

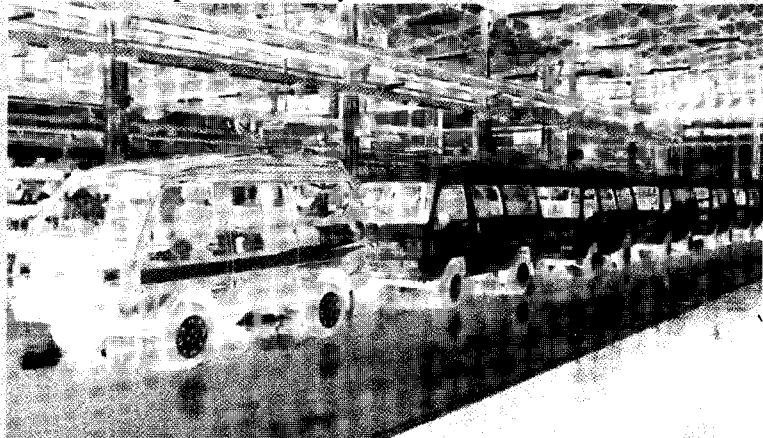


# PREMIER LTD.

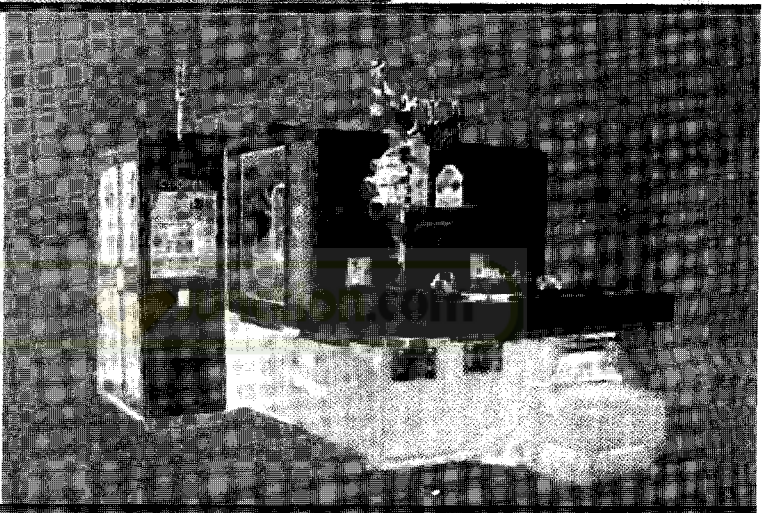
59th Annual Report

2004-2005





Vehicles



Machine Tools



Engineering

## PREMIER LTD.

(Formerly The Premier Automobiles Ltd.)

### **BOARD OF DIRECTORS:**

**VINOD L. DOSHI**

*Chairman*

**ARVIND R. DOSHI**

*Vice Chairman*

**MAITREYA V. DOSHI**

*Managing Director*

**SHARAYU DAFTARY [SMT.]**

**JAGDISH KHANNA**

**S. PADMANABHAN**

**ASIT D. JAVERI**

**M. MOHANDAS**

**RAMESH M. TAVHARE**

*Company Secretary & Compliance Officer*

### **59th ANNUAL GENERAL MEETING:**

#### **Day & Date:**

Friday,  
July 29, 2005.

#### **Venue:**

Hotel Kalasagar, P/4, MIDC,  
Mumbai - Pune Road,  
Pimpri, Pune - 411 034.

#### **Time:**

11:30 a.m.

### **REGISTERED OFFICE & WORKS:**

Mumbai - Pune Road,  
Chinchwad,  
Pune - 411 019.

### **STATUTORY AUDITORS:**

K.S. Aiyar & Co.

### **SOLICITORS:**

M/s. Amarchand & Mangaldas &  
Suresh A. Shroff & Co.

M/s. Kanga & Co.

