

<b>32nd</b>
<b>ANNUAL</b>
<b>REPORT</b>
<b>2014-15</b>

**PRADEEP METALS LIMITED**

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### COMPANY INFORMATION

#### Board of Directors

Pradeep Goyal	Chairman & Managing Director
Omprakash Agarwal	Non-Executive Director
Kewal K. Nohria	Non-Executive Director
Neeru Pradeep Goyal	Non-Executive Woman Director
Suresh G. Vaidya	Independent Director
Raj Kumar Mittal	Independent Director
Rajeev D. Mehrotra	Independent Director
Jaidev R. Shroff	Independent Director

#### Chief Financial Officer

Rajeev Dixit

#### Company Secretary

Abhinay Kapoor

#### Statutory Auditors

M/s. S.R. Rege & Co.  
Chartered Accountants

#### Secretarial Auditors

M/s. Shweta Gokarn & Co.  
Company Secretaries

#### Internal Auditors

M/s. ADV & Associates  
Chartered Accountants

#### Cost Auditors

M/s. J.J. Paleja & Co.  
Cost Accountants

#### Bankers

Union Bank of India

#### Registered Office

R-205, MIDC, Rabale, Navi Mumbai 400 701  
Tel: +91-22-27691026 || Fax: +91-22-27691123  
e-mail: info@pradeepmetals.com Website: www.pradeepmetals.com  
CIN: L99999MH1982PLC026191

#### Registrar and Transfer Agents

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai- 400 078  
Tel. +91-22-25946970 Fax: +91-22-25946969 e-mail: rnt.helpdesk@linkintime.co.in

**PERFORMANCE AT A GLANCE (STANDALONE)**

(Rs. in Lacs)

	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Sales and Other Income (Net of Excise Duty)</b>	13,269	11,542	12,703	11,255	8,342
<b>Profit before Interest, Depreciation and Tax</b>	1,701	1,443	1,398	1,360	1,133
Less : Finance Cost	238	331	423	440	342
Less: Depreciation	258	206	200	181	167
Less: Preliminary expenses written off	-	-	-	3	1
<b>Profit before Tax</b>	<b>1,205</b>	<b>906</b>	<b>775</b>	<b>736</b>	<b>624</b>
Less: Taxation (including MAT & Deferred Tax)	422	302	334	153	402
<b>Profit for the year before Dividend</b>	<b>783</b>	<b>604</b>	<b>441</b>	<b>583</b>	<b>222</b>
Earning per Equity Share of Rs. 10/- each (in Rupees)					
(a) Basic	4.53	3.50	2.62	3.68	1.27
(b) Diluted	4.53	3.50	2.56	3.51	1.15
(c) Net Worth	3,687	3,377	3,015	2,648	2,258

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### NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY SECOND ANNUAL GENERAL MEETING OF PRADEEP METALS LIMITED WILL BE HELD ON FRIDAY SEPTEMBER 11, 2015 AT 2:00 PM AT MONARCH BANQUETS, PLOT NO. 110/111, MIDC, THANE BELAPUR ROAD, NEAR RABALE RAILWAY STATION, RABALE, NAVI MUMBAI 400701 TO TRANSACT THE FOLLOWING BUSINESS:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015 and the Balance Sheet as at that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on the Equity Shares for the financial year 2014-15.
3. To appoint a Director in place of Dr. Kewal K. Nohria (DIN: 00060015), who retires by rotation, but being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT**, pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed there under, as amended from time to time, M/s. N.A. Shah Associates, Chartered Accountants, Mumbai (Firm Registration No. 116560W), be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. S. R. Rege & Co., Chartered Accountants, Mumbai (Firm Registration No. 108813W), to hold office from conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty Seventh AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM), at such remuneration plus out of pocket expenses etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### **SPECIAL BUSINESS:**

5. To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2016 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT**, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. J.J. Paleja & Co., Cost Accountants, Mumbai (Firm Registration No. 100656), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the financial year ending 31<sup>st</sup> March, 2016, amounting to Rs. 1,25,000/- plus taxes and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit.”

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

“**RESOLVED THAT**, pursuant to the provisions of Section 5(6), 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded for the adoption of new set of Articles of Association of the Company, in substitution for and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.



## PRADEEP METALS LIMITED

**RESOLVED FURTHER THAT**, the Board of Directors of the Company (including a committee thereof) be and is hereby authorized to do all the necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

**By order of the Board of Directors  
For PRADEEP METALS LTD**

**Sd/-**

**ABHINAY KAPOOR  
COMPANY SECRETARY**

Place: Navi Mumbai

Date: 3<sup>rd</sup> July, 2015

**REGISTERED OFFICE:**

Pradeep Metals Ltd.,  
R-205, MIDC, Rabale,  
Navi Mumbai - 400 701  
CIN: L99999MH1982PLC026191

**NOTES**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 3 to 6 of the Notice, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A Proxy Form is annexed to this Notice.
4. The Company has appointed Ms. Shweta Gokarn, Practicing Company Secretary, Navi Mumbai (Certificate of Practice Number- 11001) to act as the Scrutinizer, for conducting the remote E-Voting process and to conduct voting/poll at the AGM, in a fair and transparent manner.
5. The Register of Members and Transfer Books of the Company will be closed from 4<sup>th</sup> September, 2015 to 11<sup>th</sup> September, 2015 (both days inclusive) for annual closing and determining the entitlement of the shareholders to the dividend, if declared by the shareholders for the year ended 31st March, 2015.
6. If the Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or before 10<sup>th</sup> October, 2015 as under:
  - I. To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 3<sup>rd</sup> September, 2015 (the cut-off date for dividend);
  - II. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 3<sup>rd</sup> September, 2015 (the cut-off date for dividend).

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7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited (LI IPL), Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078 to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to LI IPL.
8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or LI IPL, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
9. Members seeking any information with regard to the Accounts, are requested to write to the Company at least 7 (seven) days before the Meeting, so as to enable the Management to keep the information ready at the meeting.
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The Notice of the AGM along with the Annual Report for financial year 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. Members may also note that the electronic copy of the 32<sup>nd</sup> Annual Report (including the AGM Notice) will also be available on the Company's website i.e. [www.pradeepmetals.com](http://www.pradeepmetals.com) for their reference.
13. All documents referred to in this Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days, between 10.00 am and 1 pm up to the date of the Annual General Meeting except on Sundays and other holidays.
14. Members/Proxies are requested to bring their copies of the Annual Report to the meeting along with duly filled in attendance slips for attending the meeting.
15. The Company's Equity shares are the Scrip which Security Board of India (SEBI) has specified for settlement only in dematerialized form by all investors.



## PRADEEP METALS LIMITED

### VOTING THROUGH ELECTRONIC MEANS

Registered Folio No./DP ID No./ Client ID:	Number of Shares held:
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**Dear Member,**

**Subject: Instructions for e-voting**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, 2015, and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the Notice convening the 32<sup>nd</sup> Annual General Meeting to be held on Friday, September 11, 2015 at 2.00 pm. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the Company's website, [www.pradeepmetals.com](http://www.pradeepmetals.com) and on the website of the NSDL, [www.nsdl.co.in](http://www.nsdl.co.in).

The e-voting facility is available at the link, <https://www.evoting.nsdl.com>

E-voting particulars:

EVEN (E-voting event number)	User ID	Password
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The e-voting facility will be available during the following voting period:

<b>Commencement of e-voting</b> <b>September 8, 2015 (9:00 am)</b>	<b>End of e-voting</b> <b>September 10, 2015 (5:00 pm)</b>
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Please read the instructions printed below before exercising your vote. These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on September 11, 2015.

**Steps for e-voting:**

- Open the internet browser and type the URL: <https://www.evoting.nsdl.com>.
- Click on **Shareholder-Login**.
- If you are already registered with NSDL for e-voting, then you can use your existing User ID and password for Login.
- If you are logging in for the first time, please enter the User ID and Password provided in this document.
- The **Password Change Menu** will appear on your screen. Change to a new password of your choice making sure that it contains a minimum of 8 digits or characters or combination of the two. Please take utmost care to keep your password confidential.
- Once the e-voting homepage opens, click on **e-voting > Active Voting Cycles**.
- Select the **EVEN (E-Voting Event number)** of Pradeep Metals Limited (the number is provided in this document). Once you enter the number, the Cast Vote page will open. Now you are ready for e-voting.
- Cast your vote by selecting your favored option and clicking **Submit**. Also click **Confirm** when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified.
- Institutional Shareholders (i.e. members other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPEG) format of the relevant board resolution/authority letter etc., together with the attested specimen signature(s) of the duly authorised signatory(ies) who is/are authorised to vote, to the scrutinizer via email at: [csshwetagokarn@gmail.com](mailto:csshwetagokarn@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



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- j) For the members whose email-IDs are not registered with the Company/Depository Participant(s), the following instructions may be followed:
  - (1) The initial password is provided in the e-voting particulars section of this document.
  - (2) Please follow all steps from (a) to (i) mentioned above, in order to successfully cast your vote.
- k) In case of any queries, please refer to the **Frequently Asked Questions (FAQs)** for the members and the **e-voting user manual** for members available in the 'Downloads' section of <https://www.evoting.nsdl.com>. You can also mail your queries to NSDL by sending an e-mail to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- l) You can also update your mobile number and email ID in the user profile details of the folio, which may be used for sending future communications.

### General Instructions

- a) The e-voting period commences on September 8, 2015 (9:00 am IST) and ends on September 10, 2015 (5:00 pm IST). During this period, shareholders of the Company holding shares either in Physical form or in dematerialised form, as on the cut-off date i.e September 5, 2015, may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.
- b) Any person who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the notice of AGM and holds shares as of the cut-off date i.e. September 5, 2015 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details/Password' options available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
- d) The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote e-voting may only cast their vote at the AGM through ballot paper.
- e) The voting rights of the shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on September 5, 2015.
- f) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- g) The scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than three days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- h) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pradeepmetals.com](http://www.pradeepmetals.com) and on the website of NSDL immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to the BSE Limited.

All the documents referred to in the accompanying Notice and Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered office of the Company during business hours on all working days up to the date of declaration of the result of the 32<sup>nd</sup> Annual General meeting of the Company.

### EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

#### Item No: 3

Profile of the Directors being re-appointed as required under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited:-

Name of the Director	Dr. Kewal K. Nohria
Director Identification Number	00060015
Date of Birth	4 <sup>th</sup> October, 1932
Date of Appointment	14 <sup>th</sup> April, 2008
Expertise in Specific Functional Area	Technical and Management Expert
Qualification	B.E. (Elect.), D. Litt from BHU
No. of shares held in the Company	820000
Lists of Outside Directorship Held	Grow Talent Company Ltd. Jolly Board Ltd. CG-PPI Adhesive Products Ltd. Accelya Kales Solutions Ltd. CTR Manufacturing Industries Ltd. Inspired Leadership Gurukul Fontus Water Pvt. Ltd. Maini Materials Movement Pvt. Ltd. Maini Precision Products Pvt. Ltd. Coreel Technologies (India) Pvt. Ltd. EA Water Pvt. Ltd. Net Creations Pvt. Ltd. Aventura Components Pvt. Ltd. Healthpoint Services India Pvt. Ltd. Polymermann (Asia) Pvt. Ltd. Geist Research Pvt. Ltd.
Chairman/ Member of the Committee of the Board of Directors of the Company	Member of - Audit Committee - Nomination and Remuneration Committee - Shareholders/Stakeholders Grievance Committee - Risk Management Committee
Chairman/Member of the Committee of the Board of Directors of the Companies:	
a) Audit Committee	Member - 2, Chairman - 1
b) Shareholder/Stakeholders Grievance committee	Member - 2
c) Nomination & Remuneration Committee	Member - 1
d) CSR Committee	-
e) Risk Management Committee	-

#### Item No. 4

M/s. S.R. Rege & Co. Chartered Accountants, Mumbai (Firm Registration Number. 108813W), who were appointed as Statutory Auditors of the Company at the 31<sup>st</sup> Annual General Meeting (AGM) for the term of three years, subject to ratification by Members every year at AGM, have conveyed their inability to continue as Statutory Auditors of the Company beyond the conclusion of the ensuing AGM vide a letter dated 22<sup>nd</sup>

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June, 2015 due to their other professional commitments. Given that new Statutory Auditors are required to be appointed in place of the retiring auditors.

The Board of Directors, based on recommendation of the Audit Committee, has proposed to appoint M/s. N.A. Shah Associates, Chartered Accountants, Mumbai (Firm Registration Number 116560W) as Statutory Auditors of the Company in place of the retiring auditors M/s. S. R. Rege & Co. to hold office for a period of five years from conclusion of this Annual General Meeting till the conclusion of Thirty Seventh Annual General Meeting of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM).

The Board recommends an Ordinary Resolution for approval by the Members. None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution.

### Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. J.J. Paleja & Co., Cost Accountants, Mumbai (Firm Registration No. 100656) to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 at a remuneration of Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) plus service tax and reimbursement of out of pocket expenses at actual. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, consent of the Members is sought by passing an Ordinary Resolution, as set out at Item No. 5 of the Notice, for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2016.

The Board recommends the Ordinary Resolution for approval by the Members. None of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution.

### Item No. 6

The existing Articles of Association (AoA) of the Company are based on the Companies Act, 1956 and several regulations in the existing AoA contain reference to the provisions of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

With the enactment of Companies Act, 2013, several regulations of the existing AoA of the Company require alteration and/or deletion. Accordingly, it is considered expedient to wholly replace the existing AoA with a new set of AoA.

The draft AoA shall be open for inspection by the Members at the registered office of the Company on all working days (except Sundays and public holidays) between 10:00 am to 1:00 pm upto the date of this Annual General Meeting. The draft AoA shall be uploaded on the website of the Company i.e. [www.pradeepmetals.com](http://www.pradeepmetals.com) for online inspection of the same.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the said resolution.

The Board recommends the Special Resolution for approval by the Members.

**By order of the Board of Directors  
For PRADEEP METALS LTD**

Place: Navi Mumbai  
Date: 3<sup>rd</sup> July, 2015

**REGISTERED OFFICE:**  
Pradeep Metals Ltd.,  
R-205, MIDC, Rabale,  
Navi Mumbai - 400701.

**Sd/-  
ABHINAY KAPOOR  
COMPANY SECRETARY**



**Notice under Green Initiatives**

3<sup>rd</sup> July, 2015

Dear Shareholder,

Ref: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a 'Green initiative in the Corporate Governance' by allowing paperless compliances by companies vide its Circular Nos. 17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011 inter alia stating that the service of documents by the companies to its members can be made through electronic mode.

The initiative taken by the MCA is a welcome step for the society at large, as this will reduce paper consumption to a great extent, ensure prompt receipt of communication and avoid loss of document in postal transit. Supporting the said move of MCA, we propose to send all future shareholders communications/documents like Notices of General Meetings, Annual Reports, Financial Results, etc. to the shareholder in electronic mode.

We are sure, that you will whole-heartedly support this initiative and cooperate with the Company to make it a success. We, therefore, request you to fill up the information slip below for registering your e-mail ID and send it to our Registrar & Share Transfer Agent, Link Intime India Pvt. Ltd. You can also send us an e-mail from your e-mail ID to investors@pradeepmetals.com for receiving aforesaid documents in electronic form and mentioning there in your Folio No. /DP ID/Client ID.

Please note, as a valued shareholder, you are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the Company and all other documents/communications entitled under the Companies Act, 2013.

Thanking you,

Yours faithfully,

For Pradeep Metals Ltd.

Sd/-

Abhinay Kapoor

Company Secretary

-----TEAR HERE-----

Link Intime India Pvt. Ltd.

Unit: Pradeep Metals Ltd.

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup West,

Mumbai 400 078.

Folio No. / DP ID & Client ID : \_\_\_\_\_  
Name of 1st Registered Holder : \_\_\_\_\_  
Name of Joint Holder(s) : \_\_\_\_\_  
E-mail ID (to be registered) : \_\_\_\_\_  
Date: Signature of First Holder : \_\_\_\_\_

Note: Shareholders are requested to keep the company informed as and when there is any change in the e-mail address. Unless the e-mail ID given above is changed by you by sending another communication in writing, the Company will continue to send the documents to you on the above mentioned E-mail ID.

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### DIRECTORS' REPORT

Your Directors are pleased to present the Thirty Second Annual Report and the Company's audited financial statement for the financial year ended 31st March, 2015.

#### 1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2015 is summarized below:

	<b>Rs.In Lacs</b>
	<b>For the year ended</b>
	<b>31<sup>st</sup> March, 2015</b>
	<b>For the year ended</b>
	<b>31<sup>st</sup> March, 2014</b>
Revenue and Other Income (Net of Excise Duty)	13,268.69
Profit/(Loss) before Depreciation	1463.56
Less: Depreciation	258.31
Net Profit/(Loss) for the year before Taxation	1205.25
Provision for Taxation	422.68
Profit/(Loss) after Tax	782.57
Add: Profit brought forward from previous year	922.99
Profit available for Appropriation	1705.56
Appropriations:	
Depreciation adjusted for earlier years (Net)	222.65
Proposed Dividend on Equity Shares	207.24
Tax on Dividends	42.19
Transfer to General Reserve	-
Profit retained in Profit & Loss Account	1233.48

#### 2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Your Company has achieved Revenues from Operations and Other Income (Net) of Rs. 13,268.69 Lacs during the current financial year, as against Rs. 11,542.02 Lacs in the previous year, i.e. an increase of 15%. Profit before Tax for the year has improved by 33%, Profit after Tax has risen by 29%. Detailed analysis and future outlook of the Company's business are dealt in the Management Discussion and Analysis.

#### 3. DIVIDEND

The Directors of the Company are pleased to recommend a dividend of 12% i.e. Rs. 1.20 per equity share of Rs. 10 each for the financial year 2014-15 (12% i.e. Re. 1.20 per share for previous year). The total amount of dividend proposed to be distributed and tax thereon aggregate to Rs. 249.43 Lacs and dividend payout ratio comes to 32%.

#### 4. TRANSFER OF RESERVES

During the year, no amount has been transferred to the General Reserve. An amount of Rs. 533.14 Lacs is proposed to be retained in the Statement of Profit and Loss on Standalone basis.

#### 5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the BSE Limited, is presented in a separate section forming part of the Annual Report.

#### 6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has one US based Wholly Owned Subsidiary named Pradeep Metals Limited Inc., Texas

and one step-down subsidiary named Dimensional Machine Works, LLC. Financials of the said Subsidiaries are included in the Consolidated Financial Statements, which form part of this Annual Report. The acquisition process of 51% share in CNC Machine Shop at Houston, Texas (w.e.f. 1<sup>st</sup> January, 2015) has been completed in quarter ended 30<sup>th</sup> June, 2015. The Company has created Pari Passu charge on assets of the Company and executed its Corporate Guarantee in favor of Union Bank of India for securing their Foreign Currency Loan of USD 2 mn to Pradeep Metals Limited Inc, Texas, Wholly Owned Subsidiary.

The Company has remitted sums aggregating to USD 0.475 mn (Equivalent to Rs. 265.19 Lacs) during the financial year and USD 0.275 mn (equivalent to Rs. 174.19 Lacs) to WOS, towards its contribution for the acquisition. Dimensional Machine Works LLC, Texas. has become a Step-down Subsidiary of the Company. The Company does not have any joint venture or associate company.

A statement containing salient features of the Financial Statements of the Subsidiaries is annexed to this Report as Annexure A.

#### 7. DEPOSITS

Your Company has not invited or accepted any fixed deposits from the public and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

#### 8. CREDIT RATING

The Company's financial discipline and prudence is reflected in the strong credit ratings ascribed by rating agencies as given below:

Facilities	Amount(Rs. in Lacs)	Rating Agency	Rating	Remarks
Long Term Bank Facilities	2421	Credit Analysis & Research Ltd.	CARE BBB- (Triple B Minus)	Reaffirmed
Short-term Bank Facilities	4400 (enhanced from 4000)	Credit Analysis & Research Ltd.	CARE A3 (A Three)	Reaffirmed

#### 9. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of the Company are prepared with relevant Accounting Standards viz. AS-21, AS-23 and AS-27, issued by the Institute of Chartered Accountants of India and forms part of this Report.

#### 10. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

- in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that

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- such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 11. CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

### 12. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Agreement, the business responsibility report describing the initiatives taken by the Company from environmental, social and governance perspective is attached as part of the Annual Report.

### 13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contacts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties, other than WOS, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:[www.pradeepmetals.com](http://www.pradeepmetals.com)

### 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: [www.pradeepmetals.com](http://www.pradeepmetals.com)

The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified five focus areas of engagement which have been enumerated in Annexure B to the Directors' Report.

During the year, the Company has spent Rs.7.51 Lacs (about 47% of the average net profits of last three financial years) on CSR activities.

The Annual Report on CSR activities is annexed herewith marked as Annexure B.

### 15. RISK MANAGEMENT

During the year under review, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. Risk Management Policy was reviewed and approved by the Committee.

### 16. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls, commensurate with the activities and



size of the Company, with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **17. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

#### **18. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During financial year 2014-15, Board of Directors, on recommendation of Nomination and Remuneration Committee appointed Mr. Rajeev Dixit, F.C.A. with 20 years of experience as Chief Financial Officer of the Company. Pursuant to the provisions of Section 2(51) of the Companies Act, 2013, Board has identified Mr. Abhinav Goyal, Vice President- Marketing and Technology, as Key Managerial Personnel.

