

*Annual Report*  
2013 - 2014

Book Post



***PREMIER PIPES LIMITED***

**PREMIER PIPES LIMITED**

**ANNUAL REPORT  
2013-2014**

**BOARD OF DIRECTORS:**

Mr. AJAY KUMAR JAIN, *Managing Director*  
Mr. VINAY KUMAR JAIN, *Whole Time Director*  
Mr. AMIT KUMAR JAIN, *Non Executive Director*  
Mr. ARUN KUMAR JAIN, *Non Executive Director*  
Mr. SATISH KUMAR GARG, *Independent Director*  
Mr. SANJAY KUMAR AGARWAL, *Independent Director*  
Mr. SATYA NARAIN DUBEY, *Independent Director*  
Mr. SHYAM BABU GUPTA, *Independent Director*

**BANKERS:**

State Bank of India  
Kotak Mahindra Bank Ltd.

**AUDITORS:**

M/s. C.L. Kanodia & Co.  
Chartered Accountants  
Kanpur

**COMPANY SECRETARY:**

Mr. Vaibhav Shukla

**REGISTRAR AND SHARE**

**TRANSFER AGENT:**

Skyline Financial Services Pvt. Ltd.  
D- 153A, 1st Floor, Okhla Industrial  
Area, Phase-I, New Delhi 110 020

**CORPORATE LAW ADVISORS:**

K. N. Shridhar & Associates  
Company Secretaries  
Kanpur

**REGISTERED OFFICE:**

Som Biz-Ness Xqure,  
4<sup>th</sup> Floor, 1-The Mall, Kanpur

**WORKS:**

Bindki Road,  
Distt. Fatehpur (U.P.)

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**39th Annual General Meeting**

Saturday 27th Day of September 2014 at 12.30 P.M. at Som Biz-Ness Xqure, 4th Floor, 1-The Mall, Kanpur

Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting, as copies of the Report will not be distributed at the Meeting

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## NOTICE

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of **PREMIER PIPES LIMITED** (CIN: L22219UP1975PLC004105) will be held on Saturday, the 27<sup>th</sup> Day of September, 2014 at 12:30 P.M. at the Registered Office of the Company at Som Biz – Ness Xsquare, 4<sup>th</sup> Floor, 1- The Mall, Kanpur – 208 001 to transact the following business:

**ORDINARY BUSINESS:**

1. To Receive, Consider and Adopt the Audited Financial Statement of the Company for the Financial Year ended on 31<sup>st</sup> March, 2014, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vinay Kumar Jain (DIN: 00580112) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s C.L. Kanodia & Co, Chartered Accountants, (Firm Registration No. 001002C) as Statutory Auditors of the Company to hold office from the conclusion of the Thirty Ninth Annual General Meeting until the conclusion of the Forty Second Annual General Meeting of the Company subject to ratification by the members at every Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. 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, Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Shri Sanjay Kumar Agarwal (DIN: 00461858), be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from the date of 39<sup>th</sup> Annual General Meeting of the Company and shall not be liable to retire by rotation .”

5. 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, Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Shri Satish Kumar Garg (DIN: 02365247), be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from the date of 39<sup>th</sup> Annual General Meeting of the Company and 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, Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Shri Satya Narain Dubey (DIN: 03572121), be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from the date of 39<sup>th</sup> Annual General Meeting of the Company and 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, Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Clause 49 of the Listing Agreement, Shri Shyam Babu Gupta (DIN: 03586539), be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from the date of 39<sup>th</sup> Annual General Meeting of the Company and 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 Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as may be amended from time to time, Shri Arun Kumar Srivastava, Cost Accountant in Practice, 96, Harjinder Nagar, behind old LIC office, Kanpur-208007, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the financial year 2014-15, be paid a remuneration of Rs. 20000/- (Rupees Twenty Thousand Only) apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of Cost Records of the Company.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and all other applicable

