



PREMIER

66th Annual Report 2011-12

Engineering



**Trial on Premier CNC
Machines before dispatch**



**Premier employee conducting an
inspection for critical parameters**



Stator carrier for wind turbine



**Axle pin part (SG Iron Casting)
for wind turbine**



**3 dimensional co-ordinate
measuring machine**

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Regd. Office & Works

Premier Ltd., Mumbai-Pune Road, Chinchwad, Pune 411 019, India.

Tel: +91-20-66310000, Fax: +91-20-66310371

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

Branch Offices :

Bengaluru

No 549-A, Parallel to 14th Cross
4th Phase, Peenya Industrial Area
Bengaluru - 560 058
Tel: +91-80-28363071, 28363081
Fax: +91-80-28363901
Email: snprasad@premier.co.in

Chennai

T-8/1, 4th Main Road,
Anna Nagar, Chennai - 600 040
Tel: +91-44-26190809
Fax: +91-44-26190302
Email: dsvenugopal@premier.co.in

Kolkata

2, Ganesh Chandra Avenue
Commerce House, Room 7 & 7A
1st Floor, Kolkatta - 700 019
Tel: +91-33-22192918
Fax: +91-33-22132953
Email: anchattopadyay@premier.co.in

New Delhi

407, 4th Floor, World Trade Centre
Barakhamba Lane, New Delhi - 110 001
Tel: +91-11-23413331
Fax: +91-11-23413332
Email: opgupta@premier.co.in

Compliance Officer

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

Statutory Auditors

K. S. Aiyar & Co.
Chartered Accountants

Internal Auditors

Jayesh Dadia & Associates
Chartered Accountants

Solicitors

Kanga & Co.
Desai & Diwanji
AMC Law Firm

Bankers

State Bank of India
State Bank of Hyderabad
Corporation Bank
Federal Bank Ltd.
J&K Bank Ltd.

Registrar and Transfer Agent

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg
Bhandup (W), Mumbai - 400 078
Tel: 022-25946970-78
Fax: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

Board of Directors

Maitreya V. Doshi

Chairman &
Managing Director

Rohita M. Doshi

Computer Engineer

Kavita Khanna

Management Consultant

S. Padmanabhan

IAS (Retd.) / Advisor

Rohan Shah

Solicitor

Dilip J. Thakkar

Chartered Accountant

Asit Javeri

Industrialist

Udo Weigel

Machine Tool Technologist

Ramesh Adige

Industry expert -
Automotive, Pharma,
Healthcare, Banking &
Public Policy

Senior Management Team

M. D. Adhikari

President

Rakesh Mehta

Vice President
Automotive Division

K. G. Rathi

Vice President
Engineering Division

Ramesh M. Tavhare

Vice President
Finance & Legal, Company Secretary

D. S. Totre

Sr. General Manager
Gear Machines

V. Murugan

General Manager
(Engineering)
Automotive Division

A. P. Goel

General Manager
(Marketing)
Automotive Division

K. S. Sundar

Sr. General Manager
Heavy Machines

S. D. Joshi

General Manager
(Design)
Gear Machines

V. R. Kothari

General Manager
(Marketing)
Gear Machines

K. S. Nair

General Manager
Finance

P. G. Salunkhe

General Manager
(Operations)
Engineering Division

N. M. Kuntoji

General Manager
(Commerical)
Engineering Division

Renuka Nair

General Manager
Accounts & MIS

Letter to Shareholders



Dear Shareholders,

Your Company's performance for the year under review has been quite satisfactory with sales growing 24% and net profits also by 24%. This has prompted your board to increase the dividend to 30% from 27% in earlier years.

The Company's operating (EBITDA) margins are quite healthy at 26% of sales despite the auto division not yet yielding positive margins. However a large part of this is utilized in servicing the significantly increased interest burden thereby putting pressure on net profits. The high interest burden is due to the large capital expansion program undertaken by the Company for its various businesses. Interest costs were also higher during the year due to the unexpected rise in interest rates on account of the RBI's market policies. We are working on ways to reduce the Company's overall debt through monetizing its land as well as efficiently using working capital etc.

In the engineering segment, the CNC machine's product mix changed to a lesser number of larger value machines with greater technical complexity. In the engineering business introduction of new products like the metro rail bogie chassis for BEML and gear box housings for Siemens helped diversify the activity solely from wind energy equipment manufacturing.

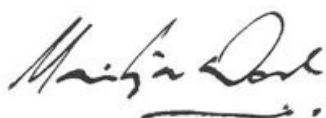
In the auto segment, the BSIV petrol version of the Premier RiO was introduced and the BSIV diesel version is in an advanced stage of preparation for commercial launch by Aug '12. The Company has entered into a 3 year engine supply contract with FIAT India for its highly successful and popular small diesel engine used by several other leading car manufacturers in India. This should help improve demand and sales for the otherwise well accepted compact SUV.

Although the current economic environment is extremely challenging for the sectors the Company operates in, particularly capital goods, I am hopeful that the current year will eventually deliver satisfactory results.

The Company continues to invest in R&D and develop its bank of intellectual property. In the past 5 years the Company has successfully filed more 19 Patents. This activity is pursued vigorously every year as part of the core strategy. Similarly, extensive investment is also made in developing human capital through a year round training and skill development program. The Company also has a wide range of CSR initiatives in line with national objectives.

I take this opportunity to thank all the Company's stakeholders- employees, bankers, shareholders, suppliers, dealers and business associates- for their unstinted support in achieving this result. I remain very confident and optimistic that Premier will grow vigorously, in sales and profitability, over the long term.

With regards,

A handwritten signature in black ink, appearing to read 'Maitreya V. Doshi', with a horizontal line underneath.

Maitreya V. Doshi
Chairman

Notice

NOTICE is hereby given that the SIXTY SIXTH ANNUAL GENERAL MEETING of the members of Premier Limited will be held on Friday, the 24th August, 2012 at 10.00 a.m. at the Registered Office of the Company at Mumbai-Pune Road, Chinchwad, Pune – 411 019 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 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 31st March, 2012.
3. To appoint a director, in place of Mr. S. Padmanabhan who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director, in place of Mr. Asit Javeri who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a director, in place of Mrs. Kavita Khanna who retires by rotation and being eligible, offers herself for reappointment.
6. 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 as 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:

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

“RESOLVED THAT Mr. Ramesh Adige, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for office of director, under the provisions of the Section-257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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 Sections 309, 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory approvals as may be required, consent of the Company be and is hereby accorded to appoint Dr. Udo Weigel, Director of the Company, to provide professional services as Advisor/Consultant to the Company for a period of one year from 27th March, 2012 to 26th March, 2013, on payment of 400 Euros per day as consultancy fees for actual number of days consultancy/services rendered in India or abroad along with expenses for travelling, lodging and boarding, reimbursement of incidental and out of pocket expenses incurred by him in connection with the Company’s business, for travel to India or outside India for any assignments of the Company with authority to the Board of Directors to review, alter or vary the same from time to time.”

By Order of the Board,

Ramesh M. Tavhare

Vice President (Finance & Legal)
& Company Secretary

Registered Office:

Mumbai-Pune Road, Chinchwad, Pune - 411 019

April 24, 2012

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 Register of Members and Share Transfer Books will remain closed from Tuesday, the 14th August, 2012 to Friday, the 24th August, 2012 (both days inclusive) for payment of dividend on equity shares.
- 3.** The dividend on Equity Shares, if declared at the ensuing Annual General Meeting, will be paid on or after 27th August, 2012 to those Members whose names shall appear on the Company's Register of Members on 24th August, 2012. In respect of shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
- 4.** 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, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078, so that dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.
- 5.** 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.
- 6.**
 - 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 and 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 dispatch dividend warrants at their contact address.
 - iii) Members are requested to send all communications relating to shares to the Company's Registrar and Transfer Agents (Physical and Electronic) at

Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai – 400 078.

iv) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Pursuant to Circular No. 17/95/2011 CL-V, dated 21.04.2011, issued by the Ministry of Corporate Affairs, Government of India, as a part of green initiative in Corporate Governance, the Companies have been permitted to send notices / documents to the members through email.

Accordingly, the Company proposes to send notices /documents like the annual report in electronic form to the members who would register their email address with the depositories, and Registrar and Transfer Agent of the Company.

The Members are requested to register their email addresses by sending their details to the Registrar and Transfer Agent, Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai – 400 078, or to the Company at Premier Ltd., 58, Nariman Bhavan, 5th Floor, Nariman Point, Mumbai – 400 021.

Service of notices/ documents to the members whose email addresses will not be registered with the depository or the Company or the Registrar and Transfer Agent will be effected by mode of service as provided under section 53 of the Companies Act, 1956.

8. Pursuant to the provisions of Sections 205A(5) and 205C of the Companies Act, 1956, 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 2004-05 onwards are given below:

Financial Year	Declared on	Dividend %	Dividend / share (₹)
01-04-2004 to 31-03-2005	29-07-2005	15	1.50
01-04-2005 to 31-03-2006	11-08-2006	15	1.50
01.04.2006 to 31.03.2007	22-06-2007	20	2.00
01.04.2007 to 31.03.2008	27-06-2008	25	2.50
01.04.2008 to 31.03.2009	26-06-2009	25	2.50
01.04.2009 to 31.03.2010	30-08-2010	27	2.70
01.04.2010 to 31.03.2011	11-06-2011	27	2.70

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

The equity shares of the Company are listed on Bombay Stock Exchange Ltd., Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Mumbai – 400 051. The listing fees have been paid up-to-date to these Exchanges.

9. Mr. S. Padmanabhan, Mr. Asit Javeri & Mrs. Kavita Khanna retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Brief resume of all directors including those proposed to be appointed/ reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and the memberships, chairmanships of Board committees and their shareholding as stipulated under clause 49 of the listing agreement with the Stock Exchanges, are provided in the Report on Corporate Governance forming part of this Annual Report.

By Order of the Board,

Ramesh M. Tavhare

Vice President (Finance & Legal)
& Company Secretary

Registered Office:

Mumbai-Pune Road, Chinchwad, Pune - 411 019

April 24, 2012

Explanatory Statement:

Item No.7

Mr. Ramesh Adige was appointed as an Additional Director of the Company by the Board of Directors on 24th April, 2012. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as a Director only upto the date of ensuing Annual General Meeting.

A notice has been received from a member along with deposit of Rs. 500/- as required under Section 257 of the Companies Act, 1956 proposing Mr. Ramesh Adige as a candidate for the office of the Director.

Brief resume of Mr. Ramesh Adige is provided in the Report on Corporate Governance forming part of this Annual Report.

The Board is of the opinion that his appointment would be of immense benefit to the Company.

The Board recommends the passing of the Ordinary Resolution as set out in Item No. 7 of the accompanied notice.

Mr. Ramesh Adige, being concerned, is interested in the resolution. None of the other Directors is concerned or interested in the resolution.

Item No.8

Dr. Udo Weigel has been rendering consultancy services to the Company since September, 2006 and his expert advice and guidance has been immensely beneficial to the Company.

The Board is of the opinion that the advice of Dr. Udo Weigel would continue to be of immense benefit for the Company's future growth.

In view of this, the Board of Directors has reappointed Dr. Udo Weigel, a Director of the Company to provide professional services as Advisor/Consultant to the Company for a period of one year from 27th March, 2012 to 26th March, 2013, on payment of 400 Euros per day as consultancy fees for actual number of days of services rendered along with expenses for travelling, lodging and boarding, reimbursement of incidental and out of pocket expenses incurred by him in connection with the Company's business, for travel in India or outside India for any assignments abroad with authority to the Board of Directors to review, alter or vary the same from time to time. The said appointment is made subject to the approval of the members in the Annual General Meeting and also subject to seeking of the opinion and approval of the Central Government under Section 309(1)(b) read with Section 314(1B) of the Companies Act, 1956.

The Board recommends the passing of the Special Resolution as set out in Item No.8 of the accompanied notice.

Dr. Udo Weigel, being concerned, is interested in the resolution. None of the other Directors is concerned or interested in the resolution.

By Order of the Board,

Ramesh M. Tavhare

Vice President (Finance & Legal)
& Company Secretary

Registered Office:

Mumbai-Pune Road, Chinchwad, Pune - 411 019

April 24, 2012

Directors' Report

To The Members

Your directors are pleased to present the 66th Annual Report and the audited accounts for the financial year ended 31st March, 2012.

1. Financial Results

The financial performance of the Company for the financial year ended 31st March 2012, is summarized below:

	₹ (Lakhs)	
	2011-12	2010-11
Profit (from operations) before Depreciation, Interest & Tax	6890.78	6420.91
Less: Interest	4190.56	2947.49
Depreciation	1281.56	1167.63
Profit (from operations) before Tax	1418.66	2305.79
Less: Provision for Current Taxation	(865.18)	461.09
Profit after tax	2283.84	1844.70
Add: Balance in Profit and Loss Account	2111.63	1423.19
Amount Available for Appropriation	4395.47	3267.89
Appropriations:		
Dividend on Equity Shares	911.18	820.06
Tax on dividend	147.81	136.20
General Reserve	250.00	200.00
Balance carried to Balance Sheet	3086.48	2111.63

During the year under review, the Company has shown a rise of 24% in gross sales to Rs. 304 crores. The profit before depreciation, interest and tax has gone upto Rs. 68.90 from Rs. 64.20 crores in the previous year.

2. Dividend

The Directors recommend the dividend at 30% (i.e. Rs.3/- per share) on equity shares for the year ended on 31st March, 2012. The payment of dividend will be subject to the approval of the shareholders at the ensuing annual general meeting.

3. Operations and Management Discussion & Analysis

The current year's operations are covered in the Management Discussion and Analysis Report. This Management Discussion and Analysis Report, as stipulated under Clause-49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of this annual report

4. Corporate Governance

The Report on Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, forms part of this Annual Report.

5. Directors

The Board was pleased to appoint Mr. Ramesh Adige as an Additional Director of the Company. Mr. Adige is a Masters in Business Administration with specialization in Marketing from the renowned Faculty of Management Studies, University of Delhi and holds a B. E. (Honours) degree from the prestigious Birla Institute of Technology and Science (BITS), Pilani. He has 37 years of extensive and wide-ranging experience in the areas of Corporate Policy, Strategic and Perspective Planning, and External Relations.

Mr. S. Padmanabhan, Mr. Asit Javeri and Mrs. Kavita Khanna retire by rotation in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer themselves for reappointment.

6. Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956

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 covered under this Report and of the profit 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, 1956, 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.

In terms of the requirement of Accounting Standards, segment-wise results are shown in the notes to accounts.

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

The details as required under the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are provided in the annexure to the Directors' Report.

8. Fixed Deposits

The Company has accepted the fixed deposits from public and shareholders during the year and has complied with all the regulatory requirements. At the end of the year, there were no unclaimed or overdue deposits.

9. Particulars of Employees

In term of notification dated 31-03-2011 issued by the Ministry of Corporate Affairs, Government of India, there are no employees covered under section 217(2A) of the Companies Act, 1956, in respect of whom, the particulars are required to be given.

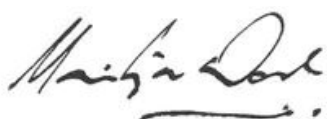
10. Auditors

M/s K.S. Aiyar & Co., Statutory Auditors, retire at the ensuing annual general meeting and are eligible for reappointment. The Audit Committee of the Board has recommended their reappointment. M/s K.S. Aiyar & Co. have, under Section 224(1) of the Companies Act, 1956, furnished the certificate of their eligibility for reappointment. Requisite resolution is being placed for the shareholders' approval.

11. Acknowledgement

The Directors wish to express their appreciation of the continued co-operation of the customers, suppliers and bankers. The Directors also wish to thank employees at all levels for their contribution, support and continued co-operation throughout the year.

On behalf of the Board of Directors



Maitreya V. Doshi

Chairman & Managing Director

April 24, 2012

Mumbai

Annexure to Directors' Report

Conservation of energy

In view of acute energy shortages, the Company has taken special efforts for energy conservation. The power factor is continuously monitored and maintained to 1.00 (Unity) power on daily basis. With study of compressed air consumption, one compressor has been switched off resulting in a saving of 1200 KWH per day.

Employee awareness was created on how to use electrical energy efficiently by adopting good shop floor practices. An automatic switching system was installed to avoid over consumption of street light power. A manual change over switch was installed for CNC lathe machines, which helped reduced diesel generator power consumption.