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Dr. Kewal K. Nohria, Director retires by rotation at ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

#### **19. AUDITORS AND AUDITORS' REPORT**

##### **a. Statutory Auditors**

M/s. S.R. Rege, Chartered Accountants, Mumbai (Firm Registration Number: 108813W) Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting (AGM). However, they have informed their inability to continue as Auditors of the Company beyond the conclusion of forthcoming AGM due to other professional commitments.

Board of Directors, on the recommendation of Audit Committee, has proposed to appoint M/s. N.A. Shah Associates, Chartered Accountants, Mumbai (Firm Registration Number: 116560W) as Statutory Auditors of the Company in place of the retiring auditors M/s. S. R. Rege & Co., to hold office for a period of five years from conclusion of this AGM till the conclusion of Thirty Seventh AGM of the Company to be held in the year 2020 (subject to ratification of their appointment at every AGM).

M/s. N.A. Shah Associates, have confirmed their willingness to be appointed as Statutory Auditors of the Company and eligibility to the effect that their appointment, if made, would be within the prescribed limits under the act and that they are not disqualified for appointment.

The Notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

##### **b. Cost Auditors**

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company has been carrying out audit of its cost records every year.

The Board of Directors, on recommendation of Audit Committee, has appointed M/s. J.J. Paleja & Co., Cost Accountants, Mumbai (Firm Registration Number: 100656) as Cost Auditor to audit the cost accounts of the Company for financial year 2015-16 at a remuneration of Rs. 1,25,000/- plus taxes and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking Member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

##### **c. Secretarial Auditors and Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules made thereunder, M/s. Shweta Gokarn & Co., Practicing Company Secretaries, Navi Mumbai (Certificate of Practice



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Number: 11001) were appointed as the Secretarial Auditor to conduct a Secretarial Audit of the Company. The Secretarial Auditors' Report for the financial year ended 31<sup>st</sup> March, 2015 is annexed to this Report and marked as Annexure C. No adverse comments have been made in the said Report.

### 20. DISCLOSURES:

#### a. CSR Committee

The CSR Committee comprises of Mrs. Neeru Goyal as Chairperson and Mr. Raj Kumar Mittal and Mr. Rajeev Mehrotra as other Members.

#### b. Audit Committee

The Audit Committee comprises of Independent Directors namely Mr. Raj Kumar Mittal (Chairman), Mr. Suresh G. Vaidya and Non-Executive Director Dr. Kewal K. Nohria. All the recommendations made by the Audit Committee were accepted by the Board.

#### c. Vigil Mechanism

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an E-mail, or dedicated telephone line or a letter to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [www.pradeepmetals.com](http://www.pradeepmetals.com)

#### d. Remuneration and Nomination Policy

The Board has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

### 21. Meetings of the Board

During the financial year 2014-15, Six meetings of the Board were held on 10<sup>th</sup> May, 2014, 3<sup>rd</sup> July, 2014, 14<sup>th</sup> August, 2014, 26<sup>th</sup> September, 2014, 12<sup>th</sup> November, 2014 and 7<sup>th</sup> February, 2015. The gap between any two meetings did not exceed four months.

Annual General Meeting for FY 2013-14 was held on 4<sup>th</sup> September 2014.

#### Attendance details of Board Members Wrt Board And General Meetings:

Sr. No.	Name of Director	Category	No. of Board Meetings held during FY 2014-15	No. of Board Meetings attended	Attendance at last AGM 04.09.2014
1	Pradeep Goyal	Chairman & Managing Director	6	5	Yes
2	Kewal K. Nohria	Non-Executive	6	4	Yes
3	Omprakash Agarwal	Non-Executive	6	5	Yes
4	Suresh G. Vaidya	Non-Executive Independent	6	5	Yes
5	Raj Kumar Mittal	Non Executive Independent	6	6	Yes
6	Mrs. Neeru Pradeep Goyal	Non-Executive	6	5	Yes
7	Jaidev R. Shroff	Non-Executive Independent	6	1	Nb
8	Rajeev D. Mehrotra	Non-Executive Independent	6	1	Nb

**22. Particulars of Loans given, Investments made, Guarantees given and Securities provided**

Particulars of loans given, investments made, guarantees given and securities provided and thereof are as follows:-

During the financial year 2014-15, the Company has made further investment of USD 0.425 mn lakhs towards Equity in its WOS, Pradeep Metals Limited, Inc., Texas, and Pradeep Metals Limited, New York (upto 8th March, 2015), towards its contribution for acquisition of 51% stake in CNC Machine Shop at Houston, Texas, USA, which was merged with Pradeep Metals Limited, Inc., Texas with effect from 9<sup>th</sup> March, 2015.

The Company has extended its corporate guarantee and created first pari passu charge on the fixed assets of the Company in respect of Term Loan of USD 2 mn taken by the WOS, Pradeep Metals Limited, Inc., Texas from Union Bank of India, Hong Kong, for the acquisition, subsequently.

**23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in Annexure D to this Report.

**24. Extract of Annual Return**

Extract of Annual Return of the Company is annexed herewith as Annexure E to this Report.

**25. Particulars Of Employees and Related Disclosures**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said Rules are provided in the Annual Report.

As per the provisions of Section 136(1) of the Act, these particulars will be made available to the Members on request.

The remuneration is being paid to Mr. Pradeep Goyal, Chairman and Managing Director, pursuant to the Special Resolutions passed at the EGM dated 25th January, 2014 and AGM dated 4th September, 2014. Necessary applications have been made to the Ministry of Corporate Affairs and approval has been received for appointment for term of 1 years from 17th December, 2013 to 16th December, 2014 and payment of remuneration upto 31st March, 2014. The approval for payments of remuneration for subsequent period is awaited in response to the applications/representations made.

**26. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**27. ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of its committees. A structured questionnaire was prepared

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after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning.

The evaluation was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations, business development, human resources development, corporate communication, etc The Directors expressed their satisfaction with the evaluation process.

### 28. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from government authorities, Union Bank of India, customers, vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on Behalf of the Board of Directors**

Place: Navi Mumbai

Date: 3<sup>rd</sup> July, 2015

**REGISTERED OFFICE:**

Pradeep Metals Ltd.,

R-205, MIDC, Rabale, Navi Mumbai - 400 701

CIN: L99999MH1982PLC026191

**Sd/-  
Pradeep Goyal  
Chairman and Managing Director**

**ANNEXURE A TO THE DIRECTORS' REPORT**
**FORMAOC-1**

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies (Accounts) Rules, 2014) Statement containing salient features of the Financial Statements of Subsidiaries/Associate Companies/ Joint Ventures.

Part 'A' : Subsidiaries

(Rs. In Lacs)

Sr. No.	Name of Subsidiary	Pradeep Metals Limited Inc, Texas*	Dimensional Machine Works, LLC, Houston	Pradeep Metals Limited, New York
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01.04.2014 to 31.03.2015	01.01.2015 to 31.03.2015	01.04.2013 to 31.03.2014
2	Reporting Currency and Exchange Rate as on the last date of the relevant Financial year in case of Foreign Subsidiary	<b>USD (USD 1=Rs.62.16)</b>	<b>USD (USD 1=Rs.62.16)</b>	<b>USD (USD 1=Rs.59.66)</b>
3	Share Capital	267.29	684.10	2.98
4	Reserves and Surplus	42.52	133.90	10.94
5	Total Liabilities excluding share capital And reserves	2,433.39	796.45	547.07
6	Total Assets	2,743.20	1,614.44	560.99
7	Investments	348.89	-	-
8	Turnover **	1,233.50	954.55	716.51
9	Profit Before Taxation **	40.05	131.14	13.01
10	Provision for Taxation **	9.57	0 ***	1.98
11	Profit after Taxation **	30.48	131.14	11.03
12	Proposed Dividend	0	0	0
13	% of Shareholding	100%	51%	100%

\* Includes transactions of Pradeep Metals Ltd, New York, USA, upto 8th March, 2015, merged with it w.e.f. 9th March, 2015.

\*\* In case of foreign subsidiaries, translated at Average Exchange Rate of USD 1= Rs.60.88 for 2014-2015 (Previous year USD 1= Rs. 60.09)

\*\*\*Tax to be paid by both the shareholders on their respective share of profit.

Note:

- Names of the Subsidiaries which are yet to commence operations : None
- Names of subsidiaries which have been liquidated and sold during the year : None

Part 'B': Associate and Joint Ventures

Sr	Name of Associate Co./ Joint Venture	N.A.
1	Latest audited Balance Sheet	N.A.
2	Shares of Associate / Joint Ventures held by Company on the year end:	
	i. No. of shares (Equity)	N.A.
	ii. Amount of investment in Joint Venture/Associate	N.A.
	iii. Extent of Holding %	N.A.
3	Description of how there is significant influence	N.A.
4	Reason why the associate is not consolidated	N.A.
5	Networth attributes to shareholding as per latest audited Balance Sheet	N.A.
6	Profit/Loss for the year:	
	i. Considered in consolidation	N.A.
	ii. Not considered in consolidation	N.A.

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Note:

1. Names of the Associates/Joint Ventures which are yet to commence operations: None
2. Names of Associates/Joint Ventures which have been liquidated or sold during the year: None.

### ANNEXURE B TO THE DIRECTORS' REPORT

**Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15**

(Rs. In Lacs)

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs and the Composition of the CSR Committee	The Company has identified five focus areas of engagement which are as under: <ul style="list-style-type: none"> <li>● Rural Transformation: Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition.</li> <li>● Health: Affordable solutions for healthcare through improved access, awareness and health seeking behavior.</li> <li>● Education: Access to quality education, training and skill enhancement.</li> <li>● Environment: Environmental sustainability, ecological balance, animal welfare and conversion of natural resources.</li> <li>● Disaster Response: Managing and responding to disaster</li> </ul>
2.	Average net profit of the Company for the last three financial years	Rs. 806.17
3.	Prescribed CSR expenditure (Two percent of the amount mentioned in item 2 above)	Rs. 16.12
4.	Details of CSR spent during the Financial Year	Rs. 7.51
5.	Total amount to be spent for the financial year	Rs. 16.12
6.	Amount unspent, if any,	Rs. 8.61
7.	Manner in which the amount spent during the financial year	As per below table
8.	Reason for not spending the amount earmarked :	The major project was started late in March 2015.



## PRADEEP METALS LIMITED

### DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15

Sr. No.	CSR project or Activity Identified	Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013)	Project of Program (1) Local Area or Other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (Budget) Project or program wise (Rs. in Lacs)	Amount spent on the Projects or Programs Sub-Heads: (1) Direct Expenditure on Projects or Programs (2)Overheads (Rs. in Lacs)	Cumulative Expenditure upto the reporting period i.e. FY 2014-15 (Rs. in Lacs)	Amount spent Direct or through Implementing Agency (Rs. in Lacs)
1	Bombay Gow Rakshak Mandali	Animal Welfare	Maharashtra	2.51	2.51	2.51	2.51
2	Friends of Tribals Society, Mumbai Chapter	Education & Rural Development	Maharashtra	12.61	4.00	4.00	4.00
3	Disaster Management	Disaster Response	Maharashtra/ Jammu & Kashmir	1.00	1.00	1.00	1.00
	Total			16.12	7.51	7.51	7.51

### RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with the CSR objectives and policy of the Company'

Sd/-

**Pradeep Goyal**

Chairman and Managing Director

Sd/-

**Neeru Goyal**

Chairperson, CSR Committee

3rd July, 2015

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### ANNEXURE C TO THE DIRECTORS' REPORT

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Pradeep Metals Limited,  
R-205, MIDC Rabale,  
Navi Mumbai - 400 701.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pradeep Metals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Shared based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October 2014;(**Not Applicable to the Company during the Audit Period**);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(**Not Applicable to the Company during the Audit Period**);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).



I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Securities of India (**Not notified hence not applicable to the Company during the audit Period**).
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major heads/groups of Acts, Laws and Regulations as applicable to the Company is given as Annexure to this Report.

### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Navi Mumbai

Date: 3rd July, 2015

Ms. Shweta Gokarn

ACS No. 30393, C P No: 11001

### **Annexure to Secretarial Audit Report**

#### **List of applicable Laws to the Company:**

Under the Major Group and Heads are as follows:

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
12. Labour Laws and other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, provident fund, ESIC, Compensation etc.;
13. Acts prescribed under preventions and control of pollution;
14. Acts prescribed under Environmental Protection;
15. Acts as prescribed under Direct Tax and Indirect Tax;
16. Labour Welfare Act of representative States.



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### ANNEXURE D TO THE DIRECTORS' REPORT

Particulars of energy conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

#### A. CONSERVATION OF ENERGY

The Company continuously makes efforts to conserve energy. Constant monitoring of compressed air leakage is introduced on weekly basis. Electrical system is upgraded to achieve unity power factor, resulting in significant discount from MSEB. High energy consuming machines are preferably operated in night shifts, when power tariff is low. The company has completely switched over to use of gas in place of liquid fuels resulting in lower costs and lower pollution.

The Company has installed new recuperators on all furnaces which has further reduced the fuel consumption.

#### 1. TOTAL ENERGY CONSUMPTION & ENERGY CONSUMPTION PER UNIT OF PRODUCTION

##### a. Power & Fuel Consumption :

	<u>31/03/2015</u>	<u>31/03/2014</u>
1. Electricity *		
a. Purchased Units (Nos.)	4,206,090	4,514,970
Total amount (Rs.)	30,413,560	32,060,627
Average rate (Rs./unit)	7.23	7.10
b. Own generation	N.A.	N.A.
2. Furnace Oil		
Quantity (Ltrs.)	-	-
Total amount (Rs.)	-	-
Average rate (Rs./Ltr.)	-	-
3. Light Diesel Oil (LDO)		
Quantity (Ltrs.)	-	-
Total amount (Rs.)	-	-
Average rate (Rs./Ltr.)	-	-
4. Piped Natural Gas		
Quantity (Cubic Meters)	940,344	864,889
Total amount (Rs.)	39,238,268	35,830,231
Average rate (Rs./Cubic Meter)	41.73	41.43

##### b. Consumption per unit of Production :

Production (MT-forged weight)	4231	4186
Heat Treatment (MT-forged weight)	4397	4300
Electricity (Units/MT)	994	1079
Cost/MT (Rs./MT)	7188	7659
Furnace Oil/LDO/ Methyl Ester/RE-100 Ltrs./MT	-	-
Piped Natural Gas Fuel Energy Cost** (Rs./MT) (including heat treatment)	9274	8560

\* Total electricity cost decreased by about 5.14% compared to previous year. The cost of electricity (per unit) increased by 1.83% and the production increased by 1.08%. Moreover, significantly higher quantity of parts were sold in machined condition. Hence, there is an overall reduction in specific power consumption.

\*\* Gas consumption includes heat treatment of forgings. The cost of gas increased by 0.72% during

the year. Production quantity increased by 1.08% and heat treatment quantity increased by 2.26%. Cubic metres of gas per ton of steel processed ( including heat treatment ) increased by 7.0% (from 102m<sup>3</sup> to 109 m<sup>3</sup>/ton). Total energy cost (electricity plus Piped Natural Gas) increased by 2.6% for the year despite increase in electricity and gas price.

**B. Technology Absorption :**

**1. Research & Development :**

The Company is constantly improving the design of dies and trim tools in a focused manner to optimize raw material consumption and achieve better quality and yield. The Company is in the process of research to utilize the waste mill scale generated in the company to obtain useful product of higher value.

**2. Benefits derived:**

Improvement in productivity, quality, yield and energy saving.

**3. Future Plans:**

The environment in the country remains positive. The Company is noticing a rise in the capital goods industry indicating new investments within India and, as a result, an increase in domestic sales. The effort to bring new components in the company's basket of product-mix and the effort to provide more value added machined components to the customers is yielding further benefits to the Company. Barring any unforeseen factors, the Company is expected to continue a steady growth in the coming years.

**Expenditure on Research & Development :**

Since Research & Development is carried out in-house, as a part of the ongoing manufacturing operations, the expenditure is not separately accounted for and the same is debited to the respective accounts.

**4. Technology Absorption, Adoption and Innovation :**

Continuous improvements in the manufacturing process and focus on development of intricate precision forgings for export form part of the ongoing operations of the Company. The Company continues to adopt Lean Manufacturing methods to further improve manufacturing practices. Currently the company has taken up the process of moving some machines as a part of layout improvement which will reduce material movement in the company by almost 50%.

**C. Foreign exchange Earnings and Outgo-**

- 1) Activities relating to export, initiatives to increase exports, development of New export markets for Products and Services and Export Plan.
- 2) Total Foreign Exchange Earned and Used

	<i>Amount</i>
Foreign Exchange earned in terms of Actual Inflows	Rs. 84,34,46,915/-
Foreign Exchange outgo in terms of Actual Outflows	Rs. 56,70,892/-

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### ANNEXURE E TO THE DIRECTORS' REPORT

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2015

[Pursuant to section 92(3) of the companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

<b>I</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
	i) CIN	L99999MH1982PLC026191
	ii) Registration Date	22/01/1982
	iii) Name of the Company	Pradeep Metals Limited
	iv) Category/ Sub-category	Company Limited by Shares Indian Non-Government Company
	v) Address of the Registered office and contact details	R-205, MIDC, Rabale, Navi Mumbai 400 701
	vi) Whether listed company	Yes
	vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any	Link Intime India Private Limited (LIPL), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078
<b>II</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>	
	All the business activities contributing 10% or more of the total turnover of the company	As per attachment A
<b>III</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per attachment B
<b>IV</b>	<b>SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
	i) Category-wise Share Holding	As per attachment C
	ii) Shareholding of promoters	As per attachment D
	iii) Change in Promoter's Shareholding	As per attachment E
	iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per attachment F
	v) Shareholding of Directors and Key Managerial Personnel	As per attachment G
<b>V</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding /accrued but not due for payment	As per attachment H
<b>VI</b>	<b>REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>	
	A. Remuneration to Managing Director, Whole-time Directors and/or Manager	As per attachment I
	B. Remuneration to other Directors	As per attachment J
	C. Remuneration to Key Managerial Personnel other than MD/MANGER/WTD	As per attachment K
<b>VII</b>	<b>PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES</b>	As per attachment L



# PRADEEP METALS LIMITED

## ATTACHMENT A

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sr. No.	Name & description of main products/services	NIC Code of the product/service*	% to total turnover of the Company #
1	Components for Process Control Equipment	33130	37.19%
2	Components for Valves	29121	35.94%

\*As per National Industrial Classification- Ministry of Statistics and Programme Implementation  
#On the basis of Gross Turnover

## ATTACHMENT B

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held
1	Pradeep Metals Limited Inc. Texas	77, Sugar Creek Center, Boulevard, Sugar Land, TX 77478	N. A.	Wholly Owned Subsidiary	100%
2	Dimensional Machine Works, LLC	6930, San Antonio Street, Houston, TX 77040	N. A.	Step-down Subsidiary	51%

## ATTACHMENT C

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A PROMOTERS</b>									
(1) Indian									
a) Individual/ HUF	1601699	200	1601899	9.28	1664499	200	1664699	9.64	0.36
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s).	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	9970442	2100	9972542	57.74	9972542	0	9972542	57.74	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	55000	0	55000	0.32	0	0	0	0	0
<b>SUB-TOTAL(A)(1)</b>	<b>11627141</b>	<b>2300</b>	<b>11629441</b>	<b>67.34</b>	<b>11637041</b>	<b>200</b>	<b>11637241</b>	<b>67.38</b>	<b>0.04</b>
(2) Foreign									
a) NRIs-Individual	0	0	0	0	0	0	0	0	0
b) Other-Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks/ FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>SUB-TOTAL(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SHAREHOLDING OF PROMOTER (A) = (A)(1)+(A)(2)</b>	<b>11627141</b>	<b>2300</b>	<b>11629441</b>	<b>67.34</b>	<b>11637041</b>	<b>200</b>	<b>11637241</b>	<b>67.38</b>	<b>0.04</b>

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Category of shareholders	No. of Shares held at the beginning of the year (as on 01.04.2014)				No. of Shares held at the end of the year (as on 31.03.2015)				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>B PUBLIC SHAREHOLDING</b>									
1 Institutions									
a) Mutual Funds	0	9000	9000	0.05	0	9000	9000	0.05	0
b) Banks/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	4100	4100	0.03	0	4100	4100	0.03	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
(i-i) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
(i-ii) UTI	0	0	0	0	0	0	0	0	0
<b>SUB-TOTAL(B)(1)</b>	0	13100	13100	0.08	0	13100	13100	0.08	0
2 Non-institution									
a) Bodies Corporate	74201	88300	162501	0.94	188162	88300	276462	1.60	0.66
i) Indian									
ii) Overseas	0	230000	230000	1.33	0	230000	230000	1.33	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to 1 Lakh	1509836	503020	2012856	11.66	1319046	477120	1796166	10.40	1.26
ii) Individual shareholders holding nominal share capital in excess of 1 Lakh	1175570	122400	1297970	7.52	1243272	122400	1365672	7.91	0.39
c) Others(Non-Exc. Director)	744350	0	744350	4.31	833300	0	833300	4.83	0.52
(c-i) Qualified foreign Investor	0	0	0	0	0	0	0	0	0
(c-ii) NRIs (Repat)	546906	609610	1156516	6.70	500865	596510	1097375	6.35	(0.35)
NRIs (Non-Repat)	7825	0	7825	0.05	8850	0	8850	0.05	0
(c-iii) Clearing Member	14441	0	14441	0.08	10834	0	10834	0.06	(0.02)
(c-iv) Shares held by subsidiary Companies on which no voting rights are exercisable	0	0	0	0	0	0	0	0	0
(c-v) Unclaimed Shares Suspense Account Clause 5A.II <sup>2</sup>	0	0	0	0	0	0	0	0	0
(c-vi) Trusts	1000	0	1000	0.01	1000	0	1000	0.01	0
<b>SUB-TOTAL(B)(2)</b>	4074129	1553330	5627459	32.59	4105329	1514330	5619659	32.54	
<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	4074129	1566430	5640559	32.66	4105329	1527430	5632759	32.62	(0.04)
<b>C SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	15701270	1568730	17270000	100.00	15742370	1527630	17270000	100.00	0