provisions, if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to the Board of Directors of the company for borrowing any sum or sums of money for and on behalf of the company, from time to time from any one or more persons, firms, body corporate, bankers, financial institutions etc. by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the company's assets or properties whether movable or immovable or stock-in process notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the company (apart from the temporary loans obtained from the company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the company and its free reserves, provided that the total amount up to which the moneys may be borrowed shall not exceed Rs. 25,00,000,00 (Rupees Twenty Five Crores) at any point of time on account of the principle.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to finalize with the lenders / trustees for the lenders of the company documents for creating aforesaid mortgage and /or charge and for reserving the aforesaid right and to do all such acts and things as may be necessary for giving effect to the above resolutions.”

Place : Kanpur  
Date : 13.08.2014

By Order of the Board of Directors  
For PREMIER PIPES LIMITED

Vaibhav Shukla  
Company Secretary

**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, THE INSTRUMENT APPOINTING PROXY, DULY STAMPED SIGNED AND COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Details of Directors seeking appointment/reappointment in Annual General Meeting pursuant to Clause 49(IV) (G)(i) of the Listing Agreement is given herein.
3. Members desirous of any information on the accounts are requested to send their queries at least ten days before the meeting to enable the management to keep the information ready.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 22.09.2014 to 27.09.2014 (both days inclusive).
5. A statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item No. 4 to 9 as set out above is annexed hereto.
6. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one folio.
7. In case of physical transfer or transmission of shares, copy of PAN Card of the transferee is mandatory.
8. Members are requested to notify changes in their address quoting their Registered Folio Nos. to the Company or its RTA.
9. The addresses of the Stock Exchanges where Company's Shares are listed are:
  1. The U.P. Stock Exchange Association Ltd. Padam Tower, 14/113, Civil Lines, Kanpur.
  2. Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
  3. The Delhi Stock Exchange Association Ltd. DSE House, 3/1, Asaf Ali Road, New-Delhi -110 002
10. The Company has appointed M/s Skyline Financial Services (P) Limited as Registrar and Share Transfer Agent of the Company. Any query in this regard shall be entertained by:  
M/s Skyline Financial Services (P) Limited,  
D-153/A, 1<sup>st</sup> Floor Okhla Industrial Area Phase-1,  
New Delhi – 110 020

**Important Communication to Members**

To allow paperless compliances by the Companies, the Ministry of Corporate affairs has taken a "Green Initiative in the Corporate Governance". It has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far are requested to register & who have registered may kindly update their e-mail address to the Company or its Registrar.

Shri Sanjay Kumar Agarwal, Shri Satish Kumar Garg, Shri Satya Narain Dubey and Shri Shyam Babu Gupta, are Independent Directors of the Company and are liable to retire by rotation. However, the provisions of Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules 2014, provide that an Independent Director shall hold office for a period of upto 5 consecutive years and shall not be liable to retire by rotation.

Keeping in view the provisions of the above mentioned section, their fresh appointment is being proposed by the Board of Directors of the company which is of the opinion that their continued association would be of immense benefit to the Company and propose their appointment as Independent Directors to hold office for a term of five consecutive years commencing from the 39<sup>th</sup> Annual General Meeting of the company.

They are not disqualified from being appointed as directors in terms of section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from these directors that they meet the criteria of independence as prescribed under section 149(6) of the Act and clause 49 of the Listing Agreement.

The company has received notices in writing from a member along with deposit of the requisite amount proposing the candidature of each of the above mentioned directors as per section 160 of the Act, for appointment as Independent Directors.

Apart from these directors themselves, no other Director/ Key Managerial Personal of the company/ their relatives are in any way concerned or interested in these resolutions. The Board recommends passing of above resolution appearing at item no. 4-7 of the accompanying Notice as Ordinary Resolution.