Expenditure on R&D

₹ (Lakhs)		
Particulars	2011-12	2010-11
Recurring expenses on R&D project	-	15.67
Total R&D expenditure as a % of total turnover	-	0.06

Foreign exchange earnings and outgo

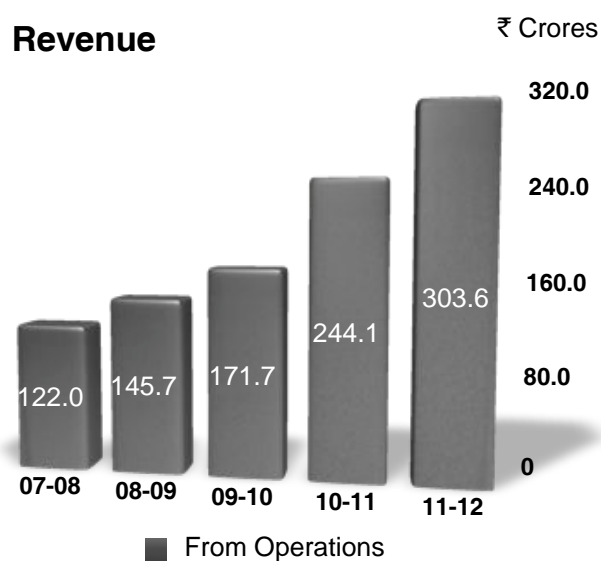
₹ (Lakhs)		
Particulars	2011-12	2010-11
Foreign Exchange Earnings:		
FOB Value of Exports	156.53	70.85
Foreign Exchange Outgo:		
Imports (CIF value)	4394.18	3475.17
Foreign Travel	18.33	20.45
Others	3.99	15.46
Total	4416.50	3511.08

Technology absorption

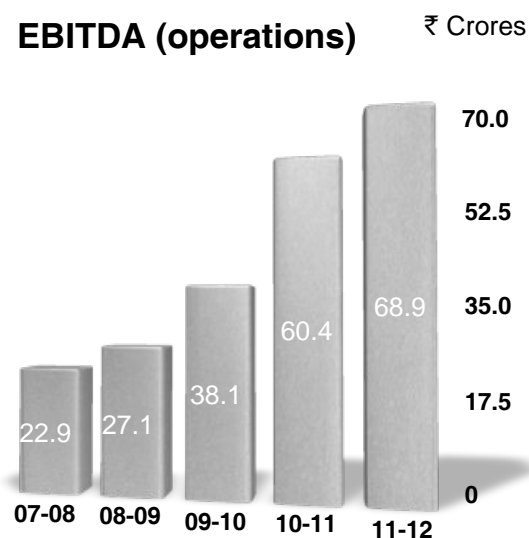
To cater the need of automobile and engineering industries,, the indigenously developed Gear Shaping Machine, Model PSC- 250 was introduced, which helped increased productivity by reducing set up time from Spur to Helical. Likewise, CNC Gear Hobbing Machine with Diameters of 630 mm and 900 mm was developed with Electronic Gear Box to increase the productivity.

Highlights

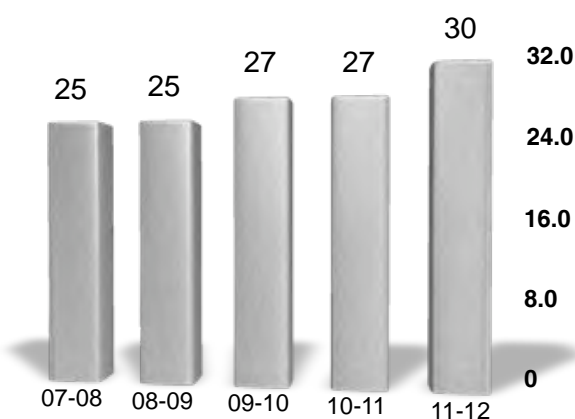
Revenue



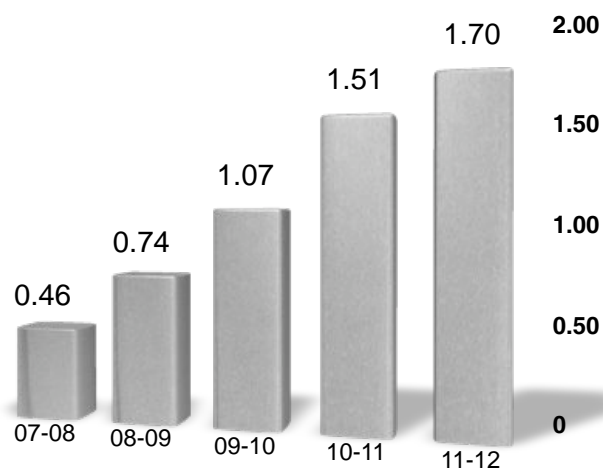
EBITDA (operations)



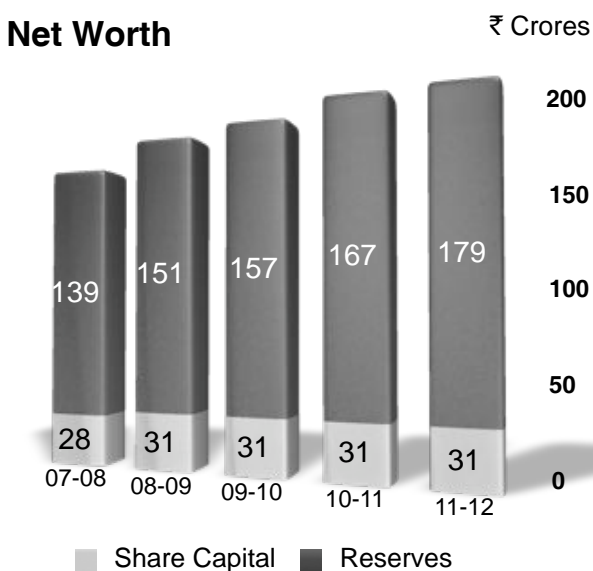
Dividend (%)



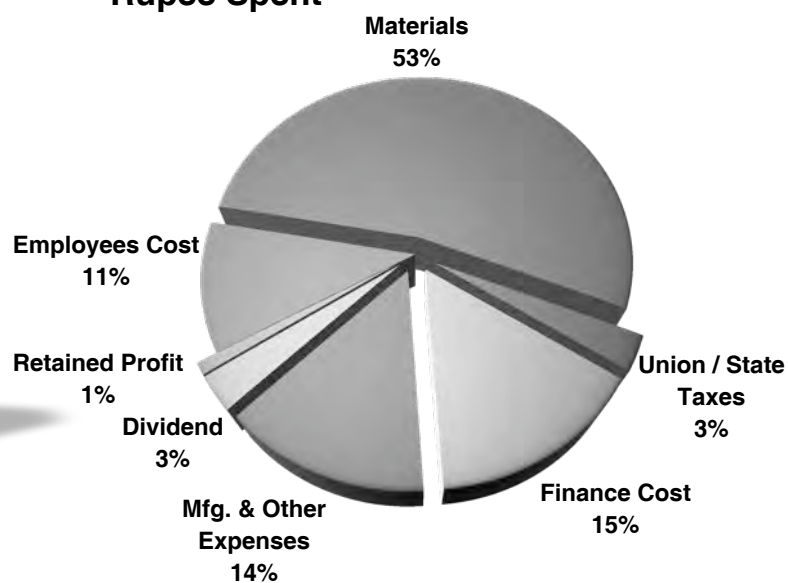
Debt Equity Ratio



Net Worth



Rupee Spent



Management Discussion & Analysis Report



Premier's plant at Chinchwad, Pune

Financial Review

Sales Growth

In 2011-12, the Company reported gross sales of Rs.304 crores, an increase of 24% over the previous year.

Profit & Margin Growth

The profit from operations before depreciation, amortization expense, interest and tax, was Rs.68.91 crores against Rs.64.21 crores over the previous year; a growth of 7%. The cash profit was Rs.35.65 crores against Rs.30.12 crores and the net profit was Rs.22.84 crores compared to Rs.18.45 crores.

Costs

The finance cost has increased from Rs.29 crores to Rs.42 crores, mainly due to higher interest rates on term borrowings and working capital requirements. Other expenses were generally in line with increased operations.

Leverage & Liquidity

The Company's unvalued net worth on 31st March, 2012, is Rs.209 crores and the total debt is Rs.356 crores. The debt-equity ratio is 1.70:1. If the revaluation of the Company's land is considered, the net worth is Rs.710 crs. and the debt-equity ratio on this basis is 0.50:1.

Capital Expenditure

During the year, the Company incurred a capital investment of Rs.76 crores towards factory buildings, plant & machinery and product development. Most of the Company's current capital investment plans have already been completed.

Segment Review

The Company operates in two reportable segments: Engineering and Automotive. The Engineering segment has two activities: CNC Machines and Heavy Engineering. The Automotive segment consists of Light Commercial and Sports Utility Vehicles.



CNC vertical machining centres under testing

CNC Machines Division

Industry Structure & Outlook

The Auto sector has shown much lower growth during this year causing auto ancillaries to taper down their capital investment in the year. The Government PSU and Infrastructure sector continued their buying pattern throughout the year. The scenario for 2012-13 is likely to be very uncertain due to lack of clarity in Government policies. However, long term projects, especially modernization plans of Government Ordnance Factories appear to be on track that should give good support to the CNC Machine business.

Operations

During the year, the division sold 80 CNC machines at an average value of Rs.120 crs. as against 110 machines at an average of Rs.90 lacs in the previous year. During the year, the Company continued to receive orders from BHEL, L&T, Tata Motors, Graziano etc.



6 Axes High Speed CNC Gear Hobbing Machine



5 Axes CNC Gear Hobbing Machine

In Sept. '11, the Company participated in the European Machine Tools exhibition (EMO) at Hannover, Germany and received a very encouraging response from the international market. The Company is finalizing selling arrangements with dealers in countries like USA, Brazil, Germany, Italy, Turkey etc. it is also working on some international projects for supply of machines.

With its new Design Centre at Bangalore, new products development and value engineering activity is on fast track, it will be showcased at the IMTEX '13 exhibition in Bangalore. Production is being structured to shorten delivery times while the new design machines enhances 'value for money' to the customer with reduced manufacturing and assembly time.

Quality improvement initiatives are on with standardization of suppliers, parts and processes. Stricter norms are followed looking at market demand. The Company has a world class, ISO 9001-2008 certified Company and it has world class manufacturing facilities.

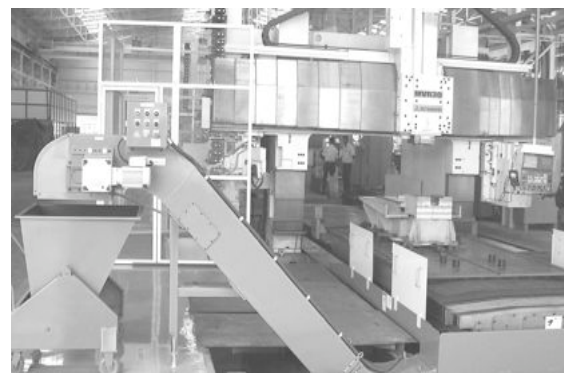
Product Development

The following products were developed during the year:

- CNC Vertical Machining Centre suitable for heavy duty applications
- CNC Heavy duty Horizontal Machining Centre with quill and W axis facility
- CNC Gear Hobbing Machines of 630 mm and 900 mm dia. developed with Electronic Gear Box to increase productivity
- CNC Heavy duty Gear Shaper suitable for internal gear shaping



Premier's representation at EMO 2012, the world's largest Machine Tool Trade Show (Hannover, Germany)



CNC Machines Division infrastructure facility



Premier stall at Modern Machine Shop 2012 (Noida, India)



CNC Vertical Turning Lathe

Business Strategy

- Targeting new customers in new geographic segments
- Rationalization of existing product portfolio
- Increasing presence in CNC vertical machining centres through additional models for wider customer choice
- Technological improvement in gear cutting machines to offer better solutions to customers and face growing international competition

Opportunities

- Long term growth in the auto and auto ancillary sector
- Modernization plans and new projects in Defense and Railways
- Export potential especially in BRIC countries

Threats, Risks and Concerns

- Uncertain Government policies
- Sluggish market conditions
- Rupee-Dollar devaluation
- Threat from used Chinese machines



CNC Vertical Machining Center



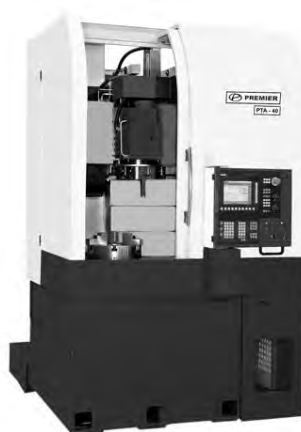
CNC Horizontal Machining Center



CNC Gear Tooth Chamfering & rounding Machine



3 Axes CNC Gear Shaving Machine



CNC Vertical Turning Center



3 Axes CNC Gear Shaping Machine

Heavy Engineering



Engineering Division's Wind Turbine Steel Parts

Industry Structure & Outlook

This business serves the general engineering and wind mill sectors. There is a good scope for rapid growth due to the Government's thrust on renewable energy.

Operations

The Engineering division mainly manufactures and supplies wind mill components for various customers like Enercon India and ReGen Powertech. This division has also developed Metro Rail Bogie frames (the only approved source in India by Delhi Metro Rail Corporation) for BEML and Gear Box Housings for Winergy Drive System India Pvt. Ltd, a Siemens affiliate. In 2011-12, this division achieved a 42% rise in turnover.

Nearly Rs.38 crs. were invested to further expand and de-bottleneck manufacturing lines. These lines are flexible and can be used for alternate products and product-mix. The Company has a world class ISO 9001 certified manufacturing facility with the highest priority given to quality standards.

Product Development

- Gear Box Housings for coal pulverizer mill for winergy
- Six new components requiring precision fabrication, machining & painting, have been developed for wind mill generators
- Wind turbine tower for Enercon India Ltd.

Business Strategy

The Company plans for a diversified customer base by adding at least 3 to 4 new customers every year. Discussion with leading global clients to manufacture wind turbine towers is in process. Apart from the wind energy sector there is also a focus on infrastructure, earth moving and power generation equipment.

Quality

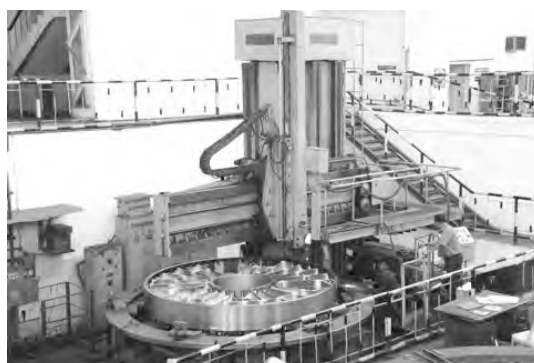
The Engineering division has been ISO 9001 – 2008 certified for its Quality Management System in May 2011. It maintains high quality standards with a 100% inspection standard at multiple stages. There is an “in-house” inspection facility with “state-of-the-art” imported equipment.

Opportunities

- The wind energy sector offers strong opportunities for business growth due to the global thrust on renewable energy development. Due to the Company’s high quality standards, new wind mill generator manufacturers are approaching to develop their components. This is because major suppliers prefer to outsource components and assemblies instead of manufacturing them in-house.
- The infrastructure, power and earth moving equipment sectors are all expected to grow rapidly in the next five years.

Threats, Risks and Concerns

- Risk of revenue loss and profitability due to non-utilization of equipment for the short term, if a customer cancels an order.
- High dependence on the wind energy sector business. However, the Management is in the process of diversifying the business to other industries.
- Slow down in economy affecting infrastructural growth.



Machining of a disc rotor



New vertical lathe being commissioned



Facility for wind turbine generator parts



Oxyfuel CNC profile cutting machine

Automotive



Premier stall at Auto Expo 2012

Industry Structure & Outlook

During the year under review, the passenger car vehicle has grown by 2.2% due to general economy slowdown. But Utility Vehicle market has grown by 16% in India during this period. It is expected that Utility Vehicle market and SUV market will continue to grow as these markets at present are only 14 % of passenger vehicle market in India.

Operations

The RiO project is progressing smoothly. During the year, the Company introduced the refurbished new look RiO in the market and feedback received is encouraging. The Company has also introduced BS IV petrol version in the market during the year.

After developing the dealer network in North and North-East, the Company is focusing on dealer development all over India and expects to have such national presence by the 3rd quarter of the current year. The Company has also initiated the concept of Premier Authorised Service Station (PASS), which will help to have better network for service and spares to the customers.

The Company participated in Auto Expo in January, 2012 in Delhi, wherein RiO with new look, fitted with 1.3 Ltr. BS-IV Engine, was displayed.



State-of-the-art RiO assembly line



Road show for Transcend 2011 sponsored by Premier Ltd.

Product Development

The Company is developing diesel BS IV compliant RiO with 1.3 Ltr state of art world class engine which is currently being used by leading car manufacturers to be supplied by FIAT. The integration and homologation process is in progress and expected to be completed shortly.

Opportunities

In spite of slowdown in passenger vehicle, the SUV market continue to grow at the rate 16%. At present no compact SUV is available in the market. Indian Government continue to support small passenger vehicles by lower excise duty in this product segment.

Threats, Risks and Concerns

The automobile industry is affected by general economy slow down and global competition.



Premier RiO displayed at Auto Expo 2012



Premier RiO - India's first compact SUV

Human Resources and Industrial Relations



First Premier Women's Empowerment Forum

The Company's Industrial relations remained cordial and harmonious throughout the year. The bargainable workmen have formed their own internal union. The overall manpower strength is 2062, including 583 managerial personnel. The Company has 417 engineers, technicians, constituting 72% of the total officer strength. Recruitment of qualified personnel to improve human resources is an on-going process.

Employee training at all levels is a key priority. Specific training and skill building programs, both in-house and external were conducted during the year including officers and workmen.

A cumulative number of 1391 employees have undergone learning and development this year. These programs included Train the Trainer workshops which was an initiative to form a stronger in-house faculty for training and empower them with various training techniques.

Some of the other trainings undertaken during this year were team building, SAP, communication dynamics, business etiquette, design from manufacturing and assembly, 7 QC, gear testing, hydraulic balancing and ISO testing to name a few. Our officers were also nominated for numerous external training and certification programs organized by IMTMA, ICSI, SAP-India, Deloitte, etc.

