



PREMIER LTD.

68TH ANNUAL REPORT

2013-14

Engineering



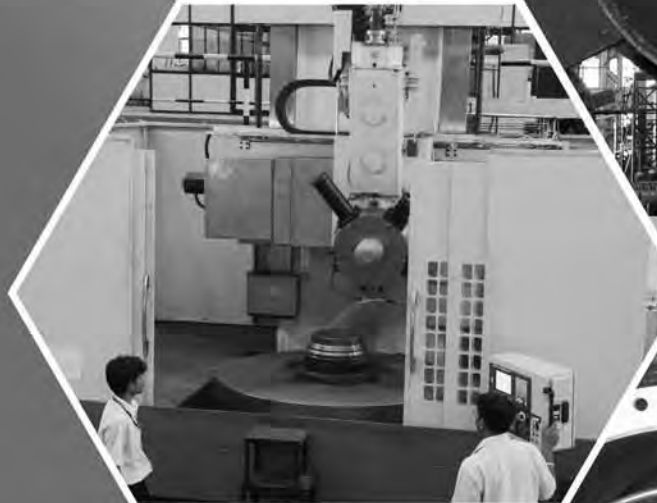
CNC Machining facility



**Axle pin part (SG Iron Casting)
for wind turbine**



**Manufacturing of Stator Carrier
of Wind Turbine parts**



**Trial on the PTB 200 machine
before dispatch**



**World class inspection facilities
for Wind Mill Tower project**

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Compliance Officer

Ramesh M. Tavhare
Vice President
(Legal & Corporate Affairs)
& Company Secretary

Statutory Auditors

K. S. Aiyar & Co.
Chartered Accountants

Internal Auditors

Jayesh Dadia & Associates
Chartered Accountants

Cost Auditors

ABK & Associates
Cost Accountants

Solicitors

Kanga & Co.
Crawford Bayleye Co.
Desai & Diwanji
AMC Law Firm

Bankers

State Bank of India
State Bank of Hyderabad
Corporation Bank
J&K Bank Ltd.

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg
Bhandup (W), Mumbai - 400 078
Tel: 022-25946970-78
Fax: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

Regd. Office & Works

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Corporate Office

58, Nariman Bhavan, 5th Floor, Nariman Point, Mumbai 400 021, India.

Tel: +91-22-61179000/1/2, Fax: +91-22-61179003

Email: investors@premier.co.in, Web: www.premier.co.in

Corporate Identification Number (CIN): L34103PN1944PLC020842

Branch Offices :

Bengaluru

No 549-A, Parallel to 14th Cross
4th Phase, Peenya Industrial Area
Bengaluru - 560 058
Tel: +91-80-28363071

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T-8/1, 4th Main Road,
Anna Nagar, Chennai - 600 040
Tel: +91-44-26190809

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New Delhi - 110 001
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Fax: +91-11-23413332

Kolkata

1st Floor, Commerce House,
Room No 7 & 7A, 2, Ganesh Chandra
Avenue, Kolkata - 700 019
Tel: +91-33-22132953

Board of Directors

Maitreya V. Doshi

Chairman &
Managing Director

Rohita M. Doshi

Computer Engineer

Kavita Khanna

Management Consultant

S. Padmanabhan

IAS (Retd.) / Advisor

Dilip J. Thakkar

Chartered Accountant

Asit Javeri

Industrialist

Udo Weigel

Machine Tool Technologist

Ramesh Adige

Industry expert -
Automotive, Pharma,
Healthcare, Banking &
Public Policy

Shailesh S. Vaidya

Advocate and Solicitor

Senior Management Team

M. D. Adhikari

President

K. G. Rathi

Vice President
Engineering Division

D. S. Totre

Vice President
Machines Division

Ramesh M. Tavhare

Vice President
Legal & Corporate Affairs
and Company Secretary

Rakesh Mehta

Vice President
Automotive Division

K. S. Nair

Chief Financial Officer

R. V. Nair

General Manager
Accounts & MIS

P. G. Salunkhe

General Manager
Operations - Engineering

Erica deSouza

General Manager
Chairman's Office
Head - Corporate
Communication, CSR &
Corporate Training

V. R. Kothari

General Manager
Gear Machines
Business

S. D. Joshi

General Manager
Design &
Development - Machines

N. G. Kuntoji

General Manager
Commercial -
Engineering

Letter to Shareholders



Dear Shareholders,

The macro economic scenario, in India, during the year under review has been very negative: GDP growth has reduced further to less than 5% p.a. Interest rates have remained high to tame inflation; this has directly impacted investment related sectors such as capital goods, heavy engineering and automobiles.

Your Company continues to remain affected by this industrial slow down that are reflected in the results for the year. However, despite this grim scenario some positive signs are beginning to emerge and I expect that the current year should see a return to normalcy in our business.

In the Engineering segment, the CNC Machine Division is beginning to see some improvement in order book, particularly from non automotive sectors. The Management is making concerted marketing efforts to widen the customer base and induct new, first - time buyers, as well as hold on to long standing clients of our products. The Rupee devaluation has provided some opportunities, in terms of competitiveness versus imports.

The Heavy Engineering Division, that significantly depends on the wind energy sector had faced a large drop in demand last year due to policy uncertainties by the Government pertaining to this sector. Much of this has been rectified and the order in flow is showing improvement on a month to month basis. This division is not affected by currency fluctuation. The Management is making strenuous efforts to widen the product portfolio in order to lessen dependence on wind energy.

We have developed relationships with Bharat Dynamics Ltd. for their missile project, BHEL for their Metro Rail Bogie project, Indian Railways for Wheel and Axle supply, Siemens for equipment related to the power sector and Sandvik for Infrastructure equipment components. I am confident that in the next 3 years, this Division's product portfolio will deepen and widen considerably, mitigating any single sector risk.

Your Company's auto project got a huge set back due to the currency devaluation and as of now progress is largely on hold, barring routine sales. Once the economy starts improving or the adverse exchange rate environment improves, the Management will start reviewing future plans in this segment.

I would like to thank all the Company stakeholders for their unstinted supported during this difficult time, particularly the Management, workers, suppliers, dealers , bankers etc. I am confident that with all their support and cooperation the current year will show considerable improvement on all parameters of the Company's performance.

With regards,

A handwritten signature in black ink, appearing to read 'Maitreya V. Doshi'.

Maitreya V. Doshi
Chairman

Date : 7th May 2014

Directors' Report

To The Members

Your directors are pleased to present the 68th Annual Report and the audited accounts for the financial year ended 31st March, 2014.

1. Financial Results

The financial performance of the Company for the financial year ended 31st March, 2014, is summarized below:

	(₹ Lakhs)	
	2013-14	2012-13
Profit before Depreciation, Interest & Tax	9358.62	20903.22
Less: Interest	6618.49	5176.11
Depreciation	3274.60	1564.15
Profit before Tax	(534.47)	14162.96
Less: Provision for Current Taxation	0.00	2840.57
Deferred Tax	(3049.37)	2557.70
Profit after tax	2514.90	8764.69
Add: Balance in Profit and Loss Account	8480.19	3086.48
Amount Available for Appropriation	10995.09	11851.17
Appropriations:		
Dividend on Equity Shares	911.18	2126.08
Tax on dividend	154.85	344.90
General Reserve	300.00	900.00
Balance carried to Balance Sheet	9629.06	8480.19

During the year under review, the Company has achieved gross sales of ₹ 205 crores. The profit before depreciation, interest and tax was ₹ 93.59 (₹ 209.03 crores in the previous year which included gain on monetization of land after certain liabilities).

2. Dividend :

The Directors recommend the dividend at 30% (i.e. ₹ 3 per share) on equity shares for the year ended on 31st March, 2014. The total outgo on dividend would be ₹ 10.66 crores including dividend distribution tax. The payment of dividend will be subject to the approval of the shareholders at the ensuing annual general meeting.

3. Operations and Management Discussion & Analysis :

The current year's operations are covered in the Management Discussion and Analysis Report. This Management Discussion and Analysis Report, as stipulated under Clause-49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of this annual report

4. Corporate Governance :

The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, forms part of this Annual Report.

5. Company's Land at Dombivali :

As members are aware, the Company monetized about 150 acres of land in the previous year, out of 218 acres of the Company's land at Dombivali. Apart from this, during the year under review, the Indian Railways acquired about 17 acres of the Company's land at Dombivali for the Dedicated Freight Corridor Project. The Company received a compensation of Rs.64.13 crores against this compulsory acquisition.

6. Directors :

Mr. Maitreya V. Doshi was re-appointed as Managing Director of the Company for a period of 3 years from 29.3.2014 to 28.3.2017, with a requisite approval from the members of the Company by Postal Ballot on 26.3.2014.

In terms of the Companies Act, 2013 and the relevant Rules thereunder, the Board appointed Mr. S. Padmanabhan, Mr. Asit D. Javeri, Dr. Udo Weigel, Mrs. Kavita Khanna, Mr. Dilip J. Thakkar, Mr. Ramesh Adige and Mr. Shailesh S. Vaidya as independent directors for a term of 5 years, not liable to retire by rotation.

Mrs. Rohita M. Doshi is retiring by rotation in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company and being eligible, offers herself for re-appointment.

7. Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956

The Directors state that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements 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 covered under this Report and of the profit of the Company for the year;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the directors had prepared the annual accounts on a going concern basis.

In terms of the requirement of Accounting Standards, segment-wise results are shown in the notes to accounts

8. Conservation of energy, technology, absorption & foreign exchange earnings & outgo :

The details as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are provided in the annexure to the Directors' Report.

9. Fixed Deposits :

The Company has accepted the fixed deposits from public and shareholders during the year and has complied with all the regulatory requirements. At the end of the year, there were no unpaid or overdue deposits, except that there were unclaimed deposits of ₹ 27.95 lakhs.

10. Particulars of Employees :

In term of notification dated 31-03-2011 issued by the Ministry of Corporate Affairs, Government of India, there are no employees covered under section 217(2A) of the Companies Act, 1956, in respect of whom, the particulars are required to be given.

11. Auditors :

M/s K.S. Aiyar & Co., Statutory Auditors, retire at the ensuing annual general meeting and are eligible for reappointment. The Audit Committee of the Board has recommended their reappointment. M/s K.S. Aiyar & Co. have, under Rule-4 of the Companies (Audit & Auditors) Rules, 2014, furnished the certificate of their eligibility for reappointment. Requisite resolution is being placed for the shareholders' approval.

12. Cost Audit :

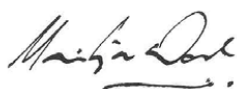
The Central Government, vide order dated 24th January, 2012 has prescribed cost audit for a number of industries, including engineering, machinery and motor vehicles, with effect from the financial year 2012-13. Accordingly the Board has appointed ABK & Associates, Cost Accountants (Regn. No. 000036) with the prior approval of the Central Government, to conduct audit of cost records for the Company's engineering, machinery and motor vehicles activities for the financial year 2013-14.

The Cost Audit Report for the year 2013-14 would be filed with the Central Government within the prescribed time of 180 days from the close of the financial year.

13. Acknowledgement :

The Directors wish to express their appreciation of the continued support of the Company's customers, suppliers and bankers. The Directors also wish to thank employees, at all levels, for their contribution and co-operation throughout the year.

On behalf of the Board of Directors



Maitreya V. Doshi

Chairman & Managing Director

Date : 7th May 2014

Place : Mumbai

Annexure to Directors' Report

Conservation of energy

In view of acute energy shortages, the Company has taken special efforts for energy conservation. For this purpose, the power factor is continuously monitored and maintained to 1.00 (Unity) power on daily basis. There is continuous monitoring and control of air consumption and one compressor has been switched off resulting in a saving of 1200 KWH per day. Street light timers have been adjusted as per day light.

A team was formed to monitor power consumption on non-working days like Saturday, Sunday and Diwali holidays. During this period it was observed that the capacitor installed in bay no. 8 & 9 is consuming more power. Immediately, this was replaced with a new capacitor which has resulted in a saving of 300 KWH per day.

Expenditure on R&D

(₹ Lakhs)

Particulars	2013-14	2012-13
Expenditure on R&D	280.00	360.00

Foreign exchange earnings and outgo

(₹ Lakhs)

Particulars	2013-14	2012-13
Foreign Exchange Earnings:		
FOB Value of Exports	339.64	227.69
Foreign Exchange Outgo:		
Imports (CIF value)	1109.78	2851.57
Foreign Travel	19.86	15.73
Others	13.64	2.25
Total	1143.28	2869.55

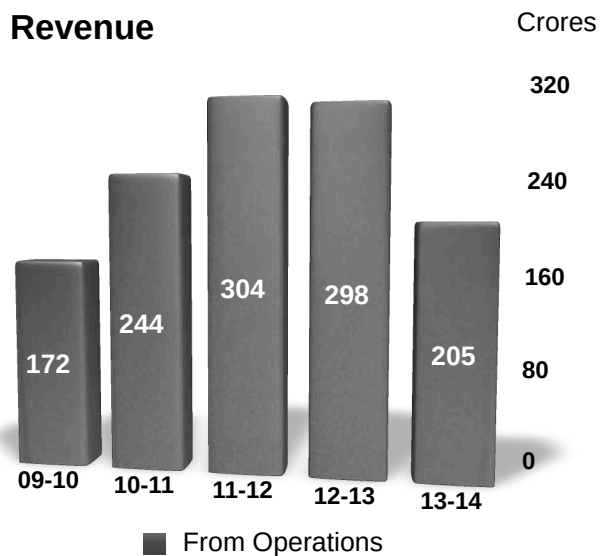
Technology absorption

To cater to the need of automobile and engineering industries, following new products were introduced by us in-house :

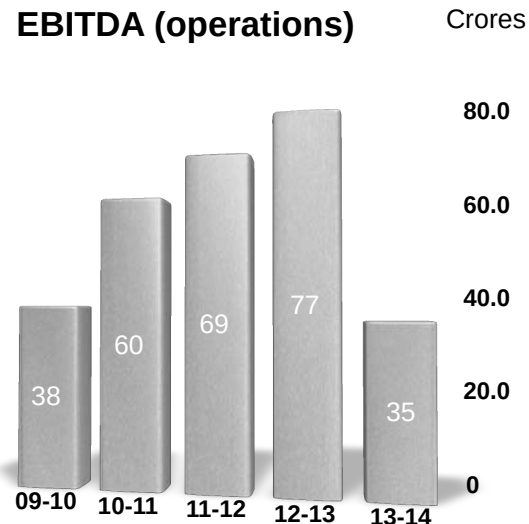
- Gear hobbing machines developed with Siemens CNC 828D
- Machine specifications enhanced to accommodate bigger length shaft type components
- Special purpose machines developed for Notch milling
- Compact gear shaver developed for the first time in India

Highlights

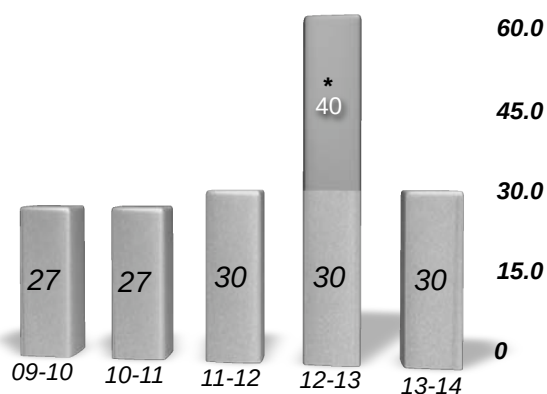
Revenue



EBITDA (operations)

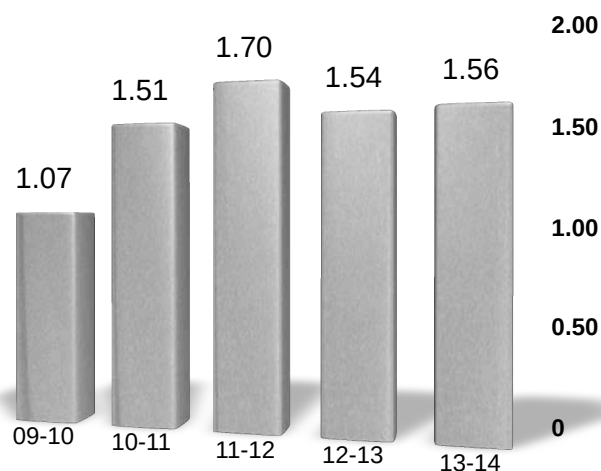


Dividend (%)

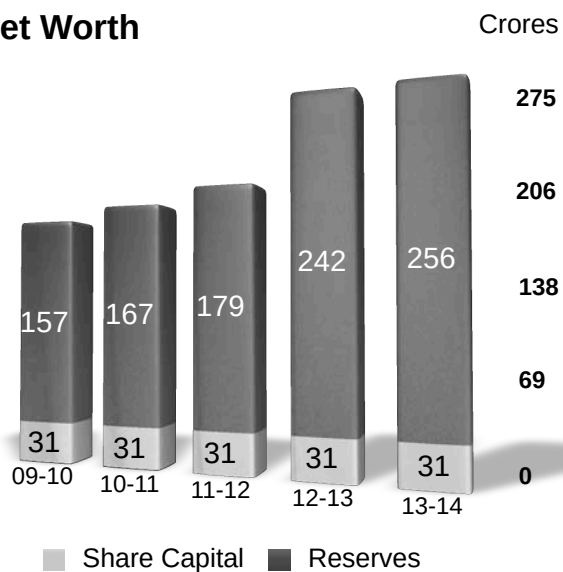


* A Special one-time dividend of ₹ 4 per share

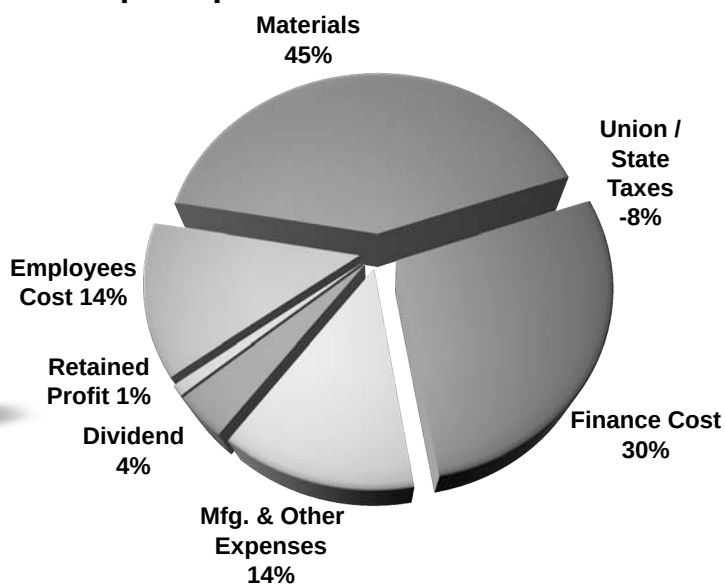
Debt Equity Ratio



Net Worth



Rupee Spent



Management Discussion & Analysis Report



Premier's plant at Chinchwad, Pune

Financial Review

The Company achieved gross sales of ₹205 crores in 2013-14 as against ₹298 crores in the previous year. The business operations of the Company were adversely affected due to slowdown in the economy, thereby affecting the capital goods sector and auto sector in which we operate.

The profit from operations before depreciation, amortization expense, interest and tax, was ₹93.58 crores (including a gain ₹58.46 crores out of compensation received from Indian Railways against compulsory acquisition of the Company's land) against ₹209.03 crores in the previous year. The previous year's profit included net gain of ₹132 crores on sale of the Company's land.

The Company's unvalued net worth as on 31st March, 2014, is ₹287 crores and the total debt is ₹448 crores. The debt-equity ratio is 1.56:1. If the revaluation of the Company's land is considered, the net worth is ₹499 crores and the debt-equity ratio on this basis is 0.90:1.

During the year, the Company incurred a capital investment of ₹62 crores towards factory buildings, plant & machinery and product development. Most of the Company's current capital investment plans have already been completed.

Segment Review

The Company operates in two reportable segments: Engineering and Automotive. The Engineering segment has two activities: CNC Machines and Engineering. The Automotive segment consists of Light Commercial and Sports Utility Vehicles.



CNC Vertical Machining Centres under testing

CNC Machines

Industry Structure & Outlook : The year 2013-14 was a very challenging year due to economic slowdown in Indian business environment because of the Government policies and slowdown in auto industry This has caused Auto Ancillaries to taper down capital investment during the year. This has had an adverse impact on CNC Gear Machines sales.