**ATTACHMENT D**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**ii.) Shareholding of Promoters**

Sr. No.	Shareholder's name	Shareholding at the beginning of the year (As on 1-4-2014)			Shareholding at the end of the year (As on 31-03-2015)			Change in shareholding during the year
		No. of shares	% of total Shares Of the Company	% of shares pledged/ encumbered To total shares*	No. of shares	% of total Shares Of the Company	% of shares pledged/ encumbered To total shares*	
1	Rabale Engineering (India) Pvt Ltd	6167481	35.71	0	6167481	35.71	0	0
2	S V Shah Construction Services Pvt. Ltd.	2778561	16.09	0	3805061	22.03	0	5.94
3	Flashnet Info Solutions India Ltd	1026500	5.94	0	0	0	0	(5.94)
4	Pradeep Goyal	1521400	8.81	0	1576400	9.13	0	0.32
5	Neeru Goyal	80499	0.47	0	88299	0.51	0	0.04
6	Seema Goyal	55000	0.32	0	0	0	0	(0.32)
	<b>Total</b>	<b>11629441</b>	<b>67.34</b>	<b>0</b>	<b>11637241</b>	<b>67.38</b>	<b>0</b>	<b>0.04</b>

**ATTACHMENT E**
**IV.SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**
**iii) Change in Promoters' Shareholders**

Sr. No.		Shareholding at the beginning of the year (As on 01.04.2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Neeru Goyal				
	At the beginning of the year	80499	0.47	80499/88299	0.47/0.51
	Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/ bonus/ sweat equity, etc)	Increase by 7800	0.04	transfer	
	Date of transfer Qty.				
	12-05-2014 6700				
	02-06-2014 1100				
	At the end of the year	<b>80499</b>	<b>0.47</b>	80499/88299	0.47/0.51

**#Inter-se Transfer among Promoters**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the Beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	S V Shah Construction Services Pvt. Ltd.	2778561/ 3805061	16.09/ 22.03	August 5, 2014	Increase by 5.94	Off Market Purchase	3805061	22.03
2	Flashnet Info Solutions India Ltd	1026500/ 0	5.94/ 0	August 5, 2014	Decrease by 5.94	Off Market Sale	0	0
3	Seema Goyal	55000/0	0.32	July, 18 2014	Decrease by 0.32	Inter-se Transfer	0	0
4	Pradeep Goyal	1521400/1576400	8.81/9.13	July, 18 2014	Increase by 0.32	Inter-se Transfer	1576400	9.13

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### ATTACHMENT F

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the Beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Savita Aggarwal	475190/474818	2.75	31-03-15	Decrease	Sell	474818	2.75
2	Anil Bansal/Nalini Bansal	427710	2.48	31-03-15	No Change	N.A	427710	2.48
3	Kewal K. Nohria	731050/820000	4.23/4.75	31-03-15	Increase	Buy	820000	4.75
4	Om Sai Global Singapore Pte Ltd	230000	1.33	31-03-15	No change	N.A.	230000	1.33
5	Navin Kumar Marwah (H.U.F.)	279750/225880	1.61/1.31	31-03-15	Decrease	Sell	225880	1.31
6	Navin Kumar Marwah	627108/113042	3.63/0.65	31-03-15	Decrease	Sell	113042	0.65
7	Sudhir N. / Kalpana S	0/113000	0.65	31-03-15	Increase	Buy	113000	0.65
8	Ramesh Damani/M G Damani	87100	0.50	31-03-15	No Change	N.A.	87100	0.5
9	Laxmi Devi Madangopal Damani/ Girdharlal Sunderlal Daga/ Chandrakala Suresh Biyani	114600/81399	0.66/0.47	31-03-15	Decrease	Sell	81399	0.47
10	MLR Investors Pvt. Ltd.	70000	0.40	31-03-15	No Change	N.A./	70000	0.40

**ATTACHMENT G****IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as a percentage of the Total Equity)****v) Shareholding of Directors and key managerial Personnel**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of shares at the Beginning (01-04-14) / end of the year (31-3-15)	% of total shares of the Company				No. of Shares	% of total shares of the Company
<b>A</b>	<b>DIRECTORS</b>							
1	Kewal K. Nohria	731050/820000	4.23/4.75	31-03-15	0.52	Buy	820000	4.75
	Date of purchase							
	01.04.2014	731050	4.23					
	01.04.2014	403	0.00		Increase	Buy		
	02.04.2014	100	0.00		Increase	Buy		
	03.04.2014	2886	0.02		Increase	Buy		
	04.04.2014	950	0.01		Increase	Buy		
	09.04.2014	475	0.00		Increase	Buy		
	10.04.2014	1200	0.01		Increase	Buy		
	11.04.2014	50	0.00		Increase	Buy		
	16.04.2014	1190	0.01		Increase	Buy		
	17.04.2014	900	0.01		Increase	Buy		
	13.05.2014	16380	0.09		Increase	Buy		
	22.08.2014	36180	0.21		Increase	Buy		
	25.08.2014	3199	0.02		Increase	Buy		
	26.08.2014	4987	0.03		Increase	Buy		
	27.08.2014	2002	0.01		Increase	Buy		
	28.08.2014	5720	0.03		Increase	Buy		
	01.09.2014	2208	0.01		Increase	Buy		
	02.09.2014	657	0.00		Increase	Buy		
	03.09.2014	1000	0.01		Increase	Buy		
	04.09.2014	7150	0.04		Increase	Buy		
	05.09.2014	80	0.00		Increase	Buy		
	12.09.2014	3015	0.02		Increase	Buy		
	15.09.2014	2987	0.02		Increase	Buy		
	19.01.2015	4769	0.03		Decrease	Sell	820000	4.75
		820000	4.75					
2	Omprakash Agarwal	13300	0.08	31-03-15	No Change		13300	0.08



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### ATTACHMENT H

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount (Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2014)</b>				
i) Principal Amount	4614.50	-	-	4614.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL(i+ii+iii)</b>	<b>4614.50</b>	<b>-</b>	<b>-</b>	<b>4614.50</b>
<b>Change in Indebtedness during the Financial year</b>		-	-	
Addition*	2771.47	-	-	2771.47
Reduction**	(259.36)	-	-	(259.36)
Exchange Difference (Loss)	84.02	-	-	84.02
<b>Net Change</b>	<b>2596.13</b>	<b>-</b>	<b>-</b>	<b>2596.13</b>
<b>Indebtedness at the end of the financial year (31.03.2015)</b>		-	-	
i) Principal Amount	7210.63	-	-	7210.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL(i+ii+iii)</b>	<b>7210.63</b>	<b>-</b>	<b>-</b>	<b>7210.63</b>

### ATTACHMENT I

#### VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Director and/or Manager:

(Rs. in Lacs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager Pradeep Goyal Chairman & Managing Director	Total Amount
1	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.00	84.00
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.40	0.40
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others	0	0
5	Others	0	
	<b>TOTAL(A)</b>	<b>84.40</b>	<b>84.40</b>
	Ceiling as per the Act	Rs.1.30 crore (being 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)	

**PRADEEP METALS LIMITED****ATTACHMENT J****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****B. Remuneration to other Directors:**

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors							Total Amount
	Kewal Nohria	Raj Kumar Mittal	Suresh Vaidya	O.P. Agarwal	Rajeev Mehrotra	Jaidev Shroff	Neeru Goyal	
<b>Independent Directors</b>								
- Fee for attending board/ committee meetings	-	0.82	0.85	-	0.13	0.10	-	1.90
- Commission		1.00	1.00		1.00	1.00		4.00
- Others								
<b>TOTAL (1)</b>	-	1.82	1.85	-	1.13	1.10	-	5.90
<b>Other Non- Executive Directors</b>								
- Fee for attending board/ committee meetings	0.50	-	-	0.58	-	-	0.40	1.48
- Commission	1.00	-	-	1.00	-	-	-	2.00
- Others	-	-	-	-	-	-	-	-
<b>TOTAL (2)</b>	1.50	-	-	1.58	-	-	0.40	3.48
<b>GRAND TOTAL (1+2)</b>	1.50	1.82	1.85	1.58	1.13	1.10	0.40	9.38

**ATTACHMENT K****VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Name of Personnel other than MD/WTD/Manager			Total Amount (Rs. in Lacs)
		Abhinav Kapoor Company Secretary	Rajeev Dixit Chief Financial Officer	Abhinav Goyal Vice President	
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15.00	8.91	29.40	53.31
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0	0
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
5	Others	0	0	0	0
	- Medical	0	0	0	0
	- Cars	0	0	0	0
	- Interest Concession on Loan				
	<b>TOTAL</b>	15.00	8.91	29.40	53.31

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### ATTACHMENT L

#### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (give details)
Penalty	Section 87 read with Companies (Registration of Charges) Rules, 2014	Application for Condonation of Delay and extension of time for filing the particulars of Charge Satisfaction	Rs. 14,000/-	Regional Director, Western Region, Mumbai	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>Other Officers in Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

## MANAGEMENT DISCUSSION & ANALYSIS

### Company Background:

Pradeep Metals Limited (Company) is engaged in the manufacture of intricate closed die stainless, alloy and carbon steel forgings as finished and semi-finished machined components.

The Company currently serves 5 major industry verticals: instrumentation, oil & gas, petro-chemical, automotive and general engineering. Major customers are located in India, USA, UK, Singapore, Sweden, Denmark, France, Germany, Mexico, Argentina and Turkey.

The Company uses state-of-the-art machinery with sophisticated tool-room equipment to manufacture its forgings. The Company also employs hi-tech design and analysis software to create dies and tooling that play a key role in the production of forgings. The manufacturing plant is integrated with complete facilities for testing, cutting, die making, forging, heat-treatment and finishing. The Company continues to improve its machining capacity and capabilities by adding new Computer Numerical Control (CNC) machines and Vertical Machining Centers (VMC) to address the increasing demand for finished machined components. The Company has also made significant effort and developed dedicated vendors for machining, in addition to in-house facilities, to further enhance its machining capacity.

The Company uses an in-house laboratory, process control, continuous improvement principles to manufacture quality products. The quality assurance systems have been approved by Global Original Equipment Manufacturers (OEMs) including nuclear grade and high-pressure equipment OEMs in Europe, USA and South East Asia. The Company is certified to ISO 9001:2008 for nineteen consecutive years and TÜV Pressure Equipment Directive 97/23/EC (PED) standards for over 10 years. It is a pleasure to inform the Members that the Company has received three more prestigious certifications:

1. NORSOK approval for North Sea applications.
2. ISO 14000
3. ISO 18000

This further strengthens the Company's commitment to provide a safe and healthy environment to the employees and concern for sustainability of the environment. The Company continues to improve its capabilities to serve highly demanding markets to maintain our niche position in the industry. The Company is ready for yet another audit for Marine products approval, which is expected during the next quarter.

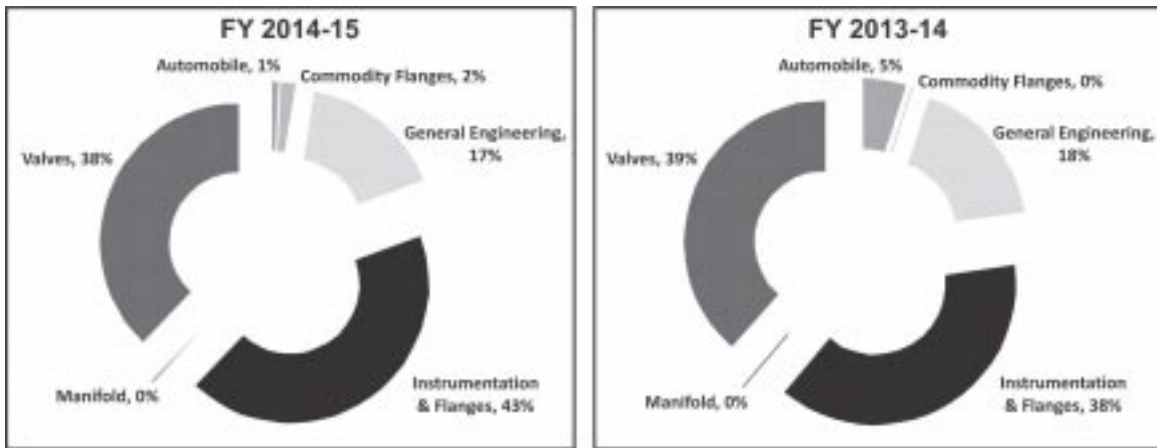
### Performance

Income from Operations (net of excise) during the year 2014-15 has increased by 14.9% as compared to the previous year. The increase is attributed to several reasons such as addition of new customers, addition of new components for existing customers and organic growth of requirements from existing customers. The Company has taken several proactive steps to bring new divisions of existing customers in its fold and the business has started. The process continues and we expect further increase in the business during the current financial year.

Profit before Tax has increased by 33%. The Company continues its effort in the direction of Lean manufacturing process and has almost completed the re-alignment of machines within the factory for a smooth flow of materials. The travel time of machined components within the plant has reduced by almost 50%. The renovation and upgradation of all machinery is an ongoing process and all machines are being upgraded at a regular frequency to keep them at par with current technologies. Energy saving devices continue to be a focus area in the Company. This has helped in reducing the total energy cost further in this year.

Exports have grown by 19% in the financial year and continue to be the dominant source of revenue, accounting for more than 70% of the product sales. The focus on niche OEM market continues to provide for long term success. The pie chart below shows the business mix of various industries served by the company.

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The Management is glad to inform you that Pradeep Metals Limited, Inc, Wholly Owned Subsidiary (WOS) in USA, has acquired 51% stake in the net assets of a CNC Machine Shop located in Houston, Texas w.e.f. 1<sup>st</sup> January, 2015 through a step-down subsidiary namely, Dimensional Machine Works, LLC. Mr. Abhinav Goyal, Vice President – Business Development/Technology has joined the Management Team at Houston, Texas in April, 2015. The step-down subsidiary serves the Oil & Gas industry. It specializes in very complicated and highly precision CNC/VMC machined components.

The Company has installed and commissioned a 2.1MW Wind Mill on 31<sup>st</sup> March, 2015 in Village Umrani, Tal : Jath, Dist. Sangli, Maharashtra, as a captive unit. Power is being generated on a regular basis. This will offset the on-going increase in cost of power increase on an annual basis, as well as provide sustainable power in the Company's quest for being a green organization.

### **Business Environment:**

India witnessed a major change in its political environment. A new Government with full majority was sworn in May 2014. The manufacturing business and economy outlook became extremely buoyant and the investment outlook and political uncertainty of the earlier years became history. Major currencies remained stable for most of the year except Euro which sharply appreciated in the last quarter.. A major effect of energy cost was witnessed by a steep fall in oil price world-wide. This resulted in lower WPI compared to previous years. The Company benefitted from the lower cost of certain inputs during the year. The steel prices remained almost steady which also brought stability in the business.

### **Future Outlook:**

The environment in the country remains positive. The Company is noticing a rise in the capital goods industry indicating new investments within India and, as a result, an increase in domestic sales. The effort to bring new components in the Company's basket of product-mix and the effort to provide more value added machined components to the customers is yielding further benefits to the Company. Barring any unforeseen factors, the Company is expected to continue a steady growth in the coming years.

### **Cautionary Statement:**

Details provided hereinabove relating to various activities and future plans may be "forward-looking statements" within the realm of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied. The Company may need to change plans or other projections due to changes in Government policies, tax laws, market conditions and other incidental factors.

## CORPORATE GOVERNANCE REPORT

A detailed report on Corporate Governance for the Financial Year ended 31<sup>st</sup> March, 2015 as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Pradeep Metals Limited (PML) is committed to the highest standards of Corporate Governance in all its endeavors by including in all its operations and processes, the principles of transparency, integrity, professionalism and accountability. PML believes in Corporate Governance as a necessary culture for achieving superior performance and its core being transparency, accountability, equity and openness in the working of the management and the Board.

### 2. GOVERNANCE STRUCTURE

Pradeep Metals Limited's governance structure comprises of the Board of Directors and the Committees of Board of Directors which function on the Principles of Prompt Decision Making, Statutory Compliance, Accurate and Timely Disclosures, Transparency and Monitoring in order to create value addition to the Company for its Stakeholders. In line with these principles, the Company has formed two tiers of Corporate Governance Structure, viz.

- i) **The Board of Directors**
- ii) **Committees of Directors**

### 3. BOARD OF DIRECTORS

The Board of Directors of the Company comprises of a fair combination of Executive, Non-Executive and Independent Directors complying with the provisions of the Companies Act, 2013 and the Listing Agreement. The Board of Directors consist of 8 Directors of whom 1 is Executive, 3 are Non-executive Directors, 4 are Independent Directors. The Chairman of the Company is an Executive Director and also the Managing Director.

The Non-Executive Directors including Independent Directors on the Board are experienced, competent and highly renowned persons from the fields of finance & taxation, economics, law, legal governance etc. They take active part at the Board and Committee meetings by providing valuable guidance and expertise to the Management on various aspects of business, policy direction, governance, compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors which ultimately leads to the success of the Company.

#### a) COMPOSITION OF THE BOARD

The Composition of the Board comprises of the following, as at the end of the Financial Year 2015: Pursuant to the provisions of the Companies Act, 2013, Dr. Kewal Nohria retires by rotation and being eligible, offers himself for re-appointment.

Category	Name of Director
Chairman & Managing Director	Pradeep Goyal
Non-Executive Director	Kewal K. Nohria
Non-Executive Director	Omprakash Agarwal
Non-Executive/Independent Director	Suresh G. Vaidya
Non Executive /Independent Director	Raj Kumar Mittal
Non-Executive Woman Director	Neeru Pradeep Goyal
Non-Executive/ Independent Director	Jaidev R. Shroff
Non-Executive/ Independent Director	Rajeev D. Mehrotra

#### b) BOARD MEETINGS

The Company holds regular Board Meetings. The detailed agenda along with the explanatory notes are circulated to the Directors well in advance. The Directors can suggest inclusion of any item(s) in the agenda at the Board Meeting.

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The Company held Six (6) Board Meetings during the Financial Year ended 31<sup>st</sup> March, 2015. The details of the same are as under:

No. of Board Meeting	Date of Board Meeting
1	10.05.2014
2	03.07.2014
3	14.08.2014
4	26.09.2014
5	12.11.2014
6	07.02.2015

The attendance of the Directors at the Board Meeting and the Annual General Meeting held during the year ended 31<sup>st</sup> March, 2015 was as follows:

Name of Directors	No. of Board Meetings attended during the Financial year 2014-15	Whether attended AGM held on 4 <sup>th</sup> September, 2014	Number of Directorships in other public limited Companies*		No. of Committee positions held in other public limited Companies*	
			Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Pradeep Goyal	5	Yes	Nil	3	2	4
Kewal K. Nohria	4	Yes	Nil	5	1	5
Omprakash Agarwal	5	Yes	Nil	0	Nil	Nil
Suresh G. Vaidya	5	Yes	Nil	1	Nil	1
Raj Kumar Mittal	6	Yes	Nil	1	Nil	2
Neeru Pradeep Goyal	5	Yes	Nil	Nil	Nil	Nil
Jaidev R. Shroff	1	No	Nil	8	Nil	Nil
Rajeev D. Mehrotra	1	No	Nil	Nil	Nil	Nil

*\*Excludes Directorships in Private Limited Companies, Foreign Companies and Government Bodies. Only Audit Committee and Stakeholders' Relationship Committee have been considered for the Committee positions.*

**i) Information provided to the Board:**

The Board of the Company is presented with all information under the following heads, whenever applicable and materially significant. These are surmised either as part of the agenda well in advance of the board meetings or are tabled in the course of the Board meetings. This, inter-alia, include:

1. Annual operating plans of the businesses, capital budgets and updates.
2. Quarterly results of the Company and its operating divisions or business segments.
3. Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
4. Materially important litigations, show cause, demand, prosecution and penalty notices.
5. Fatal or serious accidents.
6. Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
7. Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
8. Details of any joint venture or collaboration agreement or new client win.
9. Transactions which involved substantial payment towards good-will, brand equity, or intellectual property.
10. Significant development in the human resources front.