The Company re-launched a revamped version of its Performance Management system and extensive training was imparted to all the employees to familiarize them to the new system.

The employee suggestion scheme called “I-suggest” did very well this year with 201 suggestions received. Out of the total suggestions received 72 were implemented and resulted in a gross saving of approx Rs.57 lacs. A Lakhapati incentive scheme was announced this year wherein the top three suggestions won heavy monetary prizes upto 1 lac, which had a positive impact on employee morale and motivation.

The management follows an Affirmative Action Employment policy. Currently 8% of our employee base comprises of women, which is targeted to increase to 25% within



Celebrating Women's Day 2012 at Premier



IMTMA Vinod Doshi Award 2012



On-the-job Training



Premier's Employee Suggestion Scheme 'iSuggest'

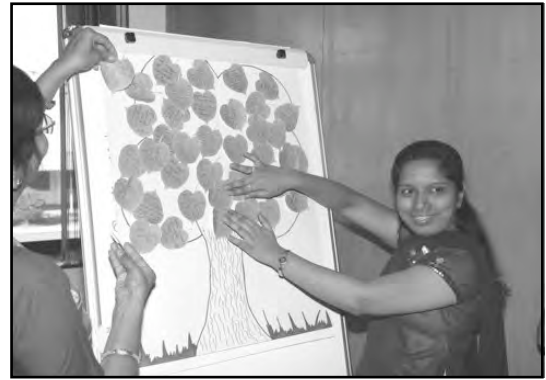
the next 2 years. HR practices, as well as special personalized workshops were conducted for our women employees to empower them in the workplace. In keeping with the Confederation of Indian Industry (CII) Code of Conduct for Affirmative Action, the Company has taken initiatives to increase the employability of the SC/ SC category. In the last 6 years the number of SC/ST employees increased by 5%

During the National Safety week from 3rd March, 2012 to 11th March, 2012 training sessions were organized to educate our employees about general health and safety norms. In addition to the above, to create awareness on early disease detection, a health check-up camp was organized in-house in collaboration with Sahayadri hospital for all workmen during March 2012.

Corporate Social Responsibility

The Company actively pursues a CSR (Corporate Social Responsibility) policy and several initiatives were undertaken during the year.

- The annual Vinod Doshi Shikshan Yojna - a financial aid of up to Rs. 75,000/- was given to 9 needy and meritorious candidates this year. The scheme was revised and was declared open not only to children of employees and also to employees who wanted to pursue higher education by the promoters of the trust.
- The annual Vinod Doshi- COEP Merit Scholarship awarding Rs. 60,000/- each year, for 4 years to financially needy students at the College of Engineering, Pune from the promoters charity trust was given to 10 students this year as opposed to 5 students for the past 2 years. The scholarship has seen its first 5 women scholars since the time of its inception. Many activities were organized with the scholars to form a sustainable



Creativity Workshop for Employees



Safety Training Program at Plant



Vinod Doshi Shikshan Yogna Awards & Vinod Doshi COEP Merit Awards 2012



Vinod Doshi College of Engineering Pune (COEP) Merit Scholarship Awards 2012

bond between them and the Company. These activities ranged from a visit to the Premier factory, to a mentorship system and also included formulating a face book account and where the scholars and Premierites are a part of the same community and can converse freely, to name a few.

- Premier Ltd. has donated a Swedish manufactured IRB 6400 Robot to the College of Engineering, Pune. This robot will help the budding engineers at COEP to study as students to learn and understand.
- The Company and the trust run by the promoters partnered with CHIP, a Mumbai based NGO which works towards the upliftment of BMC school children to organize a Career Fair for the children of class IX and X to give them an overview of different career options and direction in the way ahead.
- The Company sponsors the annual IMTMA (Indian Machine Tool Manufacturers' Association) Vinod Doshi Award for Outstanding Entrepreneurship in Machine Tools. This award is given to an outstanding first generation entrepreneur for building a Machine Tool Company in India.
- This year the Company organized multiple factory visits for students and faculty of various colleges such as College of Engineering, Pune, Garje Institute, Latur and ITE Malegaon to name a few. The main objective of this was to give the students a practical view of an engineering organization and also impart some on the job trainings to them thus increasing their knowledge and building their motivation.
- This year too for the second consecutive year, the Company was the official engineering partner for MINDSPARK '11, an inter collegiate



Women's empowerment forum



Children from an NGO visit Premier's Plant



Students from an Engineering College visit Premier's Plant



College of Engineering Pune (COEP) Scholars with the Premier RiO

technical festival held in December 2011. It played a key role by sponsoring 3 major events at the festival.

- The Company sponsored the 4th Annual Vinod Doshi Memorial Theatre festival at the Yeswantrao Chavan Natya Sabhagruha, Kothrud, Pune in February 2012 to promote and preserve Hindi and Marathi theatre.
- Fellowship awards were given to 5 upcoming theatre artists to motivate them to pursue their career in the arts. These awards were sponsored by the promoters trust.
- Like every year this year too, a blood donation camp was organized by the Company on 17th March 2012. A total of around 150 bottles of blood that were collected and were donated to Sahyadri hospital.
- As one of the Go Green initiatives, the Company dedicated a day to tree plantation. Employees and their families came together and planted close to 500 different varieties of trees in the factory premises on this occasion.
- Another Go green initiatives taken up this year was the launch of the car bin at the Auto Expo held in Delhi this year in January. In an initiative to create a cleaner environment we partnered with Lighthouse managment to promote the use of car bins.
- This Sewage Treatment Plant (STP) that was installed is used for waste water recycling and this water is used for the garden area of the factory. The newly created Effluent Treatment Plant is also being used to separate oil and coolant waste and dispose this waste in an environmentally friendly manner.



Premier volunteer's at MINDSPARK 2011



4th Annual Vinod Doshi Memorial Theatre Festival 2012



Blood Donation camp at Premier's Pune plant



Premier's employees participate in the Annual Tree Plantation Day

Information and Technology

The Company uses a SAP-ERP system for all its activities. It invests regularly in upgrading the SAP infrastructure for better utility of the system. All maintenance and system activities are outsourced to local IP service providers. Resource planning, commercial and financial transactions are controlled through the SAP System.



Pune Technology Center

Internal Controls

The Company has set up adequate internal controls to ensure operational efficiency, safety of assets and efficient financial management. It has appointed an independent firm of Chartered Accountants to conduct regular internal audits. The Audit Committee of the Board reviews the internal controls and audit reports regularly. There is a Managing Committee consisting of senior functional heads and the Managing Director that meets once a month to review overall operations of the Company.

Patents

Invention is an on-going process in the Company. The Company has, so far, filed 15 patents for processes & products. It is the endeavour of Management to encourage inventions of new products and processes in order to increase our patent portfolio. This shows strong technical and innovation skills developed in-house.

Cautionary Statement

The Management Discussion and Analysis Report contain forward looking statements describing the Company's projections and estimates. These are based on certain assumptions and expectations of future events. The Company cannot guarantee the realization of projections as the actual results may differ due to factors like the price of raw materials, demand-supply conditions, changes in government regulations, tax structures, etc. which are beyond the control of Management. The Company assumes no responsibility in respect of forward looking statements which may undergo change on the basis of any subsequent developments, information or events.

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

The Board of Directors and Management lay great emphasis on adopting and practicing principles of good Corporate Governance with a view to achieve business excellence by enhancing long term shareholder value and the interest of all its stakeholders through sound business decisions, prudent financial management and a high standard of business ethics.

2. Board of Directors

The present strength of the Board is nine directors, comprising of seven independent directors, as stated below:

Name	Category
Mr. Maitreya V. Doshi, Chairman & Managing Director	Executive [Promoter]
Mrs. Rohita M. Doshi	Non-Executive Director [Promoter]
Mr. S. Padmanabhan	Independent Non-Executive
Mr. Asit Javeri	Independent Non-Executive
Mr. Rohan Shah	Independent Non-Executive
Dr. Udo Weigel	Independent Non-Executive
Mrs. Kavita Khanna	Independent Non-Executive
Mr. Dilip J. Thakkar	Independent Non-Executive
Mr. Ramesh Adige	Independent Non-Executive

3. Directors' Profile

A brief resume of all the Directors and names of companies in which they hold directorships/memberships/ chairmanships of the Board/Committees are provided below:

Mr. Maitreya V. Doshi, aged 49, is the Promoter and Chairman & Managing Director of the Company. He is an MBA from IMD (Switzerland) and B.A. (Econ.) from Stanford University, U.S.A. He has been associated with the Company for over 28 years starting as Manager - Management Services (1984 – 1988), then Vice President - Corporate Planning (1988 – 1993), followed by Executive Director (1993 – 1995) and finally Managing Director in 1995. He was appointed as Vice Chairman of the Board in 2007 and thereafter appointed as 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 such as the engineering services business, etc.



Mr. Doshi is associated with various Chambers of Commerce and other institutions. He has served CII (Confederation of Indian Industry) in his capacity as Chairman of International Affairs Sub-Committee, Family Business Committee and as a member of National Committee on Trade and CIIs Western Regional Council. Presently, he is a Member of CII National Council.

He was also a member of ARAI (Automotive Research Association of India), Pune, Western India Automobiles Association (WIAA), AIAM (Association of Indian Auto Manufacturers), Passenger Cars and MUV Committee of SIAM (Society of Indian Automobiles Manufacturers). He is an Executive Committee Member of SIAM. He has been nominated as a permanent member of the Executive Board of IMTMA (the Indian Machine Tool Manufacturers Association). Recently, he has been nominated to the Governing Board of the College of Engineering, Pune.

In 1993, Mr. Doshi was nominated by the World Economic Forum, Geneva as one of 200 'Global Leaders of Tomorrow' selected from all over the world. He was also the first Indian speaker at Automotive News World Congress, Detroit, USA in 1996.

Mr. Doshi has been a member of the Young Presidents Organization (YPO) for the past 19 years and also serves on the YPO International Board for 3 years from '09 - '12. He was previously the Regional Chairman of YPO's South Asia Region. In 2004, he was YPO Bombay's Chapter Chair. Mr. Doshi has also set up new YPO Chapters in Colombo, Sri Lanka and Gujarat.

Mr. Doshi has received many international YPO awards including two "Best of the Best" awards for Chapter Education and Global Networking as well as YPO's Alex Cappello Leadership in Global Membership Award.

Mr. Doshi is a Director of Doshi Holdings Pvt. Ltd., Vinod Shashank Chakor Pvt. Ltd. and DHPL Marine Pvt. Ltd., Premier Auto Ltd. and the Managing Trustee of Shri Lalchand Hirachand Premier Trust.



Mr. S. Padmanabhan, aged 72, is a M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. He has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai.

Mr. Padmanabhan was an I.A.S. Officer during which tenure he held various positions in the Government of Maharashtra, including Director - Tourism, Managing Director - SICOM, Commissioner, Aurangabad Division etc.

Mr. Padmanabhan has worked as Corporate Advisor to Bharat Forge Limited and later Deepak Fertilizers and Walchandnagar Industries Limited. During the last 16 years he has been Consultant to the Videocon Group. He has wide experience in industrial projects, finance and administration.

Mr. Padmanabhan is a Director of Videocon Industries Ltd., Videocon Power Ltd., Videocon Energy Holdings Ltd., Sudarshan Chemicals Industries Ltd., Desai Brothers Ltd., Rajkumar Forge Ltd., Force Motors Ltd., Sanghvi Movers Ltd., Aquapharm Chemicals Pvt. Ltd., Pipavav Energy Pvt. Ltd. & Chattisgarh Power Ventures Pvt. Ltd.



Mr. Asit Javeri, aged 55, holds a Bachelors Degree in Science from Mumbai University. He is an industrialist with over 28 years of experience in chemical industry. Currently, he is Chairman and Managing Director of Sadhana Nitrochem Ltd and has been actively involved in the major expansion and diversification projects of the Company thereby propelling it to a Star Export House status.

Mr. Javeri is a Director of Sadhana Nitro Chem Ltd., Indian Extractions Ltd., Phthalo Colours & Chemicals (I) Ltd., Lifestyle Networks Ltd., Manekchand Panachand Trading Investment Co. Pvt. Ltd., Anuchem B.V.B.A., Belgium, Strix Wireless Systems Pvt. Ltd., Chandra Net Pvt. Ltd., Anuchem pte Ltd., Singapore, and Strix System Inc, USA.



Mrs. Rohita M. Doshi, aged 52, is the wife of Mr. Maitreya V. Doshi and a Promoter of the Company.

Mrs. Doshi has a BS and MS with High Honors in Computer Engineering from the Case Institute of Technology, Case Western Reserve University, Cleveland, USA and has also completed her Ph.D. Research on distributed databases and systems in Computer Engineering. She was the recipient of various scholarships and research assistantships as well as the winner of the Jennings Award for Excellence in Computer Engineering.

Mrs. Doshi started her career as a Research and Development Engineer at Hewlett Packard, Cupertino, CA, USA. She has designed and implemented a state of the art compiler for RISC architecture machines and other HP computers. She also worked as a Systems Analyst/Research Associate for SOHIO (Standard Oil of Ohio), Cleveland, USA.

Mrs. Doshi co-founded Soulkurry.com (India) Pvt. Ltd. in 2000, which launched India's first women's internet portal/website with over 50,000 registered members. She is currently the promoter of Art Point Pvt. Ltd. that consults and deals in contemporary Indian art, promoting artists, holding exhibitions and sales.

Mrs. Doshi has also been a speaker at conferences such as TIE on IT, chaired the IT committee of IMC Ladies' Wing and been Chairperson of Continuing Education Committee IMC Ladies' Wing. She was featured as an entrepreneur in International Business Week magazine and Asia Week magazine and has appeared on TV shows like Movers & Shakers. Mrs. Doshi is a Director of Art Point Pvt. Ltd., Doshi Holdings Pvt. Ltd. and DHPL Marine Pvt. Ltd.



Mr. Rohan Shah, aged 49, graduated in 1987 from the Government Law College as L.L.B. from the University of Bombay and was awarded the Visheshwariya Scholarship for standing first in the University. He is currently the Managing Partner of Economic Laws Practice and also the Chairman of the WTO Committee and the Convener of the Anti-Dumping Committee of

the Indian Merchants Chamber. He is also the Vice Chairman of the Trade Committee of the Inter Pacific Bar Association. He has been a member of the Indian Commerce Minister's core negotiating teams at the WTO Ministerial Rounds both at Seattle (1999) and Cancun (2003). In his fields of specialty, he has deposed as an expert on various occasions before Joint Parliamentary Committees. He is also a qualified Solicitor of England & Wales. His areas of expertise include Indirect Taxation, Corporate and Commercial laws, Real Estate and International Trade Laws.

Mr. Shah has been recognized by the 'International Tax Review' as being one of India's leading tax practitioners and by Legal 500 for heading one of the largest indirect tax practices in the country.

Mr. Shah is a Director of JB Chemicals & Pharmaceuticals Ltd., Grauer & Weil (I) Ltd. and Diamond India Ltd.



Dr. Udo Weigel, aged 70, is a German national. He is a Graduate in Mechanical Engineering/Manufacturing Technology and holds a Doctorate Degree in Research on gear hobbing from RWTH Aachen University, Germany.

Dr. Weigel has over 4 decades of experience in the machine tool industry, having worked with Pfauter, a leading gear hobbing machine manufacturer in Europe, for more than 25 years in various capacities including Managing Director of Engrenasa Sorocaba Brazil and Pfauter Italia SPA. He is a Managing ADD Engineering in Germany.

His professional experience includes guiding collaborators in different countries; process planning on component, group and complete product level; development of complex products; material flow analysis, automation concepts; public funded research projects (European Community); marketing concepts, sales strategies, customer contacts, development road mapping; consulting; evaluation and purchase of production means and facilities; technical due diligences; business plans, etc.



Mrs. Kavita Khanna, aged 50, has done her B.Sc (Econ.) from London School of Economics, U.K. She also holds a Masters Diploma in Law and Practice from City University, London, U.K. and is a barrister of Law from U.K.

Mrs. Khanna was President (Business Development) of Bharat Serums and Vaccines Ltd. Previously she has also been Partner, Economic Laws Practice. She did independent practice in the Mumbai High Court and continues to be the member of the Mumbai Bar Council.

She has served various organizations in different capacities like the Vice Chair of ASSOCHAM Committee of Human Resource Development, Member of Managing Committee of Indian Merchants' Chambers, Chairperson of the Industrial Relations and Labour Law Committee of CII, WR, Member of the Board of Trustees of Jawaharlal Nehru Port Trust & Chairperson of the IMC Committee for Human Resource Development.

She has worked closely with Prime Minister's Office, Central Govt., Maharashtra Govt. and Indian Industry for reform of Labour Laws and Expert consultant to the Second Labour Commission.

Mrs. Khanna is a Director of Bharat Radiators Pvt. Ltd.; Bharat Radiators Industries Pvt. Ltd. and Vista Communications Pvt. Ltd.



Mr. Dilip J. Thakkar, aged 75, is a fellow member of the Institute of Chartered Accountants of India. He is a senior partner of M/s Jayantilal Thakkar & Co., Chartered Accountants & M/s Jayantilal Thakkar & Associates, Chartered Accountants, Mumbai. He received his B.Com. and L.L.B. degrees from Bombay University in 1957 and 1959, respectively.

Mr. Thakkar is an eminent Chartered Accountant and has over fifty years of experience in Finance and Corporate matters. He specializes in the Foreign Exchange Management Act, and has advised overseas corporations and large Indian Companies on Investments, taxation and collaboration. He is a trustee of the HSBC Mutual Fund.