The Company's CNC machine business was also adversely affected due to deferred capital investment programmes by Railways, private sector customers and PSU's like BHEL.

Operations : The Company continues to receive orders locally from Defence, Railways and major automobile OEMs.

The Company is also exploring sales tie - ups with dealers in overseas countries in order to achieve growth in business. The Design Centres at Pune and Bangalore continue to undertake new product development and value engineering activities which are vital for growth in CNC machine business.

The Quality improvement initiatives are undertaken on continuous basis and the norms are adhered to in line with market demand. The Company's manufacturing facilities are ISO 9001-2008 certified.

Product Development : The following products were developed during the year :

- CNC Gear Hobbing Machine Model PHA 250 : Features extended for better usage of machine capacity, new CNC controls introduced
- CNC Gear Hobbing Machine Model PHA 630 : Machine Spindle taper SK50 with Spindle bearing for quick change of hob arbor, new CNC controls introduced
- CNC Gear Shaving Machine Model PSS 350: New Compact Version of Shaving machine with additional axis of cutter head swivel
- CNC VTL Machine Model PTB Developed with C Axis and with new CNC Control
- Special Purpose Machine Model SPM, Totally New Design suitable for Ratchet Milling

Business Strategy

- Targeting new customers in new geographic segments
- Rationalization of existing product portfolio
- Technological improvement in gear cutting machines to enhance customer satisfaction

Opportunities

- Long term growth in the auto and auto ancillary sector
- Modernization plans and new projects in Defense and Railways
- Export potential
- Expected demand from for Infrastructure sector



CNC Vertical Turning Lathe



CNC Gear Hobbing Machine



CNC Gear Shaving Machine



CNC High Speed Gear Hobbing Machine

Threats, Risks and Concerns

- Uncertain Government policies
- Sluggish market conditions due to downturn in economy
- Rupee - Dollar devaluation
- Competition from cheap machines from countries like China and Taiwan

Heavy Engineering

Industry Structure & Outlook : This business serves the general heavy engineering & wind energy sectors. There is a good scope for rapid growth in these sectors, provided the Government announces conducive policies. The engineering sector in India has been growing on the back of growth in the user industries and several new projects being undertaken in various core industries such as Power, infrastructure, Mining, Railways, Defence etc. The Company has developed technologies and skills to tap opportunities in these businesses.

Operations : The Engineering Division mainly involved in manufacturing and supply of wind turbine parts for various domestic & overseas customers on regular basis. The range of critical parts involves both structural, forging & casting parts.

Domestic customers like Wind World India Ltd., Regen Powertech and Kenersys are the key players in wind energy sectors. Due to expertise & strict adherence to the quality and commitment, the Company has started supplies to overseas customers.

The Company also has been supplying Metro Bogie chassis frames to BEML for metro rail projects. Further, the Company has developed critical gear casings of different capacities for thermal power plants. The in-house infrastructure developed over the years is flexible and could be used for alternate products and product mix.

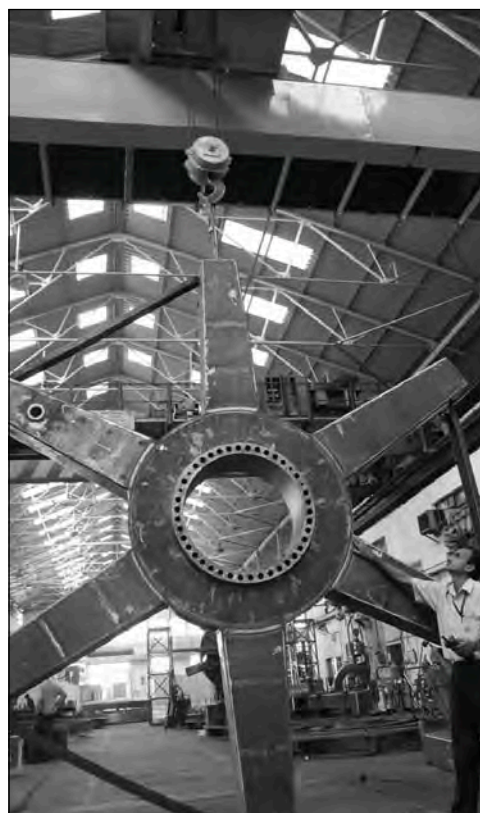
This business has an ISO 9001 certification.

Product Development : The following products were developed during the year:

- New wind mill parts like nacelle frame for 2.1MW, main frame & hub for 1.5MW, top flange for 2.6MW have been successfully developed which involves critical fabrication, precision machining and painting.
- Wind turbine top segment tower (11meter) & top flange of tower for World Wind India Ltd. and M/s. Lagerwey Wind, Netherlands, respectively.
- Wind turbine steel and forging parts, stator base frame, Rotor frame, Stator front plate, stator front flange, main bearing press ring, main seal carrier, yaw disc etc. for 2.6 MW capacity for Lagerwey Wind Netherlands.
- Crusher frames of different models required in mining sector.



CNC Vertical Machining Center



Manufacturing of Stator carrier of wind turbine parts having capacity of 800 KW - 1.2 MW



Employees using world class laser equipment for the inspection of wind mill tower flange flatness

Business Strategy : The Company's efforts are to diversify customer base by adding at least 3-4 new customers every year. The Company is in discussion with leading global clients to manufacture wind turbine towers.

The Company is also focusing on other engineering sectors to have long term business association with defence, railways, shipping, thermal power plant & mining sectors.

Quality : The Company has obtained ISO 9001 certification in the year 2008. It is in the process to obtain EN 15085 & ISO 3834 certification for welding process for railway products to capture national & international markets. The Company maintains high quality standards and has inspection facilities required at various stages and are well equipped with all quality standards & equipments.

Opportunities

- **Defence :** The Indian Defence sector is growing at an unprecedented rate with the country now ranked as the 10th largest investor in defence globally. The private sector participation would provide big opportunity to the Company in this sector.
- **Wind Energy :** The wind energy sector offers strong opportunities for business growth due to global thrust on renewable energy development. Due to the Company's high quality standards, new wind turbine manufactures are approaching to develop their components.
- **Infrastructure :** Railways, infrastructure, power and mining sectors are all expected to grow rapidly in the next five years. This company is paving platform to supply the critical components and assemblies and to create a room for future business on long term basis.

Threats, Risks and Concerns

- Risk of revenue loss and profitability due to non utilizations of equipment for the short term, if customer cancels an order.
- High dependency ratio on the wind energy sector business however management is in the process of diversifying the business to other industrial sectors.
- Unstable government policies
- Recession in economy affecting infrastructural growth.



Facility for wind turbine generator parts



Bogie Frame being manufactured at Premier Ltd.



Precision machining of wind turbine parts on Premier's Vertical Turning Lathe



Premier manufactured Generator base frame

Automotive

Industry Structure & Outlook : Indian Passenger vehicle industry continues to record overall negative growth (-6%) during the year under review, due to general economic slowdown, high inflation, high interest rates and increase in fuel prices. Even utility vehicle segment which was growing aggressively till previous year also shown negative growth for the year under review by 5%, in spite of new product launches by various players in the segment. The excise reduction initiative by the Government of India in the interim budget did not help to achieve growth momentum in passenger vehicle sales.

The above scenario is expected to continue to remain the same during the next 8-12 months until the economy in general comes out of sluggishness and uncertainty.

Operations : During the year under review, the Company has concentrated on improving the product quality and customer satisfaction index for the end buyer. The Company has introduced RiO in neighbouring countries such as Nepal, Bangladesh and Srilanka. The service network has been further strengthened in India.

Product Development : During the year under review, the Company has commenced development of in-house Euro-IV compliant. This development is intended to bring down the cost of the product thereby making the product price competitive in the market.

Opportunities : Even though passenger vehicles and utility vehicles market has shown de-growth during the year, the markets have great growth potential in future as India is developing market and still automobile penetration is far lesser than other developing and developed markets.

Threats, Risks and Concerns : Material cost remains under pressure due to devaluation of rupee and strengthening of RMB. In addition, competition in "compact SUV segment" has become aggressive as multinationals have entered this space to encash on the growth opportunity.

Human Resources and Industrial Relations

The Company's Industrial relations remained cordial and harmonious throughout the year. The bargainable workmen have formed their own internal union. The management and the employees union have concluded its wage settlement for a period of three years effective from February 15, 2014 to February 14, 2017. The overall manpower strength is 625, including 76 managerial personnel. The Company has 181 engineers and technicians constituting 28.96% of the total officer strength. Recruitment of qualified personnel to improve human resources is an on-going process.

Employee training at all levels is a key priority. Specific training and skill building programs, both in-house and external were conducted during the year for officers and workmen. Hard skills and technical training were the main focus areas of this year's training. On an average, every employee had 3.5 man-days of training during the year, which cumulatively amounted to 1515 man-days of training during the year. Machining Standards training, Open and Close



Premier RiO with its high ground clearance of 200 mm



Fuel efficient compact SUV RiO



Premier RiOs lined up for dispatch



On the job training at Premier Ltd.

Loop Systems training were conducted for the Executives and Assistant Managers of the Machines Division. In the Engineering Division, emphasis was laid on Welding training for our employees. Different types of welding procedures, safety measures, precautions and necessary documentations were introduced in these trainings.

Some of the other trainings undertaken during this year were ISO Awareness training, quality related trainings such as 1S and 2S and Statutory Compliance related training. This year, our female employees underwent several trainings and workshops under the Women's Empowerment programme.

Our officers were also nominated for numerous external training and certification programs organized by MCCIA, TATA Projects, CII etc. Our Machine Division officers were invited for a training programme on 'New Technologies being used by Machine Tool Manufacturers' in Europe'. This programme involved knowledge sharing from companies such as Redex from France, Kessler from Germany and Gudel from Switzerland.

The management follows an Affirmative Action Employment policy. Currently 4.8% of our employee base comprises of women. HR practices, as well as special personalized workshops were conducted for our women employees to empower them in the workplace. In keeping with the Confederation of Indian Industry (CII) Code of Conduct for Affirmative Action, the Company has taken initiatives to increase the employability of the SC/SC category. In the last 6 years the number of SC/ST employees in our Company increased by 5%.

During the National Safety week, which was celebrated from 4th March 2014 to 11th March 2014, training sessions on Industrial Safety and Prevention of Accidents were conducted. Premier employees underwent a detailed medical examination with tests such as blood pressure, body mass index and bone density. In addition to these tests, a special mammography workshop was organised for Premier's female employees.

Corporate Social Responsibility

The Company has a well integrated CSR (Corporate Social Responsibility) function which undertook several initiatives during the year:

- The Company won several accolades for its CSR initiatives including the 'Manufacturing Today Award' for Excellence in Corporate Social Responsibility for Small and Medium Scale Industry.
- This year, as a part of the Vinod Doshi Shikshan Yojna, an annual scholarship, 10 needy and meritorious candidates received financial aid of ₹ 75,000/- each.
- As part of the annual Vinod Doshi-COEP Merit Scholarship 11 deserving and financially needy students of the College of Engineering, Pune were awarded ₹ 60,000/- each for their 4 year engineering degree, by the Vinod & Saryu Doshi Foundation (the promoters' charity trust). Many activities were organized with these scholars to form a sustainable bond between them and the Company. These activities include



Premier's women's empowerment forum program



Fire fighting training at Premier Ltd.



College of Engineering Pune (COEP) students working on CNC machines donated by Premier Ltd.



A Vinod Doshi Shikshan Yojna receiptant

outbound educational visits, such as a visit to a Grameen micro-finance centre in rural Maharashtra. Our senior scholars have also taken a keen interest in mentoring junior scholars and making their initial years in college interesting and comfortable.

- The Company sponsors the annual IMTMA (Indian Machine Tool Manufacturers' Association) Vinod Doshi Award for Outstanding Entrepreneurship in Machine Tools. This award is given to one outstanding first generation entrepreneur for building a Machine Tool Company in India. This year the award was given to Mr. Ranjit Puri of ISJEC, India.
- The Company jointly with the Doshi family Trust sponsored the 6th Annual Vinod Doshi Theatre festival at the Yeshwantrao Chavan Natya Sabhagruha, Kothrud, Pune. The festival which took place from 24th to 28th February, 2014 was a grand success. The 5 plays featured in this festival were Hrishikesh Joshi's Sangeet Garvanirvaan, Mahesh Elkunchwar's Atmakatha, Bijon Mondal's Rashomon Blues, Taramandal by Neel Chaudhuri and Mohit Takalkar's Bandish. 'Taramandal' was the first English play ever performed at the Vinod Doshi Theatre festival.
- Fellowship awards were given to 5 upcoming theatre artists to motivate them to pursue their career in the Arts. These awards were sponsored by the Promoters' Trust.
- This year, the Company contributed to spreading awareness about Traffic rules and safety by educating 30 children from Apne Aap Women's Collective (AAWC), an NGO working with children of brothel based women.
- The annual blood donation camp was organized by the Company on 20th March 2014. A total of around 71 bottles of blood that were collected and were donated to Sahyadri Speciality Hospital.
- This year, Premier joined hands with CHIP (Children in Progress), Mumbai, a NGO which supports the education of children from 5 BMC schools in Mumbai. The Company supported over 450 children through a 'Book Donation Drive', where these children were given Math, English and Drawing books. The Company supported the English reading programme, another similar initiative where over 150 children from CHIP enrolled for a month long reading programme.
- For the second year in a row, the Company supported a Children's Environment, Art and Theatre competition. The goal of this initiative is to make children environmentally responsible citizens. This activity tied up with two of Premier's core focus areas for CSR which are Art & Culture and Community initiatives.
- The Vinod & Saryu Doshi Foundation joined hands with the American Alumni Association to support 2 financially needy, yet academically bright girls to pursue their education in the United States of America.



Premier employees receiving the Manufacturing Today award for best CSR practices



Mr. Ranjit Puri receiving the IMTMA Vinod Doshi Award for Outstanding Entrepreneurship in Machine Tools



A scene from the 6th Annual Vinod Doshi Theatre Festival



A performance by students at the Environment Arts & Theatre competition, sponsored by Premier Ltd.

- The Vinod & Saryu Doshi Foundation supported over 1200 people of the Pulkoti Chhavani, a draught stricken region in the interiors of Maharashtra by supplying them food grains.
- To expand the work of the Trust in terms of promoting the Arts as well as to widen the cultural calendar, the Vinod & Saryu Doshi Foundation supported Centrestage along with NCPA. The event spanned across 10 days and 14 experimental plays were performed.

Information and Technology

The Company uses a SAP-ERP system for all its activities. It invests regularly in upgrading the SAP infrastructure for better utility of the system. All maintenance and system activities are outsourced to local IP service providers. Resource planning, commercial and financial transactions are controlled through the SAP System.

Internal Controls

The Company has set up adequate internal controls to ensure operational efficiency, safety of assets and efficient financial management. It has appointed an independent firm of Chartered Accountants to conduct regular internal audits. The Audit Committee of the Board reviews the internal controls and audit reports regularly. There is a Managing Committee consisting of senior functional heads and the Managing Director that meets once a month to review overall operations of the Company.

Patents

Invention is an on-going process in the Company. The Company has, so far, filed 23 patents for processes & products. It is the endeavour of Management to encourage inventions of new products and processes in order to increase our patent portfolio. This shows strong technical and innovation skills developed in-house.

Cautionary Statement

The Management Discussion and Analysis Report contain forward looking statements describing the Company's projections and estimates. These are based on certain assumptions and expectations of future events. The Company cannot guarantee the realization of projections as the actual results may differ due to factors like the price of raw materials, demand-supply conditions, changes in government regulations, tax structures, etc. which are beyond the control of Management. The Company assumes no responsibility in respect of forward looking statements which may undergo change on the basis of any subsequent developments, information or events.

Report on Corporate Governance

- 1. Company's Philosophy on Code of Governance :** The Board of Directors and Management lay great emphasis on adopting and practicing principles of good Corporate Governance with a view to achieve business excellence by enhancing long term shareholder value and the interest of all its stakeholders through sound business decisions, prudent financial management and a high standard of business ethics.
- 2. Board of Directors :** The present strength of the Board is nine directors, comprising of seven independent directors, as stated below:

Name	Category
Mr. Maitreya V. Doshi, Chairman & Managing Director	Executive [Promoter]
Mrs. Rohita M. Doshi	Non-Executive Director [Promoter]
Mr. S. Padmanabhan	Independent Non-Executive
Mr. Asit Javeri	Independent Non-Executive
Dr. Udo Weigel	Independent Non-Executive
Mrs. Kavita Khanna	Independent Non-Executive
Mr. Dilip J. Thakkar	Independent Non-Executive
Mr. Ramesh Adige	Independent Non-Executive
Mr. Shailesh S. Vaidya	Independent Non-Executive

- 3. Directors' Profile :** A brief resume of all the Directors and names of companies in which they hold directorships/memberships/ chairmanships of the Board/Committees are provided below:



Mr. Maitreya V. Doshi, aged 51, is the Promoter and Chairman & Managing Director of the Company. He is an MBA from IMD (Switzerland) and B.A. (Econ.) from Stanford University, U.S.A. He has been associated with the Company for over 29 years starting as Manager - Management Services (1984 – 1988), then Vice President - Corporate Planning (1988 – 1993), followed by Executive Director (1993 – 1995) and finally Managing Director in 1995. He was appointed as Vice Chairman of the Board in 2007 and thereafter appointed as Chairman of the Board in 2008. He has been largely responsible for the strong turnaround of the Company's operations as well as development of new project activities such as the heavy engineering business

Mr. Doshi has served CII (Confederation of Indian Industry) in his capacity as Chairman of the International Affairs Sub-Committee and the Family Business Committee. He also served as a member of the National Committee on Trade, the Western Regional Council and the National Council.

He was also a member of ARAI (Automotive Research Association of India), Pune, Western India Automobiles Association (WIAA), AIAM (Association of Indian Auto Manufacturers), Passenger Cars and MUV Committee of SIAM (Society of Indian Automobiles Manufacturers). He is an Executive Committee Member of SIAM. He has been nominated as a permanent member of the Executive Board of IMTMA (the Indian Machine Tool Manufacturers Association) and is a governing board member of the College of Engineering, Pune.

Mr. Doshi was a member of the Young Presidents' Organization (YPO) for the past 20 years and he also served on the YPO International Board for 3 years from 2009-2012. He was previously the founder Regional Chairman of YPO's South Asia Region. In 2004, he was YPO Bombay's Chapter Chair. Mr. Doshi has also set up new YPO Chapters in Colombo, Sri Lanka and Gujarat. He is currently a member of the World Presidents' Organization (WPO).

Mr. Doshi has received many international YPO awards including two 'Best of the Best' awards for Chapter Education and Global Networking as well as YPO's Leadership in Global Membership' award.

In 1993, Mr. Doshi was nominated by the World Economic Forum, Geneva as one of 200 Global Leaders of Tomorrow selected from all over the world. He was also the first Indian speaker at Automotive News World Congress, Detroit, USA in 1996.

Mr. Doshi is a Director of Doshi Holdings Pvt. Ltd., Vinod Shashank Chakor Pvt. Ltd. and DHPL Marine Pvt. Ltd., Premier Auto Ltd., Aquila Global Pte. Ltd. and the Managing Trustee of Shri Lalchand Hirachand Premier Trust.



Mr. S. Padmanabhan, aged 74, is a M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. He has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai.

Mr. Padmanabhan was an I.A.S. Officer during which tenure he held various positions in the Government of Maharashtra, including Director - Tourism, Managing Director - SICOM, Commissioner, Aurangabad Division etc.

Mr. Padmanabhan has worked as Corporate Advisor to Bharat Forge Limited and later Deepak Fertilizers and Walchandnagar Industries Limited. During the last 20 years he has been associated with Videocon Group. He has wide experience in industrial projects, finance and administration. Mr. Padmanabhan is a Director of the Boards of Sudarshan Chemicals Industries Ltd., Desai Brothers Ltd., Rajkumar Forge Ltd., Force Motors Ltd., Sanghvi Movers Ltd. and Aquapharm Chemicals Pvt. Ltd.



Mr. Asit Javeri, aged 57, holds a Bachelors Degree in Science from Mumbai University. He is an industrialist with over 29 years of experience in chemical industry. Currently, he is Chairman and Managing Director of Sadhana Nitrochem Ltd and has been actively involved in the major expansion and diversification projects of the Company thereby propelling it to a Star Export House status.