11. Sale of material, nature of investments, subsidiaries, assets which are not in the normal course of business.
12. Quarterly details of foreign exchange exposure and the steps taken by management to limit the risk of adverse exchange rate movement.
13. Quarterly update on the return from deployment of the surplus funds.
14. Non-compliance of any regulatory or statutory provisions of the listing agreements as well as the shareholders services as non-payment of dividend and delays in share transfer.
15. Significant labour problems and their proposed solutions. Any significant developments in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

**ii. Brief resume of Director who will be retiring by rotation at this Annual General Meeting of the Company.**

Name of the Director	Dr. Kewal K. Nohria
Director Identification Number	00060015
Date of Birth	4 <sup>th</sup> October, 1932
Date of Appointment	14 <sup>th</sup> April, 2008
Expertise in Specific Functional Area	Technical and Management Expert
Qualification	B.E. (Elect.), D. Litt from BHU
No. of shares held in the Company	820000
Lists of Outside Directorship Held	Grow Talent Company Ltd. Jolly Board Ltd. CG-PPI Adhesive Products Ltd. Accelya Kales Solutions Ltd. CTR Manufacturing Industries Ltd. Inspired Leadership Gurukul Fontus Water Pvt. Ltd. Maini Materials Movement Pvt. Ltd. Maini Precision Products Pvt. Ltd. Coreel Technologies (India) Pvt. Ltd. EA Water Pvt. Ltd. Net Creations Pvt. Ltd. Aventura Components Pvt. Ltd. Healthpoint Services India Pvt. Ltd. Polymermann (Asia) Pvt. Ltd. Geist Research Pvt. Ltd.
Chairman/ members of the Committee of the Board of Directors of the Company	Member of - Audit Committee - Nomination and Remuneration Committee - Shareholders/Stakeholders Grievance Committee - Risk Management Committee
Chairman/Member of the Committee of the Board of Directors of the Companies: a) Audit Committee b) Shareholder/Stakeholders Grievance committee c) Nomination & Remuneration Committee d) CSR Committee e) Risk Management Committee	Member - 2, Chairman - 1 Member - 2 Member - 1 - -



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### 4. COMMITTEES OF THE BOARD

The Board has Five Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders'/Shareholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

#### COMPOSITION OF COMMITTEES OF THE BOARD:

Committees of the Board					
Names of Board Members (Whether Member Y/N)	Audit Committee	Nomination & Remuneration Committee	Shareholders/ Stakeholders' Relationship Committee	CSR Committee	Risk Management Committee
Pradeep Goyal	N	N	N	N	Y
Kewal K. Nohria	Y	Y	Y	N	Y
Suresh G. Vaidya	Y	Y	Y	N	N
Raj Kumar Mittal	Y	Y	N	Y	Y
Rajeev D. Mehrotra	N	Y	N	Y	Y
Jaidev R. Shroff	N	N	N	N	N
Omprakash Agarwal	N	N	Y	N	N
Neeru Pradeep Goyal	N	N	N	Y	N

#### ATTENDANCE DETAILS : COMMITTEE MEETINGS HELD DURING FY 2014-15

Sr.	Name of Director	Date of Meetings						Total No. of Meetings Attended
		10.05.14	03.07.14	14.08.14	26.09.14	12.11.14	07.02.15	
<b>Audit Committee (6 Meetings)</b>								
1.	Dr. Kewal K. Nohria	P	P	A	P	A	P	4
2.	Mr. Suresh G. Vaidya	A	P	P	P	P	P	5
3.	Mr. Raj Kumar Mittal	P	P	P	P	P	P	6
<b>Shareholders/Stakeholder's Grievance Committee (3 Meetings)</b>								
1	Dr. Kewal K. Nohria	P	N.A.	A	N.A.	A	N.A.	1
2	Mr. Suresh G. Vaidya	A		P		P		2
3	Mr. Omprakash Agarwal	P		P		P		3
<b>Nomination &amp; Remuneration Committee (1 Meeting)</b>								
1	Dr. Kewal K. Nohria	N.A.	P	N.A.	N.A.	N.A.	N.A.	1
2	Mr. Suresh G. Vaidya		P					1
3	Mr. Raj Kumar Mittal		P					1
4	Mr. Rajeev D. Mehrotra	P						1
<b>CSR Committee (1 Meeting)</b>								
1	Mrs. Neeru Pradeep Goyal	N.A.	P	N.A.	N.A.	N.A.	N.A.	1
2	Mr. Raj Kumar Mittal		P					1
3	Mr. Rajeev D. Mehrotra		P					1
<b>Risk Mgmt. Committee (1 Meeting)</b>								
1	Mr. Pradeep Goyal	N.A.	P	N.A.	N.A.	N.A.	N.A.	1
2	Dr. Kewal K. Nohria		P					1
3	Mr. Raj Kumar Mittal		P					1
4	Mr. Rajeev D. Mehrotra		P					1



### (a) **AUDIT COMMITTEE**

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out by the Management, internal auditors on the financial reporting process and the safeguards employed by them.

Brief description of terms of reference:

- a) To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible;
- b) To recommend the appointment/removal of external auditors, fixing auditor's fees and to approve payments for any other services;
- c) The review with management the annual financial statements before submission to the Board, focusing primarily on :
  - Any change in accounting policies and practices;
  - Major accounting entries based on exercise of judgment by management Qualifications in the draft audit report;
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with Stock Exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- d) To review with Management; external and internal auditors, to review the efficacy of the Internal Control Systems;
- e) To review the adequacy of the internal audit function, including the structure of internal audit department, staffing and seniority of the officials heading the department, reporting structure, coverage and frequency of internal audit;
- f) To review the company's financial and risk management policies.

### **Powers of the Audit Committee**

The Audit Committee has the following powers:

1. To investigate any activity within its term of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of the outsiders with relevant expertise, if it considers necessary.

### **Review of information of the Audit Committee**

The Audit Committee mandatorily reviews the following information:

1. Management discussion and analysis of financial conditions and results of operation.
2. Statement of Related Party Transactions (as defined by Audit Committee), submitted by the Management.
3. Management letters/ letters of internal control weakness issued by statutory auditors.
4. Internal audit reports relating to internal control weaknesses; and
5. Appointment, removal and terms of remuneration of the Internal Auditors and Statutory Auditors.

### (b) **NOMINATION AND REMUNERATION COMMITTEE**

The Company considers its human resources as its invaluable assets. The policy on remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013.

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**Brief description of terms of reference/Main objects of the policy are as follows:**

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, key managerial performance and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**Remuneration Policy**

**a. Remuneration to Managing Director/Whole-Time Directors**

The remuneration to be paid to the Managing Director/Whole-Time Directors etc. are governed as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

The Nomination and Remuneration Committee makes such recommendations to the Board of Directors, as it may consider appropriate with regard to the remuneration to Managing Directors/Whole-Time Directors.

**b. Remuneration to Non Executive/ Independent Directors:**

The Non Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

Any remuneration paid to Non Executive/Independent Directors for services rendered which are professional in nature shall not be considered as part of the remuneration for the purpose of the clause (b) above if the following conditions are satisfied:

- The services are rendered by the Director in his capacity as the professional; and
- In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

**c. Remuneration to the Key Managerial Personnel and Senior Management:**

The remuneration of the Key Managerial personnel and Senior Management consists of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

The Incentive pay is decided based on the balance between performance of the Company and performance of the Key managerial Performance and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**Remuneration of Directors**

- (i) Details of payments made to Non-Executive Independent Directors during the year 2014-15 are given below:

(Rs. in Lacs)

Name of the Directors	Sitting Fees	Commission
Mr. Suresh G. Vaidya	0.85	1.00
Mr. Raj Kumar Mittal	0.83	1.00
Mr. Rajeev D. Mehrotra	0.13	1.00
Mr. Jaidev R. Shroff	0.10	1.00

Basis for payment of Commission to Non-Executive Directors: Commission at the rate of upto 1% (one percent) of the net profits of the Company computed in accordance with the provisions of Section



## PRADEEP METALS LIMITED

198 of the Act, is divided equally amongst all the Non-Executive Directors (other than the Directors who are either in whole time employment of the Company or belong to the Promoters' Group).

(ii) Details of Remuneration paid to Managing Directors during the year 2014-15 are given below:

Name of the Director	Remuneration (Including Allowances & Bonus) (Amount in Rs.)	Perquisites (as per income tax rules) In Cash or Kind (Amount In Rs.)	Service Contract
Mr. Pradeep Goyal	59,61,290.00	28,103.00	From 01.04.2014 to 16.12.2014
Mr. Pradeep Goyal	24,38,710.00	11,497.00	From 17.12.2014 to 31.03.2015

### **Pecuniary relationship or transactions of Non Executive Directors**

During the year under review, Company had entered into transactions with Dhanlabh Engineering Works Pvt. Ltd. and Economic Forge Pvt. Ltd. where two of the Non-Executive Directors viz. Mrs. Neeru Goyal and Mr. Omprakash Agarwal are Directors. The details of the transactions entered are enumerated in the Notes Forming Parts of the Accounts (1.2.7).

### **Criteria for making payments to the Non Executive Directors**

Non Executive Directors of the Company play a crucial role in the independent functioning of the Board. They bring an external perspective to the decision making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee Corporate Governance Framework of the Company.

The Non-Executive Directors of the Company (other than the Directors who are either in whole time employment of the Company or belong to the Promoters' Group) are eligible to receive commission not exceeding 1% (one percent) of the net profits of the Company computed in accordance with the provisions of Section 198 of the Act. Such commission is to be divided amongst the Directors aforesaid in such amounts or proportions and in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally.

The Company currently has no Stock Options for its Directors. During the year under review, none of the Directors was paid any performance linked incentive. In F.Y. 2014-15, the Company did not advance any loans to any of the Non Executive Directors.

### **(c) SHAREHOLDERS'/STAKEHOLDERS' RELATIONSHIP COMMITTEE**

#### **Scope of the Committee**

The scope of Stakeholders' Relationship Committee is to review and address grievances of the shareholders in respect of share transfers, transmission, non-receipt of annual report, non-receipt of dividend etc., and other related activities. In addition, the committee also looks into the matters which can facilitate better investors' services and relations. This committee looks into redressal of Shareholders' and investors' complaints with respect to transfer/transmission of shares, non-receipt of annual report, dividend warrants etc.

#### **Compliance officer**

<b>Name of the Compliance Officer</b>	Mr. Abhinay Kapoor
<b>Contact Details</b>	Pradeep Metals Ltd., R-205, MIDC, Rabale, Navi Mumbai - 400701.
<b>E-mail ID</b>	investors@pradeepmetals.com

### **d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

#### **Scope of the Committee**

a) The scope of the Corporate Social Responsibility Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

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- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);  
 c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

### (e) **RISK MANAGEMENT COMMITTEE**

#### **Scope of the Committee**

The role of Risk Management Committee is to assist the Board with the identification and management of risks to which the Company is exposed, assist the Board with monitoring and review of the Risk Management Policy and to ensure effective implementation of the Policy of the Company.

### 5. **MEETING OF INDEPENDENT DIRECTORS**

The Company's Independent Directors met on 28<sup>th</sup> March, 2015 without the presence of Managing Director, Non Executive, non Independent Directors and the Management Team. The meeting was attended by all the independent directors, except Mr. Jaidev R. Shroff, who had informed his inability to attend the said meeting and was conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

#### **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

At previous AGM of the Company held in Financial year 2014-15, Members had re-appointed the existing Independent Directors of the Company under the revised terms of appointment as per the provisions of Companies Act, 2013. All these Independent Directors are already on Company's Board since last few years. Hence they are already well versed with the business, processes, functionaries of the Company. In case of new person, appointed as Independent Director of the Company, a familiarization program will be conducted to help the newly appointed Director to provide insights into the Company.

### 6. **GENERAL BODY MEETINGS**

#### **Details of Annual General Meetings held in the three previous years and Special Resolutions passed:**

##### **Annual General Meetings :**

Following table enumerates the particulars of the last three Annual General Meetings of the Company:

<p><b>Financial Year:</b> 2011-12  <b>Date and Time:</b> 6<sup>th</sup> September, 2012                      at 12:30 pm  <b>Venue:-</b> R-205, MIDC, Rabale,                      Navi Mumbai-400701</p>	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company and payment of remuneration for a period of 3 years w.e.f. 17<sup>th</sup> December, 2010 to 16<sup>th</sup> December, 2013.</li> <li>• Application to the Central Government for waiver of refund of excess remuneration paid to Mr. Pradeep Goyal, Chairman and Managing Director of the Company during financial year ended 31<sup>st</sup> March, 2010 amounting to Rs. 1,60,876/- and during financial year ended 31<sup>st</sup> March, 2011 amounting to Rs. 1,28,717/-.</li> </ul>
<p><b>Financial Year:</b> 2012-13  <b>Date and Time:</b> 8<sup>th</sup> August, 2013                      at 12:30 pm  <b>Venue:-</b> R-205, MIDC, Rabale,                      Navi Mumbai-400701</p>	<ul style="list-style-type: none"> <li>• No Special Resolution was passed in the meeting.</li> </ul>
<p><b>Financial Year:</b> 2013-14  <b>Date and Time:</b> 4<sup>th</sup> September, 2014                      at 12:30 pm  <b>Venue:-</b> Monarch Banquets,                      Plot No. 110/111, MIDC,                      Thane Belapur Road,                      Near Rabale Railway Station,                      Rabale, Navi Mumbai-400701</p>	<ul style="list-style-type: none"> <li>• Appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company and payment of remuneration for a period of 3 years w.e.f. 17<sup>th</sup> December, 2014 to 16<sup>th</sup> December, 2017.</li> <li>• Authority for borrowing monies in excess of paid up capital and free reserves of the Company but not exceeding to Rs. 150 Crores</li> <li>• Authority for creation of charges/ mortgages etc. on the properties of the Company for an amount not exceeding Rs. 150 Crores.</li> </ul>



- Authority to the Board of Directors to enter into contracts and supply goods and services to Pradeep Metals Ltd., New York, USA, 100% subsidiary of the Company.

**Extra Ordinary General Meetings****Details of Extra Ordinary General Meetings held in the three previous years and Special Resolutions passed there at:**

<b>Financial Year:</b> 2011-12 <b>Date and Time:</b> 29 <sup>th</sup> December, 2012 at 3:00 pm <b>Venue:</b> R-205, MIDC, Rabale, Navi Mumbai-400701	<ul style="list-style-type: none"><li>• Appointment of Mr. Abhinav Goyal as Vice President Business Development/Technology) for a period of 5 years (w.e.f. 1<sup>st</sup> September, 2012 and payment of remuneration to him.</li><li>• Establishment of branch Office of the Company in the city of New York, USA and to appoint Branch Auditors.</li></ul>
<b>Financial Year:</b> 2013-14 <b>Date and Time:</b> 25 <sup>th</sup> January, 2014 at 2:30 pm <b>Venue:</b> R-205, MIDC, Rabale, Navi Mumbai-400701	<ul style="list-style-type: none"><li>• Appointment of Mr. Pradeep Goyal as Chairman and Managing Director of the Company and payment of remuneration for a period of 1 year w.e.f. 17<sup>th</sup> December, 2013 to 16<sup>th</sup> December, 2014.</li></ul>

**Postal Ballots**

No resolution was passed through postal ballot.

**7. MANAGEMENT****i) Management Discussion and Analysis**

This is given as a separate chapter in this annual report.

**ii) Disclosure of material transactions**

Pursuant to clause 49 of the listing agreement, senior management members have given disclosures to the Board that there are no material, financial or commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company

**8. DIRECTORS' APPOINTMENT/RE-APPOINTMENT**

According to the Companies Act, 2013, at least two-third of the Board should consist of retiring Directors. Of these, one-third of the Directors (other than Independent Directors and CMD) is required to retire every year end and, if eligible, may seek re-appointment by the shareholders.

Accordingly Dr. Kewal K. Nohria retires from the Board by rotation this year and, being eligible, has offered his candidature for re-appointment. A brief profile of the Director proposed to be re-appointed is given in the notice convening the ensuing Annual General meeting of the Company.

**9. DISCLOSURES****i) Disclosures regarding materially significant related party transactions**

The particulars of the transactions between the Company and related parties, as per the Accounting Standards are mentioned separately in Notes to Accounts No. 1.2.3 - forming part of the Annual Accounts. Constituents of Promoters' Group within the meaning of group under SEBI (Substantial Acquisition of Shares and Take over) Regulation, 1997, include:

1. S.V. Shah Construction Services Pvt. Ltd.
2. Rabale Engineering (India) Pvt. Ltd.
3. Dhanlabh Engineering Works Pvt. Ltd.
4. Anchor Engineering Corporation
5. Shubh Industrial Park Pvt. Ltd.
6. Shubh Buildtech LLP
7. Mr. Pradeep Goyal
8. Mrs. Neeru Pradeep Goyal

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No transaction of material nature has been entered into by the Company with its Promoters or Directors or management or relatives etc. that may have a potential conflict with the interest of the Company. All transactions with the Related Parties were in the ordinary course of business and at arm's length basis

**ii) Disclosure for non-compliance by the Company**

There was no non-compliance during the year and no penalties were imposed on the Company by the Stock Exchange, SEBI or any other statutory authority. The Company obtained a certificate from the statutory auditor of the Company with respect to compliance with the conditions of the Corporate Governance and annexed the Certificate with the Director's Report and sent the same to all the shareholders of the Company and to all the concerned stock exchanges along with the annual reports filed by the Company.

**iii) Prevention of Insider Trading**

In compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 1992, as amended till date on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered by its management staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances thereof.

The Company follows quiet periods (closure of trading window) prior to its publication of unpublished price sensitive information. During the quiet period, the Company has set up a mechanism where the management and relevant staff and business associates of the Company are informed not to trade in Company's securities. The Company also affirms that no personnel have been denied access to the audit committee.

**iv) Code of Conduct**

In terms of Clause 49 of the Listing Agreement(s), the Company has adopted a Code of Conduct for the Board of Directors and Senior manager Personnel of the Company. The same has been posted on the Company's website. The declaration by the Chairman and Managing Director of the Company forms part of this report.

**v) Details of Compliance with Clause 49 of the Listing Agreement**

The Company has complied with the provisions of Clause 49 of the Listing Agreement.

**vi) Vigil Mechanism and Whistle-Blower Policy**

Pursuant to section 177(9) and (10) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy.

The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provisions for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower policy has been hosted on the website of the Company.

**vii) SEBI Complaints Redress System (SCORES)**

Securities Exchange Board of India (SEBI) administers a centralized web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website [www.scores.gov.in](http://www.scores.gov.in). It also enables the market intermediaries and listed Companies to receive the complaints from investors against them, redress such complaints received through SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint.



## 10. Means of Communication

The Company published all the quarterly results and annual results in daily newspaper in Marathi and English. Quarterly, half yearly and annual financial results are published in Asian Age (in English) and Dainik Sagar (in Marathi) along with an official press release.

The Company has a website [www.pradeepmetals.com](http://www.pradeepmetals.com) which contains all important public domain information. The website also contains information on matters concerning the shareholders and details of the Corporate contact person. All financial and other vital official news releases are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

The Company also publishes the following information, statement and reports on [www.pradeepmetals.com](http://www.pradeepmetals.com) as specified by SEBI:

- i) Annual report including the Balance sheet, statement of profit and loss, cash flow statement, Director's report and Auditor's report and quarterly financial statements.
- ii) Corporate Governance report
- iii) Shareholding pattern

## 11. Shareholder information

- **Forthcoming Annual General Meeting**

The forthcoming Annual General Meeting of the Members of Pradeep Metals Limited will be held at Monarch Banquets, Plot No. 110/111, MIDC, Thane Belapur Road, Near Rabale Railway Station, Rabale, Navi Mumbai 400701 on 11<sup>th</sup> September, 2015 at 2:00 p.m.

- **Financial Year of the Company**

Financial year of the Company is 1<sup>st</sup> April to 31<sup>st</sup> March every year.

- **Date of Book Closure**

Share transfer books of the Company will be closed from 4<sup>th</sup> September, 2015 to 11<sup>th</sup> September, 2015 (both days inclusive)

- **Listing on Stock Exchange**

BSE Limited, Mumbai

- **Stock Code**

Bombay Stock Exchange Code-513532

- **The ISIN No. in NSDL**

INE770A01010

- **Market price Data**

The Table below gives the monthly high and low prices of Equity shares of the Company at Bombay Stock Exchange Limited (BSE) for the year 2014-15

Month	High	Low
April 2014	21.90	19.30
May 2014	28.00	17.45
June 2014	45.00	25.00
July 2014	49.90	34.50
August 2014	42.65	36.55
September 2014	54.80	38.55
October 2014	57.00	40.05
November 2014	72.90	42.25
December 2014	71.50	46.60
January 2015	57.00	49.35
February 2015	58.85	47.50
March 2015	53.95	42.50



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### Distribution of Shareholding as on 31<sup>st</sup> March, 2015

No of Equity Shares held	No of Shareholders	Share Amount (Rs)	% of Shareholding
Upto 500	5181	7631620	4.42
501-1000	382	3355710	1.94
1001-2000	182	2678220	1.55
2001-3000	60	1547870	0.90
3001-4000	33	1187800	0.69
4001-5000	31	1487390	0.86
5001-10000	36	2655770	1.54
10001 and above	58	152155620	88.10
<b>Total</b>	<b>5963</b>	<b>172700000</b>	<b>100.00</b>

### Pattern of Shareholding by ownership as on 31<sup>st</sup> March, 2015

Category	No. of Shares	% of Total Shares
Promoters	11637241	67.38
Persons Acting in Concert	0	0
Mutual Funds and UTI	9000	0.05
Banks/FIs/Insurance Co. (Central/State Govt./ Non-Govt. Institutions)	4100	0.02
Corporate Bodies	276462	1.60
NRIs/OCBs	1336225	7.74
Clearing Members	10834	0.06
Indian Public	3161838	18.31
Others:- 1) Non-Executive Directors	833300	4.83
2) Trust	1000	0.01
<b>Total</b>	<b>17270000</b>	<b>100</b>

### Financial Release Dates for 2015-16

Quarter	Release Date (Tentative and Subject to Change)
1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June	14 <sup>th</sup> August, 2015
2 <sup>nd</sup> Quarter ending 30 <sup>th</sup> September	14 <sup>th</sup> November, 2015
3 <sup>rd</sup> Quarter ending 31 <sup>st</sup> December	15 <sup>th</sup> February, 2016
4 <sup>th</sup> Quarter ending 31 <sup>st</sup> March	25 <sup>th</sup> May, 2016

- **Registrar and Share Transfer Agent**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (W), Mumbai - 400 078.  
Contact No.: 022-2594 6970; 022-2594 6969

- **Share Transfer System**

Shares sent for transfer in physical form are registered and returned by Registrar and Share Transfer agents within 30 days from the date of receipt of documents, provided the documents are found in order. Shares under objection are returned within 21 days.



