



PREMIER LTD.

72ND ANNUAL REPORT

2017-18

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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 Office :

New Delhi

407, 4th Floor, World Trade Centre
Barkhamba Lane,
New Delhi - 110 001
Tel: +91-11-23413331

Compliance Officer

Ramesh M. Tavhare
Head (Legal) &
Company Secretary

Statutory Auditors

Jayesh Dadia & Associates, LLP
Chartered Accountants

Internal Auditors

Manish Gang And Company
Chartered Accountants

Cost Auditors

ABK & Associates
Cost Accountants

Secretarial Auditors

N L Bhatia & Associates
Practicing Company Secretaries

Solicitors

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

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-101, 247 Park,
L. B. S. Marg, Vikhroli (W),
Mumbai - 400 083
Tel: 022 - 49186000
Fax: 022 - 49186060
Email: rnt.helpdesk@linkintime.co.in

Board of Directors

Maitreya Doshi

Chairman &
Managing Director

Rohita Doshi

Computer Engineer
Non-Executive Director

S. Padmanabhan

IAS (Retd) / Advisor
Non-Exe. Independent
Director

Dilip J.Thakkar

Chartered Accountant
Non-Exe. Independent
Director

Asit Javeri

Industrialist
Non-Exe. Independent
Director

Udo Weigel

Machine Tool Technologist
Non-Exe. Independent
Director

Ramesh Adige

Industry Expert -
Automotive, Pharma,
Healthcare, Banking &
Public Policy
Non-Exe. Independent Director

Senior Management Team

K. G. Rathi

Chief Operations Officer

Rakesh Mehta

Head (H.R. & Admin)

D. S. Totre

Head (Machines Business)

Ramesh M. Tavhare

Head (Legal) &
Company Secretary

K. S. Nair

Head (Finance) &
Chief Financial Officer

A.B. Salokhe

Head (Commercial,
Marketing & Purchase)

S.D. Joshi

Head (Design &
Development)

N. G. Kuntoji

Head
(Engineering Business)

V. R. Kothari

Head (Sales, Marketing &
Gear Machines)

U. B. Nalawade

Head (Manufacturing)

S. U. Khasnis

Head (Sales & Marketing-
Heavy Machines)

C.B. Kale

Head (Industrial
Relations & Admin)

Directors' Report

To The Members

Your directors present herewith the 72nd Annual Report and the audited accounts for the financial year ended 31st March, 2018.

1. Financial Results

The financial performance of the Company for the financial year ended 31st March, 2018, is summarized below:

	(₹ Cr)	
Particulars	2017-18	2016-17
Profit/(Loss) before Depreciation, Interest & Tax	(34.96)	(26.71)
Less : Interest	65.97	69.60
: Depreciation and Amortization	28.19	29.37
Profit/(Loss) before exceptional items and Tax	(129.12)	(125.68)
Exceptional Items Net : Income / (Expenditure)	4.67	17.57
Profit before tax / (Loss)	(124.45)	(108.11)
Less : Provision for Current Taxation	0.46	(0.64)
Add : Deferred Tax Credit/Earlier Year Provision	0.00	1.19
Profit after tax / (Loss)	(123.99)	(108.66)
Add : Balance in Profit and Loss Account	(75.33)	33.33
Amount Available for Appropriation	(199.32)	(75.33)
Appropriations :		
Dividend on Equity Shares	0.00	0.00
Tax on dividend	0.00	0.00
General Reserve	0.00	0.00
Balance carried to Balance Sheet	(199.32)	(75.33)

The Company suffered losses during the year under report due to gross under-utilization of capacity on account of acute shortage working capital. The heavy interest burden also added to losses. Further, there was drastic reduction in engineering business due to various problems, including downturn in wind energy sector. As reported in the previous year, 91% of the Bank Loans have been assigned to Edelweiss Asset Reconstruction Company Ltd. (EARC). The Management is in continuous discussion with EARC to work out a suitable and long term solution for revival of the Company's operations.

There was no change in nature of business of the Company during the year.

2. Dividend

The Board has not recommended any dividend on equity shares due to losses incurred by the Company.

3. Operations & Management Discussion and Analysis

The current year's operations are covered in the Management Discussion and Analysis Report. This Report, as stipulated under Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this annual report.