Mr. Javeri is the Managing Director of Sadhana Nitro Chem Ltd. and Director of Indian Extractions Ltd., Phthalo Colours & Chemicals (I) Ltd., Lifestyle Networks Ltd., Manekchand Panachand Trading Investment Co. Pvt. Ltd., Anuchem B.V.B.A., Belgium, Strix Wireless

Systems Pvt. Ltd., Chandra Net Pvt. Ltd., Anuchem pte Ltd., Singapore, Strix System Inc, USA and AHANA Inc, USA.



Mrs. Rohita M. Doshi, aged 54, is the wife of Mr. Maitreya V. Doshi and a Promoter of the Company.

Mrs. Doshi has a BS and MS with high Honors in Computer Engineering from the Case Institute of Technology, Case Western Reserve University, Cleveland, USA and has also completed her Ph.D. Research on distributed databases and systems in Computer Engineering. She was the recipient of various scholarships and research assistantships as well as the winner of the Jennings Award for Excellence in Computer Engineering.

Mrs. Doshi started her career as a Research and Development Engineer at Hewlett Packard, Cupertino, CA, USA. She has designed and implemented a state of the art compiler for RISC architecture machines and other HP computers. She also worked as a Systems Analyst/Research Associate for SOHIO (Standard Oil of Ohio), Cleveland, USA.

Mrs. Doshi co-founded Soulkurry.com (India) Pvt. Ltd. in 2000, which launched India's first women's internet portal/website with over 50,000 registered members. She is currently the promoter of Art Point Pvt. Ltd. that consults and deals in contemporary Indian art, promoting artists, holding exhibitions and sales.

Mrs. Doshi has also been a speaker at conferences such as TIE on IT, chaired the IT committee of IMC Ladies' Wing and been Chairperson of Continuing Education Committee IMC Ladies' Wing. She was featured as an entrepreneur in International Business Week magazine and Asia Week magazine and has appeared on TV shows like Movers & Shakers. Mrs. Doshi is a Director of Art Point Pvt. Ltd., Doshi Holdings Pvt. Ltd. and DHPL Marine Pvt. Ltd.



Dr. Udo Weigel, aged 72, is a German national. He is a Graduate in Mechanical Engineering/ Manufacturing, Technology and holds a Doctorate Degree in Research on gear hobbing from RWTH Aachen University, Germany.

Dr. Weigel has over 4 decades of experience in the machine tool industry, having worked with Pfauter, a leading gear hobbing machine manufacturer in Europe, for more than 26 years in various capacities including Managing Director of Engrenasa Sorocaba Brazil and Pfauter Italia SPA. He is a Director of ADD Engineering, Germany and owner of Alpha Beta Engineers, Germany.

His professional experience includes guiding collaborators in different countries; process planning on component, group and complete product level; development of complex products; material flow analysis, automation concepts; public funded research projects (European Community); marketing concepts, sales strategies, customer contacts, development road mapping; consulting; evaluation and purchase of production means and facilities; technical due diligences; business plans, etc.



Mrs. Kavita Khanna, aged 52, has done her B.Sc (Econ.) from London School of Economics, U.K. She also holds a Masters Diploma in Law and Practice from City University, London, U.K. and is a Barrister of Law from U.K.

Mrs. Khanna is a Financial and Legal Consultant and is currently working in the area of Public Health to with a focus on neglected tropical diseases. Mrs. Khanna is a member of the India Council of the World Forum for Ethics in Business and is a member of the India Board of the International Association for Human Values.

Mrs. Khanna was President (Business Development) of Bharat Serums and Vaccines Ltd. Previously she has also been Partner, Economic Laws Practice. She did independent practice in the Mumbai High Court and continues to be the member of the Mumbai Bar Council.

She has served various organizations in different capacities such as serving on the National Executive of the Bhartiya Janata Party from 2010 to 2013, the Vice Chair of ASSOCHAM Committee of Human Resource Development, Member of Managing Committee of Indian Merchants' Chambers, Chairperson of the Industrial Relations and Labour Law Committee of CII, WR, Member of the Board of Trustees of Jawaharlal Nehru Port Trust & Chairperson of the IMC Committee for Human Resource Development.

She has worked closely with Prime Minister's office, Central Govt., Maharashtra Govt. and Indian Industry for reform of Labour Laws and Expert consultant to the Second Labour Commission.

Mrs. Khanna is a Director of Bharat Radiators Pvt. Ltd.; Bharat Radiators Industries Pvt. Ltd., Vista Communications Pvt. Ltd. and Kasiak Research Pvt. Ltd.



Mr. Dilip J. Thakkar, aged 77, is a fellow member of the Institute of Chartered Accountants of India. He is a senior partner of M/s Jayantilal Thakkar & Co., Chartered Accountants & M/s Jayantilal Thakkar & Associates, Chartered Accountants, Mumbai. He received his B.Com. and L.L.B. degrees from Bombay University in 1957 and 1959, respectively.

Mr. Thakkar is an eminent Chartered Accountant and has over fifty years of experience in Finance and Corporate matters. He specializes in the Foreign Exchange Management Act, and has advised overseas corporations and large Indian Companies on Investments, taxation and collaboration. He is a trustee of the HSBC Mutual Fund.

Mr. Thakkar is a Director on the Board of many Listed and Unlisted Public and Private Companies namely Poddar Developers Ltd., Panasonic Energy India Co. Ltd., Essar Oil Ltd., The Ruby Mills Ltd., PAE Ltd., Himatsingka Seide Ltd., Walchandnagar Industries Ltd., Indo Count Industries Ltd., Garware Polyester Ltd., Essar Ports Ltd., Modern India Ltd., Westlife Development Ltd. Rajasvi Properties Holdings Pvt. Ltd., Starrock Investments & Trading Pvt. Ltd., Blueberry Trading Company Pvt. Ltd., Essar Ports Ltd., Township Real Estate Developers Pvt. Ltd., Hamlet Construction (India) Private Ltd., Windmere Hospitality (India) Pvt. Ltd., Skidata (India) Pvt. Ltd., Ameya Logistics Pvt. Ltd., Universal Trustees Pvt. Ltd. and Magus Estate & Hotels Pvt. Ltd.



Mr. Ramesh Adige, aged 63, is a Masters in Business Administration with specialization in Marketing from the renowned Faculty of Management Studies, University of Delhi and holds a B.E. (Honours) degree from the prestigious Birla Institute of Technology and Science (BITS), Pilani. Until recently, Mr. Adige was President of Ranbaxy Laboratories, India's largest pharmaceutical company with world-wide foot prints, selling its products in 125 countries.

He has 39 years of extensive and wide-ranging experience in the areas of Corporate Policy, Public Affairs & Public Policy, Strategic and Perspective Planning, External Relations and the broader spectrum of Business Activities including Joint Ventures, Technical & Financial collaborations. He is an active participant in the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce & Industry (FICCI) and headed CII's Task Force on

IP Policy. He was Chairman of Health Committee of PHD Chamber of Commerce and Industry for 2 years. He is the Co – Chairman of PHD Chamber's Committee on Corporate Affairs. Ramesh is a member of the Round Table on Skills Development instituted by the Ministry of Human Resource Development, Govt. of India.

Before joining Ranbaxy, in 2004, Ramesh was Executive Director in Fiat India. He has considerable exposure to both direct & indirect marketing in the consumer durable and automobile industries. He has also served as President of the Governing Council of the Automotive Research Association of India, a premier institution for testing, homologation, validation and certification for all automobiles in India, having more than 500 Research scientists and engineers in its fold. Recognising his contribution to the Auto Industry, the Ministry of Heavy Industries and Public Enterprises, had inducted him as Member of the Development Council for Automobiles and Allied Industries. Ramesh was an active

participant in SIAM activities. He is credited with some high level public policy successes viz ending the monopoly in Government R/Cs for cars and separately in Defense purchases and also getting a level playing field introduced in all fiscal issues involving the Union Budget, and State sales tax.

Mr. Adige is a Director on the Board of Syndicate Bank and Fortis Malar Hospitals Ltd. He is also a Member of the Governing Council of T. A. Pai Management Institute, Manipal and a Member of the Board of Governors of the Indian Institute of Corporate Affairs. He is a Co-opted Member of the Biodiversity Foundation of NCT of Delhi, constituted by a Gazette Notification of Government of India. He is also a Member of the Management Committee of PHD Chamber of Commerce and the Chairman of the PHD Rural Development Foundation.



Mr. Shailesh Vaidya, aged 56 years, is a practicing Advocate and Solicitor. He has done his B. Com. and LLB degrees from Bombay University. He is a senior partner of M/s Kanga & Co., a reputed firm of Advocates & Solicitors, which is a 124 year old law firm in Mumbai.

In his professional capacity, Mr. Vaidya is a Director in Apcotex Industries Ltd., Siyaram Silk Mills Ltd., Avighna India Ltd. and Prabhukripa Overseas Ltd. He is a Member on the Investment Committee of Aditya Birla Sunlife Reality Mutual Fund. He specializes in Property / Real Estate matters. With his more than 31 years of experience in legal practice, he has been involved in several prestigious / landmark property deals. His name and firm reference features in "Guide to the World's Leading Real Estate Lawyers" 7th Edition, published by Legal Media Group,

United Kingdom and also in "The Legal 500" and Chambers Asia Pacific Guide to Asia's Commercial Law Firm 2011 to 2013 issues as leading lawyer firm for Real Estate in Mumbai City. His firm has been recently awarded India Business Law Journal Award for best legal practiced in "Construction and Real Estate"

Mr. Vaidya is presently the President of Indian Merchants' Chamber (Premier Chamber of Commerce in Western India). He has been the Member of the Managing Committee of the Indian Merchants' Chamber for the past seven years. He has also been the President (centennial year) of the Rotary Club of Bombay Queen City and has been associated as trustee / advisor with several educational / social organizations.

4. Board Meetings and Attendance :

Five (5) Board meetings were held during the financial year ended on 31st March, 2014.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meetings to enable the Board to take informed decisions.

The dates on which meetings were held are as follows:			
Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	30.04.2013	8	7
2	14.06.2013	8	3
3	14.08.2013	9	7
4	13.11.2013	9	9
5	05.02.2014	9	9

Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member.

Name of Director	Category of Director-ship	Number of Board meetings attended	Attendance at the last AGM held on 24th August, 2012	Number of Directorships in other public limited companies	Number of committee positions held in other companies	
					Chairman	Member
Mr. Maitreya V. Doshi Chairman & Managing Director	Executive (Promoter)	5	Yes	-	-	-
Mrs. Rohita M. Doshi Computer Engineer	Non-Executive (Promoter)	4	-	-	-	-
Mr. S. Padmanabhan I.A.S (Retd.)	Independent Non-Executive	5	Yes	5	-	3
Mr. Asit Javeri Industrialist	Independent Non-Executive	4	-	4	3	3

Name of Director	Category of Director-ship	Number of Board meetings attended	Attendance at the last AGM held on 24th August, 2012	Number of Directorships in other public limited companies	Number of committee positions held in other companies	
					Chairman	Member
Dr. Udo Weigel Machine tool technologies	Independent Non-Executive	3	-	-	-	-
Mrs. Kavita Khanna Management and Legal Consultant	Independent Non-Executive	3	-	-	-	-
Mr. Dilip J. Thakkar Chartered Accountant	Independent Non- Executive	4	-	12	5	3
Mr. Ramesh Adige Industry Expert - Automotive, Pharma, Banking, Healthcare & Public Policy	Independent Non- Executive	4	Yes	2	2	5
Mr. Shailesh Vaidya Solicitor	Independent Non- Executive	3	-	4	-	4

5. Audit Committee :

The Audit Committee consists of 4 Non-Executive, Independent Directors namely Mr. S. Padmanabhan, Mr. Asit Javeri, Mrs. Kavita Khanna and Mr. Dilip J. Thakkar. Mr. S. Padmanabhan is a Chairman of the Audit Committee. Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary is the Secretary of the committee.

Four (4) meetings were held during the year on 30th April, 2013, 14th August, 2013, 13th November, 2013 and 5th February, 2014. The Audit Committee has been mandated with the

Attendance of Directors at the Audit Committee Meeting held during the financial year:		
Name of the Director	No. of meetings held	No. of meetings attended
Mr. S. Padmanabhan	4	4
Mr. Asit Javeri	4	4
Mrs. Kavita Khanna	4	3
Mr. Dilip J. Thakkar	4	4

terms of reference as are specified in Clause-49 of the Listing Agreement with the Stock Exchanges.

6. Remuneration Committee :

The Remuneration Committee consists of 3 Non - Executive, Independent directors, namely Mr. S. Padmanabhan, Mr. Asit Javeri and Mr. Udo Weigel. Mr. S. Padmanabhan is the Chairman of the Committee. The Committee is appointed with the terms of reference of deciding the remuneration of executive and non- executive directors. During the year meeting of the Committee was held on 30th April, 2013 & on 5th February, 2014.

Attendance of Directors at the Remuneration Committee Meeting held during the financial year:		
Name of the Director	No. of meetings held	No. of meetings attended
Mr. Asit Javeri	2	2
Dr. Udo Weigel	2	2
Mr. S. Padmanabhan	2	2

7. Remuneration Policy :

The Company pays remuneration by way of salary, allowances and perquisites to the Chairman & Managing Director as approved by the Board of Directors and shareholders of the Company. Each Non-Executive Director is paid a sitting fee of Rs. 20,000/- per meeting of the Board/Committee. Apart from this, the Company pays commission to Non-Executive Directors in absolute figures.

Details of remuneration of the Directors during the period 1st April, 2013 to 31st March, 2014 are :

(₹ Lakhs)

Name of the Director	Salaries, Perquisites contribution to Provident Fund and Superannuation	Commission *	Sitting Fees	Total
Mr. Maitreya V. Doshi	48.39	-	-	48.39
Mrs. Rohita M. Doshi		9.00	0.80	9.80
Mr. S. Padmanabhan		9.00	2.20	11.20
Mr. Asit Javeri		9.00	2.80	11.80
Mr. Rohan Shah		9.00	-	9.00
Mr. Udo Weigel		9.00	1.00	10.00
Mrs. Kavita Khanna		9.00	1.80	10.80
Mr. Dilip J. Thakkar		9.00	1.60	10.60
Mr. Ramesh Adige		4.22	1.60	5.82
Mr. Shailesh S. Vaidya		-	0.60	0.60

Note : Mr. Rohan Shah resigned as Director w.e.f. 12.04.2013. The Company does not have any Stock Option Scheme.

* Commission paid for the financial year 2011-12 & 2012-13.

8. Shareholding of Non-Executive Directors as on 31st March 2014

Sr.	Name of the Director	No. of shares held
1	Mr. Dilip J. Thakkar	740
2	Mr. S. Padmanabhan	NIL
3	Mr. Asit Javeri	14,300
4	Mrs. Rohita M. Doshi	200
5	Mr. Shailesh S. Vaidya	NIL
6	Dr. Udo Weigel	NIL
7	Mrs. Kavita Khanna	14,000
8	Mr. Ramesh Adige	NIL
9	Mr. Shailesh S. Vaidya	NIL

9. Shareholders' Grievance Committee :

This Committee consists of 3 Non-Executive Independent Directors namely Mr. Asit Javeri, Mrs. Kavita Khanna and Mr. Ramesh Adige. Mr. Asit Javeri is the Chairman of the Committee.

The functioning and terms of reference of the Committee are as prescribed and in due compliance with the Listing Agreement with the Stock Exchanges and include reviewing existing Investor Redressal System, redressing of shareholder complaints like delay in transfer of shares, non-receipt of balance sheet, non-receipt of dividend warrant etc. and suggesting improvements in investor relations.

Four (4) meetings of the Committee were held during the year on 30th April, 2013, 14th August, 2013, 13th November, 2013 and 5th February, 2014.

Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary is the Compliance Officer.

The Company's shares are tradable only in demat form. The investor complaints are promptly attended by the Compliance Officer.

Statement of the various complaints received and cleared by the Company during the year ended on 31st March, 2014				
Sr.No	Subject	Received	Cleared	Pending
1	Non Receipt of Share Certificate	12	12	0
2	Non Receipt of Dividend	118	118	0
3	Non Receipt of Annual Report	4	4	0

Attendance of Directors at the Investors'/Shareholders' Grievance Committee Meeting held during the financial year:		
Name of the Director	No. of meetings held	No. of meetings attended
Mr. Asit Javeri	4	4
Mrs. Kavita Khanna	4	3
Mr. Ramesh Adige	4	4

Sr.No	Subject	Received	Cleared	Pending
4	Non Receipt of Exchange Certificate	3	3	0
5	Others	2	2	0
	Total	139	139	0

10. General Body Meetings

(a) Details of location and time of holding of last three AGMs :

AGM for the financial year ended	Venue	Date	Time	No. of Special Resolutions passed
65th AGM 31st March, 2011	Mumbai-Pune Road, Chinchwad, Pune-411 019	11th June, 2011	12.00 noon.	2
66th AGM 31st March, 2012	Mumbai-Pune Road, Chinchwad, Pune-411 019	24th August, 2012	10.00 a.m.	1
67th AGM 31st March, 2013	Mumbai-Pune Road, Chinchwad, Pune-411 019	14th June, 2013	10.00 a.m.	2

(b) Special Resolution passed through Postal Ballot during the year:

During the year a special resolution was passed through by members of the Company approving the re-appointment of Mr. Maitreya V. Doshi as Managing Director for a period of three years from 29th March, 2014 to 28th March, 2017.

The above mentioned special resolution was carried by overwhelming majority with 97.65% of votes polled in favour of resolution.

The postal ballot was conducted in accordance with the requirement of the Company's Act, 1956 and rules framed thereunder. M/s N.L.Bhatia & Associates, Practicing Company Secretaries was appointed as Scrutinizer for the postal ballot.

11. Disclosures

(a) Materially Significant related party transactions: The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 35(b) in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest.

(b) Management Disclosures: The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

(c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years: The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well regulations and guidelines prescribed by SEBI.

There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

(d) Risk Management Framework: The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top Management to identify potential events that may affect the Company, to manage the risk within its risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management prioritizes the risk and finalizes the action plan for mitigation of the key risks.

(e) Compliance with the Non- Mandatory Requirements: As regards non- mandatory requirements of Corporate Governance norms, the Company has complied with the constitution of the Remuneration Committee.

(f) Vigil Mechanism: The Company has established a vigil mechanism for directors and employees to report their genuine concern and grievances.

12. Means of communication

The quarterly, half yearly and annual results are published in English in “Free Press Journal” and in Marathi in “Nav Shakti”. The Company does not send its half yearly report to each shareholder. The financial results and official news releases are also available on the Company’s website at www.premier.co.in. No presentations were made to institutional investors or to the analysts during the year.

13. General shareholder information

The financial year of the Company is for a period of 12 months from 1st April to 31st March every year.

AGM: Date, time and venue	68th Annual General Meeting on Friday, the 12 th Sept., 2014 at 10.00 am at the Registered Office of the Company
Date of Book Closure	Tuesday, the 2 nd Sept., 2014 to Friday, the 12 th Sept. 2014
Dividend payment date	On or after 15 th Sept, 2014
Financial Calendar (Tentative)	
Results for quarter ending June 30 '14	Last week of July, 2014
Results for quarter ending September 30 '14	Last week of October, 2014
Results for quarter ending December 31 '14	Last week of January, 2014
Results for quarter ending March 31 '15	April, 2015
Listing of Company’s shares	The Company’s shares are listed on BSE and National Stock Exchange of India Ltd.
Scrip Code	500540 on BSE Ltd., PREMIER on NSE
ISIN Number	INE342A01018

14. Investor Services

The Company has appointed M/s Link Intime India Pvt. Ltd., (Formerly known as Intime Spectrum Registry Ltd.) whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialization of share certificates, subdivision/consolidation of share certificates and investor grievances.

Link Intime India Pvt. Ltd. :

Unit: Premier Ltd.

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup [West], Mumbai – 400 078

Tel. No. [022] 2594 6970 - 6978, Fax No. [022] 2594 6969. Email ID: rnt.helpdesk@linkintime.co.in

15. Share Transfer System

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 15 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

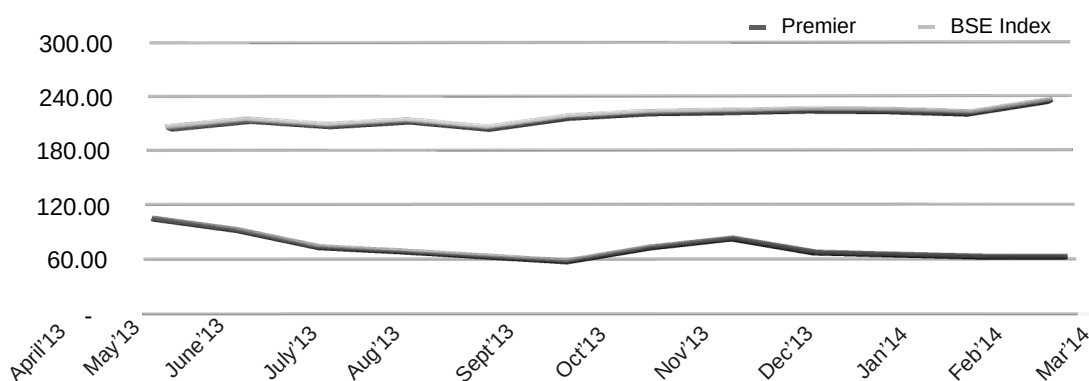
16. Dematerialization of shares

The Company’s shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2014, 90.32% of the equity shares have been dematerialized.

17. Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs. During the year, no conversion took place and hence there was no effect on Equity Capital of the Company.

18. High/low of market price of the Company's shares traded on the Stock Exchange upto 31st March 2014



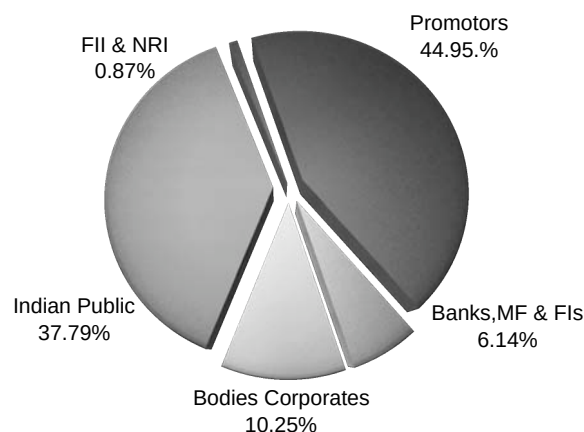
Period	Premier's Share Price (Rs)		BSE SENSEX	
	High	Low	High	Low
April 2013	98.25	76.15	19,622.68	18,144.22
May 2013	86.80	64.55	20,443.62	19,451.26
June 2013	69.20	50.60	19,860.19	18,467.16
July 2013	64.90	55.05	20,351.06	19,126.82
August 2013	59.85	46.00	19,569.20	17,448.71
September 2013	54.70	46.00	20,739.69	18,166.17
October 2013	68.75	48.15	21,205.44	19,264.72
November 2013	78.00	58.60	21,321.53	20,137.67
December 2013	63.65	52.65	21,483.74	20,568.70
January 2014	61.50	50.75	21,409.66	20,343.78
February 2014	59.50	50.00	21,140.51	19,963.12
March 2014	59.40	51.20	22,467.21	20,920.98

19. Distribution of shareholding as on 31st March, 2014

Shareholding of nominal value	Folios		Amounts	
	Number	% to total	Rs	% to total
(1)	(2)	(3)	(4)	(5)
1 – 5000	33,693	93.10	3,74,79,620	12.34
5001 - 10000	1,393	3.85	1,07,74,880	3.55
10001- 20000	528	1.46	80,25,210	2.64
20001- 30000	173	0.48	44,41,350	1.46
30001- 40000	79	0.22	28,47,880	0.94
40001- 50000	71	0.19	33,40,160	1.10
50001- 100000	126	0.35	87,00,280	2.86
100001 and above	127	0.35	22,81,16,320	75.11
Total:	36,190	100.00	30,37,25,700	100.00

20. Shareholding pattern as on 31st March, 2014

Category	No. of shares	%
Promoters	1,36,53,202	44.95
Mutual Funds and UTI	12,074	0.04
Banks, Financial Institutions & Insurance Companies	18,53,964	6.10
FII's	1,54,800	0.51
Bodies Corporate	31,14,124	10.25
Indian Public	1,14,75,366	37.79
NRI's/Foreign Nationals	1,09,040	0.36
Total :	3,03,72,570	100.00



21. Code of Conduct

As required by clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same has been adopted by the Board. The Code is also available on the Company's official website. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

Plant Location Address for Correspondence :

Premier Ltd.
Mumbai – Pune Road
Chinchwad
Pune – 411 019
Maharashtra
Tel: 020-6631 0000
Fax: 020-6631 0371

Premier Ltd.
58, Nariman Bhavan,
5th Floor, Nariman Point
Mumbai - 400 021
Tel: 022-6117 9000
Fax: 022-6117 9003
Email: investors@premier.co.in

Link Intime India Pvt Ltd.
C-13, Pannalal
Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai – 400 078
Tel: 022-2594 6970 - 78
Fax: 022-2594 6969
Email: rnt.helpdesk@linkintime.co.in

22. CEO / CFO Certification

The Company is duly placing a certificate to the Board from the Chairman & Managing Director and the Chief Financial Officer in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director and the Chief Financial Officer in respect of the financial year ended 31st March, 2014 has been placed before the Board in the meeting held on 7th May, 2014.

Declaration

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company. All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective Codes.

Maitreya V. Doshi
Chairman & Managing Director

Date : 7th May 2014
Place : Mumbai

Auditors' Certificate on Corporate Governance

To the Members of Premier Limited

We have examined the compliance of conditions of Corporate Governance by Premier Limited, for the year ended March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Raghuvir M. Aiyar
Partner
Membership No. 38128

Date : 7th May 2014
Place : Mumbai

Independent Auditors' Report

To The Members of Premier Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Premier Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

Without qualifying our opinion,

Note 9(b) to the financial statements regarding non-recognition of income in respect of compensation receivable against compulsory acquisition of certain Land of the Company by Railways as amount is unascertained.

We draw attention to Note No. 28(c) to the financial statements regarding interest demand of Rs.3.90 Crores, which has been considered as Contingent liability, in view of the writ petition filed by the Company against said demand.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For K.S.Aiyar & Co;
Chartered Accountants
Firm's Registration Number: 100186W

Raghuvir M. Aiyar
Partner (M No.- 38128)

Place : Mumbai
Date : 7th May 2014

Annexure

Re: Premier Limited

Referred to in paragraph 1 of our Report on **Other Legal and Regulatory Requirements**

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on physical verification were not material and properly dealt with in the books of account.
- c. The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to the explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt with in the books of account.
- (iii) a. The Company has granted unsecured loans to one company covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance recoverable as at the year end is Rs.186.15 Lakhs. (Maximum balance during the year Rs.186.15 Lakhs).
- b. The above Loan has been given to an entity wherein the Company has also made strategic investment and therefore it is interest free. We have been informed by the management that in view of the revival plan envisaged, the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured to the said party listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.
- c. In respect of the above loan granted there is no stipulation as regard receipt/renewal of the principal amount.
- d. There is no overdue amount of more than rupees one lakh of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- e. The Company has taken unsecured loan from seven parties listed in the register maintained under section 301 of the Companies Act, 1956 wherein the balance payable as at the year end is Rs. 2108 Lakhs (Maximum balance outstanding during the year Rs. 2595 Lakhs).
- f. In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie prejudicial to the interest of the company.
- g. In our opinion and according to the explanations given to us, the company is regular in paying the principal and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- (v) a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b. There are no transactions made for purchase or sale of goods or services exceeding the value of five lakh rupees in respect of any party listed in the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (ix) a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues regarding wealth tax, customs duty, excise duty, cess and other statutory dues applicable to it.
- b. According to the record of the Company, the undisputed statutory dues that have remained unpaid for a period of more than six months from the date they become payable as of 31st March, 2014. are (i) Local Body Tax of Pimpri-Chinchwad Municipal Corporation ₹ 32.81 Lakhs for the months of August, 2014 and September, 2014 (ii) Octroi duty ₹ 21.40 Lakhs for the month of March, 2014 (iii) Investor Education and Protection Fund of ₹ 0.21 Lakhs which has been retained by the Company as per the orders of the Kolkata High Court
- c. According to the records of the Company, the disputed statutory dues on accounts of sale tax, income-tax, customs tax/wealth-tax, service Tax, excise duty/cess which have not been deposited on account of any dispute are as follows:

Sr. No	Name of the Statute	Nature of the Dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where between dispute is pending
1	The Central Excise Act	Penalty	10.00	1997 to 2000	CESTAT
2.	The Central Excise Act	Excise Duty Penalty	4.92 0.50	July, 1996 to Sept., 1996	The matter has referred back to the Commissioner of Central Excise for denovo adjudication by CESTAT.
3.	FEMA	Penalty	65.49	1996-97	The Special Director (Appeals) FEMA & Commissioner of Income Tax (Appeals-6) Mumbai vide order dated 14.12.2012 has referred back the matter to Assistant Director (Directorate of Enforcement), Mumbai for fresh adjudication.
4.	The Central Excise Act	Excise Duty	26.43	May, 1992 to Sept., 1992	CESTAT
5.	The Central Excise Act	Excise Duty Penalty	11.10 11.10	June, 1989	CESTAT
6	The Central Excise Act	Interest	389.61	29.08.2012 to 22.03.2013	High Court Mumbai

- (x) The Company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and also during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank during the year.
- (xii) The Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities
- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the company.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment/applications.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any secured debentures during the year nor has any outstanding debentures during the year.
- (xx) The Company has not raised money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W
Raghuvir M. Aiyar, Partner (M No.- 38128)
Place : Mumbai, Date: 7th May 2014

Balance Sheet as at 31st March 2014

	Note No.	As at 31.03.2014 (₹ Lakhs)	As at 31.03.2013 (₹ Lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	3039.95	3039.95
b) Reserves and surplus	3	46821.85	48284.91
		49861.80	51324.86
Non Current Liabilities			
a) Long term borrowings	4	25035.80	34130.11
b) Deferred tax liabilities(net)	15	0.00	1399.70
c) Other long term liabilities	5	6.60	10.07
d) Long term provisions	6	678.89	670.93
		25721.29	36210.81
Current Liabilities			
a) Short term borrowings	7	15729.44	5832.08
b) Trade Payables	8	4854.41	8079.91
c) Other current liabilities	8	8188.11	5297.10
d) Short term provisions	6	1348.10	5368.27
		30120.06	24577.36
Total Equity and Liabilities		105703.15	112113.03
ASSETS			
Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	9	51830.71	55148.67
i) Intangible Assets	10	3334.07	4178.05
i) Capital work-in-progress		2680.77	1900.82
iv) Intangible Assets under development	11	2827.98	0.00
b) Non current investments	12	364.92	364.92
c) Deferred tax assets (net)	15	1649.67	0.00
d) Long term loans and advances	13	2733.87	460.53
e) Other Non current assets	18	184.25	22081.77
		65606.24	84134.76
Current Assets			
a) Inventories	16	6672.45	10014.70
b) Trade receivables	14	9788.83	10895.61
c) Cash and Bank balance	17	1025.08	5145.50
d) Short term loans and advances	13	2440.83	1871.77
e) Other current assets	18	20169.72	50.69
		40096.91	27978.27
Total Assets		105703.15	112113.03

The accompanying notes form an integral part of the Financial Statements. (Note No. 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No

100186W

Raghuvir M. Aiyar

Partner (M No. 38128)

Place: Mumbai

Date: 7th May 2014

Maitreya V. Doshi

Chairman & Managing Director

S. Padmanabhan

Director

Asit Javeri

Director

Rohita M. Doshi

Director

Dilip J. Thakkar

Director

Shailesh Vaidya

Director

Ramesh M. Tavhare

Vice President

(Legal & Corporate Affairs)

& Company Secretary

K. S. Nair

Chief Financial Officer

Place: Mumbai

Date: 7th May 2014

Statement of Profit & Loss for the Year Ended 31st March 2014

	Note No.	For the year ended 31.03.2014 (₹ Lakhs)	For the year ended 31.03.2013 (₹ Lakhs)
INCOME :			
Revenue from Operations (Gross)	19	20507.43	29754.58
Internal Capitalisation		(3145.49)	(3676.23)
Excise Duty		(1224.44)	(1995.14)
Revenue from Operations (Net)		16137.50	24083.21
Other Income	20	5989.78	31325.04
		22127.28	55408.25
EXPENSES :			
Materials consumed	21	10892.34	14292.55
(Increase) / Decrease in inventory of Work in Progress and Finished Goods	22	(920.41)	(162.90)
Employee Benefits Expense	23	3083.72	3137.44
Other Expenses	24	2858.50	3384.99
Expenditure capitalised (Internal capitalisation)		(3145.49)	(3676.23)
		12768.66	16975.85
Earnings before interest, tax, depreciation and amortization (EBITDA)		9358.62	38432.40
Finance Cost	25	6618.49	5176.11
Depreciation and amortization expense	26	3274.60	1564.15
Non-Recurring Items	27	0.00	17529.18
		9893.09	24269.44
Profit before exceptional items and tax		(534.47)	14162.96
Tax Expenses:			
Current Tax (Refer Note 15 (a) & (b))	15	0.00	2840.57
Deferred Tax (Refer Note 15 (c))		(3049.37)	2557.70
		(3049.37)	5398.27
Profit/(Loss) for the year		2514.90	8764.69
Earning Per Share (₹ per share)			
Basic		8.28	28.86
Diluted		8.28	28.86

The accompanying notes form an integral part of the Financial Statements. (Note No. 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No

100186W

Raghuvir M. Aiyar

Partner (M No. 38128)

Place: Mumbai

Date: 7th May 2014

Maitreya V. Doshi

Chairman & Managing Director

S. Padmanabhan

Director

Asit Javeri

Director

Rohita M. Doshi

Director

Dilip J. Thakkar

Director

Shailesh Vaidya

Director

Ramesh M. Tavhare

Vice President

(Legal & Corporate Affairs)
& Company Secretary

K. S. Nair

Chief Financial Officer

Place: Mumbai

Date: 7th May 2014

Cash Flow Statement for the year ended 31st March 2014

	Year ended 31.03.2014 (₹ Lakhs)	Year ended 31.03.2013 (₹ Lakhs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Exceptional items	(534.47)	14162.96
Adjustments for :		
Depreciation	3274.60	1564.15
Interest and Financial Charges	6618.49	5176.11
Interest/Dividend Income	(70.74)	(258.44)
(Gain)/Loss on sale of Fixed Assets (Net)	(5846.19)	(30748.71)
Intangible Assets Written Off	0.00	12600.38
	3976.16	(11666.51)
Operating profit before Working Capital Changes	3441.69	2496.45
Adjustments for :		
Trade & Other Receivables	(1838.10)	(3287.15)
Inventories	3342.25	(712.30)
Trade Payable & Provisions	(2466.70)	(1251.22)
	(962.55)	(5250.67)
Cash generated from Operations	2479.14	(2754.22)
Direct Taxes Net Received / (Paid)	(2607.30)	(581.12)
Net Cash Flow from Operating Activities (A)	(128.16)	(3335.34)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	8272.59	13747.04
Purchase of Fixed Assets	(6218.82)	(9121.73)
Interest & Dividend Received	111.61	281.68
Net Cash flow from Investing activities (B)	2165.38	4906.99
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Inter-Corporate Deposits availed	9834.00	15786.00
Inter-Corporate Deposits repaid	(7699.00)	(17851.00)
Proceeds from long term Borrowings	3000.00	19800.00
Repayment of long term borrowings	(5680.50)	(9257.21)
Proceeds from Fixed Deposits	206.78	886.38
Cash Credit from Banks	3193.08	(2939.67)
Fixed Deposits with Banks	3756.90	(1481.65)
Dividend paid during the year	(2393.51)	(1036.62)
Interest paid	(6618.49)	(5176.11)
Net Cash flow from Financing activities (C)	(2400.74)	(1269.88)
Net increase in Cash & Cash equivalents [A+B+C]	(363.52)	301.77
Opening Balance Cash & Cash Equivalents (as per note 17)	458.33	156.56
Closing Balance Cash & Cash Equivalents (as per note 17)	94.81	458.33

The accompanying notes form an integral part of the Financial Statements. (Note No. 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No

100186W

Raghuvir M. Aiyar

Partner (M No. 38128)

Place: Mumbai

Date: 7th May 2014

Maitreya V. Doshi

Chairman & Managing Director

S. Padmanabhan

Director

Asit Javeri

Director

Rohita M. Doshi

Director

Dilip J. Thakkar

Director

Shailesh Vaidya

Director

Ramesh M. Tavhare

Vice President

(Legal & Corporate Affairs)

& Company Secretary

K. S. Nair

Chief Financial Officer

Place: Mumbai

Date: 7th May 2014

Notes forming part of the financial statements for the year ended 31st March 2014

Corporate Information

Premier Ltd. is a BSE and NSE listed public company, incorporated under the Companies Act, 1913. It operates in two business segments: Engineering & Automotive. The Engineering segment consists of Manufacture of CNC Machines and large mechanical components for the wind energy and infrastructure sectors and professional and engineering services related thereto. The Automotive Segment consists of Manufacture of Light and Sport Utility Vehicles along with related spare parts as well as auto components for other OEM's.

The registered office and plant of the company is located at Chinchwad, Pune while the Corporate office is located at Mumbai. The company has also its branch offices at Bangaluru, Chennai, Kolkata and Delhi.

1. Significant accounting policies

(I) Basis of Accounting

The financial statements have been prepared and presented under the historical cost convention (except for free hold land) and on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.

The accounting policies have been consistently applied by the company.

(II) Revenue Recognition

- a. Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of product is transferred to the customers, which is generally on dispatch of goods.
- b. Domestic sales include excise duty and are net of sales returns, trade discounts and sales tax.
- c. Export Sales are accounted on the basis of dates of Bill of Lading.
- d. Revenue from services is recognized as and when services are rendered as per terms of contract.
- e. Income from investments / other income is recognized on accrual basis.

(iii) Inventories are valued as under

- a. Raw materials, Components, Stores & Spares, Loose Tools : At moving weighted average cost or net realizable value which ever is lower.
- b. Finished Goods: At lower of cost or net realizable value inclusive of excise duty thereon.
- c. Work-in-Progress: At lower of estimated cost and net realizable value.
- d. Goods in Transit and under clearance: At lower of actual cost till date (inclusive of customs duty payable thereon) or net realizable value.
- e. Stock of Scrap: At estimated net realizable value.

(iv) Investments

Long term investments are valued at cost less provision for diminution in value, other than temporary, if any.

(v) Employee Benefits

1. Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering service are classified as short term benefits. The benefits like salaries, wages etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

2. Post Employment Benefits

- a. **Defined Contribution Plan:** Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid/payable during the year under these schemes are recognized as expense in the statement of Profit and Loss. There are no other obligations other than the contribution made by the company.
- b. **Defined Benefit Plan:** The employees' gratuity schemes and long term compensated absences are the defined benefit plans. Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial gain and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds.

(vi) Fixed Assets

- a. **Tangibles:** Fixed assets (except free hold land) are stated at cost of acquisition or construction including installation cost, attributable interest and financial cost till such time assets are ready for its intended use and foreign exchange fluctuation on long term borrowings related to fixed assets, less accumulated depreciation, impairment losses and specific grants received if any. Free hold land is stated at revalued amount.
- b. **Intangibles:** Product Development Expenditure and License / Technical know-how fees : Product Development expenditure of capital nature are added to Intangible assets. Expenditure on license and technical know-how fees and other related expenditure towards technological improvement of the products and/or components for captive use are treated as intangible assets. Expenditure of these nature are initially recognized as Intangible Assets under development and eventually transferred to Intangible assets block as appropriate on the commencement of the commercial production after the viability of the product is proven.

(vii) Depreciation and amortization

- a. Depreciation on fixed assets except free hold land is calculated on straight line basis at the rates specified in accordance with the Schedule XIV of the Companies Act, 1956.
- b. Depreciation on fixed assets sold or scrapped during the year is provided up to the month in which such fixed assets are sold or scrapped. Depreciation on additions to fixed assets is calculated on pro-rata basis from the month of addition.
- c. Product Development expenditure and License/Technical know-how fees are amortized over a period of 5 years from the accounting year in which the commercial production of such improved product commences.

(viii) Impairment of Assets

In accordance with Accounting Standard 28 (AS 28) on "Impairment of Assets", where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment based on internal/external factors. An impairment loss, if any, is recognized in the Statement of Profit & Loss, wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of the assets is estimated at the higher of its net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(ix) Foreign Currency Transactions

- a. Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
- b. Foreign currency monetary assets and liabilities as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising therefrom is charged / credited to the Statement of Profit & Loss - except for the exchange difference arising on long term borrowings related to fixed assets, which are capitalized.