## **PRADEEP METALS LIMITED**

- **Address for Correspondence**

For any query relating to the shares of the Company  
Pradeep Metals Limited, R-205, MIDC, Rabale, Navi Mumbai - 400701.

**By Order of the Board  
For Pradeep Metals limited**

**Place: Navi Mumbai**

**Date: 3<sup>rd</sup> July, 2015**

**REGISTERED OFFICE:**

Pradeep Metals Ltd.,  
R-205, MIDC, Rabale,  
Navi Mumbai - 400701.  
CIN: L99999MH1982PLC026191

**Sd/-  
Pradeep Goyal  
Chairman & Managing Director  
(DIN:00008370)**

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### AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To

**The Members of Pradeep Metals Limited**

We have examined the compliance of conditions of Corporate Governance by Pradeep Metals Limited for the year ended 31<sup>st</sup> March, 2015, as stipulated in clause 49 of the Listing Agreement(s) of the said Company with Sock Exchanges in Republic of India.

The compliance of conditions Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (As stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and 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 representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement in all material aspects. 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 and on behalf of **S.R. REGE & CO.**  
Chartered Accountants  
Firm's Registration No.108813W

**S.M.Patki**  
Partner

Membership No.037690

Place: Navi Mumbai

Date: 3<sup>rd</sup> July, 2015

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### DECLARATION OF CEO CEO CERTIFICATION

I confirm that all Members of board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year 2014-15.

Place: Navi Mumbai

Date: 3<sup>rd</sup> July, 2015

**Pradeep Goyal**  
Managing Director



**AUDITORS' REPORT**

To,  
The Members of Pradeep Metals Ltd,

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Pradeep Metals Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities:**

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion :**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so

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required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2015, and its Profit and Loss and its Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Matters :**

9. As required by the Companies (Auditor's Report) Order, 2015 ("The Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 & 4 of the Order to the extent applicable.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors as on 31st March 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending Litigation which would impact its financial position in its Financial Statements.
    - ii. The Company did not have any Long Term Contracts including Derivatives Contracts for which there were any material foreseeable losses.
    - iii. The Clause no.(c) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, is not applicable to the Company for the year ended 31<sup>st</sup> March, 2015 as the time limit prescribed for transferring Unpaid Dividend to the Investor Education and Protection Fund is yet to be completed.

**FOR S. R. REGE & CO.  
CHARTERED ACCOUNTANTS  
(Reg. No. 108813W)**

**MUMBAI  
8<sup>th</sup> May, 2015.**

**S. M. PATKI  
PARTNER  
Membership No. 037690**



## Re: Pradeep Metals Limited

Annexure referred to in paragraph 9 of our report of even date,

### Fixed Assets

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All assets have not been physically verified by the management during the period under the audit but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

### Inventories

2. a) The inventory has been physically verified during the period under the audit 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) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.

### Loans granted or taken

3. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses (iii) (a) and (iii) (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.

### Internal Control

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.

### Public deposits

5. The Company has not accepted any deposits from the public.

### Cost records

6. According to the information and explanations given to us, the Company has maintained the Cost records under Companies (Cost Audit report) Rules, 2011 as prescribed under section 148(1) of the Companies Act, 2013.

### Statutory dues

7. a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, there are no dues of the income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- c) According to the information and explanations given to and on the basis of the examination by the Statutory Auditors, the Company did not have any dues on account of Investor Education and Protection Fund.

### Accumulated losses

8. a) Since the Company has no accumulated losses, the clause 3(viii) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company..

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- b) The Company has not incurred any cash losses during the period covered by our audit and the immediately preceding financial year.

### **Default in repayments of dues**

- 9 In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debentures holders during the year.

- 10 According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.

### **Borrowings, funds raised and their utilization**

- 11 In our opinion and to the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company have, *prima facie*, been applied for the purpose for which they were obtained.

### **Frauds**

- 12 During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instances of fraud by the Company, noticed or reported during the year under audit, nor have we been informed of any such case by the Management of the Company.

**FOR S. R. REGE & CO.  
CHARTERED ACCOUNTANTS  
(Reg. No. 108813W)**

**S. M. PATKI  
PARTNER  
Membership No. 037690**

**MUMBAI  
8<sup>th</sup> May, 2015**



## CONSOLIDATED AUDITORS' REPORT

To  
The Members of Pradeep Metals Ltd,

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of the Pradeep Metals Limited, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities:

3. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Consolidated Audit Report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.



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### Opinion :

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- In the case of the Consolidated Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2015,
  - In the case of the Consolidated Statement of Profit and Loss, of the profit of the Company for the year then ended; and
  - In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
9. Other Matters for Consolidation Report:  
The financial results for the period January 2015 to March 2015 in respect of Dimensional Machine Works, LLC (Step-down Subsidiary in USA) are unaudited and considered as it is for consolidation.  
The details of assets, revenue and net cash flow in respect of foreign subsidiary including step-down subsidiary to the extent to which they are reflected in Consolidated Financial Statements are given below:

	<b>Rs. ( In Lacs) Total Assets</b>	<b>Rs. ( In Lacs) Total Revenue</b>	<b>Rs. ( In Lacs) Net Cash flow</b>
<b>Foreign Subsidiary</b>	<b>4,008.75</b>	<b>2,188.05</b>	<b>197.56</b>

**FOR S. R. REGE & CO.  
CHARTERED ACCOUNTANTS  
(Reg. No. 108813W)**

**MUMBAI  
8<sup>th</sup> May,2015**

**S. M. PATKI  
PARTNER  
Membership No. 037690**


**PRADEEP METALS LIMITED**
**BALANCE SHEET AS AT 31st MARCH, 2015**

		(Rs. in Lacs) As at 31st March, 2015 (Audited)	(Rs. in Lacs) As at 31st March, 2014 (Audited)
<b>I EQUITY AND LIABILITIES</b>			
1) <b>Shareholders' Funds</b>			
a) Share Capital	2.1	1,726.26	1,726.26
b) Reserve and Surplus	2.2	1,961.06	1,650.57
		<b>3,687.32</b>	<b>3,376.83</b>
2) <b>Share Application Money Pending Allotment</b>		-	-
3) <b>Non-Current Liabilities</b>			
a) Long-Term Borrowings	2.3	1,031.49	123.22
b) Deferred Tax Liabilities (Net)	2.4	337.00	267.69
c) Other Long Term Liabilities	2.5	45.52	0.98
d) Long-Term Provisions	2.6	68.03	48.31
		<b>1,482.04</b>	<b>440.20</b>
4) <b>Current Liabilities</b>			
a) Short-Term Borrowings	2.7	6,034.21	4,231.92
b) Trade Payables		727.76	922.08
c) Other Current Liabilities	2.8	408.18	380.17
d) Short-Term Provisions	2.9	476.93	438.32
		<b>7,647.08</b>	<b>5,972.49</b>
<b>TOTAL</b>		<b>12,816.44</b>	<b>9,789.52</b>
<b>II ASSETS</b>			
1) <b>Non-Current Assets</b>			
a) Fixed Assets	2.10		
i) Tangible Assets		2,885.10	2,038.53
ii) Capital Work-in-Progress		691.90	179.20
		<b>3,577.00</b>	<b>2,217.73</b>
b) Non-Current Investments	2.11	267.91	3.72
c) Long-Term Loans and Advances	2.12	500.90	385.04
d) Other Non-Current Assets	2.13	17.30	13.60
		<b>4,363.11</b>	<b>2,620.09</b>
2) <b>Current Assets</b>			
a) Inventories	2.14	3,621.28	3,134.26
b) Trade Receivables	2.15	3,798.25	3,162.82
c) Cash and Cash Equivalents	2.16	32.17	30.75
d) Short-Term Loans and Advances	2.17	1,001.63	841.60
		<b>8,453.33</b>	<b>7,169.43</b>
<b>TOTAL</b>		<b>12,816.44</b>	<b>9,789.52</b>

Significant Accounting Policies and Notes 1 to 4

Notes referred to above form an integral part of the Balance Sheet

As per our report of even date

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS  
(Regn.No. 108813W)

**S.M. PATKI**

PARTNER

Membership No. 037690

Navi Mumbai

8th May, 2015

**PRADEEP GOYAL**

**NEERU GOYAL**

**ABHINAY KAPOOR**

**RAJEEV DIXIT**

Chairman and Managing Director

Director

Company Secretary

Chief Financial Officer

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### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

		(Rs. in Lacs) Year Ended 31st March, 2015 (Audited)	(Rs. in Lacs) Year Ended 31st March, 2014 (Audited)
I) <b>Revenue from Operations (Net)</b>	3.1	13,060.37	11,371.03
II) <b>Other Income</b>	3.2	208.32	170.99
III) <b>Total Revenue ( I + II )</b>		<b>13,268.69</b>	<b>11,542.02</b>
IV) <b>EXPENSES</b>			
Cost of Materials Consumed	3.3	6,391.16	5,444.06
Purchases Of Stock-In-Trade	3.4	-	4.70
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(253.50)	55.60
Employee Benefits Expense	3.6	1,588.90	1,418.97
Finance Costs	3.7	237.67	331.43
Depreciation And Amortization Expense	2.10.1	258.31	206.14
Other Expenses	3.8	3,840.90	3,174.68
<b>Total Expenses</b>		<b>12,063.44</b>	<b>10,635.58</b>
V) <b>Profit Before Exceptional And Extraordinary Items And Tax (III - IV)</b>		1,205.25	906.44
VI) Exceptional Items		-	-
VII) <b>Profit Before Extraordinary Items And Tax (V - VI)</b>		<b>1,205.25</b>	<b>906.44</b>
VIII) Extraordinary Items		-	-
IX) <b>Profit Before Tax ( VII - VIII )</b>		<b>1,205.25</b>	<b>906.44</b>
X) <b>Tax Expense</b>			
Current Tax Expense		252.63	313.69
Deferred Tax		176.25	(11.62)
Less : MAT Credit Adjustment		(6.20)	-
		<b>422.68</b>	<b>302.07</b>
XI) <b>Profit / (Loss) for the period</b>		<b>782.57</b>	<b>604.37</b>
XII) <b>Earnings Per Equity Share</b>			
Basic	3.9	4.53	3.50
Diluted		4.53	3.50
Significant Accounting Policies and Notes	1.0		

Notes referred to above from an integral part of the Statement of Profit and Loss Account

As per our report of even date

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS

(Regn.No. 108813W)

**PRADEEP GOYAL**

Chairman and Managing Director

**S.M. PATKI**

**NEERU GOYAL**

Director

PARTNER

Membership No. 037690

**ABHINAY KAPOOR**

Company Secretary

Navi Mumbai

**RAJEEV DIXIT**

Chief Financial Officer

8th May, 2015

**NOTE NO - 1: NOTES FORMING PART OF THE ACCOUNTS**
**1.1) Significant Accounting Policies:**
**(1.1.1) Basis for preparation of Accounts**

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**(1.1.2) System of Accounting**

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis, except income from investments, which is accounted for on receipt basis.

**(1.1.3) Use of Estimates**

The preparation of Financial Statements is in accordance with Generally Accepted Accounting Principles. As per the Management, the best estimates and assumptions are made, wherever necessary, and reported in the amount of Assets and Liabilities as on the date of Financial Statement as well as in the amount of revenue and expenses during the reporting period. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any variance is recognized prospectively in current or future period in which the results are known or materialized.

**(1.1.4) Fixed Assets and Depreciation**

The Fixed assets are stated at Cost less depreciation. The Company has provided depreciation on Straight Line Method based on the useful life prescribed in Part C of the Schedule II to the Companies Act, 2013 except for Plant and Machinery, for which, on the basis of Internal Technical Assessment made by the Management, the depreciation has been provided considering the useful life of the plant as follows:

<u>Description of Assets:</u>	<u>Useful life</u>
Machinery for heavy Production\ Press\ Cranes etc.	15 Years
Other Machinery	8 Years

**(1.1.5) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

**(1.1.6) Inventories**

- Raw material is valued at cost. The cost is arrived at on First-in-First-out basis.
- Dies and tools, components, stores and spares are valued at cost.
- Work-in-process and semi-finished goods are valued at lower of cost or estimated net realizable value.

**(1.1.7) Investment**

Investments are stated at Cost. Investments made in wholly owned subsidiary in Pradeep Metals Limited, New York/Pradeep Metals Limited, Inc., Texas are valued at the rate prevailing on the transaction date.

**(1.1.8) Sales**

Sales and Other Operating Income are shown at Net of Excise and VAT. Revenue from sale of

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goods is recognized on transfer of significant risks and rewards of ownership to the buyer.

### (1.1.9) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of the Balance Sheet. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognized as income or expense, as the case may be.

### (1.1.10) Provisions, Contingent Liabilities and Contingent Assets

Provisions, to the extent found necessary as per the Management, have been made based on best estimates and are also recognized in respect of present liability in respect of the prior activity. Contingent Assets have not been recognized and hence, not reported.

### (1.1.11) Taxes on Income

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid at the applicable tax rates. Deferred income tax reflects the current period timing difference between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available for set off.

### (1.1.12) Employee Benefits

Contributions payable to the Government Provident Fund, ESIC and premium paid to Life Insurance Corporation of India under Employees Group Gratuity Scheme, are charged to revenue. The liabilities in respect of Leave Encashment at the year end are charged to revenue based on actuarial value.

### (1.1.13) Impairment

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) which deals with "Impairment of Assets", notified under the Company's (Accounting Standards) Rules, 2006. During the period, no such loss was observed and hence, no provision for impairment loss has been made.

(1.1.14) In respect of Standalone results, the Company has only single primary business segment i.e. closed Die forging and processing thereof. Further, the Company has set up a 2.1 MW Wind Mill for captive use. It has been commissioned in March 2015. It is treated as part of primary segment and no separate disclosure for Wind Mill segment is considered necessary.

## 1.2) Notes on Accounts

	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March, 2014 (Rs.)
(1.2.1) Contingent Liabilities not provided for		
a. Letters of Guarantee issued by Union Bank of India		
(secured by 100% margin)	243,095	241,347
(secured by 10% margin)	590,000	902,224
b. Capital Commitment of Fixed Assets (Net of Advances)	58,039,901	44,484,820
(1.2.2) Value of import calculated on CIF basis :		
Raw Material and Consumable goods	-	12,224,291
Capital goods	1,977,504	1,126,080
(1.2.3) Expenditure in foreign currency		
- Travelling	2,398,489	1,489,811
- Others	1,294,899	87,925
(1.2.4) Earning in foreign currency :		
FOB value of Exports	843,446,915	732,786,410

(1.2.5) Bank Borrowings for Working Capital and Sundry Debtors include export bills aggregating to Rs.1,624.76 Lacs (Rs. 1,404.10 Lacs as on 31<sup>st</sup> March, 2014) purchased / discounted by the Bank but pending realization as on the date of the Balance Sheet.

(1.2.6) The year end net monetary foreign currency exposures that have not been hedged are as follows:-

**Packing Credit in Foreign Currency**

Sr. No.	Particulars	As on 31 <sup>st</sup> March,2015		As on 31 <sup>st</sup> March, 2014	
		Foreign Currency ( In Lacs)	Equivalent Rupee (In Lacs)	Foreign Currency (In Lacs)	Equivalent Rupee (In Lacs)
1	USD	37.47	2329.11	24.12	1438.74

**Receivables**

Sr. No.	Particulars	As on 31 <sup>st</sup> March,2015		As on 31 <sup>st</sup> March, 2014	
		Foreign Currency ( In Lacs)	Equivalent Rupee (In Lacs)	Foreign Currency (In Lacs)	Equivalent Rupee (In Lacs)
1	USD	13.66	849.23	11.68	696.68
2	EURO	0.85	56.53	0.82	67.21
3	GBP	0.02	1.60	0.06	5.65

(1.2.7) Related Party Disclosures (as identified and certified by the Management)  
As per Accounting Standard 18, notified under the Company's (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties are as follows:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	31.03.2015 (Rs.)	31.03.2014 (Rs.)
1	Dhanlabh Engineering Works Pvt. Ltd.	Enterprise in which two of the Directors' of the Company are interested	Labour Charges Sales Rent Electricity Charges (Reimbursement)	4,794,689 180,516 2,786,530 1,158,997	5,207,518 289,842 2,696,640 1,340,505
2	Economic Forge Private Limited	Enterprise in which one Director of the Company is interested	Labour Charges Purchases	1,675,541 64,859	2,017,058 -
3	Pradeep Metals Limited, Inc.*	100% Subsidiary Company	Sales Investment Receivables	118,691,941 26,518,813 72,158,555	81,525,843 271,925 52,898,703

\* includes Sales, Investments and Receivables to Pradeep Metals Limited, New York merged on 9<sup>th</sup> March,2015

(1.2.8) The dues outstanding to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act 2006, are based on the Information available with the Company and this has been relied upon by the auditors.

(1.2.9) Additional Information pursuant to the provisions of part II of Schedule VI to the Companies Act, 2013 are Annexed separately.

(1.2.10) Note on Corporate Social Responsibility Expenditure related to Corporate Social Responsibilities

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as per Section 135 of the Company Act, 2013 read with Schedule VII thereof -

- a. Gross amount required to be spent by the Company during the year (2% of Average Net Profit) Rs. 1,606,000.
- b. Amount Spent on donations to the institutions involved in Social Responsibilities Rs. 783,002.

- (1.2.11) Management reassessed the useful life of assets during the quarter ended 30<sup>th</sup> June, 2014, consequent to the Notification of relevant provisions of Companies Act, 2013. In line with the transitional provisions as per the Part C of the Schedule II of the Act, the Company has recognized amount of Rs. 222.65 lacs (Net off of Deferred Tax credit of Rs.106.94 lacs ) in the opening balance of retained earnings. If the Company had continued with the previously assessed useful lives, charge for depreciation for the year ended 31<sup>st</sup> March, 2015 would have been lower by Rs.53.66 lacs, for the assets held at 1<sup>st</sup> April, 2014.
- (1.2.12) Remuneration is being paid to Mr Pradeep Goyal, Chairman and Managing Director of the Company w.e.f. 17th October, 2013 pursuant to the Special Resolutions passed by the shareholders at the Extra Ordinary General Meetings held on 25th January, 2014 and Annual General Meeting held on 4th September, 2014, pending necessary approval of the Ministry of Corporate Affairs with reference to the applications / representation made by the Company.
- (1.2.13) Considering the rising power tariff and national objective of maximizing development and use of renewable, green energy, the Company has set up a 2.1 MW Wind Mill at Jath, Sangli, for captive use. It has been commissioned on 31<sup>st</sup> March, 2015.
- (1.2.14) With the merger of Wholly Owned Subsidiary, Pradeep Metals Limited, New York with Pradeep Metals Limited Inc., Texas with effect from 9th March, 2015, Pradeep Metals Limited Inc., Texas, has become Wholly Owned Subsidiary of the Company. The Company has made further investment of Rs.77.32 Lacs (USD 1,25,000) in Pradeep Metals Limited, New York and Rs.187.86 Lacs (USD 3,00,000) in Pradeep Metals Limited, Inc., Texas, during the year.
- (1.2.15) Pradeep Metals Limited Inc., Texas, a Wholly Owned Subsidiary has, acquired 51% stake in a CNC Machine Shop at Huston, Texas, pursuant to Assets Contribution and Purchase Agreement dated 24<sup>th</sup> April, 2015, w.e.f. 1<sup>st</sup> January, 2015. Accordingly, Dimensional Machine Works, LLC, Houston, USA has become step-down Subsidiary of the Company and its unaudited financials for the period from 1st January, 2015 to 31st March, 2015 have been included in the Consolidated Accounts.
- (1.2.16) Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classifications/disclosures.