4. Corporate Governance

The Report on Corporate Governance, as stipulated in Schedule V to the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, forms part of this Report. Further, it is stated that:

- (i) Four Board Meetings were held during the year ended 31.3.2018. The details are given in Item No 3 of the Corporate Governance Report.
- (ii) The composition of Audit Committee and other particulars are given in item No 4 of the Corporate Governance Report
- (iii) The Company has established a vigil mechanism for directors and employees to report their genuine concern and grievances. No personnel has been denied access to the Audit Committee.
- (iv) The Company has adopted Risk Assessment Procedure which provides an approach by the 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 the objectives of the Company. The Management prioritizes the

risk and finalizes the action plan for mitigation of the key risks. The Board is of the opinion that there are no elements of risk which may threaten the existence of the Company.

- (v) The number of shares held by non-executive directors as on 31.03.2018, have been disclosed in item No 7 of the Corporate Governance Report.

5. Directors

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.

Each of the Independent Directors of the Company has given a declaration under Section 149(7) of the Companies Act, 2013, to the effect that each of them meet the criteria of independence as provided in Sub-section 6 of Section 149 of the Companies Act, 2013. The Board confirms that each of these Independent Directors is independent of the management of the Company and has requisite qualification and experience to act as Independent Directors for the Company and further that in the Board's opinion each of them is a person of integrity and possess relevant expertise and experience in the fields related to the Company's business.

6. Directors' Responsibility Statement as required under Section 134(5) of the Companies Act, 2013

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 and of the loss 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, 2013, 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.
- (v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details as required under Clause-3 of Rule 8 of the Companies (Accounts) Rules, 2014, are provided in Annexure - I to the Directors' Report.

8. Particulars of Employees

The particulars of employees, who were in receipt of remuneration not less than ₹ 60 lacs for the financial year ended on 31st March, 2018, are given below:

Name of the employee	Mr. Maitreya Doshi
Designation of employee	Chairman & Managing Director
Remuneration received	₹ 111.00 Lakh
Nature of employment	Contractual
Date of commencement of employment	16.12.1985
Qualification of the employee	MBA, BA(Eco)
Experience of the employee	33 years
Age of the employee	55 years
Last employment	-

Mr. Maitreya Doshi is related to Mrs. Rohita Doshi, Director of the Company.

The other disclosures under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014, are given in Annexure - II to the Directors' Report

9. Auditors

M/s Jayesh Dadia & Associates, LLP, Chartered Accountants (ICAI Firm Registration Number 121142W / W100122) were appointed as Statutory Auditors of the Company for a period of five years at the previous Annual General Meeting.

10. Cost Audit

The Board has appointed ABK & Associates, Cost Accountants (Regn.No.000036) to conduct audit of cost records for the Company's engineering machinery activities for the financial year 2018-19, on a remuneration ₹ 1.65 lakh, apart from reimbursement of out-of-pocket expenses, as recommended by the Audit Committee. As required under Section 148(3) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration approved by the Board is being placed for ratification by the shareholders at the ensuing Annual General Meeting.

11. Other disclosures

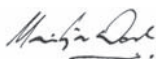
The particulars as required under Section 134(3) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are given below:

- (i) The Company has in place adequate internal financial controls with reference to financial statements and such controls are adequate and are operating effectively.
- (ii) The extract of the Annual Return made as on 31.3.2018 under Section 92(3) of the Companies Act, 2013, in Form MGT9, is given in Annexure - III to the Directors' Report.
- (iii) The Nomination and Remuneration Policy under Section 178(3) of the Companies Act, 2013, is given in Annexure - IV to the Directors' Report.
- (iv) The report on the Corporate Social Responsibility under Companies (Corporate Social Responsibility Policy) Rules, 2014, is given in Annexure - V to the Directors' Report.
- (v) The Secretarial Audit Report in Form MR3 prescribed under Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Section 204(1) of the Companies Act, 2013, is given in Annexure - VI to the Directors' Report.
- (vi) There are no adverse remarks made by the Auditors or the Company Secretary in practice in their respective reports.
- (vii) The Nomination & Remuneration Committee of the Board has laid down the policy on Director's appointment, remuneration and criteria for determining qualifications, independence of directors, etc. Para-7 of the Corporate Governance Report discloses the criteria for payment of remuneration to non-executive directors and details of remuneration paid to the Directors and that the Company does not have Stock Option Scheme.
- (viii) The formal annual evaluation of the Board and individual directors has been carried out as contemplated under the code for Independent Directors in Schedule VI to the Companies Act, 2013, as per the criteria laid down by the Nomination & Remuneration Committee of the Board.
- (ix) The Company has not entered into contract with related parties within the meaning of Section 188(1) of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.
- (x) The Company is not a subsidiary of any other company nor it has a subsidiary company. The Company has existing associate company namely, PAL Credit & Capital Ltd.(PCCL). The consolidated financial statements presented herewith include the financials of PCCL. PCCL has discontinued its operations due to lack of funds. However, the Company is required to extend minimum financial support to PCCL in order to enable PCCL to fulfil its statutory and other obligations. The Company has extended ₹ 16.20 Lakh as loan to PCCL during the year.
- (xi) No regulator or court or tribunal has passed any adverse significant and material order impacting the going concern status and the Company's operations in future.
- (xii) The Company has adopted policy under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has constituted a Committee as required under the Act and the Rules thereunder. No complaints were received during the year.