Mr. Thakkar is a Director on the Board of many Listed and Unlisted Public and Private Companies namely Poddar Developers Ltd., Panasonic Energy India Co. Ltd., Essar Oil Ltd., Thirumalai Chemicals Ltd., PAE Ltd., Himatsingka Seide Ltd., Walchandnagar Industries Ltd., The Rubi Mills Ltd., Indo Count Industries Ltd., Garware Polyester Ltd., Modern India Ltd., Rajasvi Properties Holdings Private Ltd., Starrock Investments & Trading Private Ltd., Blueberry Trading Company Pvt. Ltd. Township Real Estate Developers Pvt. Ltd., Hamlet Construction (India) Private Ltd., Windmere Hospitality (India) Private Limited, Skidata (India) Private Limited, Ameya Logistics Pvt. Ltd., and Magus Estate & Hotels Ltd.



Mr. Ramesh Adige, aged 62, is a Masters in Business Administration with specialization in Marketing from the renowned Faculty of Management Studies, University of Delhi and holds a B.E. (Honours) degree from the prestigious Birla Institute of Technology and Science (BITS), Pilani. Until recently, Mr. Adige was President of Ranbaxy Laboratories, India's largest pharmaceutical company with world-wide foot prints, selling its

products in 125 countries.

He has 38 years of extensive and wide-ranging experience in the areas of Corporate Policy, Public Affairs & Public Policy, Strategic and Perspective Planning, External Relations and the broader spectrum of Business Activities including Joint Ventures, Technical & Financial collaborations. He is an active participant in the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce & Industry (FICCI) and headed CII's Task Force on IP Policy. He is the Co-Chairman of The Associated Chambers of Commerce and Industry of India (ASSOCHAM) Drugs & Pharmaceutical expert committee. He is Chairman of Health Committee of PHD

Chamber of Commerce & Industry and is a member of the Round Table on Skills Development instituted by the Ministry of Human Resource Development, Govt. of India.

Before joining Ranbaxy, in 2004, Ramesh was Executive Director in Fiat India. He has considerable exposure to both direct & indirect marketing in the consumer durable and automobile industries. He has also served as President of the Governing Council of the Automotive Research Association of India, a premier institution for testing, homologation, validation and certification for all automobiles in India, having more than 500 Research scientists and engineers in its fold. Recognising his contribution to the Auto Industry, the Ministry of Heavy Industries and Public Enterprises, had inducted him as Member of the Development Council for Automobiles and Allied Industries. Ramesh was an active participant in SIAM activities. He is credited with some high level public policy successes viz ending the monopoly in Government R/Cs for cars and separately in Defense purchases and also getting a level playing field introduced in all fiscal issues involving the Union Budget, and State sales tax.

Mr. Adige is a Director on the Board of Syndicate Bank and Fortis Malar Hospitals Ltd. He is also a Member of the Governing Council of T. A. Pai Management Institute, Manipal and a Member of the Board of Governors of the Indian Institute of Corporate Affairs. He is a Co-opted Member of the Biodiversity Foundation of NCT of Delhi, constituted by a Gazette Notification of Government of India.

4. Board Meetings and Attendance

Five (5) Board meetings were held during the financial year ended on 31st March, 2012.

The information as required under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated prior to the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board meetings to enable the Board to take informed decisions.

The dates on which meetings were held are as follows:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	21.04.2011	8	7
2	11.06.2011	8	5
3	26.07.2011	8	7
4	19.10.2011	8	8
5	18.01.2012	8	7

Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member.

Name of Director	Category of Directorship	Number of Board meetings attended	Attendance at the last AGM held on 11th June, 2011	Number of Directorships in other public limited companies	Number of committee positions held in other companies	
					Chairman	Member
Mr. Maitreya V. Doshi Chairman & Managing Director	Executive (Promoter)	5	Yes	-	-	-
Mrs. Rohita M. Doshi Computer Engineer	Non-Executive (Promoter)	5	Yes	-	-	-
Mr. S. Padmanabhan I.A.S (Retd.)	Independent Non-Executive	4	-	8	-	8
Mr. Asit Javeri Industrialist	Independent Non-Executive	5	Yes	4	3	3
Mr. Rohan Shah Solicitor	Independent Non-Executive	1	-	3	-	-
Dr. Udo Weigel Machine Tool Technologist	Independent Non-Executive	4	-	-	-	-
Mrs. Kavita Khanna Management and Legal Consultant	Independent Non-Executive	5	Yes	-	-	-
Mr. Dilip J. Thakkar Chartered Accountant	Independent Non-Executive	5	Yes	13	5	5
Mr. Ramesh Adige * Industry Expert - Automotive, Pharma, Healthcare, Banking & Public Policy	Independent Non-Executive	-	-	2	-	-

* Appointment w.e.f. 24.04.2012

5. Audit Committee

The Audit Committee consist of 3 Non-Executive, Independent Directors namely Mr. S. Padmanabhan, Mr. Asit Javeri and Mrs. Kavita Khanna. Mr. S. Padmanabhan is a Chairman of the Audit Committee. Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary is the Secretary of the committee.

Four (4) meetings were held during the year on 21st April, 2011, 26th July, 2011, 19th October, 2011 and 18th January, 2012. The Audit Committee has been mandated with the terms of reference as are specified in Clause-49 of the Listing Agreement with the Stock Exchanges.

Attendance of Directors at the Audit Committee Meeting held during the financial year:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. S. Padmanabhan	4	4
Mr. Asit Javeri	4	4
Mrs. Kavita Khanna	4	4
Mr Dilip J. Thakkar (Special Invitee)	4	4

6. Remuneration Committee

The Remuneration Committee consist of 3 Non-Executive, Independent directors, namely Mr. S. Padmanabhan, Mr. Asit Javeri and Mr. Udo Weigel. Mr. S. Padmanabhan is the Chairman of the Committee. The Committee is appointed with the terms of reference of deciding the remuneration of executive and non-executive directors. During the year meeting of the Committee was held on 21st April, 2011.

Attendance of Directors at the Remuneration Committee Meeting held during the financial year:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. S. Padmanabhan	1	1
Mr. Asit Javeri	1	1
Mr. Udo Weigel	1	1

7. Remuneration Policy

The Company pays remuneration by way of salary, allowances and perquisites to the Chairman & Managing Director as approved by the Board of Directors and shareholders of the Company. Each Non-Executive Director is paid a sitting fee of Rs. 20,000/- per meeting of the Board/Committee. Apart from this, the Company pays commission to Non-Executive Directors in absolute figures.

Details of remuneration of the Directors during the period 1st April, 2011 to 31st March, 2012 are as follows:

₹ (Lakhs)

Name of the Director	Salaries, Perquisites contribution to Provident Fund and Superannuation	Sitting Fees	Total
Mr. Maitreya V. Doshi	52.32	-	52.32
Mrs. Rohita M. Doshi	-	1.00	1.00
Mr. S. Padmanabhan	-	1.80	1.80
Mr. Asit Javeri	-	2.80	2.80
Mr. Rohan Shah	-	0.40	0.40
Mr. Udo Weigel	-	1.00	1.00
Mrs. Kavita Khanna	-	2.60	2.60
Mr. Dilip J. Thakkar	-	1.80	1.80

The Company does not have any Stock Option Scheme.

8. Shareholding of Non-Executive Directors as on 31st March '12

Sr.	Name of the Director	No. of shares held
1	Mr. Dilip J. Thakkar	740
2	Mr. S. Padmanabhan	NIL
3	Mr. Asit Javeri	14,300
4	Mrs. Rohita M. Doshi	200
5	Mr. Rohan Shah	NIL
6	Dr. Udo Weigel	NIL
7	Mrs. Kavita Khanna	14,000

9. Shareholders' Grievance Committee

This Committee consists of 3 Non-Executive Independent Directors namely Mr. Asit Javeri, Mr. Rohan Shah and Mrs. Kavita Khanna. Mr. Asit Javeri is the Chairman of the Committee.

The functioning and terms of reference of the Committee are as prescribed and in due compliance with the Listing Agreement with the Stock Exchanges and include reviewing existing Investor Redressal System, redressing of shareholder complaints like delay in transfer of shares, non-receipt of balance sheet, non-receipt of dividend warrant, etc. and suggesting improvements in investor relations.

Four (4) meetings of the Committee were held during the year on 21st April, 2011, 26th July, 2011, 19th October, 2011 and 18th January, 2012. Attendance of Directors at the Investors'/Shareholders' Grievance Committee Meeting held during the financial year:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Asit Javeri	4	4
Mr. Rohan Shah	4	1
Mrs. Kavita Khanna	4	4

Mr. Ramesh M. Tavhare, Vice President (Finance and Legal) & Company Secretary is the Compliance Officer.

The Company's shares are tradable only in demat form. As regards transfer of shares in physical form, the Chairman & Managing Director has been authorized by the Board to approve such transfers. This facilitates approval of transfers within the time stipulated under Listing Agreement. Further, the complaints of the above nature are promptly attended to by the Compliance Officer.

Statement of the various complaints received and cleared by the Company during the year ended on 31st March, 2012:

Sr. No.	Subject	Received (Nos.)	Cleared (Nos.)	Pending
1	Non Receipt of Share Certificate	34	34	0
2	Non Receipt of Dividend	80	80	0
3	Non Receipt of Annual Report	3	3	0
4	Non Receipt of Rejected Demat Request Form	1	1	0
5	Non Receipt of Exchange Certificate	3	3	0
6	Non Receipt of Bonus Certificates	1	1	0
7	Non Receipt of REP/SPL/CON/DUP Certificates	3	3	0
8	Others	17	17	0
Total		142	142	0

10. General Body Meetings

(a) Details of location and time of holding of last three AGMs

AGM for the financial year ended	Venue	Date	Time	No. of Special Resolutions passed
63 rd AGM 31 st March, 2009	Hotel Kalasagar, P/4, MIDC, Mumbai – Pune Road, Pimpri Pune – 411 034	26 th June, 2009	2.30 p.m.	-
64 th AGM 31 st March, 2010	Mumbai-Pune Road, Chinchwad, Pune-411 019	30 th August, 2010	11.00 a.m.	2
65 th AGM 31 st March, 2011	Mumbai-Pune Road, Chinchwad, Pune-411 019	11 th June, 2011	12.00 noon.	2

(b) No resolution was passed by Postal Ballot during the year.

11. Disclosures

(a) Materially Significant related party transactions: The particulars of transactions between the Company and its related parties as per the Accounting Standard -18 are set out at Note 35 in Notes to Accounts in the Annual Report. These transactions are not likely to have any conflict with Company's interest.

(b) Management Disclosures: The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

(c) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years: The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well regulations and guidelines prescribed by SEBI.

There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to the capital markets during the last three years.

(d) Risk Management Framework: The Board of Directors has adopted the Risk Assessment Procedure. The procedure provides an approach by the top 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 objectives of the Company. The Senior Management prioritizes the risk and finalizes the action plan for mitigation of the key risks.

(e) Compliance with the Non- Mandatory Requirements: As regards non-mandatory requirements of Corporate Governance norms, the Company has complied with the constitution of the Remuneration Committee.

12. Means of communication

The quarterly, half yearly and annual results are published in English in “Free Press Journal” and in Marathi in “Nav Shakti”. The Company does not send its half yearly report to each shareholder.

The financial results and official news releases are also available on the Company’s website at www.premier.co.in

No presentations were made to institutional investors or to the analysts during the year.

13. General shareholder information

The financial year of the Company is for a period of 12 months from 1st April to 31st March every year.

AGM: Date, time and venue	66th Annual General Meeting on Friday, the 24 th August, 2012 at 10.00 am at the Registered Office of the Company
Date of Book Closure	Tuesday, the 14 th August, 2012, to Friday, the 24 th August, 2012
Dividend payment date	On or after 27 th August, 2012
Financial Calendar (Tentative)	
Results for quarter ending June 30, 2012	Last week of July, 2012
Results for quarter ending September 30, 2012	Last week of October, 2012
Results for quarter ending December 31, 2012	Last week of January, 2013
Results for quarter ending March 31, 2013	April, 2013

Listing of Company's shares

The Company's shares are listed on Bombay Stock Exchange Ltd. [BSE] and National Stock Exchange of India Ltd. [NSE]

Scrip Code

500540 on BSE, PREMIER on NSE

ISIN Number

INE342A01018

14. Investor Services

The Company has appointed M/s Link Intime India Pvt. Ltd., (Formerly known as Intime Spectrum Registry Ltd.) whose address is given below, as its Registrar and Transfer Agents. The Registrar handles all matters relating to the shares of the Company including transfer, transmission of shares, dematerialization of share certificates, subdivision/consolidation of share certificates and investor grievances.

Link Intime India Pvt. Ltd.

Unit: Premier Ltd.

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup [West], Mumbai – 400 078

Tel. No. [022] 2594 6970 - 6978, Fax No. [022] 2594 6969

Email ID: rnt.helpdesk@linkintime.co.in

15. Share Transfer System

All the transfers received are processed by Registrar and Transfer Agents. Share transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respects. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

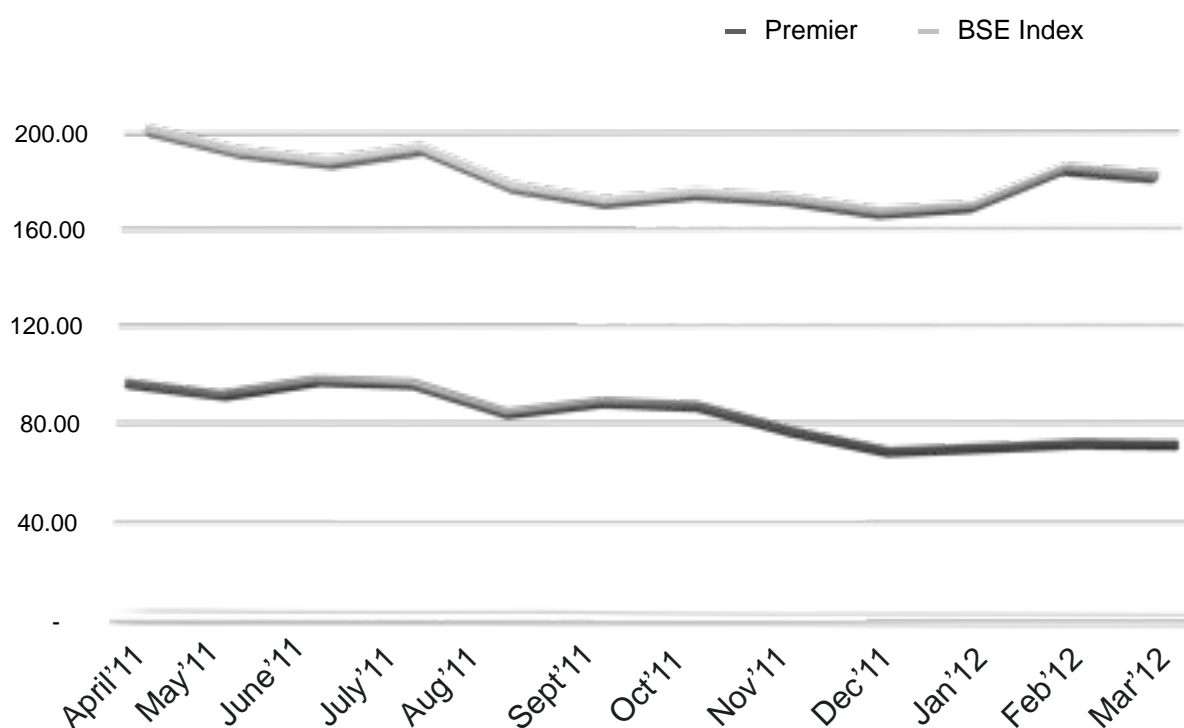
16. Dematerialization of shares

The Company's shares are tradable compulsorily in electronic form. The Company has established through its Registrar and Share Transfer Agents, connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2012, 89.90% of the equity shares have been dematerialized.

17. Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs. During the year no conversion took place and hence there was no effect on Equity Capital of the Company.