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As per our report of even date

For and on behalf of the Board

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS

(Regn.No. 108813W)

**S.M. PATKI**

PARTNER

Membership No. 037690

Navi Mumbai

8th May, 2015

**PRADEEP GOYAL**

Chairman and Managing Director

**NEERU GOYAL**

Director

**ABHINAY KAPOOR**

Company Secretary

**RAJEEV DIXIT**

Chief Financial Officer

**2. NOTES FORMING PART OF BALANCE SHEET**

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>2.1 SHARE CAPITAL</b>		
<b>2.1.1 Authorised</b>		
18,500,000 (18,500,000) Equity Shares of Rs.10 each	1,850.00	1,850.00
550,000 (550,000) Preference Shares of Rs.100 each	550.00	550.00
	<u><b>2,400.00</b></u>	<u><b>2,400.00</b></u>
<b>2.1.2 Issued, Subscribed and Fully Paid</b>		
17,270,000 (17,270,000) Equity Shares of Rs.10 each fully paid up	1,727.00	1,727.00
Less : Calls in Arrears	0.74	0.74
<b>TOTAL</b>	<u><b>1,726.26</b></u>	<u><b>1,726.26</b></u>

2.1.3 The list of Shareholders holding more than 5% shares in the Company is given below :-

Name of the Shareholders	As at March, 2015		As at March, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S. V. Shah Construction Services Pvt. Ltd.	3,805,061	22.03	2,778,561	16.09
Flashnet Info Solutions (India) Ltd.	-	-	1,026,500	5.94
Pradeep Goyal	1,576,400	9.13	1,521,400	8.81
Rabale Engineering ( I ) Pvt. Ltd.	6,167,481	35.71	6,167,481	35.71

**2.1.4 The Reconciliation of the number of equity shares outstanding:-**

Equity shares with voting rights	As at March, 2015		As at March, 2014	
	No. of Shares	(Rs. in Lacs)	No. of Shares	(Rs. in Lacs)
Shares outstanding as at the beginning of the year	17,270,000	1,727.00	17,270,000	1,727.00
Add : Issued during the year	-	-	-	-
Shares outstanding as at the end of the year	<u><b>17,270,000</b></u>	<u><b>1,727.00</b></u>	<u><b>17,270,000</b></u>	<u><b>1,727.00</b></u>



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### 2.2 RESERVES AND SURPLUS

#### Reserves and Surplus as at 31st March, 2015

	Securities Premium Account	General Reserve	Surplus as per Statement of Profit & Loss Account	(Rs. in Lacs) Total
Opening Balance As per last Balance Sheet	515.98	211.60	922.99	1,650.57
Net Profit/(Loss) for the period	-	-	782.57	782.57
Add Transferred from Statement of Profit & Loss during the Year	-	-	-	-
Add Deferred Tax Liability Written Back	-	-	106.94	106.94
Less Depreciation Adjustment on Fixed Assets	-	-	329.59	329.59
Less Amount Trasferred to General Reserve	-	-	-	-
Less : Proposed Dividend on Equity Shares for the year (including Dividend Distribution Tax Rs.42.19 lacs)	-	-	249.43	249.43
<b>Closing Balance</b>	<b>515.98</b>	<b>211.60</b>	<b>1,233.48</b>	<b>1,961.06</b>

### 2.2 RESERVES AND SURPLUS

#### Reserves and Surplus as at 31st March, 2014

	Securities Premium Account	General Reserve	Surplus as per Statement of Profit & Loss Account	(Rs. in Lacs) Total
Opening Balance As per last Balance Sheet	515.98	188.60	584.08	1,288.66
Net Profit/(Loss) for the period	-	-	604.37	604.37
Add : Transferred from Statement of Profit & Loss during the Year	-	23.00	-	23.00
Less : Amount Transferred to General Reserve	-	-	23.00	23.00
Less : Proposed Dividend on Equity Shares for the year (including Dividend Distribution Tax Rs.35.22 lacs)	-	-	242.46	242.46
<b>Closing Balance</b>	<b>515.98</b>	<b>211.60</b>	<b>922.99</b>	<b>1,650.57</b>

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>NON-CURRENT LIABILITIES</b>		
<b>2.3 (a) From Union Bank of India</b>		
<b>Term Loans (Secured by first pari passu charge on the fixed assets of the Company, present and future and second charge on current assets.):</b>		
(i) Term Loan V (Repayable in 45 monthly installments of Rs.10.00 lacs each starting from July 2011 at the interest rate of Base Rate + 1.50% p.a.) The total outstanding as on 31st March, 2015 - Rs. NIL (Previous Year - Rs.116.56 Lacs.)	-	-
(ii) Term Loan VI (Repayable in 15 Quarterly Installments of Rs. 15.00 Lacs each starting from July 2012 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.35.52 Lacs. (Previous Year - Rs.95.52 Lacs)	-	35.52
(iii) Term Loan VII (Repayable in 17 Quarterly Installments of Rs. 27.35 Lacs each starting from July 2014 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.285.32 Lacs. (Previous Year - Rs. 169.75 Lacs.)	175.91	87.70
(iv) Term Loan VIII (Repayable in 16 Quarterly Installments of Rs. 30.00 Lacs each starting from June 2016 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs. NIL (Previous Year - Rs. NIL)	-	-
(v) Term Loan for Wind Mill (Repayable in 21 Quarterly Installments of Rs. 50.00 lacs each starting from January 2017 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs. 855.58 Lacs. (Previous Year - Rs. NIL)	855.58	-
All above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company.		
<b>(b) Loan from Axis Bank Ltd.</b>	-	-
(Secured by hypothecation of the vehicle : Terms of Repayment : starting from October 2011 in 35 monthly installments of Rs.0.15 Lacs. at the interest rate 11.24 % p.a.). The total outstanding as on 31st March,2015 - Rs.NIL (Previous Year - Rs. 0.75 Lacs). <b>Installments due on above within one year Rs. 144.93 Lacs (Previous Year Rs. 259.36 Lacs)</b>		
<b>(c) Unsecured</b>		
Inter Corporate Deposits	-	-
	<u><b>1,031.49</b></u>	<u><b>123.22</b></u>
<b>2.4 DEFERRED TAX ASSETS AND LIABILITIES</b>		
<b>Deferred Tax Assets:</b>		
Other Timing Difference	58.41	45.47
Unabsorbed Depreciation Carried Forward	-	-
	<u><b>58.41</b></u>	<u><b>45.47</b></u>
<b>Deferred Tax Liability:</b>		
Arising out of Timing Difference on account of Book & Tax Depreciation for the Current Year	(395.41)	(313.16)
<b>Net Deferred Tax Liability</b>	<u><b>(337.00)</b></u>	<u><b>(267.69)</b></u>

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	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>2.5 OTHER LONG TERM LIABILITIES</b>		
Trade payable	45.52	0.98
	<u>45.52</u>	<u>0.98</u>
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	68.03	48.31
	<u>68.03</u>	<u>48.31</u>
<b>CURRENT LIABILITIES</b>		
<b>2.7 SHORT-TERM BORROWINGS</b>		
Working Capital Loans from Union Bank of India Secured by hypothecation of inventories, book debts, including bills discounted/purchased and other current assets and second charge on the fixed assets  (The above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company)	6,034.21	4,231.92
	<u>6,034.21</u>	<u>4,231.92</u>
<b>2.8 OTHER CURRENT LIABILITIES</b>		
Unpaid dividends	22.43	16.61
Trade Payable - Capital Goods	151.08	8.61
Outstanding Liabilities for Expenses	85.15	80.56
Other Liabilities (Advances from Debtors)	4.59	15.03
<b>Current Maturities of Long term Loans:-</b>		
<b>( a ) From Union Bank of India</b>		
<b>Term Loans (Secured by first pari passu charge on the fixed assets of the Company, present and future and second charge on current assets.):</b>		
(i) Term Loan V (Repayable in 45 monthly installments of Rs.10.00 lacs each starting from July 2011 at the interest rate of Base Rate + 1.50% p.a. )The total outstanding as on 31st March, 2015 - Rs. NIL (Previous Year - Rs.116.56 Lacs.)	-	116.56
(ii) Term Loan VI (Repayable in 15 Quarterly Installments of Rs. 15.00 Lacs each starting from July 2012 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.35.52 Lacs. (Previous Year - Rs.95.52 Lacs)	35.52	60.00
(iii) Term Loan VII (Repayable in 17 Quarterly Installments of Rs.27.35 Lacs each starting from July 2014 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.285.32 Lacs. (Previous Year- Rs. 169.725 Lacs)	109.41	82.05
(iv) Term Loan VIII (Repayable in 16 Quarterly Installments of Rs.30.00 Lacs each starting from June 2016 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs. Nil (Previous Year - Rs. Nil)	-	-
(v) Term Loan for Wind Mill (Repayable in 21 Quarterly Installments of Rs. 50.00 lacs each starting from January 2017 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.855.58 Lacs. (Previous Year - Rs. NIL)	-	-
All above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company.		

	(Rs. in Lacs)	(Rs. in Lacs)
	As at	As at
	31st March, 2015	31st March, 2014
<b>( b ) Loan from Axis Bank Ltd.</b>	-	0.75
(Secured by hypothecation of the vehicle : Terms of Repayment : starting from October 2011 in 35 monthly installments for Rs.0.15 Lac. at the interest rate 11.24 % p.a.). The total outstanding as on 31st March,2015 - Rs.NIL (Previous Year - Rs. 0.75 Lacs). <b>Installments due on above within one year Rs. 144.93 Lacs.</b> <b>(Previous year Rs. 259.36 Lacs)</b>		
<b>( c ) Unsecured</b>		
Inter Corporate Deposits	-	-
	<u><b>408.18</b></u>	<u><b>380.17</b></u>
<b>2.9 SHORT-TERM PROVISIONS</b>		
Provisions for Income Tax (Net of Advance Tax and TDS of Rs.147.26 Lacs) (Previous Year Rs. 147.26 Lacs)	0.24	0.24
Proposed Dividend	249.43	242.46
Provision for Employee Benefits	227.26	195.62
	<u><b>476.93</b></u>	<u><b>438.32</b></u>

2. NOTES FORMING PART OF BALANCE SHEET

2.10 FIXED ASSETS

(Rs. in Lacs)

FIXED ASSETS	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	As At 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	For the year	Adjustment on Sales	Adjustment on Change in method	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>TANGIBLE ASSETS</b>											
Leasehold Land	55.81	56.70	-	112.51	-	-	-	-	-	112.51	55.81
Factory Buildings	355.34	-	-	355.34	180.56	10.63	-	-	191.19	164.15	174.78
Plant and Machinery	3,395.77	110.02	345.62	3,160.17	1,740.12	197.12	319.11	315.21	1,933.34	1,226.83	1,655.65
Wind Mill	-	1,279.51	-	1,279.51	-	0.15	-	-	0.15	1,279.36	-
Electrical Installation	170.45	2.79	10.88	162.36	121.63	14.36	5.72	1.71	131.98	30.38	48.82
Office Equipment	38.35	-	20.01	18.34	18.84	4.80	18.54	7.96	13.06	5.28	19.51
Computers	135.46	6.69	71.91	70.24	96.59	19.11	71.84	1.59	45.45	24.79	38.87
Furniture and Fixtures	34.78	2.30	21.25	15.83	20.92	2.17	18.50	0.32	4.91	10.92	13.86
Vehicles	68.58	12.61	4.32	76.87	37.35	9.97	4.12	2.79	45.99	30.88	31.23
<b>Total Tangible Assets</b>	<b>4,254.54</b>	<b>1,470.62</b>	<b>473.99</b>	<b>5,251.17</b>	<b>2,216.01</b>	<b>258.31</b>	<b>437.83</b>	<b>329.58</b>	<b>2,366.07</b>	<b>2,885.10</b>	<b>2,038.53</b>
<b>Previous Year</b>	<b>4068.63</b>	<b>311.72</b>	<b>125.81</b>	<b>4,254.54</b>	<b>2,129.77</b>	<b>206.14</b>	<b>119.90</b>	<b>-</b>	<b>2,216.01</b>	<b>2,038.53</b>	
<b>INTANGIBLE ASSETS</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fixed Assets</b>	<b>4,254.54</b>	<b>1,470.62</b>	<b>473.99</b>	<b>5,251.17</b>	<b>2,216.01</b>	<b>258.31</b>	<b>437.83</b>	<b>-</b>	<b>2,366.07</b>	<b>2,885.10</b>	<b>2,038.53</b>
Capital work-in-progress (including Pre-operative Expenses)										691.90	179.20
Intangible Assets Under Development										-	-
										<b>3,577.00</b>	<b>2,217.73</b>

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
2.10.1 Depreciation and amortisation for the year	258.31	206.14
Depreciation and amortisation for the year charged to Statement of Profit and Loss	<u><b>258.31</b></u>	<u><b>206.14</b></u>

	Face value	Total No. of Shares	As at 31st March, 2015	As at 31st March, 2014
<b>2.11 NON-CURRENT INVESTMENTS</b>				
<b>Unquoted Investments</b>				
Janakalyan Sahakari Bank Ltd.	10.00	10	-	0.00
Dombivli Nagari Sahakari Bank Ltd.	50.00	1,000	-	0.50
The Thane Janata Sahakari Bank Ltd.	50.00	1,000	-	0.50
Shares of 100% Subsidiary Pradeep Metals Limited, Inc., Texas, USA.	USD 25.00	200	267.91	2.72
			<u><b>267.91</b></u>	<u><b>3.72</b></u>

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
2.11.1 Aggregate Cost of :		
Quoted Investments	-	-
Unquoted Investments	<u>267.91</u>	<u>3.72</u>
	<u><b>267.91</b></u>	<u><b>3.72</b></u>

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	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>NON-CURRENT ASSETS</b>		
<b>2.12 LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, Considered Good unless otherwise stated)</b>		
Capital Advances	444.14	333.55
Deposits and Balances with Government and other Authorities	43.79	43.79
Mat Credit Entitlement	6.20	78.91
Less : Utilised upto 31st March, 2015	-	(78.91)
Mat Credit Available	6.20	-
Other Deposits	6.77	7.70
	<b>500.90</b>	<b>385.04</b>
<b>2.13 OTHER NON-CURRENT ASSETS</b>		
Long term Trade Receivables	17.30	13.60
	<b>17.30</b>	<b>13.60</b>
<b>CURRENT ASSETS</b>		
<b>2.14 INVENTORIES</b>		
Raw Materials	880.49	681.59
Work-in-progress (Note 4.1)	1,512.99	1,252.34
Consumable stores & spares & Fuel	187.48	228.16
Dies	1,027.51	952.21
Scrap	12.81	19.96
	<b>3,621.28</b>	<b>3,134.26</b>
<b>2.14.1 Work-in-progress</b>		
Forgings	1,512.99	1,252.34
Others	-	-
	<b>1,512.99</b>	<b>1,252.34</b>
<b>2.15 TRADE RECEIVABLES</b>		
<b>(Unsecured, Considered Good unless otherwise stated)</b>		
Outstanding for a period exceeding six months from the date they are due for payment.	19.10	3.37
Others	3,779.15	3,159.45
	<b>3,798.25</b>	<b>3,162.82</b>
<b>2.16 CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents		
Balances with Scheduled Banks :		
In Current Accounts	22.91	17.62
In Fixed Deposits (pledged with Government Authorities and Banks)	8.33	11.99
Cash in Hand	0.93	1.14
	<b>32.17</b>	<b>30.75</b>
<b>2.17 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured (Considered Good unless otherwise stated)</b>		
Loans and Advances (Export benefits, Balance with Excise & Sales Tax Dept.)	895.33	803.06
Advance Income Tax ( Net of Provision for Tax of Rs.790.36 Lacs) (Previous Year Rs.536.48 Lacs)	106.30	38.54
	<b>1,001.63</b>	<b>841.60</b>

**3. NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**

	(Rs. in Lacs) Year Ended 31st March, 2015	(Rs. in Lacs) Year Ended 31st March, 2014
<b>3.1 REVENUES</b>		
<b>a) OPERATING REVENUES</b>		
<b>Sale of Products</b>		
Export	8,938.75	7,492.15
Domestic	3,550.59	3,191.56
Job work/ Tooling Charges	26.77	76.11
Less : Excise Duty	758.70	564.67
	<u>11,757.41</u>	<u>10,195.15</u>
<b>b) OTHER OPERATING REVENUES</b>		
Export Incentives	114.51	157.66
Scrap Sales (Net of Excise Duty)	1,182.40	1,012.64
Miscellaneous Receipts - Operating	6.05	5.58
	<u>1,302.96</u>	<u>1,175.88</u>
	<u>13,060.37</u>	<u>11,371.03</u>
<b>3.2 OTHER INCOME</b>		
Exchange Rate Difference (Net)	-	114.39
Interest on Bank and Other Accounts	15.76	8.34
Dividend (Gross) from Others	0.08	0.08
	<u>15.84</u>	<u>122.81</u>
Profit on Sale of Fixed Assets (Net)	144.46	5.49
Miscellaneous Receipts - Non Operating	48.02	42.69
	<u>208.32</u>	<u>170.99</u>
<b>3.3 COST OF MATERIALS CONSUMED</b>		
<b>Raw Material</b>		
Opening Stock As on 1st April, 2014	681.59	532.32
Add : Purchases And Incidental Expenses	6,590.06	5,593.33
Less : Closing Stock As on 31st March, 2015	880.49	681.59
	<u>6,391.16</u>	<u>5,444.06</u>
<b>3.4 PURCHASES OF STOCK-IN-TRADE</b>		
Others /Steel	-	4.70
	<u>-</u>	<u>4.70</u>
<b>3.5 INCREASE / DECREASE IN STOCKS</b>		
Opening Stock As on 1st April, 2014		
a. Work-in-progress	1,252.34	1,300.70
b. Scrap	19.96	27.20
	<u>1,272.30</u>	<u>1,327.90</u>
Less : Closing Stock As on 31st March, 2015		
a. Work-in-progress	1,512.99	1,252.34
b. Scrap	12.81	19.96
	<u>1,525.80</u>	<u>1,272.30</u>
	<u>(253.50)</u>	<u>55.60</u>



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	(Rs. in Lacs) Year Ended 31st March, 2015	(Rs. in Lacs) Year Ended 31st March, 2014
<b>3.6 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries	172.72	155.62
Wages	1,292.50	1,167.90
Contribution To Provident And Other Funds	71.80	49.52
Staff Welfare Expenses	51.88	45.93
	<b><u>1,588.90</u></b>	<b><u>1,418.97</u></b>
<b>3.7 FINANCE COSTS</b>		
Interest on Term Loans and Working Capital Facilities.	234.16	323.75
Interest on Inter Corporate Deposit	-	7.13
Other Interest	3.51	0.55
	<b><u>237.67</u></b>	<b><u>331.43</u></b>
<b>3.8 OTHER EXPENSES</b>		
(A) Consumable stores and spares	597.72	511.17
(B) Power, fuel and water	702.88	684.27
(C) Rent	28.43	29.42
(D) Repairs To Factory Buildings	48.78	37.87
(E) Repairs To Machinery	231.99	62.07
(F) Insurance	36.70	26.31
(G) Dies Consumed / Written-off	387.16	400.52
<b>(H) Miscellaneous Expenses (Refer note 3.8.1)</b>	<b>1,807.24</b>	<b>1,423.05</b>
	<b><u>3,840.90</u></b>	<b><u>3,174.68</u></b>
<b>3.8.1 Miscellaneous Expenses</b>		
Payments to sub-contractors	500.99	442.41
Inward Freight, Octroi and Other expenses	197.52	194.65
Other administrative expenses	284.25	211.77
Donation to Political Party	-	5.00
Selling expenses	554.13	397.97
Loss on foreign exchange fluctuation (Net)	84.02	-
Others	186.33	171.25
	<b><u>1,807.24</u></b>	<b><u>1,423.05</u></b>
<b>3.8.2 Auditors' Remuneration (Including service tax) charged to Statement of Profit and Loss account</b>		
Audit fees	3.37	3.37
Tax Audit fees	0.85	0.85
For Consultation on Tax Matters	0.85	0.85
Other Matters	1.40	1.20
Reimbursement of expenses	0.49	0.27
	<b><u>6.96</u></b>	<b><u>6.54</u></b>

	(Rs. in Lacs) Year Ended 31st March, 2015	(Rs. in Lacs) Year Ended 31st March, 2014
<b>3.9 Earnings Per Share:</b>		
Net profit for the year from ordinary activities attributable to equity shareholders	782.57	604.37
	<u>782.57</u>	<u>604.37</u>
Weighted-average-number of potential equity shares on exercise of options	17,270,000	17,270,000
Basic Earnings Per Share (Face Value of 10 each)	<b>4.53</b>	<b>3.50</b>
- From ordinary activities		
Diluted Earnings Per Shares (Face Value of 10 each)	<b>4.53</b>	<b>3.50</b>
- From ordinary activities		

**4.1 Additional information details** (Rs. in Lacs)

**4.1 Turnover and Stocks**

Products	Turnover		Stock	
	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
01. Steel Forging work	12,489.34	10,677.06	1,512.99	1,252.34
02. Steel Trading	-	6.65	-	-
	<b>12,489.34</b>	<b>10,683.71</b>	<b>1,512.99</b>	<b>1,252.34</b>

As per our report of even date

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS  
(Regn.No. 108813W)

**PRADEEP GOYAL**

Chairman and Managing Director

**NEERU GOYAL**

Director

**S.M. PATKI**

PARTNER

Membership No. 037690

**ABHINAY KAPOOR**

Company Secretary

Navi Mumbai  
8th May, 2015

**RAJEEV DIXIT**

Chief Financial Officer

## 32nd ANNUAL REPORT 2015

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

(Rs. in Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A Cash Flow from Operating Activities</b>		
Profit before tax	1,205.25	906.44
<u>Adjustments for:</u>		
Depreciation expense	258.31	206.14
Dividend Received	(0.08)	(0.08)
Profit on sale of fixed assets	(144.46)	(5.49)
Interest Expense	237.67	331.43
Interest Income	(15.76)	(8.34)
Bad trade and other receivables written off	4.48	6.52
Operating Profit before change in Working Capital Changes	<b>1,545.41</b>	<b>1,436.62</b>
<u>Changes in working capital</u>		
Decrease/(Increase) in Trade receivables and loans & advances	(734.95)	(184.45)
Decrease/(Increase) in Inventories	(487.02)	95.98
(Decrease)/Increase in Trade and other payables	(104.28)	(255.74)
<b>TOTAL</b>	<b>(1,326.25)</b>	<b>(344.21)</b>
Cash generated from operations	219.16	1,092.41
Net income tax paid	320.39	245.66
<b>Net Cash flow from Operating Activities</b>	<b>(101.23)</b>	<b>846.75</b>
<b>B Cash Flow from Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(1,951.44)	(431.76)
Investments made	(264.19)	(2.72)
Proceeds from Sale of Fixed Assets	180.62	11.41
Dividend received from Investments	0.08	0.08
Interest received on Deposits	15.76	8.34
<b>Net Cash used in Investing Activities</b>	<b>(2,019.17)</b>	<b>(414.65)</b>
<b>C Cash Flow from Financing Activities</b>		
Increase in Working Capital Borrowings	1,802.29	257.84
Proceeds from Term Loans	793.84	(159.86)
Dividend paid	(236.64)	(195.87)
Interest Paid	(237.67)	(331.43)
<b>Net Cash used in Financing Activities</b>	<b>2,121.82</b>	<b>(429.32)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1.42</b>	<b>2.78</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>30.75</b>	<b>27.97</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>32.17</b>	<b>30.75</b>