12. Acknowledgement

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

On behalf of the Board of Directors



Maitreya Doshi

Chairman & Managing Director

Date: 28th May, 2018

Place: Mumbai

Annexure I to Directors' Report

Particulars of conservation of energy, technology absorption foreign exchange earnings and outgo, as prescribed in Rule 8(3) of the Companies (Accounts) Rules, 2014.

Conservation of Energy -

- Steps taken or impact on conservation of energy –
 - The power factor is continuously being monitored and maintained to 1.00 (Unity) power on daily basis. The saving is about ₹ 11 Lakh per annum.
 - 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 and ₹ 22 Lakh per annum.
 - Use of LED lights for office area, gangway and passages, etc.
- The steps taken for utilizing alternate sources of energy –
 - Light pipe - Utilization of light pipe in canteen building so that there is no need to switch on lights during the day. This light pipe transfers natural light in the given area. Electricity will no longer be required and cost is saved.

Technology absorption -

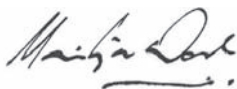
- Efforts made towards technology absorption –
 - To cater to the needs of Automobile Industries, other Engineering industries, Railways, Defence and to be competitive in the market, specifications and features were enhanced for Gear Cutting machines and Vertical Turning Lathes.
 - Special focus in design of Special Purpose machines.
 - High Speed Gear Hobbing machine was developed with 0 to 180 deg Ring Loader to meet the increased demand for sprocket machining in the market.
 - Table Bearing arrangement & Encoder Arrangement improved for VTL machines.
 - Focus on Market of VTL Machines below 1000 mm Table size. VTL machines developed with L.M. Guide-ways and offset Table.
 - Direct Drive Motors of various CNC manufacturers adopted for High Speed Gear Hobbing - Direct Drive machines.
- The benefits derived –
 - With the above technology absorption, there was improvement in product specifications, features and increase in Uptime.
 - Due to import substitution, heavy cost of imported components got considerably reduced.
 - This has improved price competitiveness of the products in the market.

- No technology imported during years.

C) Foreign exchange earnings and outgo

Particulars	(₹ Lakhs)	
	2017-18	2016-17
Foreign Exchange Earnings:		
FOB Value of Exports	107.72	304.72
Foreign Exchange Outgo:		
Imports (CIF value)	24.43	37.21
Foreign Travel	21.25	16.71
Others	0.00	0.00
Total	153.40	358.64

On behalf of the Board of Directors



Maitreya V. Doshi

Chairman & Managing Director

Date: 28th May, 2018

Place: Mumbai

Annexure II to the Directors' Report

Disclosure under Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(₹ Lakh)