(x) **Leases**

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognized as assets of the Company on the date of acquisition and depreciated over their estimated useful lives. Initial direct costs under the finance lease are included as part of the amount recognized as asset under the finance lease. Rentals payable under operating leases are treated as expenses as and when they are incurred.

(xi) **Customs Duty**

Customs duty is accounted for as and when paid/provided.

(xii) **Borrowing Cost**

As per Accounting Standard 16 on "Borrowing Costs" borrowing costs that are : (a) directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as a part of cost of such asset till the time the asset is ready for its intended use and; (b) not directly attributable to qualifying assets are determined by applying a weighted average rate and are capitalized as a part of the cost of such qualifying asset till the time the asset is ready for its intended use. Remaining borrowing costs are recognized as an expense in the period in which they are incurred.

(xiii) **Contingencies and Provisions**

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(xiv) **Taxation**

Tax expense comprises of current tax and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/ liabilities.

(xv) **Measurement of EBITDA**

The Company has opted to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of Profit & Loss.

2. Share Capital

(A) **Authorised, Issued, Subscribed and paid-up Share Capital and par value per Share** (₹ Lakhs)

	As at 31.03.2014	As at 31.03.2013
AUTHORISED :		
4,00,00,000 Equity Shares of Rs. 10 each (Previous year 4,00,00,000 Equity Shares of Rs. 10 each)	4000.00	4000.00
ISSUED :		
3,04,54,180 Equity Shares of Rs. 10 each (Previous year 3,04,54,180 Equity Shares of Rs.10 each.)	3045.42	3045.42
SUBSCRIBED AND PAID UP :		
3,03,72,570 Equity Shares of Rs. 10 each fully paid, (Previous year 3,03,72,570 Equity Shares of Rs.10 Each fully paid)	3037.26	3037.26
Add : Forfeited Equity shares	2.69	2.69
81610 Equity shares (Previous year 81610 Equity shares)		
Total Share Capital	3039.95	3039.95

(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31.03.2014	As at 31.03.2013
Number of shares outstanding as at the beginning of the year	30372570	30372570
Number of shares outstanding as at the end of the year	30372570	30372570

(C) The Rights, Preferences, Restriction including restriction on the distribution of dividend and repayments of capital

1. The Company is having only one class of shares, that is Equity carrying nominal value of Rs.10 per share.
2. Every holder of equity share of the Company is entitled to one vote per share held.
3. In the event of liquidation of the Company, the equity share holder will be entitled to receive remaining assets of the Company after the distribution / repayments of all creditors. The distribution to the share holder will be in proportion of the number of shares held by each share holder.
4. The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the share holders at the ensuing Annual General Meeting.
5. During the year ended 31st March,2014 an amount of Rs.3.00 per equity share (30%) is proposed as dividend for the equity share holders [(Previous year Rs.3.00 per equity share (30%) and also a one-time special dividend of Rs. 4.00 per equity share (40%) has been proposed, making a total dividend of Rs.7.00 per equity share(70%).]

(D) Shares held by holding/ultimate holding company and/or their subsidiaries / associates

The company is not a Subsidiary of any other company.

(E) Details of shareholders holding more than 5% shares in the company

	As at 31.03.2014		As at 31.03.2013	
Equity shares of Rs.10 each fully paid	No of Shares	% of Holdings	No of Shares	% of Holdings
1. Doshi Holdings Pvt.Ltd. (Associate)	13,612,702	44.82%	13,242,385	43.60%
2. Life Insurance Corporation of India	1,820,815	5.99%	1,820,815	5.99%
3. Patton International Ltd.	1,786,361	5.88%	1,786,361	5.88%

(F) The Company had issued 43,26,000 Convertible warrants in the Year 2006-07. Out of these, for 19,86,674 warrants equivalent number of shares were allotted in the year 2007-08, for 23,18,053 warrants equivalent number of shares were allotted in the year 2008-09 and the balance 21,273 warrants were forfeited by the Company in the year 2009-10.

3. Reserves & Surplus**(₹ Lakhs)**

	As at 31.03.2014	As at 31.03.2013
Capital Reserve :		
Forfeiture of warrants	0.84	0.84
Securities Premium A/c :	3188.88	3188.88
Balance as per the last financial statements		
Revaluation Reserve-Land	24087.04	50100.13
Less: Transferred to Statement of Profit & Loss (Refer Note No. 9 (c))	(2911.93)	(26013.09)
	21175.11	24087.04
General Reserve :		
Balance as per the last financial statements	12527.96	11627.96
Add : Amount Transferred from Surplus Balance in the Statement of Profit & Loss	300.00	900.00
	12827.96	12527.96
Surplus/(Deficit) in the Statement of Profit And Loss:		
Balance as per the last financial statements	8480.19	3086.48
Add: Profit for the year	2514.90	8764.69
	10995.09	11851.17

	As at 31.03.2014 (₹ Lakhs)	As at 31.03.2013 (₹ Lakhs)
Less Appropriations :		
a) Proposed dividend	(911.18)	(2126.08)
b) Tax on proposed dividend	(154.85)	(344.90)
c) Transfer to General Reserve	(300.00)	(900.00)
Net Surplus In the Statement of Profit & Loss	9629.06	8480.19
Total Reserves & Surplus	46821.85	48284.91

4. Long Term Borrowings

(₹ Lakhs)

	Non Current Portion		Current Maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Term Loans from Banks (Secured)				
State Bank of India	14950.00	15000.00	50.00	0.00
State Bank of Hyderabad	0.00	450.00	0.00	287.50
Corporation Bank	0.00	3215.00	0.00	1428.00
The Jammu & Kashmir Bank Ltd.	6150.00	10000.00	3850.00	0.00
Loans From Others (Secured)				
First Leasing company of India Ltd.	330.39	497.20	166.81	140.45
Deposits (Unsecured)				
Cumulative Fixed Deposit from Public	256.10	1140.85	0.00	0.00
Cumulative Fixed Deposit from Shareholders	298.10	246.50	0.00	0.00
Non-Cumulative Fixed Deposit from Public	1767.83	2430.58	0.00	0.00
Non-Cumulative Fixed Deposit from Shareholders	680.38	534.98	0.00	0.00
Non-Cumulative Fixed Deposit from Related Parties	603.00	615.00	0.00	0.00
Finance Lease Obligation (Secured)	0.00	0.00	0.00	159.55
Total Long Term borrowings	25035.80	34130.11	4066.81	2015.50
The above amounts Includes				
Secured borrowings	21430.39	29162.20	4066.81	2015.50
Unsecured borrowings	3605.41	4967.91	0.00	0.00
	25035.80	34130.11	4066.81	2015.50
Amount disclosed under the head "other current liabilities" (Refer Note No.8)			(4066.81)	(2015.50)
Net Amount	25035.80	34130.11	0.00	0.00

(a) Term Loan of Rs. 15000 Lakhs (Previous year: Rs. 15000 Lakhs) from SBI is secured by way of first charge on current assets on pari-passu basis with other lenders and first pari-passu charge on fixed assets of the company at Chinchwad along with J & K Bank and Corporation Bank. Also SBI holds an exclusive 1st mortgage charge on the 41.44 acres of Company's land located at Kalyan/ Dombivli towards their loan.

The above loan of Rs.15000 Lakhs is for a tenure of eight and a half years including a moratorium of 18 months. The repayment installments are spread over 84 months commencing from 31/10/2014 and the last installment falling due on 30/09/2021. The first two installments are of Rs. 5 lakhs each, the next 4 installments are of Rs. 10 lakhs each, next 10 installments are of Rs. 20 lakhs each, next 2 installments are of Rs. 25 lakhs each, next 6 installments are of Rs. 150 lakhs each, next 24 installments are of Rs. 200 lakhs each and the next 36 installments are of Rs. 250 lakhs each. Annual rate of Interest is 2.30% above SBI base rate.

- (b) Term Loan of Rs.Nil (Previous year: Rs.737.50 Lakhs) from State Bank of Hyderabad was secured by way of first pari-passu charge on Company's fixed assets at Chinchwad, Pune (both present and future) and Second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit. This loan is fully pre-paid during FY 2013-14 along with interest at the rate of 5 % above SBH base rate.
- (c) Term Loan of Rs.Nil (Previous year: Rs.4643 Lakhs) from Corporation Bank, was secured by way of first pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune and Second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit. This loan is fully pre-paid during FY 2013-14 along with interest at the rate 3.25 % over Corporation Bank base rate.
- (d) Corporate Loan Rs. 10000 Lakhs (Previous Year Rs. 10000 Lakhs) from The Jammu & Kashmir Bank Ltd. is secured by way of first pari-passu charge on plant and machinery and fixed assets of the company located at Chinchwad, Pune and second pari-passu charge on current assets of the company. This loan is for a total tenure of 36 months, repayable in 18 equal installments after a moratorium period of 18 months. There are 17 monthly installments each of Rs. 550 lakhs with the first installment due on 30/09/2014. The last installment (18th installment) is of Rs. 650 lakhs due on 29/02/2016. Annual rate of Interest is 2% over J&K Bank Base rate
- (e) Hire purchase Loan of Rs 497.20 Lakhs for a tenure of 4 years from First leasing Company of India Limited is secured under the specific Fixed Asset procured against the said Loans.
- Rs. 497.20 Lakhs is repayable in 31 variable monthly installments till October 2016. Annual rate of Interest is 2% above SBI base rate.
- All the above facilities covered under a to e are also secured by the personal guarantee of Mr. Maitreya V. Doshi, Chairman and Managing Director of the company.
- (f) Deposits accepted from public and share holders carry varying rate of interest from 11.50% to 12.50% p.a. depending upon the cumulative/non-cumulative option and the period of maturity such as 1 year, 2 year or 3 year.

5. Other Long Term Liabilities

(₹ Lakhs)

	As at 31.03.2014	As at 31.03.2013
Advances and deposits from dealers, customers, etc. (unsecured)	6.60	10.07

6. Provisions

(₹ Lakhs)

	Long Term		Short Term	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Provision for employee Benefits				
Provision for Gratuity	442.49	430.47	49.17	47.83
Provision for Leave benefits	236.40	240.46	78.81	80.15
Other Provision				
For Proposed equity dividend	0.00	0.00	911.18	2126.08
For Tax on proposed equity dividend	0.00	0.00	154.85	344.90
For Wealth tax (Net of advance tax payment)	0.00	0.00	129.83	120.93
For taxation (Net of advance tax payment)	0.00	0.00	0.00	2616.20
For Warranties	0.00	0.00	24.26	32.18
	678.89	670.93	1348.10	5368.27

Movement in Provision**(₹ Lakhs)**

Particulars	Opening Balance 01.04.2013	Additions during the year	Amount paid / Adjusted during the year	Closing balance 31.03.2014
Leave Encashment	320.61	3.54	8.94	315.21
Gratuity	478.30	22.31	8.95	491.66
Dividend	2126.08	911.18	2126.08	911.18
Provision for warranty	32.18	24.26	32.18	24.26

7. Short Term Borrowings**(₹ Lakhs)**

	As at 31.03.2014	As at 31.03.2013
Cash Credit from State Bank of India (secured)	4424.09	2506.28
Cash Credit from State Bank of Hyderabad (secured)	949.10	0.00
Cash Credit from Corporation Bank (secured)	326.17	0.00
Short term loan from Corporation Bank (secured)	2500.00	0.00
Short term loan from others - Sicom Inv. & Fin. Ltd.	500.00	0.00
Deposits (Unsecured)		
Cumulative Fixed Deposit from Public	952.10	526.15
Cumulative Fixed Deposit from Shareholders	99.90	72.55
Non-Cumulative Fixed Deposit from Public	2183.93	773.50
Non-Cumulative Fixed Deposit from Shareholders	229.15	523.60
Inter-Corporate Deposits	3565.00	1430.00
Total short term borrowings	15729.44	5832.08
The above amounts includes		
Secured borrowings	9449.36	2721.28
Unsecured borrowings	6280.08	3110.80
Total short term borrowings	15729.44	5832.08

(a) The Working Capital facilities (Cash Credit Rs. 6000 lakhs, non- funded facilities Rs. 7500 lakhs, totaling to Rs. 13500 lakhs, Previous Year Rs.16500 lakhs) are under a consortium banking arrangement with State Bank of India - as the lead banker having a share of Rs. 10000 lakhs (previous year Rs. 10500 lakhs) along with State Bank of Hyderabad Rs. 2500 lakhs (previous year Rs.4500 lakhs) and Corporation Bank Rs.1000 lakhs (previous year 1500 lakhs). These facilities are secured by way of first pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit and second pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune. Annual rate of Interest varies from 0.50% above base rate to 5% above the Base Rates of these banks.

All the above facilities are also secured by the personal guarantee of Mr. Maitreya V. Doshi, Chairman and Managing Director of the company.

(b) Short Term Loan of Rs. 2500 Lakhs (Previous Year Rs. Nil) from Corporation Bank is secured by way of first pari-passu charge on the plant and machinery and fixed assets of the Company located at Chinchwad, Pune and second pari-passu charge on current assets of the company located at Chinchwad, Pune. This loan is repayable in 5 installments of Rs.500 lakhs each starting from August 14 and 5th installment is falling due on December 14. Annual rate of Interest is 2.35% over Corporation Bank Base rate.

(c) Short Term Loan of Rs. 500 Lakhs availed during the year from Sicom Investments & Finance Ltd. (Previous year Rs. Nil) is repayable within one year and the security creation is pending.

(d) The Inter Corporate Deposits of Rs.3565 Lakhs (previous year Rs. 1430 Lakhs) are unsecured short term Loans repayable within 3 to 6 months with Interest rate varying 14.50% to 17.00% p.a. The above includes Rs.1250 Lakhs (Previous year 215 lakhs) borrowed by the Company for which the promoters have pledged their shares.

8. Trade Payables & Other Current Liabilities

(₹ Lakhs)

	As at 31.03.2014	As at 31.03.2013
Trade Payable	4854.41	8079.91
Total	4854.41	8079.91
Other Current Liabilities		
Advances and deposits from dealers, customers, etc.	875.03	1204.78
Employee Related	620.86	278.63
Creditors for Expenses	319.74	61.70
Unclaimed Dividend	296.17	218.70
Current maturities of long term borrowings (Refer Note No.4)	4066.81	2015.50
Earnest Money Deposit From Related Party (Refer Note No. 8 (a))	1280.00	980.00
Interest accrued but not due on borrowing	388.50	226.40
Interest accrued and due on borrowing	306.46	265.06
Application money received for allotment of Fixed Deposits	0.00	6.47
Others	34.54	39.86
Total	8188.11	5297.10

The Company had in an earlier year entered into a memorandum of understanding with Shri. LH Premier Trust to sell certain land of the Company at Chinchwad and had received earnest money of Rs. 980 Lakhs and during the current year an additional amount of Rs. 300 Lakhs is received making the total amount received on this account to Rs. 1280 Lakhs. However subsequently due to some strategic decisions taken by the management, the company has decided not to go ahead with this proposal. The amount received from the Trust would be refunded in due course.

9. Tangible Assets

(₹ Lakhs)

COST/ BOOK VALUE					DEPRECIATION				NET BLOCK	
Assets	Gross Block as at 01.04.13	Additions/ Adjustments	Deductions	Gross Block as at 31.03.14	Depreciation Fund as at 01.04.13	Deductions	Depreciation for the Year	Depreciation fund as at 31.03.14	Net Block as at 31.03.14	Net Block as at 31.03.13
Freehold Land	26489.53	0.00	3478.90	23010.63	0.00	0.00	0.00	0.00	23010.63	26489.53
Buildings	11046.64	3.60	0.00	11050.24	1266.25	0.00	375.92	1642.17	9408.07	9780.39
Plant and Machinery & Equipments										
-Own	22133.29	2442.77	227.50	24348.56	4817.38	215.80	1853.20	6454.75	17893.81	17315.91
Cars & Vehicle	185.81	0.00	24.67	161.14	80.84	17.69	16.70	79.86	81.28	104.97
Furniture	282.74	33.69	0.00	316.43	84.12	0.00	25.03	109.15	207.28	198.62
Office Equipment	188.35	8.75	0.73	196.37	72.99	0.08	7.88	80.79	115.58	115.38
Dies & Jigs	1520.99	122.08	0.00	1643.07	377.12	0.00	151.89	529.01	1114.06	1143.87
Total	61847.35	2610.89	3731.80	60726.44	6698.70	233.57	2430.62	8895.73	51830.71	55148.67
Previous Year Total	81056.99	11805.22	31014.86	61847.35	5173.76	3.44	1528.38	6698.70	55148.67	

(a) Sale of Land

During the last year, the Company had sold and conveyed 150 acres (out of 218 acres) of its land at Dombivli, to Horizon Projects Pvt. Ltd., a part of Runwal Group for a total consideration of Rs.44000 Lakhs.

Consequent to the above, during the last year, the Company had received Rs.22000 Lakhs as a part consideration. The balance consideration of Rs.22000 Lakhs which is to be received on 31.12.2014 is subject to such amount, if any, required to be deducted therefrom on account payments to be made/financed by the purchaser and on account of adjustments, if any, of exact official measurement of land being carried out. The said deduction amount is not crystallized and quantifiable as on date. The Company will account for such adjustments as and when crystallized. Subject to this, the Company had accounted for the sale at a total consideration of Rs.44000 Lakhs and recognized the profits accordingly during the last year. This balance consideration of Rs.22000 Lakhs, receivable on 31.12.2014, is adequately secured through a registered mortgage in favour of the Company for 71 acres of land (out of 150 acres) conveyed to the developer and a post-dated cheque not exceeding Rs.22000 Lakhs given by the developer.

During the current year the said land buyer, Horizon Projects Pvt. Ltd. has paid an amount of Rs. 1840.10 Lakhs to the Government of Maharashtra "under protest" towards "Unearned Income" on Sale of Land on behalf of the Company. The said amount has been adjusted from the Balance consideration amount of Rs. 22000 Lakhs due on 31.12.2014 and is reflected under "Loans and Advances". The company's Revision Application Challenging the liability on account of Unearned Income is pending for disposal before the Revenue Minister of The Government of Maharashtra.

Profit on Sale of Land of Rs.4735.63 Lakhs during the last year was arrived at after adjusting an amount of Rs.8076.38 Lakhs paid to the Maharashtra Government "under protest" for issues pertaining to Urban Land Ceiling (Regulations) Act, 1976 in respect of the Company's land at Dombivli. During the last year, the Company filed a writ petition before the Hon'ble High Court, Bombay challenging the notification of the Government under which the said payment has been made. The said Writ Petition is pending for disposal.

(b) Compulsory acquisition of Company's land at Dombivli by the Indian Railways

The Company had received during the last year notices from the Deputy Collector (Land Acquisition) and Competent Authority informing about the compulsory acquisition of land admeasuring about 30 acres for the Dedicated Freight Corridor Project of the Indian Railways.

During the current year, about 17 acres of the Company's Land has been acquired by Indian Railways for a Compensation of Rs. 6413.16 Lakhs and the profit arising there from has been reflected under Other Income. An amount of Rs. 468.12 Lakhs has been deducted by the Railways towards "Unearned Income" while disbursing the Compensation amount and the same has been reflected under "Loans and Advances". The company's Revision Application Challenging the liability on account of Unearned Income is pending for disposal before the Revenue Minister of The Government of Maharashtra.

The balance of the said land acquisition would be accounted in the books upon receipt of the compensation amount and handing over of possession of the land under acquisition.

After the acquisition process is completed, the Company would be left with about 42 acres of land at Dombivli in its possession

(c) Revaluation of Land

The Company had revalued its land in July 2010 through an external valuer at fair market value and the increase of Rs. 50100 Lakhs due to revaluation has been added to the book value of land and to the revaluation reserve.

During the last year, in view of sale of 150 acres of land at Dombivli, revaluation reserve amounting to Rs.26013.09 Lakhs, on a pro-rata basis, has been released to the statement of Profit & Loss since the profits are realized and shown under 'Other Income'.

During the current year, in view of Compulsory Acquisition of 17 acres of Company's Land at Dombivli by the Indian Railways, revaluation reserve amounting to Rs.2911.93 Lakhs, on a pro-rata basis, has been released to the statement of Profit & Loss since the profits are realized and shown under 'Other Income'.

On the grounds of prudence and as per the legal opinion obtained, the surplus of Rs.1417.07 lakhs (Previous year Rs. 1889.44 lakhs) arose upon re-conversion of stock-in trade into land in the financial year 2008-09 continues to be included in the General Reserve of the company and will not be considered for distribution till it is realized.