### **REGISTRAR & TRANSFER AGENTS:**

Intime Spectrum Registry Ltd.  
C-13, Pannalal Silk Mills Compound  
Lal Bahadur Shastri Marg  
Bhandup (West), Mumbai - 400 078  
Ph No. (022) 5555 5454  
Fax No. (022) 5555 5353  
Email: [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)

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## **59th Annual Report**

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### **NOTICE**

NOTICE is hereby given that the FIFTYNINTH ANNUAL GENERAL MEETING of the members of Premier Limited will be held on Friday, the 29<sup>th</sup> July, 2005 at 11:30 a.m. at Hotel Kalasagar, P/4, MIDC, Mumbai-Pune Road, Pimpri, Pune – 411 034, to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2005 and Profit and Loss Account for the year ended on that date along with the reports of the Auditors and the Board of Directors.
2. To declare dividend for the year ended 31<sup>st</sup> March, 2005.
3. To appoint a director, in place of Shri Arvind R. Doshi who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director, in place of Smt. Sharayu Daftary who retires by rotation and being eligible, offers herself for reappointment.
5. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT M/s K.S. Aiyar & Co., Chartered Accountants be and are hereby reappointed 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**

6. To consider and, if thought fit, to pass with or without modification, the following resolution as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Shri Vinod L. Doshi, Chairman of the Company and a relative of Shri Maitreya V. Doshi, Managing Director of the Company and Smt. Sharayu Daftary, Director of the Company, to provide professional services as Advisor/Consultant to the Company for a period of three years from 1<sup>st</sup> June, 2005 to 31<sup>st</sup> May, 2008, on payment of Rs.30,000/- per day of consultancy as consultancy fees, subject to a ceiling of 4 days per month plus expenses for travelling, lodging and boarding, reimbursement of incidental and out of pocket expenses incurred by him exclusively in connection with the Company's business, reimbursement of service tax as applicable and permitted foreign exchange allowance in case of travel outside India for any assignments abroad."



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

"RESOLVED THAT in accordance with the provisions of Sections 198, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any amendment thereto from time to time, consent of the Company be and is hereby accorded to the revised terms of remuneration payable to Shri Maitreya V. Doshi, Managing Director, during the current tenure of his appointment with effect from 1<sup>st</sup> April, 2005 to 28<sup>th</sup> March, 2008, as set out in the explanatory statement, with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in sections 198 and 309 read with Schedule XIII to the Companies Act, 1956 or any amendment thereto, as may be agreed to between the Board of Directors and Shri Maitreya V. Doshi."

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

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and it is hereby accorded to the payment of commission to the Directors, who are not in the whole-time employment of the Company for a period of five financial years of the Company commencing from the financial year ending 31<sup>st</sup> March, 2006, at such rate as may be approved by the Board of Directors of the Company, subject to a ceiling of 1% (one percent) per annum of the net profits of the Company calculated in accordance with the provision of the said Act; such commission being divisible amongst the aforesaid Directors in such proportion and in such manner as may be decided by the Board of Directors of the Company."

By Order of the Board,

Ramesh M. Tavhare  
Company Secretary

**Registered Office:**  
Mumbai-Pune Road  
Chinchwad  
Pune - 411 019.

June 09, 2005

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### 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 Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item Nos.6, 7 and 8 set out above is annexed hereto.
- 3) The Register of Members and Share Transfer Books will remain closed from Wednesday, the 20<sup>th</sup> July, 2005 to Friday, the 29<sup>th</sup> July, 2005 (both days inclusive) for payment of dividend on equity shares.
- 4) If the dividend, as recommended by the Board of Directors is declared at the ensuing Annual General Meeting, then the payment of such dividend will be made to those shareholders whose name appear in the Register of Members of the Company as on Friday, the 29<sup>th</sup> July, 2005.

In respect of the shares held in electronic form (dematerialized mode), the dividend will be payable on the basis of the details of beneficial ownership furnished by M/s. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose as at the end of business hours on Tuesday, the 19<sup>th</sup> July, 2005.

- 5) 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, Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai - 400 078, 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) 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.