18. High/low of market price of the Company's shares traded on the Stock Exchange upto 31st March 2012



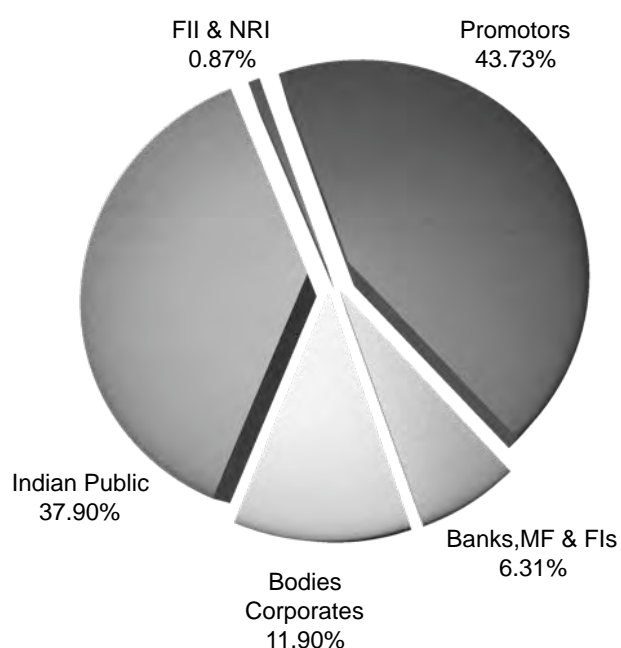
Period	Premier's Share Price (₹)		BSE SENSEX	
	High	Low	High	Low
April 2011	99.90	84.95	19,811.14	18,976.19
May 2011	96.00	80.00	19,253.87	17,786.13
June 2011	107.00	80.00	18,873.39	17,314.38
July 2011	99.95	84.50	19,131.70	18,131.86
August 2011	90.00	72.00	18,440.07	15,765.53
September 2011	91.40	79.00	17,211.80	15,801.01
October 2011	90.40	77.00	17,908.13	15,745.43
November 2011	81.95	66.10	17,702.26	15,478.69
December 2011	73.50	59.55	17,003.71	15,135.86
January 2012	76.90	59.05	17,258.97	15,358.02
February 2012	74.40	65.50	18,523.78	17,061.55
March 2012	73.85	64.35	18,040.69	16,920.61

19. Distribution of shareholding as on 31st March '12

No. of shares	Folios		Amounts	
	Number	% to total	₹	% to total
(1)	(2)	(3)	(4)	(5)
1 - 5000	34,322	93.50	38256990	12.60
5001 - 10000	1,341	3.65	10313030	3.39
10001- 20000	499	1.36	7586470	2.50
20001- 30000	171	0.47	4379050	1.44
30001- 40000	78	0.21	2775920	0.91
40001- 50000	80	0.22	3748450	1.23
50001- 100000	105	0.28	7347310	2.42
100001 and above	113	0.31	229318480	75.50
Total:	36,709	100.00	303725700	100.00

20. Shareholding pattern as on 31st March '12

Category	No. of shares	%
Promoters	1,32,81,825	43.73
Mutual Funds and UTI	12,074	0.04
Banks, Financial Institutions & Insurance Companies	19,04,972	6.27
FII's	1,54,800	0.51
Bodies Corporate	33,99,919	11.19
Indian Public	1,15,09,291	37.90
NRIs/Foreign Nationals	1,09,689	0.36
Total:	3,03,72,570	100.00



21. Code of Conduct

As required by clause 49 I (D) of the Listing Agreement, the Company has formulated a Code of Conduct for all Directors and Senior Management of the Company and the same has been adopted by the Board. The Code is also available on the Company's official website. All the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct.

Plant Location

Premier Ltd.
Mumbai – Pune Road
Chinchwad
Pune – 411 019
Maharashtra
Tel: 020-6631 0000
Fax: 020-6631 0371

Premier Ltd.
58, Nariman Bhavan,
5th Floor, Nariman Point
Mumbai - 400 021
Tel: 022-6117 9000
Fax: 022-6117 9003
Email: investors@premier.co.in

Address for Correspondence

Link Intime India Pvt Ltd.
C-13, Pannalal
Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai – 400 078
Tel: 022-2594 6970 - 78
Fax: 022-2594 6969
Email: rnt.helpdesk@linkintime.co.in

22. CEO / CFO Certification

The Company is duly placing a certificate to the Board from the Chairman & Managing Director and Vice President - Finance in accordance with the provisions of Clause 49 (V) of the Listing Agreement. The aforesaid certificate duly signed by the Chairman & Managing Director and the Vice President - Finance in respect of the financial year ended 31st March, 2012 has been placed before the Board in the meeting held on 24th April, 2012.

Declaration

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective Codes.

Maitreya V. Doshi
Chairman & Managing Director

Date : April 24, 2012
Place : Mumbai

Auditors' Certificate on Corporate Governance

To the Members of Premier Limited

We have examined the compliance of conditions of Corporate Governance by Premier Limited, for the year ended March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s). The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Raghuvir M. Aiyar
Partner
Membership No. 38128

Place: Mumbai
Date: 25th April '12

Auditors' Report

To The Members of Premier Limited

- (1) We have audited the attached Balance Sheet of Premier Ltd. as at 31st March 2012, and also the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account
 - iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub,section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors,

we report that none of the directors of the Company are disqualified as on 31st March, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2012;
- b. in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Raghuvir M. Aiyar
Partner (M No.- 38128)

Place : Mumbai
Date : 25th April '12

Annexure

Re: Premier Limited

Referred to in paragraph 3 of our report of even date,

- (i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on physical verification were not material and properly dealt with in the books of account.
- c. The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us; we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to the explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and properly dealt with in the books of account.
- (iii) a. The Company has granted unsecured loans to one company covered in the register maintained under section 301 of the Companies Act, 1956 wherein the balance recoverable as at the period end is Rs.101.56 Lakhs. (Maximum balance during the year Rs.101.56 Lakhs)
- b. The above Loan has been given to an entity wherein the Company has also made strategic investment and therefore it is interest free. We have been informed by the management that in view of the revival plan envisaged, the rate of interest and other terms and conditions of loans given by the Company, secured or unsecured to the said party listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company.
- c. In respect of the above loan granted there is no stipulation as regard receipt/renewal of the principal amount.
- d. There is no overdue amount of more than rupees one lakh of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- e. The Company has taken unsecured loan from eight parties listed in the register maintained under section 301 of the Companies Act, 1956 wherein the balance payable as at the year end is Rs. 1575 Lakhs (Maximum balance outstanding during the year Rs 1960 Lakhs).
 - f. In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prima facie prejudicial to the interest of the company.
 - g. In our opinion and according to the explanations given to us, the company is regular in paying the principal and interest as stipulated.
- (iv)** In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.
- (v)**
- a. According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - b. There are no transactions made for purchase or sale of goods or services exceeding the value of five lakh rupees in respect of any party listed in the register maintained under section 301 of the Companies Act, 1956.
- (vi)** In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. As informed to us, no order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.
- (vii)** In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii)** We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (ix)**
- a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues regarding wealth tax, customs duty, excise duty, cess and other statutory dues applicable to it.
 - b. According to the records of the Company, there are no undisputed dues payable in respect of provident fund, employees' state insurance, income-

tax, sales tax, service tax which are outstanding for more than six months from the date they become payable as of 31st March, 2012.

Investor Education and Protection Fund of Rs.0.21 lakhs has remained unpaid for a period of more than six months from the date it has become payable. The same has been retained by the Company as per the orders of the Kolkata High Court.

- c. According to the records of the company, the disputed statutory dues on accounts of sale tax, income-tax, customs tax/wealth-tax, service Tax, excise duty/cess which have not been deposited on account of any dispute are as follows:

Sr. No	Name of the Statute	Nature of the Dues	Amount ₹ (Lakhs)	Period to which the amount relates	Forum where between dispute is pending
1	The Central Excise Act	Penalty	10.00	1997 to 2000	CESTAT
2.	The Central Excise Act	Excise Duty Penalty	4.92 0.50	July, 1996 to Sept., 1996	CESTAT sent the matter for de-novo adjudication to the Assistant Commissioner of Central Excise.
3.	FEMA	Penalty	65.49	1996-97	Directorate of Enforcement has appealed to the Supreme Court.
4.	The Central Excise Act	Excise Duty	26.43	May, 1992 to Sept., 1992	CESTAT
5.	The Central Excise Act	Excise Duty Penalty	11.10 11.10	June, 1989	CESTAT

- (x) The Company does not have any accumulated losses at the end of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and also during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank during the year.
- (xii) The Company has not granted any loans on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii)** The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv)** In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the company.
- (xv)** The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi)** In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.
- (xvii)** According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that Rs. 9699.86 Lakhs raised on short- term basis have been used for long-term investment/applications.
- (xviii)** The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix)** The Company has not issued any secured debentures during the year nor it has any outstanding debentures during the year.
- (xx)** The Company has not raised money by public issues during the year.
- (xxi)** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. S. Aiyar & Co.
Chartered Accountants
Firm Registration No. 100186W

Raghuvir M. Aiyar
Partner (M No.- 38128)

Place : Mumbai
Date: 25th April '12

Balance Sheet as at 31st March 2012

	Note No.	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Share Capital	2	3039.95	3039.95
b) Reserves and surplus	3	68004.29	66779.44
		71044.24	69819.39
Non Current Liabilities			
a) Long term borrowings	4	16938.75	10077.50
b) Other long term liabilities	5	24.37	39.58
c) Long term provisions	6	650.63	629.49
		17613.75	10746.57
Current Liabilities			
a) Short term borrowings	7	9673.15	13815.04
b) Trade Payables	8	10025.93	7989.79
c) Other Current Liabilities	8	11411.87	7716.29
d) Short term provisions	6	1796.68	1917.23
		32907.63	31438.35
Total Equity and Liabilities		121565.62	112004.31
ASSETS			
Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	9	75883.24	75649.64
ii) Intangible Assets	10	82.24	88.31
iii) Capital work-in-progress		9494.75	5391.46
Intangible Assets under development	11	11821.52	8546.66
b) Non current Investments	12	362.97	362.97
c) Long term loans and advances	13	614.17	935.18
d) Trade receivables	14	79.09	78.80
e) Deferred tax assets (net)	15	1158.00	0.00
		99495.98	91053.02
Current Assets			
a) Inventories	16	9302.40	7128.77
b) Trade receivables	14	7258.01	8700.99
c) Cash and Bank balance	17	3362.08	2327.79
d) Short term loans and advances	13	2073.22	2701.40
e) Other current assets	18	73.93	92.34
		22069.64	20951.29
Total Assets		121565.62	112004.31

The accompanying notes form an integral part of the Financial Statements. (Note No. 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.
Chartered Accountants

Raghuvir M. Aiyar
Partner (M No. 38128)

Place: Mumbai
Date: 24th April '12

Maitreya V. Doshi
Chairman & Managing Director

S. Padmanabhan, Director

Asit Javeri, Director

Rohita M. Doshi, Director

Kavita Khanna, Director

Dilip J. Thakkar, Director

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

Place: Mumbai
Date: 24th April '12

Statement of Profit & Loss for the Year Ended 31st March 2012

	Note No.	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
INCOME :			
Revenue from Operations (Gross)	19	30359.12	24411.91
Internal Capitalisation		(1960.44)	(100.68)
Excise Duty		(1683.25)	(1567.44)
Revenue from Operations (Net)		26715.43	22743.79
Other Income	20	316.55	569.78
		27031.98	23313.57
EXPENSES :			
Materials consumed	21	16328.08	12571.78
(Increase) / Decrease in inventory of Work in Progress and Finished Goods	22	(1649.20)	(1666.19)
Employee Benefits Expense	23	2934.89	2682.43
Other Expenses	24	4487.87	3405.32
Expenditure capitalised (Internal capitalisation)		(1960.44)	(100.68)
		20141.20	16892.66
Earnings before interest, tax, depreciation and amortization (EBITDA)		6890.78	6420.91
Finance Cost	25	4190.56	2947.49
Depreciation and amortization expense	26	1281.56	1167.63
Profit before tax		1418.66	2305.79
Tax Expenses:			
Current Tax (Refer Note 15 (a) & (b))		283.83	471.51
Deferred Tax (Refer Note 15 (c))		(1158.00)	0.00
(Excess)/Short Provision made earlier years written (back)/off		8.99	(10.42)
		(865.18)	461.09
Profit/(Loss) for the year		2283.84	1844.70
Earning Per Share (₹ per share)			
Basic		7.52	6.07
Diluted		7.52	6.07

The accompanying notes form an integral part of the Financial Statements. (Note No. 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.
Chartered Accountants

Raghuvir M. Aiyar
Partner (M No. 38128)

Place: Mumbai
Date: 24th April '12

Maitreya V. Doshi
Chairman & Managing Director

S. Padmanabhan, Director

Asit Javeri, Director

Rohita M. Doshi, Director

Kavita Khanna, Director

Dilip J. Thakkar, Director

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

Place: Mumbai
Date: 24th April '12

Cash Flow Statement for the year ended 31st March 2012

	Year ended 31.03.2012 ₹ (Lakhs)	Year ended 31.03.2011 ₹ (Lakhs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Exceptional items	1418.66	2305.79
Adjustments for :		
Depreciation	1281.56	1167.63
Interest and Financial Charges	4190.56	2947.49
Interest/Dividend Income	(212.88)	(440.58)
Research & Development Expenditure Written off	15.67	0.66
Loss on sale of Fixed Assets (Net)	172.66	59.64
	5447.57	3734.84
Operating profit before Working Capital Changes	6866.23	6040.63
Adjustments for :		
Trade & Other Receivables	2391.88	(2814.86)
Inventories	(2173.63)	(848.13)
Fixed Deposits	(1264.12)	(736.18)
Trade Payable & Provisions	2661.79	661.68
	1615.92	(3737.49)
Cash generated from Operations	8482.15	2303.14
Direct Taxes Net Received / (Paid)	(497.66)	(119.15)
Net Cash Flow from Operating Activities (A)	7984.49	2183.99

	Year ended 31.03.2012 ₹ (Lakhs)	Year ended 31.03.2011 ₹ (Lakhs)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	95.11	33.51
Addition to Fixed Assets	(1762.04)	(3164.50)
Addition to Capital Work in Progress	(7378.15)	(5076.75)
Interest & Dividend Received	212.88	440.58
Net Cash flow from Investing activities (B)	(8832.20)	(7767.16)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Inter-Corporate Deposits / Fixed Deposits	(1159.93)	(691.07)
Proceeds from long term borrowings	8376.19	11192.21
Repayment of long term borrowings	(7638.18)	(1146.79)
Proceeds from Fixed Deposits	4459.33	395.00
Cash Credit from Banks	1854.84	(151.20)
Dividend paid during the year	(921.84)	(923.37)
Interest Paid	(4190.56)	(2947.49)
Net Cash flow from Financing activities (C)	779.85	5727.29
Net increase in Cash & Cash equivalents [A+B+C]	(67.86)	144.12
Opening Balance Cash & Cash Equivalents (as per note 17)	224.42	80.30
Closing Balance Cash & Cash Equivalents (as per note 17)	156.56	224.42

The accompanying notes form an integral part of the Financial Statements. (Note No. 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.
Chartered Accountants

Raghuvir M. Aiyar
Partner (M No. 38128)

Place: Mumbai

Date: 24th April '12

Maitreya V. Doshi
Chairman & Managing Director

S. Padmanabhan, Director

Asit Javeri, Director

Rohita M. Doshi, Director

Kavita Khanna, Director

Dilip J. Thakkar, Director

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

Place: Mumbai
Date: 24th April '12

Notes forming part of the financial statements for the year ended 31st March 2012

Corporate Information

Premier Ltd. is a BSE and NSE listed public company, incorporated under the Companies Act, 1913. It operates in two business segments: Engineering & Automotive. The Engineering segment consists of Manufacture of CNC Machines and large mechanical components for the wind energy and infrastructure sectors and professional and engineering services related thereto. The Automotive Segment consists of Manufacture of Light and Sport Utility Vehicles along with related spare parts as well as auto components for other OEM's.

The registered office and plant of the company is located at Chinchwad, Pune while the Corporate office is located at Mumbai. The company has also its branch offices at Bangaluru, Chennai, Kolkata and Delhi.

1. Significant accounting policies

(i) Basis of Accounting

The financial statements have been prepared and presented under the historical cost (except for free hold land) convention on accrual basis of accounting in accordance with the accounting principles generally accepted in India and in compliance with provisions of the Companies Act, 1956 and comply with the mandatory Accounting Standards (AS) specified in the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government.

The accounting policies have been consistently applied by the company.

(ii) Revenue Recognition

- a. Revenue from sale of goods is recognized when significant risk and rewards in respect of ownership of product is transferred to the customers, which is generally on dispatch of goods.
- b. Domestic sales include excise duty and are net of sales returns, trade discounts and sales tax.
- c. Export Sales are accounted on the basis of dates of Bill of Lading.
- d. Revenue from services is recognized as and when services are rendered as per terms of contract.
- e. Income from investments / other income is recognized on accrual basis.

(iii) Inventories are valued as under

- a. Raw materials, Components, Stores & Spares, Loose Tools. At moving weighted average cost or net realizable value whichever is lower.
- b. Finished Goods: At lower of cost or net realizable value inclusive of excise duty thereon.
- c. Work-in-Progress: At lower of estimated cost and net realizable value.
- d. Goods in Transit and under clearance: At lower of actual cost till date (inclusive of customs duty payable thereon) or net realizable value.
- e. Stock of Scrap: At estimated net realizable value.

(iv) Investments

Long term investments are valued at cost less provision for diminution in value, other than temporary, if any.

(v) Employee Benefits

1. Short Term Employee Benefits

All employee benefits falling due wholly within twelve months of rendering service are classified as short term benefits. The benefits like salaries, wages etc. and the expected cost of bonus, ex-gratia, are recognized in the period in which the employee renders the related service.

2. Post Employment Benefits

- a. **Defined Contribution Plan:** Defined contribution plan consists of Government Provident Fund Scheme and Employee State Insurance scheme. Company's contribution paid/payable during the year under these schemes are charged to Profit and Loss Account. There are no other obligations other than the contribution made by the company.
- b. **Defined Benefit Plan:** The employees' gratuity schemes and long term compensated absences are the defined benefit plans. Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Actuarial gain and losses are recognized immediately in the statement of Profit and Loss account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by the reference to market yields at the Balance Sheet date on Government bonds.