10. Intangible Assets

(₹ Lakhs)

COST/ BOOK VALUE					DEPRECIATION				NET BLOCK	
Assets	Gross Block as at 01.04.13	Additions / Adjustments	Deductions	Gross Block as at 31.03.14	Depreciated on Fund as at 01.04.13	Deductions	Depreciation for the Year	Depreciation fund as at 31.03.14	Net Block as at 31.03.14	Net Block as at 31.03.13
Computer and other Applications Software	245.59	0.00	0.00	245.59	184.06	0.00	18.09	202.15	43.44	61.53
Technical Know How	4131.27	0.00	0.00	4131.27	14.75	0.00	825.89	840.64	3290.63	4116.52
Total	4376.86	0.00	0.00	4376.86	198.81	0.00	843.98	1042.79	3334.07	4178.05
Previous Year Total	245.28	4131.58	0.00	4376.86	163.04	0.00	35.77	198.81	4178.05	

11. Intangible Assets under development

The movement in intangible assets under development is given below.

Particulars	(₹ Lakhs)
Opening Balance as on 01.04.2013	0.00
Additions during the year	2827.98
Transferred to Intangible assets	0.00
Written off during the year	0.00
Closing Balance as on 31.03.2014	2827.98

Also please refer detailed note given in Note No 27.

12. Non Current Investments

	As at 31.03.2014	As at 31.03.2013
Trade Investment		
In Associates		
PAL Credit and Capital Ltd. (Quoted)		
58,99,169 equity shares of Re.1/- each fully paid. (Previous year 58,99,169 equity shares of Rs.10/- each fully paid)	651.70	651.70
Less : Provision for diminution in value of investments.	289.48	289.48
	362.22	362.22
Non Trade Investment		
In Associates		
Premier Auto Ltd.		
24,500 Shares of Rs.10/- each(Previous year 24,500 Shares of Rs. 10/- each fully paid)	2.45	2.45
Unquoted Equity Instruments		
Saraswat Co-op. Bank Limited		
2,500 Shares of Rs. 10/- each fully paid (Previous year 2,500 Shares of Rs. 10/- each fully paid)	0.25	0.25
Shree Suvarna Sahakari Bank Ltd.		
500 Shares of Rs. 100/- each fully paid (Previous year 500 Shares of Rs. 100/- each fully paid)	0.00	0.50
Less : Written off during the year	0.00	0.50
	2.70	2.70
Total Investments	364.92	364.92
Aggregate Values		
1. Book Value of quoted investments	362.22	362.22
2. Market Value of quoted investments	94.39	45.42
3. Book Value of unquoted investments	2.70	2.70
4. Provision for Diminution in value	289.48	289.48

- (a) Company's long term investment in PAL Credit and Capital Limited, an RBI registered and listed NBFC promoted by the company, is Rs.362.22 Lakhs (after making provision for diminution in the value of investment of Rs.289.48 Lakhs in the financial year 2007-08) represented by 58,99,169 equity shares of Re. 1/- (Previous year Rs. 10/-) each fully paid. Considering the intrinsic business value of PAL Credit & Capital Limited and its business synergies for the Company, as well as the holding being in the nature of controlling interest with long term strategies and business revival plan, no further diminution in value is considered necessary. Further in order to continue with its revival plan, the company has further advanced during the year an amount of Rs.32.15 Lakhs (Previous year Rs. 52.43 Lakhs) making the total advance paid up to the end of March'14 of Rs. 186.15 Lakhs(Previous year 154 Lakhs). The said advance is included under Loans and Advances (Refer note. No. 13).
- (b) The Company has in its possession the share certificates and the blank transfer forms executed by Automobiles Peugeot in respect of 8,40,25,000 equity shares of Pal-Peugeot Ltd (under liquidation) gifted by them in the year 1999. These shares could not be transferred in company's name as Pal-Peugeot Ltd was not functioning. The Company has filed a petition before the Hon'ble Bombay High Court for permission to transfer the said shares in the name of the Company and the petition is pending for disposal by the Court. Meantime, the Company is holding these shares as 'holder in due course'.

13. Loans and Advances (Unsecured, Considered Goods) (₹ Lakhs)

	Non Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Capital Advances	0.00	19.69	0.00	0.00
Security Deposit	259.40	274.59	0.00	0.00
Loans & advances to related parties (Refer Note No. 12(a))	0.00	0.00	186.16	154.00
Advances recoverable in cash or in kind or for value to be received .	166.25	166.25	551.91	902.29
Other loans & advances				
Advance Income Tax (Net of provision for tax)	0.00	0.00	961.87	0.00
Prepaid expenses	0.00	0.00	172.86	137.70
Unearned Income –Payment Under Protest (Refer Note no 9(a) & 9(b))	2308.22	0.00	0.00	0.00
Balances with excise, customs, port trust etc.	0.00	0.00	568.03	677.78
	2733.87	460.53	2440.83	1871.77

14. Trade Receivables (₹ Lakhs)

	Non Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Trade Receivables, Unsecured :				
Outstanding over six months from due date:				
Considered good	184.25	81.77	2959.75	2234.52
Considered doubtful	0.00	0.00	0.00	0.00
Less : Provision for doubtful debts	0.00	0.00	0.00	0.00
	184.25	81.77	2959.75	2234.52
Others, considered good	0.00	0.00	6829.08	8661.09
Total	184.25	81.77	9788.83	10895.61
Amount disclosed under the head 'Other Assets (Refer Note No. 18)	(184.25)	(81.77)	(0.00)	(0.00)
Net Total	0.00	0.00	9788.83	10895.61

15. Deferred Tax Assets / (Liability)
(₹ Lakhs)

	As at 31.03.2014	As at 31.03.2013
Deferred Tax Liabilities		
Intangible Assets under development	1047.52	0.00
Depreciation difference	3304.95	2687.79
Total (a)	4352.47	2687.79
Deferred Tax Assets		
Unabsorbed Depreciation	4262.54	1225.48
Unabsorbed Business loss	164.00	0.00
Unabsorbed long term capital loss	1510.00	0.00
Provision for diminution in the value of investments	65.60	62.61
Total (b)	6002.14	1288.09
Net Deferred Tax Assets/(Liability) (b-a)	1649.67	(1399.70)

- (a) Tax provision under Minimum Alternate Tax (MAT) as per provisions of section 115 JB of the Income Tax Act, 1961 is Rs. NIL in the absence of any taxable income for the current year (Previous year Rs.2840.57 lakhs).
- (b) The benefit of credit against the payments made towards MAT for the earlier years is available in accordance with the provisions of section 115JAA over a period of subsequent ten assessment years and the same will be accounted for when they actually arise.
- (c) Estimated Net Deferred tax asset of Rs.1649.67 Lakhs has been recognized as at the year end (previous year – Net Deferred Tax Liability of Rs.1399.70 Lakhs). The management is confident of virtual certainty of realizing the same in view of the Long term capital gain that will arise on the Compulsory Acquisition of Land by Railways, the joint measurement of Land in respect of the same is completed and award is expected in near future. The company also has a sound order book as on date to be executed.

16. Inventories
(₹ Lakhs)

	As at 31.03.2014	As at 31.03.2013
Raw materials :		
Steel	11.94	319.27
Rough Casting	16.09	26.33
Electrical	32.81	101.11
Components for passenger and commercial vehicles (Includes goods in transit of Rs.NIL and previous year ₹ 864.25 Lakhs)	292.27	2960.65
Other components (Includes goods in transit of ₹ 7.68 Lakhs and previous year ₹ 16.63 Lakhs)	314.58	1405.99
	667.69	4813.35
Work-in-progress:		
Small and Heavy Machines	1924.96	2695.02
Finished Components	117.31	122.87
Steel Parts	2568.10	1469.20
Passenger and commercial vehicles	873.16	142.11
	5483.53	4429.20
Finished goods:		
Small and Heavy Machines	173.85	340.18
Passenger and commercial vehicles	126.22	119.16
	300.07	459.34
Stores and spares	38.93	40.24
Loose tools	182.20	267.17
Scrap	0.00	5.40
	6672.45	10014.70

17. Cash and Bank Balance

(₹ Lakhs)

	As at 31.03.2014	As at 31.03.2013
Cash and cash equivalents :		
Cash on hand	5.56	4.31
Balance with Scheduled Banks		
- in Current accounts	89.25	454.02
Other Bank balances:		
Balance with Scheduled Banks		
- in current accounts earmarked for specific statutory payments	296.17	218.77
- Deposits with original maturity for less than 12 months	0.00	3110.00
- in Fixed deposit accounts (pledged with banks against LC margin / guarantees given by banks)	634.10	1358.40
Total	1025.08	5145.50

18. Other Assets

(₹ Lakhs)

	Non Current		Current	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Interest accrued on bank deposits	0.00	0.00	9.82	50.69
Trade Receivables (Refer Note No. 14)	184.25	81.77	0.00	0.00
Other Receivables (Refer Note No. 9 (a))	0.00	22000.00	20159.90	0.00
Total	184.25	22081.77	20169.72	50.69

19. Revenue From Operations

(₹ Lakhs)

	For the year ended 31.03.2014		For the year ended 31.03.2013	
Sale of Products				
CNC Machines	5170.70		6263.40	
Heavy Engineering	6737.26		9510.92	
Vehicles	1547.29		3814.97	
Spares	2185.93		3347.26	
Internal Capitalisation	3145.49	18786.67	3676.23	26612.78
Sale of Services				
Engineering Value Addition		1289.86		2691.12
Other Operating Revenues				
Scrap	394.44		429.34	
Agency Commission	36.46	430.90	21.34	450.68
Total Revenue From Operations (Gross)		20507.43		29754.58
Less:				
Excise Duty	1224.44		1995.14	
Internal Capitalisation	3145.49	4369.93	3676.23	5671.37
Total Revenue From Operations (Net)		16137.50		24083.21

20. Other Income

(₹ Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest Income	70.71	258.39
Dividend other than trade	0.03	0.05
Profit on Sale of Land (Refer Note No. 9)	2934.26	4735.63
Release of Revaluation Reserve upon Sale of Land(Refer Note No. 9)	2911.93	26013.09
Provision for Wealth tax of earlier year written back	0.00	175.04
Miscellaneous Income	72.85	142.84
Total Other Income	5989.78	31325.04

21. a) Cost of Material Consumed**(₹ Lakhs)**

	For the year ended 31.03.2014	For the year ended 31.03.2013
a) Inventory at the beginning of the year	3932.47	3384.60
a. Add : Purchases	7619.89	14840.42
a) Less : inventory at the end of the year	660.02	3932.47
Total Cost of Raw Material Consumed	10892.34	14292.55

21. b) Details of Raw Material Consumed**(₹ Lakhs)**

	For the year ended 31.03.2014	For the year ended 31.03.2013
1. Steel	2475.16	2324.57
2. Ferrous metal	232.83	333.61
3. Components for passenger and commercial vehicles	3451.69	5053.78
4. Other Components	4197.02	5562.83
5. Others	535.64	1017.76
Total Raw Material Consumed	10892.34	14292.55

22. (Increase)/Decrease In Inventory of Work-In-Progress and Finished Goods**(₹ Lakhs)**

	For the year ended 31.03.2014	For the year ended 31.03.2013
Stocks at commencement :		
Finished goods	459.34	460.67
Work-in-progress	4429.20	4263.28
Scrap	5.40	0.00
	4893.94	4723.95
Less :		
Stocks at close :		
Finished goods	300.07	459.34
Work-in-progress	5483.54	4429.20
Scrap	0.00	5.40
	5783.61	4893.94
Add / (Less) :		
Excise duty difference on opening and closing stock of finished goods.	(30.74)	7.09
(Increase)/ Decrease in Inventory	(920.41)	(162.90)

23. Employee Benefits Expense**(₹ Lakhs)**

	For the year ended 31.03.2014	For the year ended 31.03.2013
Salaries, wages, bonus etc,	2979.33	3342.24
Retiring Gratuities	109.41	87.71
Contribution to Provident and Other Funds	128.52	145.95
Welfare expenses	182.69	203.88
	3399.95	3779.78
Less : Capitalised	316.23	642.34
Total Employee Benefits Expense	3083.72	3137.44

24. Other Expenses

(₹ Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Stores, spares and tools Consumed	711.42	845.74
Power, fuel and water	321.44	383.76
Repairs and Maintenance :		
Machinery	32.31	33.64
Buildings	8.27	30.47
Other assets	2.11	2.39
Lease rental on fixed assets	202.29	206.85
Rent	76.80	70.00
Rates and taxes	62.96	62.46
Insurance	37.61	23.09
Remuneration to Auditors:		
Statutory Auditors	8.50	7.50
In Other Capacities : Tax Audit	3.00	3.00
Certification and Other Matters	8.65	8.00
For Expenses	0.80	1.42
Directors fees and traveling expenses	17.45	12.70
Professional and legal fees	242.44	265.21
Net Loss on Sale of fixed assets	7.30	0.00
Sales and Service expenses	182.43	444.71
Bad Debts Written Off	0.00	563.35
Less: Provision no longer required	0.00	(563.35)
Investments written off	0.00	0.50
Net Loss on foreign currency transaction	9.80	195.55
Travelling and conveyance	228.73	222.34
Other expenses	694.19	565.66
Total Other Expenses	2858.50	3384.99

25. Finance Costs

(₹ Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Interest on loan	6025.04	6015.52
Less : Interest Capitalised	(157.21)	(1605.63)
	5867.83	4409.89
Interest on others	325.50	18.99
Other Borrowing Cost	185.32	345.74
Bank and other charges	239.84	401.49
Total Finance Costs	6618.49	5176.11

26. Depreciation and Amortization Expense

(₹ Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Depreciation of tangible assets	2430.62	1528.38
Amortization of intangible assets	843.98	35.77
Total	3274.60	1564.15

27. Non Recurring Items

(₹ Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Excise Duty payment for prior years	0.00	4928.80
Intangible asset under development written off	0.00	12600.38
Total Non Recurring Items	0.00	17529.18

1. The Supreme Court of India vide its order dated 29.8.2012 allowed the appeal of the excise department confirming excise duty demand of Rs.4928.80 Lakhs on the Company regarding a dispute which was won by the Company before the Customs Excise And Service Tax Appellate Tribunal (CESTAT) pertaining to a 15 year old dispute on valuation of Uno cars then manufactured by the Company.

The Review and Curative Petition filed by the Company were also dismissed by the court. The Company has paid the said duty demand in full to the department during the last year and the same has been shown under 'Non Recurring Items'.

Despite above, the Company has been now been legally advised to file a Writ Petition before the Hon'ble High Court, Bombay challenging the computation errors by the department which were not taken up and heard by the Supreme Court. Accordingly, the Company has filed a writ petition and the same is pending disposal.

2. During the last year, as part of the Company's product rationalization strategy, a comprehensive review was carried out by management in respect of its various business segments and various Product Development Projects and expenses related thereto. As an outcome of the review (a) to concentrate and focus on core competency and (b) to rationalize the products of various business segments of the Company, management has taken the following decisions:

(a) **CNC Machines Business** : During the last year, Entire product portfolio of CNC Machines was reassessed. Certain machine products were found to be not commercially viable in future. Therefore, management has decided not to pursue such products developments anymore and not to put further resources for their developments. Therefore, it was felt prudent to write off such product development expenses of Rs.2272 Lakhs related to such machines.

(b) **Heavy Engineering Business** : During the last year, Contracts from various customers for heavy engineering business were reassessed for the commercial viability consequent to the design changes made by customers and possibility of repeat orders. Despite protracted negotiations with the customers, certain contracts were found commercially unviable by the management on such reassessment. Also, some customers changed their product design, making related investments till date redundant. Therefore, it was felt prudent to write off product development expenses of Rs.1084 Lakhs related to such contracts.

(c) **Automobile Business** : During the last year, despite the continued product development in relation to Company's Sigma Vans and Roadstar pick up trucks and having adequate dealer network, the business could not reach the projected volumes. Therefore, it was felt prudent to write off such product development expenses of Rs.5777 Lakhs related to these products.

The Company's Peugeot TUD 5 Engine had to be localized involving investment in vendor toolings. Further, the said engine had to be upgraded for meeting Bharat stage II standard requirements. It was further upgraded to Bharat Stage III with turbo charger. However, the future sale of this engine is uncertain as it is not CRDi and also not Bharat IV stage emission norms compliant. Considering the fact that the Company has already started using Fiat CRDi Euro-IV engine, further development on TUD 5 is not envisaged now. Therefore, it is prudent to write off product development expenses of Rs.531 lakhs relating to TUD 5 Engine.

In case of company's compact SUV RiO, there are two facelifts, changes in interiors, initially using TUD 5 engine and now using FIAT CRDi engine. Though the product continues to show the market acceptance, certain product versions are discontinued and will no longer be manufactured. Therefore, it was felt prudent to write off product development expenses of Rs.2937 Lakhs related to such discontinued versions.

In view of the above, all these product development expenses amounting to Rs.12601 Lakhs have been written off in the Statement of Profit & Loss and have been shown as 'Non recurring item'.

During the year, the Company continued its activity on developing, upgrading and improving its Auto Products in order to achieve technologically advanced and competitive products which will ultimately result in acceptability for the Company's products. This process is expected to be continued and completed soon and is expected to result in growth in revenue, profits and cash generation of the company in future. A sum of Rs.2827.98 Lakhs has been incurred on this account during the current year and the same has been reflected as 'Intangible Assets Under Development'.

The Company would give appropriate effects in the accounts as and when the said product development/improvement is completed.

28. Contingent Liabilities Not Provided For in Respect of

- (a) Disputed indeterminate claims made by the employees regarding reinstatement, wages for the period of suspension etc. relating to the past years pending before Industrial Tribunals/High Court.
- (b) There are certain disputed excise demands of Rs. 64.05 Lakhs (Previous year Rs. 64.05 Lakhs) and FEMA demands of Rs. 65.49 Lakhs (Previous Year 65.49 Lakhs). The same are being contested by company in appeals at various levels. The company foresees no liability in the above case as the management believes that it has strong case in the appeal.
- (c) The Company had paid Rs. 4928 Lakhs Excise dues as per supreme court order during the last year. The Company has received a letter from the Excise department demanding Rs. 389.61 Lakhs as Interest on the said excise duty paid by the Company. The Company has filed writ petition before the Hon'ble Bombay High Court challenging the same. The Company has been legally advised that it has a good case and the said amount is considered as a contingent liability.
- (d) The Company has paid an amount of Rs. 2308.22 Lakhs, to the Government of Maharashtra "under protest" towards "Unearned Income" on sale of land and compulsory acquisition of land. The Company's appeal in this regard is pending before the Government of Maharashtra. This forms part of "Loans & Advances" and is considered as a contingent liability.
- (e) Additional compensation, if any, in relation to certain demands in Consumer Forum cases, amount unascertained but considered to be insignificant.
- (f) Guarantees issued by bank amounting to Rs.694.81 Lakhs (Previous year: Rs.1456.52 Lakhs).
- (g) Encashment of bank guarantee Liability of Rs. Nil (Previous Year Rs. 18 Lakhs pertaining to the guarantee already encashed by one of the CNC Machine customer).

29. Capital Commitments & Other Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) is approximately Rs. Nil (Previous Year Rs.53.13 Lakhs).

There are no other commitments made by the company except for Rs.89 Lakhs (Previous year Rs.21 Lakhs) to be funded to PAL Credit and Capital Limited.

30. Lease

Operating Lease Company As A Lessee

- A) Total of the future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	(₹ Lakhs)	
	As on 31.03.2014	As on 31.03.2013
a) Not later than one year	194.68	202.13
b) Later than one year but not later than five years	381.25	575.95
c) Later than five years	Nil	Nil

- B) Lease payments recognised in the Statement of Profit and Loss Rs. 202.29 Lakhs (Previous year Rs. 206.85 Lakhs)

C) General description of leasing arrangement

- Leased Assets :- Motor Cars and Machinery
- Future Lease rentals are determined on the basis of agreed terms.

Finance Lease Company As A Lessee

A) Total of the future minimum lease payments under finance leases for each of the following periods are as follows:

(₹ Lakhs)

	As on 31.03.2014	As on 31.03.2013
a. Not later than one year (Present Value Rs. Nil , Previous Year Rs. 159.55 Lakhs)	0.00	168.34
b. Later than one year but not later than five years (Present Value Rs. Nil, Previous Year Rs. Nil)	0.00	0.00
c. Later than five years	Nil	Nil

B) General description of leasing arrangement

- i) Leased Assets :- D.G. Sets, Machinery
- ii) Total Finance lease payments as on Balance Sheet date Rs. 202.34 Lakhs
(Previous Year Rs. 293.96 Lakhs)
(Present Value Rs.159.55 Lakhs, Previous Year. Rs. 240.96 Lakhs)

C) The Company has option to buy the assets under finance lease at Rs.1/- each at the end of the lease period.

