



PREMIER LTD.

Regd. Office: Mumbai-Pune Road, Chinchwad, Pune – 411 019

Postal Ballot Notice pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule-XIII and Section-192A of the Companies Act, 1956

NOTICE IS HEREBY GIVEN to the shareholders of the Company, pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule-XIII and Section-192A of the Companies Act, 1956 and the applicable rules and the applicable provisions of the Companies Act, 2013, if any, that approval of the shareholders is sought for reappointment and payment of remuneration to **Mr. Maitreya V. Doshi as Managing Director for a period of 3 years from 29th March, 2014 to 28th March, 2017.**

The Special Resolution together with the explanatory statement containing all material facts and reasons for the proposed Special Business pursuant Section-102(1) of the Companies Act, 2013, read with Section 192A(2) of the Companies Act, 1956, are being sent herewith along with a postal ballot form ("**Postal Ballot Form**") and a self-addressed postage pre-paid business reply envelope for your consideration and voting.

The Board of Directors of the Company ("**Board**") has appointed Mr. N. L. Bhatia, FCS, Practicing Company Secretary of M/s. N.L. Bhatia & Associates, Company Secretaries, Mumbai as Scrutinizer ("**Scrutinizer**") who will be responsible for the fair and transparent conduct of vote through the postal ballot process. Mr. Asit Javeri, Director and Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary to be responsible for the entire Postal Ballot process.

Shareholders desiring to exercise their vote by postal ballot are requested to carefully read the instructions before filling the Postal Ballot Form and return the duly completed Postal Ballot Form (no other copy or photocopy of the said Postal Ballot Form will be accepted) in the attached self-addressed postage pre-paid business reply envelope. The Postal Ballot Form(s) should reach the Scrutinizer on or before 6 p.m. on 21st March, 2014 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from such Shareholder.

The Scrutinizer will submit his report to Mr. Asit Javeri, Director, authorized by the Board, after completion of the scrutiny of the Postal Ballot Forms received. The result of voting by Postal Ballot will be declared by Mr. Asit Javeri, Director or in his absence, by any other person authorized by him, on 26th March, 2014 at 3 p.m. at the Corporate Office at 58, Nariman Bhavan, 5th Floor, Nariman Point, Mumbai 400 021 and would be displayed at the Registered Office of the Company at Mumbai Pune Road, Chinchwad, Pune – 411 019. Additionally, the result will also be posted on the Company's website <http://www.premier.co.in> and will be communicated to the Stock Exchanges where the equity shares of the Company are listed. The resolution will be taken as passed effectively on the date of announcement of the result by the Director of the Company or by the authorized person, if the result of the Postal Ballot indicates that the requisite majority of the Shareholders assented to the resolution

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution through Postal Ballot:

"RESOLVED THAT pursuant to the provisions of Sections-198, 269, 309, 310 & 311, read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments, modifications, variations or re-enactments thereof) and the applicable provisions of the Companies Act, 2013, if any, and subject to the approval of the Central Government and such other statutory approvals as may be required, Mr. Maitreya V. Doshi, be and is hereby reappointed as the Managing Director of the Company, for a period of 3 years, with effect from 29th March, 2014 to 28th March, 2017, on such remuneration, as set out hereunder.

RESOLVED FURTHER THAT in the event of the Company having no profit or inadequate profits / insufficiency of profits in any financial year during the currency of the tenure, the Company shall pay to Mr. Maitreya V. Doshi the remuneration as specified hereunder, as and by way of minimum remuneration.

RESOLVED FURTHER THAT any of the Directors or Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary, be and is hereby authorized to sign and submit an application to the Central Government for approval of the appointment and remuneration to Mr. Maitreya V. Doshi and to take all other necessary steps as may be required in this regard."

1. **Salary:** Rs.7,00,000/- per month

2. **Perquisites:**

In addition to salary, Mr. Maitreya V. Doshi would be entitled to the following perquisites:

(a) **House Rent Allowance / Rent Free Accommodation:** Not exceeding Rs.50,000/- per month.

(b) **Leave Travel Concession / Allowance:**

Leave Travel Concession / Allowance for self and family once in a year subject to the ceiling of one month's salary per annum.

"Family" means spouse, dependent children and dependent parents.