As per our report of even date

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS  
(Regn.No. 108813W)

**PRADEEP GOYAL**

Chairman and Managing Director

**NEERU GOYAL**

Director

**ABHINAY KAPOOR**

Company Secretary

**RAJEEV DIXIT**

Chief Financial Officer

**S.M. PATKI**

PARTNER

Membership No. 037690

Navi Mumbai

8th May, 2015


**PRADEEP METALS LIMITED**
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH , 2015**

	Note No.	(Rs. in Lacs) As at 31st March, 2015 (Audited)	(Rs. in Lacs) As at 31st March, 2014 (Audited)
<b>I EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
a) Share Capital	2.1	1,726.26	1,726.26
Non Controlling Interest		400.82	-
b) Reserve and Surplus	2.2	2,056.64	1,628.86
		<b>4,183.72</b>	<b>3,355.12</b>
<b>2) Share Application Money Pending Allotment</b>			
		-	-
<b>3) Non-Current Liabilities</b>			
a) Long-Term Borrowings	2.3	1,031.49	123.22
b) Deferred Tax Liabilities (Net)	2.4	337.00	267.69
c) Other Long Term Liabilities	2.5	329.46	0.98
d) Long-Term Provisions	2.6	85.98	48.31
		<b>1,783.93</b>	<b>440.20</b>
<b>4) Current Liabilities</b>			
a) Short-Term Borrowings	2.7	6,034.21	4,231.92
b) Trade Payables	2.8	2,319.43	957.89
c) Other Current Liabilities	2.9	859.76	393.38
d) Short-Term Provisions	2.10	651.55	440.31
		<b>9,864.95</b>	<b>6,023.50</b>
<b>TOTAL</b>		<b>15,832.60</b>	<b>9,818.82</b>
<b>II ASSETS</b>			
<b>1) Non-Current Assets</b>			
a) Fixed Assets	2.11		
i) Tangible Assets		3,147.91	2,038.53
ii) Intangible Assets		1,565.11	-
iii) Capital Work-in-Progress		691.92	179.20
		<b>5,404.94</b>	<b>2,217.73</b>
b) Non-Current Investments	2.12	-	1.00
c) Long-Term Loans and Advances	2.13	500.90	385.04
d) Other Non-Current Assets	2.14	17.30	13.60
		<b>5,923.13</b>	<b>2,617.37</b>
<b>2) Current Assets</b>			
a) Inventories	2.15	4,293.09	3,452.17
b) Trade Receivables	2.16	4,356.75	2,871.77
c) Cash and Cash Equivalents	2.17	234.87	35.90
d) Short-Term Loans and Advances	2.18	1,024.76	841.60
		<b>9,909.47</b>	<b>7,201.44</b>
<b>TOTAL</b>		<b>15,832.60</b>	<b>9,818.81</b>

Significant Accounting Policies and Notes 1 to 4  
Notes referred to above form an integral part of the Balance Sheet

As per our report of even date

**S.R. REGE & CO.**  
CHARTERED ACCOUNTANTS  
(Regn.No. 108813W)

**S.M. PATKI**  
PARTNER  
Membership No. 037690  
Navi Mumbai  
8th May, 2015

**PRADEEP GOYAL**

Chairman and Managing Director

**NEERU GOYAL**

Director

**ABHINAY KAPOOR**

Company Secretary

**RAJEEV DIXIT**

Chief Financial Officer

## 32nd ANNUAL REPORT 2015

### STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note No	(Rs. in Lacs) year ended 31st March 2015 (Audited)	(Rs. in Lacs) year ended 31st March 2014 (Audited)
I) Revenue from Operations (Net)	3.1	14,061.20	11,272.29
II) Other Income	3.2	208.62	170.99
III) <b>Total Revenue ( I + II )</b>		<b><u>14,269.82</u></b>	<b><u>11,443.28</u></b>
IV) <b>EXPENSES</b>			
Cost of Materials Consumed	3.3	6,665.88	5,444.05
Purchases Of Stock-In-Trade	3.4	-	168.09
Changes In Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.5	(434.86)	(264.60)
Employee Benefits Expense	3.6	1,588.90	1,418.97
Finance Costs	3.7	237.67	331.43
Depreciation And Amortization Expense	2.11.1	272.29	206.14
Other Expenses	3.8	4,595.10	3,265.27
<b>Total Expenses</b>		<b><u>12,924.98</u></b>	<b><u>10,569.35</u></b>
V) <b>Profit Before Exceptional And Extraordinary Items And Tax ( III - IV )</b>		1,344.84	873.93
VI) Minority Interest		64.26	-
VII) <b>Profit Before Extraordinary Items And Tax ( V - VI )</b>		<b><u>1,280.58</u></b>	<b><u>873.93</u></b>
VIII) Extraordinary Items		-	-
IX) <b>Profit Before Tax ( VII - VIII )</b>		<b><u>1,280.58</u></b>	<b><u>873.93</u></b>
X) <b>Tax Expense</b>			
Current Tax Expense		282.27	315.67
Deferred Tax		176.25	(11.62)
Less: MAT Credit Adjustment		(6.20)	-
		<b><u>452.32</u></b>	<b><u>304.05</u></b>
XI) <b>Profit / (Loss) for the period</b>		<b><u>828.26</u></b>	<b><u>569.88</u></b>
XII) <b>Earnings Per Equity Share</b>			
Basic	3.9	4.76	3.30
Diluted		4.76	3.30

Significant Accounting Policies and Notes 1 to 4 1

Notes referred to above form an integral part of the Statement of Profit and Loss Account

As per our report of even date

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS  
(Regn.No. 108813W)

**S.M. PATKI**

PARTNER

Membership No. 037690

Navi Mumbai

8th May, 2015

**PRADEEP GOYAL**

**NEERU GOYAL**

**ABHINAY KAPOOR**

**RAJEEV DIXIT**

Chairman and Managing Director

Director

Company Secretary

Chief Financial Officer

**NOTE NO - 1: NOTES FORMING PART OF THE ACCOUNTS****1.1) Significant Accounting Policies:****(1.1.1) Basis for preparation of Accounts.**

- a. The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standards (AS) 21 "Consolidated Financial Statements" as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013. The Consolidated Financial Statements comprises the Financial Statements of Pradeep Metals Limited, its foreign subsidiary Pradeep Metals Limited, Inc, Texas and its step-down subsidiary Dimensional Machine Works, LLC. Reference in these notes to Pradeep Metals Limited, Company, Parent Company or Group shall mean to include Pradeep Metals Limited, its subsidiary and its step-down subsidiary, unless otherwise stated.
- b. The accounts have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.
- c. The accounts of foreign subsidiary and step-down subsidiary have been prepared in compliance with the applicable Accounting Standards in India. Necessary adjustments for the differences in the accounting policies, wherever applicable, have been made in the Consolidated Financial Statements.
- d. The notes and significant policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.

**(1.1.2) Principles of Consolidation**

- a. The Financial Statements of the Parent Company, its foreign subsidiary and step-down subsidiary have been consolidated on a line-by-line basis by adding together the book values of the like terms of Assets, Liabilities, Income and Expenses, after eliminating intra-group transactions / balances and the unrealized profits/losses on intra-group transactions, and the presented to the extent possible, in the same manner as the Parent Company's Independent Financial Statements.
- b. Reserves and Surplus shown in the Consolidated Balance Sheet includes the Company's share in the respective reserves of its subsidiary and step-down subsidiary. Reserves attributable to minority stakeholders are reported as part of Minority Interest in the Consolidated Balance Sheet. Retained earnings comprise Company's share in General Reserves and Statements of Profit and Loss.

**(1.1.3) System of Accounting**

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis, except income from investments, which is accounted for on receipt basis

**(1.1.4) Use of Estimates**

The preparation of Financial Statements is in accordance with Generally Accepted Accounting Principles. As per the Management, the best estimates and assumptions are made, wherever necessary, and reported in the amount of Assets and Liabilities as on the date of Financial Statements as well as in the amount of revenue and expenses during the reporting period. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Any variance is recognized prospectively in current or future period in which the results are known or materialized.

**(1.1.5) Fixed Assets and Depreciation**

The Fixed assets are stated at Cost less depreciation. The Company has provided depreciation on Straight Line Method based on the useful life prescribed in Part C of the Schedule II to the

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Companies Act, 2013 except for Plant and Machinery, for which, on the basis of Internal Technical Assessment made by the Management, the depreciation has been provided considering the useful life of the plant as follows:

<b>Description of Assets:</b>	<b>Useful life</b>
Machinery for heavy Production/ Press/ Cranes etc.	15 Years
Other Machinery	8 Years

### **(1.1.6) Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

### **(1.1.7) Inventories**

- Raw material is valued at cost. The cost is arrived at on First-in-First-out basis.
- Dies and tools, components, stores and spares are valued at cost.
- Work-in-process and semi-finished goods are valued at lower of cost or estimated net realizable value.

### **(1.1.8) Investment**

Investments are stated at Cost. Investments made in wholly owned subsidiary and step-down subsidiary are valued at the rate prevailing on the transaction date.

### **(1.1.9) Sales**

Sales and Other Operating Income are shown at Net of Excise and VAT. Revenue from sale of goods is recognized on transfer of significant risks and rewards of ownership to the buyer.

### **(1.1.10) Foreign Currency Transactions**

- The reporting currency of the Company is Indian Rupee.
- Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. Monetary items denominated in foreign currency are restated using the exchange rates prevailing at the date of the Balance Sheet. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognized as income or expense, as the case may be.
- Financial Statements of Overseas Non-Integral Operations are translated as under :-
  - Assets and Liabilities at the exchange rate prevailing at the end of the year.
  - Depreciation and amortization is accounted at the same rate at which assets are converted.
  - Revenues and Expenses at yearly average exchange rate prevailing during the year.

### **(1.1.11) Provisions, Contingent Liabilities and Contingent Assets**

Provisions, to the extent found necessary as per the Management, have been made based on best estimates and are also recognized in respect of present liability in respect of the prior activity. Contingent Assets have not been recognized and hence, not reported.

### **(1.1.12) Taxes on Income**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid at the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future income will be available for set off.

### **(1.1.13) Employee Benefits**

Contributions payable to the Government Provident Fund, ESIC and premium paid to Life Insurance Corporation of India under Employees Group Gratuity Scheme, are charged to revenue. The liabilities in respect of Leave Encashment at the year end are charged to revenue based on actuarial value.

**(1.1.14) Impairment**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) which deals with "Impairment of Assets", notified under the Company's (Accounting Standards) Rules, 2006. During the period, no such loss was observed and hence, no provision for impairment loss has been made.

**(1.1.15)** In respect of Consolidated results, the Company has only single primary business segment i.e. closed Die forging and processing thereof. Further, the Company has set up a 2.1 MW Wind Mill for captive use. It has been commissioned on 31st March, 2015. It is treated as part of primary segment and no separate disclosure for Wind Mill segment is considered necessary.

**(1.1.16)** Preliminary expenses are being amortized in the year in which the same has been incurred.

**(1.2) Notes on Accounts**

	31 <sup>st</sup> March, 2015 Rs.	31 <sup>st</sup> March 2014 Rs.
(1.2.1) Earning in foreign currency: FOB value of Exports	734,631,550	653,709,583
(1.2.2) The year end net monetary foreign currency exposures that have not been hedged are given below.		

**Packing Credit in Foreign Currency**

Sr. No.	Particulars	Foreign Currency ( In Lacs ) 31 <sup>st</sup> March,2015	Amount (Rs. in Lacs) 31 <sup>st</sup> March,2015
1	USD	37.47	2329.11

**Receivables**

Sr. No	Particulars	Foreign Currency ( In Lacs ) 31 <sup>st</sup> March,2015	Amount (Rs. in Lacs) 31 <sup>st</sup> March,2015
1	USD	11.36	706.26
2	EURO	0.85	56.53
3	GBP	0.02	1.60

**Payables**

Sr. No	Particulars	Foreign Currency ( In Lacs ) 31 <sup>st</sup> March,2015	Amount (Rs. in Lacs) 31 <sup>st</sup> March,2015
1	USD	0.75	46.39

**Packing Credit in Foreign Currency**

Sr. No	Particulars	Foreign Currency ( In Lacs ) 31 <sup>st</sup> March,2014	Amount (Rs. in Lacs) 31 <sup>st</sup> March,2014
1	USD	24.12	1438.74

**Receivables**

Sr. No	Particulars	Foreign Currency ( In Lacs ) 31 <sup>st</sup> March,2014	Amount (Rs.. in Lacs) 31 <sup>st</sup> March,2014
1	USD	11.94	712.13
2	EURO	0.82	67.21
3	GBP	0.06	5.65



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### Payables

Sr. No	Particulars	Foreign Currency ( In Lacs ) 31 <sup>st</sup> March,2014	Amount (Rs. in Lacs) 31 <sup>st</sup> March,2014
1	USD	0.60	35.79

(1.2.3) Related Party Disclosures {as identified and certified by the Management}  
As per Accounting Standard 18 notified under the Company's (Accounting Standards) Rules, 2006, the disclosures of transactions with the related parties are given below:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Party	Relationship	Nature of Transaction	31.03.2015 (Rs.)	31.03.2014 (Rs.)
1.	Dhanlabh Engineering Works Pvt. Ltd.	Enterprise in which two of the Directors of the Company are interested.	Labour Charges Sales Rent Electricity Charges. (Reimbursement)	4,794,689/- 180,516/- 2,786,530/- 1,158,997/-	5,207,518/- 289,842/- 2,696,640/- 1,340,505/-
2.	Economic Forge Private Limited	Enterprise in which one Director of the Company is interested.	Labour Charges Purchases	1,675,541/- 64,859/-	2,017,058/- -

(1.2.4) Note on Corporate Social Responsibility  
Expenditure related to Corporate Social Responsibilities as per Section 135 of the Company Act, 2013 read with Schedule VII thereof –

- a. Gross amount required to be spent by the Company during the year (2% of Average Net Profit) Rs. 1,612,000/-.
- b. Amount Spent on donations to the institutions involved in Social Responsibilities Rs. 783,002/-

(1.2.5) Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classifications/disclosures.

### STATEMENTS PURSUANT TO SECTION 212

Details of Subsidiary included in the Consolidated Financial Statements are as under:-

Sr.no.	Name of subsidiary Company (Step down subsidiary)	Country of Incorporation	Proportion of Ownership interest (%)	Proportion of Voting Power held (%)
1	Pradeep Metals Limited, Inc., Texas	USA	100.00	100.00
2	Dimensional Machine Works, LLC, Houston	USA	51.00	51.00

**Information Regarding Subsidiary Companies**  
(For the Financial year)

(Rs. In Lacs)

Sr. No.	Name of Subsidiary	Pradeep Metals Limited Inc, Texas*	Dimensional Machine Works, LLC, Houston	Pradeep Metals Limited, New York
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	01.04.2014 to 31.03.2015	01.01.2015 to 31.03.2015	01.04.2013 to 31.03.2014
2	Reporting Currency and Exchange Rate as on the last date of the relevant Financial year in case of Foreign Subsidiary	<b>USD (USD 1=Rs.62.16)</b>	<b>USD (USD 1=Rs.62.16)</b>	<b>USD (USD 1=Rs.59.66)</b>
3	Share Capital	267.29	684.10	2.98
4	Reserves and Surplus	42.52	133.90	10.94
5	Total Liabilities excluding share capital And reserves	2,433.39	796.45	547.07
6	Total Assets	2,743.20	1,614.44	560.99
7	Investments	348.89	-	-
8	Turnover **	1,233.50	954.55	716.51
9	Profit Before Taxation **	40.05	131.14	13.01
10	Provision for Taxation **	9.57	0 ***	1.98
11	Profit after Taxation **	30.48	131.14	11.03
12	Proposed Dividend	0	0	0
13	% of Shareholding	100%	51%	100%

\* Includes transactions of Pradeep Metals Ltd, New York, USA, upto 8th March, 2015, merged with it w.e.f. 9th March, 2015.

\*\* In case of foreign subsidiaries, translated at Average Exchange Rate of USD 1= Rs.60.88 for 2014-2015 (Previous year USD 1= Rs. 60.09)

\*\*\*Tax to be paid by both the shareholders on their respective share of profit.

Note:

- Names of the Subsidiaries which are yet to commence operations : None
- Names of subsidiaries which have been liquidated and sold during the year : None

As per our report of even date  
**S.R. REGE & CO.**  
CHARTERED ACCOUNTANTS  
(ICAI Regn.No. 108813W)

For and on behalf of the Board

**S.M. PATKI**  
PARTNER  
Membership No. 037690  
Navi Mumbai  
8th May, 2015

**PRADEEP GOYAL** Chairman and Managing Director  
**NEERU GOYAL** Director  
**ABHINAY KAPOOR** Company Secretary  
**RAJEEV DIXIT** Chief Financial Officer

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### 2. NOTES FORMING PART OF BALANCE SHEET

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>2.1 SHARE CAPITAL</b>		
<b>2.1.1 Authorised</b>		
18,500,000 (18,500,000) Equity Shares of Rs.10 each	1,850.00	1,850.00
550,000 (550,000) Preference Shares of Rs.100 each	550.00	550.00
	<b>2,400.00</b>	<b>2,400.00</b>
<b>2.1.2 Issued, Subscribed and Fully Paid</b>		
17,270,000 (17,270,000) Equity Shares of Rs.10 each fully paid up	1,727.00	1,727.00
Less : Calls in Arrears	0.74	0.74
<b>TOTAL</b>	<b>1,726.26</b>	<b>1,726.26</b>
<b>2.1.3</b> The list of Shareholders holding more than 5 % shares in the Company is given below :-		
<b>Name of the Shareholders</b>	<b>As at March, 2015</b>	<b>As at March, 2014</b>
	<b>No. of Shares</b>	<b>% of Holding</b>
	<b>No. of Shares</b>	<b>% of Holding</b>
S. V. Shah Construction Services P.Ltd	3,805,061	22.03
Flashnet Info Solutions (India) Ltd	-	-
Pradeep Goyal	1,576,400	9.13
Rabale Engineering ( I ) Pvt. Ltd	6,167,481	35.71
	2,778,561	16.09
	1,026,500	5.94
	1,521,400	8.81
	6,167,481	35.71
<b>2.1.4 The Reconciliation of the number of equity shares outstanding:-</b>		
Equity shares with voting rights	<b>As at March, 2015</b>	<b>As at March, 2014</b>
	<b>No. of Shares</b>	<b>(Rs. in lacs)</b>
	<b>No. of Shares</b>	<b>(Rs. in lacs)</b>
Shares outstanding as at the beginning of the year	17,270,000	1,727.00
Add :Issued during the year	-	-
Shares outstanding as at the end of the year	<b>17,270,000</b>	<b>1,727.00</b>

**2.2 RESERVES AND SURPLUS**
**Reserves and Surplus as at 31st March, 2015**

(Rs. in Lacs)

	Securities Premium Account	General Reserve	Surplus as per Statement of Profit & Loss Account	Foreign Currency Translation Reserve	Total
Opening Balance as per last Balance Sheet	515.98	211.60	901.37	(0.09)	1,628.86
Net Profit/(Loss) for the period	-	-	828.26	-	828.26
Add : Received during the period	-	-	-	-	-
Unrealised profits in respect of Intragroup transactions in consolidation	-	-	<b>71.60</b>	-	71.60
Add : Transferred from Statement of Profit & Loss during the Year	-	-	-	-	-
Add Deferred Tax Liability Written Back	-	-	106.94	-	106.94
Less Depreciation Adjustment on Fixed Assets	-	-	(329.59)	-	(329.59)
Less : Proposed Dividend on Equity Shares for the year	-	-	249.43	-	249.43
<b>(including Dividend Distribution Tax Rs.42.19 lacs)</b>	-	-	-	-	-
<b>Closing Balance</b>	<b>515.98</b>	<b>211.60</b>	<b>1,329.15</b>	<b>(0.09)</b>	<b>2,056.64</b>

**Reserves and Surplus as at 31st March, 2014**

(Rs. in Lacs)

	Securities Premium Account	General Reserve	Surplus as per Statement of Profit & Loss Account	Foreign Currency Translation Reserve	Total
Opening Balance as per last Balance Sheet	515.98	188.60	584.08	-	1,288.66
Net Profit/(Loss) for the period	-	-	569.88	-	569.88
Unrealised profits in respect of Intragroup transactions in consolidation	-	-	<b>12.87</b>	-	12.87
Add : Transferred from Statement of Profit & Loss during the Year	-	23.00	-	-	23.00
Less : Amount Transferred to General Reserve	-	-	23.00	-	(23.00)
Less : Proposed Dividend on Equity Shares for the year	-	-	242.46	-	(242.46)
Provision for the Year	-	-	-	(0.09)	(0.09)
<b>Closing Balance</b>	<b>515.98</b>	<b>211.60</b>	<b>901.37</b>	<b>(0.09)</b>	<b>1,628.86</b>

