

PREMIER LTD.

73RD ANNUAL REPORT

2018-19

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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

Compliance Officer

Umesh J. Mistry
Company Secretary

Statutory Auditors

Jayesh Dadia & Associates, LLP
Chartered Accountants

Internal Auditors

Bolia Kavdia & Associates
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
(DIN - 00060755)

Rohita Doshi

Computer Engineer
Non-Executive Director
(DIN - 00246388)

S. Padmanabhan

IAS (Retd) / Advisor
Non-Exe. Independent Director
(DIN - 00001207)

Dilip J.Thakkar

Chartered Accountant
Non-Exe. Independent
Director
(DIN - 00007339)

Asit Javeri

Industrialist
Non-Exe. Independent
Director
(DIN - 00268114)

Udo Weigel

Machine Tool Technologist
Non-Exe. Independent
Director
(DIN - 02142276)

Ramesh Adige

Industry
Expert - Automotive,
Pharma, Healthcare,
Banking & Public Policy
Non-Exe. Independent Director
(DIN - 00101276)

Senior Management Team

K. G. Rath

Chief Operations Officer

Rakesh Mehta

Head (H.R. & Admin)

D. S. Totre

Head (Machines Business)

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)

C.B. Kale

Head (Industrial
Relations & Admin)

Directors' Report

To The Members

Your directors present herewith the 73rd Annual Report and the audited accounts for the financial year ended 31st March, 2019.

1. Financial Results

The Company continues to face adverse financial situation due to lack of working capital. During the year under report the Company has reported loss of Rs.195.60 cr as against previous year loss of Rs.124.46 cr, after accounting for Interest of Rs. 64.90 cr, Depreciation of Rs. 29.94 cr and providing for inventory obsolesce, bad debts and impairment of fixed assets. The turnover during the year was at very low level at Rs.16.50 cr as against Rs.20.06 cr in the previous year. The Company has been facing challenging situation. However, the Management is putting its full efforts to come out of this situation and to revive the operations.

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

2. Debt of the Company

As reported earlier, 90% of the Secured Bank Loans have been assigned to Edelweiss Assets Reconstruction Co. Ltd. and the balance loans are with Corporation Bank. In December 2018, the Corporation Bank moved a petition before the Hon'ble National Company Law Tribunal (NCLT) at Mumbai for recovery of its dues. Thereafter, the Company arrived at a One Time Settlement (OTS) with Corporation Bank with an OTS amount of Rs. 31.17 cr. Out of this, the Company paid first installment of Rs.6.25 cr in December, 2018. The balance of Rs. 24.92 cr is payable in two installment of Rs. 16.76 cr (payable on 31.03.2019) and Rs. 8.17 cr. (payable on 30.09.2019). The Company could not pay the installment of Rs. 16.75 cr payable on 31.03.2019 due to liquidity problem. As a consequence, the Corporation Bank pressed for its petition pending before NCLT. The Management is in the process of resolving this matter.

In the meantime, the Company is in the process of monetizing the land at Chinchwad to reduce its debts and is hopeful of concluding the transaction in due course.

The necessary disclosures would be filed with the Stock Exchanges as and when there is development in this matter.

3. Shifting of Plant of the Company

It is important for the Company to reduce its debts by monetizing land at Chinchwad. In this direction, the Company has shifted its manufacturing operations from Chinchwad to nearby Chakan Industrial Area by taking a new plant on 10 years lease with an option to extend by a further 10 years. The full scale operations at the new plant are expected to be commenced very shortly.

4. Dividend

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

5. 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.

6. 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 31.3.2019. 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 31.03.2019, have been disclosed in item No 7 of the Corporate Governance Report.
- (vi) The meeting of Independent Directors was held during the year pursuant to requirements under Schedule IV of the Companies Act, 2013.

7. Directors and Key Managerial Personnel

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.

In terms of SEBI Listing Regulation 17(1A), Mr. S.Padmanabhan, Mr. Dilip J.Thakkar and Dr. Udo Weigel, (whose term as independent directors is upto 11.09.2019, as approved by shareholders at the 68th Annual General Meeting) ceased to be independent directors with effect from 01.04.2019 upon attaining / crossing age of 75 years. The Board, on the recommendation of Nomination and Remuneration Committee, at their respective meetings held on 22nd June, 2019 has re-appointed these three directors for a second term of consecutive five years with effect from 9th September, 2019.

The present term of Mr Asit Javeri and Mr. Ramesh Adige as independent directors expire on 11th September, 2019. The Board, on the recommendation of Nomination and Remuneration Committee, at their respective meetings held on 22nd June, 2019 has re-appointed these two directors for a second term of consecutive five years with effect from 12th September, 2019.

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 various fields.

Mr. Ramesh M. Tavhare, aged 63 years, resigned as Head (Legal) & Company Secretary on health ground with effect from 14th March, 2019. However, he would render his services on a part time basis for some time for continuity and completing certain assignments.