(c) **Leave:**
Leave, Leave accumulation and encashment as per rules of the Company.

(d) **Medical Allowance / Reimbursement:**
Medical Allowance / Reimbursement of expenses incurred by the Managing Director for Self and his family (spouse, dependent children and dependent parents) subject to the ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

(e) **Contribution to Provident Fund and Superannuation Benefit:**
Contribution to Provident Fund and the Superannuation benefit by purchase of Annuity or otherwise shall be as prescribed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Income Tax Act, 1961 to the extent that these either singly or put together are not taxable under the Income Tax Act, 1961.

(f) **Gratuity:**
Half month's salary for each completed year of service.

(g) **Free use of car:**
The Company shall provide one car with driver or reimburse the Driver's Salary, for the Company's business which will not be considered as a perquisite and use of car for private purposes shall be billed by the Company.

(h) **Gas, Electricity, Personal Accident Insurance, etc.:**
The Company shall reimburse expenses or any allowance for utilization of Gas, Electricity, Water, Furnishing, Repairs, Personal Accident Insurance Premium, Club fees, Membership of Professional Bodies and such other perquisites and / or allowances with overall ceiling of one month's average salary per year. The said perquisites and allowances shall be calculated wherever applicable as per Income Tax Act, 1961 and any rules thereunder in the absence of any Rules, such perquisites shall be considered at actual cost.

(i) **Communication Facilities:**
The Company shall provide free of charge communication facilities such as telephone, mobile, internet etc. and reimbursement of cost of use of the same. Such expenditure shall not be considered as a perquisite.

3. He shall also be entitled to reimbursement of reasonable entertainment expenses incurred for the business of the Company and expenses for travelling, boarding and lodging including for spouse during business trips.

4. He shall not be liable to retire by rotation.

**By Order of the Board of Directors
For Premier Limited**

**Ramesh M. Tavhare
Vice President (Finance and Legal)
& Company Secretary**

Place: Mumbai
Dated: February 5, 2014

Notes:

1. The Notice is being sent to all members whose names appear in the Register of Members and in the Record of Depositories, as on 14th February, 2014.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 and Section-102(1) of the Companies Act, 2013 read with Section 192A(2) of the Companies Act, 1956 is given hereunder.
3. A Postal Ballot Form along with reply paid self addressed envelope is attached hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A OF THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT, 2013.

The Remuneration Committee of the Board and the Board of Directors of the Company, at their respective meetings held on 5th February, 2014, have reappointed Mr. Maitreya V. Doshi as the Managing Director for a period of 3 years from 29th March, 2014 to 28th March, 2017, on such remuneration as set out in the Resolution hereinabove, subject to the approvals of the shareholders and the Central Government.

Mr. Maitreya V. Doshi, aged 51 years, has an MBA from IMD (Switzerland) and B.A. (Econ.) from Stanford University, U.S.A. He has been associated with the Company for over 30 years. He was appointed as Chairman of the Board in 2008. He has been largely responsible for strong turnaround of the Company's operations and particularly for development of new lucrative business activity like heavy engineering business. He was actively involved with Young Presidents' Organizations (YPO) for more than 20 years and is currently a Member of the World Presidents' Organization (WPO). Mr. Doshi has served Confederation of Indian Industry in his capacity as Chairman of the International Affairs Sub-Committee. 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.

The Board is of the opinion that Mr. Maitreya V. Doshi has the requisite qualifications, expertise and experience for the position he is holding in the Company.

The Board recommends passing of the Special Resolution as set out hereinabove.

Mr. Maitreya V. Doshi, being concerned, is interested in the resolution. Mrs. Rohita M. Doshi being a relative of Mr. Maitreya V. Doshi may be regarded as concerned or interested in the resolution. None of the other Directors or their relatives or none of the key Managerial persons or their relatives, is concerned or interested in the resolution.