Pursuant to section 148(3) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to cost auditors should be ratified by the shareholders of the Company. Board of Directors had in its meeting held on 30<sup>th</sup> May 2014 appointed Shri Arun Kumar Srivastava, Cost Accountant in Practice, 96, Harjinder Nagar, Behind old LIC office, Kanpur-208007, as the Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year 2014-15 and fixed his remuneration at Rs. 20000/- (Rupees Twenty Thousand Only) apart from reimbursement of actual expenses to be incurred by him in connection with conducting the audit of cost records of the company subject to ratification by the shareholders of the company.

None of the Directors / Key Managerial Personal of the company / their relatives is in any way



concerned or interested in this resolution. The Board recommends passing of above resolution appearing at item no. 8 of the accompanying Notice as Ordinary Resolution.

**ITEM No. 9:**

In terms of Section 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the shareholders, by means of a Special Resolution, borrow moneys, where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business) by the company exceeds the aggregate of the paid up share capital and the free reserves (that is to say, reserves not set apart for any specific purpose) of the Company.

The Company's fund requirements to meet the working capital and other capital expenditure have increased substantially. Hence, Board of Directors of the Company has desired to seek approval from the members for borrowing powers up to Rupees 25,000,00,00/- (Rupees Twenty Five Crores only) which is over and above the paid up share capital and free reserves as per the latest available audited financial statement of the company.

None of the Directors/Key Managerial Personal of the company/their relatives is in any way concerned or interested in this resolution, except to the extent of their respective holding of equity shares in the Company.

The Board recommends passing of above resolution appearing at item no. 9 of the accompanying Notice as Special Resolution.

**By Order of the Board of Directors  
For PREMIER PIPES LIMITED**

**Place : Kanpur  
Date : 13.08.2014**

**Vaibhav Shukla  
Company Secretary**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting herewith the **THIRTY NINTH** ANNUAL REPORT and the Audited Accounts of the Company for the year ended 31st March, 2014.

The financial figures are summarized below :

**FINANCIAL RESULTS :**

<b>Particulars</b>	<b>2013-14</b> <b>(Rs. inLacs)</b>	<b>2012-13</b> <b>(Rs. inLacs)</b>
Sales and other Income	3282.41	3275.22
Profit/ (Loss) before Depreciation	81.00	71.36
Depreciation	46.16	45.61
<b>Profit / (Loss) before Tax</b>	<b>34.84</b>	<b>25.75</b>
<b>Tax Expenses:</b>		
Current Tax	9.29	0.00
Add: Differed Tax Liabilities/(Assets)	3.38	0.82
Less: Income Tax of ealier years written off	0.74	0.00
<b>Profit / (Loss) after Tax</b>	<b>28.19</b>	<b>26.57</b>

**FINANCIAL PERFORMANCE :**

The company has achieved the sales and other income of Rs. 3282.41 lacs as against Rs. 3275.22 lacs reported last year. The Profit before tax is Rs. 34.84 lacs as compared to Rs. 25.75 lacs in 2012-13. The Profit after tax stood at Rs. 28.19 lacs during the year in comparison to 26.57 lacs during the previous year.

**OPERATIONS AND ACTIVITIES :**

Your Company is primarily engaged in the manufacturing of Black Steel Tubes, G.I. Steel Tubes, Steel Tubular Poles and PVC Pipes at its unit located at Bindki, District Fatehpur, Uttar Pradesh. Constant efforts are being made to derive maximum output.

**DIVIDEND :**

In view of the meager profits of the company, the Board does not recommend any dividend for the financial year 2013-2014.

**COMPULSORY DEMATERIALIZATION OF SHARES:**

As you are aware that the suspension in trading in securities of the company at Bombay Stock Exchange (BSE) has been revoked w.e.f. 13<sup>th</sup> August 2012 and the Company has entered into tripartite agreement with both the Depositories i.e. NSDL and CDSL and obtained ISIN number for dematerialization of the securities of the Company.

However, in order to facilitate trading of shares of the Company through Stock Exchange(s) and shifting of trading from Trade to Trade Settlement Basis to Rolling Settlement Basis, atleast fifty percent of the non-promoter shareholding of the Company needs to be in electronic form. The