7. 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 & 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 despatch dividend warrants at their correct address.
- iii) Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai - 400 078.
- iv) Corporate members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 8) Consequent to the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years is to be transferred to the Investor Education and Protection Fund

Details of dividend declared from the year 1996-97 onwards are given below:

| Financial Year           | Declared on | Dividend % | Amount of dividend per shareRs. |
|--------------------------|-------------|------------|---------------------------------|
| 01-04-1996 to 30-09-1997 | 15-07-1998  | 18         | 1.80                            |
| 01-10-1997 to 30-09-1998 | 15-06-1999  | 10         | 1.00                            |

Members who have not encashed the dividend warrants for the above years are requested to write to the Company giving the necessary details

- 9) At this Annual General Meeting Shri Arvind R. Doshi and Smt Sharayu Daftary, retire by rotation, and being eligible, offer themselves for reappointment.

The brief background and functional experience of the directors proposed for reappointment, are given below along with the details of the companies in which they are directors and committees of which they are members.

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- (i) Shri.Arvind R. Doshi is aged 66 years. He was the Managing Director of the Company from April, 1994 to April, 1999. He has been Vice Chairman from April, 1999. He has over 42 years of experience in industry, industrial relations and management. He has been associated actively with various professional bodies like trade, commerce, industrial relations, water supply, labour welfare etc. He is the Chairman and Managing Director of PAE Limited, an associate company of Premier engaged in marketing and distribution of automotive products of reputed ancillary manufacturers.

Due to his vast experience, he was elected as President of Indian Water Works Association and Maharashtra Chamber of Commerce & Industry, Chairman – Western Region of CII, Member - Zonal Advisory Board of LIC, Committee Member – Maharashtra Labour Advisory Board, President – Employers' Federation of India, Chairman – National Committee on Industrial Relations of CII, Member – National Commission on Labour, Government of India, Executive Board, Member of the International Water Supply Services Association [IWSA], London. The details of other directorships and committee membership held by him are: -

| DIRECTORSHIP                            | COMMITTEE MEMBERSHIP           |
|---|--------------------------------|
| PAE Ltd. – Chairman & Managing Director | Investors' Grievance Committee |
| Sadhana Nitrochem Limited - Director    | -                              |

- (ii) Smt. Sharayu Daftary is aged 71 years. She is a graduate from Bombay University and has varied experience in industrial engineering and management. She was elected first woman president of Automotive Components' Manufacturers Association of India in 1971, and the first woman president of Indian Merchant Chamber, Mumbai in 1981. She is the first woman member of Executive Committee of Indian Chamber of Commerce and Industries. She held various positions in important public offices like Vice President of Mahila Arthik Vikas Maha Mandal, Government of Maharashtra, Vice President of Maharashtra Chamber of Commerce & Industries, Chancellor Nominee as Senate Member to Executive Council of the SNDT Women's University, Bombay, Member, Central Advisory Council for Industry, Government of India. She has been director of the Company from April 1996.

The details of other directorships and committee membership held by her are: -

| DIRECTORSHIP                              | COMMITTEE MEMBERSHIP           |
|---|--------------------------------|
| Walchandnagar Industries Ltd. – Director  | Investors' Grievance Committee |
| Bharat Radiators Pvt. Ltd. – Director     | -                              |
| Vista Communications Pvt. Ltd. – Director | -                              |
| PAL Enterprises Pvt. Ltd. – Director      | -                              |





## EXPLANATORY STATEMENT

AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

### ITEM: 6

Shri Vinod L. Doshi, has been the Executive Chairman of the Company since 1984. His current term of five years is from 1<sup>st</sup> August, 2001 to 31<sup>st</sup> July, 2006. He has expressed his desire to relinquish the day-to-day operating responsibility of the Company as Executive Chairman in favour of the Managing Director and focus his attention on broader strategies for the Company's future growth.