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	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>NON-CURRENT LIABILITIES</b>		
<b>2.3 (a) From Union Bank of India</b>		
<b>Term Loans (Secured by first pari passu charge on the fixed assets of the Company, present and future and second charge on current assets.):</b>		
(i) Term Loan V (Repayable in 45 monthly installments of Rs.10.00 Lacs each starting from July 2011 at the interest rate of Base Rate + 1.50% p.a.) The total outstanding as on 31st March, 2015 - Rs. Nil (Previous Year - Rs.116.56 Lacs.)	-	-
(ii) Term Loan VI (Repayable in 15 Quarterly Installments of Rs. 15.00 Lacs each starting from July 2012 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.35.52 Lacs. (Previous Year - Rs.95.52 Lacs)	-	35.52
(iii) Term Loan VII (Repayable in 17 Quarterly Installments of Rs- 27.35 Lacs each starting from July 2014 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.285.32 Lacs. (Previous Year - Rs. 169.75 Lacs.)	175.91	87.70
(iv) Term Loan for Wind Mill (Repayable in 21 Quarterly Installments of Rs- 50.00 lacs each starting from January 2017 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.855.58 Lacs. (Previous Year - Rs. Nil)	855.58	-
All above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company.		
<b>(b) Loan from Axis Bank Ltd</b>	-	-
(Secured by hypothecation of the vehicle : Terms of Repayment : starting from October 2011 in 35 monthly installments of Rs.0.15 lacs at the interest rate 11.24 % p.a.) The total outstanding as on 31st March,2014 - Rs.0.75 Lac (Previous Year - Rs. 2.42 Lacs). <b>Installments due on above within one year Rs. 144.93 Lacs. ( Previous year Rs. 259.36 Lacs )</b>		
<b>(c) Unsecured</b>		
Inter Corporate Deposits	-	-
	<u><b>1,031.49</b></u>	<u><b>123.22</b></u>
<b>2.4 DEFERRED TAX ASSETS AND LIABILITIES</b>		
<b>Deferred Tax Assets:</b>		
Other Timing Difference	58.40	45.47
Unabsorbed Depreciation Carried Forward	-	-
	<u><b>58.40</b></u>	<u><b>45.47</b></u>
<b>Deferred Tax Liability:</b>		
Arising out of Timing Difference on account of Book & Tax Depreciation for the Current Year	(313.16)	(395.40)
<b>Net Deferred Tax Liability</b>	<u><b>(337.00)</b></u>	<u><b>(267.69)</b></u>

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>2.5 OTHER LONG TERM LIABILITIES</b>		
Trade payable (Including Rs.266.29 Lacs Towards Acquisition of 51% Stake in CNC Machine Shop) (Previous Year - Rs. Nil)	329.46	0.98
	<u><b>329.46</b></u>	<u><b>0.98</b></u>
<b>2.6 LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	68.03	48.31
Others	17.95	-
	<u><b>85.98</b></u>	<u><b>48.31</b></u>
<b>CURRENT LIABILITIES</b>		
<b>2.7 SHORT-TERM BORROWINGS</b>		
Working Capital Loans from Union Bank of India Secured by hypothecation of inventories, book debts, including bills discounted/purchased and other current assets and second charge on the fixed assets (The above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company)	6,034.21	4,231.92
	<u><b>6,034.21</b></u>	<u><b>4,231.92</b></u>
<b>2.8 Trade payable</b>		
(a) For materials & supplies	996.42	957.89
(b) Towards Acquisition of 51% Stake in CNC Machine Shop	1,323.01	-
	<u><b>2,319.43</b></u>	<u><b>957.89</b></u>
<b>2.9 OTHER CURRENT LIABILITIES</b>		
Unpaid dividends	22.43	16.61
Trade Payable - Capital Goods	151.08	8.61
Outstanding Liabilities for Expenses (Including Rs.47.99 Lacs Towards Acquisition of 51% Stake in CNC Machine Shop.) (Previous Year - Rs. 13.21)	144.49	93.77
Other Liabilities (Advances from Debtors)	4.59	15.03
Loan From Do Nguyen	392.24	-
<b>Current Maturities of Long term Loans:-</b>		
<b>( a ) From Union Bank of India</b>		
<b>Term Loans (Secured by first pari passu charge on the fixed assets of the Company, present and future and second charge on current assets.):</b>		
( i ) Term Loan V (Repayable in 45 monthly installments of Rs.10.00 Lacs each starting from July 2011 at the interest rate of Base Rate + 1.50% p.a. ) The total outstanding as on 31st March, 2015 - Rs. Nil (Previous Year - Rs.116.56 lacs.)	-	116.56
( ii ) Term Loan VI (Repayable in 15 Quarterly Installments of Rs. 15.00 Lacs each starting from July 2012 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.35.52 Lacs. (Previous Year - Rs.95.52 Lacs)	35.52	60.00
( iii ) Term Loan VII (Repayable in 17 Quarterly Installments of Rs. 27.35 Lacs each starting from July 2014 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.285.32 Lacs. (Previous Year - Rs. 169.75 Lacs.)	109.41	82.05

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	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014		
(iv) Term Loan for Wind Mill (Repayable in 21 Quarterly Installments of Rs- 50.00 lacs each starting from January 2017 at the interest rate of Base Rate + 1.75% p.a.). The total outstanding as on 31st March, 2015 - Rs.855.58 Lacs. (Previous Year - Rs. Nil) All above loans are also secured by personal guarantee of the Chairman and Managing Director of the Company.	-	-		
<b>(b) Loan from Axis Bank Ltd</b>	-	0.75		
(Secured by hypothecation of the vehicle : Terms of Repayment : starting from October 2011 in 35 monthly installments for Rs.0.15 Lac. at the interest rate 11.24 % p.a.) The total outstanding as on 31st March,2014 - Rs.0.75 Lac (Previous Year Rs. 2.42 Lacs) <b>Installments due on above within one year Rs. 144.93 lacs.</b> <b>( Previous year Rs. 259.36 Lacs )</b>				
<b>(c) Unsecured</b>				
Inter Corporate Deposits	-	-		
	<u><b>859.76</b></u>	<u><b>393.38</b></u>		
<b>2.10 SHORT-TERM PROVISIONS</b>				
Provisions for Income Tax (Net of Advance Tax and TDS of Rs. 147.26 Lacs) (Previous Year Rs. 147.26 Lacs)	174.86	2.22		
Proposed Dividend	249.43	242.46		
Provision for Employee Benefits	227.26	195.63		
	<u><b>651.55</b></u>	<u><b>440.31</b></u>		
<b>2.11. FIXED ASSETS</b>				
Pls. refer Page No. 86				
2.11.1 Depreciation and amortisation for the year	272.29	206.14		
Less: Capitalised as pre-operative expenses	-	-		
Less: Additional depreciation on revalued assets withdrawn from capital reserve	-	-		
Depreciation and amortisation for the year charged to Statement of Profit and Loss	<u><b>272.29</b></u>	<u><b>206.14</b></u>		
<b>2.12 NON-CURRENT INVESTMENTS</b>				
<b>Unquoted Investments</b>				
Janakalyan Sahakari Bank Ltd.	10.00	10	-	0.00
Dombivli Nagari Sahakari Bank Ltd.	50.00	1,000	-	0.50
The Thane Janata Sahakari Bank Ltd.	50.00	1,000	-	0.50
Shares of 100% Subsidiary Pradeep Metals Ltd., USA.	USD 25.00	200	-	-
			<u><b>-</b></u>	<u><b>1.00</b></u>

## 2.11 FIXED ASSETS

(Rs. In Lacs)

	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	As At 01.04.2014	Additions	Deductions	As at 31.03.2015	As at 01.04.2014	For the Year	Adjustment on Sales	Retained Earnings	As at 31.03.2015	As at 31.03.2015	31.03.2014
<b>TANGIBLE ASSETS</b>											
Leasehold Land	55.81	56.70	-	112.51	-	-	-	-	-	<b>112.51</b>	55.81
Factory Buildings	355.34	-	-	355.34	180.56	10.63	-	-	191.19	<b>164.15</b>	174.78
Plant and Machinery	3,395.77	110.02	385.28	3,435.43	1,740.12	211.01	319.11	315.21	1,947.23	<b>1,488.20</b>	1,655.65
Wind Mill	-	1,279.51	-	1,279.51	-	0.15	-	-	0.15	<b>1,279.36</b>	-
Electrical Installation	170.45	2.79	10.88	162.36	121.63	14.36	5.72	1.71	131.98	<b>30.38</b>	48.82
Office Equipment	38.35	-	20.01	18.34	18.84	4.80	18.54	7.96	13.06	<b>5.28</b>	19.51
Computers	135.46	6.69	71.91	70.24	96.59	19.11	71.84	1.59	45.45	<b>24.79</b>	38.87
Furniture and Fixtures	36.30	3.82	21.25	17.35	20.92	2.26	18.50	0.32	5.00	<b>12.35</b>	15.38
Vehicles	68.58	12.61	4.32	76.87	37.35	9.97	4.12	2.79	45.99	<b>30.88</b>	31.23
<b>Total Tangible Assets</b>	<b>4,254.54</b>	<b>1,747.40</b>	<b>473.99</b>	<b>5,527.95</b>	<b>2,216.01</b>	<b>272.29</b>	<b>437.83</b>	<b>329.58</b>	<b>2,380.05</b>	<b>3,147.90</b>	<b>2,038.53</b>
<b>Previous Year</b>	<b>4068.63</b>	<b>311.72</b>	<b>125.81</b>	<b>4,254.54</b>	<b>2,129.77</b>	<b>206.14</b>	<b>119.90</b>	<b>-</b>	<b>2,216.01</b>	<b>2,038.53</b>	
<b>INTANGIBLE ASSETS</b>	-	-	-	-	-	-	-	-	-	1,565.11	-
<b>Total Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Previous Year</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fixed Assets</b>	<b>4,254.64</b>	<b>1,747.40</b>	<b>473.99</b>	<b>5,527.95</b>	<b>2,216.01</b>	<b>272.29</b>	<b>437.83</b>	<b>-</b>	<b>2,380.05</b>	<b>3,147.90</b>	<b>2,038.53</b>
Capital work-in-progress (including Pre-operative Expenses)										<b>691.92</b>	<b>179.20</b>
Intangible Assets Under Development										-	-
										<b>3,839.82</b>	<b>2,217.73</b>



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	(Rs. in Lacs)	(Rs. in Lacs)
	As at 31st	As at 31st
	March, 2015	March, 2014
2.12.1 Aggregate Cost of :		
Quoted Investments	-	-
Unquoted Investments	-	1.00
	-	1.00
	-	1.00
<b>NON-CURRENT ASSETS</b>		
<b>2.13 LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, Considered Good unless otherwise stated)</b>		
Capital Advances	444.14	333.55
Deposits and Balances with Government and other Authorities	43.79	43.79
Mat Credit Entitlement	6.20	78.91
Less : Utilised upto 31st March , 2015	-	(78.91)
Mat Credit Available	6.20	-
Other Deposits	6.77	7.70
	<b>500.90</b>	<b>385.04</b>
	<b>500.90</b>	<b>385.04</b>
<b>2.14 OTHER NON-CURRENT ASSETS</b>		
Long term Trade Receivables	17.30	13.60
	<b>17.30</b>	<b>13.60</b>
	<b>17.30</b>	<b>13.60</b>
<b>CURRENT ASSETS</b>		
<b>2.15 INVENTORIES</b>		
Raw Materials	880.49	681.59
Work-in-progress (Note 4.1)	1,512.99	1,252.34
Consumable stores & spares & Fuel	187.48	228.16
Dies	1,027.51	952.21
Scrap	12.81	19.97
Stock of Flanges	671.81	317.90
	<b>4,293.09</b>	<b>3,452.17</b>
	<b>4,293.09</b>	<b>3,452.17</b>
<b>2.15.1 Work-in-progress</b>		
Forgings	1,512.99	1,252.34
Others	-	-
	<b>1,512.99</b>	<b>1,252.34</b>
	<b>1,512.99</b>	<b>1,252.34</b>
<b>2.16 TRADE RECEIVABLES</b>		
<b>(Unsecured, Considered Good unless otherwise stated)</b>		
Outstanding for a period exceeding six months from the date they are due for payment.	19.10	3.37
Others	4,337.65	2,868.40
	<b>4,356.75</b>	<b>2,871.77</b>
	<b>4,356.75</b>	<b>2,871.77</b>

	(Rs. in Lacs)	(Rs. in Lacs)
	As at 31st	As at 31st
	March, 2015	March, 2014
<b>2.17 CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents		
Balances with Scheduled banks :		
In Current Accounts	225.61	22.77
In Fixed Deposits (pledged with Government Authorities and Banks)	8.33	11.99
Cash in Hand	0.93	1.14
	<u><b>234.87</b></u>	<u><b>35.90</b></u>
2.17.1 Lodged as security with Government Department	-	-
2.17.2 Interest accrued	-	-
<b>2.18 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Unsecured (Considered Good unless otherwise stated)</b>		
Loans and Advances	918.46	803.06
(Export benefits, Balance with Excise & Sales Tax Dept.)		
Advance Income Tax ( Net of Provision for Tax of Rs.538.48 lacs)	106.30	38.54
(Previous Year Rs.301.70 lacs)		
	<u><b>1,024.76</b></u>	<u><b>841.60</b></u>

## 32nd ANNUAL REPORT 2015

### 3. NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>3.1 REVENUES</b>		
<b>a) OPERATING REVENUES</b>		
<b>Sale of Products</b>		
Export	7,751.83	6,676.90
Domestic	5,738.33	3,908.07
Job work/ Tooling Charges	26.78	76.11
Less: Excise Duty	758.70	564.67
	<u><b>12,758.24</b></u>	<u><b>10,096.41</b></u>
<b>b) OTHER OPERATING REVENUES</b>		
Export Incentives	114.51	157.66
Scrap Sales	1,182.40	1,012.64
Miscellaneous Receipts - Operating	6.05	5.58
	<u><b>1,302.96</b></u>	<u><b>1,175.88</b></u>
	<u><b>14,061.20</b></u>	<u><b>11,272.29</b></u>
<b>3.2 OTHER INCOME</b>		
Exchange Rate Difference (Net)	-	114.39
Interest on Bank and Other Accounts	15.76	8.34
Dividend (Gross) from Others	0.08	0.08
	<u><b>15.84</b></u>	<u><b>122.81</b></u>
Profit on Sale of Fixed Assets (Net)	144.46	5.49
Miscellaneous Receipts - Non Operating	48.32	42.69
	<u><b>208.62</b></u>	<u><b>170.99</b></u>
<b>3.3 COST OF MATERIALS CONSUMED</b>		
<b>Raw Material</b>		
Opening Stock As on 1st April, 2014	681.59	532.32
Add : Purchases And Incidental Expenses	6,864.78	5,593.33
Less : Closing Stock As on 31st March, 2015	880.49	681.59
	<u><b>6,665.88</b></u>	<u><b>5,444.05</b></u>
<b>3.4 PURCHASES OF STOCK-IN-TRADE</b>		
Others /Steel	-	168.09
	<u><b>-</b></u>	<u><b>168.09</b></u>
<b>3.5 INCREASE / DECREASE IN STOCKS</b>		
Opening Stock As on 1st April, 2014		
a. Process Stock/Finish Goods	1,252.34	1,300.70
b. Scrap	19.97	27.20
c. Stock of Flanges	324.40	-
	<u><b>1,596.71</b></u>	<u><b>1,327.90</b></u>
Less : Closing Stock As on 31st March, 2015		
a. Process Stock/Finish Goods	1,512.99	1,252.34
b. Scrap	12.81	19.97
c. Stock of Flanges	505.77	320.19
	<u><b>2,031.57</b></u>	<u><b>1,592.50</b></u>
	<u><b>(434.86)</b></u>	<u><b>(264.60)</b></u>

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>3.6 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries	172.72	282.14
Wages	1,292.50	1,041.38
Contribution To Provident And Other Funds	71.80	49.52
Staff Welfare Expenses	51.88	45.93
	<u><b>1,588.90</b></u>	<u><b>1,418.97</b></u>
<b>3.7 FINANCE COSTS</b>		
Interest on Term Loans and Working Capital Facilities	234.16	323.75
Interest on Inter Corporate Deposit	-	7.13
Other Interest	3.51	0.55
	<u><b>237.67</b></u>	<u><b>331.43</b></u>
<b>3.8 OTHER EXPENSES</b>		
(A) Consumable stores and spares	616.08	511.19
(B) Power, fuel and water	708.67	684.28
(C) Rent	46.69	29.42
(D) Repairs To Factory Buildings	48.78	37.87
(E) Repairs To Machinery	253.13	62.07
(F) Insurance	55.54	26.31
(G) Dies Consumed / Written-off	387.16	400.52
<b>(H) Miscellaneous Expenses (Refer note 3.8.1)</b>	<u><b>2,479.05</b></u>	<u><b>1,513.61</b></u>
	<u><b>4,595.10</b></u>	<u><b>3,265.27</b></u>
<b>3.8.1 Miscellaneous Expenses</b>		
Payments to sub-contractors	500.99	442.41
Inward Freight, Octroi and Other expenses	197.52	194.65
Other administrative expenses	725.42	212.90
Donation to Political Party	-	5.00
Selling expenses	633.31	439.36
Loss on foreign exchange fluctuation (Net)	84.02	-
Others	337.79	219.29
	<u><b>2,479.05</b></u>	<u><b>1,513.61</b></u>
<b>3.8.2 Auditors' Remuneration (Including service tax) charged to Statement of Profit and Loss account</b>		
Audit fees	3.37	3.37
Tax Audit fees	0.85	0.85
For Consultation on Tax Matters	0.85	0.85
Other Matters	1.40	1.20
Reimbursement of expenses	0.49	0.27
	<u><b>6.96</b></u>	<u><b>6.54</b></u>

## 32nd ANNUAL REPORT 2015

	(Rs. in Lacs) As at 31st March, 2015	(Rs. in Lacs) As at 31st March, 2014
<b>3.9 Earnings Per Share:</b>		
Net profit for the year from ordinary activities attributable to equity shareholders	828.26	569.88
	828.26	569.88
Weighted-average-number of potential equity shares on exercise of options	17,270,000	17,270,000
Basic Earnings Per Share (Face Value of 10 each)	<b>4.76</b>	<b>3.30</b>
- From ordinary activities		
Diluted Earnings Per Shares (Face Value of 10 each)	<b>4.76</b>	<b>3.30</b>
- From ordinary activities		

### 4.1 Additional information details

(Rs. in lacs)

#### 4.1 Turnover and Stocks

Products	Turnover		Stock	
	31st March,2015	31st March,2014	31st March,2015	31st March,2014
01. Steel Forging work	11,307.14	9,861.81	1,512.99	1,252.34
02. Steel Trading	2,187.75	723.16	-	-
	<b>13,494.90</b>	<b>10,584.97</b>	<b>1,512.99</b>	<b>1,252.34</b>

As per our report of even date

**S.R. REGE & CO.**

CHARTERED ACCOUNTANTS

(Regn.No. 108813W)

**PRADEEP GOYAL**

Chairman and Managing Director

**NEERU GOYAL**

Director

**S.M. PATKI**

PARTNER

Membership No. 037690

**ABHINAY KAPOOR**

Company Secretary

Navi Mumbai

8th May, 2015

**RAJEEV DIXIT**

Chief Financial Officer


**PRADEEP METALS LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

(Rs. in Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A Cash Flow from Operating Activities</b>		
Profit before tax Unaudited	1,344.84	873.92
<u>Adjustments for:</u>		
Depreciation expense	272.29	206.14
Dividend Received	(0.08)	(0.08)
Profit on sale of fixed assets	(144.46)	(5.49)
Interest Expense	237.67	331.43
Interest Income	(15.76)	(8.34)
Miscellaneous Expenses Written Off	-	0.81
Bad trade and other receivables written off	4.48	6.52
Operating Profit before change in Working Capital Changes	<b>1,698.98</b>	<b>1,404.91</b>
<u>Changes in working capital</u>		
Decrease/(Increase) in Trade receivables and loans and advances	(1,607.63)	106.60
Decrease/(Increase) in Inventories	(840.92)	(221.90)
(Decrease)/Increase in Trade and other payables	306.47	(206.66)
Intragroup Transaction Unrealised Gain	71.61	12.87
<b>TOTAL</b>	<b>(2,070.47)</b>	<b>(309.09)</b>
Cash generated from operations	(371.50)	1,095.82
Net income tax paid	(321.55)	247.64
<b>Net Cash flow from Operating Activities</b>	<b>(693.05)</b>	<b>848.18</b>
<b>B Cash Flow from Investing Activities</b>		
Capital expenditure on fixed assets, including capital advances	(2,156.06)	(431.76)
Purchase of investments	1.00	1.00
Proceeds from Sale of Fixed Assets	180.62	11.41
Dividend received from Investments	0.08	0.08
Interest received on Deposits	15.76	8.34
<b>Net Cash used in Investing Activities</b>	<b>(1,958.60)</b>	<b>(410.93)</b>
<b>C Cash Flow from Financing Activities</b>		
Increase in working capital Borrowings	1,802.29	257.84
Proceeds from Term Loans	793.84	(159.86)
Dividend paid	(236.64)	(195.87)
Interest Paid	(237.67)	(331.43)
Minority Interest (Contribution)	336.56	-
Short Term Loan from a Director of Dimensional Machine Works, LLC	392.24	-
<b>Net Cash used in Financing Activities</b>	<b>2,850.62</b>	<b>(429.32)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>198.97</b>	<b>7.93</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>35.90</b>	<b>27.97</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>234.87</b>	<b>35.90</b>

As per our report of even date

**S.R. REGE & CO.**

 CHARTERED ACCOUNTANTS  
 (Regn.No. 108813W)

**PRADEEP GOYAL**

Chairman and Managing Director

**S.M. PATKI**

PARTNER

Membership No. 037690

**NEERU GOYAL**

Director

**ABHINAY KAPOOR**

Company Secretary

Navi Mumbai

**RAJEEV DIXIT**

Chief Financial Officer

8th May, 2015

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