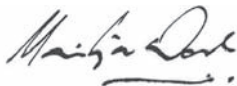
Sr. No.			(2016-17)	(2017-18)	
1.	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Median employees remuneration		4.45	
		Mr. Maitreya V. Doshi, CMD		111.00	24.94 times
		Mr. S. Padmanabhan		2.80	0.63 "
		Mr. Asit Javeri		4.55	1.02 "
		Dr. Udo Weigel		1.05	0.24 "
		Mrs. Rohita M. Doshi		1.40	0.31 "
		Mr. Dilip J. Thakkar		2.10	0.47 "
		Mr. Ramesh Adige		2.80	0.63 "
2.	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary or Manager, if any, in the financial year	Mr. Maitreya V. Doshi, CMD	97.74	111.00	13.57%
		Mr. S. Padmanabhan	3.15	2.80	-
		Mr. Asit Javeri	3.85	4.55	18%
		Dr. Udo Weigel	1.75	1.05	-
		Mrs. Rohita M. Doshi	1.40	1.40	-
		Mr. Dilip J. Thakkar	2.80	2.10	-
		Mr. Ramesh Adige	2.10	2.80	33%
		Mr. Ramesh M. Tavhare Company Secretary	30.00	32.25	7.5%
3.	Percentage increase in the median remuneration of employees in the financial year		4.21	4.45	-
4.	Number of permanent employees on the rolls of the Company		520	392	
5.	The explanation on the relationship between average increase in remuneration and Company performance	There has been increase of 7.5% in remuneration of the Company Secretary and the Chief Financial Officer. There was no increase in remuneration during the last five years. Hence, 7.5% increase is negligible. The remuneration being paid to the Managing Director is in line with Schedule – V of the Companies Act, 2013 with approval of the Shareholders.			
6.	Comparison of remuneration of the key managerial personnel against the performance of the Company	The Company has been earning profits consistently till the year 2013-14. During the last four years the Company has incurred losses due to adverse business situation on account of adverse macro business situation in the country. The Company has been operating mainly in capital goods sector and the said sector has been going through recession for the last 4 years. In view of this, it is not possible to compare the remuneration of the key managerial personnel against the performance of the Company.			
7.	Variation in the market capitalization of the Company		104.99 Cr.	53.91 Cr.	-51.08 Cr.
	Price earning ratio as at the closing date of the current financial year and previous financial year and		0 (Loss)	0 (Loss)	
	Percentage increase or decrease in the market quotation of shares of the Company in comparison to the rate at which the Company came out with the last public offer	Not applicable as the Company has not made any public offer for the last more than 50 years.			

(₹ Lakh)

Sr. No.		(2016-17)	(2017-18)	
8.	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the average percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	4.21 (median salary)	4.45 (median salary)	-
		97.74 (₹ lacs)	111.00 (₹ lacs)	13.57%
		The managerial remuneration is in accordance with Schedule-V to the Companies Act, 2013 and is approved by the Nomination & Remuneration Committee and the shareholders.		
9.	Comparison of the each remuneration of the key managerial personnel against the performance of the Company	The Company has been earning profits consistently till the year 2013-14. During the last four years the Company has incurred losses due to adverse business situation on account of adverse macro business situation in the country. The Company has been operating mainly in capital goods sector and the said sector has been going through recession for the last 4 years. In view of this, it is not possible to compare the remuneration of the key managerial personnel against the performance of the Company.		
10.	The key parameters for any variable component of remuneration availed by the Directors	The directors are paid only sitting fees of ₹ 35,000/- for each meeting of the Board and Committees thereof attended by them. No other variable component is availed by the directors. The payment of sitting fees has been deferred by the Board due to losses incurred by the Company. Mr. Maitreya Doshi, CMD, is given remuneration in accordance with the provisions of Schedule-V to the Companies Act, 2013 and the same is approved by the Nomination & Remuneration Committee and by the shareholders.		
11.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	No employee has received remuneration in excess of highest paid director.		
12.	Affirmation that remuneration is as per the remuneration policy of the Company	The factory workers' remuneration is determined by the agreement with the Union. The officers' remuneration is determined by policy laid down by the Management. CMD's remuneration is in accordance with the provisions of Schedule-V to the Companies Act, 2013 and the same is approved by the Nomination & Remuneration Committee and the shareholders. The sitting fees of the directors is as approved by the Nomination and Remuneration Committee		

Note: Remuneration paid to non-executive and independent directors as enumerated in Sr.Nos. 1 & 2 of this Annexure, represent only sitting fees paid to them and the same is within the limits prescribed under Section 197(5) read with Rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and hence not strictly comparable with median remuneration of employee

On behalf of the Board of Directors



Maitreya Doshi

Chairman & Managing Director

Date: 28th May, 2018

Place: Mumbai