The information, as required under Section II(C) of Part-II of Schedule-XIII to the Companies Act, 1956, is given below:

I. General Information

(1) Nature of Industry	The Company is engaged in CNC Machines, heavy engineering and automotive businesses. The Company has developed an expertise in manufacture of critical components for Wind Turbines over the last more than 7 years. The CNC Machine business is in operation since 1961.			
(2) Date or expected date of commencement of commercial production	The Company is already in production for last several decades. The Company was incorporated in 1944.			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable			
(4) Financial performance based on given indicators	Rs. in lakhs			
		Year ending 31.03.2011	Year ending 31.03.2012	Year ending 31.03.2013
	Sales Turnover (gross)	24411.91	30359.12	29754.58
	Net worth	69819.39	71044.24	51324.86
	Profit before Tax	2305.79	1418.66	14162.96
	Profit after Tax	1844.70	2283.84	8764.69
	Dividends	27%	30%	70%
(5) Export performance and net foreign exchange	Rs. in lakhs			
		Year ending 31.03.2011	Year ending 31.03.2012	Year ending 31.03.2013
	Foreign Exchange Earning	70.85	156.53	227.69
	Foreign Exchange Outgo	3511.08	4416.50	2869.55
(6) Foreign investments or collaborators, if any	Not Applicable			

II. Information about the Appointee:

Mr Maitreya V. Doshi Chairman and Managing Director

(1) Background details	Details are given in the explanatory statement appended hereinabove.
(2) Past remuneration	Remuneration comprises of monthly salary, perquisites, retirement benefits and commission, the details of which are: Y.E. 31.03.2011 Rs.52.74 lacs Y.E. 31.03.2012 Rs.52.32 lacs Y.E. 31.03.2013 Rs.52.32 lacs
(3) Recognition or Awards	Mr. Maitreya V. Doshi has been a member of the Young Presidents Organization (YPO) for the past 20 years and also serves on the YPO International Board for 3 years from '09 - '12. He has received many international YPO awards including two "Best of the Best" award for Chapter Education and Global Networking as well as YPOs Leadership in Global Membership Award.

(4) Job Profile and his suitability	Mr. Maitreya V. Doshi has been associated with the Company for over 30 years. Starting as Manager then Vice President followed by Executive Director and finally Managing Director. He was appointed as a 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 like heavy engineering business. The Board is of the opinion that Mr. Maitreya V. Doshi has the requisite qualifications, expertise and experience for the position he is holding in the Company.
(5) Remuneration proposed	As stated in the Resolution hereinabove
(6) Comparative remuneration profile with respect to industry size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is modest compared with the current remuneration packages of managerial personnel of companies belonging to similar industries. Further, it is commensurate with the qualification and experience and in accordance with the highly competitive business scenario requiring recognition and reward for performance and achievement towards meeting objectives of the Company.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	To the extent of his entitlement of his remuneration and is related to Mrs. Rohita M. Doshi (Non-Executive Director). Mr. Maitreya V. Doshi is a Promoter Director and holding 40,100 equity shares of Rs.10/- each, representing 0.13% of the total paid up capital of the Company.

III. Other Information:

(1) Reasons of loss or inadequate profits	The Company has achieved a financial turnaround in 2003-04 and since then the operations have improved dramatically. Although the Company has been reporting good profits for the last 7 years, there are carry forward losses as computed under the provisions of the Companies Act, 1956, due to exclusion of certain items of profit in the past while computing the net profit under the Companies Act, 1956. Further, due to sluggishness in the general economy, the businesses of the Company, particularly CNC Machines & Automotive, are under pressure, which may result into inadequate profits in the year 2013-14.
(2) Steps taken or proposed to be taken for improvement	Management is taking necessary and adequate steps to improve the profitability of the Company, including cost reduction, productivity improvement, optimization of production activities and changing product mix.
(3) Expected increase in productivity and profits in measureable terms	Although it is not possible at this stage to quantify the increase in productivity and profits, a reasonable improvement in demand for the Company's products is expected during the financial year 2014-15, subject to improvement in economy & other external factors.

IV. Disclosures:

The shareholders are notified of the remuneration package of the Managing Director through Special Resolution along with Explanatory Statement included hereinabove

The Corporate Governance Report forms a part of the Annual Report of the Company every year and remuneration package and other terms applicable to the directors, have been disclosed therein.

None of the other Directors except Mr. Maitreya V. Doshi and Mrs. Rohita M. Doshi as relative of Mr. Maitreya V. Doshi, to the extent of the above resolution is interested or concerned in the said resolution.

**By Order of the Board of Directors
For Premier Limited**

**Ramesh M. Tavhare
Vice President (Finance and Legal)
& Company Secretary**

**Place: Mumbai
Dated: February 5, 2014**