(vi) Fixed Assets

- a. **Tangibles:** Fixed assets (except free hold land) are stated at cost of acquisition or construction including installation cost, attributable interest and financial cost till such time assets are ready for its intended use, and foreign exchange fluctuation on long term borrowings related to fixed assets, less accumulated depreciation, impairment losses and specific grants received if any. Free hold land is stated at revalued amount.
- b. **Intangibles:** Product Development Expenditure and License / Technical know-how fees :

Product Development expenditure of capital nature are added to fixed assets. Expenditure on license and technical know-how fees and other related expenditure towards technological improvement of the products and/or components for captive use are treated as intangible assets. Expenditure of these nature are initially recognized as tangible assests under development and eventually transferred to fixed assets block as appropriate on the commencement of the commercial production after the viability of the product is proven.

(vii) Depreciation and amortization

- a. Depreciation on fixed assets except free hold land is calculated on straight line basis at the rates specified in accordance with the Schedule XIV of the Companies Act, 1956.
- b. Depreciation on fixed assets sold or scrapped during the year is provided up to the month in which such fixed assets are sold or scrapped. Depreciation on additions to fixed assets is calculated on pro-rata basis from the month of addition.
- c. Product Development expenditure and License/Technical know-how fees are amortized over a period of 10 years from the accounting year in which the commercial production of such improved product commences.

(viii) Impairment of Assets

In accordance with Accounting Standard 28 (AS 28) on "Impairment of Assets, where there is an indication of impairment of the Company's assets, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment based on internal/external factors. An impairment loss, if any, is recognized in the Profit & Loss account, wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount of the assets is estimated at the higher of its net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

(ix) Foreign Currency Transactions

- a. Foreign Currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.
- b. Foreign currency monetary assets and liabilities as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising there-from is charged / credited to the Profit & Loss Account except for the exchange difference arising on long term borrowings related to fixed assets, which are capitalized.

(x) Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements. Assets held under finance leases are recognized as assets of the Company on the date of acquisition and depreciated over their estimated useful lives.

Initial direct costs under the finance lease are included as part of the amount recognized as asset under the finance lease.

Rentals payable under operating leases are treated as expenses as and when they are incurred.

(xi) Customs Duty

Customs duty is accounted for as and when paid/provided.

(xii) Borrowing Cost

As per Accounting Standard 16 on "Borrowing Costs" borrowing costs that are :
(a) directly attributable to the acquisition, construction, production of a qualifying asset are capitalized as a part of cost of such asset till the time the asset is ready for its intended use and (b) not directly attributable to qualifying assets are determined by applying a weighted average rate and are capitalized as a part of the cost of such qualifying asset till the time the asset is ready for its intended use. Remaining borrowing costs are recognized as an expense in the period in which they are incurred.

(xiii) Contingencies and Provisions

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(xiv) Taxation

Tax expense comprises of current tax and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/ liabilities.

(xv) Measurement of EBITDA

The Company has opted to present earning before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of Profit & Loss.

2. Share Capital

(A) Authorised, Issued, Subscribed and paid-up Share Capital and par value per Share

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
AUTHORISED :		
4,00,00,000 Equity Shares of Rs. 10 each (Previous year 4,00,00,000 Equity Shares of Rs. 10 each)	4000.00	4000.00
ISSUED :		
3,04,54,180 Equity Shares of Rs. 10 each (Previous year 3,04,54,180 Equity Shares of Rs.10 each.)	3045.42	3045.42
SUBSCRIBED AND PAID UP :		
3,03,72,570 Equity Shares of Rs. 10 each fully paid, (Previous year 3,03,72,570 Equity Shares of Rs.10 Each fully paid)	3037.26	3037.26
Add : Forfeited Equity shares 81610 Equity shares (Previous year 81610 Equity shares)	2.69	2.69
Total Share Capital	3039.95	3039.95

(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31.03.2012	As at 31.03.2011
Number of shares outstanding as at the beginning of the year	30372570	30372570
Add :		
a) Number of shares allotted as fully paid-up bonus shares during the year	0.00	0.00
b) Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	0.00	0.00
c) Number of shares allotted to employees pursuant to ESOPs/ESPs	0.00	0.00
d) Number of shares allotted for cash pursuant to public issue.	0.00	0.00
Total	30372570	30372570
Less:		
Number of shares bought back during the year	0.00	0.00
Number of shares outstanding as at the end of the year	30372570	30372570

(C) The Rights, Preferences, Restriction including restriction on the distribution of dividend and repayments of capital

1. The Company is having only one class of shares, that is Equity carrying nominal value of Rs.10 per share.
2. Every holder of equity share of the Company is entitled to one vote per share held.
3. In the event of liquidation of the Company, the equity share holder will be entitled to receive remaining assets of the Company after the distribution / repayments of all creditors. The distribution to the share holder will be in proportion of the number of shares held by each share holder.
4. The Company declares and pays dividend on the equity shares in Indian Rupees. Dividend proposed by the Board of Directors is subject to approval of the share holders at the ensuing Annual General Meeting.
5. During the year ended 31st March 2012 an amount of Rs.3.00 per share is proposed as dividend for the equity share holders (Previous year Rs.2.70 per share).

(D) Shares held by holding/ultimate holding company and/or their subsidiaries / associates

	As at 31.03.2012		As at 31.03.2011	
Equity shares of Rs.10 each fully paid	No of Shares	% of Holdings	No of Shares	% of Holdings
1. Doshi Holdings Pvt.Ltd. (Associate)	13,241,325	43.60%	13,168,772	43.36%

(E) Details of shareholders holding more than 5% shares in the company

	As at 31.03.2012		As at 31.03.2011	
Equity shares of Rs.10 each fully paid	No of Shares	% of Holdings	No of Shares	% of Holdings
1. Doshi Holdings Pvt.Ltd. (Associate)	13,241,325	43.60%	13,168,772	43.36%
2. Life Insurance Corporation of India	1,820,815	5.99%	1,820,815	5.99%
3. Patton International Ltd.	1,786,361	5.88%	1,786,361	5.88%

(F) The Company had issued 43,26,000 Convertible warrants in the Year 2006-07. Out of these for 19,86,674 warrants equivalent numbers of shares were allotted in the year 2007-08, for 23,18,053 warrants equivalent number of shares were allotted in the year 2008-09, and the balance 21,273 warrants were forfeited by the Company in the year 2009-10.

3. Reserves & Surplus

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Capital Reserve :		
Forfeiture of warrants	0.84	0.84
Securities Premium A/c	3188.88	3188.88
Revaluation Reserve-Land	50100.13	50100.13
General Reserve :		
Balance as per the last financial statements	11377.96	11177.96
Add : Amount Transferred from Surplus Balance in the Statement of Profit & Loss	250.00	200.00
	11627.96	11377.96

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Surplus/(Deficit) in the Statement of Profit And Loss:		
Balance as per the last financial statements	2111.63	1423.19
Add: Profit for the year	2283.84	1844.70
	4395.47	3267.89
Less Appropriations :		
a) Proposed dividend	(911.18)	(820.06)
b) Tax on proposed dividend	(147.81)	(136.20)
c) Transfer to General Reserve	(250.00)	(200.00)
Net Surplus In the Statement of Profit & Loss	3086.48	2111.63
Total Reserves & Surplus	68004.29	66779.44

4. Long Term Borrowings

	₹ (Lakhs)			
	Non Current Portion		Current Maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Term Loans from Banks (Secured)				
State Bank of India	0.00	1288.78	1200.00	1,800.00
State Bank of Hyderabad	737.00	0.00	213.00	0.00
Corporation Bank	4643.00	0.00	357.00	0.00
The Jammu & Kashmir Bank Ltd.	0.00	4000.00	4000.00	0.00
Buyers Credit from Federal Bank Ltd.	887.40	408.21	0.00	0.00
Loans From Others (Secured)				
HDFC Ltd.	2083.34	2500.00	416.66	0.00
Sicom Ltd.	2712.00	40.00	2288.00	3713.00
First Leasing company of India Ltd.	483.30	0.00	216.70	0.00
Deposits (Unsecured)				
Cumulative Fixed Deposit from Public	1143.15	0.00	0.00	0.00
Non-Cumulative Fixed Deposit from Public	2409.53	0.00	0.00	0.00
Fixed Deposit from Shareholders	1097.45	1000.00	0.00	75.00
Fixed Deposit from Related Party	595.00	443.00	0.00	0.00
Finance Lease Obligation (Secured)	147.58	397.51	249.93	249.40
Total Long Term borrowings	16938.75	10077.50	8941.29	5837.40

₹ (Lakhs)

	Non Current Portion		Current Maturities	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
The above amounts Includes				
Secured borrowings	11693.62	8634.50	8941.29	5762.40
Unsecured borrowings	5245.13	1443.00	0.00	75.00
	16938.75	10077.50	8941.29	5837.40
Amount disclosed under the head "other Current liabilities" (Refer Note No.8)			(8941.29)	(5837.40)
Net Amount	16938.75	10077.50	0.00	0.00

- (a) Term Loan of Rs.1200 Lakhs (Previous year: Rs.3088.78 Lakhs) from SBI is secured by way of first pari- passu charge on Company's present and future fixed assets at Chinchwad, Pune and second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit.
- Out of the total loans of Rs. 6000 Lakhs from SBI, Rs 4500 Lakhs were repayable in 16 quarterly installments from April 2009. 1st four installments of Rs. 150 Lakhs each, next 4 installments of Rs. 250 Lakhs each, next 4 installments of Rs. 325 Lakhs each and next 4 installments of Rs. 400 Lakhs each. Of these 13 installments have been paid off. Annual rate of Interest is 5% above SBI base rate.
 - Rs.1500 Lakhs repayable in 15 quarterly installments from June 2008 and last installment falling due on March 2012, repayable in 15 quarterly installments from June 2008. 1st four installments of Rs. 130 Lakhs each, next 4 installments of Rs. 120 Lakhs each, next 4 installments of Rs. 80 Lakhs each and next 3 installments of Rs. 60 Lakhs each. Of these all installments have been paid off. Annual rate of Interest is 5% above SBI base rate.
- (b) Term Loan of Rs. 950 Lakhs (Previous year: Rs.Nil) from State Bank of Hyderabad is secured by way of first pari-passu charge on Company's fixed assets at Chinchwad, Pune (both present and future) and Second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit. This loan is repayable in 42 Monthly installments from December 2011. Of this, 1st six installments are of Rs.12.5 Lakhs each, next 12 installments are of Rs.18.75 Lakhs each, next 12 installments are of Rs.25 Lakhs each, next 11 installments are of Rs.33.25 Lakhs each, and last installment is of Rs 34.25 Lakhs falling due on May 2015. Out of these 4 installments have already been paid off. Annual rate of Interest is 5% above SBH base rate.

- (c) Term Loan of Rs. 5000 Lakhs (Previous year: Rs.Nil) from Corporation Bank, is secured by way of first pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune and Second pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit. This loan is repayable in 13 quarterly installments of Rs 357 Lakhs each and last installment of Rs 359 Lakhs. Loan installments are starting from February 2013 and the last installment is falling due on May 2016. Annual rate of Interest is 3.25% over Corporation Bank Base rate.
- (d) Corporate Loan Rs.4000 Lakhs (Previous Year Rs. 4000 Lakhs) from The Jammu & Kashmir Bank Ltd. is secured by way of first pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune. This loan is repayable in 3 installments, 1st installment is of Rs.1000 Lakhs due in June 12, 2nd installment of Rs.1500 Lakhs due in July 12 and 3rd installment is of Rs. 1500 Lakhs due in August 12. Annual rate of Interest is 3.75% over J&K Bank Base rate.
- (e) Buyers Credit facility of Rs.887.40 Lakhs (Previous year Rs.408.21 Lakhs) from Federal Bank Limited is secured by 100% Cash Margin. This loan is repayable in Nov 2013, Jan 2014 and April 2014 depending on completion of three years from the date of shipment. Annual rate of Interest varies from Libor +1.80% to Libor + 3.00%.
- (f) Term Loan of Rs.2500 Lakhs (Previous year Rs.2500 Lakhs) from HDFC Ltd., is secured by way of first pari-passu charge on Company's land located at Dombivli, Kalyan. This loan is repayable in 12 quarterly installments of Rs. 208.34 Lakhs each starting from November 12 and last installment is falling due on May 2015. Annual rate of Interest is HDFC's Corporate Prime Lending rate.
- (g) Medium Term Loan of Rs.5000 Lakhs (Previous year: Rs.Nil) from SICOM Ltd., is secured by way of first pari-passu charge on Company's land located at Dombivli, Kalyan. This loan is repayable in 23 monthly installments of Rs 280 Lakhs each starting from May 2012 and last installment of Rs 216 Lakhs due on April 2014. Annual rate of Interest is 14.5%.
- (h) Term Loan of Rs.Nil (Previous year: Rs.878 Lakhs) from SICOM Ltd., was secured by way of first pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune and land located at Dombivli, Kalyan.

The original total loan from SICOM was Rs. 3450 Lakhs consisting of 3 loans of Rs. 2000 Lakhs, Rs. 1000 Lakhs and Rs.450 Lakhs.

Repayment schedule for the Rs.2000 Lakhs loan started in Jan.2007 and ended in Jan.2012. The repayment schedule was of 8 monthly installments of Rs.10 Lakhs each, 14 monthly installments of Rs.15 Lakhs each, 24 monthly installments of Rs. 40 Lakhs each and 15 monthly installments of Rs.50 Lakhs each. Annual rate of Interest was 1.50% below SICOM's reference rate. This loan has been fully repaid during the year.

Repayment schedule for the Rs.1000 Lakhs loan started in Nov.2008 and ending in May 2012. The repayment schedule was of 19 monthly installments of Rs.10 Lakhs each, 12 monthly installments of Rs.12.50 Lakhs each, 12 monthly installments of Rs. 15 Lakhs each and 24 monthly installments of Rs.20 Lakhs each. Last 2 installments of this loan was pre-paid in March 2012. Annual rate of Interest was 1% below SICOM's reference rate. This loan has been fully repaid during the year.

Repayment schedule for the Rs.450 Lakhs loan started in Aug.2007 and ended in Mar.2012. The repayment schedule was of 54 monthly installments of Rs.8 Lakhs each and 2 monthly installments of Rs.9 Lakhs each. Annual rate of Interest was 0.50% below SICOM's reference rate. This loan has been fully repaid during the year.

- (i) Term loan of Rs. Nil (previous year Rs.2875 Lakhs) from SICOM Ltd. was secured by way of first pari-passu charge by way of an Equitable Mortgage on company's Land located at Dombivali, Kalyan.

The original total loan from SICOM was Rs. 4000 Lakhs consisting of 3 loans of Rs. 1000 Lakhs and two loans of Rs.1500 Lakhs each.

The loan of Rs.1000 Lakhs was due and repaid on May 2011. The loan of Rs. 1500 Lakhs was due and repaid in May 2011. The repayment schedule for the second loan of Rs.1500 Lakhs was of 12 monthly installments of Rs.125 Lakhs each starting from July 2010 to June 2011. Annual rate of Interest for these loans varies from 14.50% to 15%. All these loans have been fully repaid during the year.

- (j) Hire purchase Loan of Rs 700 Lakhs (sanctioned amount Rs.1000 Lakhs) from First leasing Company of India Limited is secured under the specific Fixed Asset procured against the said Loan. This loan is repayable in 48 Monthly Installments of Rs 28.15 Lakhs (inclusive of Interest) starting from the month of full disbursement. Annual rate of Interest is 2% above SBI base rate.

All the above facilities covered under (a) to (j) are also secured by the personal guarantee of Mr. Maitreya V. Doshi, Chairman and Managing Director of the company.

- (k) Deposits accepted from public and share holders carry varying rate of interest from 11% to 12.50% p.a. depending upon the cumulative/ non cumulative option and the period of maturity such as 1 year, 2 year or 3 year.

