2013, the appointment of shri Amitabh Goenka is being recommended to be made a Director subject to retirement by rotation with effect from 01-04-2014.

The Board of Directors recommends the adoption of the resolution as Special resolution at item number 7 of the Notice.

No Directors ,Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution number 7 of the Notice except Shri Amitabh Goenka and Shri Amar Nath Goenka, being father of Shri Amitabh Goenka.

Item No. 8

In the Second Annual General Meeting of the Company held on 29th September, 1994 the borrowing limits were approved by the Members of the Company under the provisions of the then existing Section 293(1)(d) of the Companies Act, 1956. Since the Company proposes to set-up another unit at Sikandrabad to manufacture Soft Touch Cushion type of Artificial PVC Leather Cloth, PVC Sheetings and Film, Knitted Fabric etc. this borrowing limits of Rupees Thirty Crore only (Rs.30 Crore only) would not be sufficient to meet the expenditure for setting-up another unit and the Company has to make additional borrowings from Bank(s)/Financial Institution(s) hence this limit is proposed to be increased to Rupees Seventy Crore only (Rs.70 Crore only) to cover additional future borrowings. Since the money to be borrowed may/would exceed the aggregate of the Paid-up Capital of the Company, the consent of the Members would be necessary under the provisions of Section 180(1)(d) of the Companies Act, 2013 for borrowing funds/money in excess of the Paid-up Capital and free reserves.

The Board of Directors recommends the adoption of the resolution as a Special Resolution at item number 8 of the Notice.

No Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the resolution number 8 of the Notice.

By order of the Board
for PREMIER POLYFILM LTD.

Sd/-
N.K.BHANDARI
COMPANY SECRETARY

Place : New Delhi
Date : 27/05/2014



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present the **Twenty Second Annual Report** together with Audited Accounts for the year ended on 31st March, 2014.

FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Sales & Other Income	9,024	7,994
Operating profit before providing for Interest & Depreciation	578	613
Less :		
Interest	96	112
Depreciation	<u>154</u>	<u>179</u>
Net Profit before taxation	328	322
Less :		
Tax Expenses		
Current tax	141	66
(-) Mat Credit Entitlement	<u>67</u>	<u>-</u>
Deferred tax	(39)	66
Net Profit after tax	293	190
Basic and diluted earning per share	1.40	0.91
Face value per equity Share	5.00	5.00

OPERATIONS

During the period under review your company produced 12,478 M.T. of PVC flooring, Sheetings, Films etc. as against 12,034 M.T. produced during the previous year, achieving a capacity utilization of 77.02 % as compared to around 74.28% in the previous year. The Company could achieve higher capacity utilization but for depressed demand for products due to current recession.

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. Kotak Mahindra Bank Limited has also sanctioned and disbursed enhanced Working Capital Facilities and Term Loan to the company. There is no shortage of working capital facilities. Barring unforeseen circumstances, your company expects to do well in future.



NEW PROJECT

The Company plans to establish another factory at its industrial plot at Sikandrabad Industrial Area, Sikandrabad, District Bulandshahr (UP) to manufacture 4500 M.T. per annum of Soft Touch Cushion type of Artificial PVC Leather cloth, PVC Sheetings and Films, Knitted Fabric etc. at this unit annually. The cost of the project is estimated at Rs. 1,550 Lacs which will be met by Unsecured Loan from promoters and internal accruals amounting to Rs. 700 Lacs and balance amounting to Rs.850 Lacs from a Term Loan from Bank(s). This unit will generate additional profits for the company.

DIVIDEND

Due to inadequacy of distributable cash, the Directors of your company are unable to recommend any Dividend for the year 2013-14.

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 134(3) (m) of the Companies Act, 2013, 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.

COST AUDITORS

M/s Cheena & Associates, Cost Accountants, were appointed as Cost Auditor of the company for the financial year 2013-2014.

DIRECTORS

All the three independent Directors of the Company i.e. Shri Jaspal Singh Marwah, Shri Manoj Kumar Gupta and Shri Kamlesh Kumar Sinha, are being appointed/reappointed for a fixed term/tenure of five years to hold office of independent director upto 31-03-2019.

Shri Amitabh Goenka, Director of your Company, is being made from non rotational to director liable to retire by rotation so as to comply with the condition of Section 152(6) of the Companies Act, 2013.

Shri S P Jain, Director of your Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

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.