Shri Vinod L. Doshi is a Bachelor of Science in Engineering (Industrial Engineering) and Master of Science in Engineering (Production Engineering) from the University of Michigan, USA. He also holds a Degree of Bachelor of Arts from the same University. He has more than four decades of experience in the Engineering industry including machine tools and Automobiles and has acquired expertise in Industrial and Business Management through his long, able and eventful career in various companies of the erstwhile Walchand Group. He has established the machine tool operations of the Company as director in Walchandnagar Industries Ltd. before its takeover by Premier. He continues to evolve business strategy of the machine tool division after its takeover by Premier from August, 1987. The Company intends to avail his expertise for the Company's future growth. The Company is enhancing its component manufacturing business at the Division. It is also developing new light utility vehicles. His advice in both these areas along with his industry connections, both in India and abroad, would be of invaluable benefit to the Company.

In view of this, the Board of Directors has appointed Shri Vinod L. Doshi as Advisor/Consultant to the Company for a period of three years from 1<sup>st</sup> June, 2005 to 31<sup>st</sup> May, 2008, on a fee of Rs.30,000/- per day (not exceeding 4 days per month) plus all expenses for travelling, lodging and boarding, reimbursement of incidental and out of pocket expenses reimbursement of service tax, as applicable and permitted, foreign exchange allowance, in case of any assignment abroad. The said appointment is made subject to the approval of the Company in the Annual General Meeting and also subject to seeking of the opinion and approval of the Central Government under Sections 309(1)(b) read with 314(1B) of the Companies Act, 1956.

The Board recommends the passing of the Special Resolution as set out in Item No.6 of the accompanied notice.

Shri Vinod L. Doshi being concerned, is interested in the resolution. Shri Maitreya V. Doshi and Smt. Sharayu Daftary being relatives of Shri Vinod L. Doshi may be regarded as concerned or interested in the resolution. None of the other Directors are concerned or interested in the resolution.

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### ITEM: 7

Shri Maitreya V. Doshi was appointed as Managing Director of the Company for a period of five years from 29<sup>th</sup> March, 2003 to 28<sup>th</sup> March, 2008. Although as per Schedule-XIII to the Companies Act, 1956, he is entitled to the remuneration, including perquisites, of Rs.1,50,000/- per month [Rs.18 lacs per annum], his remuneration, including perquisites, is presently pegged at Rs.87,500 per month [Rs.10,50,000/- per annum]. In view of the fact that, the Company has turned around and has started making profits coupled with the onerous responsibilities and continuing challenge on the Managing Director, the Board of Directors, in its meeting held on 26<sup>th</sup> May, 2005, has decided to increase his remuneration from existing Rs.10.50 Lakhs per annum to Rs.18 Lakhs per annum.

Shri Maitreya Doshi, aged 42 years, is an MBA from IMEDE (Switzerland) and B.A. (Econ.) from Stanford University, U.S.A. He has been associated with the Company from 1984 and became Executive/Managing Director from March-1993. He is currently Chairman of the Young Presidents' Organization [YPO], Mumbai. He has held positions of Member – Governing Council of Automotive Research Institute of India [1995-2001] and Member – Executive Committee of Association of Indian Automobiles Manufacturers [1995-2000]. He was also a member, Western Regional Council, Confederation of Indian Industries (CII), Chairman, Marketing Sub-committee, CII, and Member, Family Business Sub-committee, CII.

The details of the revised remuneration are as under:

|                |   |                         |
|----------------|---|-------------------------|
| 1) Salary      | : | Rs. 10,80,000 per annum |
| 2) Perquisites | : | Rs. 7,20,000 per annum  |

Perquisites consist of: -

- **Housing:** The Company shall provide furnished accommodation to the Managing Director. In case no accommodation is provided by the Company, he shall be entitled to house rent allowance. He shall also be entitled to house maintenance allowance together with utilities therefor such as gas, electricity, water, furniture, furnishings and repairs.
- **Medical:** Reimbursement of medical expenses incurred for self and family, subject to the ceiling of one month's salary per year.
- **Leave Travel:** For self and family once in a year, as per rules of the Company.
- **Club fees:** Fees of two clubs.
- **Medical Accident Insurance:** Hospitalization and Domiciliary Hospitalization Benefit Policy and Personal Accident Insurance.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income-tax Rules.