5. Other Long Term Liabilities

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Advances and deposits from dealers, customers, etc. (unsecured)	24.37	39.58

6. Provisions

₹ (Lakhs)

	Long Term		Short Term	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Provision for employee Benefits				
Provision for Gratuity	399.03	378.63	101.00	90.19
Provision for Leave benefits	251.60	187.36	62.89	67.48
Provision for Early Retirement Benefit	0.00	63.50	63.75	60.81
Other Provision				
For Proposed equity dividend	0.00	0.00	911.18	820.06
For Tax on proposed equity dividend	0.00	0.00	147.81	136.20
For Wealth tax (Net of advance tax payment)	0.00	0.00	288.95	235.04
For taxation (Net of advance tax payment)	0.00	0.00	188.73	447.48
For Warranties	0.00	0.00	32.37	59.97
	650.63	629.49	1796.68	1917.23

Movement in Provision

₹ (Lakhs)

Particulars	Opening Balance 01.04.2011	Additions during the year	Amount paid / Adjusted during the year	Closing balance 31.03.2012
Leave Encashment	254.84	127.13	67.48	314.49
Gratuity	468.82	121.40	90.19	500.03
Dividend	820.06	911.18	820.06	911.18
Provision for warranty	59.97	32.37	59.97	32.37
Early retirement benefit	124.31	-	60.56	63.75

7. Short Term Borrowings

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Cash Credit from State Bank of India (secured)	4179.45	3591.11
Cash Credit from State Bank of Hyderabad (secured)	845.05	0.00
Cash Credit from Corporation Bank (secured)	421.45	0.00

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Short term loan from Canara Bank (unsecured)	0.00	3000.00
Short term loan from State Bank of Travancore (secured)	0.00	1500.00
Short term loan from Sicom Investments and Finance Ltd. (secured)	0.00	1000.00
Deposits (Unsecured)		
Cumulative Fixed Deposit from Public	333.40	0.00
Non-Cumulative Fixed Deposit from Public	398.80	0.00
Inter-Corporate Deposits	3495.00	4654.93
Loan & Advances from related parties(Unsecured)	0.00	69.00
Total short term borrowings	9673.15	13815.04
The above amounts includes		
Secured borrowings	5445.95	6091.11
Unsecured borrowings	4227.20	7723.93
Total short term borrowings	9673.15	13815.04

- (a) The Working Capital facilities are under a consortium banking arrangement with State Bank of India - Rs.10500 lakhs (previous year Rs.9000 lakhs) as the lead banker along with State Bank of Hyderabad- Rs. 4500 lakhs (previous year Rs. 6000 lakhs) and Corporation Bank- Rs.1500 lakhs (previous year Nil) These facilities are secured by way of first pari-passu charge on Company's current assets located at the plant at Chinchwad or in transit and second pari-passu charge on Company's present and future fixed assets at Chinchwad, Pune. Annual rate of Interest varies from 3.25% to 5% above the Base Rates of these banks.
- (b) Short Term Loan of Rs.Nil (Previous year Rs.1000 Lakhs) from Sicom Investments & Finance Ltd. was secured by way of first pari-passu charge by way of Equitable Mortgage on Company's land located at Dombivli, Kalyan.
- This loan consists of two loans of Rs.500 Lakhs each. Both due in May 2011. The rate of interest for the loan was 15% p.a. Both these loans were fully repaid during the year.
- (c) Short Term Loan of Rs.Nil (Previous year Rs.1500 Lakhs) from State Bank of Travancore was secured by way of subservient charge on the Company's present and future fixed assets at Chinchwad, Pune.
- This loan of Rs.1500 Lakhs was due in Oct.2011, but prepaid in May 2011. The rate of interest for the loan was 4.50% p.a. above SBT base rate.

- (d) Short Term Loan of Rs.Nil (Previous year Rs.3000 Lakhs) from Canara Bank was secured by way of pledge of promoter's shares in the Company.

This loan of Rs.3000 Lakhs was due in June 2011, but prepaid in May 2011. The rate of interest for the loan was at Canara Bank's Prime Lending Rate.

- (e) The Inter Corporate Deposits of Rs.3495 Lakhs are unsecured short term Loans repayable within 3 to 6 months with Interest rate Varying 14.50% to 16.75% p.a. The above includes Rs.800 Lakhs borrowed by the Company for which the promoters have pledged their shares.
- (f) All the above facilities covered under (a) to (c) are also secured by the personal guarantee of Mr. Maitreya V. Doshi, Chairman and Managing Director of the company.

8. Trade Payables & Other Current Liabilities

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Trade Payable	10025.93	7989.79
Total	10025.93	7989.79
Other Current Liabilities		
Advances and deposits from dealers, customers, etc.	637.19	930.95
Employee Related	426.33	290.88
Creditors for Expenses	140.55	391.65
Unclaimed Dividend	196.33	161.91
Current maturities of long term borrowings	8941.29	5837.40
Earnest Money Deposit From Related Party	980.00	0.00
Interest accrued but not due on borrowing	24.84	0.00
Interest accrued and due on borrowing	31.52	40.85
Application money received for allotment of Fixed Deposits	0.99	0.00
Others	32.83	62.65
Total	11411.87	7716.29

The Company has entered into memorandum of understanding with Shri. LH Premier Trust to sell certain land of the Company at Chinchwad. As per the terms of MOU the Company has received an earnest Money of Rs.980.00 Lakhs However the effect of MOU will be given after the receipt of necessary approval from the appropriate authorities.

9. Tangible Assets

₹ (Lakhs)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	GROSS BLOCK AS AT 01/04/2011	ADDITIONS/ADJUSTMENTS	DEDUCTIONS	GROSS BLOCK AS AT 31/03/2012	DEPRECIATION ON FUND AS AT 01/04/2011	DEDUCTIONS	DEPRECIATION FOR THE YEAR	DEPRECIATION ON FUND AS AT 31/03/2012	NET BLOCK AS AT 31/03/2012	NET BLOCK AS AT 31/03/2011
Freehold Land	57500.00	-	-	57500.00	-	-	-	-	57500.00	57500.00
Buildings	6995.28	2.43	0.00	6997.71	796.92	0.00	216.41	1013.33	5984.38	6198.36
Plant and Machinery & Equipments										
- Own	13031.54	1377.05	417.12	13991.47	2706.45	149.35	888.16	3445.26	10546.21	10325.08
- On Lease	1235.93	0.00	0.00	1235.93	128.19	0.00	91.71	219.90	1016.03	1107.74
Cars & Vehicles	116.07	38.34	0.00	154.41	51.81	0.00	12.30	64.11	90.29	64.26
Furniture	247.33	10.14	0.00	257.47	52.85	0.00	15.33	68.18	189.29	194.48
Office Equipments	162.70	15.56	0.00	178.26	59.28	0.00	6.51	65.79	112.47	103.42
Dies & Jigs	423.22	318.52	0.00	741.74	266.89	0.00	30.30	297.19	444.55	156.33
Total	79712.07	1762.04	417.12	81056.99	4062.39	149.35	1260.73	5173.76	75883.24	75649.64
Previous Year Total	26658.58	53201.85	148.36	79712.07	2968.00	56.13	1150.56	4062.42	75649.64	

10. Intangible Assets

₹ (Lakhs)

Computer and other Applications Software	230.52	14.76	0.00	245.28	142.21	0.00	20.83	163.04	82.24	88.31
Total	230.52	14.76	0.00	245.28	142.21	0.00	20.83	163.04	82.24	88.31
Previous Year Total	167.74	62.78	0.00	230.52	125.14	0.00	17.07	142.21	88.31	

Revaluation of Fixed Asset

The Company had revalued its land in July 2010 through an external valuer at fair market value and the increase of Rs.50100 Lakhs due to revaluation has been added to the book value of land and to the revaluation reserve.

On the grounds of prudence and as per the legal opinion obtained, the surplus of Rs. 6057.31 lakhs arose upon re-conversion of stock-in trade into land in the financial year 2008-09 continues to be included in the General Reserve of the company and will not be considered for distribution till it is realized.

11. Intangible Asset under Development

During the last five years the company has undertaken a major exercise of New products development/improvement in its Engineering and Automotive Businesses in order to develop technologically advanced and competitive products which would ultimately result into widening of market base and acceptability for the Company's products. These Products Developments are being done on the continuous basis and management expect the same to be completed very soon. After the completion of the products development / improvement activities, the management is of the view that there would be a tremendous business potential and would result into a substantial growth in revenue, profits and cash generation of the company in future. The amount incurred so far in Engineering Business is Rs.3539.06 Lakhs and in Automotive Business is Rs.8282.46 Lakhs.

The company would give appropriate effects in the accounts as and when the said products development/improvement is completed.

12. Non Current Investments

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
INVESTMENTS (OTHER THAN TRADE)		
Investments in equity instruments (Fully Paid Quoted)		
In Associates		
PAL Credit and Capital Ltd.		
58,99,169 equity shares of ₹ 10/- each. (Previous year 58,99,169 equity shares of ₹ 10/- each)	651.70	651.70
Less : Provision for diminution in value of investments.	289.48	289.48
	362.22	362.22

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Unquoted		
Saraswat Co-op. Bank Ltd. 2,500 Shares of ₹ 10 each	0.25	0.25
Shree Suvarna Sahakari Bank Ltd. 500 Shares of ₹ 100 each	0.50	0.50
	0.75	0.75
Total Investments	362.97	362.97
Aggregate Values		
1. Book Value of quoted investments	362.22	362.22
2. Market Value of quoted investments	78.46	145.12
3. Book Value of unquoted investments	0.75	0.75
4. Provision for Diminution in value	289.48	289.48

- (a) Company's long term investment in PAL Credit and Capital Limited, an RBI registered and listed NBFC promoted by the company, is Rs. 362.22 Lakhs (after making provision for diminution in the value of investment of Rs.289.48 Lakhs in the financial year 2007-08) represented by 58,99,169 equity shares of Rs.10 each fully paid. Considering the intrinsic business value of PAL Credit & Capital Limited and its business synergies for the Company, as well as the holding being in the nature of controlling interest with long term strategies and business revival plan, no further diminution in value is considered necessary. Further in order to continue with its revival plan, the company has advanced Rs. 101.56 Lakhs during the year which is included under Loans and Advances to related parties in note No.13.
- (b) The Company has in its possession the share certificates and the blank transfer forms executed by Automobiles Peugeot in respect of 8,40,25,000 equity shares of Pal-Peugeot Ltd. (under liquidation) gifted by them in the year 1999. These shares could not be transferred in company's name as Pal-Peugeot Ltd was not functioning. The Company has filed a petition before the Hon'ble Bombay High Court for permission to transfer the said shares in the name of the Company and the petition is pending for disposal by the Court. Pending completion of the requisite formalities for transfer of shares, these shares are not accounted in the books.

13. Loans and Advances

₹ (Lakhs)

	Non Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Capital Advances	196.23	558.02	0.00	0.00
Security Deposit	251.45	191.78	0.00	0.00
Loans & advances to related parties	0.00	0.00	106.56	0.00
Advances recoverable in cash or in kind or for value to be received .	166.49	185.38	1062.22	1839.36
Other loans & advances				
Prepaid expenses	0.00	0.00	217.35	174.07
Balances with excise, customs, port trust etc.	0.00	0.00	687.09	687.97
	614.17	935.18	2073.22	2701.40
The above amounts includes :				
Secured, Considered Good	0.00	0.00	0.00	0.00
Secured, Considered Doubtful	0.00	0.00	0.00	0.00
Unsecured, Considered Good	614.17	935.18	2073.22	2701.40
Unsecured, Considered Doubtful	0.00	0.00	0.00	0.00

The Company has subscribed to the memorandum of association of Premier Auto Ltd., and made an advance of Rs. 5 Lakh to incorporate the said company which will become its wholly own subsidiary upon allotment of shares.

14. Trade Receivables

₹ (Lakhs)

	Non Current		Current	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Trade Receivables, Unsecured :				
Outstanding over six months from due date:				
Considered good	79.09	78.80	934.69	697.21
Considered doubtful	563.35	563.35	0.00	0.00
Less : Provision for doubtful debts	563.35	563.35	0.00	0.00
	79.09	78.80	934.69	697.21
Others, considered good	0.00	0.00	6323.32	8003.78
Total	79.09	78.80	7258.01	8700.99

15. Deferred Tax Assets

- (a) Provision for current tax is made under Minimum Alternate Tax (MAT) as per provisions of section 115 JB of the Income Tax Act, 1961.
- (b) The benefit of credit against the payments made towards MAT for the earlier years is available in accordance with the provisions of section 115JAA over a period of subsequent ten assessment years and the same will be accounted for when actually arise.
- (c) Estimated Deferred tax asset (net) of Rs. 1158 Lakhs has been recognized during the year (previous year Rs. NIL). The management is confident and virtually certain of realizing the same.

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Deferred Tax Liabilities		
Depreciation difference	1945.00	1833.70
Total (a)	1945.00	1833.70
Deferred Tax Assets		
Unabsorbed Depreciation	1095.46	1261.13
Carried Forward Capital Losses	1536.60	1572.97
Provision for diminution in the value of investments	62.61	64.11
Inventories	50.48	13.78
Provision for doubtful debts	182.78	187.13
Technical knowhow	76.73	104.82
Expenditure allowable on payment basis	98.34	77.92
Total (b)	3103.00	3281.93
Net Deferred Tax Assets (a-b)	1158.00	1448.23

16. Inventories

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Raw materials :		
Steel	62.36	97.34
Rough Casting	34.53	101.86
Electrical	118.79	350.97

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Components for passenger and commercial vehicles (Includes goods in transit of Rs. 865.23 Lakhs and previous year Rs.412.88 Lakhs)	3474.59	2154.52
Other components (Includes goods in transit of Rs.28.29 Lakhs and previous year Rs. 4.33 Lakhs)	587.85	1039.37
	4278.12	3744.06
Work-in-progress:		
Small and Heavy Machines	2463.11	1122.72
Finished Components	146.94	245.24
Steel Parts	1397.06	678.96
Passenger and commercial vehicles	256.17	420.17
	4263.28	2467.09
Finished goods:		
Small and Heavy Machines	388.05	264.36
Passenger and commercial vehicles	72.62	355.03
	460.67	619.39
Stores and spares	60.03	72.11
Loose tools	240.30	226.12
	9302.40	7128.77

17. Cash and Bank Balance

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Cash and cash equivalents :		
Cash on hand	7.42	7.95
Balance with Scheduled Banks		
- in Current accounts	149.14	216.47
Other Bank balances:		
Balance with Scheduled Banks		
- in current accounts earmarked for specific statutory payments	196.41	161.97

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
- Deposits with original maturity for more than 12 months	80.00	35.25
- in Fixed deposit accounts (pledged with banks against LC margin / guarantees given by banks)	2929.11	1906.15
Total	3362.08	2327.79

18. Other Current Assets

	As at 31.03.2012 ₹ (Lakhs)	As at 31.03.2011 ₹ (Lakhs)
Interest accrued on bank deposits	73.93	76.67
Research & Development Expenditure (Including License & Technical know-how fees)	15.67	16.33
Less : Written off during the year	15.67 0.00	0.66 15.67
Total	73.93	92.34

19. Revenue From Operations

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Sale of Products		
CNC Machines	8645.92	11060.79
Engineering Components	8948.44	5694.06
Vehicles	5024.50	2807.67
Spares	2411.15	2398.42
Internal Capitalisation	1960.44 26990.45	100.68 22061.62

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Sale of Services		
Engineering	2734.03	1919.95
Other Operating Revenues		
Scrap	583.66	408.43
Agency Commission	50.98	21.91
	634.64	430.34
Total Revenue From Operations (Gross)	30359.12	24411.91
Less:		
Excise Duty	1683.25	1567.44
Internal Capitalisation	1960.44	100.68
	3643.69	1668.12
Total Revenue From Operations (Net)	26715.43	22743.79

20. Other Income

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Interest Income	212.83	440.53
Dividend other than trade	0.05	0.05
Provision for diminution in Value of Investment W/Back	0.00	8.26
Miscellaneous Income	103.67	120.94
Total Other Income	316.55	569.78

21. a) Cost of Raw Material Consumed

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
a) Inventory at the beginning of the year	3626.85	2598.49
b. Add : Purchases	16385.83	13300.14
c) Less : inventory at the end of the year	3384.60	3326.85
Total Raw Material Consumed	16328.08	12571.78

21. b) Details of Raw Material Consumed

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
1. Steel	3124.53	2049.58
2. Ferrous metal	744.03	678.83
3. Components for passenger and commercial vehicles	4983.44	3965.22
4. Other Components	6131.42	4346.11
5. Others	1344.66	1532.04
Total Raw Material Consumed	16328.08	12571.78

22. (Increase)/Decrease In Inventory of Work-In-Progress and Finished Goods

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Stocks at commencement :		
Finished goods	619.39	383.41
Work-in-progress	2467.09	1011.25
	3086.48	1394.66
Less :		
Stocks at close:-		
Finished goods	460.67	619.39
Work-in-progress	4263.28	2467.09
	4723.95	3086.48
Add / (Less) :		
Excise duty difference on opening and closing stock of finished goods.	(11.73)	25.63
(Increase)/ Decrease in Inventory	(1649.20)	(1666.19)

23. Employee Benefits Expense

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Salaries, wages, bonus etc,	2949.77	2706.98
Retiring Gratuities	122.92	114.24
Contribution to Provident and Other Funds	149.57	145.56
Welfare expenses	251.02	208.83
	3473.28	3175.61
Less : Capitalised	538.39	493.18
Total Employee Benefits Expense	2934.89	2682.43

24. Other Expenses

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Stores, spares and tools Consumed	1076.79	851.20
Power, fuel and water	521.74	409.09
Repairs and Maintenance :		
Machinery	46.83	35.27
Buildings	8.33	5.43
Other assets	2.67	3.48
Lease rental on fixed assets	61.44	54.77
Rent	65.75	58.36
Rates and taxes	98.61	101.66
Insurance	22.00	27.90
Remuneration to Auditors:		
Statutory Auditors	8.40	6.20
In Other Capacities : Tax Audit	2.40	2.40
Certification and Other Matters	7.35	6.55
For Expenses	1.03	0.24
Directors fees and traveling expenses	11.40	12.80
Professional and legal fees	239.16	254.34
Contract Labour	511.89	407.74

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Net Loss on Sale of fixed assets	172.66	59.64
Sales and Service expenses	352.80	234.65
Research & Development Expenditure (Including License & Technical know-how fees written off)	15.67	0.66
Net Loss on foreign currency transaction	369.71	74.90
Travelling and conveyance	325.10	250.14
Other expenses	566.14	547.90
Total Other Expenses	4487.87	3405.32

25. Finance Costs

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Interest on loan	4900.25	3592.43
Less : Interest Capitalised	(1315.42) 3584.83	(1014.18) 2578.25
Interest on others	42.64	0.00
Other Borrowing Cost	93.32	53.25
Bank and other charges	469.77	315.99
Total Finance Costs	4190.56	2947.49

26. Depreciation and amortization Expense

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Depreciation of tangible assets	1260.73	1150.56
Amortization of intangible assets	20.83	17.07
Total	1281.56	1167.63

27. Contingent Liabilities Not Provided For in Respect of

- (a) Disputed indeterminate claims made by the employees regarding reinstatement, wages for the period of suspension etc. relating to the past years pending before Industrial Tribunals/High Court.
- (b) There are certain disputed excise and FEMA demands amounting to Rs.129.54 Lakhs (Previous Year Rs. 319.54 Lakhs). The same are being contested by company in appeals at various levels. The company foresees no liability in the above case as the management believes that it has strong case in the appeal.
- (c) Additional compensation, if any, in relation to certain demands in Consumer Forum cases, amount unascertained but considered to be insignificant.
- (d) Guarantees issued by bank amounting to Rs.1172.38 Lakhs (Previous year Rs. 1180.85 Lakhs).
- (e) There are no claims against the Company in respect of taxi refund case (Previous Year Rs.16.32 Lakhs). The Company has filed a recovery suit in the Bombay High Court against the ex-dealer for recovery of taxi refunds paid by the company.