Mr. Umesh J. Mistry, a member of The Institute of Company Secretaries of India, has been appointed as the Company Secretary and Compliance Officer with effect from 22nd May, 2019.

8. 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.

9. 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.

10. Particulars of Employees

The particulars of employees, who were in receipt of remuneration not less than Rs.60 lacs for the financial year ended on 31st March, 2019, are given below:

Name of the employee	Mr. Maitreya Doshi
Designation of employee	Chairman & Managing Director
Remuneration received	₹ 107.16 Lakh
Nature of employment	Contractual
Date of commencement of employment	16.12.1985
Qualification of the employee	MBA, BA(Eco)
Experience of the employee	34 years
Age of the employee	56 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

11. 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 71st Annual General Meeting held on 14th September, 2017.

12. 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 2019-20, on a remuneration Rs.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.

13. Other disclosures

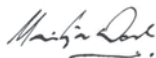
The particulars as required under Section 134(3) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are given below:

- (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 31.3.2019 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 at the meeting of the Independent Directors held on 11th February, 2019, 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.
- (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.

14. 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: 22nd June, 2019

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 -

1. Steps taken or impact on conservation of energy –
 - a) The power factor is continuously being monitored and be maintained at 0.80 (Unity) power on daily basis. The saving is about Rs. 8.02 lakh per annum.
 - b) There is continuous monitoring and control of air consumption and one compressor has been switched off resulting in a saving of 1400 KWH per day and Rs. 30 lakh per annum.
 - c) Use of LED lights for office area, gangway and passages, etc.
2. The steps taken for utilizing alternate sources of energy –
 - a. 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.

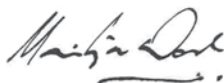
Technology absorption -

1. Efforts made towards technology absorption –
 - a. 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 in our product range.
 - b. Special focus in design of Special Purpose machines.
 - c. 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. .
 - d. Focus on Market of VTL Machines below 1000 mm Table size. VTL machines developed with L.M. Guide-ways and offset Table.
2. The benefits derived –
 - a. With the above technology absorption, there was improvement in product specifications, features and increase in Uptime.
 - b. Due to import substitution, heavy cost of imported components got considerably reduced.
 - c. This has improved price competitiveness of the products in the market.
3. No technology imported during years.
4. No expenditure incurred on Research and Development during the year.

Foreign exchange earnings and outgo

	(₹ Lakhs)	
Particulars	2018-19	2017-18
Foreign Exchange Earnings:		
FOB Value of Exports	NIL	107.72
Foreign Exchange Outgo:		
Imports (CIF value)	108.24	24.43
Foreign Travel	7.76	21.25
Total	116.00	153.40

On behalf of the Board of Directors



Maitreya V. Doshi

Chairman & Managing Director

Date: 22nd June, 2019

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

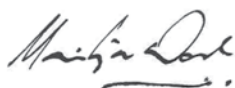
(₹ Lakh)

Sr. No.			(2017-18)	(2018-19)	Variation (%)
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	4.65	
		Mr. Maitreya V. Doshi, Chairman and Managing Director	111.00	107.16	23.05 times
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, Chairman and Managing Director	111.00	107.16	(3.45%)
		Mr. Ramesh M. Tavhare -Company Secretary-(Up to 14.03.2019)	32.25	34.50	6.98%
		Mr. K.S. Nair, Chief Financial Officer	23.76	27.00	13.64%
3.	Percentage increase in the median remuneration of employees in the financial year		4.45	4.65	-
4.	Number of permanent employees on the rolls of the Company		392	351	
5.	The explanation on the relationship between average increase in remuneration and Company performance	There has been increase of 6.98% in remuneration of the Company Secretary and 13.64% in remuneration of the Chief Financial Officer. There was no increase in remuneration during the last five years. Hence, 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 five 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 5 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		53.91 cr.	21.99 cr.	(59.21%)
	Price earnings 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.			
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		4.45 (median salary)	4.65 (median salary)	-
			111.00 (₹ lacs)	107.16 (₹ lacs)	(3.45%)
		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.			

(₹ Lakh)

Sr. No.			(2017-18)	(2018-19)	Variation (%)
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 five 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 6 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	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.	The key parameters for any variable component of remuneration availed by the Directors	No employee has received remuneration in excess of highest paid director.			
12.	Affirmation that remuneration is as per the remuneration policy of the Company	<p>The factory workers' remuneration is determined by the agreement with the Union.</p> <p>The officers' remuneration is determined by policy laid down by the Management.</p> <p>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.</p> <p>The sitting fees of the directors is approved by the Nomination and Remuneration Committee</p>			

On behalf of the Board of Directors


Maitreya Doshi

Chairman & Managing Director

Date: 22nd June, 2019

Place: Mumbai