31. Capitalisation of Expenditure

During the year, Company has capitalised the following expenses of revenue nature.

(₹ Lakhs)

	For the year ended 31.03.2014	For the year ended 31.03.2013
Salaries, wages and bonus	316.23	642.34
Consumption of material	2395.86	2192.07
Interest cost	157.21	1605.63
	2869.30	4440.04

32. Employee Benefit

Defined Benefit Plans/Long Term Compensated Absences as per Actuarial Valuation:

(₹ Lakhs)

Sr. Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
A. Expense recognised in the Statement on Profit & Loss Account for the year ended March 31, 2014				
1. Current Service Cost	31.19	32.52	42.78	45.11
2. Interest Cost (on PBO as of 31.03.2014)	36.18	38.08	22.24	21.12
3. Employee Contributions	---	---	---	---
4. Expected return on plan assets	---	---	---	---
5. Actuarial (Gains)/ Losses	(45.06)	8.42	(61.80)	30.86
6. Past service cost				
7. Settlement cost				
8. Total Expense	22.31	79.02	3.22	97.09
B. Asset/(Liability) recognised in the Balance Sheet as at March 31, 2014				
1. Present value of Defined benefit obligation as at March 31, 2014	491.66	478.30	315.21	320.61
2. Fair value of plan assets as at March 31, 2014				
3. Funded status surplus/(Deficit)	UNFUNDED	UNFUNDED	UNFUNDED	UNFUNDED
4. Net asset/ (liability) as at March 31, 2014	(491.66)	(478.30)	(315.21)	(320.61)
C. Change in obligation During the year end March 31, 2014				
1. Present value of Defined benefit obligation at the beginning of the year 01.04.2013	478.30	500.03	320.61	314.49
2. Current Service cost	31.19	32.52	42.78	45.11

	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
3. Interest Cost (on PBO as of 31.03.2014)	36.18	38.08	22.24	21.12
4. Settlement cost				
5. Past service cost				
6. Employee contributions				
7. Actuarial (Gains)/ Losses	(45.06)	8.42	(61.80)	30.86
8. Benefits payments	(8.95)	(100.75)	(8.94)	(90.97)
9. Present value of Defined benefit obligation at the end of the year	491.66	478.30	315.21	320.61
D. Change in Assets during the year ended March 31, 2014				
1. Plan assets at the beginning of the year 01.04.2013	---	---	---	---
2. Assets acquired in amalgamation in previous year	---	---	---	---
3. Settlements	---	---	---	---
4. Expected return on plan assets	---	---	---	---
5. Contributions by Employees	---	---	---	---
6. Actual benefits paid	NA	NA	NA	NA
7. Actuarial (Gains)/ Losses	NA	NA	NA	NA
8. Plan assets at the end of the year				
9. Actual return on plan assets	NA	NA	NA	NA
E. The Major categories of plan assets as a percentage of total plan				
1. Qualifying insurance policy	-	-	-	-
F. Effect of one percentage point change in the assumed medical inflation rate				
1. Increase/ (Decrease) on aggregate service and interest cost of post employment medical benefits	NA	NA	NA	NA
2. Increase / (Decrease) on present value of Defined benefit Obligation as at March 31, 2014	NA	NA	NA	NA
G. Actuarial Assumptions				
1. Discount rate	8%	8%	8%	8%
2. Expected rate of return on plan assets	NA	NA	NA	NA
3. Mortality pre retirement	Indian Assured Lives Mortality (2006-08) U1t	LIC(94-96)	Indian Assured Lives Mortality (2006-08) U1t	LIC (94-96)
4. Mortality post Retirement	NA	NA	NA	NA
5. Turnover rate	1%	1%	1%	1%
6. Medical / premium Inflation	NA	NA	NA	NA

33. Segment Reporting

Information given in accordance with the requirement of Accounting Standard 17 (AS 17), on "Segment Reporting".

Company's Primary business segments are as under:

- (i) **Engineering:** Engaged in Engineering, manufacturing of machine tools of gear cutting, vertical and horizontal machining centre and special purpose machines. Specialized engineering solution for various applications, machining of precision components, sub-assemblies.
- (ii) **Automotive:** Automotive segment consists of two distinct activities viz. assembly of vehicles from imported painted bodies (already commenced) and indigenous production of vehicle bodies (yet to commence). During the year the company has undertaken only the assembly of the vehicles from imported painted bodies and indigenous production activity of bodies has not commenced.

Segment Accounting Policies:

Segment accounting disclosures are in line with accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

- i. Segment Revenue includes Sales and other income directly identifiable with / allocable to the segment.
- ii. Expenses that are directly identifiable with /allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under "Un-allocable expenditure".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Income".
- iv. Segment assets and liabilities include those directly identifiable with the respective segments.
- v. The Company has no Secondary Reportable Segment.

Segment Results: Information about primary business segments

(₹ Lakhs)

Sr. No.	Description	As on 31.03.2014	As on 31.03.2013
1	Segment-wise Revenue		
	1. Engineering	16720.67	22422.34
	2. Automotive	3786.76	7332.24
	Total	20507.43	29754.58
	Less: Inter Segment Revenue	0.00	0.00
	Gross Sales / Income from operation	20507.43	29754.58
2	Profit / (Loss) before tax & interest		
	1. Engineering	2218.34	6440.84
	2. Automotive	(887.83)	324.31
	Total	1330.51	6765.15
	Less : Interest	6618.49	5176.11
	Other Un-allocable expenditure net off income	(4753.51)	(12573.92)
	Net Profit / (Loss) before tax	(534.47)	14162.96
	Less : Taxes	(3049.37)	5398.27
	Net Profit after tax	2514.90	8764.69
3	Segment Assets		
	1. Engineering	45291.05	46596.29
	2. Automotive	11065.50	12658.56
	3. Not - allowed - Corporate	49346.60	52858.18
	Total Assets	105703.15	112113.03

Sr. No.	Particulars	As on 31.03.2014	As on 31.03.2013
4	Segment Liabilities		
	1. Engineering	5451.13	6334.83
	2. Automotive	1286.84	3698.56
	3. Not - allowed - Corporate	4271.33	7377.39
	Total Liabilities*	11009.30	17410.78
5	Capital Expenditure		
	1. Engineering	3340.90	2321.13
	2. Automotive	2832.41	(5823.53)
	3. Not - allowed - Corporate	45.51	23.75
6	Depreciation		
	1. Engineering	2400.18	1425.49
	2. Automotive	856.87	124.08
	3. Not - allowed - Corporate	17.55	14.58
7	Non cash expenses other than depreciation		
	1. Engineering	--	--
	2. Automotive	--	--
	3. Not - allowed - Corporate	--	--

* Total Liabilities exclude Secured loans Rs.34946.56 Lakhs (Previous year Rs.33898.98 Lakhs) and Unsecured loans Rs.9885.49 Lakhs (Previous year Rs. 8078.49 Lakhs).

34. Other Disclosures

a. CIF Value of imports (including capitalized items)

(₹ Lakhs)

Sr.No.	Particulars	As on 31.03.2014	As on 31.03.2013
a)	Raw Materials: Metal Components	1109.78	2851.57
b)	Capital goods	0.00	0.00

b. Expenditure and Earning in Foreign Currency

(₹ Lakhs)

Sr. No.	Particulars	As on 31.03.2014	As on 31.03.2013
a)	Expenditure in foreign currency		
	1. Travelling expenses	19.86	15.73
	2. Others	13.64	2.25
b)	Earnings in foreign currency (including deemed exports)		
	FOB value of exports	339.64	227.69

c. Details of imported and indigenous Raw materials and components consumed

(₹ Lakhs)

Sr. No.	Particulars	As on 31.03.2014		As on 31.03.2013	
			%		%
i)	Imported	3198.61	29	3277.39	23
ii)	Indigenous	7693.73	71	11015.16	77
	Total	10892.34	100	14292.55	100

35. Related Party Disclosures

a. List of related parties with whom transactions have taken place and relationships:

Particulars		
1	Doshi Holdings Pvt. Ltd.	Associate Company
2	DHPL Marine Pvt. Ltd.	Subsidiary of Associate Company
3	PAL Credit and Capital Ltd.	Associate Company
4	Premier Auto Ltd.	Associate Company
5	Shri Lalchand Hirachand Trust	Promoter Related Trust
6	Mr. Maitreya V. Doshi	Key Management Personnel
7	Mr. Udo Weigel	Director
8	Mrs. Kavita Khanna	Director
9	Relative of Key Management Personnel	
	i. Smt. Saryu Doshi	
	ii. Mrs. Rohita Doshi	

b. Transactions during the year with and balance outstanding as at the end of the year with the related parties as follows

(₹ Lakhs)

Sr. No.	Related Parties Transactions	31 st March 2014	31 st March 2013
I. Transactions with Associate Companies			
A	Inter Corporate deposit received		
	1. Doshi Holdings Pvt. Ltd.	500.00	643.00
	2. DHPL Marine Pvt. Ltd.	230.00	50.00
		730.00	693.00
B	Money received against sale of investments		
	1. Doshi Holdings Pvt. Ltd.	-	2.49
C	Repayment of ICD & Advance Paid		
	1. Doshi Holdings Pvt. Ltd. (Repayment of ICD)	275.00	643.00
	2. DHPL Marine Pvt. Ltd. (Repayment of ICD)	230.00	50.00
	3. PAL Credit & Capital Ltd. (Advance paid)	32.15	52.43
		537.15	745.43
D	Interest paid on ICDs		
	1. Doshi Holdings Pvt. Ltd.	7.02	13.74
	2. DHPL Marine Pvt. Ltd.	2.68	0.86
		9.70	14.60
E	Year End Balances		
	1. ICD Payable to Doshi Holdings Pvt. Ltd.	225.00	
	2. Advance Receivable from PAL Credit & Capital Ltd.	186.15	154.00
II. Transaction with Relative of Key Management Personnel			
A	Repayment of FDs		
	1. Smt.Saryu V. Doshi	12.00	0.00
B	Interest Paid on FDs (As per Company's FD Scheme)		
	1. Mrs.Rohita M. Doshi	15.21	15.24
	2. Smt.Saryu V. Doshi	12.01	12.00
	3. Smt.Mohini Seth	11.59	9.92
	4. Mrs.Kavita Khanna	40.60	30.10
		79.41	67.26
C	Year End Balance		
	1. Payable to Mrs.Rohita M. Doshi	100.00	100.00
	2. Payable to Smt.Saryu V. Doshi	115.00	127.00
	3. Payable to Smt.Mohini Seth	95.00	95.00
	4. Payable to Mrs.Kavita Khanna	293.00	293.00
		603.00	615.00

III. Transaction with Promoter related trust			
A	Earnest money deposit received		
1.	Shri Lalchnad Hirachand Trust	300.00	0.00
B	Year End Balance		
1.	Payable to Shri Lalchnad Hirachand Trust	1280.00	980.00
IV. Transaction with Key Management Personnel			
A	Remuneration - Salaries, perquisites		
1.	Maitreya V Doshi	48.39	48.00
B	Commission on Personal Guarantee		
1.	Maitreya V Doshi	150.00	75.00
C	Year End Balance		
1.	Payable to Maitreya V Doshi	5.04	2.65

36. Earnings per share (EPS)

Sr.No.	Particulars	As on 31.03.2014		As on 31.03.2013	
		Basic	Diluted	Basic	Diluted
(a)	No. of Shares	30372570	30372570	30372570	30372570
(b)	Net Profit (₹ Lakhs)	2514.90	2514.90	8764.69	8764.69
(c)	Earning per share (₹)	8.28	8.28	28.86	28.86

37. Unhedged Foreign Currency Exposures

(₹ Lakhs)

Sr.No.	Particulars	Currency	Foreign Currency	Amount in INR
(a)	Import Trade Payables	USD	12612.86 (32138.50)	7.58 (17.48)
(b)	Import Trade Payables	JPY	0.00 (290399.00)	0.00 (1.68)
(c)	Import Trade Payables	Euro	71459.59 (72624.49)	59.01 (50.51)

(Figures in brackets are for previous year)

38. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. Further, the Company has neither paid nor is any interest payable to any Micro, Small and Medium Enterprises on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

39. Balances of Debtors & Creditors and advances/deposits received from dealers/customers are as per books of account. Letters have been sent seeking confirmation of balances and replies in some cases are awaited. Adjustments, if any, will be made on receipt of such confirmations and due reconciliation.

40. Previous year figures have been regrouped and/or rearranged whenever necessary.

(Signature to Notes 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No
100186W

Raghuvir M. Aiyar
Partner (M No. 38128)

Place: Mumbai
Date: 7th May 2014

Maitreya V. Doshi
Chairman & Managing Director

S. Padmanabhan
Director

Asit Javeri
Director

Rohita M. Doshi
Director

Dilip J. Thakkar
Director

Shailesh Vaidya
Director

Ramesh M. Tavhare
Vice President
(Legal & Corporate Affairs)
& Company Secretary

K. S. Nair
Chief Financial Officer

Place: Mumbai
Date: 7th May 2014

Automotive



The Premier RiO



**India's most fuel efficient
compact SUV**



Nationwide dealership network



**State-of-the-art RiO
assembly line**



**RiO with the new CRDi4
diesel engine**

Engineering

Automotive



PREMIER LTD.

Corporate Office: 58, Nariman Bhavan, Nariman Point, Mumbai 400021, India. Tel: +91-22-61179000/1/2, Fax: +91-22-61179003

Registered Office & Works: Mumbai-Pune Road, Chinchwad, Pune 411019, India. Tel: +91-20-66310000 / 27475161, Fax: +91-20-66310371

NOTICE

NOTICE is hereby given that the SIXTY EIGHTH ANNUAL GENERAL MEETING of the members of the Company will be held on Friday, the 12th September, 2014 at 10 a.m. at the Registered Office of the Company at Mumbai-Pune Road, Chinchwad, Pune – 411 019, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Directors' Report, the Audited Financial Statements including the Statement of Profit and Loss for the year ended 31 March, 2014 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare a dividend on equity shares for the year ended 31st March, 2014.
3. To appoint a Director in place of Mrs. Rohita M. Doshi (holding DIN 00246388) who retires by rotation, in terms of section 152(6) of the Companies Act, 2013, and being eligible, offers herself for reappointment.
4. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act 2013, M/s K.S. Aiyar & Co., Chartered Accountants be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration plus service tax and out-of-pocket and/or travelling expenses, as may be determined by the Board of Directors on the recommendation of the Audit Committee of the Board."

Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Shailesh S. Vaidya (holding DIN 00002273), who was appointed as Director in Casual Vacancy of the Company by the Board of Directors, with effect from 14th June, 2013, in terms of Section 262 of the Companies Act, 1956 and whose term of office expires at the ensuing Annual General Meeting and who has submitted a declaration that he meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder and Clause 49 of the Listing Agreement(s), (including any statutory

modification(s) or re-enactment thereof, for the time being in force), for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S. Padmanabhan (holding DIN 00001207), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Asit Javeri (holding DIN 00268114), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to

the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Udo Weigel (holding DIN 02142276), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Kavita Khanna (holding DIN 00100979), a non-executive director of the Company, who has submitted a declaration that she meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that she shall not be liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Dilip J. Thakkar (holding DIN 00007339), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation."

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ramesh Adige (holding DIN 00101276), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence, as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation."

12. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Sixty Fourth Annual General Meeting of members held on 30th August, 2010 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers/ Lenders in the ordinary course of business, shall not be in excess of Rs.500 crores (Rupees five hundred crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate, finalise, settle and execute with any of the Bankers / Lenders jointly or severally, all deeds, documents, instruments and writings for the purpose of borrowing and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

13. To consider and, if thought fit, to pass the following Resolution, with or without modifications, as a Special Resolution:

RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company, be and is hereby amended by insertion of following new Article No.176(1) after present Article No.176:

176(1)

- “ The Directors shall have the powers to appoint or re-appoint an individual as the chairperson / Chairman of the Board as well as the Managing Director or a whole-time director and determine the period for which such an individual is to hold the office as the chairperson / Chairman as well as the Managing Director or a whole-time director.”

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provision of Section 148(3) of the Companies Act, 2013, read with Rule 14 of The Companies (Audit and Auditors) Rules, 2014 and the other applicable provisions, if any, of the Companies Act, 2013, payment of Remuneration of Rs. 1.65 lacs (Rupees one lac sixty five thousand only) (apart from the reimbursement of out-of-pocket expenses incurred for the purpose of Audit) to M/s. ABK & Associates, Cost Accountants (Registration No.000036) for conducting the audit of Cost Accounting Records relating to the Engineering and Vehicles products manufactured by the Company for the year 1st April, 2014 to 31st March, 2015, be and is hereby approved and ratified.”

By Order of the Board,

Registered Office:

Mumbai-Pune Road,
Chinchwad, Pune – 411 019

Ramesh M. Tavhare

Vice President
(Legal and Corporate Affairs)
& Company Secretary

Place : Mumbai
May 7, 2014

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing a proxy and the power of attorney, if any, under which it is signed, should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Annual General Meeting.

2. The Register of Members and Share Transfer Books will remain closed from Tuesday, the 2nd September, 2014 to Friday, the 12th September, 2014 (both days inclusive) for payment of dividend on equity shares.
3. The dividend on Equity Shares, if declared at the ensuing Annual General Meeting, will be paid on or after 15th September, 2014.
4. If members holding shares in physical form, wish to receive dividend through Electronic Clearing Services (ECS), kindly provide your bank account details along with photocopy of the cancelled cheque bearing the 9-Digit MICR code number of the bank where the account is held, to our Registrar and Transfer Agents, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai - 400 078, so that dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.
5. Members holding shares in dematerialized form are advised to inform their bank account details/confirm correctness of such details already provided to their respective Depository Participants along with the 9-Digit MICR code number of the bank where the account is held so that the dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.
6. i) Members/Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting.

ii) Members, holding shares in physical form, may write to the Company's Registrar and Transfer Agents for any change in their address and bank mandates and members, having shares in electronic form, may inform the same to their depository participants immediately, so as to enable the Company to dispatch dividend warrants at their contact address.

iii) Members are requested to send all communications relating to shares to the Company's Registrar and Transfer Agents (Physical and Electronic) at Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078.

iv) Corporate members, intending to send their authorized representatives to attend the Meeting, are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Pursuant to the provisions of Section 205A and 205C and other applicable provisions of the Companies Act, 1956, dividends for the financial year ended 31st March, 2007 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the respective dates of transfer to the unpaid dividend account of the Company are due for transfer to the Investor Education & Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
2006-2007	22.6.2007	21.6.2014	21.7.2014
2007-2008	27.6.2008	26.6.2015	26.7.2015
2008-2009	26.6.2009	25.6.2016	25.7.2016
2009-2010	30.8.2010	29.8.2017	29.9.2017
2010-2011	11.6.2011	10.6.2018	10.7.2018
2011-2012	24.8.2012	23.8.2019	23.9.2019
2012-2013	14.6.2013	13.6.2020	13.7.2020

Members, who have, so far, not encashed the Dividend Warrants for the above years, are advised to submit their claims to the Company's R&TA at either of the aforesaid addresses immediately quoting their folio number/ DP ID & Client ID.

8. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices / documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members, who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members, who are holding shares in physical form, are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.
9. Members, holding shares in physical form, may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Corporate Office at 58, Nariman Bhawan, Nariman Point, Mumbai – 400 021 or from its R&TA at either of the aforesaid addresses.

10. In terms of Section 108 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, e-voting facility is being provided to the Members. Details of the e-voting process and other relevant details are being sent to all the Members along with this Notice.

11. The equity shares of the Company are listed on BSE Ltd., Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Mumbai – 400 051. The listing fees have been paid up-to-date to these Exchanges.

12. The shareholding of Independent Directors seeking appointment / re-appointment at this meeting, are as under:

Mr. S. Padmanabhan – Nil shares,
Mr. Asit Javeri – 14,300 shares,
Mr. Udo Weigel – Nil shares,
Mrs. Kavita Khanna – 14,000 shares,
Mr. Dilip J. Thakkar – 740 shares,
Mr. Shailesh S. Vaidya – Nil shares.
Mr. Ramesh Adige – Nil shares.

13. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically on the resolutions mentioned in the notice of 68th Annual General Meeting of the Company

The instructions for members for voting electronically are as under :-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “PREMIER LTD.” from the drop down menu and click on “SUBMIT”
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - 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.
DOB	Enter the Date of Birth 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 the DOB or Dividend Bank Details in order to login. If 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.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **“PREMIER LTD.”** on which you choose to vote.

- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> 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.
- (xix) **In case of members receiving the physical copy of Annual Report** Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- (xx) The voting period begins on 6th September, 2014 (9.00a.m.) and ends on 8th September, 2014 (6.00 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 1st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (xxi) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1st August, 2014.
- III. A copy of this notice has been placed on the website of the Company and website of CDSL.
- IV. Mr. N. L. Bhatia, Practicing Company Secretary (Certificate of Practice Number 422), has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of votes cast in favour or against, if any, forthwith to the Chairman.
- VI. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.premier.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Ltd. and National Stock Exchange of India Ltd.

ANNEXURE TO NOTICE

Explanatory Statement as required by Section 102 of the Companies Act, 2013.

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts in respect of Item Nos.5 to 14:

In respect of Item No.5

Mr. Shailesh S. Vaidya, aged 56 years, is a practicing Advocate and Solicitor. He has done his B.Com and LLB Degrees. He is a Senior Partner of Kanga & Co., a reputed firm of Advocates and Solicitors.

In his professional capacity, Mr. Vaidya is a Director in Apcotex Industries Ltd., Siyaram Silk Mills Ltd., Avighna India Ltd. and Prabhukripa Overseas Ltd. He is a Member on the Investment Committee of Aditya Birla Sunlife Realty Mutual Fund. He specializes in Property / Real Estate matters. With his more than 31 years of experience in legal practice, he has been involved in several prestigious / landmark property deals. His name and firm reference features in "Guide to the World's Leading Real Estate Lawyers" 7th Edition, published by Legal Media Group, United Kingdom and also in "The Legal 500" and Chambers Asia Pacific Guide to Asia's Commercial Law Firm 2011 to 2013 issues as leading lawyer firm for Real Estate in Mumbai City. His firm has been recently awarded India Business Law Journal Award for best legal practiced in "Construction and Real Estate".

Mr. Vaidya is presently the President of Indian Merchants' Chamber (Premier Chamber of Commerce in Western India). He has been the Member of the Managing Committee of the Indian Merchants' Chamber for the past seven years. He has also been the President (centennial year) of the Rotary Club of Bombay Queen City and has been associated as trustee / advisor with several educational / social organizations.

Mr. Shailesh Vaidya was appointed as an additional Director by the Board of Directors on 14.6.2013 under Article 161 of the Articles of Association of the Company and under Section 262 of the Companies Act, 1956 (corresponding to Section 161(1)) of the Companies Act, 2013. He is presently an Independent Director on the Board, as per current provisions of the Listing Agreement. He will hold office upto the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Shailesh Vaidya, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director, for a term of five consecutive years. The Company has received a declaration from Mr. Shailesh S. Vaidya to effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying his intention to propose Mr. Shailesh Vaidya as a candidate for the office of the Independent Director of the Company.

In the opinion of the Board, Mr. Shailesh Vaidya fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr. Shailesh Vaidya as an Independent Director, setting out the terms and

conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mr. Shailesh Vaidya, is concerned or interested in the Resolution.

In respect of Item No. 6

Mr. S. Padmanabhan, aged 74, is a M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. He has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai.

Mr. Padmanabhan was an I.A.S. Officer, during which tenure he held various positions in the Government of Maharashtra, including Director -Tourism, Managing Director - SICOM, Commissioner, Aurangabad Division etc.

Mr. Padmanabhan has worked as Corporate Advisor to Bharat Forge Limited and later Deepak Fertilizers and Walchandnagar Industries Limited. During the last 20 years, he has been associated with Videocon Group. He has wide experience in industrial projects, finance and administration.

Mr. Padmanabhan is a Director on the Boards of Sudarshan Chemicals Industries Ltd., Desai Brothers Ltd., Rajkumar Forge Ltd., Force Motors Ltd., Sanghvi Movers Ltd. and Aquapharm Chemicals Pvt. Ltd.

Mr. Padmanabhan is a Director, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Padmanabhan, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. The Company has received a declaration from Mr. Padmanabhan to effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying his intention to propose Mr. Padmanabhan as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. S. Padmanabhan fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr. S. Padmanabhan as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mr. S. Padmanabhan, is concerned or interested in the Resolution.

In respect of Item No. 7

Mr. Asit Javeri, aged 57, holds a Bachelors Degree in Science from Mumbai University. He is an industrialist with over 29 years

of experience in chemical industry. Currently, he is Chairman and Managing Director of Sadhana Nitrochem Ltd and has been actively involved in the major expansion and diversification projects of the Company thereby propelling it to a Star Export House status.

Mr. Javeri is the Managing Director of Sadhana Nitro Chem Ltd. and Director of Indian Extractions Ltd., Phthalate Colours & Chemicals (I) Ltd., Lifestyle Networks Ltd., Manekchand Panachand Trading Investment Co. Pvt. Ltd., Anuchem B.V.B.A., Belgium, Strix Wireless Systems Pvt. Ltd., Chandra Net Pvt. Ltd., Anuchem pte Ltd., Singapore, Strix System Inc, USA and AHANA Inc, USA.

Mr. Javeri is a Director, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Javeri, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. The Company has received a declaration from Mr. Javeri to effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying his intention to propose Mr. Javeri as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Asit Javeri fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr. Asit Javeri as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mr. Asit Javeri, is concerned or interested in the Resolution.

In respect of Item No. 8

Dr. Udo Weigel, aged 72, is a German national. He is a Graduate in Mechanical Engineering/Manufacturing, Technology and holds a Doctorate Degree in Research on gear hobbing from RWTH Aachen University, Germany.

Dr. Weigel has over 4 decades of experience in the machine tool industry, having worked with Pfauter, a leading gear hobbing machine manufacturer in Europe, for more than 26 years in various capacities including Managing Director of Engrenasa Sorocaba Brazil and Pfauter Italia SPA. He is a Director of ADD Engineering, Germany and owner of Alpha Beta Engineers, Germany.

His professional experience includes guiding collaborators in different countries; process planning on component, group and complete product level; development of complex products; material flow analysis, automation concepts; public funded research projects (European Community); marketing concepts, sales strategies, customer contacts, development road mapping; consulting; evaluation and purchase of production means and facilities; technical due diligences; business plans, etc.

Dr. Udo Weigel is a Director, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Udo Weigel, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. The Company has received a declaration from Dr. Udo Weigel to effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying his intention to propose Dr. Udo Weigel as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Dr. Udo Weigel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Dr. Udo Weigel as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Dr. Udo Weigel, is concerned or interested in the Resolution.

In respect of Item No. 9

Mrs. Kavita Khanna, aged 52, has done her B.Sc (Econ.) from London School of Economics, U.K. She also holds Masters Diplomas in Law, and in Law and Practice from City University, London, U.K. and is a Barrister of Law from U.K.

Mrs. Khanna is a Financial and Legal Consultant and is currently working in the area of Public Health with a focus on Neglected Tropical Diseases. Mrs. Khanna is a member of the India Council of the World Forum for Ethics in Business and is a member of the India Board of the International Association for Human Values.

Mrs. Khanna was President (Business Development) of Bharat Serums and Vaccines Ltd. Previously she was also a Partner in the law firm. She did independent practice in the Mumbai High Court and continues to be a member of the Mumbai Bar Council.

She has served various organizations in different capacities such as the Vice Chair of ASSOCHAM Committee of Human Resource Development, Member of Managing Committee of Indian Merchants' Chambers, Chairperson of the Industrial Relations and Labour Law Committee of CII, WR, Member of the Board of Trustees of Jawaharlal Nehru Port Trust & Chairperson of the IMC Committee for Human Resource Development.

She has worked closely with Prime Minister's office, Central Govt., Maharashtra Govt. and Indian Industry for reform of the Labour Laws and was an Expert consultant to the Second Labour Commission.

Mrs. Khanna is a Director of Bharat Serums and Vaccines Ltd. Bharat Radiators Pvt. Ltd.; Bharat Radiators Industries Pvt. Ltd., Vista Communications Pvt. Ltd. and Kasiak Research Pvt. Ltd.

Mrs. Kavita Khanna is a Director, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Kavita Khanna, being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. The Company has received a declaration from Mrs. Kavita Khanna to effect that she meets the criteria of independence, as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying her intention to propose Mrs. Kavita Khanna as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mrs. Kavita Khanna fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for her appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to her qualifications, knowledge and experience, her appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mrs. Kavita Khanna as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends her appointment as an Independent Director in the interest of the Company, to utilize her expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mrs. Kavita Khanna, is concerned or interested in the Resolution.

In respect of Item No. 10

Mr. Dilip J. Thakkar, aged 77, is a fellow member of the Institute of Chartered Accountants of India. He is a Senior Partner of M/s Jayantilal Thakkar & Co., Chartered Accountants & M/s Jayantilal Thakkar & Associates, Chartered Accountants, Mumbai. He received his B.Com. and L.L.B. degrees from Bombay University in 1957 and 1959, respectively.

Mr. Dilip Thakkar is an eminent Chartered Accountant and has over fifty years of experience in Finance and Corporate matters. He specializes in the Foreign Exchange Management Act, and has advised overseas corporations and large Indian Companies on Investments, taxation and collaboration. He is a trustee of the HSBC Mutual Fund.

Mr. Dilip Thakkar is a Director on the Board of many Listed and Unlisted Public and Private Companies, namely Poddar Developers Ltd., Panasonic Energy India Co. Ltd., Essar Oil Ltd., The Ruby Mills Ltd., PAE Ltd., Himatsingka Seide Ltd., Walchandnagar Industries Ltd., Indo Count Industries Ltd., Garware Polyester Ltd., Essar Ports Ltd., Modern India Ltd., Westlife Development Ltd., Rajasvi Properties Holdings Pvt. Ltd., Starrock Investments & Trading Pvt. Ltd., Blueberry Trading Company Pvt. Ltd., Essar Ports Ltd., Township Real Estate Developers Pvt. Ltd., Hamlet Construction (India) Private Ltd., Windmere Hospitality (India) Pvt. Ltd., Skidata (India) Pvt. Ltd., Ameya Logistics Pvt. Ltd., Universal Trustees Pvt. Ltd. and Magus Estate & Hotels Pvt. Ltd.

Mr. Dilip Thakkar is a Director, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Dilip Thakkar being eligible and offering himself for appointment, is proposed to be appointed as

an Independent Director for a term of five consecutive years. The Company has received a declaration from Mr. Dilip Thakkar to effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying his intention to propose Mr. Dilip Thakkar as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Dilip J. Thakkar fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr. Dilip Thakkar as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mr. Dilip Thakkar, is concerned or interested in the Resolution.

In respect of Item No. 11

Mr. Ramesh Adige, aged 63, is a Masters in Business Administration with specialization in Marketing from the renowned Faculty of Management Studies, University of Delhi and holds a B.E. (Honours) degree from the prestigious Birla Institute of Technology and Science (BITS), Pilani. Until recently, Mr. Adige was President of Ranbaxy Laboratories, India's largest pharmaceutical company with world-wide foot prints, selling its products in 125 countries.

He has 39 years of extensive and wide-ranging experience in the areas of Corporate Policy, Public Affairs & Public Policy, Strategic and Perspective Planning, External Relations and the broader spectrum of Business Activities including Joint Ventures, Technical & Financial collaborations. He is an active participant in the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce & Industry (FICCI) and headed CII's Task Force on IP Policy. He was Chairman of Health Committee of PHD Chamber of Commerce and Industry for 2 years. He is the Co – Chairman of PHD Chamber's Committee on Corporate Affairs. Ramesh is a member of the Round Table on Skills Development instituted by the Ministry of Human Resource Development, Govt. of India.

Before joining Ranbaxy, in 2004, Mr. Ramesh Adige was Executive Director in Fiat India. He has considerable exposure to both direct & indirect marketing in the consumer durable and automobile industries. He has also served as President of the Governing Council of the Automotive Research Association of India, a premier institution for testing, homologation, validation and certification for all automobiles in India, having more than 500 Research scientists and engineers in its fold. Recognising his contribution to the Auto Industry, the Ministry of Heavy Industries and Public Enterprises, had inducted him as Member of the Development Council for Automobiles and Allied Industries. Mr. Ramesh Adige was an active participant in SIAM activities. He is credited with some high level public policy successes viz ending the monopoly in Government R/Cs for cars and separately in Defence purchases and also getting a level playing field introduced in all fiscal issues involving the Union Budget, and State sales tax.

Mr. Ramesh Adige is a Director on the Board of Syndicate Bank and Fortis Malar Hospitals Ltd. He is also a Member of the Governing Council of T. A. Pai Management Institute, Manipal and a Member of the Board of Governors of the Indian Institute of Corporate Affairs. He is a Co-opted Member of the Biodiversity Foundation of NCT of Delhi, constituted by a Gazette Notification of Government of India.

He is also a Member of the Management Committee of PHD Chamber of Commerce and the Chairman of the PHD Rural Development Foundation.

Mr. Ramesh Adige is a Director, whose period of office was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Ramesh Adige being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years. The Company has received a declaration from Mr. Ramesh Adige to effect that he meets the criteria of independence as provided in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. A notice has been received from a member of the Company, along with requisite deposit, signifying his intention to propose Mr. Ramesh Adige as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Ramesh Adige fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management of the Company. Having regard to his qualifications, knowledge and experience, his appointment as an Independent Director will be in the interest of the Company. Copy of the draft letter for appointment of Mr. Ramesh Adige as an Independent Director, setting out the terms and conditions, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board recommends his appointment as an Independent Director in the interest of the Company, to utilize his expertise.

None of the Directors, key managerial personnel and/or their relatives, except Mr. Ramesh Adige, is concerned or interested in the Resolution.

In respect of Item No. 12

The Members of the Company, at their 64th Annual General Meeting held on 30th August, 2010 had, inter alia, by passing an enabling Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, approved borrowing an amount up to Rs. 500 crores in excess of paid-up capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

Section 180(1)(c) of the Companies Act, 2013 ('Act'), provides for similar consent to be sought from members by way of a Special Resolution. The maximum limit for borrowings / availing of financial assistance is the same, as was approved by the members at the 64th Annual General Meeting held on 30th August, 2010, referred above.

The Board of Directors recommends passing of the Special Resolution at Item No. 12 of the Notice.

None of the Directors, key managerial personnel and / or their relatives is concerned or interested in the Resolution.

In respect of Item No. 13

The proviso to clause to Section-203 of the Companies Act, 2013, stipulates that an individual shall not be appointed or reappointed as the Chair Person of the company, as well as the Managing Director or the Chief Executive Officer of the company at the same time, unless the Articles of such company provides otherwise.

In view of the above, it is proposed to amend the Articles of Association of the Company by inserting a new Article No.176 (1), to enable the Directors to appoint or reappoint an individual as Chair Person / Chairman of the Board as well as Managing Director or Whole-time Director or Chief Executive Officer, as and when such need arises, in the interest of the Company.

The Board of Directors recommends passing of the Special Resolution at Item No. 13 of the Notice.

None of the Directors, key managerial personnel and / or their relatives except Mr. Maitreya V. Doshi and Rohita M. Doshi, is concerned or interested in the Resolution.

In respect of Item No. 14

Section 148(2) of the Companies Act, 2013, provides that if the Central Government is of the opinion that it is necessary to do so, it may, by order, direct that the audit of cost records of class of companies, which are covered under sub-section (1) and which have a net worth of such amount, as may be prescribed or a turnover of such amount as may be prescribed, shall be conducted in the manner specified in the order.

The said Section 148(2) has been notified by the Ministry of Corporate Affairs and has been made effective from 1st April, 2014, however so far, no Rules or Orders have been issued in this regard. The Company was covered under the Cost Audit Regulations under the provisions of the Companies Act, 1956 and Orders issued thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors thought it expedient to appoint M/s. ABK & Associates as the Cost Auditors for Cost Audit of Engineering and Vehicles products for the financial year 1st April, 2014, to 31st March, 2015, on a remuneration of Rs.1.65 lacs, apart from reimbursement of out-of-pocket expenses incurred for the purpose of audit, subject to approval of remuneration by the Members. Section 148(3) read with Rule 14 of The Companies (Audit and Auditors) Rules 2014, prescribes that the remuneration of the Cost Auditor shall be approved by the Shareholders. Accordingly, this Ordinary Resolution is proposed for approval of the Members.

The Board of Directors recommends passing of the Ordinary Resolution at Item No.14 of the Notice.

None of the Directors, key managerial personnel and /or their relatives is concerned or interested in the Resolution.

By Order of the Board,

Registered Office:

Mumbai-Pune Road,
Chinchwad, Pune – 411 019

Ramesh M. Tavhare

Vice President
(Legal and Corporate Affairs)
& Company Secretary

Place : Mumbai

May 7, 2014

ATTENDANCE SLIP

68th ANNUAL GENERAL MEETING
Only Shareholders or the Proxies will be allowed to attend the meeting

DP ID*		Registered Folio No.	
Client ID*		No. of Shares	

I /We hereby record my /our presence at the 68th Annual General Meeting of the Company being held on Friday, 12th September, 2014 at 10.00 a.m. at Premier Ltd., Mumbai-Pune Road, Chinchwad, Pune – 411 019.

Signature of Shareholders(s) 1. 2. 3.

Signature of Proxyholder

* Applicable for investors holding shares in electronic form.

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34103PN1944PLC020842
Name of the Company : PREMIER LIMITED
Registered Office : Mumbai-Pune Road, Chinchwad, Pune – 411 019

Name of the Member/s	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/ We, being the member/s of No. of Equity Shares of the above named Company, hereby appoint :

- (1) Name Address
E-mail ID Signature Or failing him
- (2) Name Address
E-mail ID Signature Or failing him
- (3) Name Address
E-mail ID Signature



as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 68th Annual General Meeting of the Company, to be held on Friday, 12th September, 2014 at 10.00 a.m. at Premier Ltd., Mumbai-Pune Road, Chinchwad, Pune – 411 019 and at any adjournments thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional *	
		For	Against
1.	To adopt the Audited Financial Statements including the statement of Profit and Loss for the year ended 31 st March, 2014 and the Balance Sheet as at that date, report of the Board of Directors and Auditors .		
2.	To declare a dividend on equity shares for the year ended 31 st March, 2014.		
3.	Re-appointment of Mrs. Rohita M. Doshi, who retires by rotation.		
4.	Appointment of M/s K.S. Aiyar & Co., Chartered Accountants as Auditors.		
5.	Appointment of Mr. Shailesh S. Vaidya as an Independent Director.		
6.	Appointment of Mr. S. Padmanabhan as an Independent Director.		
7.	Appointment of Mr. Asit Javeri as an Independent Director.		
8.	Appointment of Dr. Udo Weigel as an Independent Director.		
9.	Appointment of Mrs. Kavita Khanna as an Independent Director.		
10.	Appointment of Mr. Dilip J. Thakkar as an Independent Director.		
11.	Appointment of Mr. Ramesh Adige as an Independent Director.		
12.	Special Resolution under Section 180(1)(c) the Companies Act, 2013 for borrowing money upto 500 crores over and above the aggregate of the paid up share capital and free reserves of the Company.		
13.	Special Resolution for amended the Articles of Association of the Company, by insertion of Article No. 176(1) after present Article No. 176		
14.	Remuneration payable to the Cost Auditor		

Signed this day of 2014 **Note:** (1) The proxy in order to be effective should be duly stamped, completed and signed and deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.

Signature of the Shareholder

:

Signature of the Proxy holder/s

:

Affix
Revenue
Stamp

(2) For the Resolutions, Explanatory statement and Notes, please refer to the Notice of the 68th Annual General Meeting.

* (3) It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.

(4) Please complete all details of member(s) in above box before submission.



PREMIER LTD.

Engineering • Automotive

12th August, 2014

BSE Limited
Floor 25, P.J. Towers
Dalal Street
Mumbai - 400 001

ISIN Code: 500540

Dear Sirs,

We are submitting herewith six copies of the Annual Report for the year ended 31st March, 2014, as required under Clause 31 of the Listing Agreement.

Form - A

1.	Name of the Company	Premier Ltd.
2.	Annual financial statement for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified and Matter of Emphasis
4.	Frequency of observation	Matter of Emphasis appeared for the second time

Maitreya V. Doshi
(Chairman & Managing Director)

S. Padmanabhan
(Audit Committee Chairman)

K.S. Nair
(Chief Financial Officer)

Auditor
(K. S. Aiyar & Co.)