28. Capital Commitments & Other Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) is approximately Rs.150.64 Lakhs (Previous Year Rs.721.19 Lakhs).

There are no other commitments made by the company except for Rs.28.43 Lakhs to be funded to PAL Credit and Capital Limited.

29. Lease

Operating Lease Company As A Lessee

- A) Total of the future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	As on 31.03.2012 ₹ (Lakhs)	As on 31.03.2011 ₹ (Lakhs)
a) Not later than one year	158.15	49.94
b) Later than one year but not later than five years	700.68	142.21
c) Later than five years	Nil	Nil

- B) Lease payments recognised in the Profit and Loss Account Rs.61.44 Lakhs (Previous year Rs.54.77 Lakhs)

- C) General description of leasing arrangement

i) Leased Assets :- Motor Cars and Machinery

ii) Future Lease rentals are determined on the basis of agreed terms.

Finance Lease Company As A Lessee

- A) Total of the future minimum lease payments under finance leases for each of the following periods are as follows:

	As on 31.03.2012 ₹ (Lakhs)	As on 31.03.2011 ₹ (Lakhs)
a) Not later than one year (Present Value Rs.227.80 Lakhs, Previous Year Rs.277.07 Lakhs)	249.93	315.62
b) Later than one year but not later than five years (Present Value Rs.123.27 Lakhs, Previous Year Rs.401.82 Lakhs)	147.58	446.37
c) Later than five years	Nil	Nil

- B) General description of leasing arrangement
i) Leased Assets :- D.G. Sets, Machinery
ii) Total lease payments as on Balance Sheet date Rs.817.56 Lakhs
(Present Value Rs.636.51 Lakhs, Previous Year Rs. 371.45 Lakhs)
- C) The Company has option to buy the assets under finance lease at Rs.1/- each at the end of the lease period.

30. Capitalisation of Expenditure

Company has undertaken a major expansion cum modernization projects. During the year Company has capitalised the following expenses of revenue nature.

	For the year ended 31.03.2012 ₹ (Lakhs)	For the year ended 31.03.2011 ₹ (Lakhs)
Salaries, wages and bonus	538.39	493.18
Consumption of material	967.25	541.49
Interest cost	1315.42	1014.18
	2821.06	2048.85

31. Effect of Change in Accounting Policy

During the year, option has been exercised by the company in terms of GOI's G.S.R. 914(E) dated 29th December, 2011 and accordingly foreign exchange fluctuation of Rs.71.79 Lakhs has been capitalized, which hitherto was been written off to profit and loss account.

32. Employee Benefit

Defined Benefit Plans/Long Term Compensated Absences as per Actuarial Valuation:
₹ (Lakhs)

Sr. Particulars No.	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
A. Expense recognised in the Statement on Profit & Loss Account for the year ended March 31, 2012				
1. Current Service Cost	34.95	37.21	46.92	41.74
2. Interest Cost (on PBO as of 31.03.2012)	37.89	32.15	20.41	12.66
3. Employee Contributions	---	---	---	---
4. Expected return on plan assets	---	---	---	---
5. Actuarial (Gains)/ Losses	43.70	66.22	59.49	57.13
6. Past service cost	---	---	---	---
7. Settlement cost	---	---	---	---
8. Total Expense	116.54	135.58	126.82	111.53
B. Asset/(Liability) recognised in the Balance Sheet as at March 31, 2012				
1. Present value of Defined benefit obligation as at March 31, 2012	500.03	468.82	314.49	254.84
2. Fair value of plan assets as at March 31, 2012	---	---	---	---
3. Funded status surplus/(Deficit)	UNFUNDED	UNFUNDED	UNFUNDED	UNFUNDED
4. Net asset/ (liability) as at March 31, 2012	(500.03)	(468.82)	(314.49)	(254.84)
C. Change in obligation During the year end March 31, 2012				
1. Present value of Defined benefit obligation at the beginning of the year 01.04.2011	468.82	428.68	254.84	168.84
2. Current Service cost	34.95	37.21	46.92	41.74
3. Interest cost (on PBO as of 31.03.2012)	37.89	32.15	20.41	12.66
4. Settlement cost	---	---	---	---
5. Past service cost	---	---	---	---
6. Employee contributions	---	---	---	---
7. Actuarial (Gains)/ Losses	43.70	61.36	59.49	57.13

Sr. Particulars No.	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
8. Benefits payments	(90.19)	(90.59)	(67.48)	(25.53)
9. Present value of Defined benefit obligation at the end of the year	500.03	468.82	314.49	254.84
D. Change in Assets during the year ended March 31, 2012				
1. Plan assets at the beginning of the year 01.04.2011	---	---	---	---
2. Assets acquired in amalgamation in previous year	---	---	---	---
3. Settlements	---	---	---	---
4. Expected return on plan assets	---	---	---	---
5. Contributions by Employees	---	---	---	---
6. Actual benefits paid	NA	NA	NA	NA
7. Actuarial gains / (losses)	NA	NA	NA	NA
8. Plan assets at the end of the year	---	---	---	---
9. Actual return on plan assets	NA	NA	NA	NA
E. The Major categories of plan assets as a percentage of total plan				
1. Qualifying insurance policy	-	-	-	-
F. Effect of one percentage point change in the assumed medical inflation rate				
1. Increase/ (Decrease) on aggregate service and interest cost of post employment medical benefits	NA	NA	NA	NA
2. Increase / (Decrease) on present value of Defined benefit Obligation as at March 31, 2012	NA	NA	NA	NA
G. Actuarial Assumptions				
1. Discount rate	8.00%	7.50%	8.00%	7.50%
2. Expected rate of return on plan assets	NA	NA	NA	NA
3. Mortality pre retirement	LIC (94-96)	LIC(94-96)	LIC (94-96)	LIC (94-96)
4. Mortality post Retirement	NA	NA	NA	NA
5. Turnover rate	1%	1%	1%	1%
6. Medical / premium Inflation	NA	NA	NA	NA

33. Segment Reporting

Information given in accordance with the requirement of Accounting Standard 17, on “Segment Reporting”.

Company’s Primary business segments are as under:

(i) Engineering:

Engaged in Engineering, manufacturing of machine tools of gear cutting, vertical and horizontal machining centre and special purpose machines. Specialized engineering solution for various applications, machining of precision components, sub-assemblies.

(ii) Automotive:

Automotive segment consists of two distinct activities viz. assembly of vehicles from imported painted bodies (already commenced) and indigenous production of vehicle bodies (yet to commence). During the year the company has undertaken only the assembly of the vehicles from imported painted bodies and indigenous production activity of bodies has not commenced.

Segment Accounting Policies:

Segment accounting disclosures are in line with accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

- i. Segment Revenue includes Sales and other income directly identifiable with/ allocable to the segment.
- ii. Expenses that are directly identifiable with /allocable to segments are considered for determining the Segment Result. The expenses, which relate to the Company as a whole and not allocable to segments, are included under “Un-allocable expenditure”.
- iii. Income which relates to the Company as a whole and not allocable to segments is included in “Un-allocable Income”.
- iv. Segment assets and liabilities include those directly identifiable with the respective segments.
- v. The Company has no Secondary Reportable Segment.

Segment Results: Information about primary business segments:

Sr. No.	Description	As on 31.03.2012 ₹ (Lakhs)	As on 31.03.2011 ₹(Lakhs)
1	Segment-wise Revenue		
	1. Engineering	22473.09	20013.37
	2. Automotive	7886.03	4398.54
	Total	30359.12	24411.91
	Less: Inter Segment Revenue	----	----
	Gross Sales/Income from operation	30359.12	24411.91
2	Profit / (Loss) before tax & interest		
	1. Engineering	5920.94	5698.57
	2. Automotive	444.16	(15.39)
	Total	6365.10	5683.18
	Less: Interest	4190.56	2947.49
	Other Un-allocable expenditure net off income	755.88	429.90
	Net Profit before tax	1418.66	2305.79
	Less: Taxes	(865.18)	461.09
	Net Profit after tax	2283.84	1844.70
3	Segment Assets		
	1. Engineering	42291.44	38424.53
	2. Automotive	18334.28	14958.73
	3. Not allocated – Corporate	60939.90	58621.05
	Total Assets	121565.62	112004.31
4	Segment Liabilities		
	1. Engineering	7926.34	6950.22
	2. Automotive	3685.57	2814.21
	3. Not allocated – Corporate	3356.28	2690.55
	Total Liabilities *	14968.19	12454.98
5	Capital Expenditure		
	1. Engineering	5694.00	4445.82
	2. Automotive	3445.01	2983.76
	3. Not allocated – Corporate **	15.94	51140.91
6	Depreciation		
	1. Engineering	1183.95	1078.21
	2. Automotive	85.75	77.44
	3. Not allocated – Corporate	11.86	11.98

Sr. No.	Description	As on 31.03.2012 ₹ (Lakhs)	As on 31.03.2011 ₹(Lakhs)
7	Non cash expenses other than depreciation		
	1. Engineering	15.67	0.66
	2. Automotive	---	---
	3. Not allocated – Corporate	---	---

* Total liabilities excludes Secured loans Rs. 26675.86 Lakhs (Previous year Rs. 23488.01 Lakhs) and Unsecured loans Rs. 8877.33 Lakhs (Previous year Rs. 6241.93 Lakhs)

** Previous year's unallocated capital expenditures includes Rs. 50100 lakhs arising out of revaluation of Land

34. Other Disclosures

a. CIF Value of imports (including capitalized items)

Sr. No.	Particulars	As on 31.03.2012 ₹ (Lakhs)	As on 31.03.2011 ₹(Lakhs)
a)	Raw Materials: Metal Components	3823.15	2997.56
b)	Capital goods	571.03	477.61

b. Expenditure and Earning in Foreign Currency

Sr. No.	Particulars	As on 31.03.2012 ₹ (Lakhs)	As on 31.03.2011 ₹ (Lakhs)
a)	Expenditure in foreign currency		
	1. Travelling expenses	18.33	20.45
	2. Others	3.99	15.46
b)	Earnings in foreign currency (including deemed exports)		
	FOB value of exports	156.53	70.85

c. Details of imported and indigenous Raw materials and components consumed

Sr. No.	Particulars	As on 31.03.2012		As on 31.03.2011	
		₹ (Lakhs)	%	₹ (Lakhs)	%
i)	Imported	3217.94	20	2308.60	18
ii)	Indigenous	13110.14	80	10448.79	82
	Total	16328.08	100	12757.39	100

35. Related Party Disclosures

a. List of related parties with whom transactions have taken place and relationships:

Particulars		
1	Doshi Holdings Pvt. Ltd.	Associate Company
2	DHPL Marine Pvt. Ltd.	Subsidiary of Holding Company
3	PAL Credit and Capital Ltd.	Associate Company
4	Shri Lalchand Hirachand Trust	Promoter Related Trust
5	Mr. Maitreya V. Doshi	Key Management Personnel
6	Mr. Udo Weigel	Director
7	Mrs. Kavita Khanna	Director
8	Smt. Saryu Doshi	Relative of Key Management Personnel
9	Mrs. Rohita Doshi	Relative of Key Management Personnel

b. Transactions during the year with and balance outstanding as at the end of the year with the related parties as follows

₹ (Lakhs)

Sr. No	Nature of Transactions	31 st March 2012				31 st March 2011			
		Associate Companies	Key Management Personnel	Directors / Relative to Key Management Personnel	Others	Associate Companies	Key Management Personnel	Directors / Relative to Key Management Personnel	Others
A. Transactions during the year									
1	Inter Corporate deposit received	185.00	-	-	-	20.00	-	-	-
2	Earnest money deposit received	-	-	-	980.00	-	-	-	-

Sr. No	Nature of Transactions	31 st March 2012				31 st March 2011			
		Associate Companies	Key Management Personnel	Directors / Relative to Key Management Personnel	Others	Associate Companies	Key Management Personnel	Directors / Relative to Key Management Personnel	Others
3	Fixed deposit received	-	130.00	153.00	-	-	-	215.00	-
4	Repayment of ICD/FD	254.00	130.00	1.00	-	31.00	-	-	-
5	Interest on ICD/ FD	5.92	8.17	38.59	-	10.80	-	45.61	-
6	Advance payment	101.57	-	-	-	-	-	-	-
7	Money received for convertible warrants	-	-	-	-	-	-	-	-
8	Consultancy Fees / Travelling	-	-	-	-	-	-	19.45	-

B. Year end balances

1	Inter Corporate Deposit received	-	-	-	-	69.00	-	-	-
2	Fixed Deposit received	-	-	595.00	-	-	-	443.00	-
3	Earnest money deposit received	-	-	- 980.00	-	-	-	-	-
4	Advace Payment	101.57	-	-	-	-	-	-	-

36. Earnings per share (EPS)

Sr. No.	Particulars	As on 31.03.2012		As on 31.03.2011	
		Basic	Diluted	Basic	Diluted
(a)	No. of Shares	30372570	30372570	30372570	30372570
(b)	Net Profit (₹ Lakhs)	2283.84	2283.84	1844.70	1844.70
(c)	Earning per share (₹)	7.52	7.52	6.07	6.07

37. Unhedged Foreign Currency Exposures

Sr. Particulars No.	Currency	Foreign Currency	Amount in INR (₹ Lakhs)
(a) Import Trade Payables	USD	3548353.31 (507383.57)	1815.21 (226.55)
(b) Import Trade Payables	JPY	27581500 (26544000)	176.09 (143.39)
(c) Import Trade Payables	Euro	109557.20 (68764.55)	74.87 (43.49)

(Figures in brackets are for previous year)

38. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. Further, the Company has neither paid nor payable any interest to any Micro, Small and Medium Enterprises on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

39. Balances of Debtors & Creditors and advances/deposits received from dealers/customers are as per books of account. Letters have been sent seeking confirmation of balances and replies in some cases are awaited. Adjustments, if any, will be made on receipt of such confirmations.

40. Previous Year Figures :

Till the year ended 31st March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. It significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

(Signature to Notes 1 to 40)

As per our Report attached

For K. S. Aiyar & Co.
Chartered Accountants

Raghuvir M. Aiyar
Partner (M No. 38128)

Place: Mumbai
Date: 24th April '12

Maitreya V. Doshi
Chairman & Managing Director

S. Padmanabhan, Director

Asit Javeri, Director

Rohita M. Doshi, Director

Kavita Khanna, Director

Dilip J. Thakkar, Director

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

Place: Mumbai
Date: 24th April '12

**ATTENDANCE SLIP**

Registered office & Works : Mumbai-Pune Road, Chinchwad, Pune 411019, India. Tel: +91-20-66310000, Fax: +91-20-66310371

Please fill the attendance slip and hand it over at the entrance of the meeting hall.

DP ID*		Registered Follo No.	
Client ID*		No. of shares	

Name and Address of the Shareholder : _____

I hereby record my presence at the 66th Annual General Meeting of the Company held on Friday, 24th August, 2012 at 10.00 am at the Registered office of the Company at Mumbai - Pune Road, Chinchwad, Pune - 411019

* Applicable for investors holding shares in electronic form

Signature of the shareholder / Proxy

Note : Members are requested to bring their copies of the Annual Report to the meeting.

TEAR HERE

**PROXY FORM**

Registered office & Works : Mumbai-Pune Road, Chinchwad, Pune 411019, India. Tel: +91-20-66310000, Fax: +91-20-66310371

DP ID*		Registered Follo No.	
Client ID*		No. of shares	

I/We _____

_____ being a member/ members of Premier Ltd., hereby appoint

1. Mr. _____ of _____ or failing him

2. Mr. _____ of _____ or failing him

3. Mr. _____ of _____ as my/our proxy

to attend and vote for me/us and on my/our behalf at the 66th Annual General Meeting of the Company, to be held on Friday, 24th August, 2012 at 10.00 am. and at any adjournments thereof.

Signed this _____ day of _____ 2012

Signature

Attn:
Revenue
Stamp

* Applicable for investors holding shares in electronic form

NOTE : The proxy in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

Notes

[illegible]

Automotive



The new RiO



India's First Compact SUV



Dealership Network



State-of-the-art
RiO assembly line



RiO with the new
CRDi4 diesel engine

- **Engineering**
- **Automotive**



PREMIER LTD.

Corporate Office:

58, Nariman Bhavan, Nariman Point, Mumbai 400021, India.
Tel: +91-22-61179000/1/2, Fax: +91-22-61179003

Registered Office & Works:

Mumbai-Pune Road, Chinchwad, Pune 411019, India.
Tel: +91-20-66310000/27475161, Fax: +91-20-66310371